



May 23, 2019

The Honorable Matt Dolan, Chairman
Ohio Senate Finance Committee
Statehouse
Columbus, OH 43215

Dear Chairman Dolan and Members of the Senate Finance Committee,

Thank you for the opportunity to share my perspective on several provisions of Amended Substitute House Bill 166 on behalf of myself and my company, Grismer Tire. My family has operated the company since my father purchased a small tire business in Dayton in 1932 with an unsecured \$13,000 loan. We now operate 26 locations and employ 260 associates throughout Ohio.

We are very grateful that the House included a requirement that online-only sellers collect and remit sales tax to the state to level the playing field between them and Main Street businesses like mine. You may be surprised to learn that people purchase tires online to avoid paying sales tax and then bring them to one of my stores to have them mounted and balanced. While I can match the purchase price of the tires, I cannot avoid charging customers sales tax. This inequity must be statutorily addressed to correct the imbalance that has occurred for far too long.

Unfortunately, the House also made significant tax changes that impact my business in the opposite manner. Reducing the pass-through entity business income deduction from \$250,000 to \$100,000 and eliminating the 3% cap on business income will slow the growth our company has enjoyed over the past five years. During that time, we have opened 3 new locations and remodeled 3 locations at an investment over 4 million dollars all in Ohio and hired 30 additional associates. The medium income of a Grismer Tire automotive technician is more than \$50,000 a year, with some at over \$100,000. Full-time employees enjoy a full benefits package, paid time off, paid holidays, and a five-day work week not including Sundays as we are closed. While the current tax policy helps us create these well-paying jobs, the proposed changes in Amended Substitute House Bill 166 will hinder that ability. The retroactivity of the proposal makes it even worse for our company.

Mr. Chairman and members of the Committee, we respectfully ask that you retain the House-added provisions to level the playing field between online-only sellers and Ohio's brick-and-mortar businesses for purposes of sales tax collection and retain current law as it applies to the business investor deduction and the 3% cap on business income. On behalf of the Grismer Tire family, thank you for your thoughtful consideration and anticipated support.

Sincerely,

John Marshall
Owner

Cc: Senator Steve Huffman
Representative Jim Butler
Representative Niraj Antani