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TFI Tax Bulletin, November 15, 1988 relates two increasingly familiar tales of local government difficulties. Only the names differ--this time East St. Louis, and Du Page County.

Whether East St. Louis can be salvaged remains to be seen. There may be a sufficient number of negative economic and social conditions to deter economic recovery for quite some time. There may be. But, East St. Louis's location is such that economic recovery can be stimulated thru an intelligent and coherent system of taxation. Unfortunately, the Governor's task force will rely on conventional wisdom and will probably recommend massive infusions of taxpayers' money from both the State and Federal treasuries.

What about Du Page County? What do you expect a study of taxation, assessments, and revenue trends in Du Page County will reveal? That there is an enormous tax burden? That assessments are high (and so are land values)? That despite increasing revenue over the past decade or two, it is not sufficient? How extensive a study do you need to tell you this, but of course doing studies is what keeps TFI in business.

Enclosed is a copy from *The Georgist Journal*, No. 60 - Summer 1988. I call your attention to the two paragraphs I've marked. I send the entire page to keep the marked paragraphs in context.

The earlier marked paragraph relates Mayor Goode's proposal to increase revenue via a shift in the tax burden. The later marked paragraph relates the City Council's preference to rely on conventional wisdom and to opt instead to increase the burden on both the real estate taxpayer and business.

Du Page County qualifies as one of the counties that may classify real estate for purposes of either assessment or for differential tax rates. Even the present constitutional limitation of a 2 1/2:1 ratio will permit a sufficient shift in the burden to give relief not only to homeowners but also to business and industrial improvements, while permitting the county and municipalities to either maintain present

revenue levels or to opt for increases.

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Mr. Sam Venturella
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Dear Sam:

Thank you for your recent correspondence. I hope you will find some consolation in knowing I have recommended to the Governor's Task Force on Municipal Bankruptcy (Read: East St. Louis) that the committee solicit testimony and other information regarding the application of site-value taxation as a possible solution to East St. Louis' financial problems.

I think it is obvious to anyone interested in site-value taxation that East St. Louis represents a dramatic opportunity to demonstrate the application of this method of taxation for economic development purposes. Certainly the situation, as it presently stands, is dismal; and therefore, the use of bold and dramatic steps may be called for.

Stay tuned.

Sincerely,



Douglas L. Whitley
President

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