

Chairman Schaffer, Vice Chair Scherer, Ranking Member Rogers, members of the committee, thank you for the opportunity to testify.

My name is Jack Kostak from Kettering, Ohio. I own All-Seal, Inc., with locations in Vandalia and Medway. I am a lifelong Ohio resident, a proud Ohio State alum and a Vietnam veteran. I support my local communities, having served for twelve years on the Centerville Planning Commission and am past Board Chair of the Dayton Better Business Bureau.

My company's customer base numbers over 20,000 Ohio residents, home builders and commercial contractors for whom we provide and install window, door and siding products. We are a good corporate citizen doing our best for our customers, employees and communities.

In my opinion, the Ohio municipal income tax system is onerous in the extreme for businesses operating in multiple jurisdictions throughout the state. I strongly support Governor Kasich's proposal to utilize one centralized tax filing system through Ohio Business Gateway (OBG).

Last year, I was required to record, document and file municipal tax returns in 34 individual communities. As I know you are aware, Ohio has more municipal taxing jurisdictions than any state in the union with the exception of Pennsylvania and I do not believe that the other 48 states are trying to emulate us.

Many local government officials are working to convince you that simplifying the municipal tax compliance process would wreak havoc on their local governments. Some even contend that this proposal "would mean the loss of personal customer service that local businesses enjoy with the municipal taxing authorities." Let me assure you that there is no "personal customer service contact" with any taxing authority that I enjoy.

Real economic growth does not emanate from the city of Dayton, the city of Oakwood or the village of Lewisburg. It is a result of private industry and individuals who work, live and produce in those communities.

I estimate that I incur approximately \$6000/year in municipal income tax processing expense which could be reduced to \$1500/year through the efficient

use of Ohio Business Gateway. You may think that \$4500/year savings is not all that substantial. Allow me to put that in perspective. I have owned my business for 27 years. Had I taken that \$4500/year and invested it wisely, that amount would be worth \$372,943 today. Even after paying my increased federal, state and local taxes on those additional earnings, I could still hire 3 employees, purchase 2 work trucks, sponsor 4 softball teams and pay the college tuition at one of our state universities for the child of a fallen soldier through the "Folds of Honor Foundation".

But, I am not able to do any of those things with that money. Instead, it has been spent on processing 27 years' worth of municipal income tax filings.

I want to assure you that I am a loyal Buckeye and there is no place I would rather live and work. However, I implore you to pass this legislation and help reduce the terribly inefficient tax processing burden required of small businesses in Ohio. Trust us – Ohio's business owners - to do the right thing, including paying more taxes, with that money. The current system is simply not in the public interest, no matter what the local government officials tell you. Thank you.