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PROPONENT TESTIMONY FOR HOUSE BILL 333

Chairman Schaffer, Vice Chairman Scherer, Ranking Member Rogers, and members of the Ways and Means Committee, thank you for the opportunity to provide testimony on House Bill 333. This legislation would eliminate Ohio's marriage penalty tax.

My wife, Anna, and I were married five years ago, and we are fortunate to have a baby on the way. We both work full-time jobs in the Cincinnati area. Unfortunately, Ohio's tax system punishes working, married couples like ourselves by imposing higher income taxes than we would pay if we had not married.

Because Ohio taxpayers are required to match federal and state filing status, our income is pooled together. Therefore, one of our incomes is taxed at higher marginal income tax rates than we would pay if we were single. We could file our federal return separately to minimize the state penalty. But this means we would need to prepare six income tax returns – three federal and three state – and then compare taxes due. And in our case, our federal taxes would go up if we file separately. There is no way to avoid the effects of the Ohio marriage penalty.

The marriage penalty hurts Ohio's families like ourselves across the state and at all income levels. For example, I understand that a couple earning \$40,000 will pay a marriage penalty of over \$200 while a couple earning \$100,000 will pay a marriage penalty of nearly \$500. This is real money that hard-working residents have earned and should not be subject to tax penalty simply because they chose to marry.

If the marriage penalty ends, Anna and I would probably have used this money to help pay our mortgage bills. But now that we have a baby coming, we would use this money to save for a college fund. Over a number of years, the value of the marriage penalty saved in a college fund would turn into a nice down-payment for a college education.

By passing this bipartisan legislation, the marriage penalty tax will end in Ohio. Working couples like Anna and myself would pay the same, fair tax that we would have paid if we had not married. This small, but simple change will have a meaningful impact on many Ohio families.

Thank you.