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A Statewide Property Tax Increase Will Devastate Illinois Families

-Jason Plummer

In May, the Federal Reserve Bank of Chicago published an opinion piece which proposed a way to pay down our state's massive unfunded pension liability. The solution? Raise property taxes on every homeowner in the state by around 1% of a home's actual property value every year for the next 30 years. In their words, "homeowners with homes worth \$250,000 would pay an additional \$2,500 per year in property taxes, those with homes worth \$500,000 would pay an additional \$5,000" etc. Some elected officials in Springfield support ideas such as this one, or others like it, which result in crushing tax increases for everyone. I want to make it clear to voters why I stand against such proposals and why they ultimately don't solve the state's fiscal crisis.

According to the ratings agency Fitch, Illinois has the highest pension burden of all 50 states; a cost that some estimate to be over \$250 billion. It's important to point out that the Chicago economists who crafted this tax plan relied on a much smaller figure, \$129 billion, when coming up with their proposal to raise taxes on every Illinois homeowner for the next three decades. This means that if enacted, this proposal would actually fall well short of eliminating the pension cost and taxpayers would still be on the hook for more.

There are several assumptions that these economists made that our leaders cannot afford to entertain. We cannot assume, or trust, that Illinois will succeed in making its regular payments to the pension system because it has failed to do so in the past. We cannot assume that it is somehow "fair" for taxpayers to bear responsibility for correcting the terrible public policy that has led us to where we are now. We cannot assume that such proposals will not in fact worsen our fiscal crisis. For instance, Illinois lost more population than any other between 2016 and 2017, according to census estimates. If so many of our fellow citizens are choosing to pack up and leave the state now, imagine how much out-migration will increase if schemes like this one are put in place.

In their paper, the authors acknowledge that it would be difficult for many taxpayers to bear the burden of this new tax. They admit, and actually count on the fact, that this idea would drive down home values and they even recommend imposing a steep tax penalty for any existing homeowner who attempts to sell their home and leave the state. Yes, you read that right. What a scary concept. Tax homeowners,

destroy property values, and penalize the ones who try to leave, effectively making them prisoners in their own homes. The effect that this measure would have on economic confidence in Illinois would be disastrous and the hardship placed on working families is shocking and immoral. Only academics in their ivory towers could concoct an idea like this one without reflecting more carefully on the terrible consequences faced by already over-taxed families throughout Illinois

Thankfully this plan has been met with widespread criticism and is unlikely to gain traction, but its outline is representative of a larger, and very real, problem in Illinois: career politicians will continue to punish innocent taxpayers for their sins. They will talk about shared sacrifice to address the pension issue, but the pain is always felt most by the middle income taxpayer. I will not allow plans such as this one to go unchallenged in Springfield and every Illinoisan should view similar proposals with great skepticism. If history is any indication, you can count on the state to significantly underestimate the true cost of such plans.

We cannot continue to raise taxes on a continuously shrinking tax base. We need new leaders with long-term solutions, not Band-Aids, to fix the serious problems we face.

Sincerely,



Jason Plummer

Republican Candidate for Illinois State Senate, District 54