



AMERICANS FOR TAX REFORM

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# NEWS

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## Indiana Governor Announces Tax Increases

WASHINGTON — **Governor Frank O'Bannon (D) announced in his address to the state of Indiana November 16, 2001, that he intends to raise taxes to balance the budget.** Blaming the terrorist attacks of September 11 for his state's financial woes, Governor O'Bannon laid out a plan to cause even greater harm to Indiana's faltering economy.

State surpluses of \$2 billion dollars led Governor O'Bannon to encourage a spending spree by the state legislature, amounting to \$800 million in excess tax dollars that should have been returned to taxpayers but instead was spent on state programs. Increasing spending in such a drastic manner has resulted in a climate of panic among the Executive and Legislative branches of the Indiana state government now that those surplus dollars have disappeared.

**Governor O'Bannon's "Balanced Budget Plan" includes spending the state rainy-day fund and tobacco settlement funds to balance the budget, a one-time solution, as well as hiking the cigarette tax by 50 cents and increasing gaming taxes by an undisclosed amount.**

Governor O'Bannon calls spending state reserves "a workable, responsible, and equitable plan that will balance the state budget heading into the next biennium," not a long-term solution. Hiking cigarette and gaming taxes is not a petty threat to taxpayers who enjoy these freedoms, who have every right to enjoy these freedoms without the interference of state politicians' social agendas. Yet Governor O'Bannon reminds Indianans that "there is no place for threats or pettiness in this discussion."

"I am confident that the 25 state legislators who have signed the Taxpayer Protection Pledge promising that they will oppose and vote against any and all efforts to increase taxes will demonstrate leadership and oppose Governor O'Bannon's efforts to increase taxes, and encourage their colleagues to do likewise. **Cutting state spending by 7%, as the Governor has proposed, is not enough if the Governor would further increase the burden on taxpayers to balance the budget.** The Governor should cut spending and allow taxpayers to take home more of their hard-earned wages so that the Indiana economy may have a chance to rebound," said Grover Norquist, President of Americans for Tax Reform.

Americans for Tax Reform is a non-partisan coalition of taxpayers and taxpayer groups who oppose all federal and state tax increases. For more information or to arrange an interview please contact Jonathan Collegio at (202) 785-0266 or by email at [jcollegio@atr.org](mailto:jcollegio@atr.org).