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## Businesses rally against Blagojevich's plans

By [Kate Clements](#)

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SPRINGFIELD – More than 600 business owners from across the state rallied at the Capitol on Wednesday to oppose an Illinois gross receipts tax, which they claimed would devastate the economy.

"We are going to fight this tax until it is dead," vowed Kim Maisch, Illinois director for the National Federation of Independent Businesses.

Gov. Rod Blagojevich is calling for a \$7.6 billion gross receipts tax so he can invest more money in schools, provide property tax relief, help fund a new capital construction program, replace the revenue that would be lost by selling or leasing the lottery to pay down pension debt, and expand health coverage for adults. The governor's budget also relies on a new \$1 billion payroll tax on companies that have more than 10 employees and spend less than 4 percent of payroll costs on worker health benefits.

Blagojevich believes his education and health care programs are a moral imperative, and said he would rather force big corporations to pay their fair share than raise taxes on individuals. But critics say individuals and small businesses will suffer anyway, because companies will be forced to raise prices, cut jobs or go out of business entirely.

Matt Dearwester, of Dearwester Grain Services in Golden, said the proposed gross receipts tax would amount to 108 percent of his net profit at one of his two businesses and 235 percent of his net profit at the other.

"I don't see any way that we can survive if this tax goes through," he said.

Theron Sands, of Champaign-based Obiter Research, said his company started in the business incubator at the University of Illinois Research Park and planned to build five buildings in the Champaign area over the next 10 years. He is now considering a move to Iowa instead.

"If the gross receipts tax comes about, there is no way we can continue to be competitive," said Sands, who is also concerned about the proposed 3 percent payroll tax.

"That is going to affect us pretty heavily, because all of our employees are Ph.D.s in chemistry, so they have very high salaries, and 3 percent on top of those salaries is a huge burden on the company," he said.

Not everyone opposes the tax, though.

Jim Duffett, executive director of the Champaign-based Campaign for Better Health Care, cited a recently released study claiming that the governor's health care plan would actually save money, primarily by slowing the growth of health insurance premiums.

"If we do nothing, as the Chamber proposes, Illinois families and businesses will be burdened with an additional \$15.6 billion in unnecessary health care costs in just the next four years," he said.

To counter the business community's massive protest on Wednesday, Duffett's group picketed outside a Chamber event at the Springfield Hilton, and held a press conference featuring about a dozen business owners who support Blagojevich's proposals.

"The governor is asking all business to pay their fair share," said Edmond Brown from ELB Enterprises in East St. Louis. "The result will be a more educated and productive work force. Quality healthcare and education are important to me both as an individual and as a business owner trying to compete in a global market."

Champaign County Black Chamber of Commerce President Armondo deMarcos attended Duffett's press conference, but said his organization had not yet taken a position on the governor's proposals. DeMarcos said he was still in the process of

starting his own general contracting business, and was not yet sure how the gross receipts tax would affect him.

"I'm pretty new to this," he said. "I'm just starting to learn and doing more research."

The Illinois Senate held hearings on the governor's education and health care proposals on Wednesday, but did not take a vote on either one.

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