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**SPONSOR TESTIMONY FOR HOUSE BILL 545**

Thank you Chairman Schaffer, Vice Chairman Scherer, Ranking Member Rogers and members of the House Ways and Means Committee for the opportunity to present sponsor testimony on House Bill 545.

I am grateful for the opportunity to share and ultimately ask for your support of H.B. 545, a simple but a very important piece of legislation before you today.

H.B. 545 would allow small businesses defined as a micro business and that have gross sales of less than one million dollars in a calendar year the option to file their sales tax with the Department of Taxation on a cash basis as opposed to the accrual method which is required under current law.

Under current Ohio Revised Code, all businesses with sales subject to sales taxes collect and provide the remittance based on the accrual method--which assess tax based on when a transaction takes place. House Bill 545 would provide certain small businesses with the option to file their sales taxes using the cash method.

Allowing small businesses to file their taxes based on the cash method would be beneficial for a few reasons. First and most importantly, many small businesses struggle with low operating capital especially when first starting out. It is estimated that anywhere from 29%-33% of small businesses fail due to a lack of cash flow. Paying taxes based on the accrual method simply places an unnecessary financial burden on small businesses and impedes growth and job creation.

Secondly, assessing taxes on the cash basis greatly reduces administrative burden. Small businesses are no longer obligated to assess taxes based on when a transaction has deemed to occur but rather on when payments are received. That is why I have introduced this legislation.

I believe that you would agree with me that Ohio's Main Street and small businesses have and are enduring some challenging times especially as sales tax revenue is lost as online purchases are made through out of state retailers. It is my hope that implementing this legislation will help the mom and pop establishments that add and give so much to our communities.

Thank you for your consideration and I am happy to answer any further questions at this time.