

Ohio House of Representatives



State Representative Derek Merrin District 47

House Bill 70 – Sponsor Testimony Government Accountability and Oversight Committee March 15, 2017

Good morning, Chairman Blessing, Vice Chairman Reineke, Ranking Member Clyde, and members of the Government Accountability and Oversight Committee. Thank you for allowing me to present testimony on the “Fuel Tax Transparency Act.” With this bill, our legislature has an opportunity to be a national leader in tax transparency. House Bill 70 has a simple premise – Ohioans should know the fuel taxes they are paying and the tax rates being levied.

Ohio imposes a 28-cents-per-gallon tax on gasoline and diesel fuel. The federal tax rate is 18.4 cents-per-gallon on gasoline and 24.4 cents-per-gallon on diesel fuel. In total, Ohioans pay 46.4 cents-per-gallon for gasoline and 52.4 cents-per-gallon for diesel fuel. To properly inform taxpayers, the bill requires fuel tax stickers displaying state and federal tax rates to be affixed on retail fuel pumps in Ohio.

House Bill 70 requires the Department of Agriculture to produce, design, and distribute the stickers to all County Auditors and City Sealers. The bill sets guidelines on the design, size, and placement of the sticker. County Auditors and City Sealers will be responsible for affixing the stickers on each fuel pump within their jurisdiction. This legislation provides them over 12 months to affix the stickers, which enables local officials to simultaneously affix the fuel tax stickers while affixing their weights and measures sticker. House Bill 70 was designed to impose no additional burden on local officials.

Ohioans pay an estimated \$3 billion in state and federal fuel taxes. Although taxes generate significant revenue, the taxes go unnoticed by many taxpayers. House Bill 70 will help taxpayers become more aware of the taxes they pay and the true cost of government. Transparency is necessary to hold government accountable. Understanding the importance of tax transparency, Texas passed a similar law in 2015 requiring a fuel tax notices be affixed to fuel pumps.

It is my hope that the Buckeye State will be a leader in tax transparency and accountability. I respectfully ask your support for this bill, and welcome any questions the committee may have at this time.