



FOR IMMEDIATE RELEASE

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Asa Hutchinson Announces Tax Reduction Plan To Create Jobs & Spur Economic Growth

Little Rock – At a news conference in Little Rock this morning, former Congressman and Republican Candidate for Governor, Asa Hutchinson, released the details on his first year plan for income tax reduction. Hutchinson stressed the need for Arkansas to become competitive with its income tax structure to compete for jobs with neighboring states. By systematically reducing our state's income tax, Arkansas will grow its economy, put more money in the hands of Arkansans and create jobs.

As Governor, Hutchinson's goal will be to gradually reduce the income tax rate for all Arkansans, starting with the middle class. During his first year in office, Hutchinson will seek to reduce the income tax rate from 7% to 6% for those earning between \$34,000 and \$75,000 and from 6% to 5% for those earning \$20,400 to \$33,999. According to tax returns for tax year 2011, this would give tax relief to over half a million hard working Arkansans. For an individual taxpayer earning \$50,000 a year, this could result in over \$300 per year in estimated savings. This represents a significant first step in much needed tax relief.

Once this initial tax relief is enacted, Hutchinson will work with our legislature to begin further reductions, as surpluses and growth allow for the remainder of those in the 7% bracket.

Asa Hutchinson issued the following statement:

“My number one priority as Governor will be job creation. One way to spur job growth is through tax reduction and I am committed to providing across the board tax relief to all Arkansans. I will start this tax relief with the middle class and my goal will be to gradually reduce the income tax for all Arkansans. Tax cuts are an effective method to spur economic growth and create jobs, and Arkansans are long overdue for income tax relief. I commit to the people of Arkansas three things as their Governor: I will maintain a balanced budget; I will ensure that we continue our commitment to a world-class education and together we will create stronger job growth. Across the board tax reduction and being more competitive in our tax structure is a key part of job growth.”

Arkansas ended the fiscal year in June with a surplus of \$299.5 million dollars ([see attachment](#)). The October general revenue report ([see attachment](#)) from the Arkansas Department of Finance and Administration shows current revenues are above FY 2013 and forecasted numbers.

Hutchinson pledged that any tax relief will be done while still balancing our state budget and will come without hurting our commitment to education or vital services.

State Senator and President pro Tempore of the Arkansas State Senate Michael Lamoureux said: *“As a leader in the Arkansas State Senate, I am confident that we can fully fund education and services in Arkansas and still be supportive of this type of income tax reduction.”*

Former Executive Director of the Arkansas Economic Development Commission Larry Walther said: *“Having been directly involved in recruiting industry and employers to Arkansas, I can tell you first hand that the high income tax rates play a significant factor in new jobs moving to Arkansas and creating jobs in the state. I support Asa’s plan and believe it is the right direction for Arkansas.”*

The estimated cost of the tax cuts under Hutchinson’s plan is in the range of \$100 million dollars, which can be accomplished out of existing growth and surplus. There are no offsets that are necessary for this level of tax relief. These cost figures are estimates based on tax returns from 2011 tax liability figures from the Arkansas Department of Finance and Administration.

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About Asa:

Asa Hutchinson is running as a Republican candidate for Governor of Arkansas. He has served as U.S. Attorney for the Western District of Arkansas, Congressman from the 3rd Congressional District, Administrator of the Drug Enforcement Agency and Under Secretary of the Department of Homeland Security. Asa has spent the majority of his career in the private sector as a small business owner, lawyer and entrepreneur. He and his wife Susan have been married for forty years and have four grown children and five grandchildren.

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