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## Fwd: High sales tax is a good deal in some counties

1 message

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September Board Meeting

------ Forwarded message ------From: **State School News Service** <j.m.broadway74@gmail.com> Date: Thu, Sep 13, 2018 at 2:04 AM Subject: High sales tax is a good deal in some counties To: jbauer@panaschools.com

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# High sales tax is a good deal in some counties

By Jim Broadway, Publisher, Illinois School News Service

You've visited Chicago. What's with the high sales taxes (it's 10.75% at a restaurant) there?, you've wondered. It's bad that you had to pay the sales tax during your two-day visit, but those poor folks who live there have to pay it every day of their lives. The thing is, you *probably shouldn't feel sorry* for those poor folks.

People who live in cities pay a variety of taxes and fees. But with few exceptions (fines for parking and camera-detected traffic violations, for example), they are paid only by local residents. But sales taxes are paid by everyone who happens to be in the jurisdiction. That is, *outsiders help a city amass its sales tax dollars*.

What do those sales tax dollars buy? Generally, they pay for things the residents would need whether or not outsiders also pay. An *excellent example of that is school buildings*, in counties where (1) outsiders visit often and (2) voters have been wise enough to pass a referendum imposing a sales tax for school construction.

Back in 2010, Sangamon County - home of the state Capitol and much-visited Abraham Lincoln sites - the voters defeated such a referendum. "If schools are to be constructed or improved (but they would not), we'll handle that ourselves," county voters seemed to tell the outsiders. Now, was that wise? You be the judge. Pana Community Unit School District #8 Mail - Fwd: High sales tax is a good deal in some counties

**Not all venues are equal opportunity attractions,** of course. Sangamon County gets hordes of visitors each summer for the Lincoln sites. And hundreds of legislators and lobbyists and interest groups swarm around the Capitol each spring. All those *outsiders* need places to stay, things to eat - and, of course, to drink.

Chicago? It's where high-rollers from both coasts gather. Plus, there's the Cubs. It is probably right for the Windy City to have the highest combined sales tax rate (10.75%) of all large U.S. cities. Only one city, much smaller, edges Chicago outwith a combined rate of 10.775%. That would be Minneapolis. (Think Mall of America.)

What about counties where outsiders are rarely seen? [Personal note: I once entered an office labeled "Visitor Center" in a downstate county. Folks abruptly stopped their conversation and gave me a What-the-hell-are-you-doing-here? stare.] In such counties, a sales tax is just regressive, just a benefit to wealthy residents.

Why is that? Let's assume your county will have decent school buildings no matter what. If paid for by property taxes, the burden is greater for the owners of the most valuable properties (usually the more affluent folks). If paid for by a sales tax, the amount paid on an Egg McMuffin is the same for all, rich or poor.

Forty-nine Illinois counties have passed referenda for a 1-cent sales tax for school construction and renovation, according to the Illinois Association of School Boards. Voters in some of them may have erred, but Sangamon should pass this tax.

**Of what concern of all this is it to the IPI?** The Illinois Policy Institute, a sham "think tank" that is actually just a tool of wealthy school privatizers who are disdainful of all government in our democracy, has injected its opinion ("No, no, no.") of the sales tax into Sangamon County's reconsideration of the voters' failure of 2010.

The State Journal-Register quoted IPI research analyst Bryce Hill as complaining that "Springfield residents are already being nickeled and dimed by their governments, especially District 186." Hill apparently did not address the question of who pays for school construction by property tax *versus* sales tax.

The IPI has long exerted a conservative influence on policy outcomes in the Illinois General Assembly, primarily with Republican senators and representatives. As ISNS has reported, in past years you could watch GOP committee members turning the pages of IPI position papers in unison, during bill discussions.

The "Institute," has a strongly pro-privatization attitude regarding school policy, and a compulsive "right-to-work" position in relation to unions, in both the public and private sectors. And now Mark Janus, one of the nation's top union-busters, has left his state job for a position with the IPI, which sees him as a hero.

**What's next Bruce? "Lock him up"?** "He's been in the General Assembly since 1971," Gov. Bruce Rauner said of House Speaker Michael Madigan at a recent political event in Springfield. Rauner added: "That is corruption at its core." (Being elected and reelected a total of 16 times, that alone equals corruption?)

The event was to sell an argument for term limits. No legislator should serve more than 10 years in the House or Senate, Rauner asserted. After he learned that legislative candidates at the event were using the gimmick of "signing a pledge" to support an eight-year limit for all state officials, Rauner "corrected" himself.

Eight years and out, Rauner said. Then he was asked about House Republican Leader Rep. Jim Durkin. He's been in the House more than 20 years. Should he retire? Rauner didn't respond, veteran State Journal-Register political writer Bernard Schoenburg reported, except to support, in effect, anyone but Madigan for Speaker.

Rauner continually calls Madigan "corrupt" and that he "should be investigated," without saying what law he has broken. The governor hopes voters will flip nine House

seats in November to elect a Speaker not named Madigan. If this is all he has as a strategy, it is quite lame. Madigan will still be Speaker in 2019.

**What about term limits? Are they as wonderful** as Rauner says? Term limits were first enacted in 1990 and the last term limit law was enacted in 2000. Now 15 states have term limits on legislators. Hopes were high. Voter referenda to put term limits in those states' constitutions passed by an average of 67%.

Much research has been done since. *Bottom line: They do no good*. At least, none of the studies have uncovered any benefits for the voters who have ratified them. Their legislators are less experienced. Much legislative power has shifted, but not to "the people"; it has gone to governors, to staff and to lobbyists.

Then there is the Burkean Shift, "whereby term-limited legislators become less beholden to the constituents in their geographical districts and more attentive to other concerns." There are just many built-in negatives, not the least of which is that term limits are among the most undemocratic policies ever tried.

Renee O'Connell, a "policy wonk" at the Institute for Public Policy and Social Research at Michigan State University, has prepared a <u>brief presentation on the subject</u>. I think it covers most of the salient points. If anyone finds a credible study that implies positive effects of term limits, let me know via the link below.

#### **Snippets:**

**Who funded the Janus anti-union case?** According to the New York Times, it was a "web of conservative donors" that fought the case against "fair share" contributions from non-union member public employees who benefit from contract negotiations conducted for the benefit of all public employees, including them.

Who is in the "web"? The Times article linked above refers to Rauner and Wisconsin Gov. Scott Walker, both of them billionaires, and to - what a surprise - the Illinois Policy Institute. The authors assert that "these donors have not just brought labor to the brink of crisis but threatened the Democratic Party as well."

We'll see. My sense right now is that the GOP is on the brink of oblivion. It will surely survive, but Republicans who cannot distance themselves from the current occupant of the White House are wrecking their party.

**Rep. Lou Lang never should have been accused.** The woman who alleged the he committed sexual harassment against her sullied Lou's reputation, sure, but she also sullied her own and that of the entire "Me Too" movement. An investigation found, as those of us who know Lou knew it would, her tale was pathetically false.

**Fact-checkers found Rauner's claim to be false** (no big surprise) when he said: "The truth is, every state that has put in a graduated income tax, the middle class always pays more." The IPI goes even farther with this lie. The truth is usually just the opposite. It is the flat income tax rate that burdens the poor and middle class to benefit the rich. This conflict requires a bit of explaining. We'll get to that, and we'll do it well before the November 6 elections.

**How relevant is the question of whether Betsy DeVos** can say it's okay for school teachers to bring their guns to work? Until the Gun-Free Schools Act of 1990 (see and hear it here) is repealed, I'd say the question is irrelevant. Not Betsy, not anyone, can circumvent the law which, as enacted in 1990:

"Amends the Federal criminal code to impose criminal penalties for the possession or discharge of a firearm in a school zone, with specified exceptions, including the possession or discharge by an individual as part of a school program or by a law enforcement officer acting in an official capacity."

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Apparently they didn't hear about the federal gun-free school law down in Florida (a state with a lot of problems these days). A law passed in March would let their teachers carry firearms to school. But there's resistance to it. (Melting glacial ice, a consequence of science Floridians may deny, will render the issue moot.)

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#### 9/17/2018

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