



December 04, 2009

The Honorable Governor Pat Quinn  
207 State House  
Springfield, IL 62706

Dear Governor Quinn:

The legislature must take action in the upcoming Veto Session to repeal a massive small business tax increase enacted as part of the state budget. P.A. 96-0045 (originally SB 1912) includes a provision that will subject most partnership income to the personal property replacement tax for the first time. The replacement tax (1.5%) will be levied in addition to the income tax (3.0%) making this a tax increase on partnership income as much as 50%.

The 1.5% replacement tax does not generate any income for the state - it all flows to local governments. In fact, this change costs the state revenue because the tax is deducted from income taxed by the state.

The legislature must fully repeal this provision in the upcoming Veto Session this October. The repeal cannot wait until the legislature returns in January. Waiting means the increase will be in full effect for the 2009 tax year. A full repeal is the only acceptable outcome for small businesses coping with the worst recession in a generation. A "substitute" tax increase is not acceptable.

This tax increase was part of a massive 273 page bill. You may very well not have known this provision was in the bill. However, I respectfully urge you to work for repeal of the partnership tax increase upon you return to Springfield. Thank you for your help.

Sincerely,

A handwritten signature in cursive script that reads "Laura Crawford". The signature is written in dark ink and is positioned above the typed name and title.

Laura Crawford  
President & CEO