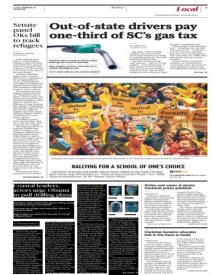


Title: **Coastal leaders, actors urge Obama to pull drilling plans**
 Author: BY VERABERGENGRUEN McClatchy Washington Bureau
 Size: 50.22 square inch
 Columbia, SC Circulation: 128564



Coastal leaders, actors urge Obama to pull drilling plans

Charleston, other coastal cities oppose drilling, saying it threatens tourism, environment

Advocates say drilling could mean jobs, billions in revenue to states

Federal agency to release five-year plan for oil, gas drilling by March

BY VERA BERGENGRUEN
 McClatchy Washington Bureau
 WASHINGTON

Actress Kate Walsh teamed up with 50 coastal leaders for a day of lobbying Wednesday on Capitol Hill, asking federal officials to protect the Atlantic coast from the offshore drilling exploration planned by the Obama Administration.

The group also met with officials of the White House and the Department of the Interior, which plans to hold a lease sale for the Atlantic drilling sites in 2021.

The two-day Coastal Voices Summit, organized by conservation group Oceana, kicked off Tuesday at George Washington University with more than 100 coastal leaders and celebrities, including Ted Danson, known for his role in TV's "Cheers," Sam Waterston of "Law & Order" and Walsh from "Grey's Anatomy."

"It has only been six

years since the Gulf oil spill, and it seems as if our government has forgotten that it ever occurred," Walsh said at the event. "Everywhere we've drilled, we've spilled, and it's time to stop this dirty and dangerous cycle before it starts in the Atlantic. It's time for President Obama to say no to East Coast drilling."

They were joined by U.S. Sen. Sheldon Whitehouse, D-R.I., U.S. Rep. Alan Grayson, D-Fla., and local and state elected officials.

U.S. Rep. Mark Sanford, R-Charleston, who represents a coastal district that includes Charleston and who has vocally opposed Atlantic offshore drilling, was scheduled to attend but had to change his travel plans after a blizzard shut down much of the East Coast last weekend.

Charleston, like 100 other municipalities

along the Atlantic coast, formally has opposed drilling off its shores despite a proposed 50-mile buffer along the coastline within which drilling would be prohibited.

The Bureau of Ocean and Energy Management is expected to release its finalized five-year plan for offshore oil and gas drilling leases by March, including – for the first time in 30 years – the waters off South Carolina, North Carolina, Virginia and Georgia.

Coastal communities and environmental groups have been fighting state leaders who argue opening the coast to offshore drilling is safe and would bring jobs and billions in revenue to their states. The governors of the four states under consideration have asked the Bureau of Ocean and Energy Management to be included in

the plan.

But others don't want drilling to move forward.

"Recently, we delivered a letter to (South Carolina) Gov. Nikki Haley that was signed by over 430 small-business owners asking her to change her position and oppose offshore drilling," Frank Knapp Jr., chief executive of the S.C. Small Business Chamber of Commerce, said at the Tuesday event.

More than 68,000 S.C. jobs depend on ocean sectors, including tourism and fishing, according to a report by the Middlebury Institute of International Studies at Montreux.

"The hundreds of thousands of jobs dependent on a healthy tourism economy are dependent on a healthy ocean," Knapp said. "No small business owner or CEO of

SEE COAST, 7A

Title: **Coastal leaders, actors urge Obama to pull drilling plans**
 Author: BY VERABERG GRUEN McClatchy Washington Bureau
 Size: 50.22 square inch
 Columbia, SC Circulation: 128564

COAST FROM PAGE 3A

a Fortune 500 company, other than the petroleum industry, would risk their successful business by starting an incompatible side business. Only foolish politicians would even think of doing such a thing.”

Coastal leaders met with 30 congressional offices Wednesday, including U.S. Sen. Lindsey Graham, R-Seneca, U.S. Rep. Tom Rice, R-Myrtle Beach, and Sanford.

South Carolina’s coastal leaders have played a large role in Oceana’s anti-drilling efforts. Sanford and Charleston City Councilman Mike Seek-

ings are featured prominently in the organization’s “Protect Our Coast” campaign video.

“As a trained petroleum engineer and former roustabout on offshore drilling rigs, I can tell you firsthand that working on the rigs is a risky job,” Peg Howell, a former oil company employee and spokesperson for Stop Offshore Drilling in the Atlantic, based in Pawleys Island, said Tuesday.

“I’ve also seen firsthand what offshore drilling does to coastal communities, and I will tell you that it has no place along the Atlantic coast. This is a forever decision.”



Danson



Walsh



Sanford



Waterston

Title: **RALLYING FOR A SCHOOL OF ONE'S CHOICE**

Author:

Size: 55.49 square inch

Columbia, SC Circulation: 128564



RALLYING FOR A SCHOOL OF ONE'S CHOICE

Advocates of private and public-school choice rallied on the South Carolina State House steps Wednesday for "National School Choice Week." Gov. Nikki Haley proclaimed Jan. 24-30 "School Choice Week."



AT THESTATE.COM: See more photos
from the rally



TIM DOMINICK tdominick@thestate.com

Advocates of private and public-school choice gathered Wednesday at the Township Auditorium for the My SC Education Rally.

Title: **Out-of-state drivers pay one-third of SC's gas tax**
 Author: BY CASSIE COPE ccope@thestate.com
 Size: 39.06 square inch
 Columbia, SC Circulation: 128564



Out-of-state drivers pay one-third of SC's gas tax

Question arises as senators discuss raising state's gas tax as part of roads deal

Many senators want any roads deal also to include offsetting tax cuts

Cut in state's sales tax also could be debated

BY CASSIE COPE

ccope@thestate.com

Just under a third of South Carolina's gas tax is paid by out-of-state residents, according to estimates by the S.C. Revenue and Fiscal Affairs Office.

The issue of who pays the state's gas tax — now 16.75 cents a gallon — arose Wednesday as state senators tried to decide how much in tax cuts would be needed to offset a gas-tax hike, designed to raise money to repair the state's crumbling roads.

Many senators want any roads

deal — including a gas-tax hike and some tax cut — to add up to a net tax decrease, said state Sen. Ray Cleary, R-Georgetown. That is because Gov. Nikki Haley has said she will veto any tax increases.

Senate Finance Committee members are considering increasing the state's gas tax by 12 cents a gallon over three years and hiking other driving-related

SEE GAS, 7A

GAS

FROM PAGE 3A

fees. Those tax increases would raise an added \$665 million a year to repair the state's crumbling roads.

Those senators also are considering cutting state income and business taxes by nearly \$400 million over four years.

However, once proposed higher gas taxes and fees that would be paid by out-of-state resi-

dents are factored out, the increases and cuts almost are in balance, senators were told Wednesday. There would be roughly \$70 million more raised in new taxes than in the proposed tax cuts for S.C. residents and businesses.

Still, other tax cuts are on the table, Cleary said Wednesday, adding there are proposals in the S.C.

House to cut taxes for military personnel. In

addition, Wednesday senators briefly discussed reducing the state's 6 percent sales tax.

Not all senators are convinced any tax-hike is justified.

State Sen. Tom Davis, R-Beaufort, is pushing for lawmakers to spend money from the state's one-time surplus — \$1.2 billion this year — on road repairs.

"I know that a gas-tax increase isn't necessary,"

said Davis, who says \$750 million of that surplus will recur every year.

Other senators say a one-time surplus will not pay the billions needed over the next decades to fix S.C. roads.

They also say some of the surplus money should be spent on other needs, including schools.

Cassie Cope: 803-771-8657, [@cassielcope](https://twitter.com/cassielcope)

Title: **Out-of-state drivers pay one-third of SC's gas tax**
Author: BY CASSIE COPE ccope@thestate.com
Size: 39.06 square inch
Columbia, SC Circulation: 128564



Title: **In SC stop, Trump touts his outsider credentials**
 Author: BY ANDREW SHAIN ashain@thestate.com
 Size: 143.68 square inch
 Columbia, SC Circulation: 128564



2016 ELECTIONS

In SC stop, Trump touts his outsider credentials

BY ANDREW SHAIN
 ashain@thestate.com

GOP presidential front-runner Donald Trump picked up a key endorsement Wednesday just before telling a crowd of hundreds, crammed into a Lexington County barn, that he would not become another Republican who goes along with the status quo in Washington.

"The Republicans are making it impossible," Trump said in Gilbert, wearing what has become his iconic red trucker hat. "We know where the Democrats are coming from. The problem is these Republican we send to Congress, and they're hollering, 'We're going to

stop Obamacare. We're going to fight ISIS.'

"But, all of a sudden, they get to Washington and they look at the angels on the ceiling (of the U.S. Capitol), they look at the beautiful columns,

SEE TRUMP, 7A

➔ MORE INSIDE

An Aerial view of Trump's debate boycott, **2C**

How to watch Thursday night's GOP debate, **7A**

➔ ONLINE

THESTATE.COM: More photos, video from Trump's Lexington rally

TRUMP

FROM PAGE 1A

they look at the beautiful marble floors and they keep raising their hands. What happened to them? That's not going to happen to me."

After receiving a surprise endorsement from S.C. Lt. Gov. Henry McMaster, Trump went through the list of issues typical of his rallies, punctuated with how he is an outsider who would bring his business experience to the White House. He criticized the nuclear deal with Iran, bemoaned losing money and business to China, called for strengthening the military to fight terrorists and promised a wall on the border with Mexico.

"The only way they come through the wall is that they come through legally," he said, receiving applause from the crowd at Harmon's Tree Farm.

Trump also continued attacks on his GOP competitors.

U.S. Sen. Marco Rubio

of Florida was knocked for having debt. Former Florida Gov. Jeb Bush was hit for spending among the most money in the campaign without topping the polls.

U.S. Sen. Ted Cruz of Texas, the second-place contender, was zinged for being born in Canada to an American mother. "How can a guy run for office when he's got this cloud over his head?"

Trump asked, rhetorically.

And Trump talked about polls — especially how well he is doing in them nationally and in early-primary states. He leads by more than 15 percentage points in South Carolina.

The New York real estate developer, who has no experience in political office, also kept mentioning how little money he has spent on the campaign compared to his competitors. "We spend the least and have the best," he said in another line that drew applause.

Trump did not mention

his decision to not take part in Thursday's Republican debate in Iowa because of a feud with Fox News anchor Megyn Kelly and a tongue-in-cheek news release from the network.

Trump is continuing a tour touching major S.C. markets even as presidential voting starts Monday in Iowa.

He has visited Rock Hill, Myrtle Beach and Hilton Head in the past month, while stopping in Spartanburg, Charleston and Aiken during the month before that.

But Lexington County, one of the state's biggest GOP strongholds, is a key to success in South Carolina. The county, just outside Columbia, was won by the GOP candidates who went on to victory in the party's past two S.C. presidential primaries.

The stop at Harmon's Tree Farm was a break from the arenas and large convention halls where

Trump usually holds rallies. The stage included stacks of hay and a wooden wall backdrop. While adding the red trucker hat, Trump went without a tie.

In what could be the biggest shock in the S.C. primary this far, Trump received an endorsement Wednesday from McMaster, the second high-ranking S.C. politician to back a 2016 hopeful. McMaster's endorsement of Trump was a surprise because the former state attorney general, U.S. attorney and S.C. GOP chairman is considered one of the top establishment members in the state party.

Much of the S.C. party's establishment base has endorsed Bush in the GOP race after initially backing U.S. Sen. Lindsey Graham, a Seneca Republican who pulled out of the presidential race last month. Graham, the only other statewide politician to endorse a White House hopeful, also is backing

Title: **In SC stop, Trump touts his outsider credentials**
 Author: BY ANDREW SHAIN ashain@thestate.com
 Size: 143.68 square inch
 Columbia, SC Circulation: 128564

Bush.

But it is Trump, who has run as the anti-politician-in-chief, who holds a large lead in S.C. polls. Bush is fourth.

"He's a man of decision. He's a man of action," McMaster said in introducing Trump. "He speaks the truth as he see it in words everybody understands. And, ladies and gentlemen, that's something unusual in politics. It's a delightful thing to see.

"He has no hidden agenda, and the only obligation is to you, the people of the United States of America. He has great confidence in this country, and that comes out every time he speaks. He speaks of the greatness of the

United States — how it was and how it can be again."

McMaster, an ally of Republican Gov. Nikki Haley, joins former state Sen. Jake Knotts, R-Lexington, in backing Trump. Knotts, who like Trump built a reputation for saying what's on his mind even it is not politically correct, is a Haley foe who once called the daughter of Indian immigrants a "raghead" on an Internet show. Knotts was defeated in 2012 by another Republican, Katrina Shealy, who received \$139,000 in ads from a pro-Haley political group.

McMaster's endorsement could affect his expected run for governor

in 2018. In that race, the Richland County Republican will seek the backing of the state's Republican establishment, as he had in other races. In a twist, McMaster lost to the upstart GOP candidate in the 2010 governor's race, Haley.

"No one in S.C. politics is more disappointed than me," tweeted Trey Walker, a former McMaster aide.

Two other GOP members of South Carolina's congressional delegation have endorsed 2016 candidates. U.S. Rep. Mick Mulvaney, R-Indian Land, is backing U.S. Sen. Rand Paul of Kentucky. U.S. Rep. Trey Gowdy, R-Spartanburg, has endorsed Rubio.

Haley, who is in her second term as governor, did not give a timetable for an endorsement Thursday, saying she does not need a long time to decide. "I don't work like that, where I plan really far ahead," the governor told reporters. "It's usually once I make a decision, I go with it."

But it does not appear Haley will join McMaster in backing Trump. She has criticized Trump's combative campaigning three times, including in a nationally televised State of the Union response this month.

South Carolina holds its Republican presidential primary Feb. 20 after Iowa and New Hampshire.

GOP presidential debate

What: Last debate before the first votes of the 2016 primary season are cast Monday in Iowa

When: Thursday — main debate, 9 p.m.; "undercard" debate, 7 p.m.

Who: Main debate — Jeb Bush, Ben Carson, Chris Christie, Ted Cruz, John Kasich, Rand Paul and Marco Rubio; Undercard — Carly Fiorina, Jim Gilmore, Mike Huckabee and Rick Santorum. (Front-runner Donald Trump has said he will not participate.)

Where: Iowa Events Center in Des Moines

TV: Fox News

Title: **In SC stop, Trump touts his outsider credentials**
Author: BY ANDREW SHAIN ashain@thestate.com
Size: 143.68 square inch
Columbia, SC Circulation: 128564

“

**MCMASTER'S
ENDORSEMENT
OF TRUMP WAS
A SURPRISE
BECAUSE HE IS
CONSIDERED ONE
OF THE TOP
ESTABLISHMENT
MEMBERS IN THE
STATE GOP.**

GERRY MELENDEZ gmelendez@thestate.com

Donald Trump gets an endorsement from Lt. Gov. Henry McMaster at Harmon's Tree Farm near Gilbert.

Title: **In SC stop, Trump touts his outsider credentials**
Author: BY ANDREW SHAIN ashain@thestate.com
Size: 143.68 square inch
Columbia, SC Circulation: 128564



GERRY MELENDEZ gmelendez@thestate.com

Miguel Montiel waits in line to see Donald Trump at Harmon's Tree Farm.



Title: **Has Haley switched parties?**

Author:

Size: 3.41 square inch

Columbia, SC Circulation: 128564



Has Haley switched parties?

I remember when Gov. Nikki Haley was a tea party sweetheart. Then she became an establishment Republican.

Now she is criticizing Republican frontrunner Donald Trump and calling for new taxes (on gas). It sounds to me like she has crossed over to the Democrats.

*- Jim Clark
Columbia*

Title: **SC's fifth tiremaker cranks up Spartanburg factory**
 Author: BY RUDOLPH BELL The Greenville News
 Size: 53.32 square inch
 Columbia, SC Circulation: 128564



SC's fifth tiremaker cranks up Spartanburg factory

BY RUDOLPH BELL

The Greenville News
 SPARTANBURG

South Carolina is already producing more tires than any other state, and that doesn't count the Trelleborg Wheel Systems plant that was dedicated in Spartanburg on Wednesday.

As Gov. Nikki Haley was quick to point out during a colorful ceremony marking the plant's grand opening, Trelleborg is the fifth foreign-owned tire company to bring manufacturing to South Carolina.

The industry cluster

began in 1975, when Michelin North America launched its U.S. 1 plant in southern Greenville County.

It grew over the years to include Bridgestone, Continental, Giti, and now Trelleborg, a Swedish company whose tire business is based in Italy.

Trelleborg is still ramping up production at the 150,000-square-foot plant in Spartanburg and in the process of hiring 150 workers.

The plant makes huge tires that go on heavy

equipment used in farming and forestry.

Paolo Pompei, president of Trelleborg's business unit for agriculture and forestry tires, said the industry presence that was already in South Carolina was one reason the company picked Spartanburg for the investment of about 50 million euros (\$54 million).

"We consider South Carolina the Silicon Valley of the tire business," he told The Greenville News. "If you are looking for

expertise, if you are looking for people who know the business, then of course this is the state to come to."

According to estimates by Bruce Davis, special projects reporter for Tire Business, a trade publication, eight factories in South Carolina have the capacity to make 102,000 tires per day, more than any other state.

That doesn't count the Trelleborg plant or the Giti plant in Chester County that hasn't opened yet.

Title: **SC's fifth tire maker cranks up Spartanburg factory**
Author: BY RUDOLPH BELL The Greenville News
Size: 53.32 square inch
Columbia, SC Circulation: 128564



LAUREN PETRACCA/THE GREENVILLE NEWS

Gov. Nikki Haley gets a tour of the new Trelleborg Wheel Systems plant in Spartanburg on Wednesday.

Title: **Haley asks S.C. prosecutor to sue feds over MOX project**
 Author: MEG KINNARD Associated Press
 Size: 31.46 square inch
 Orangeburg, SC Circulation: 20345



Haley asks S.C. prosecutor to sue feds over MOX project

MEG KINNARD
Associated Press

COLUMBIA — Gov. Nikki Haley on Tuesday moved forward with her threat to sue the U.S. Department of Energy for the agency's failure to meet a Jan. 1 nuclear fuel deadline, asking South Carolina's top prosecutor to pursue litigation and a daily fine of \$1 million.



Haley

"The federal government has, once again, failed to keep its promise to the people of our state," Haley wrote to Attorney General Alan Wilson in a letter obtained by The Associated Press. "South Carolina will not sit idly by while DOE continues — in violation of federal law — to ignore its commitment to the people of South Carolina."

The Savannah River Site's mixed-oxide project — known as MOX — is intended to turn weapons-grade plutonium into commercial nuclear reactor fuel. It is years behind schedule, and billions over its original budget.

Officials with the Department of Energy did not immediately return a message seeking comment Tuesday.

MOX is intended to help the United States fulfill an agreement with Russia to dispose of at least 34 metric tons apiece of weapons-grade plutonium. Government officials say that's enough material for about 17,000 nuclear warheads.

Construction began in 2007. The General Accountability Office has said the project is more than three years behind its completion deadline — and, at \$8 billion, at least \$3 billion over budget.

Since MOX is not operating, by law the federal government was supposed to remove 1 metric ton of plutonium from South Carolina by Jan. 1 or pay \$1 million a day for "economic and impact assistance," up to \$100 million yearly, until either the facility meets production goals or the plutonium is taken out of state for storage or disposal elsewhere.

A clause in the law, however, makes the fine "subject to the availability of appropriations."

Haley warned Energy Secretary Ernest Moniz in December that the state would be forced to sue if his agency didn't start making payments. In writing to Wilson, Haley also enclosed a letter

she received this month from Moniz, who said the administration remains committed to removing the surplus plutonium from the Savannah River Site and reiterated South Carolina's "critical role" in the country's non-proliferation efforts.

Haley copied Tuesday's letter to the state's congressional delegation. U.S. Sens. Lindsey Graham and Tim Scott and U.S. Rep. Joe Wilson — father of the state's attorney general — have previously encouraged the governor to sue to keep the project going.

South Carolina did sue the Obama administration in 2014 after officials said they wanted to shutter the project, citing cost overruns and delays. In that lawsuit, the state said the federal government had made a commitment to South Carolina and shouldn't mothball the effort, noting it legally couldn't use money intended to build the plant to shut it down.

The state dropped the suit several months later, when the administration committed to funding the project through that fiscal year. But the administration has since said it's searching for a less expensive way to dispose of the plutonium, such as immobilizing it in glass or processing it in different kinds of reactors.

Title: **Gov. Haley asks S.C. prosecutor to sue feds over nuclear issue**
 Author: BY MEG KINNARD Associated Press
 Size: 31.0 square inch
 Myrtle Beach, SC Circulation: 61238



Gov. Haley asks S.C. prosecutor to sue feds over nuclear issue

BY MEG KINNARD

Associated Press

COLUMBIA

Gov. Nikki Haley on Tuesday moved forward with her threat to sue the U.S. Department of Energy for the agency's failure to meet a Jan. 1 nuclear fuel deadline, asking South Carolina's top prosecutor to pursue litigation and collection of \$1 million daily fine.

"The federal government has, once again, failed to keep its promise to the people of our state," Haley wrote to Attorney General Alan Wilson in a letter obtained by The Associated Press. "South Carolina will not sit idly by while DOE continues – in violation of federal law – to ignore its commitment to the people of South Carolina."

The Savannah River Site's mixed-oxide project is intended to turn weapons-grade plutonium into commercial nuclear reactor fuel. It is years behind schedule,

and billions over its original budget.

Officials with the Department of Energy did not immediately return a message seeking comment Tuesday.

MOX is intended to help the United States fulfill an agreement with Russia to dispose of at least 34 metric tons apiece of weapons-grade plutonium. Government officials say that's enough material for about 17,000 nuclear warheads.

Construction began in 2007. The General Accountability Office has said the project is over three years behind its completion deadline – and, at \$8 billion, at least \$3 billion over budget.

Since MOX is not operating, by law the federal government was supposed to remove 1 metric ton of plutonium from South Carolina by Jan. 1 or pay \$1 million a day for "economic

and impact assistance," up to \$100 million yearly, until either the facility meets production goals or the plutonium is taken out of state for storage or disposal elsewhere. A clause in the law, however, makes the fine "subject to the availability of appropriations."

Haley warned Energy Secretary Ernest Moniz in December that the state would be forced to sue if his agency didn't start making payments. In writing to

Wilson, Haley also enclosed a letter she received this month from Moniz, who said the administration remains committed to removing the surplus plutonium from the Savannah River Site and reiterated South Carolina's "critical role" in the country's nonproliferation efforts.

Haley copied Tuesday's letter to the state's congressional delegation. U.S. Sens.

Lindsey Graham and Tim Scott and U.S. Rep. Joe Wilson – father of the state's attorney general – have previously encouraged the governor to sue to keep the project going.

South Carolina did sue the Obama administration in 2014 after officials said they wanted to shutter the project, citing cost overruns and delays. In that lawsuit, the state said the federal government had made a commitment to South Carolina and shouldn't mothball the effort, noting it legally couldn't use money intended to build the plant to shut it down.

The state dropped the suit several months later, when the administration committed to funding the project through that fiscal year. But the administration has since said it's searching for a less expensive way to dispose of the plutonium.

Title: **Panel weighs \$400M in tax cuts as part of roads deal**
 Author: BY CASSIE COPE ccope@thestate.com
 Size: 57.19 square inch
 Columbia, SC Circulation: 128564



Panel weighs \$400M in tax cuts as part of roads deal

Senate panel approves governor appointing commission that oversees Transportation Department

Senate Finance Committee considers 12-cent-a-gallon hike in gas tax, some offsetting tax cuts

BY CASSIE COPE

ccope@thestate.com

After taking "baby steps" Tuesday, senators will try Wednesday to work out a deal on a road-repair bill.

Senators on a transportation panel agreed Tuesday to give the governor control of the commission that oversees the state Department of Transportation. The Senate's full Transportation Committee will take up that proposal Wednesday.

Meanwhile, the Senate Finance Committee discussed raising an added \$665 million a year for road repairs by increasing the state's 16.75-cent-a-gallon gas tax by 12 cents and hiking other driving fees. The committee also considered cutting nearly \$400 million in income and business taxes.

"This is about taking baby steps toward a consensus, and I think we took a couple of baby steps today," said state Sen. Joel

Lourie, D-Richland.

Even if the proposals survive the Senate — where some members may filibuster, saying a gas-tax hike is not necessary — they face an uncertain future.

The Senate plan meets some of the demands of a three-part roads deal set by the S.C. House and Gov. Nikki Haley. For example, it would give the governor control of the Transportation Department, now controlled by legislators.

However, the House passed a far different roads plan last year, proposing a 10-cent-a-gallon gas-tax hike to raise just more than \$400 million a year for road repairs. The House plan, now before the Senate, also includes smaller tax cuts.

Also, Haley has insisted any gas-tax hike be offset by a larger income-tax cut.

The Senate Finance Committee will consider its tax-cut pro-

SEE ROADS, 7A

Your savings

A panel of senators is discussing cutting the income taxes paid by South Carolinians by \$314 million. At the same time, however, they would increase the state's gas tax by 12 cents a gallon. A look at the proposed income tax cuts:

\$42: The amount South Carolinians with taxable income of between \$5,000 and \$10,000 would save annually

\$191: The amount an S.C. taxpayer with taxable income of between \$40,000 and \$50,000 a year would save

\$11,985: The amount the state's highest-income taxpayers — those with taxable income of more than \$2 million a year — would save

Title: **Panelweighs \$400Min tax cuts aspart ofroads deal**
 Author: BY CASSIE COPE ccope@thestate.com
 Size: 57.19 square inch
 Columbia, SC Circulation: 128564

FROM PAGE 3A

ROADS

positional again Wednesday. When fully phased in, after three years, the proposal that would cut income taxes paid by S.C. residents by \$314 million, including reducing the state's top income tax bracket to 6.8 percent, down from 7 percent.

The proposal also would adjust the state's tax brackets so that a taxpayer would begin paying taxes after earning \$3,710 in taxable income, up from \$2,920.

If passed, the highest tax bracket also would be revised upward, kicking in for taxable income above

\$18,500, up from \$14,600.

Other proposals include:

- Adjusting upward the state's tax credit for two-wage-earner families to include taxable earnings up to \$45,000 from \$30,000, increasing the maximum credit to \$315 from \$210.

- Increasing the credit for college tuition to \$1,500 a year, up from \$850 a year for students in four-year colleges and \$350 a year for students at two-year colleges.

- Making the tax credit for students with special

needs who attend private school part of law, instead of requiring its renewal each year as part of the state budget.

- Cutting about \$84 million in business taxes, including dropping the property tax on manufacturers to 8.5 percent from 10.5 percent.

- Establishing a state earned-income tax credit, mirroring the existing federal credit, for low-income taxpayers. Roughly 500,000 S.C. tax filers would get an average credit of \$85, based on 2013 federal statistics.

The proposed earned-

income tax credit ran into opposition from state Sen. Larry Grooms, R-Berkeley, who said income-tax relief should go only to taxpayers.

Someone should not get a refund for more than the amount that they pay in taxes, he said.

However, state Sen. Darrell Jackson, D-Richland, said low-income S.C. residents, who would qualify for the tax credit, would be paying higher taxes in the form of the higher gas tax.

Cassie Cope: 803-771-8657, @cassielcope

THE PROPOSED EARNED-INCOME TAX CREDIT RAN INTO OPPOSITION FROM STATE SEN. LARRY GROOMS, R-BERKELEY, WHO SAID INCOME-TAX RELIEF SHOULD GO ONLY TO TAXPAYERS.

Title: **Afew corrections on the State of the State**

Author:

Size: 60.76 square inch

Columbia, SC Circulation: 128564



CINDI ROSS SCOPPE
ASSOCIATE EDITOR

A few corrections on the State of the State

GOV. NIKKI Haley had a lot of familiar items on her State of the State brag list last week:

- “Number one in foreign investment.”
- “The number one exporter of tires.”
- “One of the fastest growing economies on the East Coast.”
- “Thanks to your support, we changed the funding formula so that no one can ever say again that we educate children based solely on where they are born and raised.”

Huh?

Did I mishear that? Did I misunderstand the change the Legislature made to the state’s basic education funding formula a couple of years ago? Did the Supreme Court misunderstand it, when it continued to insist that the state was unconstitutionally failing to adequately educate children ... *based on where they are born and raised*?

I checked with a handful of legislators on Thursday, and while some had missed that line, one leading education advocate who is otherwise enthusiastic about Gov. Haley’s public education agenda told me it jumped out at him. Ridiculous, he said.

For all the accomplishments the governor can take credit for and all the smart initiatives she proposed, there were a handful of dissonant chords in her annual address. Claims that were

at best misleading. If I’m going to praise her for her smart

proposals, I feel obliged to point out those problem notes.

The problem with her schools claim isn’t that lawmakers didn’t go along with her plan to add a poverty weighting to the funding formula — they did, and it was a long-overdue change. The problem is that she grossly overstated the effect of that change — a problem that was compounded by her decision to appropriate the language of the legal and political argument that children in poor school districts still aren’t receiving a decent education.

When you say “no one can ever say again that we educate children based solely on where they are born and raised,” you’re saying the problem has been solved. It hasn’t been, as the governor herself implicitly acknowledged with her education proposals — particularly the plan to recruit teachers to the Corridor of Shame.

As important as it was for the state to officially acknowledge that it costs more to educate poor children than their better-off peers, simply adding that weighting didn’t provide enough money to the poorest districts to address that part of the problem.

Of course, that’s not the only reason changing the funding formula didn’t fix those districts, and by suggesting that it did, or even could, the governor

embraced the very “money is the solution” argument that she and other Republicans rightly reject. Money is *a* problem, but all the money in the world won’t

get poor children educated until we make changes in governance that will result in good teachers being willing and able to move to and remain in those schools.

The governor’s next off-key claim came in her quite reasonable argument that replacing dilapidated schools in the impoverished districts is more important than constructing more college buildings. “No one can look at the tuition hikes parents and college students have seen over the last decade,” she said, “and tell me that higher education doesn’t have enough money.”

Perhaps she’s right that colleges have enough money, but her implication that they’ve gouged students is terribly misleading. The fact is that colleges have raised tuition as a direct result of the state defunding its colleges.

We’ve never adequately funded our colleges, and things only got worse after lawmakers decided that lottery scholarships were “college” funding, and scaled back on the actual funding to colleges.

But scholarships merely change the name on the check, not how much money colleges receive. So colleges had to choose between reducing qual-

Title: **Afew corrections on the State of the State**
 Author:
 Size: 60.76 square inch
 Columbia, SC Circulation: 128564

ity and raising tuition; they raised tuition. During the recession, lawmakers cut funding more, and colleges raised tuition more.

The governor also presented a false impression when she rightly called out senators who have refused to pass legislation allowing an independent body to investigate their compliance with the state ethics law and requiring themselves to report the sources of their income.

"The Senate has refused to even vote on either," she said. "Repeatedly."

It's true that the Senate never

voted on those two items individually. But the Senate has voted on ethics reform, and all the versions it voted on included income disclosure. And in the crucial vote in February, GOP Sens. Hugh Leatherman and Luke Rankin, the most outspoken tea-party Republicans, and all the Democrats succeeded in passing an amendment that stripped independent oversight from the ethics bill.

Some Democrats said they supported independent oversight but weren't willing to let other reforms die in order to get that. The senators who worked

the hardest for reform *were* willing to let the bill die, because they feared that if they allowed it to pass without independent oversight, it would be decades before they'd get another chance.

That wasn't the result Gov. Haley or I or any other reformers wanted, but it was a vote. And to deny that is not just wrong; it's unwise for anyone who has any hopes of reviving ethics reform.

Ms. Scoppe can be reached at cscoppe@thestate.com or at (803) 771-8571.

