122. STATE AND LOCAL FINANCE

The overall tax structure for state and local governments in Illinois should include a state income tax, a moderate local real property tax, sales tax, motor fuel tax, cigarette tax, liquor tax and other special taxes.

We will analyze any proposed increase in the state sales tax rate as to the effect such an increase would have on the economy and competitiveness of the State of Illinois in relation to the sales tax rates imposed by neighboring states and take the appropriate action on such proposed increase.

We will support legislation:

1. Providing property tax relief through a combination of state revenue surpluses and various state-wide taxes.
2. Including townships and road districts along with counties and municipalities in the formula for the distribution of the Local Government Distributive Fund.
3. Extending to two years the time landowners have to disconnect their property from any special purpose taxing district formed or expanded without a referendum and which does not provide emergency life-sustaining services. During that period, all property tax revenues collected by the district from landowners within the new taxing area should be held in escrow and refunded or credited to those taxpayers if they choose, by referendum, to disconnect.
4. Extending the time limit from 30 days to 60 days to get 10 percent of registered voters' signatures on petitions concerning backdoor referendums.
5. Providing for restricted and specific criteria in order to qualify areas for creation of Tax Increment Financing (TIF) districts by municipalities and counties in order to reduce negative fiscal impacts on existing businesses and local governments, including schools. Further, we believe the economic advantages of the new business or production alone should be enough to justify expansion or location in an area.
6. Limiting the tort immunity levies to the actual costs incurred by the local taxing bodies. We support vigorous enforcement of current laws and regulations specifying use of these funds.
7. Allowing local citizens to establish a maximum tax rate lower than the statutory maximum rate when creating a new taxing district by referendum.
8. That requires a referendum ballot question which proposes the creation of a new taxing body also state the statutory maximum tax rate and debt level for the proposed new taxing district.
9. Allowing a Fire Protection District to retain the real estate taxes for a period of 10 years, whenever a territory is disconnected from a Fire Protection District and annexed to a municipality.
10. Providing that taxing districts shall give public notice of, and hold a public hearing on, their intent to annex property.
11. Limiting taxing districts, including school districts, from incurring future bonded indebtedness, without a referendum, where such bonds are to be repaid with property tax revenue.
12. To require referendums which authorize any new real estate tax levy to state the maximum statutory tax rate in the referendum question.
13. To allow all taxing bodies to reduce their levy after the levy has been submitted to the county clerk.
14. To allow impact fees to be imposed on new residential construction for school capital needs.
15. To allow townships that are currently under the Illinois Municipal Retirement Fund (IMRF) program to opt out.
16. To exempt undeveloped farmland in unincorporated areas from municipal local improvement taxes and fees.
17. Requiring that any tax credits be based on fiscal policy that promotes long-term economic stability and prosperity.
18. To amend the Open Space Lands Acquisition and Development Act to allow some of the revenues funding the act to be used to provide maintenance and improvement to existing state parks.
19. Amending the Illinois County School Facility Tax Act to require school districts to issue a public statement of intent a minimum of 30 days prior to the election.
20. Amending the Illinois County School Facility Tax Act to ensure that counties benefiting from the School Facility Tax Act would not be prevented from, or placed at a disadvantage for, receiving school construction dollars from the state.

21. Amending the Illinois County School Facility Tax Act to require that a portion of the money collected is used in property tax relief if the school district(s) has outstanding bonds for capital purposes.
22. Amending the Illinois County School Facility Tax Act to require a sunset clause of 20 years or re-approval by voters to continue the tax.
23. Requiring local governments to publicly disclose information on tax increment financing districts including the locations of the districts, funds generated, use of funds, and any contractors.
24. That calls for a more stringent audit of all state expenditures.
25. Eliminating the Illinois estate tax, but until that is accomplished, support using the corresponding federal exclusion amount, but not less than $5 million and having a tax rate structure no greater than the maximum 16 percent currently in law.
26. To impose a tax on the owner or lessee of non-renewable natural resources, excluding oil and gas, upon the severance and production of that resource. A significant portion of the tax revenue shall be distributed to the county of origin.
27. Maintaining and creating property assessment levels that encourage the creation and use of grassed-backed terraces, grassed waterways, filter strips, two stage ditches, bioreactors, and other approaches to improve water quality through these practices.

We will seek legislation:
1. Prohibiting extension of real estate taxes on farmland by special taxing districts which provide non-essential services such as library districts, park districts, and forest preserve districts.
2. To change the back door referendum to a front door referendum in the library code that relates to annexation of contiguous territory.

We will work to form a coalition of statewide associations and other interested and like-minded parties to work for tax reform to reduce the reliance on real estate taxes.

We will oppose legislation:
1. Imposing additional taxes or increases in tax rates upon property unless approved by a referendum of local voters at a primary or general election. We oppose the use of a backdoor referendum.
2. Imposing a state property tax.
3. Increasing exemptions from real estate taxation.
4. That allows the use of (TIF) or enterprise zones for production agriculture.
5. Authorizing non-refundable fund transfers beyond those allowed in the standard budgeting process or via voter approval.
6. Creating a gross receipts tax or value-added tax by the State of Illinois.
7. Selling or leasing the Illinois State Lottery.
8. Authorizing the transfer of funds from dedicated and special state funds for any reason beyond their original intended purpose.
9. Enacting a quarter-cent sales tax on purchases throughout the Chicago metropolitan area, as defined by the counties in the Regional Transportation Authority Service area (Cook, DuPage, Kane, Lake, McHenry, and Will Counties).

We oppose:
1. A severance tax on current, low production oil and gas wells. We believe that if there is a severance tax on new, high capacity oil and gas wells it should be at a level that will not impede the development or operation of those wells.
2. A constitutional amendment to remove or permit removal of the present 8 to 5 state income tax ratio between corporations and individuals.

We urge county Farm Bureaus to implement comprehensive local programs to determine and to critically evaluate how and from what sources local government revenues are being raised and how these funds are being spent. We will assist county Farm Bureaus in such programs.

We encourage the Illinois General Assembly to undergo a more comprehensive and diligent method of prioritizing appropriations to meet the current needs of its citizens.

We support speeding up tax appeal decisions that affect local government budgets.

We believe the state of Illinois should meet its responsibilities in regards to funding those organizations and programs for which funds have been appropriated in the state budget.