



Policy Vision and Goals

Americans for Prosperity – Indiana is proud to announce its organizational policy vision and goals. This document was guided by the AFP - Indiana mission of promoting governance that spends less, taxes less and truly stimulates job creation by getting out of the way. It is our hope that those in the public policy community champion these positions on behalf of our 20,000 Hoosier activists.

Protecting Taxpayers

- ✓ Promote Fiscal and Regulatory Restraint at All Levels of Government
- ✓ Repeal the Indiana Inheritance Tax
- ✓ Address the State’s Public Pension Liability in a Pro-Taxpayer Manner

Reducing the Size of Government

- ✓ Eliminate Unnecessary Government Programs
- ✓ Reduce All Levels of Government

Giving Taxpayers Control of their Tax Dollars

- ✓ Expand Educational Opportunities for all Hoosier Taxpayers

Empowering Hoosier Workers and Taxpayers

- ✓ Make Indiana a “Right to Work” State

Strengthening our State’s Constitutional Rights

- ✓ Carefully Evaluate All Federal Aid Programs
 - ✓ Oppose Excessive Federal Government Regulation and Interference
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Protecting Taxpayers

An economy is stronger when taxes are less burdensome. Taxes should be meant to provide revenue for essential government services, not to impeded private sector growth. This is why AFP-Indiana believes that Indiana needs to do even more in terms of tax reform for Hoosier taxpayers—both individuals and businesses.

Hoosier taxpayers, far from the most taxed in the United States, are still in need of real tax reform. When compared to our neighbors, Illinois, Ohio, Michigan and Kentucky, it is clear that Indiana’s tax climate is very competitive. However comparing ourselves to the rest of the country, we find that Indiana’s top marginal personal income tax rate ranks 12th (nine states do not have a personal income tax), our top marginal corporate income tax rate ranks 34th and nationwide we are one of just 21 states that impose a Death Tax. In all, there are 43 different taxes and fees that Indiana Department of Revenue tracks as part of its annual report. Clearly, we can do better.

	Top Marginal Personal Income Tax Rate	Top Marginal Corporate Income Tax Rate	Death Tax?
<i>Indiana</i>	4.3% (12th)	8.5% (34th)	Yes
<i>Illinois</i>	5.0%	9.5%	No
<i>Kentucky</i>	8.2%	8.2%	Yes
<i>Michigan</i>	6.9%	9.0%	No
<i>Ohio</i>	7.9%	5.1%	No

Source: Rich States, Poor States 4th Edition – American Legislative Exchange Council

The following are AFP-Indiana’s positions to protect taxpayer dollars, strengthen our state’s economy and provide greater economic freedom for all Hoosiers.

- **Promote Fiscal and Regulatory Restraint at All Levels of Government**

Increased government regulation and taxation grow the size of government and suffocate private sector job creation. In a perfect world, our tax dollars would be used judiciously and wisely, but we know better. Government will spend what it has and only cut what it must. Tax increases delay the difficult and inevitable decisions government officials must make when government becomes too big. All levels of government must seek fiscal and regulatory restraint in order to keep taxes low and promote private sector job creation.

- **Repeal the Indiana Inheritance Tax**

Indiana’s inheritance tax is antiquated and needs to be abolished. After paying taxes all of one’s life, government should not have the ability to tax one’s earnings once again. This tax is also difficult to estimate, collect and enforce. In reality, this is a tax that many with means can avoid through expensive attorney fees or by leaving the state altogether prior to one’s death. In addition, this is a tax that hits family farmers and small business owners especially hard. Money that would otherwise be reinvested to grow a family business is instead handed over to the government. In fiscal year 2011, Indiana collected nearly \$150 million through the inheritance tax (Source: Indiana Department of Revenue 2011 Report). While some would argue that this is too much government revenue to lose, we believe the elimination of the inheritance tax would keep income in our state that is otherwise leaving, thereby increasing tax receipts in the long run.

- **Address the State's Public Pension Liability in a Pro-Taxpayer Manner**

According to some estimates, Indiana is facing an unfunded public pension liability anywhere from \$10 billion (Source: Pew Research Center) to nearly \$33 billion (Source: American Enterprise Institute). Indiana should do more to give employees greater control of their own retirement savings. AFP-Indiana supports eventually moving all state employees to a defined contribution, 401(k)-style retirement plan with greater flexibility.

Reducing the Size of Government

We often hear the complaint that the federal government is too large and overbearing. While this is true, we also must look at our state and local governments when making that criticism. While Indiana has done much to trim the size of state and local government, there is still a lot that we can do.

- **Eliminate Unnecessary Government Programs**

AFP-Indiana supports legislation and auditing activities that seek to eliminate unnecessary government programs. In particular, we are interested in "sunset" legislation that would force an evaluation of the effectiveness and need for certain government programs. This type of legislation would require government programs to be reauthorized instead of existing in perpetuity.

- **Reduce All Levels of Government**

Looking at all levels of government, it is clear that some government reduction is needed. Common sense reforms that reduce overhead and duplicative services need to be given serious consideration. Government needs to be less burdensome to taxpayers, especially in these difficult economic times. Reducing government will mean better service and lower taxes for Hoosiers.

Giving Taxpayers Control of their Tax Dollars

Hoosier taxpayers should have as much control of their own tax dollars as possible. While this may not be feasible in every case, there is one area where we feel taxpayers can and should decide how their money is spent: education.

- **Expand Educational Opportunities for All Hoosier Taxpayers**

Every Hoosier family, regardless of income, should be able to decide where their tax dollars are spent for their child's education. In the last legislative session, Indiana passed a breakthrough voucher program that would allow many low and middle income families to do just that. We feel this program should be expanded to give freedom of choice and taxpayer control to all Hoosiers. Government should not have a monopoly on education. As a society, we recognize that education is a public good and as such over 50% of state general fund appropriations go towards public education. However, how and where we educate our children should be up to taxpayers and families, not the government. Greater school choice is also known to be a potential economic development tool for cities and towns looking to attract jobs and a dynamic workforce.

Empowering Hoosier Workers and Taxpayers

Hoosier taxpayers deserve to be empowered in the workplace and there is strong evidence to suggest that a free workplace will lead to more jobs in Indiana.

- **Make Indiana a “Right to Work” State**

Right to Work simply allows workers to decide for themselves whether or not to join a union or pay union dues. While workers should be allowed to unionize and collectively bargain, they should also be given the choice to not join a union. In addition, Right to Work does nothing to limit or weaken collective bargaining. For example, Right to Work has existed for Indiana teachers for over 15 years, yet membership in the Indiana State Teachers Union remains strong. According to a study done last year by the Indiana Chamber of Commerce, Right to Work would also lead to more jobs and an overall stronger economy in Indiana. At the end of the day, Right to Work for Indiana means greater workplace freedom and more jobs. This is an opportunity our state can ill afford to ignore.

Strengthening our State’s Constitutional Rights

The federal government under leadership of both political parties has continually expanded dominance over our lives. As Hoosiers, AFP-Indiana believes we should stand against federal government expansion.

- **Carefully Evaluate All Federal Aid Programs**

Grants and other federal dollars that come to our state should be evaluated carefully. Often these dollars start or aid a program that later becomes a permanent state funded operation once the federal funding dries up. In addition, much of this money comes with so many strings attached that it keeps it from being spent effectively or often it goes towards furthering government programs that should not exist in the first place.

- **Oppose Excessive Federal Government Regulation and Interference**

Lastly, job-killing regulations such as those coming out of the EPA and National Labor Relations Board should be fought against with every legal and procedural means available to Indiana. In addition, Indiana should continue to push for the eventual repeal of Obamacare.

For more information about AFP-Indiana and our policy goals, please contact Indiana State Director, Chase Downham, at infoIN@afphq.org.

Americans for Prosperity (AFP) is a nationwide organization of citizen-leaders committed to advancing every individual's right to economic freedom and opportunity. AFP believes reducing the size and intrusiveness of government is the best way to promote individual productivity and prosperity for all Americans. AFP educates and engages citizens to support restraining state and federal government growth and returning government to its constitutional limits. AFP is more than 1.8 million activists strong, with activists in all 50 states. AFP has 34 state chapters and affiliates. More than 90,000 Americans in all 50 states have made a financial contribution to AFP or AFP Foundation. Americans for Prosperity does not support or oppose candidates for public office.

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