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New point man for governor

Lt. Gov. Bruce Johnson to play major role in pursuing tax-reform initiatives

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COLUMBUS - The room was packed.

Every seat and spot for standing was taken. Along the balcony, men and women leaned over the rails to peer down on Gov. Bob Taft as he beamed and administered the oath of office to his new lieutenant governor, Bruce Johnson.

The lieutenant governor's role in Columbus is typically about as exciting as drywall, and some might conclude less important. But this day brought out more than family members, close friends and Johnson's former colleagues from his legislative career.

The crowd, saturated with lobbyists and assorted Statehouse denizens, understood that Johnson, who also will continue as Taft's development director, will be the governor's point person on tax reform this year.

No issue has lobbyists simultaneously sweating and salivating like tax reform.

After the ceremony Wednesday, Taft said he will outline his tax plan in his State of the State speech next month.

His chief of staff reiterated the governor will revisit many of the ideas introduced (and ultimately rejected by state legislators) two years ago, but the sluggish economy and the state's inability to shake the recession has created a more hospitable atmosphere in the Ohio General Assembly for change.

Senate President Bill Harris, R-Ashland, and House Speaker Jon Husted, R-Kettering, have pointed to rewriting Ohio's antiquated tax code as a priority for the upcoming session.

The state faces a budget deficit that could reach \$5 billion. A penny increase in the sales tax passed two years ago to help balance the books is due to expire June 30.

There are few ways -- mostly spending cuts and tax increases -- for the state to meet its constitutional obligation of a balanced budget. Taft was reluctant to embrace any increases, but indicated the changes in tax laws would not necessarily be revenue neutral.

Taft will rely on Johnson. He told the crowd the lieutenant governor's dual role will bring added cachet to his efforts as development director.

"Bruce has been actively engaged in designing our program for jobs creation, tax reform and economic development," Taft said. "It is primarily because of his leadership on the economy that I have chosen Bruce."

Johnson said he will help to achieve a balanced budget, as well as work on tax reform and the governor's Third Frontier program designed to attract high-tech jobs to Ohio.

"We need to make sure our tax system is fair and supports our plan for economic prosperity," said Johnson, who becomes Taft's third lieutenant governor.

Ohio Supreme Court Justice Maureen O'Connor ran on the original ticket in 1998, then chose to run for the judicial post in 2002. She was replaced by Jennette Bradley, who recently was named state treasurer.

Both O'Connor and Bradley were also department directors. Johnson's salary will be \$125,000 a year.

Dan Navin, managing director of legislative affairs for the Ohio Chamber of Commerce, said Johnson is eminently qualified to handle tough issues.

`` He was the sponsor and one of the prime legislative players in formulating the electric restructuring bill back in '99 and 2000," Navin said. `` So, given the complexity of tax reform from both the substantive and political point of view, I think he has the background and experience to work on an issue and be a mover and key person in getting tax reform accomplished."

Navin said reform is needed to improve the state's business environment and to increase jobs.

`` At the end of the day, regardless of what is done or what is not done, tax reform has to be primarily about increasing business and capital investment in this state and creating jobs," Navin said. `` From the administration's point of view, and I think from the business community's point of view, he is definitely qualified to achieve this in the process of getting tax reform done in the legislature."

Zach Schiller of Policy Matters Ohio said tax reform is not a magic cure for the ailing economy. Incentives provided to businesses to spur recovery will have to be borne through other taxes on business or individuals, he said.

`` People who think we are going to have an economic miracle here because we change the tax code are deluding themselves," Schiller said.

He said Ohio lags behind other states in rebounding from the recession and has created fewer than 5,000 jobs in the past 11 months while watching a continued decline in higher-paying manufacturing jobs.

`` It's quite disconcerting. The national economy is not going gangbusters, but there has been some improvement, so we really are lagging," Schiller said. `` It's disturbing."

The Ohio House approved Taft's selection of Johnson by a 95-0 vote Tuesday, but he had a rockier time in the Ohio Senate. The vote there was 22-11 -- along party lines.

Sen. Dan Brady, D-Cleveland, said the 11 Democrats were against the process, not against Johnson. Democrats wanted to hold at least one hearing on his nomination, he said. `` He has been picked as the point person for the governor's tax-reform proposal. It is highly political, and I want to ask this guy some questions," Brady said.

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