



NEWS

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Mayor Daley Declares Chicago Closed for Business

City Council passes tax increase and big-spending budget.

WASHINGTON, D.C. - On December 16th, Mayor Richard Daley (D)'s tax and fee increase package passed the City Council. The \$85.7 million tax increase will help expand the city's budget to \$5.1 billion next year.

The new taxes will touch almost every aspect of personal and professional life in the city, and taxpayer advocates are worried about the results. Sales taxes, hotel taxes, tobacco taxes, parking taxes, spirits taxes, entertainment taxes, and others will raise the cost of living and doing business in Chicago.

“Mayor Daley is threatening Chicago’s renaissance,” said taxpayer advocate Grover Norquist, president of Americans for Tax Reform. **“This is a step back to the bad old days of the 1970s. Prices will rise for all consumers, and retailers will suffer due to the sales tax hike. Chicago’s convention and tourism industry will suffer thanks to the hotel tax hike. Heating bills will go up and manufacturing and transport will suffer due to the natural gas tax hike. Suburbanites will stay in their suburbs, residents will move to the suburbs, and businesses will move to Indiana – or to very low tax states such as Florida or Texas – rather than pay ever-higher taxes in Chicago. Jobs will be destroyed and people will have less money to spend.”**

Daley faced unusual opposition in the City Council – the tax vote of 45-5 was the first vote since 1998 that Daley did not win unanimously. Some critics pointed to the \$1.83 billion windfall to Chicago’s public coffers due to the recent leasing of the Chicago Skyway to private operators. Those critics argue that money could have been used to fund the extra \$85.7 million – less than 5% of the total \$1.83 billion.

“The Chicago Skyway money proves that Daley’s focus is enriching city bureaucrats, and not on growing the private sector,” Norquist continued. **“He is sitting on 20 times the amount of money his tax increases will raise, but he would rather hoard that money for future spending.”**

Americans for Tax Reform is a non-partisan coalition of taxpayers and taxpayer groups who oppose all tax increases. For more information or to arrange an interview please contact Chris Butler at (202) 785-0266 or by email at cbutler@atr.org.