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LT. GOVERNOR VISITS YOUNGSTOWN,
DISCUSSES TAX REFORM

YOUNGSTOWN -- Lieutenant Governor Bruce Johnson today visited Youngstown, touring M-7 Technologies and laying out the need for tax reform in Ohio and Governor Bob Taft's plan to establish a tax system that promotes economic development.

"Ohio has an antiquated tax system that hurts businesses already here and hinders our ability to attract new business to Ohio," said Johnson, who also serves as state development director. "Our tax reform plan helps families by cutting the personal income tax and improves our business climate by eliminating taxes that penalize companies operating in Ohio."

Echoing the plan laid out in Governor Taft's State of the State address, Johnson listed three critical elements of the proposed tax reform.

1. Cut the personal income tax by 21 percent across-the-board. Ohioans that make less than \$10,000 a year will pay no state income tax at all.
2. Eliminate the tax on machinery, equipment and inventories, encouraging businesses to expand and make capital investments. Protect schools and local governments from losses for an extended time.
3. Eliminate Ohio's unfair corporate franchise tax and replace it with a commercial activity tax that has a very low rate and a very broad base to reflect all of Ohio's economic activity.

According to Johnson, Ohio is transitioning from the primarily industry-based economy of the 20th century to a more diverse, knowledge-based economy, and in order to maintain a competitive business climate, the tax code must also change. "Our economy has shifted from a single-source economy to a diversified, multi-source economy and our tax system needs to mirror these changes," said Johnson.

While in Youngstown, Johnson visited M-7 Technologies. Established in 1995, M-7 Technologies builds and repairs equipment, measures equipment, builds databases, and develops solutions that extend lifespan of equipment used by heavy industries, including steel, paper & pulp, non-ferrous metals, power generation, petrochemical, and water purification. The company, which is investing in new laser technology, employs more than 20 highly-skilled workers.

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