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LT. GOVERNOR VISITS PICKAWAY COUNTY, DISCUSSES TAX REFORM

WILLIAMSPORT –Lieutenant Governor Bruce Johnson last night gave the keynote speech at the Pickaway County Chamber of Commerce’s Annual Dinner. Johnson spoke on the need for tax reform to help secure the future of Ohio’s economy.

“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.”

In his speech, Johnson laid out details of the plan unveiled in Governor Taft’s State of the State address. He listed three critical elements of the proposed tax reform:

1. Cutting 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. Eliminating the tax on machinery, equipment and inventories, encouraging businesses to expand and make capital investments.
3. Eliminating Ohio’s unfair corporate franchise tax and replacing 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.

Johnson also told the audience that the Taft Tax Reform Plan would particularly benefit Pickaway County because of its mix of agriculture, manufacturing and small business. He noted that both the Ohio Manufacturers’ Association and the Ohio Farm Bureau have endorsed the Taft plan. Additionally, small businesses—many of which file taxes via the personal income tax—comprise the vast majority of business in Pickaway County. They would benefit from the 21% reduction in income tax and would be exempt from the new commercial activity tax, which does not apply to companies with sales under \$1 million.

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