

Democrats fail to pass property tax proposal

Lawmakers vote 49-48 on plan to give homeowners some relief

By MIKE SMITH
THE ASSOCIATED PRESS

INDIANAPOLIS

House legislators voted 49-48 on the Democrats' bill for a property tax plan this week.

It takes 51 votes to pass or defeat a bill outright, meaning the legislation could still come up for another vote.

Two Democrats joined Republicans who voted against the bill, and three Republicans were not present and were excused from voting.

House Democratic leaders had said their plan would result in significant property tax relief to homeowners and give local governments more flexibility in raising revenue. They are goals

shared by leaders in the Republican-controlled Senate and Republican Gov. Mitch Daniels.

Daniels, who has not had warm relations with House Democrats, even sent House Speaker Patrick Bauer, D-South Bend, a handwritten memo thanking his caucus for putting a plan on the table and getting it through committee to the full floor last week. He said the plan was very constructive at first glance and had several features that made good sense.

But House Republicans, outnumbered 51-49, criticized it on several fronts and offered numerous amendments to change it only to see all of them rejected by Democrats.

Rep. Jeff Espich of Uniondale, the fiscal leader for House Republicans, said the bill might

have gotten some GOP support had just a few of the proposed changes been accepted.

"It's funny, but every last one of those was defeated along party-line votes," he said. "I think what you were shunning was any effort by the minority to have any input on this bill."

The plan would allow counties to raise local individual income taxes by up to 1 percentage point above the maximum rate and then be required to do the same with a new local income tax on corporations.

At least 60 percent of revenue from individual tax increases would have to go toward offsetting property taxes, with the remaining 40 percent used to fund public safety services such as police and fire protection. All the new corporate revenue, about \$75 million a year,

would have to be used for property tax relief for homeowners.

The proposal would freeze property tax levies used to pay for child welfare services at the lesser of 2005, 2006 or 2007 levels and shift future growth in those costs from counties to the state. That would save property taxpayers \$121 million in 2008 and \$141 million the next year, according to House Democrats.

The plan would not affect tax bills this year, when a variety of factors is expected to cause property taxes to increase by a state-wide average of 15 percent. But proponents said if all counties went to the maximum rate of local option taxes, the revenue could provide more than \$800 million in property tax relief in 2008.

IN OTHER DEVELOPMENTS

House committee backs cigarette tax

INDIANAPOLIS — A House committee unanimously endorsed a plan Wednesday that would nearly double cigarette taxes to provide health insurance to more Hoosiers and fund other health-care initiatives.

Under the proposal approved by the House Public Health Committee, the current rate of 55.5 cents per pack would go to \$1.10. The extra 54.5 cents per pack would generate about \$223 million in annual new revenue for the state, according to the Campaign for Tobacco-Free Kids.

Bill defining start of life criticized

INDIANAPOLIS — A bill requiring doctors to tell women seeking an

abortion that human life begins at conception drew criticism before a Senate committee Wednesday that the provision is built around a specific religious belief not widely shared by all faiths.

The Rev. Michael D. Mather of Broadway United Methodist Church in Indianapolis told the Senate health committee that not even fellow Methodists agree on when human life begins.

Plan would allow slot machines at tracks

INDIANAPOLIS — Up to 5,000 slot machines could draw crowds to Indiana's struggling horse racing tracks and bring in millions for the state under a proposal advanced by a House committee Wednesday.

The bill would allow each of Indiana's two horse tracks to pay the state \$75 million for a license to have up to 2,500 slot machines.

BRIEFS NATION

INDIANAPOLIS Kokomo Chrysler plants to lay off 275 employees

Chrysler plants in Kokomo will lose 275 jobs over the next three years as part of the company's plan to cut 13,000 employees overall, the automaker said Wednesday.

Chrysler will eliminate 100 jobs this year and 175 more over the next two years, spokeswoman Michele Tinson said.

The company employs about 5,700 people at three transmission plants and one casting factory in Kokomo, making it the city's largest employer.

Auburn Hills, Mich.-based Chrysler announced Wednesday that it plans to close a Newark, Del., assembly plant and a parts distribution center near Cleveland. It also will reduce shifts at factories in Warren, Mich., and St. Louis.

WASHINGTON Defense in CIA leak trial comes to a close

Attorneys for former White House aide Lewis "Scooter" Libby rested their case in the CIA leak trial Wednesday after a day of legal wrangling over classified information and whether additional witnesses could be presented.



LIBBY

Special Prosecutor Patrick Fitzgerald called no rebuttal witnesses, ending the testimony phase of the trial. Closing arguments are scheduled for Tuesday.

The final day of testimony in Libby's perjury and obstruction trial had been billed as a blockbuster.

BRIEF WORLD

BERLIN U.S., Britain place low in child welfare assessment

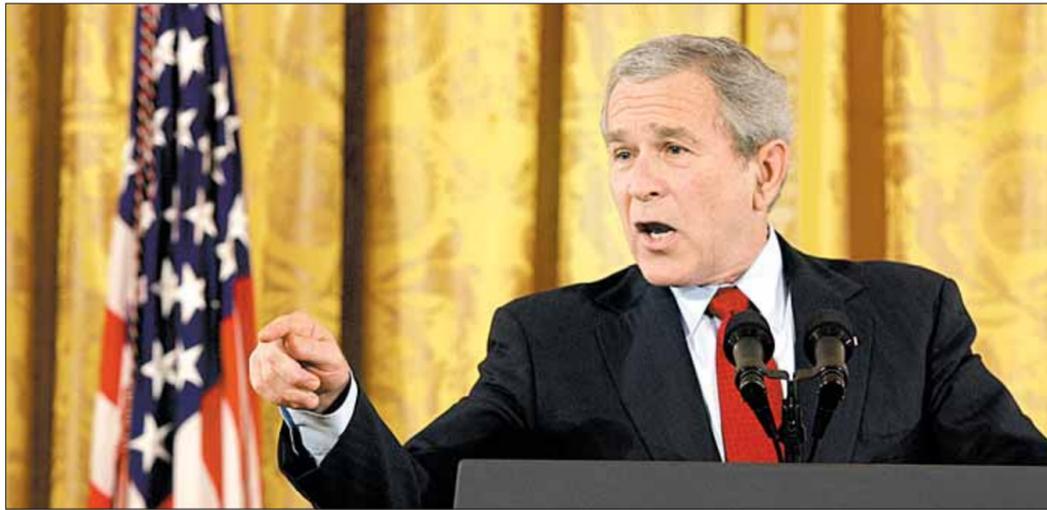
The United States and Britain ranked at the bottom of a U.N. survey of child welfare in 21 wealthy countries that assessed everything from infant mortality to whether children ate dinner with their parents or were bullied at school.

The Netherlands, followed by Sweden, Denmark and Finland, finished at the top of the rankings, while the U.S. was 20th and Britain 21st, according to the report released Wednesday by UNICEF in Germany.

One of the study's researchers, Jonathan Bradshaw, said children fared worse in the U.S. and Britain — despite high overall levels of national wealth — because of greater economic inequality and poor levels of public support for families.

THE WAR IN IRAQ

Iranians draw Bush ire



AP PHOTO

President Bush speaks to reporters during a news conference Wednesday in the East Room at the White House in Washington.

President to fight war funds cuts

By TERENCE HUNT
THE ASSOCIATED PRESS

WASHINGTON

Challenged on the accuracy of U.S. intelligence, President Bush said Wednesday there is no doubt the Iranian government is providing armor-piercing weapons to kill American soldiers in Iraq. But he backed away from claims the top echelon of Iran's government was responsible.

Bush, at a news conference, also said he would fight any attempt by the Democratic-controlled Congress to cut off money for the war.

"They need to fund our troops and the need to make sure we have the flexibility necessary to get the job done," he said.

The House is expected to vote Friday on a nonbinding resolution opposing Bush's decision to send 21,500 additional troops to Iraq.

The meeting with reporters in the East Room was Bush's first news conference

since Dec. 20 and the first since he announced the troop buildup in Iraq. The four-year-old war hangs heavily on his presidency, and Bush's approval rating in an Associated Press-Ipsos poll in February matched an all-time low of 32 percent.

Iran was a dominant theme of reporters' questions because of conflicting statements about U.S. intelligence in Iran and recurring speculation that Bush is looking for an excuse to attack the Islamic republic, which is believed by Washington and its allies to be seeking nuclear weapons.

Defending U.S. intelligence that has pinpointed Iran as a hostile arms supplier in Iraq, Bush said, "Does this mean you're trying to have a pretext for war? No. It means I'm trying to protect our troops."

There have been mixed signals in the administration about Iran's involvement in supplying Shiite groups in Iraq with a particularly lethal type of roadside bombs known as explosively formed penetrators.

Administration agrees to let more Iraqis into U.S.

WASHINGTON (AP) — The Bush administration agreed Wednesday to greatly expand the number of Iraqi refugees allowed into the country and to pay more to help Iraq's Arab neighbors cope with the human tide fleeing increasing violence and economic hardship in their country.

The decision to allow about 7,000 Iraqis to come to the United States answers mounting political and diplomatic pressure on the administration to do more to remedy the consequences of a war it largely started. Only 202 Iraqis were allowed in last year.

The administration also said it will immediately contribute \$18 million for a worldwide resettlement and relief program. The United Nations has asked for \$60 million from nations around the world.

Although the United Nations estimates that 3.8 million Iraqis have fled their homes since the war began nearly four years ago, the United States has allowed only about 600 to settle in the United States.

Eleven Iranian guards killed in car bomb attack

By ALI AKBAR DAREINI
THE ASSOCIATED PRESS

TEHRAN, Iran

A car bomb killed 11 members of Iran's elite Revolutionary Guards on Wednesday in the deadliest attack in years near the Pakistani border, and Iran accused the United States of backing militants to destabilize the country.

A Sunni Muslim militant group called Jundallah, or God's Brigade, which has been blamed

for past attacks on Iranian troops, claimed responsibility for the bombing, according to the semi-official Fars news agency.

An al-Qaida-linked group of the same name has carried out attacks in neighboring Pakistan. Iranian officials say the militants in southeast Iran find a safe haven in Pakistan, but it is not clear whether the two groups are connected. Pakistani officials say they are not.

The blast represented a sharp

flare-up of violence in the remote southeast corner of Iran, near Pakistan and Afghanistan, that has long been plagued by lawlessness. The area is a key crossing point for opium from Afghanistan and often sees clashes between police and drug gangs.

At the same time, Jundallah has waged a low-level insurgency in the area, led by Abdulmalak Rigi, a member of Iran's ethnic Baluchi minority, a community that is Sunni Muslim and is pre-

sent in Pakistan and Afghanistan. Rigi has said his group is fighting for the rights of impoverished Sunnis under Iran's Shiite government.

Five of those behind Wednesday's explosion were arrested, Soltan Ali Mir, a local Interior Ministry official, told the official Islamic Republic News Agency. The Fars news agency reported four arrested and cited officials saying they were not Iranian citizens.

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