



# State of Indiana

# Senate

Senator Richard D. Young, Jr.  
Minority Floor Leader  
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Agriculture & Small Business, R.M.M.  
Rules & Legislative Procedure, R.M.M.  
Joint Rules  
Natural Resources

April 28, 2007

Governor Mitch Daniels  
Office of the Governor  
Statehouse  
Indianapolis, Indiana 46204

Dear Governor:

The foundational security of homeownership is at risk as Hoosier homeowners face unpredictable increases in property tax costs again this year. Our state now has the eleventh highest foreclosure rate in the nation, and I receive daily phone calls from taxpayers expressing their anxiety over the situation.

Our drive to become a state of innovation must include a progressive tax system that serves the needs of our citizens. Options for simply alleviating the immediate concerns have been exhausted and Hoosiers look to you for leadership.

The problems that we now face have not developed without warning. During the passage of the 2005 biennial budget, the Senate Democratic Caucus expressed concerns that the plan insufficiently funded the property tax replacement credits and shifted unreasonable pressure to local leaders. Going back even further, local units and homeowners are still waiting for the property tax relief they were promised when increases in the state sales tax were approved in 1973 and again in 2002.

The approach that we took in 2005 exacerbated the problem, and approaches suggested this year will not solve the crisis of an outdated and regressive taxation system. Relying on supplemental revenue from the gaming industry and shifting tax responsibilities to local units are not options that will be available to us each time homeowners feel the threat of rising property taxes, nor will they reduce the full impact of those rising costs.

The time has come to bring innovation and change to an archaic system. Hoosiers deserve a tax structure that protects homeowners, especially those on fixed incomes, and promotes long term economic growth.

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I urge you to engage in this issue and use your authority to bring together the stakeholders, including schools, public agencies, local communities, and the legislature, to craft a lasting solution that will make our state a leader on this issue.

The Senate Democratic Caucus stands ready to assist in this vital process. We welcome the opportunity to work with you and others in structuring true tax reform for Indiana.

Respectfully,

A handwritten signature in black ink that reads "Richard D. Young Jr." in a cursive style.

Richard D. Young Jr.  
Senate Minority Leader  
Senate District 47