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Sub. SB 8 Opportunity Zones Sponsor Testimony

Thank you Chair Zeltwanger, Vice Chair Powell, Ranking Member Sobeki and members of the Economic and Workforce Development Committee, for the opportunity to provide sponsor testimony on Sub. SB Bill 8.

Sub. SB 8 is similar to HB 727 that I introduced last session. This latest iteration was done with the consultation and cooperation of the Ohio Development Services Agency.

The legislation is design to give a special Ohio tax incentive to the federal Opportunity Zone law. The federal law was enacted in late 2017 and is intended to incentivize investments in economically distressed census tracks.

Some of the key provisions of Sub. SB 8 are as follows:

- It establishes a 10% tax credit to individuals who invest in an Ohio Opportunity Fund that will be exclusively used for a project in an Ohio Opportunity Zone.
- The tax credit can not exceed 1 million dollars per individual or 50 million dollars in the aggregate for the biennium.
- The tax credit is triggered when the Opportunity Fund invests in a project within an Ohio Opportunity Zone Fund.
- The tax credit is transferable.
- The tax credit has a five year carry forward provision.
- There is a requirement that the Development Services Agency release an annual report listing the opportunity zones that received investments through the program and also a description of the projects.

In summary, Mr. Chairman, members of the Committee, Sub. SB 8 will drive private investment dollars into areas of our state that are in dire need of an economic boost. Moreover, these investments will provide our state and local communities with a healthy return on investment through economic growth, job creation and the new tax dollars that will be generated from it.

Thank you again for allowing me to give sponsor testimony. At this time I would be glad to entertain any questions you may have.