

## **Title: Instead of Tax Disclosure, Here's What Illinois Should Require of Businesses**

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After the Illinois Senate narrowly approved a well-intentioned, but misguided, bill last year to compel publicly traded companies headquartered in Illinois or selling products here to report their state income tax liability to the secretary of state — who would then post that information online — the measure went on to die in the House. If Illinois is to overcome its reputation as a state unfriendly to business, an identical bill now stalled in the House Rules Committee warrants the same fate.

Illinois is in a fiscal free fall, so tax reform soon will be a high priority in Springfield. The bill's supporters argue that without company-specific disclosure, legislators can't make tax policy decisions that fairly reflect the impact of tax loopholes enjoyed by powerful companies and special interests. But publicly traded concerns, demonized as wielding the lobbying clout to sway tax laws their way, are likely to be among the biggest contributors to the state's economic recovery.

### **CHILLING EFFECT**

The tax disclosure bill, which would make Illinois the only state in the nation to require businesses to reveal their state tax records for public viewing online, would have a chilling effect on corporations already burdened by the fourth-highest income tax rate in the country. Undermining taxpayer confidentiality, the bedrock of our tax system, and subjecting companies to still more government intrusion would make our business environment even less competitive and less likely to create jobs and spur economic opportunity.

Not only does the bill overreach; it does so for no good reason. As things stand, the Illinois Department of Revenue provides its fiscal analysis of all the tax bills the General Assembly considers.

What's more, the bill wouldn't offer policymakers a clear view of state tax compliance. Companies operating in many states often have intricate revenue models and tax patterns not easily understood by the public or policymakers.

Without serious tax reform, education, health care and other vital services will continue to be the targets of draconian cuts. The costs and burdens of government need to be shared by everyone in an even-handed manner reasonably calculated to foster economic growth, but so do tax subsidies.

Let's urge our lawmakers to shift their focus from naked disclosure for its own sake to genuine accountability and start by requiring businesses that negotiate state tax incentives for themselves to show the public what comes of them. Every tax break that's awarded to an Illinois company should be tied to an obligation that its recipient divulge both the taxes it's paid and the positive economic impact it's made.



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