



HOUSE BILL NO. 26
FINANCE SUBCOMMITTEE ON TRANSPORTATION
TESTIMONY OFFERED BY
JANEL KRUSE
GENERAL MANAGER
OTTAWA OIL COMPANY

Hello. My name is Janel Kruse. I am General Manager of Ottawa Oil Company in Ottawa, Ohio which is in the northwestern part of the state. We have 22 convenience stores that we operate and 11 dealer stores where we own the fuel, but not the store. We also have fuel routes that deliver to farms, homes, and businesses. My dad, along with 4 investors started Ottawa Oil in 1959, 58 years ago. My brother and sister also work with me. We have just over 300 employees. We operate with integrity and fairness. Like Hi-Grade, Ottawa is a member of OPMCA.

A proponent speaker of House Bill 26 suggested in testimony on a previous day that changes in the point of motor fuel taxation are necessary to fill “holes and gaps” in the tax system where tax is “leaking” ... to the tune of \$90 million a year. This is a wholly unsubstantiated claim. It is insulting to the business community and to the Ohio Department of Taxation.

OPMCA members have worked with the Ohio Department of Taxation for decades to improve, monitor and modernize the motor vehicle fuel tax laws. We have helped the Ohio Department of Taxation on such tax improvement programs as implementing dyed diesel provisions to automating tax filings. We continue to monitor compliance in the field. In my view, the idea that \$90 million per year is escaping through tax evasion is a farce. It simply is not credible.

In addition to questioning that thin justification, this Subcommittee should know that OPMCA has members in every county in this great state. And, we are here to report that the proposal in House Bill 26 to change the point of tax collection comes as a surprise to each and every one of us. Why have we, the tax compliance partners to the Department of Taxation, been shut out? Why was House Bill 26 not vetted with business community participation? House Bill 26 does not have the input of OPMCA’s voice, experience or knowledge. It most certainly does not have OPMCA’s support.

Specifically, OPMCA challenges the Ohio Department of Transportation and the Ohio Department of Taxation to show where \$90 million of tax evasion exists. OPMCA challenges how moving the point of tax to the rack addresses any alleged tax evasion schemes. Remarkably, none of this information has been presented to this Subcommittee or shared with the industry so that we could help. This is an example of elite public officials making it hard for small business to operate.

As it now stands, House Bill 26 is bad legislation. Proponents have not addressed the catastrophic effect it has on small business or the motoring public. It is justified with unsubstantiated claims that have not been raised or discussed with industry. That is poor policy and poor process.

Thank you for your time. I am prepared to answer questions if you have any.