

Eric Zorn – Chicago Tribune

April 29, 2020 Article on Illinois Fair Tax



Gov. J.B. Pritzker, a proponent of graduated state income tax rates, delivers his budget address at the Illinois Capitol on Feb. 19. (Antonio Perez/Chicago Tribune)

The response to my April 19 column, headlined “[Now more than ever, Illinois needs a progressive state income tax](#),” was as one-sided as I’ve ever received on any column. Well over 100 readers wrote in, some at great length, and most of them disagreed with me.

This conflicts with the results of a [Paul Simon Public Policy Institute Poll](#) taken in February that found 65% support for a binding referendum on the November ballot asking if Illinois should amend its constitution of 1970 to allow for the imposition of graduated state income tax rates, where higher-income earners pay a greater percentage of their income in state taxes, just as they now do in federal taxes. To pass, the proposal will need 60% support from those voting on the question or 50% of all votes cast in the election.

The outpouring of negative mail didn't seem at all coordinated — none of the telltale identical phrasings I've seen in organized responses — and since I don't have time even in home confinement to answer each one personally, I thought I'd address here the four points that seemed to come up most frequently:

1. I won't support the amendment until Illinois rehabilitates its grossly underfunded pension system.

Other ransom demands included a switch to nonpartisan political mapmaking, the imposition of term limits and reductions in local units of government, as conditions for support of a new tax structure, but a demand for first shrinking our estimated \$137 billion pension funding shortfall, the worst in the nation, came up most often by far. Many correspondents demanded the opportunity to vote on amending the state constitution to remove the passage that says public pension benefits “shall not be diminished or impaired,” a provision that's blocked efforts to scale back benefits when they've reached the courts.

Our massive pension debt is a huge problem caused by decades of bipartisan irresponsibility, and it defies easy or quick solutions. Even amending the constitution wouldn't allow us to clear the many legal and political hurdles that are in the way of significantly trimming benefits now promised to public-sector retirees.

I'd be fine with that and other binding referendums on important matters of public policy. The debates would be long, loud and clarifying. I'm the last one to say that everything is fine and our lawmakers have always served us well. But linking one proposed change in the law to another is political hostage-taking, a petulant form of what-aboutism that makes the perfect the enemy of the good.

2. I won't support the amendment until lawmakers and the governor show they're serious about the budget by cutting state spending.

Done! “State General Fund spending on services for the current fiscal year is \$400 million less in non-inflation adjusted dollars than it was in fiscal 2009 at the end of the Great Recession,” said Ralph Martire, executive director of the [Center for Tax and Budget Accountability](#), a local progressive watchdog organization. Such spending is “23% less today than in fiscal 2000,” adjusted for inflation, he said.

“Illinois has the fifth largest economy and sixth largest population among the states, but ranks in the bottom third in spending on services per capita because of these consistent cuts,” Martire said via email. “That's a problem because over \$9 out of every \$10 spent on services goes to education, health care, social services and public safety.”

And that's why big talkin' former Republican Gov. Bruce Rauner found it so difficult to propose meaningful budget cuts during his four years of failure and gridlock, and it's also why your local property taxes are so high.

“Cutting additional spending, especially in the wake of the coronavirus crisis, would cause more middle- and lower-income families to leave the state in search of better

opportunities,” said Lara Sisselman, a spokeswoman for [Vote Yes For Fairness](#), an organization promoting the amendment.

In the wake of the damage wrought by COVID-19, the question isn’t whether the state will need vastly more money to provide vital services, but how we’ll divvy up the bill. Will it inflict the least amount of pain if we ask high earners to pay a greater share, or not?

3. I won’t support the amendment because if we impose graduated tax rates, the legislature would be able freely to raise taxes on us, one bracket at a time.

This evidence-free speculation is promoted by [Vote No on Blank Check Amendment](#), a committee opposing the referendum. When I did a deep dive on their animating claim in [a column last May](#), I found that, from 2000 to 2019, states with graduated income tax rates didn’t play divide-and-conquer games to try to raise taxes on low- and middle-income earners. [A similar analysis](#) from the Center for Tax and Budget Accountability concluded that “states with graduated income taxes are more than twice as likely to cut taxes on the middle class as to raise them, (and have) cut taxes nearly two-and-a-half times more often than they have raised them on the middle class.”

[Robert Bruno](#), director of labor education at the University of Illinois and co-author of a 2019 report, “[The Impact of Enacting a Progressive Income Tax in Illinois](#),” told me, “There’s a reason that a majority of states — many of them doing better economically than Illinois — use graduated rates. They know that flat rates end up hurting middle-income earners more. It’s just math.”

4. I won’t support the amendment because if we require high earners to pay a greater share of their income in taxes, they will simply move away and take their tax revenue with them.

“There is actually no correlation between a state’s tax rates and the likelihood a high-income family leaves the state,” said Jake Lewis, spokesman for [Vote Yes For Fair Tax](#), another group involved in this fight. He cited the work of [Cornell University sociologist Cristobal Young](#), author of the 2017 book “[The Myth of Millionaire Tax Flight: How Place Still Matters for the Rich](#).” Young notes that “places with highly progressive income taxes — such as New York and California — still thrive as centers for talent and elite economic success.”

Lewis added, “Middle- and lower-income Illinoisans have been fleeing the state for years after previous administrations left our education system decimated.” Graduated income tax rates “will bring in much-needed revenue to get our state back on track and keep these families in Illinois,” he said.

Thanks to all for writing. Keep those e-cards and e-letters coming.

Re: Tweets

So many people are TFH — tweeting from home — these days that I’ve had to once again expand the reader poll into two divisions. The winner of the non-pandemic-related division was “Why is no one ever the right amount of whelmed?” a quip whose original

source I couldn't identify. And the winner of the pandemic-related divisions was "If I'd wanted a check signed by Donald Trump, I would have become a porn star," by @SaintRobin911.

The poll appears at chicagotribune.com/zorn where you can read all the nominees. For an early alert when each new poll is posted, sign up for the Change of Subject email newsletter at chicagotribune.com/newsletters.

ericzorn@gmail.com

Twitter [@EricZorn](https://twitter.com/EricZorn)