

## **RUSS PULLIAM**

### **Tax maverick rules out run but still could spur change**

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Conservative political activist Eric Miller wants to get rid of property taxes in Indiana.

But he's not going to run for governor against Mitch Daniels in a Republican primary.

Instead he hopes the current property tax mess will create a new political consensus in favor of the abolition of an antiquated tax system.

Asked about speculation that he would run against Daniels, he answered in an interview: "No. I want to spend my time and energy to repeal property taxes so people can own their home, business and farm."

He's quite aware of the speculation, having lost to Daniels in the 2004 primary. He could say he has a solution while the politicians are bickering.

"People are just absolutely fed up," he said. "They're tired of rhetoric instead of solutions."

His solution is a constitutional amendment to end property taxes, with revenue made up with a 2 percent boost in the sales tax and a 1 percent hike in the state income tax.

He hopes the current revolt against the reassessment bills will fuel a new wave of support for his amendment.

It would need to be adopted by the General Assembly, then put to the voters in a referendum. In the House of Representatives, he has 40 supporters and would need 51. In the Senate, he has 18 of the 26 votes needed. An important supporter in the Senate is a Democrat, Minority Leader Richard D. Young Jr., who is also running for governor.

In the past, Miller's approach has been dismissed by some legislative leaders as too simplistic. But politically attuned minds could be changing in light of the public outcry against the massive boosts in property tax rates.

Miller thinks Gov. Daniels might wind up favoring some version of property tax abolition. The harder part would be forging a legislative consensus on how to make up the lost revenue.

He points to the example of Gov. Otis Bowen, who lowered property taxes in his first 1973-1977 term and became one of the most popular governors in recent state history. Miller thinks Daniels could reach even greater heights if he leads the state away from the property tax.

"Doc Bowen is revered because he lowered property taxes 20 percent," Miller noted. "Whoever abolishes property taxes -- their legacy will be set for generations to come."

Miller heads up Advance America, a lobbying organization. In the 1980s and 1990s, he focused primarily on family values issues, opposing abortion and helping defeat bills to overregulate churches, faith-based schools and home schoolers. He branched into business-related issues in running for governor, picking up the property tax abolition theme that George Witwer had advocated in his 1996 run for governor.

It's not really a conservative issue and has attracted support from Young, a Democrat. Based on an agricultural economy, the property tax is outmoded. Assessment is subjective and very difficult for taxpayers to follow, compared to sales or income taxes.

Miller lost his 2004 primary to Daniels by a 67-33 percent vote. All the other Republican candidates had stepped aside to unify around Daniels in order to win the general election.

If Miller ran in 2008, he would essentially be a spoiler, forcing Daniels into a divisive primary in a year that likely will not be kind to Republicans anyway because of the war in Iraq.

Yet Miller may wind up getting something more important this way -- an important and substantial change in the state's tax system.