



The Ohio Independent Auto Dealers Association



Mr. Chairman, Vice Chair Scherer, Ranking Member Roger, and Members of the House Ways and Means Committee. My name is Wendy Rinehart, Executive Director of the Ohio Independent Automobile Dealers Association (“OIADA”). On behalf of the Association, I appreciate the opportunity to testify in support of House Bill 216.

The OIADA represents the interests of the more than 5,000 licensed used car dealers in the state of Ohio. They are epitome of the American entrepreneur, many of whom are small businessmen and women with five or fewer employees. And, each of whom has dedicated their very existence to the establishment and success of their business. They are the small car store that survives in the best of times and the worst of times because they are a part of their communities as ~~fathers, mothers, Better Business Bureau members, Chamber of Commerce members,~~ city councilmen, school board members, churchgoers, and youth organization sponsors and coaches, ~~and task force members~~ who look for ways to make our cities and our towns better places to live.

HB 216 will provide to Ohio’s citizens a sales and use tax credit when they trade in a -motor vehicle at a dealership towards the purchase of used motor vehicle. This is the same benefit that citizen’s currently get they would get if they when they traded-in a vehicle towards the purchase of a new vehicle—~~namely a sales and use tax credit~~. Under current law, for sales and use tax purposes, the taxable "price" of a new motor vehicle purchased from a licensed dealer is reduced by the value of a trade-in motor vehicle. HB 216 applies the same treatment to the purchase of a used motor vehicle.

This bill treats the sales and use tax credit available to consumers the same ~~rather~~whether they purchase a new or used car from a licensed motor vehicle dealer. This tax credit will reduce the costs of a motor vehicle purchase for all Ohio consumers, particularly those that are in most need of a reliable used motor vehicle and cannot otherwise qualify to purchase a new motor vehicle.

With a reduction in the cost of a motor vehicle, it increases consumers' ability to ~~secure necessary credit to purchase a motor vehicle or obtain the payment financing~~ that corresponds with their budget; ~~rather than stretching their budget or purchasing a less reliable vehicle~~increases significantly. More access to credit will spur those that otherwise have been unable to purchase a car to enter the marketplace generating additional sales with the corresponding sales tax associated with those sales.

Furthermore, the additional acquisition of vehicles enables and empowers more Ohioans to become more active in the economic marketplace, helping their mobility improve to get to and from work.

One of the other perks to this legislation is it may very well help to keep commerce in the state of Ohio. Many states, including those contiguous to Ohio, offer a trade-in credit for both new and used vehicle purchases. In a world of global commerce with the Internet as a powerful shopping tool, consumers can easily look to do business with dealers in other states offering this tax credit and have the car shipped to Ohio because it may be substantially cheaper to do so. Consumers can easily search sites like eBay Motors, AutoTrader, Cars.com, etc. and find exactly what they want for the price they want. They are not bound to shop at a dealership within a few miles of their home as prior generations were.

It is time to level the playing field for all Ohioans trading in a vehicle whether on the purchase of new or used car. I urge you to vote yes on HB 216.

Mr. Chairman, thank you for the opportunity to testify today. I am available to take any questions that members of the committee might have.