



State of South Carolina Office of the Governor

NIKKI R. HALEY
GOVERNOR

1205 PENDLETON STREET
COLUMBIA 29201

March 24, 2015

The Honorable Hugh K. Leatherman
Chairman, Senate Finance Committee
111 Gressette Building
Columbia, South Carolina 29201

Dear Chairman Leatherman,

As you are aware, I unveiled my agenda for infrastructure and economic development in my State of the State Address in January. The cornerstone of this agenda is a proposal that decreases individual income tax rates by two percentage points to put money back into the pockets of taxpayers, allows for a ten cent increase in gas taxes to fund our roads, and restructures the Department of Transportation (DOT) to give the Secretary of that agency one clear line of accountability. I understand that you have organized a subcommittee to address this issue and that the full Senate Finance Committee will be considering S.523, a bill which addresses transportation funding and an income tax cut and repeals the sunset provision in Act 114 of 2007 allowing the current DOT governance to continue.

While I appreciate the work done by you, Senator Cleary and other members of the Senate Finance Committee on transportation funding, **this bill, as it stands, is a massive tax increase on the citizens of South Carolina** and does not address the fundamental governance flaws responsible for so much of DOT's current dysfunction. **Further, the current income tax cut proposal in S. 523 is insufficient, and I would veto this bill if it came to my desk today.** I urge you, as I have your counterparts in the House of Representatives, to put forth a plan that does not result in tax increases to the people. Rather, it is our responsibility to forgo at least some future growth of government and return hard-earned wages back to the people who earned them.

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

My very best,

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

Nikki R. Haley

cc: The Honorable Raymond E. Cleary III
Members of the Senate Finance Committee