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Joint Statement on Mayor Johnson's Budget Address

We welcome the opportunity to engage with the mayor, City Council, and stakeholders on a budget that moves Chicago forward by helping businesses of all sizes thrive, supporting vibrant neighborhoods, and fostering investment in communities across the city. Chicago's budget challenges demand serious solutions and we cannot support a budget that would hold our city back with proposals that further dull Chicago's competitive edge by discouraging job creation and economic growth. Following Mayor Johnson's proposed budget address today, we want to be clear:

Taxing employers for keeping and adding jobs in Chicago remains as bad an idea as it was last year. City Council rejected it before and should do so again. Affordability in the City of Chicago can only be achieved through growth. A growing economy means more jobs, more investment in our neighborhoods, and more tax revenue to fully fund the City services our residents pay for and rely on. A tax on jobs in the name of creating jobs makes no sense—and will stifle growth and our prospects for a more affordable city. Beyond its direct impact on employment, a jobs tax would signal to businesses everywhere that Chicago is not prioritizing investment, growth, or the talent employers work hard to attract and retain.

For all Chicago's assets and scale, it's in the bottom tier of large cities in growth. Enacting bad policies like these ones will only widen that competitive gap.

Chicago would be an outlier, too, should the mayor's proposed increase in the Personal Property Lease Transaction Tax advance. At 15%, Chicago's cloud tax is already the highest tax of its kind in the nation. This isn't about "Big Tech," either. Small businesses rely on tools and equipment subject to this tax, and the tax would actually drive up costs on a wide range of business necessities, from machinery to technology platforms and other leased assets. Increasing the tax *again* to 20% would not only go against the Management Ordinance passed by the City Council last year, it would make Chicago a more expensive place for businesses of every size to operate and to invest in the technology and physical equipment that drives growth.

Chicago's fiscal challenges demand an honest and responsible approach, and the city's long-term pathway to affordability and fiscal health depends on growth. The city cannot balance a budget on uncertain revenue or on policies that make it more expensive to create jobs, especially when previously identified efficiencies have yet to be implemented. At a time when the city is facing a projected $882 million budget deficit, the mayor is recklessly proposing hundreds of millions in new spending and asking taxpayers to foot the bill. With cities nationwide competing for the same jobs and employers, policies like these have consequences far beyond this budget cycle. We strongly urge the City Council to reject any budget that undercuts Chicago's competitiveness and call on the mayor to work with the business community and other stakeholders on realistic, sustainable solutions that protect essential services and support residents without compromising our city's economic future.