

NEWS RELEASE



Lt. Governor Bruce Johnson

FOR IMMEDIATE RELEASE
Thursday, August 25, 2005

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LT. GOVERNOR VISITS FAIRFIELD, TALKS TAX REFORM

FAIRFIELD-- Lieutenant Governor Bruce Johnson today addressed attorneys, accountants, and other business professionals attending a seminar on Ohio's recent tax reforms. During his visit he provided insight on the decision to pass reforms that promote economic development and the competitiveness of Ohio's assets.

"Ohio's outdated tax system was hindering our ability to attract new business and employment opportunities in our communities," said Johnson, who also serves as state development director. "Our tax reforms will demonstrate that 'Ohio Means Business', added Johnson. "Tax reform will also put money back into the pockets of Ohio families, and help communities like Fairfield in their economic development efforts."

The tax reforms, which took effect July 1, 2005, cut personal income tax rates by 21 percent over five years; eliminate state income tax for Ohioans making less than \$10,000 a year; and phase out the tax on equipment and inventory and the corporate franchise tax, replacing them with a broad-based, low-rate commercial activity tax. The plan also calls for spending \$390 million to hold schools and local governments harmless from loss. Overall, the plan would collect \$800 million less over the next two years than the state would receive if today's tax rates remained in place.

In May, Johnson released a report by REMI Consulting, Inc. of Massachusetts that detailed the economic impact of Ohio's tax reform plan. The study indicates that the plan will create more than 43,000 jobs and add \$2.5 billion to Ohio's Gross State Product by 2010.

The day-long seminar was hosted by the Ohio State Bar Association, the Ohio Society of CPA's, the Ohio Manufacturer's Association, and the Ohio Department of Taxation. For more information on the reforms, visit <http://tax.ohio.gov/>.

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