

PRESS RELEASE

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President Edwin Hettermann
For Immediate Release

VILLAGE OF JOHNSBURG fights Springfield “stealth tax”

State’s threat to pilfer local budgets will increase taxes, fees

Just months after state lawmakers increased income taxes by 66 percent, Johnsburg residents could face devastating cuts in essential services if Springfield politicians get their way and don’t return hundreds of millions of dollars already paid by local taxpayers that are legally owed to local communities.

One legislative proposal is threatening to cut Johnsburg’s funding by \$148,286. This amounts to a “stealth tax” on local taxpayers and our communities.

Taking away this revenue, which pays for essential local programs, front-line services and critical personnel will merely shift the state’s burden onto municipal and county governments and will have a disastrous impact on local services for residents.

“Local governments have been reducing spending and balancing their budgets responsibly during these difficult economic times,” said President Hettermann. “Springfield cannot expect local taxpayers to fix the state’s budget problems.”

Like Illinois families, cities, villages and counties have been making significant sacrifices and cutting back during these tough economic times, slashing programs, curbing constituent services, delaying projects and laying off workers, including police and firefighters.

In recent years, Johnsburg has lived within its means and done more with less. The Village has instituted more than \$2.4 million in reductions during fiscal years 2010 and 2011 by instituting major reductions in staff, instituting hiring and wage freezes, implementing furlough days and reducing employee benefits, cutting services, and postponing much needed capital improvements and purchases.

But instead of making those same difficult decisions to balance the state’s budget, some members of the Illinois General Assembly have proposed changing state law to hijack locally generated revenue. This money has been paid by local taxpayers with the understanding it would return to their local communities to fund local services.

Mayors, Village Presidents and County Board Chairs from around Illinois are launching new efforts to stop the Springfield “stealth tax” and are calling on residents to voice their opposition and tell lawmakers to tighten their own belts without picking the pockets of local communities. They are asking residents to contact their local state senators and representatives, letting them know they oppose cuts in local funding.

Local leaders across Illinois have been identifying how the cuts would impact their individual communities and are preparing for reductions if state lawmakers succeed in pilfering the funds and denying the money that legally belongs to their communities, not as a bailout for state government. One proposal is calling for Springfield to take some \$300 million in local funding while another proposal could eliminate more than \$1 billion in local funding.

Illinois municipalities and counties rely on the Local Government Distributive fund, which was instituted in 1969 in exchange for cities, villages and counties not imposing their own income tax. It guarantees municipalities and counties a share of state income tax receipts to help fund local services.

The legislature’s stealth tax would serve as yet another in a series of blows to local communities. In addition to residents and businesses feeling the pain of the 66 percent income tax increase, cities, villages and counties were excluded from collecting on any new revenue while experiencing lower Local Government Distributive Fund receipts due to the sluggish economy. Meanwhile, the state is now four to five months behind in disbursing payments to local governments.