

# TUA NEWS RELEASE

## Taxpayers United of America

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## CHICAGO FED PROPOSAL TO HELP ILLINOIS: NEW STATEWIDE PROPERTY TAX!

CHICAGO—the president of Taxpayers United of America (TUA) today condemned [the recommendation released](#) May 13 under the letterhead of the Federal Reserve Bank of Chicago to introduce a statewide 1% property tax to bail out the floundering government-employee pension plans in the state.

“This recommendation is not only astounding, it’s irresponsible,” said Jim Tobin, TUA president, economist and former Federal Reserve Bank Examiner.

“Illinois taxpayers already are heavily subsidizing the lavish, gold-plated pension plans of retired government employees. The \$5 billion generated by the latest state income tax increase is being poured into the black hole of the state pension funds, and still the funds are essentially insolvent.”

“It’s impossible for the state to tax its way out of this mess, but tax thieves still propose new and higher taxes for Illinois taxpayers. More taxpayers have fled Illinois than any other state, but this doesn’t seem to register with tax-and-spend politicians.”

“The reasons given for this recommendation are pathetic. Because homeowners purportedly have benefited most from government ‘services,’ say the three authors of this proposal, they should pay a larger share of the costs of bailing out the state pension plans. In other words, they say the most successful people in the private sector should pay more to support these extravagant pension plans.”

“Illinois is bankrupt in fact, if not in name, and the best way to keep the state from going under is to place a state constitutional amendment on the statewide ballot to allow reductions in these pension benefits. All new government hires should be put into their own 401(k) accounts, and current retirees must greatly increase their contributions to their pension plans.”

“A statewide 1% property tax would devastate the already-feeble Illinois economy, and accelerate the departure of the middle class from Illinois.”