

BOMA SUBURBAN/CHICAGO

EFFORTS OPPOSING SALES TAX EXPANSION PLANS

A SUCCESSFUL, BEHIND-THE-SCENES LOBBYING EFFORT TO STOP HARMFUL LEGISLATION

In the fall of 2014, Republican gubernatorial candidate Bruce Rauner announced his fiscal plan which included a proposal to eliminate the Illinois sales tax exemption for up to 32 professional and business services. Since his announced plans, the idea to expand the sales tax base floated around the State Capitol as an option to help close the looming budget deficit that was to occur after the 2011 temporary income tax increase expired at the end of 2014.

Fast forward to this past Spring, after a nearly two-year long budget stalemate, the idea received renewed attention after Governor Bruce Rauner reaffirmed his interest in expanding the sales tax base in his 2017 budget address. Shortly after the budget address, the Senate began working behind the scenes on a comprehensive budget and revenue package that included, among many items, a fairly comprehensive expansion of the sales tax base.

In mid-March, as discussions continued, a list of eight service categories that would be taxed under the Senate's proposal emerged: use of storage space, including parking garages and boat docks; repairs and maintenance of personal property, such as cars; landscaping services such as sprinkler installation and snow removal; dry-cleaning; cable TV, satellite and digital streaming services; pest control; use of a private detective or installation of a home security system; and personal care, ranging from tanning to tattooing but not including hairstyling.

Once the list of services became public, BOMA Suburban/Chicago, through its legislative team in Springfield, began communicating to lawmakers about the impact the proposed sales tax expansion would have on BOMA Suburban/Chicago members. The team also worked behind the scenes to remove services the BCS Government Affairs team deemed most impactful to BOMA Suburban/Chicago members from the proposal, including landscaping services, private security and snow removal services.

After months of successful lobbying, the services BOMA Suburban/Chicago were most concerned with were removed, ultimately, resulting in the House budgeteers scrapping the entire sales tax expansion provision.

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