

Schools facilities proposal: Wrong tax at wrong time

By Dianna Visek

Although Champaign County voters wisely rejected the 1 percent school facilities sales tax last November, the same question will be on the ballot April 7. This issue is even more deserving of defeat now because our circumstances are worse and the rules governing this tax are being redefined. If we pass this referendum, it's not clear how the money will actually be used.

State legislators are aware that the legislation governing how counties can implement this tax has many flaws. For example, there's no sunset clause mandating the end of this tax. And it can't be repealed as long as any school district has outstanding bonds which are being paid by this income stream. Because bonds last for years, the chances of repeal are slim.

Although Illinois and some local towns are losing residents, this tax will keep flowing to all county school districts whether they need it or not. Local residents won't get to vote on whether new construction is necessary, because school districts will be able to fund these projects without voter approval. In fact, the ability to avoid future tax referendums is the major reason school districts want this one to pass.

While local school districts say they will reduce their property tax rates if the sales tax passes, any reduction will only be temporary and will be less than the projected income from the sales tax. And any reduction would be voluntary and could be changed in the future.

We're being given a tax increase, not a tax swap.

The greatest flaw is that this tax is regressive, because lower income families pay a larger percentage of their income in sales taxes than wealthier families do. Although this tax won't apply to food, medicine or vehicles, it increases the cost of clothing, school supplies, toiletries and other basic items. Using sales taxes to fund education is a fundamentally bad idea.

Although it would have been better to fix these flaws before passing this legislation, our legislature was too dysfunctional to do that. Instead legislators are proposing various fixes now, after some counties have already held referendums. These legislative fixes will also apply to counties who approved the tax under the original rules.

If this tax passes on April 7, we have absolutely no idea how it will be implemented. Some of the proposed fixes are radically different from what we currently expect.

For example HB0473, which has already passed in the House, would allow school districts to share the tax with a municipality, which would then use the money for municipal infrastructure. We're voting on this question thinking it's for school buildings, when actually it could be used for roads.

The Champaign County Chamber of Commerce has been working with the state Chamber to draft legislation which Rep. Chapin Rose has offered to introduce in the House. If it passes, Sen. Mike Frerichs will sponsor it in the Senate. The Chamber's goals are to add a sunset clause, require that voters approve a revenue purpose statement, require that a portion of the tax be used to pay down existing bond indebtedness, and ensure that counties with this tax not be placed at a disadvantage from receiving school construction dollars from the state.

How the state will treat counties that have passed this tax is an important question. Gov. Pat Quinn has proposed a 50 percent increase in the state income tax, with part of the money to be used for elementary and secondary education. He also has proposed a capital spending plan which might include school infrastructure. There's nothing to prevent the state from denying these monies to counties that are funding infrastructure needs with the 1 percent school facilities sales tax.

If you think this concern is unreasonable, remember that when the General Assembly instituted a state lottery, it promised to use the money for education. Although it was indeed used for education, the Legislature reduced the school money coming from the General Fund by the same amount. Education had the same budget as before, but the Legislature had more money to pay for new projects.

And finally, we are in worse shape economically than we were in November. Champaign County's unemployment rate is now 6.7 percent, up sharply from 5.6 percent a year ago. And this rate doesn't reflect recently announced business closings and layoffs. Families dealing with job loss, foreclosure or other economic stresses can't handle more taxes, even for something as worthy as education.

This is the wrong tax at the wrong time. How it will be implemented is completely unclear, and our economy is a shambles. We need to think harder about how to fund education fairly and make sure that what we vote on is what we actually get. Vote no on the sales tax.

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