

# LAWSUIT

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distributors are required to pay an additional 18.5 cents to 23.1 cents on beer; 73 cents to \$1.39 on wine; and \$4.50 to \$8.55 on spirits.

"This is a roughly 22 percent increase in the tax on beer - and a 90 percent increase in the tax on wines and spirits," the lawsuit states. Furthermore, the suit contends that the bill doesn't "offer any coherent rationale for the increase overall," or "justification for the vastly

disproportionate increase in the tax on wine and spirits as compared to beer."

"The liquor gallonage tax is a revenue raising measure," the suit continues. "As the Supreme Court has recognized...

Taxing identical products at different rates fails the 'real and substantial difference test' imposed by the Uniformity Clause."

In addition, Wirtz alleges that the bill violates the Single Subject Rule of the Illinois Constitution - by including such disparate issues as alcohol taxes, video gaming and the Illinois lottery, taxes on candy and cigarettes and bridge and road weight standards.

State Rep. Dan Beiser (D-Alton) is chairman of the transportation, regulation and roads committee of the Illinois House of Representatives.

"This does throw a wrench in the works," Beiser said. "That whole package of increases was put together with much communication and participation by everyone involved. Granted, no one likes to see an increase in taxes. I'm sure the alcohol industry as a whole did not want to see that instituted. But I believe they saw what the benefits were and what it would be used for and I believe that's why you saw the bill pass as it was presented," he added.

The other problem plaguing the funding for the capital program is that some cities and counties are opting out of the gambling expansion by passing ordinances banning the activity in their jurisdictions. A number of local governments already have done so, including DuPage County and the cities of Evanston, Country Club Hills and Rosemont; all are in the Chicago area. It was projected that the state would receive \$400 million per year from video gambling taxes, but that number could be eroded if more cities and counties ban the machines. Some question the wisdom of banning video gambling.

"They have to be naïve to think that activity is not going on right now," Beiser said. "If they're against it as a moral principle, I can respect that, but at the same time, the activity is already going on. I don't believe that it's something that's new to these communities. Second, I think it's short sighted. Although you may be opposed to that source of revenue, I think you have to look at it in the context of what it's providing. The money that is being generated will go into a capital program to produce much-needed jobs and much-needed improvements throughout our communities. I think that issue right there should give them cause to question

why they would turn that down, knowing that it's going on to begin with. I think the good that is being done with this source of revenue far outweighs the bad," he added.

State Rep. Tom Holbrook (D-Belleville) questions the motivation of some of the communities.

"There are people who have concerns over the issues of gaming, but then there are some who I think are just playing politics," Holbrook said. "They don't feel that their area maybe got enough in the capital bill or they may have political reasons. Far be it from me to over speculate here, but in one of the counties that is banning the games, the county chairman is running for governor...so there's a lot in play there."

In late September, the state issued about \$400 million in bonds to pay for road and bridge projects that were begun in FY09 and that will be completed during this construction season. The funding sources for these bonds are not in question, according to Elizabeth Austin, communications director for the governor's office of management and budget. She says that when another bond issue will be offered - or what projects will be funded with it - is yet to be determined.

## IBJ Business News

### National Bank's Hoggatt completes bankers school

National Bank congratulates Gary Hoggatt Jr., branch manager and mortgage loan officer, on graduating from The Community Bankers School sponsored by the Community Bankers Association of Illinois, held in Bloomington at Illinois Wesleyan University.

### Contractor working on Prairie State project

Quality Testing and Engineering Inc. of O'Fallon is testing the field construction material at the Prairie State Energy Campus in Washington County.

The testing is part of a general grading package involving 1.5 million cubic yards of ground. W.B. Koester is the general contractor for the grading project.

Bechtel Power Corp. has been contracted to oversee the construction. The plant should be operating in 2012.

### QTE's Martens licensed as radon professional

Chad Martens, project manager at Quality Testing and Engineering Inc., has been licensed by the Illinois Emergency Management Agency as a radon management professional. In addition to the firm's geotechnical engineering, construction materials testing and environmental consulting services, QTE now offers residential radon testing.

### SIUE highlighted by U.S. News as innovative leader

Southern Illinois University Edwardsville has been cited by its peers and reported in *U.S. News & World Report* as an "up and coming school firmly focused on improving the job it's doing today." The listing is in the magazine's Best Colleges of 2010 issue.

In addition, for the fifth consecutive year, SIUE was listed in the senior capstone experience category, among 17 universities - including Yale, Harvard, MIT and Princeton - for its comprehensive program measuring the competency of graduating seniors.

At SIUE, the program is called Senior Assignment and is required curriculum for all seniors to demonstrate their degree of general education knowledge, as well as knowledge within their disciplines prior to graduation.

Also, according to the *U.S. News* rankings, SIUE is among the top 15 public universities in the Midwest-Master's category for the third consecutive year and also is in the top one-third of all public and private Midwestern universities. The overall scores are based on the academic preparedness of students, graduation rates, faculty characteristics and the reputation of SIUE in higher education.

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