

DRAFT LETTER TO THE EDITOR

April 2007

To the Editor:

“Tax fairness” is in the news a lot this spring, as state leaders debate different ways of raising needed revenues while treating working families as equitably as possible. No matter which direction that discussion ultimately leads, it should include one thing: growth of the Illinois Earned Income Tax Credit for low-income households.

The EITC is a credit that working families can claim at tax time each year, and is worth a maximum of \$220. That’s the smallest EITC in the nation, and is eight times less than the assistance families receive in Wisconsin, for example. In fact, in Illinois:

- Households earning less than \$16,000 a year pay nearly 13 percent of their incomes in state and local taxes, while those earning more than \$295,000 spend less than 6 percent of their incomes likewise.
- A two-parent family of four begins paying state taxes when they earn \$15,600 annually – a figure lower than the federal poverty level, and the nation’s seventh-worst “tax threshold.”

It’s clear that working families already need more EITC help today. They’ll need even more tomorrow, if we do raise state taxes to produce badly needed revenues for schools and a range of other important programs and services.

I congratulate the Illinois Senate for its recent, unanimous approval of Senate Bill 12, which would double the amount of our state EITC over two years. It is now important that the final budget include what was passed in SB 12, growing the EITC from 5% to 10% over two years.

And if we do raise taxes this year, state leaders should increase the EITC by an even greater amount than envisioned in SB12. That’s the best way to provide the most appropriate level of help for working-poor families – who can least afford to pay more than the disproportionately large tax bills they already carry.

Sincerely,