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The Honorable Jonathan Dever, Chairman
Ohio House Financial Institutions, Housing & Urban Development Committee
77 South High Street, 13th Floor
Columbus, OH 43215

Re: Support for Ohio House Bill 104

Dear Chairman Dever and Members of the Committee:

We appreciate the opportunity to submit this letter to express our support for House Bill 104 in Ohio, which would amend section 5739.121 of the Ohio Revised Code. Citi has nearly a half of a million customer accounts (card and retail bank consumer accounts) in Ohio, and Citi Retail Services is a leading private label credit card provider in the U.S. In addition, Citi currently has more than 1,000 employees in the state.

House Bill 104 would help to cure an inequity that currently exists in Ohio's tax laws. Under current Ohio law, a retailer that makes a sale to consumers through a store credit card, known as a private label credit card ("PLCC"), is entitled to take a deduction for sales tax remitted by the retailer to the state of Ohio in those instances where the retailer is unable to collect the amounts due from the consumer and writes off the sale as a bad debt on its books. However, in modern business practices a majority of large retailers to engage a third-party PLCC company to issue and administer their credit card programs. Thus, while retailers that own their own accounts are still entitled to claim a sales tax bad debt credit in Ohio, those that have engaged a third-party PLCC cannot obtain a credit of the tax. Likewise, the PLCC cannot recover the tax. And, the original obligor of the tax (the customer) has still not paid their sales tax liability, while the funds have been already been remitted to the State.

House Bill 104 serves to modernize and cure an inequity that now exists in Ohio law. HB 104 would clarify that this deduction of sales tax in the event of default by the consumer is available to both retailers who issue and administer their own credit program, and retailers who use a third party to issue the PLCCs and administer their PLCC program. House Bill 104 eliminates an arbitrary distinction between those retailers who administer their own PLCC programs and those who rely on a third party to manage that activity on their behalf. At least seven other states – California, Florida, Illinois, Michigan, Pennsylvania, Texas and Wisconsin – have enacted similar laws, and legislation has been introduced in other states.

For these reasons, we respectfully request your support for House Bill 104. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Steven C. Little". The signature is written in a cursive, flowing style.