



Senate Bill 201: Proponent Testimony

November 20, 2019

Chairman McColley and Members of the Ohio Senate Transportation, Commerce and Workforce Committee:

My name is Bill Sturgis and I am an officer of the company that owns Cup O' Joe and Stauf's Coffee Roasters, coffee shops in Central Ohio. I testify as a proponent of SB 201.

We are a small business. Known for brewing "A Better Joe," we believe we make an exceptional cup of coffee, delicious desserts, and provide a rich customer experience.

When it comes to the HR side of the business, we have turned to a solution in the marketplace known as a Professional Employer Organization, or PEO. The PEO model suits us because while we focus on the coffee, the PEO handles the myriad of HR issues that face a small business owner today: payroll, taxes, workers compensation, etc.

The PEO model has helped us reduce our costs and tap into HR expertise we do not have in-house. But it's not perfect. We support SB 201 because it offers an improvement: the ability to file our federal taxes under our own employer identification number. If our PEO could file taxes using our own EIN, this would help ensure accuracy and compliance. We would benefit from knowing that if any tax issues arise, the IRS would contact us directly. It is a model more friendly to small business.

SB 201 offers us that flexibility by creating the "Alternate Employer Organization"—while still holding the AEO liable for the taxes as well (just as with PEOs).

Ohio has taken a number of steps in recent years to improve the climate for small business. We see SB 201 as one more small step in that direction to help entrepreneurs like us become successful, and keep Ohio a great place to start a company.

I am happy to answer any questions you may have.