

Governor's push for tax plan falls flat

Democrats don't agree on spending increase

Tuesday, May 29, 2007

BY DOUG FINKE
OF GATEHOUSE NEWS SERVICE

SPRINGFIELD - Gov. Rod Blagojevich spent nearly three hours meeting privately with Illinois House Democrats Monday, pushing his health-care and education spending plans to skeptical lawmakers.

It apparently didn't work.

Several Democrats emerged from the meeting saying there remains a huge gap between what the governor wants to spend and what House members think is a realistic spending increase. Blagojevich remained adamant that he wants lawmakers to approve his universal health-care plan, even though lawmakers have made it clear they won't approve the tax hikes needed to pay for it.

While Blagojevich told reporters later that he is willing to compromise on his tax and spending plan, Democrats said that wasn't what they heard from him at the meeting.

"He didn't sound like he was willing to compromise, and you've been around here long enough to know that to get anything done, you've gotta have compromise," said Rep. Robert Molaro, D-Chicago.

"The lines in the sand are still drawn pretty thickly," said Rep. Marlow Colvin, D-Chicago, head of the House Black Caucus.

Blagojevich said it is up to House members - specifically Democrats, who solidly control the chamber - to take the next step.

"Unless and until the House Democrats and Speaker (Michael) Madigan come up with their proposal, tell us what they can support, what they can't support, what they're for and what they're not for, it's going to be very difficult to finish this on time," Blagojevich said.

The General Assembly is scheduled to conclude the spring session on Thursday. After Monday's meeting with Blagojevich, though, few House Democrats think that is going to happen.

Some semblance of a legislative spending plan may begin to emerge today. Madigan has asked his members to review a series of possible tax hikes on businesses that were suggested by Senate President Emil Jones, D-Chicago. House Democrats will meet in private again to discuss the results of the survey.

Among ideas floated by Jones are a minimum tax on all corporations, applying the corporate income tax to companies that now pay personal income taxes, and ending a variety of business tax breaks described by Blagojevich as "loopholes."

There appears to be support for ending some breaks, although Democrats said any effort to repeal the sales tax break on farm machinery is off the table.

Rep. Frank Mautino, D-Spring Valley, said the survey should give the Democrats some idea of how much additional spending they can support. After that, he said, it will be up to Blagojevich to decide if that is acceptable.

Rep. John Fritchey, D-Chicago, said there is a lot of work to be done.

"There is a large difference between where the governor would like to see this and where we believe it is realistic for us to get," Fritchey said. "They are not close to each other."

Even expansion of gambling, the one money generator that has support in both parties in the House and Senate, is not a done deal. Jones wants additional casinos along with expanded operations at current casinos and aid for horse racing tracks. However, both Republicans and Democrats in the House want a more scaled-back version.

"I think (the Senate bill) is a little too much," Colvin said.

Many Democrats also think Blagojevich's universal health plan is too ambitious.

Mautino said Democrats have doubts about how the program would work and if the cost estimates are accurate. He and others said there is more support for putting additional money into existing state health-care programs before embarking on a new one.

Several Democrats said they would prefer to increase reimbursement rates in existing programs for physicians who treat the poor as a way of improving access to health care. Many doctors will not take patients from state programs because of inadequate and late payments from the state.

GateHouse News Service reporters Dana Heupel, Adriana Colindres, Laura Camper and Jeremy Pelzer contributed to this story.

Receive 4 weekends of the Journal Star home delivered absolutely FREE!