



HB 333 – Sponsor Testimony
Ways and Means Committee
Representative John Becker
September 19, 2017

Greetings, Chairman Schaffer, Vice Chairman Scherer, Ranking Minority Member Rogers, and fellow members of the committee. Thank you for allowing us to appear before you today to offer sponsor testimony for HB 333. This legislation repeals the Ohio Marriage Penalty.

In brief, the marriage penalty is simply the difference between the total income tax that a married couple will pay compared to two single people.

Our federal income tax had a marriage penalty built into the rate structure until it was largely eliminated beginning in 2001. Unfortunately, our State of Ohio income tax continues to maintain a marriage penalty.

Ohio has a progressive income tax rate structure. The more money an Ohioan earns, the greater percentage the state takes out of the workers' paycheck. A married couple each working full time, and earning minimum wage, payed an Ohio Marriage Penalty of \$159 for tax year 2016.

Current Ohio law requires that state filing status (single, married filing joint, married filing separate, etc.) match the federal filing status. On the federal returns, most married couples are better off filing married joint. The opposite is true on Ohio returns. Married filing separate is best on the Ohio return for most working couples. In order to minimize total tax liability, taxpayers must go through the tortuous and added cost to calculate six tax returns:

1. Federal married filing joint
2. Federal married filing separate for spouse 1
3. Federal married filing separate for spouse 2
4. Ohio married filing joint
5. Ohio married filing separate for spouse 1
6. Ohio married filing separate for spouse 2

Then, it's a matter of doing the math to determine which method minimizes cost.

This bill simply removes the requirement that the filing status for federal and state match. Therefore, most working married couples would file federal joint and Ohio separate.