

# Bentley Says No To Raising Property Taxes

Phillip Rawls, *The Associated Press* January 3, 2015

Gov. Robert Bentley says the revenue-raising package he plans to present early in his second term will likely cause him to pay more taxes. Bentley isn't saying what will be in the package he will ask the Legislature to pass. But he's definite that it won't include property tax increases. "Raising property taxes in Alabama is never going to happen. The people are never going to vote for that. I don't like property taxes either," Bentley said in an interview with The Associated Press.

Bentley takes the oath of office for his second term on Jan. 19. In his first term, he avoided new taxes. Instead, he worked with the Legislature to trim the state work force, reduce the cost of public employee benefits, and consolidate state agencies. He also boosted the state's economy by helping reduce unemployment to 6 percent, its lowest point since 2008, and he recruited several big factories, including Airbus for Mobile, Remington for Huntsville, and Golden Dragon for Wilcox County.

Going into his second term, he says the biggest challenge is a General Fund budget shortfall of at least \$265 million to maintain the status quo and as much as \$700 million if the state chooses to pay back money borrowed during the recession and pay money due the federal government. He is working on a revenue plan that he says will be ready when the Republican-controlled Legislature meets in March.

"You are either going to have to raise some revenue or you are going to have to cut to where some of the agencies couldn't even function," Bentley said. It will be the first major revenue plan since Gov. Bob Riley proposed a \$1.2 billion tax hike in 2003. Alabama voters defeated his plan by a 2-to-1 margin.

Bentley said Riley's plan failed because it included property tax increases and because it was complicated, with more than 30 different components. He said he won't repeat those mistakes. "If you are going to raise any revenue, it has to be simple and clear cut, and it has to be reasonable," he said.

Bentley and legislative leaders have been discussing eliminating some tax deductions and exemptions rather than starting any new taxes. Among the items discussed are Alabama's deduction for federal income taxes paid and its exemption for retirement income from defined benefit pension plans.

Bentley no longer works as a physician and doesn't draw a salary as governor, but he would be affected if the federal deduction was eliminated because he has investment income. On his 2013 tax return, which he made public, he and his wife Dianne reported \$372,687 in adjusted gross income and paid \$81,442 in federal taxes.

Bentley said his second term will include proposals to make Alabama healthier and make health care more affordable. He said that could include greater use of nurse practitioners and physician assistants and expansion of tele-medicine that allows medical personnel in one location to treat patients in another location. "I really want to see good health care brought to all the people of Alabama at a reasonable cost," the former Tuscaloosa physician said.