



March 27, 2017

Mr. Jonathan Dever
Chairman: Financial Institutions, Housing, and Urban Development Committee
Riffe Center
77 S. High Street
13th Floor
Columbus, OH 43215

RE: House Bill 104: Retailer Recoupment of Sales Tax on Bad Debt

Representative Dever: I am writing to express Alliance Data's support for House Bill 104.

By way of background, Alliance Data: employs more than 4,300 Ohioans, has consistently been recognized as a "Best Place to Work" in Columbus as well as Cincinnati, and has been the recipient of United Way of Central Ohio's Corporate Excellence award.

Alliance Data is also proud to provide the private label credit card program for more than 130 retail brand clients. Almost all of them transact business in Ohio and thus inevitably remit Ohio sales tax on private label credit card purchases that prove to be bad debt on the part of the customer. This bill is needed.

First, it aligns bad debt sales tax refunds on private label purchases with sales tax refunds on comparable purchases. Under the current system, retailers are allowed to recoup sales tax remitted on all transactions that result in bad debt, except those tied private label credit sales.

Second, HB 104 aligns Ohio's tax code with those of other states. Accordingly, it reduces the unnecessary drain on resources that our clients and we must expend to navigate the multitude of varying states' tax laws. In addition, HB 104 will place Alliance Data, its clients, and, most importantly, Ohio cardholders, in a more competitive position relative to other states.

Finally, this legislation removes an inequity that is also an obstacle to growth. Today, Alliance Data and our clients indemnify the State for sales taxes that are never collected from the original purchaser. This increases the costs to do business in Ohio, which is the chief impediment to growth.

I thank you in advance for your consideration of this letter as well as H.B. 104 itself.

Sincerely,

A handwritten signature in blue ink, appearing to read 'J.R. Taylor'.

James R. Taylor
Vice President, State & Local Tax

cc: Hon. Speaker Cliff Rosenberger