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42<sup>ND</sup> DISTRICT

Vice Chair- Committee on Higher  
Education & Workforce Development

Committee on Health

Committee on Energy &  
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Committee on Community &  
Family Advancement

Committee on Aging & Long Term Care



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**House Bill 641**

**Sponsor Testimony**

**Ways and Means Committee**

**May 22, 2018**

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Chairman Schaffer, Vice-Chair Scherer, Ranking Member Rogers, and members of the Ways and Means Committee, thank you for allowing me to provide sponsor testimony on HB 641. This bill would exempt for sales and use tax forklifts purchased by an interstate logistics business and used primarily to move manufactured products to the point from which they are shipped from a manufacturing facility and related power sources. These products used for transportation, such as forklifts, and their power sources are essential for companies to be able to move their products. Indiana currently exempts the sales tax, but Ohio does not. The logistics industry in the Dayton area alone has a \$2.5 billion annual economic impact. If the sales tax were exempted, this number could increase greatly and further expand business opportunities in Ohio.

This exemption will include sales of tangible personal property to a qualifying business used primarily by that business for transporting completed manufactured products from the facility where products are made to a place from which the products will be transported. A qualifying business is a person that is in the transportation and warehousing sector by the North American industrial classification system, and that is primarily engaged in the business of transporting tangible personal property in trucks to destinations outside this state. This exemption will also include powering or charging tangible personal property used in the transportation of tangible personal property.

Currently, Ohio only exempts sales tax on forklifts for manufacturing, while Indiana exempts the tax on both manufacturing and logistics. This puts Ohio's logistics industry at a severe disadvantage, as well as Ohio based forklift manufacturers and retailers. In order for our forklift retailers to remain competitive on a national scale, we need to be proactive in passing legislation that will put them on the same playing field as other states. HB 641 will help give businesses in Ohio the same advantage that other states have already been benefitting from.

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If other states are ahead of us in cutting burdensome taxes, then we risk losing out on business that should be going to Ohio companies. My bill will ensure that the logistics industry in Ohio stays competitive and that our businesses can succeed.

Thank you for the opportunity to testify in support of House Bill 641. I would be happy to answer any questions.