

July 15, 2015

The Honorable John Daley  
118 N. Clark Street, Room 567  
Chicago, Illinois 60602

Dear Commissioner Daley,

We are strongly encouraging you and your colleagues to re-consider the rush to vote on increasing the sales tax in Cook County and, instead, use the time to provide transparency as it relates to Cook County's Fiscal Year 2016 budget.

Cook County will once again have the highest sales tax in the nation if the proposal by Board President Toni Preckwinkle to increase the sales tax in Cook County by 1% is approved by the Cook County Board. As you know, such an increase would mean your constituents would be paying a nation-leading sales tax of between 10.25% and 11.25% - with the 11.25% being paid by consumers in the Metropolitan Pier and Exposition Authority area comprising most of the City of Chicago's core.

President Preckwinkle has stated she would like the Cook County Board to approve this increase by the end of July. This increase is being proposed before the County's expenses are known and before the budget is fully vetted. The County has until October 1st to notify the Illinois Department of Revenue of a sales tax rate change that would begin on January 1<sup>st</sup>, 2016. If the County wanted a full debate on the issue, and the taxpayers deserve this debate, it should have the conversation as part of the annual budget process. So, the question is: Why the rush?

President Preckwinkle deserves a great deal of credit for keeping the campaign promise she used to win her first term. That promise was to roll-back the nation-leading sales tax imposed by her predecessor. We are grateful that she made good on that promise. But now, we are concerned that her desire to increase the sales tax will push more sales out of Cook County into neighboring counties and online with internet-only sellers where taxes are significantly lower in the former and non-existent with the latter. Clearly, the County faces fiscal challenges related to its pension liability. Instead of pushing through a tax increase, we would encourage you and your colleagues on the County Board to use the upcoming months to:

1. Detail the County's FY 16 proposed budget and fully explain their challenges. This also helps everyone figure out if such a drastic increase in the sales tax would even fix the challenges. Cook County's Chief Financial Officer Ivan Samstein has a good presentation that provides valuable and insightful information but needs to be dissected. Everyone would benefit from the enhanced transparency.
2. Give the General Assembly and Governor Rauner every possible opportunity to pass the legislation the County needs to help with their pension obligations. President Preckwinkle stated she would 'reconsider' the sales tax increase if Springfield passes the County's pension reform bill. Instead of putting yourself in the position of voting for a tax increase and then being asked to vote to repeal it, why not give Board members like yourself time by waiting until the last possible moment to reach for new tax monies? Why vote on a tax increase in July when it might not be needed come October 1<sup>st</sup>? Why give Illinois another bad economic development headline unnecessarily?

Every mention of Cook County Board President Toni Preckwinkle has to start with a recognition that she has tried to do a very good job of controlling costs and returning Cook County to stable financial footing. She is to be applauded for desiring to tear up the proverbial credit card by stopping debt deferrals and fund sweeps. Like the City of Chicago and the State of Illinois, decades of pension mismanagement is coming home to roost all at once. Nevertheless, tax increases should be the last option – not the first.

We strongly urge you to approach this rationally by using the time between now and October 1<sup>st</sup> to fully vet this and other ideas to thoroughly address expenses.

Please slow down on tax increases and encourage full budget transparency.

Sincerely,

Theresa E. Mintle  
President & CEO  
Chicagoland Chamber of Commerce

Rob Karr  
President & CEO  
Illinois Retail Merchants Association/Chicago  
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Todd Maisch  
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