

THE TIME IS NOW

Illinois Needs to Raise the Income Tax

1. Illinois' income tax structure has failed to keep up with the state's growing needs.

Our state already was falling behind in funding for public services such as education, healthcare, and public safety, due to long-term weaknesses in Illinois' revenue structure. Now, the recession has worsened things and we face a multibillion-dollar budget shortfall. A wide range of programs vitally important to children and families are on the chopping block— with massive layoffs and service cuts already beginning.

2. Children and families are being left behind. Cuts to public program funding throughout Illinois already threaten the reduction or elimination of child care for working families, protections for at-risk infants and toddlers, children's mental health services, and after-school programs that keep our youth safe.

3. The current economic downturn is deepening the crisis. Cuts alone cannot solve our budget problems.

Illinois has already made substantial cutbacks to date. Now policymakers are directing further long-term, damaging cuts in essential public programs—just when those services are needed most.

4. While the income tax has been our state's strongest revenue source, it needs to be modernized and strengthened.

The income tax is the tax that best reflects people's ability to pay. But Illinois' income tax has the nation's lowest flat rate. We haven't raised state income tax rates in 20 years to meet our obligations or ensure equity and balance.



5. Reasonable increases to the income tax can help restore balance and equity to the system. A tax rate of at least 5 percent—like that proposed in **House Bill 174**— is necessary to raise revenues and deal responsibly with our many chronic deficit-related problems. HB174 also helps struggling families by strengthening tax relief through the Illinois Earned Income Tax Credit and standard exemption.

6. The nation's leading economists say tax increases are preferable to budget cuts, especially in an economic downturn. Nobel Prize-winning economist Joseph Stiglitz and others have shown that direct spending reductions may generate more adverse economic consequences than tax increases, particularly on higher-income households. That means tax increases can be the least damaging way to close state fiscal deficits in the short run and provide for long-term economic growth.

7. Fixing the income tax is the fiscally responsible thing to do. If we continue cutting important services like education and health care now, we pay later. Voters send legislators to Springfield to make tough but important decisions – like raising new revenues to ensure that critical services for children and families have adequate funding.

CALL YOUR LEGISLATORS TODAY

**Tell them to PROTECT Illinois kids, families, jobs & communities by
SUPPORTING a balanced income tax**

For More Information, go to www.voices4kids.org – or – call 312-516-5573