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Phil Ponce:

Bob, the move would wind up doubling the state income tax paid by the state's richest two percent. The new money would go to homeowners and schools. The person behind the move? Lieutenant Governor Pat Quinn. Right now, the state operates under a three percent income tax across the board. Quinn's plan makes that six percent for taxable income over 250,000 dollars a year. It would affect more than 80,000 taxpayers and bring in more than one billion dollars to the state, and now joining us, the person behind the plan, Illinois Lieutenant Governor Pat Quinn. Also, Paul Green, Director of the School of Policy Studies at Roosevelt University, and Jim Tobin, who is President of National Taxpayers United of Illinois. That's an advocacy group that works to lower taxes. Gentlemen, welcome to "Chicago Tonight." Lieutenant Governor, why are you doing this?

Pat Quinn, Lieutenant Governor, Illinois:

Well, I think it's time to get real property tax relief to everyday people that's guaranteed in the constitution... It would guarantee every July 1st people would get a check from the state treasury, a property tax state rebate check, of at least 200 dollars, maybe more. It would also guarantee that on that same date, all of our school districts with two million students altogether in Illinois would get more money for education. It doesn't raise taxes on the 5.6 million Illinois citizens who don't make a quarter million dollars a year. The overwhelming majority of citizens in this state aren't in that lucky category...

Ponce:

Alright, Jim Tobin, taxing the top two percent, but property tax relief for millions of other people and more money for schools, a good deal?

Jim Tobin, President, National Taxpayers United of Illinois:

No. 200 dollars isn't even five percent of my property tax bill. It's peanuts. But, the big thing this would do is provide 120 million dollars additional money every year to the Chicago public schools. Mayor Daley right now has just offered a billion dollar pay raise to the Chicago public school teachers who are already overpaid grossly, as compared to private school teachers, and this would go along with helping the Chicago politicians provide more money for the overpaid Chicago public school teachers in the city of Chicago.

Tobin:

By the way, if this thing goes anywhere and gets on the ballot, and gets approved, you can bet...be sure that the income tax will be raised for the rest of us. This is just the start of...

Quinn:

No it won't. That's not true.

Tobin:

Yes it will. This is how they started the federal income tax in 1913. They said it would be tax on the rich only. As soon as they got it on the rich, then they expanded it to the middle class because that's where the money is...

Ponce:

It has to be passed by 60 percent, yes? By...





Quinn:

Right, you need a super-majority. But, you know, there is a principle as old as the Bible, and that's taxes ought to be based on ability to pay.

Ponce:

Is that Old Testament or new? I forget.

Quinn:

It's Old Testament, and I think what we ought to remember is there is something really wrong where we're pounding average people who are getting these super-high taxes, especially on their homes, and we can give relief, relief to 2.7 million homeowners. Every single homeowner in Illinois, if we say to the people who have done well in life, you pay a little more, so we can invest in education and help everyday people.

Tobin:

It's the same argument they used for property tax relief in 1932. They said, give us a temporary one half percent state sales tax and we'll cut your property taxes. The same argument they used in 1969. Give us a state income tax, and we'll cut your property taxes. It's been used over and over again, and each time the politicians have lied. This is another big lie. ..

Quinn:

This isn't done by politicians. It's done by voters in a constitutional amendment.

Tobin:

You're a politician.

Ponce:

But, is this part of a plan that the two of you have to see how it plays, and that could determine the governor's ultimate position?

Quinn:

No. There's no strategy like that at all. I have been involved with referendum campaigns for 25 years. We reduced the size of the legislature in Illinois with a cutback amendment that the people voted for by a two to one margin. We set up the Citizen Utility Board we mentioned earlier by referendum. We're going to pass this taxpayer action amendment on the ballot next year in November. Maybe Jim will vote no, but maybe he will come to his senses and say this is a good idea for everyday people.

Tobin:

Well, this is basically fine, but it doesn't do anything to cut our taxes. We can look at Crestwood. Any city in Illinois can do what Crestwood has been doing for 20 years. Crestwood privatized their services, bookkeeping, street maintenance, water and sewer are contracted out. They cut the pension benefits. They have so much surplus in the treasury in Crestwood that at the end of the year, they abate 60 percent of the property tax levy due to the efficiencies in Crestwood, a city here in Cook County. The average homeowner in Crestwood only pays 950 dollars a year in property taxes. Mayor Daley could do the same thing in Chicago. They could do the same thing in Oak Park, but they don't want to. They want to hire all of these bureaucrats. 80 percent of our taxes go in the pockets of the bureaucrats.