**Senate Ways and Means Committee**

**Senate Bill 206 — Sponsor Testimony**

**Tuesday October 22, 2019**

Chairwoman Roegner, Ranking Member Williams, and members of the Senate Ways and Means Committee, thank you for the opportunity to present sponsor testimony on Senate Bill 206.

Senate Bill 206 will help ease the growing fiscal difficulties that smaller suburban municipalities are experiencing when large metropolitan cities assess full income tax on commuters’ incomes, as well as provide relief to the taxpayer from double taxation.

The bill simply says that Ohio’s largest cities – those with general revenues over $100 million per year – will share a portion, 10%, of the income tax they collect on out of town workers with those workers, so they can remit something to their home municipal governments.

Why big cities? Because it tends to be the big cities that get the large federal and state grants--fueled by taxpayers--to build the superhighways, airports, and other infrastructure that attracts employers where our commuters are working.

There are two key problems this legislation will fix:

First, it will lighten the burden on commuters who have no vote in the larger municipal corporations, to which they are paying the full income tax, thereby alleviating much of the “taxation without representation” frustration. Double taxation is a particularly large burden for any taxpayer.

Second, without this legislation, suburban communities that provide workers to the larger municipal corporations will continue to face increasing costs, leading to increased taxes for everyone. Currently, suburban cities are forced to extreme measure, such as extending income taxes to commuters, raising income taxes on all residents, raising other taxes and fees and cutting services.

Senate Bill 206 actually follows the precedent set in current reciprocity agreements found right here in central Ohio. Many suburbs already have reciprocity agreements with their larger municipal neighbors. Senate Bill 206 simply provides the same opportunity for a little bit of tax fairness to the more distant cities that did not have an opportunity to secure sharing agreements years ago because they were not losing the high numbers of workers.

As a commuter to Columbus myself since 1987, I have been willing to pay something toward Columbus city services. I just do not think commuters should be shouldering the entire income tax rate if they don’t spend more than 1/3 of their time in the city.

Giving Ohio’s taxpayers and cities some relief is long overdue. This is a pro-taxpayer and pro-city bill. I would appreciate your favorable consideration of Senate Bill 206.

Thank you once again, Chairwoman Roegner, and the members of the committee, for the opportunity to present this issue to you today. I will be glad to answer any questions at this time.