



# OFFICE OF ILLINOIS STATE TREASURER

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## State Treasurer Michael Frerichs: Congressional Tax Plan A Horror Story for Middle Class and Unemployed

**SPRINGFIELD** – The federal tax plan unveiled by Congressional Republicans is a horror story for the middle class and unemployed and will undermine the Illinois economy, state treasurer Michael Frerichs said today.

“This mess of a proposal that purports to give everything to everyone will crush Illinois,” Frerichs said. “This bill clearly will hurt middle class workers and the small business owners who employ them.”

The proposal includes:

- Elimination of the individual local property tax and state income tax write-off, making it more expensive to live in Illinois.
- Reduction in the mortgage-interest write-off, making home ownership more difficult.
- Elimination of multiple higher education tax credits and scholarships, making it more expensive to go to college.
- Repeal of the alternative minimum tax, which will increase the tax pressure on the middle class.
- Elimination of write-off expenses related to adoption of children with a disability, which is just cruel.
- Elimination of worker re-training tax credits, which will hurt small business owners.

“There is no question that we need to simplify the federal tax code,” Frerichs said. “However, closed-door conversations attended only by one political party cannot lead to a system that treats everyone fairly.”

Illinois is in a unique position to influence tax reform because key Republicans serve on tax-writing committees including the Subcommittee on Tax Policy in the House Ways and Means Committee.

“I believe hard work should be rewarded and that class warfare is unproductive,” Frerichs said. “However, it is unconscionable that the tax writers look to eliminate simple incentives that benefit the middle class so that the super-rich can shield even more of their wealth.”

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The last tax reform occurred in 1986 after 11 months of negotiations. This whirlwind round of reform is set to be completed in about three months. President Trump unveiled broad outlines of his plan on [Sept. 27 in Indianapolis](#). Currently, there are an estimated \$1.6 trillion in tax deductions, or loopholes, depending upon your view.

### **About the Illinois Treasurer**

The Illinois Treasurer is the state's chief investment officer and Frerichs is a Certified Public Finance Officer. He protects consumers by encouraging savings plans for college or trade school, increasing financial education among all ages, and removing barriers to a secure retirement. As the state's Chief Investment Officer, he actively manages approximately \$25 billion. The portfolio includes \$13 billion in state funds, \$7 billion in college savings plans and \$5 billion on behalf of local and state governments. The investment approach is cautious to ensure the preservation of capital and returns \$28 to the state for every \$1 spent in operations. The Treasurer's Office predates Illinois incorporation in 1818. Voters in 1848 chose to make it an elected office.

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