



HR0549

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1 HOUSE RESOLUTION

2 WHEREAS, A payroll tax imposed on Illinois employers -- if
3 the employers do not pay more than a defined percentage of
4 total payroll on health benefits -- is burdensome on Illinois
5 businesses; and

6 WHEREAS, A proposed multi-billion dollar tax increase on
7 small, medium, and large businesses will hurt the Illinois
8 economy and force businesses to eliminate jobs as they struggle
9 to pay another tax; and

10 WHEREAS, Illinois businesses paid \$29.1 billion in total
11 State and local taxes in fiscal year 2006; and

12 WHEREAS, Illinois business taxes account for almost 50% of
13 the total State and local taxes collected by all Illinois State
14 and local governments in fiscal year 2006; and

15 WHEREAS, Illinois business taxes rose faster (37.6%) than
16 non-business taxes (24.3%) during the same 4-year period
17 (FY2002 through FY2006); and

18 WHEREAS, Illinois businesses pay a higher share of total
19 State and local taxes than businesses in all of Illinois'
20 neighboring states (Indiana, Kentucky, Missouri, Iowa, and

1 Wisconsin); and

2 WHEREAS, The Tax Foundation has ranked Illinois' current
3 business tax climate as 25th in the nation (1st being best,
4 50th being worst), with neighboring states of Indiana ranked
5 12th and Missouri ranked 15th; and

6 WHEREAS, Illinois has lost over 180,000 manufacturing jobs
7 between 2000 and 2005, and an increased tax burden on
8 struggling businesses will often force business closures and a
9 loss of jobs; and

10 WHEREAS, The legality of the payroll tax is seriously in
11 doubt because the federal Employee Retirement Income Security
12 Act (ERISA), which would supersede any State laws, dictates how
13 companies structure benefit plans so that companies doing
14 business in multiple states do not have to grapple with a
15 patchwork of local laws; and

16 WHEREAS, The Illinois General Assembly's recent passage of
17 a bill imposing a \$300 million tax increase on the business
18 community will be an additional onerous burden; therefore, be
19 it

20 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE
21 NINETY-FIFTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that

1 any multi-billion dollar payroll tax on Illinois businesses be
2 rejected as onerous on small and large businesses alike; and be
3 it further

4 RESOLVED, That the Illinois General Assembly should not
5 impose additional taxes on Illinois businesses and, as an
6 alternative, should adopt measures that promote economic
7 development, job creation, and a regionally competitive
8 climate; and be it further

9 RESOLVED, That a suitable copy of this resolution be
10 presented to the Governor, Speaker of the House, President of
11 the Senate, Minority Leader of the House, and Minority Leader
12 of the Senate for consideration during current fiscal year 2008
13 budget negotiations.