Testimony House Bill 419

Chairman Merrin, Vice-Chair LaRe, Ranking Member Rogers, and members of the Ways and Means Committee thank you for the opportunity to present testimony on House Bill 419. This legislation, which exempts the seasonal storage and use of non-Ohio watercraft from Ohio’s use tax, will help bring more business to Ohio’s maritime and boat industries and thereby benefit many constituent marina owners, workers, and the communities throughout the state of Ohio. It accomplishes this by eliminating what I believe to be a disincentive for out-of-state boat owners to utilize Ohio’s marinas and the marinas’ very talented workforce.

Some boaters may be “loopers” following the intercoastal water way up the East Coast through the Erie Canal, Great Lakes down the Mississippi through the Tennessee Tombigbee Canal and finally to the Gulf of Mexico. It seems the Western end of Lake Erie becomes a convenient stopping place to put up for the winter. Along with boaters from Indiana, Michigan, New York, Kentucky and Pennsylvania looking for storage as many of these states do not have the marina infrastructure that Ohio has.

Do a few boats a year make a difference you may ask. Ohio has water ways and marinas all around the state. In my opinion the only customers that are unfairly caught are these with high value boats that the tax department chases. I believe the tax department only requests storage and dockage lists from a few large marinas. But all of these boats make a difference to the individual marinas for winter work. Presently there are 24 full time employees in our Marine Service Department. They include mechanics, painters, detailers, equipment operators, parts department and office workers. In order to support this staff, it is imperative to fill our storage buildings to capacity every winter. Every year we seem to get there on four inquiries about storage from out of state customers.

The list of possible revenue beyond storage is critical to the employment of our staff. Oil changes, tune ups and fuel filters for engines, transmissions and generators. Paint, gel coat, brightwork and bottom painting. Buffing and waxing along with other miscellaneous repairs can easily push the taxable repairs close to ten thousand dollars on a fifty foot vessel. Furthermore, even a 26 footer could provide up to three thousand dollars for additional taxable repairs. Then multiply those numbers across the state.

In closing I would appreciate your consideration for approving Tax Bill 419. I think penalizing some customers and marinas and not enforcing the law evenly across the state is unfair and inhibits revenue.

Sincerely,

Jack B. Madison
General Manager, Catawba Island Marina