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Testimony before the Ohio House Ways and Means Committee
House Bill 49
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Good morning Chairman Schaffer, Vice Chairman Scherer, Ranking Member Rogers and members of the Ohio House Ways and Means Committee. My name is Debbie Folpe and I am from Columbus, Ohio. I am here today to voice my opposition to the provision in House Bill 49 that expands the sales tax on the interior design and interior decorating profession.

I am proud to say that I have been practicing design in Ohio for the past 34 years. I have a 4-year bachelor of science degree in interior design and have passed The National Council for Interior Design Qualification (NCIDQ) exam for which I am certified. This NCIDQ exam is independent of any state and provincial credentialing bodies. It provides the North American public with the means to identify interior designers who have demonstrated the minimum level of competence needed to practice interior design. I have spent my entire career working in a variety of businesses including architectural firms, office furniture dealerships, hospitals and my own design business. Currently, I am self-employed and work as a consultant. My focus has always been on the corporate and healthcare industries. As a professional commercial interior designer, I must continue to stay up to date on building and fire codes, as well as ADA compliance requirements. In my profession I also work closely with architects, engineers and contractors, who to my knowledge, are not currently remitting a sales tax in the State of Ohio.

Although it is admirable that the Governor's proposal tries to reduce the state personal income tax, I believe that taxing services such as interior design will be devastating to the profession because this will add costs to projects which could lead to taking interior design business out of the state.

Interior designers make sure our client's expectations are met on the inside of their buildings from space efficiencies, code compliance, to the aesthetics. Interior designers collaborate with architects, engineers, contractors and planners. We are an integral part of the team because we are the ones that develop the inside of the buildings from the planning stages (such as deciding how much space a client needs, determining where the walls are located, etc.) to the finishes. We are not a commodity or a luxury. We are a service business as are architects and engineers.

The commercial interior design business is also very competitive. We respond to Requests for Qualifications and Proposals from our potential clients and provide competitive pricing proposals for each request as do architects and engineers. Our fees are very competitive. They need to be to stay within project budgets. Adding a sales tax to these budgets will result in additional project costs including public and private construction costs. In order to maintain budgets, why wouldn't clients look outside the state for more competitive pricing knowing that other states do not have a sales tax on services? This could be devastating to Ohio's interior design businesses.

I also have a concern on how you define interior design services. Will this include architects that practice interior design or have interior designers on their staff? The architectural business could also be affected by this additional tax as well.

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Mr. Chairman and members of the House Ways and Means Committee I respectfully encourage you to oppose the expansion of the sales tax on interior design services contained in House Bill 49. Please know that I remain proud of my 34 years as an interior design professional in this great state, however I remain concerned that this particular tax will be yet another tax burden for a small business owner such as myself. This would be especially devastating to my business since we just recently came out of a long recession and are now finally getting our feet back on the ground.

Again I want to thank you for allowing me to share with you my sincere concerns with you today and would be happy to answer any questions that you may have.