



**County
Commissioners
Association of Ohio**

Serving Ohio Counties Since 1880

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Ohio House Ways and Means Committee

House Bill 216 – Opponent Testimony (Written only)

Jon Honeck, Senior Policy Analyst

Chairman Schaffer, Vice Chair Scherer, Ranking Member Rogers, and Members of the House Ways and Means Committee:

I am writing to express the opposition of the County Commissioners Association of Ohio to House Bill 216, which would grant a sales tax deduction for a trade-in when buying a used motor vehicle. According to the LSC Fiscal Note, the bill would result in a loss of up to \$20 million in sales tax revenue annually for counties and transit authorities, and additional losses in Local Government Fund distributions.

The sales tax is now the leading source of revenue for the general fund of most counties. As you know, counties experienced a major reduction in their sales tax base from the elimination of the Medicaid Managed Care Organization sales tax. In 2016, its final full year of operation, the Medicaid MCO sales tax provided \$209.3 million to counties and transit authorities. The final payment of transitional revenue under H.B. 69 took place in August, 2018, and the state has not identified a permanent replacement for this revenue source.

House Bill 216 would further erode the fiscal partnership between counties and the state that is needed to maintain an acceptable quality of life for all Ohio residents. We urge the members of the Ways and Means Committee to vote against reporting the bill.

Thank you for your attention.



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