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House Bill 175

Sponsor Testimony

Ways and Means Committee

October 15, 2019

Chairman Merrin, Vice-Chair LaRe, Ranking Member Rogers, and members of the Ways and Means Committee, thank you for allowing me to provide sponsor testimony on HB 175. This bill would exempt for sales and use tax forklifts purchased by an interstate logistics business and used primarily to move manufactured products to the point from which they are shipped from a manufacturing facility and related power sources. These products used for transportation, such as forklifts, and their power sources are essential for companies to be able to move their products. Indiana currently exempts the sales tax, but Ohio does not.

This exemption will include sales of tangible personal property to a qualifying business used primarily by that business for transporting completed manufactured products from the facility where products are made to a place from which the products will be transported. A qualifying business is a person that is in the transportation and warehousing sector by the North American industrial classification system, and that is primarily engaged in the business of transporting tangible personal property in trucks to destinations outside this state. This exemption will also include powering or charging tangible personal property used in the transportation of tangible personal property.

Currently, Ohio only exempts sales tax on forklifts for manufacturing, while Indiana exempts the tax on both manufacturing and logistics. This puts Ohio's logistics industry at a severe disadvantage, as well as Ohio based forklift manufacturers and retailers. In order for our forklift retailers to remain competitive on a national scale, we need to be proactive in passing legislation that will put them on the same playing field as other states. HB 175 will help give businesses in Ohio the same advantage that other states have already been benefitting from.

Thank you for the opportunity to testify in support of House Bill 175. I would be happy to answer any questions.