



State of South Carolina Office of the Governor

NIKKI R. HALEY
GOVERNOR

1205 PENDLETON STREET
COLUMBIA 29201

March 24, 2015

The Honorable James H. Lucas
Speaker, South Carolina House of Representatives
Statehouse, 2nd Floor
Columbia, South Carolina 29201

Dear Speaker Lucas,

During my State of the State Address this year, I laid out an agenda to improve South Carolina's economy, infrastructure, and quality of life for the citizens we all serve. This agenda includes a three-part plan to reduce the rates of all tax brackets by two percentage points to put billions of dollars back into pockets of taxpayers, allow for a ten cent increase in our state's gas tax to fund roads, and permanently restructure the Department of Transportation (DOT) to make it a more accountable and manageable executive agency. Thank you for the weeks of candid conversations about this plan, and I hope that we can establish a fruitful working relationship over these next four years that benefits the citizens of South Carolina.

Despite months of work, it appears that we have been unable to reach a compromise on this plan and the House Ways and Means Committee is now moving forward with a proposal introduced by your ad-hoc transportation committee. Although H.3579 does contain a step toward restructuring the DOT, **this proposal is a massive tax increase for the citizens of South Carolina.** In the interest of transparency, and in the spirit of maintaining the open line of communication we have established during your tenure as Speaker, you should know that **I will veto this and any other proposal that increases gas taxes without a significant cut to income taxes.**

As always, my door is open to discuss this or any other matter with you.

My very best,

A large, stylized handwritten signature in black ink, which appears to read "Nikki R. Haley".

Nikki R. Haley

cc: The Honorable W. Brian White
Members of the House Ways and Means Committee