

**NEWS RELEASE**



**Lt. Governor Bruce Johnson**

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**LT GOVERNOR VISITS DELAWARE, DISCUSSES TAX REFORM**

DELAWARE- Lieutenant Governor Bruce Johnson was in Delaware today delivering a luncheon speech for a meeting of the Delaware Area Safety Council. Johnson spoke on the need for tax reform to help secure the future of Ohio's economy.

"Our number one priority is a tax system that creates the kind of business climate that benefits a variety of industries and makes Ohio a competitive place for companies to locate and grow," said Johnson, who also serves as state development director. "Our tax reform plan helps families by cutting the personal income tax, and helps create good jobs by eliminating taxes that penalizes companies for investing in their Ohio operations."

In his luncheon 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 20<sup>th</sup> 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 Delaware 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—would benefit from the 21% reduction in income tax and would be exempt from the new commercial activity tax, if their sales were under \$1 million.

The Delaware Area Safety Council is comprised of city and county government and local company representatives and safety professionals that meets to develop strategies for companies in controlling their Workers' Compensation costs and preventing workplace injuries.

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