



Jim Broadway's
Illinois School Policy Updates

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Illinois tax receipts keep falling, defying national trend

By Jim Broadway, Publisher, State School News Service

September 1, 2010 – While most other states seem to be slowly recovering from the Great Recession, gaining in revenue they need to support basic services for their citizens, Illinois appears to be defying the trend as its general revenue receipts continue to drop.

As the Rockefeller Institute on Government (SUNY-Albany) [reported this week](#), states in the aggregate have experienced two consecutive quarters of general revenue growth. The 47 states included achieved an aggregate 2.2% revenue gain April through June, compared to the second quarter of 2009, but that was still 17.2% below the same period from two years ago.

Thirty states gained revenue while most of the others basically flat-lined. Illinois, however, continued its spiral, losing 7% from last year. Breaking it down, personal income tax receipts were down 6.8% and corporate income tax receipts were down 32.6%. Unlike most individuals, corporations can carry over “losses” and avoid taxes for years, [as Sen. Bill Brady has done](#).

Only a 2.6% increase in sales tax receipts, the truly regressive part of our general revenue structure, kept Illinois revenue reductions from exceeding the 7% mark (see Page 16). Only Louisiana (had an unusual set of problems) and Montana and Wyoming (not comparable) did worse.

None of this bodes well for Illinois’ ability to come through with the \$710 million it still owes the public school districts from back in FY 2010. The new deadline for those receipts is December 31. Fortunately, legislators reconvene in mid-November. Surely they’ll fix the problem.

Of course, that will be after the elections. If Brady is elected governor, as seems likely, his proposals will carry the most clout. Let’s see, the need is for more revenue. But [analysis are recent as Tuesday](#) says he wants to give away more of the tax base. Doesn’t look good.

NOTE on Bills: Now that Gov. Pat Quinn has acted on all legislation passed by the General Assembly this year, we have posted [all those that amend the School Code](#) one way or another on our web site. Quinn’s only two “amendatory vetoes” would change the effective dates of the bills. Click a bill number to get to the status page, then the Public Act number to read the full text.

We will add other bills to this posting that have potential effects on educators. If you know a bill that should be listed, send us the bill number through the comment link. We apologize for the relatively late bill posting this year – and thank the reader who reminded us of this needed service.

NOTES on Web Site: What happens in the Chicago Public Schools is of interest to non-CPS readers, if for no other reason than the fact that Windy City concerns (such as vouchers, charters, turnarounds) have a way of trickling downstate. The recently posted link to *The Catalyst* on our [Home Page](#) and other places on our site will give you free access to quality information in that regard.

Finally, we have updated the “[About SSNS](#)” page and linked it back to the home page. There we describe the mission, services and history of SSNS, and I offer up some information so readers can know my biases and filter them out. Please share this link with friends you think may be interested in SSNS.

To comment to us on any other topic, [click here](#).