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ILLINOIS "REVENUE CRISIS" LIE CONTINUES AS STATE REVENUE RISES HIGHER

By Jeffrey Babbitt

While Illinois politicians and media spread lies about the "crisis" in state revenue, the Illinois Comptroller's numbers continue to prove that the "revenue crisis" is nothing but a cynical fabrication.

ITEF's updated examination of the revenue records of the Comptroller's office for the first 11 months of Fiscal year 2004, ending May 31, 2004, show that tax revenue for the State of Illinois has risen 3 times the rate of inflation compared to the first 11 months of FY2003. Total state revenue for the first 11 months of FY2004 is up 7% - - 3 times the 2.3% rate of inflation - - or about \$3.2 billion. This includes an \$853 million increase in state income-tax revenue and a \$532 million state sales-tax revenue increase.

An increase in revenue is clearly not a "crisis." A real "revenue crisis" for a household or company would be a 10% or 20% reduction in income. The fact that Illinois politicians call it a "crisis" when state revenue has *increased* 7% is a red flag: it means simply that the government wants to continue spending more taxpayer money than it takes in, even if it means massive tax increases.

The only "crisis" in Illinois government today is not the phony "revenue crisis," but an ongoing Overspending Crisis.

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