

Now is the time for Hoosier Tax Relief

By: Governor Eric J. Holcomb

Indiana is fiscally strong and continues to grow at a rapid rate. As our revenues exceed forecasts month after month, it has become clear that the time is now to act on a tax plan that gives back to our growing business community and to hardworking Hoosiers.

When SB 1 hits my desk to sign into law in a couple of days, it will ensure the maximum number of Hoosier taxpayers will receive their portion of the \$545 million automatic taxpayer refund this year.

That's just the latest in a long list of tax cuts. Since 2005, Indiana has demonstrated strong stewardship of taxpayer dollars while constantly finding ways to responsibly return those dollars to the people and businesses that have helped our state grow —proving that cutting taxes can increase revenue. During that period, we have cut taxes at least 10 times and paid down billions of dollars in debt. Most recently, Indiana's corporate income tax rate fell to 4.9% last July.

My administration has been carefully monitoring our finances. In each of the last six months, Indiana has *exceeded* forecasted revenues. And this Friday, March 4, we expect to see this trend again when February revenues are posted.

That's why we can provide immediate assurances to individual taxpayers and businesses that their hard-earned money will be returned to them now in a fiscally prudent and impactful fashion. We can achieve that by:

- **Returning** \$545 million to 4.3 million Hoosier taxpayers this year through the Automatic Taxpayer Refund (SB 1)
- **Cutting** Indiana's individual income tax rate to 2.9% over time, making Indiana tied as the lowest rate among states with an income tax
- **Reducing** the Indiana State Teachers' Pre-96 Retirement Fund by paying off another \$2.6 billion at the end of this fiscal year
- **Eliminating** both the Utility Receipts Tax (URT) AND the 30% tax floor on Business Personal Property for all *new* equipment.

I am confident this plan can be responsibly achieved while balancing our ongoing priorities and maintaining prudent levels of fiscal reserves.

The sooner we execute on this plan the sooner we can:

- Make Indiana tied among states with the lowest individual income tax rate of the states that impose the tax
- Assist businesses in two of their biggest area of concerns — energy costs and the cost of new capital investment over time

- Significantly improve the state's pension fund ranking
- Maintain Indiana's low debt burden status

The Indy 500, held every year on Memorial Day, always reminds me about teamwork, speed and competition. With those three factors in mind, I suggest Team Indiana move ahead to reinvest in ourselves and our state's future growth.