



Ohio Senate
Senate Building
1 Capitol Square
Columbus, Ohio 43215
Phone: (614) 466-0626
Fax: (614) 466-8261
SD29@ohiosenate.gov

Committees:
General Government and Agency Review – Chair
Finance
Health, Human Services and Medicaid
Ways and Means
Ohio Retirement Study Council – Chair

Kirk Schuring
State Senator
29th District

Sub. SB 39 Transformational Tax Credit Sponsor Testimony:

Thank you Chair Zeltwanger, Vice Chair Powell, Ranking Member Sobecki and members of the Economic and Workforce Development Committee, for the opportunity to provide sponsor testimony on Sub. SB Bill 39.

Sub. SB 39 is designed to provide a unique tax credit that will foster mega-development projects that will transform Ohio's downtowns with new and robust economic development.

The legislation authorizes a 10% nonrefundable tax credit to insurance companies and developers who contribute capital to a mega mixed-use transformational project. By giving insurance companies this incentive it will provide enhanced opportunities for them to partner in these mega projects by using their powerful capital capacity to underwrite the huge capital costs associated with such projects.

It is important to note, that these projects are extraordinary in their size and scope and must meet stringent criteria to be approved for the credit.

Some of the criteria are as follows:

- The total cost of the project must exceed 50 million dollars.

- It must have one or more buildings that are connected and exceed 15 stories in height or are 350,000 square feet or more in size.
- The developer must show evidence that the project will not be completed unless the tax credit is awarded.
- Lastly and more importantly, the project will have to prove that it will truly be transformational by demonstrating that the economic impact caused by the project in the surrounding area will generate more new state and local taxes than is reflected in the total dollar amount of the tax credit. In other words, the mega project must show a net tax gain in order to be approved.

In summary, Mr. Chairman, members of the Committee, Sub. SB 39 will have a catalytic effect on the surrounding areas where these mega projects are constructed. It will trigger an economic chain reaction that truly will be transformational, fostering new retail establishments, new office buildings, new residential facilities and new entertainment venues. In short, it will be a vibrant place where people will want to live, work and play.

The bill passed unanimously in the Senate Finance committee and by a 32-1 margin on the Senate floor.

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