The Civic Federation offers the following **recommendations** intended to address Illinois' current fiscal crisis and provide for long-term improvement in the State's financial health:

- Eliminate the $6.0 billion backlog of unpaid bills within the next five years by establishing spending controls that create annual operating surpluses to pay down the bill backlog;
- Increase income tax rates in FY2016 to help mitigate the additional $2.1 billion in revenue losses caused by the 25% rate reduction that went into effect January 1, 2015 including:
    - Raising the individual income tax rate to 4.25%, which declined to 3.75% from 5.0%; and
    - Raising the corporate income tax rate to 6.0%, which declined to 5.25% from 7.0%;
- Broaden the income tax base by eliminating the income tax exemption for retirement income, excluding Social Security income and all income from individuals with taxable income of less than $50,000, to create more equity among taxpayers while providing access to a faster growing portion of the State's income tax base;
- Expand the sales tax base to include 32 services recommended by Governor Rauner and possibly other consumer-based services;
- Temporarily eliminate the sales tax exemption for food and non-prescription drugs to broaden the State's sales tax base while sales taxes on services are implemented;
- Consolidate and eliminate nonessential Special State Funds as part of its annual budget process in order to provide increased transparency and scrutiny over all annual State spending;
- Continue to provide the full share of income taxes under current statute to local governments and allow local governments to access the additional tax base expansions proposed for sales taxes;
- Continue to pursue additional federal Medicaid funding through a Section 1115 waiver to develop community-based services for disabled individuals and those with mental health and substance abuse problems; and
- Continue the previous administration's plan to reduce Illinois' reliance on institutional care for the disabled by closing the State-operated Murray Developmental Center in Centralia.