



May 20, 2019

The Honorable Lou Terhar
Chairman, Senate Ways and Means Committee
Ohio Senate Building
1 Capitol Square, 1st Floor
Columbus, OH 43215

Dear Chairman Terhar:

On behalf of over 8,000 member companies of the Ohio Chamber of Commerce, I am submitting this letter of support for Senate Bill 95. SB 95 puts an additional economic development tool in the hands of Ohio's economic development professionals who are competing against the other states to bring investment and jobs to the state of Ohio. SB 95 would allow Ohio to rapidly respond to a company that announces its intention to expand or make new investment. SB 95 allows Ohio to respond to that news with enhanced incentives to encourage the business or investor to choose Ohio. The world of economic development is very competitive, and this legislation will send a signal to the business community that Ohio is ready to partner with companies that want to make high-impact, long-term investments.

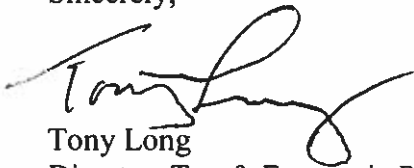
While SB 95 does expand the scope of economic incentives available, it importantly limits the program to a finite number of eligible projects with its high threshold. A project needs to contain either \$1 billion dollars in investment or \$75 million dollars in payroll with an average hourly wage of at least three hundred percent of the federal minimum wage. Furthermore, a mega project supplier only qualifies if it is selling to the mega project operator and has both a payroll of \$10 million dollars and makes at least \$100 million dollars in fixed-asset investments in Ohio.

Along with this high threshold to limit the scope of applicable projects, SB 95 also requires a mega project operator or mega project supplier to receive approval from the Ohio Tax Credit Authority for a Job Creation Tax Credit (JCTC) before the operator or supplier may use the JCTC. Finally, SB 95 requires an annual review of the JCTC by the Director of DSA to evaluate compliance with the agreement. If compliant, the operator or supplier, then receive an annual compliance certificate with the credit amount the business may claim for the year.

The limited scope of eligibility along with compliance checks alleviates our concern with any significant impact on tax revenues especially the commercial activity tax (CAT). The CAT has remained a stable source of revenue with limited exceptions and only a few credits. Any significant pressure on the performance of the CAT should be carefully monitored and reviewed.

In conclusion, SB 95 balances the enhanced incentives with sufficient compliance checks. SB 95 will keep Ohio competitive with other states and also ensure Ohio receives benefits from the economic incentives awarded. SB 95 is both sensible and needed. We urge passage of SB 95.

Sincerely,

A handwritten signature in black ink, appearing to read "Tony Long", written in a cursive style.

Tony Long
Director, Tax & Economic Policy

cc: Members of the Senate Ways and Means Committee