

41-R-02

A RESOLUTION

**Concerning State Income Tax and
Photoprocessing Tax Shared With Municipalities**

WHEREAS, the Local Share of the Illinois Income Tax is one tenth or 0.3% of the 3% individual income tax and 0.48% of the 4.8% regular corporate income tax; and

WHEREAS, a change to one-eleventh will reduce each and every Illinois municipality's revenue by approximately \$6.75 per person, per year; and

WHEREAS, the \$84 million per year received by the State of Illinois from this raid on the historic local share of state income tax will not significantly solve or ameliorate a state budgetary hole of at least one billion, two hundred million (\$1,200,000,000) which is over fourteen times the eighty-four million (\$84,000,000) local government takeaway; and

WHEREAS, municipalities since the adoption of sales tax reform in 1986 have received money from the state sales tax raised from photoprocessing; and

WHEREAS, that photoprocessing revenue is distributed to municipalities at the rate of approximately \$2.10 per person, per year or about \$26 million per year; and

WHEREAS, municipalities have suffered just as severe a loss of income tax revenue from the faltering economy and the recently enacted Federal Economic Stimulus Package; and

WHEREAS, municipalities have already been required to make budgetary cuts to accommodate lowered revenues from income tax, sales tax, motor fuel tax and utility tax; and

WHEREAS, proposals before the Illinois General Assembly have suggested that the local one-tenth share of the state income tax be reduced to one-eleventh share and that the photoprocessing tax sharing with municipalities be abolished; and

WHEREAS, those changes would reduce local revenues by a total of \$8.85 per person, per year for a total loss of \$110 million per year; and

WHEREAS, these changes would reduce Evanston's state shared revenue by \$650,000 per year; and

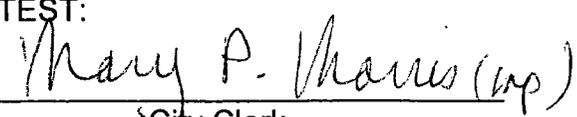
WHEREAS, Evanston City officials feel the General Assembly, by taking this action, would be renegeing on a longstanding, mutually beneficial partnership with Illinois municipalities,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EVANSTON, COOK COUNTY, ILLINOIS:

SECTION 1: That the Mayor and City Council assembled at its regular meeting of May 20, 2002 urges the Illinois General Assembly, all its individual members and officers, and Governor George Ryan to oppose efforts to reduce the local government share of the Illinois Income Tax to less than the current one-tenth of net receipts and to abolish the sharing of State Photoprocessing Tax with municipalities.

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and approval in the manner provided by law.


Lorraine H. Morton, Mayor

ATTEST:

City Clerk

Adopted: May 20, 2002