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Fwd: Despite GOP, public favors graduated tax

1 message

Jason Bauer <jbauer@panaschools.com>
To: nblodgett@panaschools.com

Fri. Mar 29. 2019 at 8:52 AM

April board meeting.

Sent from my iPhone

Begin forwarded message:

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

Date: March 29, 2019 at 8:34:50 AM CDT

To: jbauer@panaschools.com

Subject: Despite GOP, public favors graduated tax

Reply-To: j.m.broadway74@gmail.com

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Despite GOP, public favors graduated tax

By Jim Broadway, Publisher, Illinois School News Service

It's 97-to-3, and

you are among the 97. The 3 are the most financially privileged, the wealthiest and most care-free people in Illinois;

why would you side with them against your peers, your family and (yes) even yourself? As irrational as it seems, that's what the polls suggest many Illinoisans do - side against themselves.

The issue, of course, is Gov. JB Pritzker's proposed graduated income tax.

Of the \$3.4 billion it would generate, \$2.7 billion would come from a marginal tax rate on *dollars beyond* \$1 million that 22,000 Illinois taxpayers receive; the other \$700 million would come from marginal rates on the \$500,001-to-\$1 million and the \$250,000 to \$500,000 that the rest of the 3% enjoy in annual income. That's it. If your tax return reports \$250,000 or less taxable income, Pritzker's plan *could not cost you a dollar*.

How does the general public feel about that? According to a Paul Simon Public Policy Institute poll reported this week, Illinoisans favor the Pritzker proposal 67% to 34%. In fact, residents of the wealthiest areas (Chicago, suburban Cook and collar counties) favor it more strongly than those in areas it would benefit most.

Sure, 67-to-34 is strong support. If it were to hold, a constitutional amendment for graduated income taxation would be ratified in 2020. But unless those who would be the least adversely affected by it - and would receive the most benefits in resulting state supports - vote their interests, the passing margin will not hold.

If all citizens vote their interest, it would be ratified by 94 points: 97 to 3.

Why is the margin in favor unlikely to hold? There are two factors. One is the fact that some very wealthy folks (not as wealthy as Prizker, of course, but still filthy rich) have already turned on the lie machine. The other is the fact that folks in downstate counties (about 20% of Illinoisans) are expecially vulnerable to mendacity.

More about that in a moment. What did the Simon Institute poll results suggest? Chicagoans were 74% in favor of the tax reform Pritzker proposes. Sure, a lot of Illinoisans are on the edge financially there, but the Windy City is also home to a high percentage, probably most, of the state's 22,000 incomes over \$1 million.

Of the suburban Cook and collar counties' respondents, a hefty 68 percent agreed that a graduated tax - with the least affluent citizens paying less and the wealthiest paying more - is a great idea. In the "downstate" 96 counties, where you rarely find a millionaire, support was just at the 60% edge of ratification.

The Illinois Constitution is unambiguous on this point. "A tax on or measured by income shall be at a non-graduated rate," it asserts (Article IX, Section 3). Changing the constitution is not easy. It takes three-fifths of the legislators in the House and the Senate to put an amendment on the ballot, and 60% of the voters to ratify it.

Who are the opponents and what are their tactics? It's difficult to know where the money comes from, now that the law no longer requires such identifications. The "organization" behind the lie machine is called "Ideas Illinois," which tells us it is an outgrowth of a "Coalition for Jobs, Growth and Prosperity."

The Coalition shows us two familiar faces. The chairman is James Gidwitz, brother of gazillionaire Ron Gidwitz, former chairman of the Illinois State Board of Education (an

office he purchased from ex-Gov. George Ryan, who I think is out of prison now, right?); the treasurer is former powerful lobbyist Greg Baise.

The plan, apparently, is to keep any graduated tax amendment off the ballot, to prevent Illinois voters from even having an opportunity to decide the issue. They're focusing on the Illinois House, which would have to cast 71 votes to put the issue on the 2020 ballot, and the Democrats hold a 74-44 majority in that chamber.

Apparently assuming all Republicants will oppose a resolution to let the public decide the tax question, Ideas Illinois has demonized Pritzker and House Speaker Michael Madigan (already softened up by former Gov. Bruce Rauner), and asking voters to tell the four Democrats to oppose the resolution.

If they can get the House vote down to just 70, the constitutional amendment could not go on the 2020 ballot. Ideas Illinois hopes constituents of Reps. Tera Howard (Lombard), Mary Edly-Allen (Libertyville), Jonathan Carroll (Northbrook) and Monica Bristow (Alton) will muscle up on them toward that end.

If the scare tactic succeeds, the House vote would fail and the issue would never get to the people for a vote. But, in the event that the House does vote the issue onto the 2020 general election ballot, the other edge of the Ideas Illinois tactic is to demean the question and imply it's a bad thing to let the people vote on it.

Just as the law no longer requires the folks funding such campaigns to be identified, it also does not require a campaign to be constrained by the truth. As ISNS predicted recently, opponents are calling the issue a "jobs tax," as if it is related at all to employment. (Might work well in high-unemployment rate counties.)

As the constitution clearly states, the question is about "a tax on or measured by income." There is no proposal for a tax on "jobs." You may get tired of seeing this issue explicated in this space, but there is no pending question more vital to the future of public education in Illinois. Teach "voting in your interest."t

The House and Senate have left town. The House returns Tuesday for an afternoon PK-12 education appropriations committee subject-matter hearing on the FY 2020 budget of the State Board of Education. That could be an interesting event. You will be able to monitor it at this link.

The Senate will convene Wednesday. The deadline has now passed for non-appropriation bills to get committee votes and either be on the floor or comatose. Some bills that missed their deadlines will be reprieved in some way, but most will just lie in the wayside until no one ever again mentions them by name.

At this writing, the ISNS bill-tracking page (mentioned below as if it is a valued feature) is not a valued feature. Because of the timing of the legislature's updates, I've not yet been able to update my site. But I'll get it done by the end of the day so you can see tomorrow what's still alive and kicking in the process.

The chambers will meet until April 12 - the deadline for floor votes on bills originating in each chamber - and then they'll take a break all the way to April 30. Yes, their Easter vacation goes on and on for 17 calendar days. When they return at the end of April, they'll begin a month-long sprint to adjournment May 31.

More on Monday.

There are now two special ISNS features that will be updated often. The bill-tracking web page, which you've seen before, and a newly-posted archive page of links to all ISNS newsletters so far delivered in 2019. Tracking bills you care about has obvious value. The archive links will help readers trace the continuity of legislative action. Please do not share these links; they are just for ISNS readers. (I'll help in that regard by changing their URL regularly.)

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