

Charles O. Moore
President, Central Ohio
The Middlefield Banking Company

6215 Perimeter Dr.
Dublin, Ohio 43017

9 April 2019

Chairman Jordan, Vice Chairman Hudson, Ranking Member Smith my name is Charles O. Moore. I am the President of the Central Ohio Region of The Middlefield Banking Company. In addition I was a Deputy Superintendent of the Department of Financial Institutions in 2011 and 2012, and am the immediate Past President of the Ohio Mortgage Bankers Association.

I am engaging with you today offering proponent testimony in support of House Bill 150, the Community Bank Tax Relief Act. This legislation contains key provisions that will permit Community Banks in Ohio to increase lending, provide additional jobs, strengthen the safety and soundness of banking in general and assist the growth of Community Banking franchises across the state. HB 150 ultimately benefits financial services entities that work diligently every day to be trusted advisors in our community. Fostering a financial foundation that will allow our customers who are families, businesses small and large, and the citizen who is bringing home their first pay check the opportunity to be our partners as key contributors to Ohio's economy.

By definition, the Financial Institutions Tax is applied to an institutions total equity capital. HB 150 will reduce the current FIT tax rate of .8% that applies to the lowest tier of Ohio equity capital. In 2020, the rate is reduced to 0.6%. Then, in 2021, the rate is reduced further to 0.4%, so that the three tiers of the tax are consolidated into two, and a rate of 0.4% applies to all Ohio equity capital up to \$1.3 billion. This change will provide tremendous benefit to Ohio's community banks.

I would like highlight four key provisions of the bill that if enacted will assist Ohio's economy.

- Reduces, from 0.8% to 0.4%, the rate of the financial institutions tax (FIT) that applies to an institution's first \$200 million of taxable equity capital.
- Limits the tax base upon which the FIT is computed for financial institutions that report total equity capital more than 14% of total assets.
- Exempts newly formed banks from the FIT.

Community Banking is a vital Key to the health of our citizens, the communities we live in and the state as a whole.

Thank you for the opportunity to provide testimony today in support of HB 150. I am happy to answer any questions that members of the committee may have.

WITNESS INFORMATION FORM

Please complete the Witness Information Form before testifying:

Date: 8 APRIL 2019

Name: CHARLES O. MOORE

Are you representing: Yourself _____ Organization COMMUNITY BANKERS ASSO
MIDDLEFIELD BANK

Organization (If Applicable): CBAO - CBL

Position/Title: PRESIDENT, CENTRAL Ohio Region

Address: 6215 PERIMETER DR.

City: DUBLIN State: OH Zip: 43017

Best Contact Telephone: 614-793-4631 Email: C.MOORE @ MIDDLEFIELD BANK.COM

Do you wish to be added to the committee notice email distribution list? Yes _____ No

Business before the committee

Legislation (Bill/Resolution Number): HB 150

Specific Issue: COMMUNITY BANK TAX RELIEF Act

Are you testifying as a: Proponent Opponent _____ Interested Party _____

Will you have a written statement, visual aids, or other material to distribute? Yes No _____

(If yes, please send an electronic version of the documents, if possible, to the Chair's office prior to committee. You may also submit hard copies to the Chair's staff prior to committee.)

How much time will your testimony require? 5 MIN. WRITTEN - VERBAL STATEMENT

Please provide a brief statement on your position:

CBAO SUPPORT of HB 150

Please be advised that this form and any materials (written or otherwise) submitted or presented to this committee are records that may be requested by the public and may be published online.