(DATE)

The Honorable JB Pritzker

Governor
207 State House
Springfield, IL 62706

Dear Governor Pritzker:

I write to you on behalf of (INSERT NAME) County to express our opposition to your proposal to divert revenues from the Local Government Distributive Fund (LGDF) to resolve the State’s budget deficit.

Since its establishment as part of the enactment of the state income tax in 1969, LGDF represents a successful and critical state and local partnership for funding essential programs and services relied upon by Illinois residents.

Maintaining the full amount of these funds is of particular importance during a time when local budgets are facing additional demands to provide public health and safety services directly connected to the COVID-19 emergency response.

A review of the history of LGDF distributions shows that the local percentage share of the state income tax distributed through LGDF funding has already been reduced over the years. This has prevented local governments throughout the state from receiving billions of dollars in shared revenue.

Until January 2011, counties and municipalities received 10% of total state income tax revenues through LGDF. Following a temporary increase in state income tax rates in 2011, the percentage of tax revenue allocated to LGDF for distribution to local counties and municipalities declined to 6%.

In January 2015, the local share of the state income tax increased to 8% when the higher income tax rates declined according to a predetermined schedule established by law.

The state income tax was permanently increased in 2017 and the local government
share was reduced to 5.45% for individual income tax collections and 6.16% for
corporate income tax collections for State Fiscal Year (SFY) 2018.

The LGDF share was slightly increased within the SFY 2021 state budget and is presently 6.06% for individual income tax collections and 6.845% for corporate income tax collections. This is significantly below the 10% share received by counties and municipalities prior to January 2011.

Once again, (INSERT NAME) County opposes any reduction to the existing LGDF share and supports a restoration of the full 10% of income tax collections shared with local governments prior to January 2011.

Thank you for your consideration in this matter.

Respectfully,

(SIGNATURE)

cc: (INSERT STATE LEGISLTORS THAT REPRESENT THE COUNTY)