



# STATE OF INDIANA

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### **FOR IMMEDIATE RELEASE**

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### **State Treasurer Richard Mourdock Endorses Automatic Taxpayer Refund Plan**

*Plan is a component of governor's agenda for the 2011 session of the IN General Assembly*

INDIANAPOLIS (December 21, 2010) – State Treasurer Richard Mourdock, Indiana's Chief Investment Officer, endorsed a proposed Automatic Taxpayer Refund (ATR) Plan, which is a component of Governor Mitch Daniels' legislative agenda for the 2011 session of the *Indiana General Assembly*.

"It's a positive effort to ensure that the State of Indiana doesn't build unnecessary surpluses that will lead to the growth of government. In our present economic climate, it may seem difficult to imagine the state having a surplus of funds, but it has happened before and will happen again. Now is the time to act and prevent the state from holding funds beyond a minimum amount needed to finance government programs," explained Treasurer Mourdock. "In the end, Hoosier families are entitled to keep more of their monies rather than adding to the state's bottom line."

If enacted into law, the ATR Plan would require the State of Indiana to provide a "refundable" tax credit to Hoosiers on their individual income tax returns whenever the state achieves "fiscal sufficiency."

Fiscal sufficiency would occur when the total sum of reserve balances -- (defined as the General Fund reserve, the Tuition Support reserve, the Medicaid reserve, and the Rainy Day Fund) -- equal 10% of the state's budgeted appropriations. Excess monies above 10% would be returned to Hoosiers as a tax credit. Since the tax credit is refundable, Hoosiers would be entitled to it even if the credit exceeds the tax liabilities on their individual returns.

"Hopefully, members of the Indiana General Assembly will come to the same conclusion that I did about an automatic tax refund plan for Hoosier families," stated Treasurer Mourdock. "It is a straightforward proposal that makes sense. The only way that government is prevented from growing is to limit the amount of money the government can collect and hold."

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For additional information, including a related charted, about the purposed ATR Plan, please visit [http://www.in.gov/tos/files/ATR\\_slide\\_deck.pdf](http://www.in.gov/tos/files/ATR_slide_deck.pdf)