



Testimony before the House Government Accountability & Oversight
January 17, 2018

Good afternoon Chairman Blessing, Vice-Chairman Reineke, Ranking member Clyde and members of the committee. My name is Jeff McClain and I am Director of Tax and Economic Policy for the Ohio Chamber of Commerce. I am here today representing our tax committee and our over 8,000 members.

Chairman Schaffer gave you a very thorough history lesson about this specific issue in your last hearing. I won't repeat the reasons for HB430, but gladly acknowledge that the Chamber has more than a few members very supportive of this bill.

An additional reason for our support and testimony is that this is an example of overreach by the Ohio Department of Taxation. The department has begun to change tax doctrine on its own and then auditing members of various industries. There are businesses not being told that the rules have changed until the audit, presented with

large tax bills, and by the way, it will be assessed retroactively. We believe this is unfair and not the proscribed manner of the law.

As Representative Schaffer testified, this bill simply reaffirms what we've been doing for decades-it clarifies the Ohio Revised Code, as intended by the Ohio General Assembly, and the Ohio Administrative Code that these direct sales are treated as nontaxable. The purpose is not to expand the scope of the current exemptions or exclusion; rather it is to aggregate and clarify them.

We believe that this would bring a measure of clarity and certainty to the industry, which would seem to be fair to all.

The Ohio Chamber remains a strong defender of Ohio's business community and the State of Ohio. I stand ready to answer any questions you may have.