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- Speaker Madigan: "The House shall come to order. The Members shall be in there chairs. We shall be led in prayer today by Lee Crawford, the Assistant Pastor of the Victory Temple Church in Springfield. The guests in the gallery may wish to rise and join us for the invocation and the Pledge of Allegiance."
- Lee Crawford: "May we pray. Most gracious and kind Father, I honor You as the great Jehovah Shalom, the God of the perfect peace. I pray that You will grant to us a peace that will pass all of our understandings. I pray that You would rule us and govern us by Your grace. You will forever keep our eyes and our minds upon You, for You have said they that do so, You have promised that You would grant them and keep them in perfect peace. This we kindly and humbly ask in Your Son's name. Amen."
- Speaker Madigan: "We shall be led in the Pledge of Allegiance by Representative Jefferson."
- Jefferson et al: "I pledge allegiance to the flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all."
- Speaker Madigan: "Roll Call for Attendance. Representative Currie."
- Currie: "Thank you, Speaker. Please let the record show that our new mom, Representative Mary K. O'Brien is excused today."

  Speaker Madigan: "Mr. Bost."
- Bost: "Thank you, Mr. Speaker. Let the record reflect that Rich Myers is excused today."
- Speaker Madigan: "The Clerk shall take the record. There being 115 Members responding to the Attendance Roll Call, there is a quorum present. Mr. Clerk."
- Clerk Rossi: "Committee Reports. Representative Giles,

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Chairperson from the Committee on Elementary & Secondary to which the following measure/s was/were Education. referred, action taken on Wednesday, Mar... May 1st, reported the same back with the following recommendation/s: Short Debate' pass House Joint Resolution Constitutional Amendment #13. Representative Chairperson from the Committee on Revenue, to which the following measure/s was/were referred, action taken on Wednesday, May 1st, 2002, reported the same back with the following recommendation/s: 'be adopted' Floor Amendment #1 to Senate Bill 1666. Representative Burke, Chairperson from Committee on Executive, to which the following measure/s was/were referred, action taken on Wednesday, May 1st, 2002, reported the same back with the following recommendation/s: 'be adopted' Floor Amendment #1 to Senate Bill 1543 and Floor Amendment #2 and 3 to Senate Bill 2214. Representative Hoffman, Chairperson from the Committee on Transportation & Motor Vehicles, to which the following measure/s was/were referred, action taken on Wednesday, May 2002, reported the same back with the following recommendation/s: 'be adopted' House Resolutions Floor Amendment #1 to Senate Bill 1657. Representative Reitz, Chairperson from the Committee on Cities & Villages, to which the following measure/s was/were referred, action taken on Tuesday, April 30th, 2002, reported the same back with the following recommendation/s: recommends 'be adopted' Floor Amendment #1 to Senate Bill Representative Steve Davis, Chairperson from the Committee Constitutional Officers, to which the following measure/s was/were referred, action taken on Tuesday, April 30th, 2002, reported the same back with the following recommendation/s: 'be adopted' Floor Amendments 3 and 5 to

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Senate Bill 1588. Representative Novak, Chairperson from the Committee on Environment & Energy, to which the following measure/s was/were referred, action taken on Tuesday, April 30th, 2002, reported the same back with the following recommendation/s: 'be adopted' Floor Amendment #2 to Senate Bill 1907. Chairman of the... Chairperson from the Committee on Judiciary II-Criminal Law, to which the following measure/s was/were referred, action taken on Tuesday, April 30th, 2002, reported the same back with the following recommendation/s: recommends 'be adopted' Floor Amendment #1 to Senate Bill 1917."

Speaker Madigan: "Chair recognizes Representative Bellock for the purpose of an announcement."

Bellock: "Thank you, Mr. Speaker. I'd just like to take this opportunity to welcome the senior students from the AP Government Class at Hinsdale High School, Miss Cook's class. They've come down 'cause they're studying State Government and I was in their class last week, invited them and 20 took me up on the invitation and came down to visit. So, I wanted to welcome them today, they're in the gallery."

Speaker Madigan: "On page 3 of the Calendar, on the Order of Senate Bill's-Third Reading there appears Senate Bill 2072.

For what purpose does Mr. Wright seek recognition?"

Wright: "Thank you, Mr. Speaker, point of personal privilege."

Speaker Madigan: "State your point."

Wright: "Mr. Speaker, fellow Members of the General Assembly.

Directly above me I have the members of the American

Government Class at Illini Central High School in Mason

City, Illinois, brought by their teacher, Laura Schonauer

and I'd ask you to join me in giving them a warm welcome."

Speaker Madigan: "The order of business is Senate Bill 2072. Mr.

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Clerk, read the Bill."

Clerk Rossi: "Senate Bill 2072, a Bill for an Act concerning environmental protection. Third Reading of this Senate Bill."

Speaker Madigan: "Representative Bellock."

Bellock: "Thank you, Mr. Speaker. Senate Bill 2072 amends the Environmental Protection Act and requires Environmental Protection Agency to notify the unit of local government and the Illinois Department of Public Health of the discovery of any volatile organic compound in excess of the board's groundwater quality standards or the Safe Drinking Water Act maximum contaminated level. This Bill provides that the unit of local government and the Illinois Department of Public Health shall take any action that it appropriate within a reasonable time after notification by the agency. This ril... Bill really is all about that if the IEPA finds out that there contaminated wells, there must be notification. There is no Bill or there is no law right now requiring notification to people who live in an area of contamination, that they should have their wells checked. If this law passes, that would provide that. The IDPA (sic-IEPA) would have to publicly make announcement three times in the local press so that people would be aware of that contamination. I ask for your support."

Speaker Madigan: "The Lady moves for the passage of the Bill. Is there any discussion? There being no discussion, the question is, 'Shall this Bill pass?' Those in favor signify by voting 'yes'; those opposed by voting 'no'. The Clerk shall take the record. On this question, there are 115 people voting 'yes', 0 voting 'no'. This Bill, having received a Constitutional Majority, is hereby declared

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- passed. On page 2 of the Calendar, on the Order of Senate Bill's-... strike that. On page 4 of the Calendar, on the Order of Senate Bills-Second Reading there appears Senate Bill 1540. Mr. Mathias, Mr. Mathias, did you wish to move 1540? Mr. Clerk, what is the status of the Bill?"
- Clerk Rossi: "Senate Bill 1540, a Bill for an Act in relation to corporations. Second Reading of this Senate Bill. No Committee Amendments. No Floor Amendments. No Motions filed."
- Speaker Madigan: "Third Reading. Senate Bill 1543, Mr. Hartke.

  Mr. Clerk, what is the status of the Bill?"
- Clerk Rossi: "Senate Bill 1543 has been read a second time, previously. No Committee Amendments. Floor Amendment #1, offered by Representative Barbara Currie, has been approved for consideration."
- Speaker Madigan: "The Chair recognizes Representative Lindner."
- Lindner: "Thank you, Mr. Speaker. The Republicans would ask for an immediate caucus."
- Speaker Madigan.: "Are you prepared to estimate how much time it would require?"
- Lindner: "What?"
- Speaker Madigan: "Are you prepared to estimate how much time would be required?"
- Lindner: "Probably approximately an hour."
- Speaker Madigan: "There's a request for a Republican Caucus in Room 118. And the House will stand in recess until 1:30.

  House shall come to order. Members shall be in their chairs. Mr. Clerk, what was the Bill number that was in the record when we went to caucus?"
- Clerk Rossi: "Senate Bill 1543 had been read a second time, previously. Floor Amendment #1, offered by Representative Barbara Currie, had been approved for consideration."

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Speaker Madigan: "Representative Currie."

Currie: "Thank you, Speaker and Members of the House. On February 20th, Governor Ryan presented us a budget for the coming fiscal year. A budget that included \$22.711 million in General Fund spending. As of today, that budget looks at a \$1.2 billion shortfall. Part of that shortfall stems a March decision by the Federal Government to accelerate the depreciation schedule for certain business inve... investments. That's a... an amount that the Federal Government decided that it could afford, over three years it will cost them close to \$100 billion, about \$35 billion this year alone. And if they're wrong, if they can't sustain the loss, remember that they're in a position to engage in deficit spending. They're able to mint money. Nothing in their plan is predicated on the notion that the states will participate with their own revenues in this business incentive program. And in fact, under current laws approximately half the states will see no affect because their taxes are not connected to the federal structure. But here in Illinois, here in Illinois without a change we will see a \$360 million shortfall in the coming fiscal year for state and local governments. It's a quirk in our tax laws. And for this purpose alone, Amendment to Senate Bill 1543 would uncouple us from the federal structure and continue the current ten-year schedule for depreciation of business income. There are three affects if we support this Amendment. First of all, note that there will be no change in basic business tax liability. The only question is the time table. This is not an This is not a decrease. It only affects when increase. the business taxes are due and owing to the State of Illinois. Second, it would make sure that the money we

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thought we had at the beginning of this budget fashioning that some of that money, a small portion of that money, 240 million of that \$1.2 billion shortfall would be available to help fill our budget gap for the coming year. just as the Federal Govern... Government did not mandate that we participate in this incentive program, not mandate this kind of loss for our local governments. Our local governments didn't plan on a hundred twenty million less in... when they crafted their budgets for their coming fiscal year. They're feeling the economic pinch just as we are. Nobody on this House Floor would suggest for a minute that we're in a position to make it up to the locals for their losses, losses for parks, schools, for fire protection, for police services. Where will they turn? Well, they can't turn to us. Either they will have to cut essential services or they'll be forced to raise property taxes. Speaker Madigan and Members of the House, I invite your support for this Amendment. Let us join our Senate Republican colleagues. Let us begin to stem the flow of blood that we will see across the State of Illinois if we were to adopt a budget \$1.2 billion less than that Governor Ryan has proposed. We need the wherewithal it takes to meet essential services. We need to provide a safety net for fragile and vulnerable populations. And we need to respect our local governments who participate in providing those services, as well. measure would not solve our problems. There's no question will be looking at further issues of revenue we enhancements coupled with spending cuts. But this seems to me to be an absolute rock-bottom base. I urge your support for Amendment 1 to Senate Bill 1543."

Speaker Madigan: "Mr. Cross."

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Cross: "Thank you, Mr. Speaker. Inquiry of the Chair or perhaps the parliamentarian with respect to germaneness as to this Amendment. My understanding, if I read the underlying Bill correctly, deals with... aggregate producing aggregate... aggregate manufacturing. And in there, in the underlying Bill we see an Amendment to four different portions of the Sales Tax Act. And I would, if I'm not certainly the parliamentarian I'm sure has mistaken, reviewed this. We look at the... underlying Bill, we at the Use Tax Act, we look at the Service Use Tax, the Service Occupation Tax as well as the Retailers' Occupation Tax. The underlying Bill, as I said or as I would, as I'm say exempts aggregate exploration mining, processing, off-highway hauling, maintenance reclamation equipment from the sales tax imposed by State which My understanding of the Amendment, relatively new and we have not had an opportunity to spend a lot of time on it, but it deals with the Amendment of the Illinois Income Tax Act which is a wholly separate section of the Revenue Act in Chapter 35. It certainly appears from our reading of the underlying Bill and the Amendment that the Amendment is not germane to the underlying Bill. Certainly of a... if we're gonna talk about taking care of people's problems, bills that haven't been paid in a hundred and twenty days, taking care of the developmentally disabled, making sure that pharmacists, hospitals, doctors, nursing homes, et cetera, get paid. We want to do... be do a Bill and an Amendment that is germane, Mr. Speaker. want to do a Bill that's correct. We want to do a Bill that will withstand constitutional scrutiny. We've certainly seen some examples that... of Bills that we've passed that have not withstood constitutional scrutiny and

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we've had to readdress them and take care of them. And certainly, we don't want to do a Bill, we don't want to address an issue of this importance and this magnitude in a way that is not well-thought-out, it is not handled appropriately. So, I would ask the parliamentarian if in fact that this Amendment is germane to the underlying Bill."

Parliamentarian Uhe: "Representative Cross, on behalf of the Speaker and response to your inquiry, the Bill relates to taxes as the title reflects, as does the Amendment. It's the opinion of the parliamentarian and the Chair that the Amendment is germane."

Cross: "All right. Now, as I... if you could clarify for the record, 'cause I, you know, I want to make sure that when we get to the courts that they were all taken care of. That I'm assuming that the Majority Leader has spoken in the Senate. This is a package that's all complete. This Bill will pass and go straight to the Governor's desk and get signed. So, I want to make sure that it's constitutional. Are you saying that... that even though the underlying Bill deals with sales and this deals with income that we still have germaneness, that it's still germane?"

Parliamentarian Uhe: "Representative Cross, the Amendment is germane in the sense that it relates to taxes as does the underlying Bill. And the two are essentially germane for these purposes."

Cross: "All right. So, as long as we know the ground rules for this debate, any Amendment proposed either by your side or ours that deals with the issue of taxes, any issue dealing with taxes you will rule, as long as it deals with taxes, as long as if it's an Amendment filed by us dealing with

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taxes, that it will be germane to this issue and to this Bill? So, it's safe to take from your comments, Mr. Parliamentarian, that anything dealing with taxes will be germane?"

- Parliamentarian Uhe: "Representative Cross, I would decline to make any prospective judgements on hypothetical questions, respectfully."
- Cross: "But you are saying, so I understand, that dealing with taxes, income, sales, occupation, retailers, use tax, anything in the area dealing with Chapter 35 in Revenue is germane. So, we can at least, we can at least take your comments so we can prepare some Amendments. We may have some Amendments prepared and be ready and understand that at least in the general area of taxes you're gonna rule that our Amendment is germane. I mean, I think that's fair to say, don't you?"
- Parliament Uhe: "Representative Cross, respectfully, I believe I've responded to your question to the extent that I'm going to."
- Cross: "All right, but... So, are you saying so... just again, so we make sure we do it right and that we do the right things that if we perhaps prepare an Amendment that deals with taxes it may not be germane? I mean, if I put an Amendment on dealing with unemployment taxes is that gonna be ruled nongermane?"
- Speaker Madigan: "Mr. Cross, the gentleman has responded to your question. We understand that this is gonna be a contentious issue. But couldn't we go to the merits of the issue?"
- Cross: "Well, we're trying to anticipate, Mr. Speaker, since this is... I don't know if it's gonna be contentious, that's... remains to be seen. We'll certainly have some debate on

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that. But in anticipation of some Amendments perhaps that we file, as long as we understand that they deal in the area of taxes, as your parliamentarian has ruled this Amendment does, we would like to be treated the same and that they will be... we will find that they will be ruled germane. That's all we're trying to determine, so we don't waste the Chair's time."

Speaker Madigan: "Isn't there a better question as to whether the Amendments would be approved by the Rules Committee for consideration?"

Cross: "Well, that's another issue, Mr. Speaker, and I... I don't con... we don't control the Rules Committee as you know.

You have 3 votes, we have 2. But we certainly would like to prepare and file germane Amendments, as I would think you'd like us to."

Speaker Madigan: "Mr. Cross, it's very reasonable that the gentleman is going to decline to offer prospective opinion. If you were in his position you wouldn't do it. He responded to your inquiry. He's given an opinion on the question at issue right now. And again, I would say if you were in his position you wouldn't be offering prospective opinions."

Cross: "I don't know, I'm not in his position."

Speaker Madigan: "Well."

Cross: "Well, let me just... let me ask maybe a couple follow-ups, Mr. Speaker. I'm assuming that we're not gonna... you know, the Senate has offered a... a massive package or a big package to deal with our budget problem. I'm assuming that this is not gonna be done in a piecemeal approach. You're certainly not gonna just... this is not gonna be the only Amendment and we're gonna move on, we're gonna do the whole package that the Senate is proposing.

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Is it safe to assume that all of of the proposals of the Senate are gonna be added as Amendments to this Bill and that those will be ruled germane?"

Speaker Madigan: "The answer to the earlier question about adding other items to the Bill is 'no'."

Cross: "That we're only gonna do this kinda as a piecemeal approach, just one Amendment at a time?"

Speaker Madigan: "No. The plan is to offer this Amendment. If the Amendment is adopted, to call the Bill on Third Reading. You know, we do not plan to offer other items suggested by the Senate."

Cross: "So, we're only gonna deal with this in... this issue of decoupling, that's all we're gonna do today?"

Speaker Madigan: "Yes."

Cross: "All right. No other Amendments today at all dealing with the Senate package?"

Speaker Madigan: "Yes."

Cross: "Oh... okay. All right. Thank you."

Speaker Madigan: "Mr. Cross, didn't you want to ask for a verification?"

Cross: :"On... on what issue?"

Speaker Madigan: "On anything."

Cross: "Well, like your parliamentarian, I don't want to jump the gun and... do it too early."

Speaker Madigan: "Good response."

Cross: "If... it becomes appropriate, I certainly will."

Speaker Madigan: "Good."

Cross: "Thank you."

Speaker Madigan: "Thank you. Mr. Black."

Black: "Thank you very much, Mr. Speaker. An inquiry of the Chair. Have any other Amendments been fi..."

Speaker Madigan: "State your inquiry."

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Black: "Thank you. Any other Amendments been filed to the Bill?"

Speaker Madigan: "Mr. Clerk, did you hear that inquiry? Mr.

Hartke, in the Chair."

Clerk Rossi: "Representative Black, two additional Floor Amendments have been filed to the Bill. Floor Amendment #2 offered by Representative Tenhouse, and Floor Amendment #3 filed by Representative Tenhouse which are in the Rules Committee."

Black: "So, they have been referred to the Rules Committee? I'll... I'll reserve judgement. I... I would hope that both of those Amendments would receive a hearing from the Rules Committee. I don't believe that either Amendment is injurious to the underlying Bill. In fact, one Amendment I think would clarify some people's position on the Bill. The other Amendment would address the situation that we are in currently at the... current time. One Amendment deals with a sunset clause, the other Amendment deals with some short-term borrowing. I would think they would be germane and I think they would be extremely germane to this Bill. But as stated previously by my colleague, we don't control the Rules Committee all we can do is to hope that the Amendments will receive a fair hearing and that we'll be given an opportunity to debate those. Given that statement, Mr. Speaker, will the Sponsor of the Amendment yield?"

Speaker Hartke: "Sponsor will yield."

Black: "Thank you very much. Representative, your Floor

Amendment #1 is a very, very complicated and complex

Amendment dealing with a Federal Act."

Currie: "Wait, was that a question, Sir? Because I don't think it's complicated at all."

Black: "Well, I'm... getting to the question. My, my, my, let's

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not be so impatient so early in the process, shall we? I'm getting to the question. Let me restate..."

Currie: "I wasn't sure."

Black: "Let me restate my introduction to the question, if you'll give me that privilege. Your Amendment deals with a very complicated and complex subject and that depreciation schedule allowed by businesses that has an impact on the corporate personal property... replacement tax that the State of Illinois enacted some time ago. Now, question #1, this accelerated depreciation was acted upon by the United States Congress. Do you know what the vote was in favor of the economics stimulus, i.e., accelerated depreciation Bill in the United States House Representatives?"

Currie: "First, Representative, let me apologize. I thought you were asking if this was a complicated Amendment. My answer was 'no' and I didn't realize it had not been a question. Second, I know there was overwhelming support in the United States Congress for the federal economics stimulus package. I also know that nothing in Federal Law, nor in the debate on that issue either required nor counted upon state participation in the new depreciation schedule. As you know, Representative, approximately half the states are not tied into the Federal Business Income Tax anyway. So they obviously were not participants when the Federal Government voted. And I know from talking to members of Congress that it was not their effort, they weren't depending on the states. They were not depending for an economic stimulus. They were not depending on us to open our treasuries to They were making a statement this program. and а determination about federal revenues, about federal incentives, not ours."

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- Black: "Okay. You are aware that the Democrat candidate for governor voted for this economic stimulus package? You are aware of that, correct?"
- Currie: "I know there was overwhelming support for a federal economic stimulus package."
- Black: "Yes. And United States Congressman, Rod Blagojevich voted in favor of the federal economic stimulus package, did he not?"
- Currie: "I believe many of the Illinois Congressional delegation voted 'yes'. But again, I would point out that decision has nothing to do by virtue of federal vote with what happens to the State of Illinois tax structure. They neither mandate state participation nor did they encourage it. That decision is ours to make, ours alone, that is why I am proposing this Amendment to this Senate Bill."
- Black: "Okay. All right. Well, the answer to the question, I wasn't really trying to trick you. The Democratic candidate for the governor's position of Illinois did not vote on the Bill, he wasn't there. Let... let me continue..."
- Currie: "Wait, I didn't say he did, I just said there was overwhelming support."
- Black: "No, I know you didn't. I... know you didn't, I'm not arguing with you..."
- Currie: "So, ya didn't trick me."
- Black: "I'm just saying I wasn't trying to trick you. He didn't vote for it, he wasn't there, which is a true statement. This... this Amendment is being portrayed as only impacting rather large, industrial, multinational corporations. You and I both know that it impacts a small business as well as one of the larger, the largest business, say, in Illinois that I assume was probably be Caterpillar. Let me ask you

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this hypothetic. I own a dry cleaning store. Because of state and in federal environmental laws I have to reduce the amount of emissions or vapors or... I have to clean up dry cleaning store in order to be in compliance with environmental laws. So, I go out and price a machine that will put me compliance with environmental laws and I discover much to my surprise that the new machine that not only will... get me in compliance with environmental regulation and rule, but will also allow me to be competitive with newer dry cleaners that have moved into the area, costs a hundred thousand dollars. Now, that's certainly more money than I net in my dry cleaning business so I have to arrange a line of credit and I buy the... buy the machine. The Federal Law would say that I could probably write off the cost of this machine in three years. If we decouple, what then... how will I write the machine off? How many years will I have to write the machine off under the Illinois Tax Code?"

Currie: "First, if it was a question asking whether we had portrayed this as a measure that dealt only with multinational corporations..."

Black: "That wasn't the question."

Currie: "...the answer is 'no', we never did."

Black: "That wasn't the question. It was an assumption on my part."

Currie: "Second... second, if you are required as a matter in environmental regulation today to go out and buy new equipment to make sure you're in compliance with pollution control laws, let me tell you, Sir, that this eco... incentive package was not meant for you. The Federal Government passed this program not to give special treatment to people who had to go ahead and make business

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decisions for investment for regulatory or environmental reasons but only to give you an incentive to make an... an investment you hadn't planned to make in the first place. Third, when the Federal Government established this program they believed, they believed that in the first year the \$1.8 billion they may provide Illinois businesses are incentive enough. We are talking about \$1.8 billion that the Federal Government expects will be delayed in payment in the first year of this program from Illinois businesses, 1.8 billion is a lot of money. Coupled with the perhaps 10 or 11 interest rate cuts over the last several years, you're in a good position to make that investment, whether that additional 360 million, million with an 'm' not a 'b', that without this change you would be able to, to keep from Illinois state and local coffers, whether that would make for a different investment decision, I very much doubt."

Black: "Well, let me try to get an answer out of you another way. Representative, if you listen to my question, I clearly said not only environmental procedures, but I wanted to buy a machine that would keep me as productive as newer dry cleaners were who came in long after my shop So, I needed a new machine not only to meet established. environmental standards, but to retain my productivity and put me on a equal footing with my competitors. You didn't answer my question. I said the federal economics stimulus would let me, and let's not talk about 1.8 billion, I'm talking about a small business man or woman on a street corner in my district who borrows a hundred thousand dollars to buy a piece of equipment to keep his business as productive as possible with his... his or her competitors. Under the federal stimulus package, I'm going to be able to

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write off this capital investment in three years. If we decouple, what... how many years am I given to write off my capital investment under the Illinois tax law?"

Currie: "Ten years, the same as it was as of February 1st, 2002."

Black: "So, under the federal package I get a three-year write-off and under Illinois law I get 10-year write-off."

Currie: "No, it's... it's still 10 years. You get 30%, however, in the first year."

Black: "I... think most businesses..."

Currie: "And in fact, on my argument earlier, Representative, was the 30% of what you owe to the Federal Government will be far more significant in your business calculation than will be the 10% that you would owe the state."

Black: "So, if we decouple, will it be necessary for me to keep literally two sets of books? One in which I... want to make sure I get the full federal depreciation allowance, the other which tracks my state depreciation allowance."

Currie: "You don't have to keep two sets of books, all you have to do is make a simple calculation that would add back the money that you were entitled to as an acceleration under the federal schedule."

Black: "I see."

Currie: "Same books, simple calculation."

Black: "I... I see, a simple calculation. Let's look... let's turn to page 10 of your Amendment. Now, Ladies and Gentlemen, this is a simple calculation designed to help businessmen and women stay competitive, it's a simple calculation. We're all going to be able to do this on our own. We aren't gonna have to hire an accountant. Let me read to you this simple calculation on page 10 of the Amendment, line 4. One, 'y' equals the amount of the depreciation deduction taken for the taxable year on the

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taxpayer's Federal Income Tax return on property for which the bonus depreciation deduction, 30% of the adjusted basis of the qualified property was taken in any year under subsection K of Section 168 of the Internal Revenue Code, but not including the bonus depreciation deduction and 2 'x' equals 'y' multiplied by 30 and then divided by 70 or 'y' multiplied by 0.429, a simple calculation. I can do it in my head."

Currie: "Let me just..."

Black: "Very, very simple. Representative, let me continue.

What I just read to you is an example of why the accountants probably love this Bill, this Amendment, more than anybody in the State of Illinois. Simple, I think not. Are you familiar with a court case called Wexler V.

Wirtz?"

Currie: "I believe so."

Black: "Wexler V. Wirtz for those of you who may not have been here when we passed the... Liquor Tax of Illinois FIRST a case, a decision that was rendered on April 18th, 2002, this is May 1st, without giving Illinois citizens adequate time to study and comment on the legislation to their Representatives who voting on it, et cetera, et cetera, et cetera. Referencing the Constitution of Illinois, States that a Bill shall be read by title on three different days in each House, Illinois Constitution Article IV, Section 8B. In other words, the tax we enacted to help fund Illinois FIRST has been ruled unconstitutional by, I believe, a circuit judge based on the fact that we did not have full and adequate and open discussion of the issue at hand. Representative, Mr. Speaker to the Amendment."

Speaker Hartke: "To the Amendment."

Black: "I think what we have here is exactly the same kind of

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case that was just ruled unconstitutional on Wexler V. We... we persist in doing this in this chamber. Wirtz. This Amendment surfaced probably less than 24 hours ago. will respectfully disagree with the esteemed Majority Leader and I do hold her in the highest regard. There's framed picture I gave her some years ago that shows that, I really do. I respect her, I admire her abilities and capabilities. But I will say the same thing today that I said on Soldier Field and that I said on the Wirtz issue. Why do we persist in this chamber as Members, why do we persist in going along with this kind of activity? Most of have not seen the Amendment. Most of us haven't read the Amendment. Staff got it less than 24 hours ago. respectfully disagree with the Majority Leader. This is a very complicated issue. I called the business manager of my public school system sometime ago and I said I want to know exactly how much money you may lose from the Corporate Replacement Personal Property Tax. He's still figuring it out, I haven't heard from him. It is a complicated issue. We persist in bringing these issues almost directly to the sometimes we do have a perfunctory committee floor, hearing, no time to analyze, no time to call back in district, no time to get all of the interested parties together, review it very carefully and point out the weaknesses and the strengths of the Amendment. We never seem to learn here. And we as individual Members acquiesce more and more and more to these kinds of ... of procedures that say take it or leave it, we've drafted it, you may or may not have taken a look at it, those of us in leadership positions know what's best. Vote 'yes', vote 'no', vote 'present'. We don't need to discuss this anymore. That's wrong. I said it was wrong on the Soldier Field deal. I

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said it was wrong on the original Wirtz Bill. I say it on this Amendment. It's the wrong way to do the public's business. We could've had hearings. We could've invited people from around the State. We could of gotten input. But that's not what we're all about anymore and I think the process suffers for that. And I feel so strongly about it, Mr. Speaker, pursuant to Rule 61 (d), I believe I'm within my rights and I have filed the Motion in writing, I move to table Floor Amendment #1."

Speaker Hartke: "The Gentleman's Motion is to table Amendment #1.

All those in favor of his Motion signify by voting 'yes';
those opposed vote 'no'. The voting is open. Have all
voted who wish? Have all voted who wish? Have all voted
who wish? Mr. Clerk, take the record. On this question,
there are 54 Members saying 'yes', 60 Members voting 'no'.

And the Motion fails. Representative Black."

Black: "Mr. Speaker, I would just like to thank the Chair for giving me and any Member of the House the rights that we are guaranteed under the Rules, I appreciate that. At least I had an opportunity to present my Motion. I've been in the Minority a long time. I can't say I'm shocked and appalled by the result, but I... I appreciate the opportunity. And I hope every Member on this floor appreciates the opportunity that we had an opportunity to slow down the process, get a little more information but I lost and I'll listen to the remainder of the debate with great interest. Thank you."

Speaker Hartke: "As always, we try to be fair. The Chair recognizes Representative Hassert.."

Hassert: "Thank you, Mr. Speaker. Just could we get a Roll Call Vote on the Amendment, too, please?"

Speaker Hartke: "Your request will be granted."

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Hassert: "Will the Sponsor yield?"

Speaker Hartke: "Sponsor yields."

Hassert: "Representative Currie, I opened this discussion in the committee this morning. I'm just kind of confused why this part of this thing is so important. Typically, these type of issues are presented at a budget at the end of the year when we do the budget in whole, when we see the whole plan. For somehow we're piecemealing this. You know, we talked about a little while ago that we wouldn't piecemeal any part of this budget, that was from your side of the aisle. But yet, we're presenting this today and I just don't quite understand why we should move this forward without seeing the whole package, how this impacts it. But sometimes the end results... I'm sure this is gonna part of budget results at the end. There might be some things in that Bill at the end that nobody would want to vote for or might want to vote for. But why is this so important that we have to do this right now? And..."

Currie: "First... I would say that there is a sense that there may be some agreement across the rotunda on this issue."

Hassert: "But they haven't... that is..."

Currie: "As you know, the Senate President and his caucus stand behind this proposal so it's conceivable that this proposal has already sufficient support that we can begin the building blocks of a final budget plan, a final spending plan with this in place. Second, unlike some of the other proposals that have been made, this will give some security should we pass it today to our local governments, park districts, school boards, municipalities, security that they do not have today because they're not in a position to couple or uncouple. They can only depend on us to let them hold on to the revenues they need in order to make sure

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they can put out fires and apprehend criminals and educate our school children. So, this is unlike some of the other pieces of our state spending plan. This deals directly as well with local governments, every local government in the State of Illinois."

Hassert: "Well, that's fine and dandy. I'm assuming you're trying to get a Roll Call on this. This is probably a very good political vote for a lot of people to take right now for the local governments. You know, we don't know the numbers that you've preceded that we've seen are accurate. We don't know... I haven't had anybody from my local governments except one this morning when they realized that there was something even happening down there. This hasn't been on the radar screen back in my district but I'm sure today that you'll try to make it that way. But my concern is that I don't think this is gonna be the final version. Don't you agree that this will probably be rolled into a budget package at the end?"

Currie: "I see no reason to think so. If we adopt this measure today and if when the Senate returns they follow suit, I think this piece will already have been done and will be the first building block of a final spending plan."

Hassert: "Do you plan... you've suggested before and I asked you this in committee. You proposed a income tax increase as one of your solutions to the budget problems. Are we gonna see this in an Amendment form? Are we gonna see this come out at a proportion? We know we need to see the whole picture to see how we want to vote up or down on something?"

Currie: "Representative, I had earlier suggested that might be part of the discussion, the temporary small percentage increase in the income tax, that proposal was immediately

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shot down by the Leader of your caucus and the Leader of the Senate Republican Caucus. So, at this moment I would say it's extremely unlikely that we will see that as part of a final budget plan. This proposal, on the other hand has had apparent support from Senator Philip. He didn't fill out a witness slip this morning in committee but I suspect that's only because the Senate is not in town this week."

Hassert: "Have they voted on this?"

Currie: "No, they haven't. But when we send them Senate Bill 1543 I have every confidence that they will."

Hassert: "So, you think they're gonna selectively vote on your issue right here as a solo not as a package?"

Currie: "Representative, we can only but find out and the only way to find out is by sending them this Bill."

Hassert: "Okay. So, realistically you're not sure then. Your not sure if they're gonna take up this as a single issue."

Currie: "There's no such thing as certainty but death and taxes,

Representative. But this gives them the opportunity to say

what they... what they said at a press release, that they

plan to support."

Hassert: "Well, I understand that, we all do press releases around here for particular reasons, I'm not sure exactly sure if they make good legislative final results, though."

Currie: "You're not sup..."

Hassert: "Secondly, you know, we... we've already lost 60 thousand jobs within this state. Now, the only way to create jobs is have a good business climate. Don't you feel to some degree that we owe, if everyone of our Congress people from this state supported the stimulus package including the current Democratic government governmental (sic-gubernatorial) nominee, that we should

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also try to follow on that? I mean, people who are in your district, my district, who have been laid off, they really don't care about our budget crisis down here. They want to get back to work and care about their budget. You know and... I don't understand how we kinda tie this together. This is our problem in the budget that's why we need to look at this as overall package. But right now, you know, you're singling out businesses which would create jobs, which will help our economy, help stimulate the income that comes to the state. But yet, right now we're putting them on the table to try to figure out a way to hurt them. know, if we combine this with the Federal Government and the State Government we could put a package together, promote more jobs. Aren't you concerned about creation?"

Currie: "Representative, this takes not a single penny out of businesses' pocket. And I would remind you that since the federal action, it's my understanding that most of our neighboring states have adopted precisely this measure, Wisconsin, Iowa, Indiana, Tennessee, other states like Idaho, Nebraska, Pennsylvania, Virginia. It is also as I said earlier..."

Hassert: "I understand that, but wouldn't that..."

Currie: "...fair to say that at least half the states are not covered by this at all."

Hassert: "Well, that would give Illinois an advantage. That would give Illinois advantage if we didn't decouple because we could promote better economic climate for business to perform in this state if everyone else around us is decoupling, we might have a chance of per... you know obtaining some additional business within our state."

Currie: "A one year advantage that began September 10th? I don't

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think so, Representative. I think these decisions are made in a longer time frame. And I don't think that Illinois stands to lose anything if this measure becomes law."

Hassert: "Well, how would you suggest our business climate can help increase these jobs and gain back these 60 thousand jobs?

Currie: "If the if..."

Hassert: "You think government's gonna do that?"

Currie: "If the President and the Federal Congress are right, their stimulus package will do the job. And as I earlier said, they did not depend upon our participation in making their own economic forecast. They neither mandated nor encouraged us to participate and many of the states did not and will not. Illinois, because of our quirky tax laws, will be required to participate unless we make our own decisions about what's best for our economy."

Hassert: "To the Amendment, Mr. Speaker."

Speaker Hartke: "To the Amendment."

Hassert: "I just think that again this is a great type of piece of legislation just... separate out, not look at the full package to get a Roll Call vote on everybody that can go out there, then talk it up to make some bullet points against anyone in an election. But realistically, this is gonna come back. This is not the final product. You know, we shouldn't kneejerk and just sent the easy vote out of here. We should be looking at the overall picture. And again, this is not soup yet and I would... I think right now a 'present' vote probably be the best vote on this Bill, or this Amendment. Thank you."

Speaker Hartke: "Further discussion? Chair recognizes the Gentlemen from Cook, Representative Schoenberg."

Schoenberg: "Thank you, Mr. Speaker and Ladies and Gentlemen of

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the House. I would like to rise in strong support of Floor Amendment #1. Ya know, I've heard some of the earlier comments from Members on the other side of the aisle and I find it unfortunate that they would seek to denigrate what is a very important tax policy discussion over partisan considerations. I think it would be just as easy for the Majority Leader to make disparaging statements about how the alleged federal stimulus package has had an unintended consequence of over \$225 million to the state budget, million for this year that we already don't have. But she has withstood that temptation. And as has she withstood the temptation to make any reference to the other side of aisle's gubernatorial nominee or any other officeholders. Mr. Speaker, and Ladies and Gentlemen of the House, more specifically to the merits now that I'm done defending the valor of this extraordinary Lady and public servant. It's... don't be fooled by the argument that says that we would be... that it's an either or proposition over whether or not businesses would be helped or would be harmed as a result of this change in the Tax Code. From a simple political perspective, there countless other states as Representative Currie has already pointed out that have both Democrat... I'm sorry, have both Republican governors and Republican majorities in there Legislatures which have decoupled from this. For the precisely the reason is because how many times have we heard over the years about things like unfunded mandates and... other unfunded obligations that have been brought upon us by the Federal Government where we are left holding the bag or cleaning up the mess. Here is something, Ladies and Gentlemen of the House, where we can actually take our destiny back into our own hands. Now this, by way of

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background, this issue first arose, Governor Ryan and a delegation from the state who were in Washington visiting with the Speaker and other key leaders were assured that there would be a change in the medicate perhaps reimbursement rates to provide some kind of cushioning of impact as a result of these onerous changes to the... to the Federal Tax Law that directly impact us. change in the reimbursement rate never happens. We got all of the stick and none of the carrot and now we're looking at a \$225 million price tag, \$225 million that we already Businesses will be able to derive benefits don't have. from the change in the Federal Tax Code and because of Illinois' relatively low tax rate, whatever bon... modest bonus they would realize they just wouldn't realize. to say that they wouldn't realize the not overwhelming majority of their benefit anyway. So, don't frame it in a sense that it's either or. The fact of the matter is, whether it's a large corporation or a small business owner, anybody who takes... seeks to take this tax benefit will be able to do so and do so rather handsomely as a result of the change in the Federal Tax Law. it's also been argued that we don't no what the impact would be beyond the state. Well, unfortunately, we do. So, I'd like to skip over the fact that Evanston-Skokie School District 65, where I live, would suffer a thousand 607... 677 (sic-\$230,677) loss as a result of not decoupling. Let's go to... if anybody here happens to live in Elk Grove Township 59, where the loss would be \$506,336. Or if anybody happens to represent Palatine Township 15, where... in Cook County where the loss would be \$339,117 or Manheim Township 83 in Cook County, where the loss is \$346 thousand. Or if you... for those of you who think that

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we're parochial in Cook County. Let's talk about DuPage County. Anybody here have any connection with Glenbrook Township High School, School District 87? The loss to them would be \$257,629 I don't think they've got that kind of spare change laying around. I could go down the list further into the other collar counties but in the interest of time I won't do so. Mr. Speaker, Ladies and Gentlemen of the House, in conclusion, I would just like to say that this is worth more than \$225 million to us in this coming fiscal year. The impact on municipalities and counties is \$97 million. The impact on school districts around the state is estimated to be \$78 million. And I hate to be the bearer of further bad news, but these numbers will go up in following fiscal year. Let's provide our local governments and the people we work for, the taxpayers, with some relief now. This is fair, this is equitable, this is being done in many other places. We shouldn't be ... we should be embarrassed that we weren't the first doing this. I urge an 'aye' vote. Thank you."

Speaker Madigan: "Further discussion? Chair recognizes the Gentleman from Adams, Mr. Tenhouse."

Tenhouse: "Thank you, Mr. Speaker, Ladies and Gentlemen of the House. I can't help but think of the words of a great native son of Illinois. There you go again, here we go. It never ceases to amaze me how we can go from one press release to the next. Here we go again. You know, you're gonna have this Roll Call and it doesn't amount to a darn, you know it and I know it. All you're doing is using it to gin up the groups go through the same crap that we did when you put \$476 million in add-ons and sent it over to the Senate and we're supposed to stand here and just grin and smile and say this is a great idea. You know it would be a

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great idea if you had a plan and you put it in place. Instead, all you're worried about is creating Roll Calls to be able to use against us. So, let's talk a little bit about what we're looking at here. I mean, we really do not have a reduction in the revenue stream over the years. It's pretty simple. I mean, I know Representative Hannig are both CPAs and when you look at this all we're doing here is changing the timing of the depreciation. We're not talking about giving companies a tax break or individuals a tax break. It's gonna come over a period of This is an incentive, this is an incentive that was passed almost unanimously in Congress as we've talked about before. I think there were 3 or 4 'no' votes in Congress. It tells you about how important this is as far as the stimulus. Look at the revenue stream coming into the State of Illinois. And then we're gonna turn around and say, 'Nope, business people, we don't want you to stay in Illinois. We don't want you to expand in Illinois. Go to Missouri, go to Wisconsin, go to Michigan, those are better places because we really... all we want is your money'. All I can say, Ladies and Gentlemen, I'd like to show them the money. How about getting serious about paying our debts? How about putting together a plan and sitting down with both caucuses and trying to work out how we pay our Instead of having private employers out there who bills? are struggling waiting 60 to 90 days to get paid, why are we doing this? Another great press release, but we're not paying our bills. Ladies and Gentlemen, I would simply ask that see through this, realize what we're looking at, this is not a real issue. It's just another great press release. Thank you."

Speaker Hartke: "Further discussion? The Chair recognizes the

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Gentleman from Coles, Representative Righter."

Righter: "Thank you, Mr. Speaker. To the Amendment."

Speaker Hartke: "To the Amendment."

Righter: "Very briefly, Ladies and Gentlemen of the House, think that a couple... several good points have been raised this debate and I just want to touch on two. there has been discussion about the fact that there are small number of other states who are also interested in decoupling and that's fine, but if we're going to add ourselves to the list of that small minority of states who are gonna do this then once again all we've done is wiped out whatever advantage we may have had at the beginning of the year or when this economics stimulus package passed to bring business into the state. And we ought to take just a moment and do something that we are often criticized, rightly so, for not doing in this chamber and that is take a little bit of a long-term view. And that is all the programs that are near and dear to our hearts, the school funding, the nursing homes, the programs for the developmentally disabled, all of them won't mean anything if we do not have tax revenues to pay for 'em and that's the problem. If you do not have business in Illinois, if you do not have employers in Illinois, putting employees to work who pay taxes, then nothing else matters. And we ought to look at more than just a year down the road. Let's look five, seven, ten years down the road and say, is this gonna help us sustain the programs that we believe are necessary for our constituents. The second point is a shorter term, much more practical viewpoint. And that is all of our constituents, regardless of what district you come from, expect us to carve out the wasteful spending that State Government need not do first before we reach

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into the pockets of the taxpayers again. And no one in this chamber and there's no one this State House who can say that that's been done. We're not even close to doing We're not even close to going through and finding the programs that don't really work, finding the programs that really don't serve our constituents, finding the wasteful administrative spending that goes on and rooting that out first and then saying, 'Ladies and Gentlemen, we've done it all, we have no choice but to then vote for a tax increase'. We haven't done that. Ladies and Gentlemen, let's put things in the right order and let's attack the government's spending where it need not be spent first, before we ask the taxpayers to once again give up some more money. Thank you, Mr. Speaker."

Speaker Hartke: "Further discussion? The Chair recognizes the Gentleman form Madison, Representative Davis. Steve Davis."

Davis, S.: "Yes. Thank, thank you, Speaker. I'm really happy to see that the last two Speakers did not try to politicize the issue. Unfortunately, the two Speakers before them did politicize the issue by using the Democratic gubernatorial nominee, Rod Blagojevich's name in debate and I wish that you would instruct the other side of the aisle if there's gonna be continued debate on this Amendment or any other issue in this chamber that we should stick to the issues. Because this Bill, this Amendment to this Bill is too important to the working families in the State Illinois. It's too important for the cities and villages in all the taxing districts in the State of Illinois. If they want to talk about who was absent and where, I'd like to know where in the world the Republican nominee was for the last three years under the scandal that... that came out in the

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Secretary of State's Office. I am shocked and appalled that my colleagues would politicize this issue in the Illinois chamber, in the House chamber and I would like them to stick to the issues in the future. If we want to stand here and debate the gubernatorial election between now and the end of May, let's set aside time every day and we can determine the debate on that issue, otherwise, let's stick to the issues at hand and let's debate the merits of the Bill. Thank you."

Speaker Hartke: "Further discussion? The Chair recognizes Representative Morrow."

Morrow: "Thank you, Ladies and Gentlemen. You know, I've been around here a long time and some of you might say I've been around here too long. But you know what, I recall several years ago they said, oh, we got to give a tax break to Motorola to move to Harvard so we can create some jobs, so we can have taxpayers on the roll paying income tax. Well, what happened to Motorola in Harvard? What happened... How much money did we give Motorola to go to Harvard, Illinois? Oh, Sears, we gave a tax break to Sears to go to Hoffman Estates. What did they do? They laid off Illinois workers. So that's income not going to the State Treasury. I get sick of the other side of the aisle talking about tax breaks for corporations that then lay off Illinois What kind of politics is that? So, now you say citizens. the Federal Government passed a Bill to create economic stimulus. Well, they got a stimulus all right and it ain't economic. We done spent billions of dollars on terrorism. I got terrorism in Inglewood in my district, I wish you spent a billion dollars in Inglewood. I wish Motorola had moved to Inglewood. I wish Sears had moved to Inglewood. But no, this Bill should be passed and stop all this

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political rhetoric. I'm not going to send out a tax... a press release 'cause I'm running out of... well, in the just... I've got a Republican opponent and he's gonna get And I guess if he... if he want, he'd be coming out here talking about tax incentives for Sears, incentives us for Arlington Race Track. Here we go, we've built a race track, a man had a fire at a race track and we rebuilt it. Let one of your constituent have a fire, they better have fire insurance. But that side of the aisle always proposes we gonna lose business. We help big business and big business sticks it to us anyway. Think about it. Stop all this crap. Talkin' about press releases, you all sent out too many press releases anyway. How... this summer, I'm gonna spend all this summer, reviewing everyone's newsletters in this chamber because opponents of us are gonna say your newsletter is not nonpolitical, it's political. And your opponents gonna get a little press release in his new... local newspaper about your newsletter. I don't look forward to this summer and this is the only chamber that does that with their newsletters. The Senate doesn't do that. The Senate for some reason seems to be aboveboard the partisan crap that we go through here. But now this Bill is talkin' this Amendment is talkin' about saving monies for local units of government, saving monies for schools. And you sittin' up here talkin' about press releases. This is ridiculous. Let's vote on this Bill and let's get to the business of the people at State of Illinois."

Speaker Hartke: "Further discussion? Chair recognizes

Representative Winters."

Winters: "Thank you, Mr. Speaker, Ladies and Gentlemen of the House. I rise to debate this Amendment because of a fact

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that a lot of us have in our home districts companies that are going out of business that are not competitive. have got to stimulate their bottom line because then they hire people. In Rockford and Winnebago County, we're looking at a 7.8% unemployment rate, one and a half points above the Statewide average, I can look west to Freeport, it's much, much worse there. I know that Danville, some of the other manufacturing towns, Decatur, again are facing very high unemployment. This is the type of business that will be stimulated if they're allowed to accelerate their depreciation. Congress, 417 to 3 said that this was a good Why is it a good idea for the country and it is not for Illinois? If we do not allow if... excuse me, if we do not include the accelerated depreciation in our budget making this year, what we're doing is saying to business we don't think you're important to this state, why don't you go to some other state? Some other state that will allow you to buy that machinery and write it off relatively rapidly. Many multi-state corporations have the ability to do exactly that. They have shops in different states. Economics 101 and I took a few econ courses, basically said, if you raise taxes you get fewer jobs, if you lower taxes you get more jobs. It's that basic. We have to make this state a business-friendly state. Certainly, there are examples as the previous Representative did bring out that there are companies that we thought had a good future in Illinois, but market conditions have changed. That doesn't mean that the economics stimulus that we gave them to expand in Illinois was not the right decision at the time. But you cannot look back and say that that decision was wrong because market changes change what those business had to do. As previous speakers have mentioned, 60 thousand

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manufacturing jobs have been lost in the last ten months in Illinois. Without manufacturing jobs, there won't be this service economy. The people that go into these companies install the computer networks, the telephone networks, to do the business... the business consulting, if there's not the manufacturing jobs to support it our service economy will suffer. And the service economy is one that will be helped by this stimulus package. We are talking about real purchases of machinery and goods that are used in manufacturing, those are the types that we have to... stimulate the absolute quickest way we can. Now, decoupling is... is a easy way to solve part of our state budget crisis. But it's the wrong thing to do as our first What we have to do is look at the tough cuts. have to be courageous, we have to be brave and say there are companies all over this state who have had to downsize, who have found leaner ways using fewer employees to get the job done. And yet, at our State Government we're not doing We're not looking at the Department of Human Services and saying, you know, let's keep the money going out to the local agencies but there are some superfluous workers in the bureaucracy. We need to cut those extra jobs, we need to look for cuts in every agency. If we pass tax increases first, we'll never look for those cuts. Let's make the difficult decision to say we should downsize State Government just as our companies are, then if we haven't balanced the budget at that point let's reconsider our options. But we should definitely not use this as our first option that comes up for a vote. Thank you very much."

Speaker Hartke: "Further discussion? Chair recognizes

Representative Biggins, the Gentlemen from DuPage."

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Biggins: "Thank you, Mr. Speaker. To the Amendment."

Speaker Hartke: "To the Amendment."

Biggins: "I think I got this sequence correct. You can help me if I'm wrong, Mr. Speaker. Let's see, our state income is down, the Federal Government has passed an initiative that will permit businesses in Illinois to encourage them to expand their employment by purchasing and investing in machinery that will need employees to operate it. That in turn will produce income for the employees, in the area that we're short in, which is individual income tax. So, now we have a proposal to take away that incentive. I'm gonna vote 'no'."

Speaker Hartke: "Further discussion? Chair recognizes the Gentleman from Peoria, Representative Leitch."

Leitch: "Thank you very much, Mr. Speaker. To the Amendment."

Speaker Hartke: "To the Amendment."

Leitch: "I would suggest that the reasons why Congress so overwhelmingly adopted this stimulus package are precisely the reasons that we should reject Floor Amendment #1. Congress recognized that we are in the third year of one of the worst recessions that this country has seen in decades upon decades. Congress recognizes that this recession is different from previous recessions. This recession is one where the consumer has stayed in the economy. two-thirds of the economy that is represented by consumer spending has stayed up. It is a corporate recession. is known in the financial press as an earnings recession. And so, in the wisdom of Congress they agreed that this stimulus package was necessary, especially in light of the devastation to our economy in the aftermath of September And for the same reasons that Alan Greenspan cut interest rates 11 times last year, this stimulus package is

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important to our country indeed important to Illinois because as we see in the free fall that we are presently in, we see that our most current numbers show that reduction in corporate income tax receipts as opposed to a 2% reduction in personal income tax receipts that only in our Illinois experience so graphically what is happening throughout the rest of the country. has been previously mentioned over 60 thousand jobs, manufacturing jobs, have been lost here in the last ten months. One of the most important things we can do is not to take the easy way out, not to fail to implement programs that will put us back on recovery. We must reject this Amendment and others like it because it is essential get Illinois' economy back on its... on its feet. other very practical issue involved is one that's been raised and one that were this to be adopted you'll be hearing from all kinds of your small business people and And that is the bureaucracy and the regulation others. that will be required to implement this. I don't know about you, but I spent a great deal of my time with small business and others who have one problem after another with Too the Department of Revenue. often one interprets the regulation different than another auditor. Too often in my district we've had small business people almost getting taxed out of existence because they were not filing forms for which they don't collect a tax and on and on and on. So, not only will the accountants in Illinois be very busy sorting this out were it to become Illinois law, you and I will be very busy too, as our constituents the small business community and others deal with the inevitable regulation that will inevitably be very unwieldily difficult and subject to interpretation and all

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the rest. So, I say to you, do not adopt this Amendment. Do not pass this Bill. Do not prolong the recession in Illinois. Do not prolong the opportunity for our business community to get back up off its back, start creating jobs again and start by virtue of that recovery replenish the revenues that we so urgently need. Thank you, Mr. Speaker."

Speaker Hartke: "Further discussion? The Chair recognizes the Gentleman from Logan, Representative Wright."

Wright: "Thank you, Mr. Speaker. To the Amendment."

Speaker Hartke: "To the Amendment."

Wright: "I rise in opposition to this Amendment and I do so because I think this Amendment epitomizes the reason we're in the budget crisis we're in now. We have problems with our budget."

Speaker Hartke: "Shhhh."

Wright: "And instead of addressing those through restricting our spending..."

Speaker Hartke: "Shhh."

Wright: "...we want to spend our way out of a budget. We don't want to take it the hard... take a look at the hard issues to see where we can cut fat out of this budget. And I daresay everybody in their district if they went back would find their constituents say uniformly, there's waste of spending in the government budget. Everyone would agree with that in the State of Illinois. But we don't want to take the time to look for it. We don't want to take the time to address it because it's not... it's not their money, it's our money. And that's become the attitude in Springfield. We're entitled to this. We have a right to this money somehow, so we can spend it because the taxpayer doesn't know best how to spend it. And that's a big

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problem with Springfield and government and why we're in the position we're in. I don't want to talk about Motorola this afternoon because in my district the largest community has 15 thousand people in it. The next largest has 9 thousand and then there's small communities scattered all over Central Illinois. I don't have Motorolas. I don't have big corporate... corporations that employ a thousand or 2 thousand or 3 thousand people. I have a lot of individuals who scraped together whatever money they could, went to the bank, mortgaged their home, started a business, put in 14 to 16 hours a day, created a job for themself created jobs for other people, 2 jobs, 3 jobs, 9 jobs, 10 jobs and they put money back into the community. And they provide jobs without having to go to government, without funding, seeking any government without seeking government program, they do it on their own. That's what this country is all about. I hope as I raise my kids I don't ever get my kids to the point where son, daughter, your answer's in Springfield. Their answer is not in Springfield. Their answer is what they can do themselves. And we need to create an environment where they can do that and they can do it freely. Why do we want to live in a state where we make business work harder to make a profit, to work harder to employ people? beyond me. We need to be encouraging them to do this. need to be encouraging a business environment where they can employ people, put people to work, pay them more than \$6 or 7 an hour and create good jobs. Ya know, gonna put this in my newsletter this summer because I don't use a newsletter. I'm on pace to turn back \$10 thousand of my office allotment. And I'm on pace to do that because it's not my money to spend, it's the taxpayers' money. And

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I don't use that for a newsletter, they know how to get a hold of me if they want to talk to me. And we need to vote this down because this has been rushed through. This has not been discussed. This has not been reviewed. We don't know the numbers. Even the Department of Revenue doesn't know the numbers. We need to vote this down and we need to address the immediate concern. I received a phone call today from a pharmacy owner in Havana, Illinois. Most of you don't know where it is. Some of you may not even care, but it's on the Illinois River in Mason County. He said, 'Representative Wright, I have a small pharmacy that I opened. The big pharmacy, CVS, doesn't take medicaid..."

Speaker Hartke: "Shhh."

Wright: "...prescriptions. I take them. State of Illinois owes me \$168 thousand, Representative Wright. The State of Illinois owes me \$168 thousand.' What do I tell him? He's about a month away from closing his doors, closing down his job, closing down several other jobs in that community and shutting away people in Havana, Illinois from their only source to get medi... medicaid prescriptions filled. we don't want to deal with that. We don't want to deal with short-term borrowing to try to keep that business and other businesses going so they can provide health care and services. We'd rather make it more difficult for business, rather make this make a good sound bite when we don't know if the Senate GOP would even pass this because this was only offered as part of a packaged proposal. I daresay it probably wouldn't be passed alone. We need to revisit our purpose here. We need to revisit our vision. And we need to understand that we need to look at this budget crisis by restricting our spending first and then see where we stand. I encourage a 'no' vote against this. Thank

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you."

Speaker Hartke: "Further discussion? Chair recognizes the Lady from Cook, Representative Mulligan."

Mulligan: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Hartke: "Sponsor indicates that she will yield."

Mulligan: "Representative, there's a document being passed out here that shows the amount that each school district would lose if this were not enacted. My understanding is that one of your staff members put this document together and I would like the formula that he used in order to obtain these figures."

Currie: "I don't have that formula but I would anticipate what the locals did was to take their anticipated collection from the Corporate Personal... Property Replacement Tax and take as a deduction what we anticipate will be lost to that fund and then apply the percentage that they would anticipate from that sum to the new total. It's a pretty simple mathematical activity."

Mulligan: "Are you saying he's basing this on the taxes currently paid by businesses in that area? I'm sorry, I could not hear you."

Currie: "The Corporate Personal Property Replacement Tax came in 20 some years ago and there is a formula that defines which local governments have access to it. Paying in to the fund are businesses that used to pay personal property taxes in the State of Illinois. Today they pay instead of income tax. There's a straightforward formula that shows each unit of local government, school district, park board, municipality what their share of the fund is. I believe ED-RED put these figures together and I believe they did so by reducing the fund by the hundred twenty or whatever millions it is we would expect it to lose without passage

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of this measure and then applying the percentage that each school district or other unit would be entitled to."

- Mulligan: "My understanding was that ED-RED obtained this document through your staff. And I'm just curious as long as they were... your staff was working on these figures one of the school districts that I represent is District 59 from Elk Grove Township and that figure that they were given was \$506 thousand. I wondered why if they were figuring this out, if they also came up with an amount that the school district would lose if the O'Hare Plan was enacted and would take out part of their industrial park? To me, that seems very interesting that they weren't able to come up with that figure but they came up with these figures. And I'm just always amazed at how these things that work out."
- Currie: "The Department of Revenue supplied ED-RED with the multiply... with the numbers. I don't know whether they have that information available with respect to other activities that haven't yet begun. You might check with the department, that's where these numbers originated."
- Mulligan: "All right. Would the depreciation also apply to farm equipment?"
- Currie: "I'm not sure what all qualified business investment is but I would imagine so."
- Mulligan: "The Chief Sponsor of this Bill is a notorious pig farmer and I would think that he would be very concerned if it would keep a farmer from buying a new piece of equipment and not being able to depreciate it. That's why I was just curious to find that out. How long will it take for this money to come in, if we actually enact this? Wouldn't it start not right away because you have to do quarterly estimates and this would be predicated on the fact that

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businesses would actually have to move forward even though some of them are in dire straits at this point, particularly manufacturers, to purchase new equipment?"

Currie: "Representative, it would come in the same way it came in last year, the same way it would ordinarily come in next year."

Mulligan: "My understanding from one of the speaker's answers to a question was that although Amendment 3 which we are offering that would talk about short-term borrowing will not be considered and that if this Amendment is put on the Bill you will then immediately go to Third Reading and call the Bill. On Monday morning I met with Reverend Fred Aigner who is the head of Lutheran Social Services and of the top three issues that he brought to me about the budget crisis, nonpayment of bill's was #1. I do not understand why we would be moving forward with this if we ought aren't going to address things piecemeal without including short-term borrowing that would cover the immediate affects that it's having on mostly human service agencies for not paying their bill... bills. And I would think that it's very irresponsible as long as we're moving this Bill forward, not to include something like that that would take care of those concerns, which in my understanding is the money would come in almost immediately as opposed to the way this money's going to come in for revenue as we always know revenue particularly tax, income taxes or personal taxes, always are very slow to respond to a crisis like this."

Currie: "Representative we're looking right now at Amendment 1, not some other Amendment somewhere in the ether. May I remind you however, that there is in the statutes already a procedure in place for short-term borrowing. That those

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procedures can be followed if it makes fiscal sense for us to engage in that program then I anticipate it will happen with or without some Amendment somewhere."

Mulligan: "In the years gone past, when we've talked about budgets or things that would help implement a budget, normally this all comes at the end after the Members have some assurances that what is going to be enacted will actually cover the cost that we're worried about. I'm sitting here holding a printout from the Department of Human Services that has 40 pages with an average of 51 people per page that are merit raises with an average of about \$200 a merit raise, not to speak of the union contract raises. How do the people that are voting for this know that the money that we are saving are going to not cover things like that rather than personal services for attendants and the elderly? When you do this piecemeal and separate it from the budget, you have no assurances that what you're voting for will actually cover what we want it to cover."

Currie: "Representative, we've heard that argument moments before on this House Floor. And may I remind the Members that we have heard on this side of the aisle and on that side of the aisle that we are tired of voting for everything all at once. Let us vote on our budget, budget by budget, agency by agency. Let us not be given a final product by the leg... by the Governor and the 'four tops'. Let's make up our own minds every step of the way. That's what I'm offering us, the opportunity to do today. And you tell me no, you don't want to do it. You want everything now. You want a package offered to you with a pretty ribbon tied by the Governor and the four legislative Leaders, I don't believe my ears. You have been most vocal in the

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importance of us making the decisions with votes on this House Floor. Here, Representative, is your opportunity, take it and make the best of it."

Mulligan: "Representative, you have been here much longer than I and you are much more articulate. But I would venture to say that passing out 50 Bills at the Governor's level on an Agreed Bill List is not discussing the budget. So, to say that we were going to discuss the budget Bill by Bill is very disingenuous. Some of us did speak up and came to the aid of human services in particular by voting in a nonpartisan fashion on a Bill that we wanted to support. But the issue's particularly with the Conference of Woman Legislators are we do not want to pass revenue enhancement unless we're sure it's going where we want it to go. for pay raises, we want it to go to services. The things that you have brought up on this are... you are jumping the gun when you are putting out this vote without assuring us that number one, the Senate's gonna call it. What you think the Senate is doing and what I think the Senate are doing by putting out the proposal that they put out, are two entirely different things. And quite frankly, we have no assurance that that's what they're going to do or that the ending budget will end up like this. And I would venture to say, I'd be willing to lay money on a bet that we will still vote the budget out in the same way we have And certainly not Bill by Bill. And if always done it. you don't think that's so, I would be willing to go to the back of the room and make a money bet with you that that's exactly what we will do, because I definitely think that voting out 50 Bills on an Agreed Bill List is not discussing what we have wanted and what we have introduced, particularly Representative Lindner has introduced a Bill

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to discuss budgets. We did not do that. And I think that saying that this is going to be targeted for what you're saying it's going to be targeted for is totally disingenuous. Now, if I want to vote for this because I'm worried about my school districts, I will vote for it for But it certainly won't be because I have assurances from you by passing this Bill and not directly addressing the Bills that are going unpaid with short-term borrowing which all but the particularly the charitable organizations are having a problem with or the providers that come from ecumenical backgrounds are and that we cannot do that now is totally disingenuous the way this is being handled. So, I would not venture to say that when you put together a list that it suggests that you know ahead of time what my school district's gonna save or lose, you don't know that. To say that this money will cover not cutting the grants in the school budget is not really fair. I don't think you've said any of that. What you're saying is, vote for this now, make it a political issue, but don't discuss the realities of the budget."

Speaker Hartke: "Further discussion? Seeing that no one is seeking recognition, Representative Currie to close."

Currie: "Thank you, Speaker and Members of the House. First, several red herrings. Question has been raised whether this would violate the district court opinion in the Wexler case. I would venture to say, it will not. I believe this is entirely Constitutional. There's been no change in the title of the Bill and there was indeed a committee hearing this morning. I think this is well within the Constitutional requirements for passage of a measure in this House of Representatives and I invite your support. Second, it's been suggested this is a very complex

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procedure. Read the language. I invite everyone to read the rest of the language in the Illinois Revenue Code. Many of us might find it difficult to understand, but in fact, it's a very simple calculation, add back the 30 percent from your federal return when you're figuring out base for your Illinois tax rate. Third, as mentioned, people say I wanna see the whole picture before I'm willing to fill in the dots in a single corner. think we owe our constituents better than that. I don't think that we should wait around and see what happens sometime late in May. We have the opportunity to act on a small piece of the budget puzzle and this measure is our opportunity to be responsible and do just that. suggested that only a handful of states are operating differently from the Federal Government with respect to this bonus depreciation, that's inaccurate. As I counted, it may be as many as 32 states today and many more still considering who have either already decided, or have recently decided to uncouple to change their tax structures so they are not required to take this particular hit. We're told that we need this additional incentive in Illinois or businesses will do nothing. Give me a break. If in the interest rate over the last year, and if the opportunity to pick up \$1.8 billion in accelerated depreciation won't do it, I'm here to tell you that the amount that is at stake right now in this measure today will certainly not turn the tide. Any economist will tell you that compared to what the Federal Government is offering the Illinois amount, state and local together, anything nearly icing on the cake. But it's icing we need in order to be able to do more than stale bread for our constituents and the important services we provide.

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Remember that this is not a tax increase, this does not change the bottom line for businesses. The question is not what they owe, but when do they owe it. People say, oh, why don't we just pay our bills? Well, Speaker and Members of the House, I would argue that one of the problems is we don't have the to wherewithal to pay our bills. find some way to start filling the budget hole and looking at the same time at appropriate cuts, we're not going to be able solve our problem. We cannot borrow our way out of this mess. We cannot borrow only in order to Remember too, that this is not just solve the problem. about us, it's about local governments. They don't have the opportunity to uncouple from the federal tax structure, they're stuck with what we do. That 200... that hundred and twenty million that goes to your parks, your schools, your fire departments, your police stations, that's money that we can control. The Feds didn't say they wanted that money to go to businesses on a faster depreciation schedule, they said their incentive package was good enough to make it work. I believe that the Feds know what they're talking about, I believe that we know what we're talking about. I believe we understand that a \$1.2 billion hole in our state general funds budget would be very difficult to solve with cuts alone. And I believe our responsibility is not just to the fragile and vulnerable populations that are our responsibilities, but our responsibilities to the local governments who provide essential services, as well mean that the only conscionable vote on Amendment #1, to Senate Bill 1543 is a 'yes' vote. I would appreciate your support."

Speaker Hartke: "The question is, 'Shall the House pass Senate Bill 15... Shall the House adopt Floor Amendment #1 to

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Senate Bill 1543?' All those in favor signify by voting 'yes'; those opposed vote 'no'. The voting is open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Mr. Clerk, take the record. On this question, there are 64 Members voting 'yes', 37 Members voting 'no', 13 Members voting 'present'. And the House does adopt Floor Amendment #1 to Senate Bill 1543. Further Amendments?"

Clerk Rossi: "No further Amendments."

Speaker Hartke: "Third Reading. Representative Hannig in the Chair."

Speaker Hannig: "Mr. Clerk, would you read the Bill."

Clerk Rossi: "Senate Bill 1543, a Bill for Act concerning taxes.

Third Reading of this Senate Bill."

Speaker Hannig: "Representative Hartke."

Hartke: "Thank you very much, Mr. Speaker and Members of the House. As all of you are very well aware this piece of legislation in the base talks about the continuation of a five-year exemption for the aggregate producers in the state of Illinois on their sales tax. And of course another Amendment, Amendment #1, which we just discussed. I'd be happy to answer any questions on this piece of legislation."

Speaker Hannig: "The Gentleman has move for passage on Senate Bill 1543 and on that question, Representative Daniels."

Daniels: "The vote on this Bill strikes me as perhaps somewhat ironic if the Democrat Majority in the House does what I think they'll do. The headline might read, Democrats turn back on job growth and working men and women. Now, why would I say that? You go ahead. I understand why you would boo, because it's the truth. And it often hurts. But you're vote... you're voting against economic stimulus

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which everyone of the Congressional delegation in Illinois voted in favor of except for one person, that what didn't vote. You're voting against jobs for working men and women and you're spending time when we should be debating paying the bills for the working men and women of Illinois that supply the services for our neediest population. So say what you want to say, you're turning your back on jobs, job growth, the working men and women of this state. And every person in the Congressional delegation from Illinois, save one, and almost every Congressman in United States of America, they knew what was right. They knew we need to stimulate job growth for working men and women. I vote 'no'."

Speaker Hannig: "Representative Cross."

Cross: "Thank you, Mr. Speaker. Just an inquiry of the Chair. If I'm not mistaken, we have Amendments 2 and 3 that have been filed, one dealing with the issue of sunsetting the Amendment #1, or some language that would provide for the sunset of the language in Amendment #1, as well as Amendment #3, that deals with issue of short-term borrowing. Now, if I'm not mistaken, the Sponsor of Amendment talked about wanting to solve problems address issues in a global way. There are many of us that feel that we need to address the issue of paying our bills. You've heard various speakers today talk about that, whether they're the druggists and pharmacists, hospitals, nursing homes, et cetera. I think we all know what that's about. I'm baffled that you're not gonna let us address both Amendment 2 and 3 today before we move forward with this Bill. Could... could this... the Chair enlighten us as to what your intentions are with respect to those two Amendments?"

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- Speaker Hannig: "Representative, are you asking the status of those Amendments?"
- Cross: "They've been filed I'm asking you what you intend to do with them."
- Speaker Hannig: "Representative, the procedures are that we will, when the Bill is on the Order of Second Reading as you well know, we... we give the Members a chance to debate those Bills that have gone through the process."
- Cross: "Well, they were... this Bill was on Second. We filed the Amendments and... and at the appropriate time and we were prepared to move forward with both Amendments #2... Amendments 2 and 3. And I'm baffled why you've gone ahead and moved this... gone ahead and moved this to three (sic-Third)."
- Speaker Hannig: "Representative, I think that this... that the Sponsor of this Bill is within his rights to move a Bill from Second to Third after all of the Amendments that have been approved by the Rules Committee and any other standing committees and all the notes have been filed. And so, that's what the Chair has done and we're on the order now of Third Reading."
- Cross: "So, is it... it's, I guess, the inquiry maybe is to the Sponsor. Is it the Sponsor's intention not to address the issue of paying bills and handling short-term borrowing, Chuck? Taking care of paying bills by doing short-term borrowing?"
- Hartke: "Representative, it was mentioned in the debate that, you know, many on your side wanted to see the big picture before we start putting this puzzle together. And as you know, this budget process that we're in and so forth is a difficult task. But when I put a puzzle together I start with one piece and then I add something else, and I think

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this is one piece of that puzzle. It's not the middle of the night. It's not the last day in May. It's not the last day we adjourn where we jump on taxpayers and say, here it is, take it or leave it. This is the first step in the process. It is the first, maybe, part of that puzzle and you know that and I know that."

Cross: "All I'm suggesting, Chuck or Representative, is I agree with the puzzle concept, but we have a first obligation and that is to pay our bills to those people that we've waited a hundred and twenty days. We can't start building a puzzle for the upcoming year until we take... we shouldn't work on that puzzle until we pay our outstanding bills that late as a hundred and twenty days, as I mentioned, to the pharmacists, doctors, nursing homes, et cetera. you're gonna work on that puzzle, it seems to me that you would at least be willing, at least be willing to discuss the issue of short-term borrowing. Now, you're right, it's not the end of the Session. It's not the middle of the night, why not hold this Bill on Second Reading and let's talk about short-term borrowing with Amendment #3? And also talk about issue of sunsetting with There is no rush, we can take a while. We can take our time and build that puzzle and build it right. we do it in a slow and deliberate manner instead of just rushing this Bill out? Won't you agree to hold it?"

Hartke: "Mr. Cross, this piece of legislation currently on Third Reading and this is the puzzle that we're working on. I see the big picture and I think you do too. When you start a puzzle you start one at a time. One piece, you add one more. You may start in the left-hand corner with borrowing or you may start in the right-hand corner. This is one corner that we're starting in, we're adding this as an

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option. You know as well as I do that this piece of legislation with the Amendment on it is a Senate Bill, will go back to the Senate, they will look at it, they will do their thing. It is not the last word. But it is a part of what could be considered in that major budget. The word is out there throughout the State of Illinois that this is a possibility."

Cross: "All right. Chuck, I just think we need to make sure that we're all have the undest... of what's happening here by rushing ahead with this Bill that we... incidentally, we've taken the aggregate producers #1 issue for the year and thrown that out. We all know that now and that's a shame."

Hartke: "No... no... no, I don't think so, Tom."

Cross: "But..."

Hartke: "I think that piece of legislation is still there and I... I had assurance that it would be there and it goes over to the Senate, they can strip this Bill and ask us to recede. They can add this on any other piece of legislation you full well know that. The budget Implementation Act but there is some concept now on where we're going because this piece looks like it may fit into that puzzle. And that's what we're saying. If that Amendment would've failed, it would not have been part of that puzzle."

Cross: "Now, is Senator Peterson... have you talked to Senator Peterson about this?"

Hartke: "I... talk... I've talked to Senator Peterson twice yesterday, I do believe once today."

Cross: "And he's in a agreement with the concept of what you're doing?"

Hartke: "He's agreeing with the concept, he's is not saying that this will be the final version on this Bill. He could not

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speak, of course, for President Philip, but he said that is what we purposed originally. He is in agreement with the concept. Now..."

- Cross: "Oh, so there's... But there's no agreement with the Senate Republicans and Democrats that this is the first piece of the puzzle. There's... you haven't... the Speaker hasn't sat down with the President of the Senate and the Minority Leader and said, all right, this is the puzzle we're gonna build and here's the... there's the platform we're gonna use. There is no agreement to that?"
- Hartke: "Well, Mr. Cross, you know as well as I do, when you put a puzzle together and you got the corner, it's a right angle. Are you sure it's the upper right-hand corner or the left-hand corner, but it may be part of that puzzle and I'm telling you we're sending a message over there should this Bill pass that this will be part of the solution."
- Cross: "And... but I just want to make... two things I want to clear up. 'Pate' has not agreed to this. That is accurate, isn't it?"
- Hartke: "I did not talk to 'Pate'. I can't say that he's in agreement with it, but I can tell you that that came out of the Senate budget proposal."
- Cross: "All right. I think just the other comment, Chuck, that... what's really the concern here for all of us on the issue of short-term borrowing, we are saying to not only the providers, but those that work for the providers, the men and women that are there from day-to-day at hospitals, at drug stores, at nursing homes, that we don't really care about you. We're not going to pay those bills the State's a hundred and twenty days late on. We had an opportunity on Senate Bill 1543, there was an Amendment filed. We were ready to proceed on it. We were ready to proceed with it,

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we had the Bill, it's on Second Reading, but no, we decided to move Senate Bill 1543 over to the Senate on a Bill we don't even have an agreement with the President of the Senate on. We're just gonna take a chance and we are saying to the working men and women at those providers, we don't care about you. We are gonna ignore you, we are gonna ignore Amendment #3 to Senate Bill 1543. I think that is a very, very sad message to send and I'm disappointed in this chamber. I'm disappointed in the Chair in not allowing us to move forward in that Amendment, actually, I'm very disappointed."

- Hartke: "Tom, I'm sure you're aware of that there is a procedure in place for the State of Illinois to do short-term in borrowing. It's there, all we have to do is do it. I don't think it takes special legislation to pass special borrowing."
- Cross: "Oh Chuck, I think it does take legislation. I think we all know that and there may be other ways to do it. There may be other ways to do it, but certainly one way is legislation. And we are truly... your side of the aisle, the Speaker, has turned his back on the men and women that work at those providers. And that's a shame."
- Hartke: "Tom, there is a procedure in place and what you want to do is circumvent the current law to allow the borrowing."
- Cross: "I guess, Chuck, we'll never know 'cause we're not gonna address the Amendment. That's too bad."
- Speaker Hannig: "Representative Black. Representative Bill Black."
- Black: "Thank you very much, Mr. Speaker and Ladies and Gentlemen of the House. To the Bill as amended. The underlying Bill... you know, I love this process, I really do, but many of you should get the transcript of what went on... on

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Floor Amendment #1 and you should read it. Things like another tax break for big business, another subsidy for big business, it isn't gonna help my district, another tax break for the large, fat corporations. oh, my golly, whiz, how much longer can we do this? Look at the underlying Bill. The underlying Bill is a sales exemption on machinery used in aggregate mining. Is that... is that a tax break for big business? Material Service Company's a big corporation. Ι favor t.he underlying Bill. I like the Sponsor, I've voted for this Bill before, but some of you never remember to read whole issue. I've had to sit here for a half an hour and hear about, oh my goodness, another tax break for corporations. those, oh my goodness, those evil people on the other side of the aisle how could they do it. underlying Bill is a sales tax exemption on aggregate producing machinery to keep the quarry business, hopefully, in operation in Illinois. And you know what's really funny about this whole debate if the Sponsor's Bill fails I daresay some of the aggregate producers in Illinois are gonna leave. They'll go to a state where they do get a sales tax exemption on very expensive equipment that mines the gravel and the sand and the aggregate material that you need to build highways, homes, roadways. Come on, folks, you can't have it both ways. You can't say, oh, I support this Bill. I... I support this Bill, but I knew what the original Bill was, a sale tax exemption that cost about \$3 1/2 million a year and will keep some big business, hopefully, in business. Material Service is not a 'mom and pop' operation. It is a big corporation. Well, all right. Now, we get to the Amendment. You know, don't... don't... don't... don't give me that old worn out routine. We're

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all smarter than what I've heard in the last half hour. This... the Amendment has nothing to do with the tax break for big business. You know what... you know what you turned your back on a while ago? You told companies in my district that if they go out and buy a \$1 million piece of equipment so that they can stay competitive with an overseas manufacturer, they can't write it off in three years. So, what do you think they're gonna do? If they have a plant somewhere else in the country, they're gonna invest the million dollars in machinery or technology in a plant in a state that lets them write it off in three years. That's an expensive piece of equipment, but if they don't buy it they aren't competitive. If they can't compete, what happens? Come on to my district and I'll introduce you to 565 workers who are out of work, lost their job because their plant, Hyster Corporation, makes the premier lift truck in the world, Hyster lift trucks closed their plant in Danville after 54 years of a good corporate relationship. Why did they do that? I'm sure it's more complicated than I know. But I can tell you one reason why they did it, the plant was no longer competitive in a world market. Does that make me happy? No. Did I support NAFTA? No, and said so publicly. they sometimes move for a wage deferential? Yes. Is that I've said on the floor, that sometimes competition? No. they run off to a wage where a manufacturer wants to pay somebody two bucks a day. That's no competition, exploitation. But what you did a while ago is to tell corporations who need to invest in technology and new equipment and new manufacturing machines so that they can stay competitive with their European counterparts, you can't write it off in three to five years. Where did the

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Hyster Company manufacturing plant go that left Danville? Nijmegen, Netherlands. I wonder why that is? Do any of you remember World War II? All right. Some of you've read about it, I was born before it started. There aren't any factories in Europe that were... that are more than 50 years old. Remember, that Europe was wasteland after So they rebuilt, by the way with help from the Marshall Plan, great plan under a Democrat president, where we snipped off hundreds of millions, in fact, billions of dollars to rebuild Europe. I won't argue whether it was a good idea or not. It worked and they rebuilt their plants, and they rebuilt their infrastructure and we now are asked to compete with them in plants and machinery that may be 25 years old, or 10 years old, or 5 years old. manufacturing companies in Illinois are asked to compete with them in factories that may have been built in 1934 using equipment that they bought in 1968. They can't compete and yet you turned your back on them. And... and I know what... I heard the moans and groans when my Leader said in reality you didn't turn you back on the corporate boards who need to invest in equipment and technology, if they don't have the equipment and technology, the workers I've seen it in my district and it hurts. are gone. hurts me and it hurts people I went to high school with. Don't you talk to me about unemployment, and don't you talk to me about corporate welfare. I fought more battles on that than any of you I hope to god ever have to fight. All we tried to do was to address a problem and we did so in Washington. Give us the tools to manufacture and the American worker can outwork, outproduce and outprofit any worker in this world. But you have to give them the equipment to do it. So what'd we do ten minutes ago?

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told the corporate boards of directors, don't invest in Illinois, don't buy new equipment, don't buy computer technology, don't make your workers more efficient 'cause we're not gonna let you write it off. So who lost? corporate stockholders? They don't live here anyway. T']] tell you who lost, men and women in my district lost. That's what you did. Working men and women, union members who are out of work, because they have out-dated equipment and we can't compete with overseas plants. We're trying to oversimplify everything in here. So we denied and accelerated depreciation for equipment that makes us compete in a worldwide market and the underlying Bill gives sales tax exemption to people who buy machinery to mine rocks. Boy, some of you are gonna be cross-pressured on this vote. On the one hand no depreciation if you buy \$10 million worth of equipment to make a Caterpillar production line the most efficient in the world. But on the other hand you'll give a 7% sales tax exemption to a company to buy equipment so they can sell rock. And that's an important Bill and I voted for it before. I'd like to vote for it again. But I'm not gonna turn my back on the thousands of people in Danville and Vermilion County who lost their jobs due to a worldwide economy that I didn't create and that I don't like and on any given day I don't even understand. But I have learned one thing, without the tools to compete you're putting working men and women at a serious disadvantage and I think whether you agree with me or not, that's the message we just sent ten minutes ago. So, many of you will vote for the Bill. You'll give a sales tax exemption to the aggregate producers, which is fine with me. I voted for it before. But you won't give investment tax credit an accelerated, excuse me an an

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accelerated depreciation for people to upgrade, maintain competitiveness with new technology and new machinery so they can compete with the evermore competitive marketplace in which we have to work and live. Doesn't make any sense to me."

Speaker Hannig: "Representative Mautino."

Mautino: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Hannig: "He indicates he will yield."

Mautino: "Representative, I had a couple of questions here and I am Sponsor on the underlying Bill, as well and like to just get a couple of things straight, as far as... some of the statements that were made here. Couple of folks have said you can't fully depreciate over a 3 or 5-year period. Let's say for example under this, or let me give you some numbers. But is it your understanding that the depreciation schedule itself does not change?"

Hartke: "Depreciation schedule does not change. Every piece of equipment is categorized on its determined life. It may be three years, it may be seven years, it may be five years, may be ten years, but that depreciation schedule over the number of years does not change."

Mautino: "So... so, if I can, on here, a piece of equipment that is bought for a million dollars has a 10-year life, under the federal stimulus package, can't be depreciated in three years as has been stated by some folks here."

Hartke: "That is correct."

Mautino: "Okay. As a matter of fact, let me give you a couple of numbers here and I just... as far as if you took a million-dollar-piece of equipment and this is what your Bill actually does and it hasn't been brought out so I wanted to bring a couple of things into focus here. This year that appreciation, year one, you'd be looking at a

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hundred and thirty thousand versus a state depreciation schedule of a hundred thousand. In addition, there'd be another set of schedules which is book value of your business. That's those three. Year two at the federal level would be 226,000 versus the state level of a hundred and eighty thousand, year three year three 1674 at the fed level versus 124. And in the year four interesting happens where you're at the break-even point or relativity close at a hundred and twenty-three, nine versus... a hundred and nineteen flat. At that point what happens is the basis in that equipment switches to the point where the Illinois depreciation schedule would be larger. And so, what we're talking about on this is time value of money for the final five years of that, your basis in the equipment you'll receive more depreciation in the State of Illinois than you will under the federal plan. You're gonna receive the same amount... it's still gonna take you the same amount of years. Would that be a correct statement?"

Hartke: "That is correct."

Mautino: "I understand what you're trying to do. I agree with some of the previous speakers that said we have a global problem of the budget. And that we do. We will probably need to do some borrowing, we'll probably need to look at some additional taxes that have been purposed by the Senate. They had some decent ideas in there. What we're talking about right now, some Members have posed as you will not be able to depreciate this fully in three years and that's just not correct. It is the same value, it is a time value of money and right about at the half-way point the basis switches. So, keep that in mind when you do that. We have a lot of things that are going to be very

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Amendment. I understand it's part of the process and we will have many more difficult votes, but please, when you consider these votes understand what it actually does because a lot of the arguments that have been made here don't directly correspond to what the Bill does. So please, take a look at that and understand about half way through your cycle in the State of Illinois that basis will be larger, so those numbers switch. It will give ya the same amount of time and that's the change that you're looking at. I'd appreciate your consideration."

Speaker Hannig: "Representative Hartke to close."

Hartke: "Well, thank you very much, Mr. Speaker. First off, like to talk about the underlying Bill just a little bit. This is not a sales tax exemption for the aggregate producers, they have that now. If this Bill should die, the sales tax will go back on and that would be a sales tax increase. So, this is an extension of time only, they have that sales tax exemption now so this will be revenue neutral as it passes. We'll receive no more income, it will cost us no income or no expense. This piece of legislation is at... is not a tax break, it's a matter of Depreciation costs will be there timing. deductions will there, depending upon the size and type of equipment that you're depreciating. It's just the of the thing. This piece of legislation is absolutely necessary. It's at our choice here in Illinois. who uses the depreciation can still get the federal deduction, they're still gonna get the state deductions but at different rates and in different timing. So, I would ask for your support for Senate Bill 1543."

Speaker Hannig: "The question is, 'Shall Senate Bill 1543 pass?'

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All in favor vote 'aye'; opposed 'nay'. The voting is open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Mr. Clerk. Mr. Clerk, take the record. On this question, there are 67 voting 'yes', 32 voting 'no', and 15 voting 'present'. And this Bill, having received a Constitutional Majority, is hereby declared passed. Representative Scully, for what reason do you rise?"

- Scully: "Mr. Speaker, on a point of personal privilege?"
- Speaker Hannig: "Yes, state your point."
- Scully: "Mr. Speaker, I'd like to ask the Members of the House to acknowledge the presence of several elected officials from my district in the gallery, Mayor Linzey Jones of Olympia Fields, president; Tim Bradford of the Olympia Fields Park District; and Trustee, Al Riley of Olympia Fields. They've been very supportive of me over the years and a great asset to our community in the south suburbs. Thank you."
- Speaker Madigan: "Speaker Madigan in the Chair. The Clerk for an announcement."
- Clerk Rossi: "The Rules Committee will meet immediately in the Speaker's Conference Room."
- Speaker Madigan: "Mr. Clerk, what is the status of Senate Bill 1859?"
- Clerk Rossi: "Senate Bill 1859, a Bill for an Act concerning health benefits. Second Reading of this Senate Bill. No Committee Amendments. No Floor Amendments. No Motions filed."
- Speaker Madigan: "Third Reading. Mr. Clerk, what is the status of Senate Bill 2081, 2081."
- Clerk Rossi: "Senate Bill 2081, a Bill for an Act concerning public utilities. Second reading of this Senate Bill.

  Amendments 1 and 2 have been adopted in committee. No

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Motions have been filed. No Floor Amendment have been approved for consideration."

- Speaker Madigan: "Mr. Clerk, leave this Bill on the Order of Second Reading. The Chair is prepared to adjourn. Is there anything that anyone would like Mr. Black to speak to? Again, anything that we'd like Mr. Black to speak to?"
- Black: "Mr. Speaker, thank you. You're a very kind individual. On the Calendar on the Order of Second Reading appears a Bill under my august sponsorship that came over from the Senate. I think unanimously, as so many of those Bills did. I'm trying to find my Calendar, Mr. Speaker. I'm so embarrassed. You caught me by surprise. It has something to do with cigarettes and I think we need to pass that Bill I... I think it has something to do with, you know, if you got'em, smoke'em or an old Tex Ritter song, Smoke, Smoke, Smoke, Smoke That Cigarette. What is it, 2017? How quickly I forget. And quite frankly, Mr. Speaker, let me publicly thank the Majority Leader. I wouldn't have, I couldn't have gotten it out of the Revenue Committee without her help."
- Speaker Madigan: "Mr. Black, our plan is to get to that Bill, rest easy, stay calm."
- Black: "Oh, Mr. Speaker, I've been very calm. I... Mr. Morrow, I have some medication for Mr. Morrow if he'd like... like to share it. I'm trying to do the best I can under difficult circumstances. But the only thing that concerns me, it's on Second Reading now. Have all of them been read a second time?"

Speaker Madigan: "If it hasn't, we will do that."

Black: "It's very kind of you, because tomorrow is the deadline.

And in closing, Mr. Speaker, if you would in your nightly devotionals devote 30 seconds to some kind of solution to

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one of the serious problems facing this state and that's the current disarray of the Chicago Cubs. I'd be forever grateful."

Speaker Madigan: "Mr. Brunsvold."

Brunsvold: "Thank you, Mr. Speaker. Just to the softball players. We're gonna go out and try it at Lincoln Park for a little while and see if we can get some hitting in and some fielding in. Remember, the Democrat Members, that tonight after 5:00, 5:30, 6:00, steak fry at the Petroleum Marketers Building over on Cook. So, softball players, let's try to meet out there if we can get out there as soon as possible and we'll get a little practice in."

Speaker Madigan: "Mr. Morrow."

Morrow: "Yes, thank you, Mr. Speaker. I rise on a point of personal privilege since my name was used in debate by Representative Black. Representative Black, Representative Black, I'm very calm right now. Wait 'til... wait 'til May 25th... wait 'til May 25th. Hey, and I found out what they done with what they're gonna do with that 55 million for the Capital Development Board."

Speaker Madigan: "Mr. Hartke. Hartke."

Hartke: "Yes, thank you, Mr. Speaker. My comment, Mr. Black, that may be part of the puzzle too. I'm not sure if it's the upper left-hand corner or the lower right-hand unless it's a round puzzle. I'm not sure, but it may be part of that puzzle. Thank you."

Speaker Madigan: "Now, there being nothing further, Representative Currie moves that the House stand adjourned until 11 a.m. tomorrow morning, providing perfunctory time for the Clerk. Those in favor say 'aye'; those opposed say 'no'. The 'ayes' have it. The House does stand adjourned until 11 a.m. tomorrow morning, providing perfunctory time

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for the Clerk."

Clerk Rossi: "House Perfunctory Session will come to order.

Committee Reports. Representative Barbara Flynn Currie,
Chairperson from the Committee on Rules, to which the
following measure/s was/were referred, action taken on May
1, 2002, reported the same back with the following
recommendation/s: 'to the floor for consideration' Floor
Amendment #5 to Senate Bill 2081. Introduction of
Resolutions. House Resolution 850, offered by
Representative Wojcik; House Resolution 852, offered by
Representative Daniels; House Resolution 854, offered by
Representative Flowers; House Resolution 856, offered by
Representative Watson; House Joint Resolution 73, offered
by Representative Daniels are assigned to the Rules
Committee. There being no further business, the House
Perfunctory Session will stand adjourned."