Dayton Daily News
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Husted critical of tax plan analysis

By William Hershey

Dayton Daily News

COLUMBUS | A new analysis that concludes Gov. Bob Taft's proposed overhaul of the tax code would benefit the wealthy and provide little or no savings to low-income Ohioans drew strong criticism Tuesday from House Speaker Jon Husted, R-Kettering.

According to the analysis, when major parts of the Taft plan are phased in fully, the top 1 percent of Ohio taxpayers would have their taxes reduced by an average of $7,076 — a break that amounts to 1.1 percent of their average income, which is $643,000.

In contrast, the lowest 20 percent of taxpayers with annual incomes under $16,000 would see their annual taxes increase by an average of $63. The second 20 percent of taxpayers would experience an average annual increase of $68; the middle 20 percent would have an average $12 increase and the fourth 20 percent would receive an average reduction of $89 annually, according to the analysis. The next 15 percent of taxpayers would receive an average reduction of $379 a year and the next 4 percent an annual average reduction of $1,277, the analysis concluded.

Husted said he disagreed with the conclusion because Taft's plan "is going to help create jobs in the state."

"It's going to put more people to work. It's going to help raise salaries for everybody because we're going to combine it with the Third Frontier program and that's going to focus on jobs for the future," he said.

The Taft plan, Husted said, would create a better business environment to "create jobs."

"That is good because there's nothing more regressive than not having a job," he said.

The analysis was released Monday by Cleveland-based research groups Policy Matters Ohio and the Center for Community Solutions. They based the analysis on calculations made by the Institute on Taxation and Economic Policy, a nonprofit, nonpartisan research group in Washington, D.C.

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