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HOUSE RESOLUTION

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WHEREAS, Families have already suffered catastrophic damages as a result of the budget impasse and, according to the Pew Center, a food and drug tax is the most regressive tax that punishes citizens on a fixed income; and

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WHEREAS, In 2015, there were a total of 160,569,757 retail prescription drugs filled at pharmacies in Illinois; and

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WHEREAS, Prescription drug prices increased 12.6% in 2014, outpacing inflation; increasing taxes for prescription drugs will become more financially straining for Illinois residents, especially since 8.8% of Illinois senior citizens live in poverty; and

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WHEREAS, According to the Consumer Healthcare Products Association, over-the-counter (OTC) medicines are a reliable and affordable way of maintaining wellness for millions of American families; and

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WHEREAS, OTC medicines not only treat the symptoms of common ailments but also help prevent a number of costly chronic conditions through products like smoking cessation programs; and

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1           WHEREAS, The average American household spends  
2 approximately \$185 on non-prescribed OTC medicines per year  
3 while the average senior citizen spends \$356 yearly; and

4           WHEREAS, Many states have already acknowledged the  
5 therapeutic value and cost-effectiveness of OTC medicines and  
6 allow a retail sales tax exemption for the purchase of these  
7 products; Florida, Maryland, Minnesota, New Jersey, New York,  
8 Pennsylvania, Rhode Island, Texas, Virginia, and the District  
9 of Columbia do not levy sales taxes on OTC medicines; and

10           WHEREAS, The value of OTC medicines in the United States  
11 found that OTC medicines offer \$102 billion in annual savings  
12 relative to available alternatives; and

13           WHEREAS, The Consumer Healthcare Products Association  
14 advocates for policies that support access to OTC medicines by  
15 exempting them from sales tax; and

16           WHEREAS, Food security is an issue that places an enormous  
17 burden on struggling families within Illinois; and

18           WHEREAS, According to the Illinois Commission to End  
19 Hunger, almost 1.7 million Illinois residents still face food  
20 insecurity, a number greater than the entire populations of  
21 Hawaii, Montana, and 10 other states; and

1           WHEREAS, According to the Illinois Commission to End  
2           Hunger, more than 449,000 low-income Illinois children  
3           participate in the National School Lunch Program but do not  
4           receive school breakfast; it is increasingly vital that food in  
5           the State be at a reasonable price; and

6           WHEREAS, The lowest-income Americans spent an average of  
7           \$3,667 on food in 2014, which amounts to 31.4% of their income  
8           according to the United States Department of Agriculture; and

9           WHEREAS, For a family of four living on \$2,000 a month, to  
10          spend 34% of their income on food would equate to \$8,160 a  
11          year; and

12          WHEREAS, The states with the highest taxes on food,  
13          Mississippi, Arkansas, and Alabama, had the highest rate of  
14          food insecurity in 2014; and

15          WHEREAS, Illinois may also lose tax revenue to bordering  
16          states; if Illinois increases taxes on food and drug, residents  
17          may drive to Indiana, Iowa, Missouri, and Kentucky to purchase  
18          those goods, causing additional harm to our economy; and

19          WHEREAS, According to U.S. News and World Report, taxing  
20          groceries and prescription drugs shifts the state's focus on

1 the real issues, which should be alleviating the barriers for  
2 quality food and necessary medications for low-income  
3 citizens; and

4 WHEREAS, In Illinois, the bottom 20% have an average income  
5 of \$10,900 yet pay 13.2% of their income to taxes; Illinois is  
6 currently ranked third for the highest taxes on the poor  
7 according to the Institution of Taxation and Economic Policy;  
8 and

9 WHEREAS, A tax on food and prescriptions drugs is fiscally  
10 damaging to middle-class families because their average income  
11 in \$49,500 yet 10.8% goes toward taxes; and

12 WHEREAS, Expanding taxes on food and drugs  
13 disproportionately hurts lower-income families further  
14 resulting in a higher rate of food insecurity; and

15 WHEREAS, Senior citizens and children are most affected by  
16 food insecurity and drug prices; therefore, be it

17 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE ONE  
18 HUNDREDTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we  
19 believe that sales taxes on food and drugs should not be  
20 increased.