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Fwd: Pritzker shows hand on graduated tax plan

1 message

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March Board Meeting

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From: **State School News Service** <j.m.broadway74@gmail.com>

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Subject: Pritzker shows hand on graduated tax plan

To: <jbauer@panaschools.com>

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Pritzker shows hand on graduated tax plan

By Jim Broadway, Publisher, Illinois School News Service

Friday's [ISNS issue included a description](#) of the only possible sequence of events that, in my view, could lead to the enactment of a graduated income tax structure in Illinois - a structure vital to Illinois' future. Then Friday morning's news for the great unwashed showed Pritzker [revealing that essential sequence](#).

[Disclaimer: There was *no collusion, no coordination* between Illinois School News Service and the Pritzker Administration regarding public information on graduated income tax structures. Anyone who says otherwise is just spreading *fake news*. Any inquiry into the matter should be regarded as *a witch hunt*.]

What follows is probably more about graduated income taxes than you want to know. But from covering governance at the state level for decades, I'm positive that the issue Gov. JB Pritzker has put on the table in 2019 is more important than any other controversy any of us will ever see play out in Illinois again.

What would Pritzker's proposal do for you? If your annual household income is not more than \$250,000, you would get a tax cut - albeit a quite small one. Income beyond that amount (*not all income*, just the dollars in excess of \$250,000, like most of Pritzker's dollars) would be taxed at 7.75% to 7.95%, the maximum rate.

The median-income (\$61,000/year) family of four with a \$3,500/year property tax would save \$41 on their income tax and \$35 on their property tax, plus they would get \$195 in "child tax credits" - for a total saving of \$271, as Pritzker's proposal is analyzed by the Illinois Department of Revenue (which *knows* these things).

So, while the proposal's benefits for you, personally, would be small, the \$3.4 billion that would be added to the revenue flow of the state would make the difference regarding the state goal of debt repayment, evidence-based funding for public schools and safety-net services for the poor, the sick, the homeless.

Will Pritzker's plan prevail? It can, if certain events take place, but at this point it faces a steep uphill grade. The Illinois flat tax, that regressive structure now in place, is enshrined in the Illinois Constitution of 1970 - the "operating system" of state governance, a controlling document designed *not to be easily amended*.

[Article XIV, Section 2](#) has the details. It takes three-fifths of the members of both chambers to put a constitutional amendment resolution on a *general* (importantly, not a *special*) election ballot. Then 60% of the votes cast on the amendment will ratify it. Then a law implementing it must be passed.

A survey late last year showed [57% of likely voters favor](#) a graduated income tax. But that's short of the needed 60%. And the question has not yet been flogged by millions of dollars in corporate cash devoted to media ads and other professional efforts to make the voters *fear the effects* of a graduated income tax.

There is no doubt that a well-funded anti-graduated tax (it will be called a "Jobs Tax") campaign will be mounted. So it is relevant to ask: will Pritzker allow opponents of his pivotal policy initiative outspend him to influence the vote outcome? That seems unlikely, considering how much he spent getting elected.

Pritzker's opponents surely realize that, which would explain why their *negative campaign has already begun*. Yes, as we saw Friday, [HR 153](#) - co-sponsored by all 44 members of the House Republican caucus - was filed in "opposition to any measure that would allow the creation of a graduated income tax."

The word "allow" is significant. As noted above, it takes a large majority of citizens voting on the question to ratify any amendment to the constitution. HR 153 sponsor [Rep. Jim Durkin](#) (R-Burr Ridge) is a lawyer, so he knows that. The wording of his resolution (which carries no legal effect) takes that into account.

While it is the voters' action that would "create" a constitutional graduated income tax by ratification, the voters cannot take that action unless the legislators enable them to do so - which can be done only by the passage of a resolution to put a constitutional amendment question on a general election ballot.

So what Durkin's resolution wants is only one thing: that the *voters be deprived of any opportunity* to express themselves on the question of graduated income taxes. And since he is House Minority Leader (controls committee assignments and other GOP member perks), House Republicans support HR 153 *unanimously*.

Since it would have no effect even if passed (which it won't be), what is the purpose of HR 153? It is nothing more than a collection of "talking points" in opposition to a proposal that had not even seen the light of day when the talking points were written. It is a combination of pandering and misdirection.

Perhaps it is because HR 153 is unlikely to come to a vote that the resolution is so badly written, so unimaginably poorly constructed. It has all the pandering required, all the bragging about what a great state we have here, and all the fear-mongering about jobs leaving the state if there's a graduated tax.

In Friday's issue, I promised to dissect HR 153, to show it for what it is. I have posted a web page for that purpose, a page showing side-by-side: the verbatim language of Durkin's resolution, and my sense of the meaning each paragraph has (or does not have). You will find [that web page at this url](#).

The "comment" link you see below is also on that page. If you disagree with me, or if you agree for a reason I have not expressed, please use that link to clue me in. Meanwhile, I have reviewed all current state graduated income tax systems and, next time, I will tell you what I see in them that seems relevant.

The location of the ISNS bill-tracking web page has been changed. That's because it belongs to you, to ISNS subscribers. You'll find the latest status of 265 bills [at this URL](#). Please keep it in the family; don't share it with strangers. We can't just give it away for free. ISNS is not a non-profit entity, not intentionally anyway.

With that, I'll tell you that the page is up to date - and it will be at least until the first hearing this week of a committee that has custody of our bills. (That would be the PK-12 appropriations committee, which convenes at 2 p.m. Tuesday, but only [for "subject matter" discussions](#). No bills will be voted upon.)

In other committee action (repeating from Friday):

The House PK-12 committee on "[curriculum & policies](#)" is to convene at 10 a.m. Wednesday with 20 bills posted. The House PK-12 committee on "[administration, licensing & charter schools](#)" is scheduled for 2:30 p.m. Wednesday, with a tidy nine-bill agenda. You may monitor House committee [hearings at this link](#).

The [Senate Education Committee](#) is to convene at 1 p.m. Tuesday with 24 bills and four resolutions posted. That's a large agenda with little time to address; the Senate deadline for committee action on chamber-of-origin bills is March 22 (the House deadline is March 29.) You may monitor Senate committee [hearings at this link](#).

The only way to contact me: Use the link below. As soon as you "submit" your message, it is sent to me by email. Your message may be complex and "attached" to a document, or it may be as simple as "call me."

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Your inputs - questions, comments, suggestions - are valued. For twenty-four years ISNS has been guided by wisdom "from the field." To contribute in this way, just [click this link to my contact form](#).

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