



Chicago Metropolitan Agency for Planning

Agenda Item No. 4.0

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MEMORANDUM

To: Regional Tax Policy Task Force

From: Matt Maloney, Deputy Chief of Staff

Date: April 1, 2011

Re: Task Force Mission, Meeting Schedule and Scope of Work

The Regional Tax Policy Task Force was created by the CMAP Board, the governing body of the Chicago Metropolitan Agency for Planning. CMAP is a unit of government and the official regional planning organization for the northeastern Illinois counties of Cook, DuPage, Kane, Kendall, Lake, McHenry, and Will. CMAP developed, and now guides the implementation of northeastern Illinois' comprehensive regional plan, GO TO 2040. The plan recommends that the CMAP Board establish a Task Force to advise the CMAP Board on state and local tax policy reforms that would advance GO TO 2040's goal for sustained regional economic competitiveness. The Task Force exists to advise the CMAP Board and has no statutory or independent authority.

The Task Force will evaluate state and local fiscal policy issues through the lens of the regional economy and the connections between tax policies and development decisions. The focus will be on improving the efficiency, equity, and transparency of the tax system. Currently, tax policies frequently distort land use decisions rather than allow markets or quality-of-life factors to guide them. Tax rates are often set very high, and the tax base is overly narrow rather than broad, which further stifles economic competitiveness. Instead, tax policy should encourage local decisions that make effective use of land, generate good jobs, and trigger sustainable economic competitiveness. It should set high standards of transparency and predictability for the taxpayer. And it should not create large inequities across households, businesses, and local governments. GO TO 2040 recommends the following topics for evaluation by the Task Force:

- Existing state and local revenue sharing criteria with particular emphasis on the sales tax
- Property tax assessment classification and the property tax extension limitation law (PTELL)
- Broadening the tax base and lowering tax rates, including expanding the sales tax to the service sector
- The efficiency and equity of the state income tax
- The existing wide disparities in local tax capacity

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Meeting schedule

The Regional Tax Policy Task Force is expected to meet on the **second Friday of every month** through January 2012. One exception is the November meeting, which will occur on Thursday November 10 (November 11 is Veteran's Day). Meetings are scheduled for 9:30-noon.

ACTION REQUESTED: Discussion.

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CMAP REGIONAL TAX POLICY TASK FORCE- MEETING SCHEDULE AND SCOPE

Meeting	April 8	May 13	June 10	July 8	August 12	September 9	October 14	November 10	December 9	January 13
Meeting Topic	Introduction and Background	State and Local Revenue Sharing / Sales Tax I	Sales Tax II	Sales Tax III / PPRT / MFT	State Income Tax	State Income Tax II / Property Tax I	Property Tax II	Property Tax III	Wrap Up	Wrap Up
Item 1	Introduction, Task Force Charge and Scope of Work (CMAP)	Existing State/Local Revenue Sharing: Overview (<i>task force/outside presenter</i>)	Interim Report to Task Force (CMAP)	Interim Report to Task Force (CMAP)	Interim Report to Task Force (CMAP)	Interim Report to Task Force (CMAP)	Interim Report to Task Force (CMAP)	Interim Report to Task Force (CMAP)	Interim Report and Draft Final Report to Task Force (CMAP)	Review of Report (Task Force)
Item 2	Background on GO TO 2040 and related materials (CMAP)	State and Local Sales Tax- Tax Base and Tax Rates (CMAP)	Sales Tax & Land Use Issues (<i>CMAP/task force/outside presenter</i>)	Personal Property Replacement Tax (<i>task force/outside presenter</i>)	State Income Tax- Tax Base and Tax Rates (<i>task force/outside presenter</i>)	Property Tax- Overview of Regional Rates, EAV, Revenues (CMAP)	Property Tax- Tax Base and Tax Rates (<i>task force/outside presenter</i>)	Property Tax and School Funding (<i>task force/outside presenter</i>)		
Item 3	Brief Overview of State and Local Government Finances (CMAP)	Direction to CMAP staff (Task Force)	Direction to CMAP staff (Task Force)	State Motor Fuel Tax and Allocation of State funds (<i>task force/outside presenter</i>)	Direction to CMAP staff (Task Force)	Property Tax Assessment in NE Illinois (<i>task force/outside presenter</i>)	Property Tax- PTELL (<i>task force/outside presenter</i>)	Direction to CMAP staff (Task Force)		
Item 4				Direction to CMAP staff (Task Force)	Half-Time- Review of Topics and Meeting Schedule (Task Force)	Direction to CMAP staff (Task Force)	Direction to CMAP staff (Task Force)			