



BEFORE THE OHIO SENATE WAYS AND MEANS COMMITTEE
TESTIMONY ON SENATE JOINT RESOLUTION 3
MARCH 3, 2020

Good Morning Chairwoman Roegner, Vice-Chair Blessing, Ranking member Williams, and members of the Senate Ways and Means Committee. My name is Tony Long, Director of Tax & Economic Policy for the Ohio Chamber of Commerce.

I am offering interested party testimony today on Senate Joint Resolution 3. The Ohio Chamber understands why SJR 3 was introduced. However, SJR 3 may have some unintended consequences if it moves beyond the General Assembly and is then agreed to by the citizens of Ohio.

Once enshrined into the Ohio Constitution, the General Assembly, absent a $\frac{2}{3}$ super majority vote on an income tax increase, will be forced to look to other taxes when it needs to find more revenue for spending projects. This could have a negative impact on the business climate of Ohio. With the state income tax off the shelf, the General Assembly would be forced to pick from a bevy of business taxes like the Commercial Activity Tax, sales tax changes that may add additional business to business services to the list of taxable services, or a number of business specific taxes such as the financial institutions tax, the petroleum activity tax or the insurance premiums tax to raise the revenue sought by the future General Assembly.

Alternatively, that future General Assembly may push a spending program down to local governments, which may put pressure on those local governments to look for revenue through increases in real property taxes or income taxes. Both of which impact businesses operating in those local communities.

Thank you for the chance to testify on SJR 3. I will try to answer any questions you may have.