

Larry Fletcher  
13 Twin Oaks Drive  
Milan, OH 44846 (419) 734-4386

IN SUPPORT of H.B. 545  
House Ways and Means Committee  
May 22, 2018

Chairman Schaffer, Vice Chairman Scherer, Ranking Member Rogers and members of the House Ways and Means Committee, my apologies that I cannot be here in person but thank you for this opportunity to present written testimony in support of House Bill 545.

I am the President of Lake Erie Shores & Islands, a partnership between the Erie and Ottawa County Convention & Visitors Bureaus responsible for promoting this region of Ohio. Tourism is a major component of the economy in these counties with 10 million visitors a year who generate nearly \$2 billion in tourism related spending and \$236 million in tax dollars. One in four jobs in Erie County and one in six in Ottawa County is tied to the tourism industry; a total of nearly 14,000 jobs.

My purpose in submitting testimony on this bill is not related to our organization's finances as we are not required to collect sales tax on any of the items we charge for. Our organization does however represent hundreds of tourism industry businesses, and in looking at the annual revenue and "micro-business" criteria in this bill, a large percentage of the businesses we represent qualify and I believe would find great benefit from passage of H.B. 545.

Some of these businesses operate only during certain months of the year, others are year-round operations that generate most of their revenue during the traditional summer months. In both cases, cash flow is a major concern. As these businesses open back up for the year or ramp up for the summer season, there are numerous expenses associated with maintenance, supplies, staffing, etc. Dollars required to take care of their visitors going out at a time that very few are coming back in.

In fact, we have many businesses that purchase advertising in our annual travel guide that pay not when the guide comes out at the beginning of the year, but rather once their cash flow stabilizes in June or July. Many others are on monthly or quarterly payment plans to help them address cash flow concerns.

Requiring these small businesses to remit sales taxes based on an accrual basis rather than when they have the cash in hand, in my opinion adds another layer of challenge. I realize there is a way they can receive a refund if they do not in fact accrue those dollars they paid tax on, but when cash flow is already tight, the waiting time and additional administrative expense involved in this process again adds to an already challenging situation.

While we are fortunate in our region of Ohio to have Cedar Point, Kalahari and other major water parks, many resort properties and other larger tourism industry businesses, we also have hundreds of small businesses that are an essential component to our also essential tourism industry. I urge you to provide this opportunity for these small businesses to operate more efficiently and effectively by passing H.B. 545.

Thank you for your consideration and please let me know if you have any questions and I will respond back as soon as possible.