

NEWS RELEASE



Lt. Governor Bruce Johnson

FOR IMMEDIATE RELEASE
Thursday, June 02, 2005

CONTACT: Bill Teets (614) 466-2382
or Merle Madrid (614) 644-4133

LT. GOVERNOR SPEAKS AT ANNUAL MAYORS' CONFERENCE

Talk focused on the Third Frontier and economic development

TOLEDO-- Lieutenant Governor Bruce Johnson today spoke to more than 100 mayors from across Ohio at the Annual Mayors' Conference, held in Toledo. During his speech, he discussed various economic development issues, including Governor Bob Taft's proposed tax reform plan, the Third Frontier Project, and a proposed economic development bond initiative for the fall.

"The welfare of Ohio's citizens is dependent upon state and local governments working together toward job creation," said Johnson, who also serves as state development director. "At the state level, we are pursuing tax reform and an bond initiative we believe will create a better economic climate in Ohio and nurture more good jobs and a better quality of life throughout our state."

Governor Taft's tax reform plan would 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.

Johnson pointed to the recently released a report by REMI Consulting, Inc. of Massachusetts that detailed the economic impact of Governor Bob Taft's tax reform plan as proof of the plan's value. 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 Third Frontier Project, a ten-year \$1.1 billion initiative, is the state's largest-ever commitment to expanding Ohio's high-tech research capabilities and promoting innovation and company formation to create high-paying jobs for generations to come. Pending approval from the General Assembly, a \$2 billion bond package will go before Ohio voters in November, with \$1.35 billion supporting local road and bridge infrastructure projects, \$150 million supporting job-ready sites, and \$500 million funding further Third Frontier investments.

"The Third Frontier project encourages collaboration among business, academia, and government to create and promote the high-tech products of the future," said Johnson.

For more information on the Governor's tax reform plan, please visit www.jobsforohio.com. For information on Ohio's Third Frontier Project, visit www.thirdfrontier.com.

#