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**Madigan: Votes not there for extension of tax rates**

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SPRINGFIELD - House Speaker Michael Madigan delivered crushing news to Gov. Pat Quinn's hopes of passing an income-tax extension, telling reporters Wednesday that less than half of the House Democratic caucus supports the governor's budget plan.

"Obviously, it's a very difficult vote in a difficult time," Madigan, D-Chicago, told reporters after a brief closed-door meeting of House Democrats.

With a May 31 legislative adjournment deadline looming, the speaker surveyed his 71-member caucus to learn how close he was to amassing the necessary 60 votes to pass Quinn's bid to block state income tax rates from rolling back in January and to send homeowners a $500 property-tax rebate before the fall elections.

"There were 34 members of the caucus voting yes, a little over 30 voting no. In light of that, I've instructed the appropriations chairs to reconvene the working groups on the budget. We plan to invite the Republican members of the House to join the working group and work with Senate Democrats. And our plan and our goal is to work toward the preparation of an alternative budget to the one that was adopted by the House a few days ago," Madigan said.

And the real number of "yes" votes might actually be 33 since indicted state Rep. Derrick Smith, D-Chicago, failed in his bid Wednesday to move back the start of his federal corruption trial from May 28 until June 2 so he could vote with Madigan on the tax extension.

What it all means is the House is now headed toward creating what Madigan called an "alternative" budget. That plan will be pared back by as much as $4 billion and effectively replace the dozens of spending roll calls from last week, when the House passed a $38 billion budgetary framework without knowing the fate of the income-tax extension.

After Madigan's remarks, Quinn's administration appeared far from willing to wave the white flag on his tax-extension push. An aide called the situation surrounding the plan very fluid" and warned the pruned-back alternative the speaker is now raising would hurt Illinois families.

A budget plan that "includes radical cuts . . . would harm schools, students and our most vulnerable residents. That's why it's not recommended," Quinn spokeswoman Brooke Anderson said. "The governor is working very hard and will continue working to pass a responsible budget that properly funds education, pays down the bills and secures the state's long-term financial future."

The 5 percent personal income tax rate and 7 percent corporate income tax rates that have been in place since 2011 are scheduled to drop to 3.75 percent and 4.8 percent, respectively, on Jan. 1 under terms of a temporary tax increase enacted nearly four years ago by Quinn and the ruling Democrats at the Capitol.

That rollback would create a $4 billion hole in the fiscal 2015 budget that takes effect July 1.

The speaker said the "alternative budget" he intends to present to House members will be reconstructed to take into account the possible loss of that $4 billion caused by letting higher income-tax rates sunset in seven months.

It will then leave his members with the unpalatable choice of either passing what Republicans already are branding as an election-year tax increase or supporting a drastically reduced budget that Madigan told reporters would certainly mean less money for Chicago's cash-strapped public-school system.

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