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SB 153 Sponsor Testimony
Senate Ways and Means Committee
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Chairman Terhar, Vice Chair Roegner, Ranking Member Williams, members of the Senate Ways and Means Committee, thank you for the opportunity to provide sponsor testimony on Senate Bill 153.

The purpose of Ohio's Job Retention Tax Credit ("JRTC"), as its name implies, is to foster job retention through increased capital investment in Ohio. You will hear testimony stating that, over the years, too few Ohio job creators have taken advantage of the JRTC. The belief is that the minimum workforce size and capital investment thresholds are too high and have been a barrier for most companies to apply for the credit.

In order to support Ohio companies globally, SB 153 is designed to increase the number of manufacturers and eligible Foreign Trade Zone companies to apply for the JRTC, creating an incentive for Ohio employers to make capital investments that preserve existing jobs.

The bill would:

- Allow companies headquartered in Foreign Trade Zones to be eligible to apply without meeting current payroll and employee count minimums
- Eliminate the minimum payroll size and number of employees required for manufacturers to apply for the JRTC
- Require a minimum capital investment for manufacturers of the lesser of \$50,000,000 or an amount equal to five percent of the tangible personal property at the project site
- Require manufacturers to maintain their FTE count during the term of the credit

While the bill would expand the number of companies and projects eligible to apply for a JRTC, it would not alter the existing cap on the amount of credits that may be awarded annually by the tax credit authority. In 2019, the JRTC is capped at \$130MM. Each year the cap increases by \$13MM until 2024. For 2024, and for each year thereafter, the maximum credits that may be awarded annually will be capped at \$195MM.

Thank you, Chairman Terhar and members of the committee for allowing me to speak to this legislation. I would be happy to answer any questions at this time.