



Tax Report: Combine Quinn, Hynes Proposals

Institute on Taxation and Economic Policy: Use Quinn's plan, then adopt Hynes'

By [BJ LUTZ](#)

Updated 8:50 PM CST, Mon, Oct 19, 2009



Forget the he said / he said.

A research group in the nation's capital says the best tax policy would be a combination of Democratic Gov. Pat Quinn and [Comptroller Dan Hynes](#), but making that happen would likely prove very difficult.

The primary election isn't until February, but the two leading Democratic candidates [have taken to each other in spots airing on television and the Internet](#).

The Taxation and Economic Policy report summarizes the candidates' plans:

"In March, [Governor Pat Quinn](#) put forward a plan to raise the existing income tax rate of 3 percent to 4.5 percent and to increase the value of personal and dependent exemptions

from \$2,000 to \$6,000; the plan, which would, if enacted, generate roughly \$3 billion per year..."

Quinn later abandoned the personal-exemption increase.

"Comptroller Hynes proposed a rate structure that would leave the present 3 percent rate in place for all taxpayers with incomes below \$200,000 but that would impose rates ranging from 3.5 percent to 7.5 percent on incomes above that amount, with the highest rate applying solely to income in excess of \$1 million...."

Hynes' plan calls for the creation of a graduated income tax for the state, which could only be employed if [Illinois](#)' constitution were amended.

But "while much of the press coverage of these two sets of recommendations has emphasized their differences," the institute says, "the reality is that Illinois policymakers would be wise to adopt both of them."

"In the short run, given the depth of the state's fiscal woes, the restrictions imposed by its constitution, and the extremely regressive nature of its tax system, the most progressive, most economically sound, and most timely option available to state legislators for generating additional tax revenue is an increase in Illinois' single income tax rate. In the long run, a graduated income tax would be preferable, as it would further enhance tax equity and would put Illinois' tax system on a more sustainable path..."

The institute suggested the Quinn plan be enacted until the Hynes plan could take over.

Full Report: [Institute on Taxation and Economic Policy \(.pdf\)](#)

First Published: Oct 19, 2009 8:07 PM CST