

Proponent Testimony
Prepared for House Bill 48
The Ohio House Ways & Means Committee
February 9, 2021

Chair Merrin, Vice Chair Riedel, Ranking Member Sobecki, and Members of the Ohio House Ways & Means Committee, thank you for this opportunity to offer proponent testimony on House Bill 48 on behalf of our 27,000 members. I'm Greg Saul, Director of Tax Policy for The Ohio Society of CPAs (OSCPA).

We commend Representatives Roemer and Pavliga for sponsoring this legislation to incorporate into Ohio Revised Code section 5701.11 several of the federal tax law changes to the Internal Revenue Code (IRC) which became law between March 27, 2020 (H.B. 197, 133rd GA) and H.B. 48's eventual effective date.

Many of these federal tax provisions were just recently made by the "Consolidated Appropriations Act (CAA), 2021," H.R. 133 of the 116th Congress, signed into law on December 27, 2020. Important to many Ohioans is the CAA change clarifying the tax treatment of Paycheck Protection Program (PPP) loans, including that deductions are now allowed for expenses paid for with forgiven PPP loans.

We also strongly support the emergency clause given that the normal 90-day effective date for legislation would already occur after the current tax deadline of April 15. The OSCPAs has traditionally supported legislation incorporating federal tax law changes into the Ohio Revised Code to bring conformity to most federal and state tax calculations. H.B. 48 is no exception.

Unless the Ohio General Assembly and the Governor again amend the Ohio Revised Code, many taxpayers will have to make "add-backs" on their 2020 income tax returns. These add-backs would be complicated and costly to taxpayers, resulting in increased compliance burden and additional tax liability. Further, timing is critical because CPAs across the state are already engaged in tax preparation for their clients with filing officially opening on February 12.

The OSCPAs has advocated for tax simplicity for many years. The positive impact of H.B. 48 will be felt by taxpayers throughout our great state in terms of simplifying the tax code and minimizing compliance costs.

On behalf of the OSCPAs, thank you for allowing me the opportunity to share our support for House Bill 48. I would be happy to answer any of your questions.