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Attachments: NR - b021704 - Income Tax Relief.doc

NR - b021704 - Income Tax Relief Fact Sheet.doc

STATE OF SOUTH CAROLINA
OFFICE OF THE GOVERNOR
MARK SANFORD, GOVERNOR

FOR IMMEDIATE RELEASE

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Gov. Sanford, Republican Leadership Unveil Income Tax Cut
STATE'S TOP RATE TO DROP FROM 7% TO 4.75%
OVER NEXT 10 YEARS

Columbia, S.C. - February 17, 2004 - Governor Mark Sanford today joined Speaker of the House David Wilkins and over ninety members of the State Legislature - including Republicans and Democrats from both chambers - in announcing a plan to cut South Carolina's income tax by nearly a third over the next decade. Under the proposal, South Carolina's income tax rate would drop by .225 percent annually for the next ten years provided that general fund revenue growth of at least 2% is projected for each year by the Board of Economic Advisors. The "2004 Income Tax Relief Act" would take effect July 1, 2005.

"What you're seeing with this plan is a united front for income tax cuts that will create jobs, stimulate capital investment and raise income levels throughout South Carolina," said Gov. Sanford. "Together, we're taking the first and most important steps toward tax relief that's targeted specifically at improving our underlying business climate and making us more competitive as a state. I'm incredibly grateful on a personal level both to the Speaker and to all of the members of the General Assembly with us on this issue for their overwhelming show of support. The people of our state should also be grateful to them for their commitment to helping make South Carolina a place where working families and businesses - particularly small businesses - can thrive and prosper."

The fiscal impact of the proposed tax cut is estimated at roughly \$62 million annually, but the 2% revenue growth clause means general fund revenues would grow at an approximate rate of \$100 million annually in each year that the cut is to be implemented.

"Rather than talking about raising taxes, we're here talking about raising the standard of living for all South Carolinians by creating jobs and opportunity and growing the economy," Speaker David Wilkins said. "We stand with Governor Sanford in working to create a world-class economy in South Carolina - and reducing the income tax is an important first step."

"This tax cut will be an engine that will fuel economic growth for the next decade," said House Ways and Means Chairman Bobby Harrell. "We have incredible support in the House to get this done. We will get this through the House and on over to the Senate where our Senate friends will pick up the ball and run with it. This is just the beginning of what we can accomplish when we work together."

"I commend the governor on his leadership in charting a new course for South Carolina's economy," Sen. John Courson said. "Income tax reductions that have been enacted in other states have been absolutely essential to the blossoming of their economies and that's exactly what our state needs right now. This is a catalyst for growth, pure and simple."

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