

# REPORT: COAL INDUSTRY DRAINS CLOSE TO \$20 MILLION FROM ILLINOIS STATE BUDGET ANNUALLY

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**CHICAGO** - A report released today by the Center for Tax and Budget Accountability and Downstream Strategies estimates that in the 2011 Fiscal Year, the coal industry drained nearly \$20 million from the Illinois state budget in subsidies and expenditures related to supporting the coal industry. The report, [\*The Impact of Coal on the Illinois State Budget\*](#), was commissioned by the Sierra Club, Prairie Rivers Network, Faith in Place, and Eco-Justice Collaborative.

“Coal mining and support activities play a relatively insignificant role in the Illinois economy, representing only 0.2 percent of private industry economic activity in 2010,” said **Amanda Kass from Center for Tax and Budget Accountability**. “The level that state lawmakers subsidize the coal industry in Illinois does not pay off for the state budget or for state residents.”

Illinois lawmakers have spent many sessions considering deep cuts to the state’s budget in order to continue providing vital state services like Medicaid, state pensions and education. Despite having these essential services on the line, the state continues to subsidize the multi-billion dollar coal industry.

“The coal industry threatens our public health, productive farmland, clean and abundant water, and intact communities. Our state has supported the coal industry through tax breaks, direct grants and foregone revenue opportunities.” said **Traci Barkley, Water Resources Scientist at Prairie Rivers Network**. “These are losing investments to an industry that does not pay their fair

share. It is time for Illinois state lawmakers to redirect grants and tax breaks from the coal industry to sustainable energy development and job creation in the clean energy sector.”

As the nation reduces its dependence on burning coal, coastal residents are coming out by the thousands to reject coal export terminals. A fossil fuel subsidized environment in Illinois has opened the floodgates for coal mining companies to extract coal from the Illinois Basin and export it to other countries, leaving behind depleted natural wealth and damaged lands and waterways with very little benefit left at both the local and state level.

Coal companies, some with more than 600 mine permit violations on record, take advantage of these perks and breaks while using dangerous and damaging methods to mine high-sulfur coal and export it out of state.

“Demand for Illinois coal is on the rise,” said **Rory McIlmoil, former Energy Program Manager at Downstream Strategies**. “As the companies expand Illinois operations, the cost to the state associated with supporting and regulating the industry will grow as well, and these costs are significant, amounting to more than \$66 million in Fiscal Year 2011. Our report shows that the costs associated with the Illinois coal industry far exceed the revenues generated by coal-industry activity. This finding suggests that more should be done to maximize the revenues generated by the industry while at the same time reducing costs.”

Illinois coal exports are up five-fold since 2010, yet the state imposes no severance tax. This means that Illinois foots the bill for damaged farmland, at-risk water supply and dirty air left behind from mining and burning coal, but sees no local tax revenue from the exports.

“This report is a wake-up call for Illinois -- coal costs us all. Coal exports from our state are on the rise yet little money comes into our state coffers,” said **Jack Darin Sierra Club Illinois Chapter Director**. “Illinois subsidizes big polluters from the coal industry, while citizens pay the price for the impact of dirty coal on our health, the environment and accelerated climate change. Ending state subsidies and tax breaks for the Illinois coal industry will have a positive impact on the Illinois state budget as well as for the future of our families and environment.”

“This report offers a dose of reality to our elected leaders and all who believe that coal is a good investment,” said **Lan Richart Co-Director at Eco-Justice Collaborative**. “As our state faces a severe budget crisis, Illinois taxpayers must

ask why they are giving millions of dollars in subsidies to an industry that provides so little in return."

"The faith community in IL is fully aware of the negative impacts of coal mining to community health," said **Brian Sauder, Policy Director at Faith in Place**. "We have an ethical obligation as a state for our tax dollars to support clean forms of energy. This report shows that we need to redirect our spending away from supporting dirty energy towards supporting clean energy."

To view the full report, please

visit: [http://www.downstreamstrategies.com/documents/reports\\_publication/downstream-strategies\\_illinois\\_impact\\_of\\_coal\\_6-27-13.pdf](http://www.downstreamstrategies.com/documents/reports_publication/downstream-strategies_illinois_impact_of_coal_6-27-13.pdf)

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