



Village of St. Bernard

To whom it may concern:

This letter is in response to the proposal to centralize municipal income tax collection for net profits from businesses here in the state of Ohio.

There are several reasons for the Village of St. Bernard opposing this legislation.

First, the idea that the state would take a 1% fee off the top of the collection would have a significant impact on the Village of St. Bernard. We currently collect about \$3.5M in annual net profit taxes from St. Bernard businesses. That translates to an immediate loss of \$35,000 to the village in lost income. And we see no evidence that centralizing collections will save the village money. In fact, it could cost the village even more money, as now, by dealing with these entities individually, if there are problems or discrepancies, we are able to resolve them quickly and efficiently.

Also, it is our understanding that the State will not audit each return, as the village does now. Therefore, there could be even a greater loss of income, through deliberate means, or through human error. Either way, we currently can monitor the activity and make sure each entity pays its fair share.

In addition, the ACH-OBG system as it now operates is not very efficient. Companies are currently able to use this system to file, and the vast majority don't because of problems and delays in the system. On a far too regular basis we receive notification from the OBG that there are delays, and we are told not attempt to deposit until further notified. When this occurs, we need to follow up in a timely fashion as the deposit will only be accepted by the bank within a certain time frame. When this time frame is missed, it is time consuming to make the changes necessary to insure the payment is deposited and credited to our account. By forcing collections through Columbus, we lose the personal ability to uncover problems and correct them before they become too large.

Finally, we view this as just the first step in taking all collections through Columbus. If this occurs, the Village of St. Bernard could lose \$100k in revenue off the top, as we currently collect more than \$10M annually from local business. We offer a wide variety of services to all our citizens, both individual and businesses that could be curtailed if this measure is approved.

Sincerely,

Richard Moore
Tax Commissioner

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