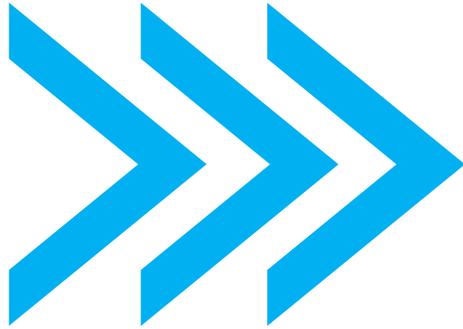


# GOVERNOR PENCE'S

## 2014 ROADMAP:



## *Jobs & the Economy*

### **Phase out the business personal property tax to spur new investment**

*This bill aims to increase Indiana's competitiveness by phasing out the business personal property tax.*

- This is a direct tax on capital investment that discourages company expansion here.
- At least 12 states (including Illinois and Ohio) currently have no personal property tax, and Michigan will have phased it out by 2024.
- Other states have substantial exceptions, and only Kansas, Maryland, Rhode Island, South Carolina and the District of Columbia tax personal property at higher rates.
- We will reform this tax in a manner that does not create an undue burden on local governments. There are a number of options for the General Assembly to consider.

### **Develop plans to raise billions of dollars in new private investment in regional cities to attract jobs, businesses and people**

*The Indiana Economic Development Corporation will commission an assessment of our most productive regional metropolitan areas to determine what quality of life improvements will best attract talent and businesses, and to recommend optimal financing arrangements.*

- Regional cities are increasingly important to overall economic growth. U.S. metro areas now account for three-quarters of gross domestic product and the vast majority of jobs.
- Revitalizing our regional cities will improve both our ability to attract investment and human capital.
- Companies are increasingly considering quality of life factors and residential preferences in their site selection choices.
- Rural and urban areas are interdependent, and research shows that as regional cities grow, the surrounding rural areas benefit.



## **Work with private partners to create a talent initiative to attract entrepreneurs**

*The Governor is calling on private sector leaders to form and fund an initiative that recruits entrepreneurs to Indiana.*

- Human capital is necessary for economic growth, and research estimates that for every innovation job, five additional positions are created throughout the economy.
- Indiana ranks 43<sup>rd</sup> in percentage of our adult population with college degrees.
- A 2012 Battelle study found a direct link between Indiana's need for more professional talent and our lagging personal income levels.

## **Promote entrepreneurship by making it easier for new businesses to raise capital**

*Businesses or individuals who qualify for a federal securities exemption should be exempt under state law as well. The Governor's office will also work to allow Indiana businesses to sell securities over the internet to residents, and to make the venture capital tax credit transferable.*

- From 2003-2008, firms that started small and grew to more than 50 employees were responsible for all net new jobs in Indiana.
- From 1996-2012, Indiana ranks 37th on the Kauffman Foundation's Entrepreneurial Activity Index.
- The cost and fees to engage in a private placement of securities under existing state laws is prohibitive for many small businesses and entrepreneurs, often costing at least \$15,000 to \$20,000.
- Allowing crowd funding increases the number of potential investors for new business.

## **Increase the speed of business through one-stop permitting**

*The Department of Workforce Development and Department of Revenue will coordinate with the Secretary of State's Office to use the online business portal to provide individuals and businesses with a single point of contact for submitting applications, documents, and payments.*

- From 2009-2012, Indiana averaged 37,219 new annual business filings.
- This proposal simplifies the process of starting a business, saving business owners time and money that can be reinvested into their companies.
- A similar proposal in another state was found to reduce the business registration process an average of 18 days.



## Increase freedom among Indiana employers by eliminating red tape and unnecessary licensing requirements

*This legislation preempts burdensome licensing regulation and changes the name of the Regulated Occupations Evaluation Committee to the Jobs Creation Committee, as well as modifies its composition and responsibilities.*

- Since 2004, the number of licenses required in Indiana has increased 38 percent, and more than 152 professions now require a license, permit, or certification to practice.
- This growth in red tape and credentialing decreases individual's economic mobility, and also increases the cost to individual consumers.
- Since Governor Pence instituted a regulatory moratorium and review process, new regulations in Indiana are down by 52 percent as compared to 2012.

## Invest \$400 million in the next era of highway expansion to keep freight and people moving in Indiana

*Making available the existing funds from the Major Moves 2020 fund for major highway expansion will enhance our ability to move goods and people throughout the state.*

- Indiana has nearly 1,169 miles of interstate, 5,347 miles of railways and 400 miles of navigable waterways.
- Indiana's strong manufacturing sector benefits from efficiently moving goods to market.
- The Hoosier state ranks highly in more than 30 logistics categories including, 1<sup>st</sup> in pass-through truck tonnage, and 15<sup>th</sup> in foreign and domestic shipments.

## Fix the agricultural land productivity factor

*The Department of Local Government Finance will be prohibited from relying solely on USDA data when calculating soil productivity, detaching Indiana from federal soil data analysis.*

- Provides predictability to farmers and ensures that their taxes will not be impacted simply because of changes at the federal level.
- Ensures that any changes to Indiana's soil factors be studied and vetted in a transparent manner, incorporating input from local stakeholders.



### **Strengthen career pathways by conducting a statewide assessment of career and technical education**

*The Career Council will study the impact of Indiana's Career and Technical Education (CTE) programs and work with Indiana Works Councils to recommend ways to improve integration.*

- Indiana spends nearly \$115 million on secondary CTE, yet few students enroll in courses that lead to high-wage, high-demand jobs.
- None of the top seven CTE courses (measured by enrollment) lead to high-wage, high-demand jobs.

### **Create a performance-based program to equip under-skilled adults for today's jobs**

*The training will help adults with a high school degree or equivalency attain the certifications necessary to find a high-wage, high-demand job in their region. The program will use performance-based contracts and give priority to providers that assist with job placement.*

- The Georgetown University Center on Education and Workforce estimates in 2018, 55 percent of all Indiana jobs will require some postsecondary training beyond high school.
- The Indiana Skills2Compete Coalition found that 54 percent of jobs in Indiana are middle-skilled positions, but only 47 percent of Hoosiers have the necessary skills and credentials.

