

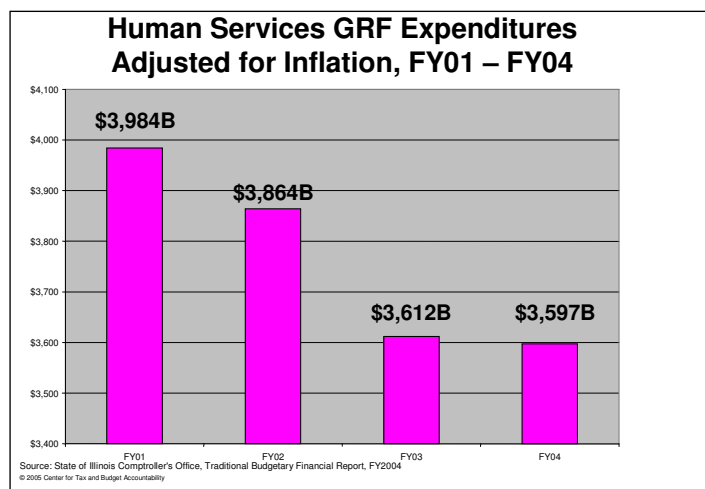
Comprehensive Fiscal Reform is Vital To Human Services in Illinois

The state of Illinois is insolvent.

Every year what the state collects in tax revenue is less than what it would cost to maintain the same level of services funded the prior year after adjusting for inflation. This is called a “structural deficit.” Because Illinois is constitutionally required to balance its budget every year, the state’s current tax system is unable to generate sufficient revenue to maintain funding for human services over time.

Human services suffer substantial funding cuts annually.

General fund expenditures for human services have decreased over the last 10 years after adjusting for inflation. Between 2001 and 2004, spending on human services *decreased* by \$387 million, or 10%.



Unless comprehensive fiscal reform is passed, human services funding will continue to decrease.

One-time revenues will not “fix” the system and all human services will ultimately suffer cuts until the structural deficit is eliminated. Fiscal reform is the key to enhanced and stable funding for human services, because it will make Illinois solvent by eliminating the structural deficit, and produce sufficient tax revenue to cover human service cost increases caused by inflation.

By modernizing Illinois’ tax system, fiscal reform will provide Illinois the capacity to fund programs that help low-income individuals and families while remaining a low-tax state.

HB/SB750 accomplishes these goals by expanding the sales tax base to cover some consumer services (but not healthcare, housing or business services), increasing the income tax from 3% to 5%, reducing property taxes statewide, and giving significant tax relief targeted directly to low and middle income families.

For more detailed information, please contact Heather O’Donnell at (312) 332-1348 or hodonnell@ctbaonline.org.