

BEERY INSURANCE SERVICES

1240 W. Market Street, Suite 2 • Lima, Ohio 45805 • Phone (419) 228-4000 • Fax (419) 228-8897

May 22, 2019

The Honorable Matt Dolan, Finance Chairman, The Ohio Senate

Dear Chairman Dolan:

I am writing to you to ask your support in maintaining the Business Investor Deduction which is now under attack. As you know, the proposed budget by the Ohio House of Representatives amounts to a massive \$1 billion tax shift to Ohio entrepreneurs. As the Ohio Senate Finance Committee begins their debate on this bill, please be aware of how this will effect small business owners in Ohio. I began my own business, Beery Insurance Services, over 37 years ago and primarily work with small business owners in their providing benefits to their employees such as health insurance, life insurance, disability insurance, dental and vision. This is a big undertaking and very costly to these small employers but they struggle to find the financial means to make this possible. As you are aware, small businesses employ nearly half of Ohioans in the private sector and have created 62% of all net new private-sector jobs. Tax reform is working in Ohio and as a state we are at an 18 year low for unemployment.

I have studied the House Bill and understand that it will reduce from \$250,000 to \$100,000 the amount of business income pass through entities may deduct from their Ohio taxes. This will create a massive tax shift placed on the back of Ohio's entrepreneurs and job creators to the tune of over \$1 billion over the two year budget cycle. The business income deduction was enacted to level the playing field between pass through entities and general business C-Corps. Pass through entities have to pay both the CAT tax and the Individual Income Tax while C-Corps simply pay taxes on receipts under the CAT. The BID has been in effect for a short period of only four years. I am asking the Ohio Senate to pull this provision and take the time to study the impact it will have on Ohio's economy. This proposal also makes Ohio less competitive and attractive to retaining and attracting companies locating here. Since this provision is retroactive to this past January, it could make companies such as mine who have already remitted their quarterly estimated payments, face penalties and interest through no fault of our own but only thanks to government changing the rules of the game. Elected officials need to hear from small business owners like myself and my clients on how they are reinvesting the savings from the BID back into our businesses in either employee salaries, benefits or new equipment.

Please, please consider the ramifications of this bill and how it will impact thousands of small business owners in Ohio.

Sincerely and Concerned,


Beverly Beery