



Chicago Seeking Tax Snitches

In addition to double-digit tax increases, the City of Chicago is moving forward with a plan to pay “whistleblowers” for turning in tax dodgers to city hall.

According to news reports, Chicago Mayor Richard Daley’s 2010 budget includes a novel provision to encourage residents to report one another to the authorities for failure to fully comply with city tax rules. It is known as the “Tax Whistleblower Program.”

Informants would be paid some percentage of the money collected as a result of their information, but the details are still reportedly being finalized. Various reports referred to the rewards that will likely be set aside as a “cash bounty.”

“It’s just another way of bringing people into compliance,” a spokesman for the local Revenue Department told the *Chicago Sun-Times* for an article this week entitled ‘[City may pay you for turning in tax cheats](#).’ “It would probably be ... a business knowing that a competitor is not remitting a tax. An employee [of the tax-dodging business] could know that, too. Typically, you need to provide some type of incentive.”

The *Sun-Times* story explained that two of the most common city taxes skirted by violators were the “dreaded employee head tax” and the lease tax, prime targets for government informants with inside knowledge of a tax-dodging company’s workings. And the informant plan is not the only scheme in the works for city hall “customers” either, the newspaper reported. (The budget really does refer to people paying fines as “customers”).

In another article, entitled “[Rats! City to Pay for Informing on Tax Cheats](#),” a reporter for NBC Chicago noted that the program “could turn neighbor against neighbor in Chicago’s business community.” Critics are blasting the measure as “Gestapo tactics,” warning that it will generate distrust and plenty of false reports from people with a vendetta.

“Chicago would be safer and more prosperous if the Mafia ran the city again,” wrote one furious commenter after reading the [story](#). “The gangsters that are in charge now make the Costa Nostra [sic] look like pikers!”

Blogger Nathan McKaskle of Lost Liberty Café also blasted the scheme: “This program can only further serve the state by pitting us against each other instead of against those who continue to rob us blind and further enslave us all,” he wrote in a piece entitled “[A War of All Against All](#).” Countless more expressed similar outrage on forums and article comment sections across the Web.

Other opponents have highlighted the similarity between the plan and the infamous “[snitch line](#)” at the White House earlier this year where Americans were encouraged to report “fishy” e-mails about





Written by [Alex Newman](#) on October 29, 2009

healthcare “reform” to the administration. Ironically, President Obama’s connection to Chicago led observers to label the White House program an example of “Chicago-style politics” while it was still operational.

The news about the snitch reward plan comes as Treasury Secretary Timothy Geithner, himself a tax-dodger, [announced](#) new “aggressive” Internal Revenue Service enforcement measures. "A total of \$332 million would be devoted to new Internal Revenue Service (IRS) enforcement efforts, including \$128.1 million to add nearly 800 new IRS employees to combat ... tax evasion and improve compliance with tax laws by businesses and high-income individuals," he said.

The IRS actually has its own snitch program that rewards informants for turning in U.S. citizens who do not comply with the tax code. Congress increased the bounties in 2006. But a Treasury Department Inspector General report released this month found that the program was filled with “deficiencies ... inaccuracies and inconsistencies” that could jeopardize the program, according to the [Washington Times](#).

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