



Representative West
Sponsor Testimony, House Bill 609
Senate Ways and Means Committee

Chairwoman Roegner, Vice Chair Blessing, Ranking Member Williams, and members of the Senate Ways and Means Committee, thank you for the opportunity to provide sponsor testimony on House Bill 609.

HB 609 would create a temporary amnesty program, which would waive any interest or penalties that have accrued on delinquent taxes and fees so long as individuals and businesses pay the original amount of those taxes and fees while the program is in effect.

The goals of this legislation are twofold: to generate some extra revenue for the state at a time when it is facing its worst budget shortfall since the Great Recession; and to provide economic relief for individual Ohioans, many of whom have had to file for unemployment during this time, and for businesses that have lost revenue since the onset of this crisis. In other words, the legislation provides a carrot, so to speak, for individuals and businesses to pay up on these taxes and fees, which will in turn bolster our state's revenues at a time when we really need a boost.

We know this concept has worked in the past – in fact, Ohio has conducted four amnesty programs since 2000, with success. According to a Department of Taxation report on the most recent program, the

state collected \$14.3 million in unpaid taxes, and prior to that, the 2012 program collected \$30.5 million. I personally saw this type of program work at the local level when I was a member of Canton City Council, as well.

Under the bill, the Tax Commissioner would develop and administer the program, which would open on January 1, 2021 and continue until March 31, 2021. Taxes and fees that were delinquent as of the bill's effective date would qualify for the program, but those for which a notice of assessment or audit has been issued would not qualify.

One difference between this program and prior amnesties is that tax collections will be credited to the Budget Stabilization Fund instead of the General Revenue Fund, except for those amounts that would have been credited to the Local Government Fund and Public Library Fund. In other words, the LGF and PLF are held harmless by this change. This change was made by an amendment offered in House Ways and Means Committee.

The COVID-19 pandemic demands continued deliberation and thoughtful action from this body to meet the severe public health and economic challenges it has caused our state. I believe that this bill can be an impactful part of our economic response and a reminder to Ohioans that we work for them, especially in this time of crisis.

Thank you again for the opportunity to provide sponsor testimony on HB 609, and I'd be happy to answer any questions at this time.