

The Village Needs Your Help with the State

The State of Illinois has difficult decisions to make with the tax dollars you pay. The General Assembly faces a substantial budget deficit of its own making. State legislators and the Governor have already increased the personal and corporate income tax rates to try and bring the state's debt under control. This income tax increase will not be enough to balance the state budget. And taking the rates up even higher is not politically possible.

The General Assembly and the Governor will therefore be looking at other sources of revenue. This has already begun. As part of the income tax increase approved in early January of 2011, the General Assembly and the Governor reduced the amount of money that is collected on behalf of local governments and returned to Illinois communities. Until January of 2011, municipalities and counties received 10% of all income tax revenues. Now we only receive 6% of these dollars because the state decided to keep the entirety of the increase for itself. This means that local communities, by an action already taken by the General Assembly and Governor, will lose a staggering **\$2.7 billion** from FY2011 to FY2015.

But now plans are being discussed in Springfield to take away additional revenues from Illinois communities. The General Assembly wants to reduce, or possibly eliminate, the remaining dollars collected by the state on behalf of local governments. One proposal would reduce state-collected local government revenue by \$300 million. This loss can be calculated for each community by multiplying \$23.40 by the population. The impact of this reduction to the Village of Third Lake is \$31,707 or approximately **10 percent of our budget**. Losing this revenue would have significant consequences on our operations. This is money that is used by our Village to pay for critical core services such as police, roads, water and sewer, and snowplowing. Further cuts will undoubtedly undermine the safety and well-being of our community.

State-collected local government revenues belong to local governments and are simply collected by the state on their behalf. These dollars are probably the best return on investment that taxpayers will ever get. This is because these revenues are spent on core services that taxpayers see and use every day. The state must not reduce these revenues any more than they already have!

Local municipalities did not create, nor did they contribute toward the state debt situation. We can't solve the state's fiscal problems by destroying local budgets and spreading the fiscal problem even wider.

I urge you to contact our state officials and strongly encourage them to oppose reductions to revenues that are collected by the State on behalf of local governments.

Our state officials are:

Senator Suzi Schmidt
37908 N. Fairfield Rd
Lake Villa, IL 60046

Representative Sandy Cole
34121 N. IL Route 45, Unit #3
Third Lake, IL 60030