

Date: March 29, 2007
To: ADSAI
From: Dick Lockhart

IMPORTANT LEGISLATIVE ALERT

Dick Lockhart

HB 750, which would make extensive changes in education funding, was approved by the House Committee on Education Appropriations Thursday (March 29).

It includes extending the sales tax to a number of services, including “Investigation and Security Services.” If HB 750 were to become law, as the bill is now written, “investigation and security services” could also be taxed by all home rule cities, Cook County and the Regional Transportation Authority. This could add up to around 9%.

Note, HB 750 does not include the possibility of the Governor’s proposed gross receipts tax (GRT) or the Governor’s proposed payroll tax.

Action Plan

1. At present, only HB 750 has been approved by a legislative committee and that is the one we must focus on NOW.
2. The issue is simple – the proposed tax burden on your business. You know that and can speak to it in detail.
3. You need to know that HB 750 not only would extend the sales tax to “Investigation and Security Services,” it would also tax 20 other categories of local services. HB 750 is anti-small business legislation.

Your Job

1. The General Assembly will be in recess from March 31 to April 17. In other words, legislators will be home, not in Springfield. Each legislator has a district office.
2. I recommend you contact your State Representative during that period at his or her district office. Present your concerns as to how the tax on your services would affect your business, and as noted above, you can expect any city of 25,000 or more in the legislator’s district would also extend the local sales tax to your services as well.

Remind the legislator that you pay your Federal and State income taxes, local property taxes and support local charities. You are also facing increased utility charges. If the tax burden continues to mount, your continued business is jeopardized.

Be sure to ask the legislator as to how he or she would vote on HB 750.

Your cooperation is essential if we are to succeed.

Thank you.

P.S. Please let my office know the results of your contacts.