

August 18, 2017

To the Honorable Members of  
The Illinois House of Representatives,  
100th General Assembly:

Today I veto House Bill 3419 from the 100th General Assembly, which prohibits companies that have restructured through corporate inversions from bidding on or entering into State contracts. It also precludes State retirement systems from investing in any such companies.

This legislation requires the State to penalize companies that utilize a completely legal form of federal tax planning. This is shortsighted and sets dangerous precedent for how the State interacts with vendors and businesses in Illinois, and represents an unnecessary interjection into federal tax policy. Our federal tax policies may be ripe for reform, but punishing the entities that have legally pursued new corporate structures due to non-competitive federal policies does not accomplish that reform.

Instead, by barring these businesses from contracting with the State on various projects, this bill minimizes the pool of eligible vendors to meet our state's needs, which could mean diminished competition and higher costs for taxpayers, and could lead to taxpayers not being eligible to receive the highest quality services because of the diminished pool. Moreover, this brand of exclusionary policy could make Illinois a less attractive place to do business at all for those companies that are penalized under this legislation.

Therefore, pursuant to Section 9(b) of Article IV of the Illinois Constitution of 1970, I hereby return House Bill 3419, entitled "AN ACT concerning finance", with the foregoing objections, vetoed in its entirety.

Sincerely,

Bruce Rauner  
GOVERNOR