



NEWS RELEASE

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FOR IMMEDIATE RELEASE

Gainer, Cook County Board Consider Closing Lollapalooza Tax Loopholes

Chicago, IL – Bridget Gainer, Cook County Commissioner (D-10) and the Cook County Board will consider a measure tomorrow to review a major loophole in the County amusement tax ordinance. The amendment would require the County Board to approve exemptions or waivers to the County's amusement tax where the loss to the County would be \$150,000 or more in tax revenue. In 2011, Lollapalooza's tax exemption from Cook County is estimated to be valued at \$350,000.

"In difficult budget times, we need to make sure that we close tax loopholes and re-examine deals that have outlived their usefulness," said Gainer. In lieu of paying amusement tax, sales tax or park permit fees, Lollapalooza makes a substantial donation to Parkways Foundation, the charitable arm of the Chicago Park District.

"Lollapalooza is a success story, and a great example of how public tools like temporary tax abatements can be a catalyst for cultural entrepreneurship," said Commissioner Gainer, who also served as the former Lakefront Parks Director and was a Parkways Foundation Board member at the launch of Lollapalooza. "Now that the festival is fully profitable, they no longer need government assistance. We should either take those resources to support other vital programs or we need to be looking for the next Lollapalooza."

Gainer and other Commissioners are proposing that this year's Lollapalooza amusement tax revenues go towards hiring more young people in summer job programs throughout the County.

Representative Sara Feigenholtz (D-12), is working on addressing similar tax abatements at the State level. "I have asked for a hearing in the state House to look at how and why for-profit ventures are granted these tax exemptions. The state cannot afford to miss opportunities for revenue while at the same time struggle to close the state budget deficit and fund services, like education," said Feigenholtz.

A study commissioned by Alternative Schools Network (ASN) and prepared by Northeastern University's Center for Labor Market Studies outlines the dire statistics of youth employment in the city of Chicago. According to the study, 84 percent of Chicago teens were unemployed in 2009-2010. The situation is bleakest for African-American and Hispanic youth. The study showed 90 percent of African-American teens were jobless and 81 percent of Hispanic teens were unemployed.

"Chicago's private sector is hiring adults, not teens, leaving a whole generation of youth without the opportunity to find work," said Jack Wuest, executive director of ASN. "Research shows that if kids don't work in their teen years, they either won't find work in their twenties or they'll end up with low-level, low-paying jobs. Cook County Works could improve those figures if it had the extra revenue. Commissioner Gainer's plan will help keep over 100 young people off the street while teaching youth responsibility and critical skills for future success."

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