

JOBS FOR ILLINOIS

Rethink. Retool. Rebuild.

Judy Baar Topinka's Plan to jumpstart Illinois' struggling job creation efforts

EXECUTIVE SUMMARY

1. Under Rod Blagojevich, Illinois' job creation efforts have failed.

- Under Rod Blagojevich:
 - Illinois ranks 45th out of 50 states in job creation.
 - Political Influence Trumps Economic Development
 - Illinois Auditor General: Blagojevich Administration Inflated Jobs Numbers.

2. Topinka: Disband failed state agency, create "Illinois Jobs Partnership"

- Building on successful efforts in Florida and Indiana, Judy Baar Topinka will disband DCEO, the state's existing economic development agency, and launch a new partnership of private and public sector professionals to aggressively lead the state's job creation efforts. The agency will be focused exclusively on creating quality jobs for Illinois.
- The new Illinois Jobs Partnership (IJP) will consist of fifteen members appointed by the Governor, with the approval of the Illinois State Senate. Large and small businesses, local economic development agencies, and organized labor should be represented.

3. A new Focus on Manufacturing Jobs

- **Manufacturing Jobs Tax Credit** – Judy Baar Topinka will propose a new Manufacturing Jobs Tax Credit (MJTC) to be available to manufacturers that commit to making investments to retain existing jobs or create new ones for a period of at least five years. MJTC would be a significant improvement over the state's existing incentives, including the EDGE tax credit.

The Manufacturing Jobs Tax Credit would provide a tax credit equal to 5% of wages associated with new manufacturing jobs. The credit would be transferable and this is significant. The state should also ease the investment and job creation minimums to help medium and small manufacturers qualify for the credit.

- **A Statewide Manufacturing Enterprise Zone** - Judy Baar Topinka will help make Illinois manufacturers more competitive by applying the most attractive benefits of Enterprise Zones statewide and offering new benefits.

Manufacturers will benefit from a new exemption from the public utility tax for electricity used directly in manufacturing, an expanded sales tax exemption for products consumed in the manufacturing process and a statewide sales tax exemption for materials used in manufacturers' construction projects.

A statewide Manufacturing Enterprise Zone would assist in developing biodiesel plants, ethanol production facilities and wind turbines in rural areas.

- **Governor's Manufacturing Summit** - In one of her first actions, Judy Baar Topinka will call for a statewide manufacturing summit within the first 30 days of her tenure as Governor. The Governor's Manufacturing Summit will be held at the Governor's Mansion in Springfield and its goal would be to identify the problems facing Illinois in retaining and attracting manufacturing jobs and develop an agenda for returning Illinois to preeminence as the preeminent location for manufacturing in the Nation's heartland.

4. "New Jobs Now" Tax Credit

- Judy Baar Topinka will propose a New Jobs Now Tax Credit (NJNTC) in order to jump start the creation of new jobs in Illinois. NJNTC will be offered to established Illinois employers who add new jobs into the Illinois workforce.
- NJNTC is a five-year program that would provide employers with credits against their state payroll tax liability. The value of the credit would be 50% of the payroll taxes paid per job created. The percentage may be increased to 75% for jobs that provide health care, retirement and other benefits. The credit would be offered at the initial level for the first 3 years and at a reduced level for an additional 2 years.
- The "New Jobs Now" Tax Credit will:
 - Provide an incentive for established Illinois employers to augment the size of their workforce.
 - Help new Illinois businesses to get off the ground by easing the financial burden on start-up and recently-established businesses.
 - Help Illinois small businesses—regardless of their age—to survive and flourish.

5. Court Reform

- Illinois is viewed as a haven for class action law suits and other abuses of the Civil Justice System. This has hurt Illinois efforts to retain and attract jobs. A Topinka-Birkett Administration will support court reform and will work with Illinois businesses to pass greater reform in Illinois. Illinois needs to reform its court law and stop the flagrant "venue shopping" used by trial lawyers to find friendly judges and courtrooms. Illinois needs a governor who will lead on this issue.

6. Key to Our Strengths

- Geography. Transportation. Natural Resources. Great Institutions. Higher Education. A Talented and Qualified Work Force.

7. Provide a Stable, Fair Tax Climate for Job Creators

- **Stability and Predictability.** Businesses want stability and predictability. Volatility in tax policy or regulatory requirements hurts a state's jobs climate.

This seems to be lost on Rod Blagojevich, who has raised 300 fees and taxes on job creators.

- **Research and Development Promotion Credit.** Rod Blagojevich eliminated this credit in 2003. Fortunately, the General Assembly reenacted it the following year. Judy Baar Topinka believes the Research and Development Tax Credit is essential to creating a job-friendly climate.
- **Workers Compensation**
Illinois stands out in the Midwest in the unnecessary high costs of its workers compensation system. None of our border states are nearly as costly. As Governor, Judy Baar Topinka will lead and continue to push for ways to streamline the process, reduce arbitration times and make Illinois more competitive.

8. Better preparing Students for the Workplace

- Judy Baar Topinka’s education plan will focus on increasing the role of Illinois business in shaping education programs in this state. For Illinois businesses to compete in the global market place, the state must do a better job preparing students for the work place.
 - **Illinois P-20 Council** - The P-20 Council will coordinate educational activities from pre-school through college education and beyond a four year college degree.
 - **Attention to and Funding of Higher Education** – Tuition has risen more than 50% under Rod Blagojevich. A Topinka-Birkett Administration will properly fund higher education.
 - **Workforce Development** - A Topinka-Birkett Administration will work to better prepare the state’s workforce for the jobs of the future.
 - **Educational Accountability and Standards.** Judy Baar Topinka strongly supports educational accountability and testing. The movement toward greater accountability and tough standards has made a difference and will make our educational system stronger.

9. Infrastructure

- The lack of an infrastructure program has hurt the state’s transportation infrastructure and stymied road building and projects such as CREATE, designed to address the freight rail problems in the City of Chicago. The responsibility rests with the Governor.
- The Topinka-Birkett Administration will work with legislators to craft an infrastructure program and identify a funding mechanism.