



Chair Merrin, Vice-Chair Riedel, Ranking Member Sobecki and Members of the House Ways & Means Committee. My name is Chris Amorose-Groomes and I am the Mayor of the City of Dublin. I would like to express my opposition to House Bill 157 and how repealing Section 29 of House Bill 197 from the 133rd General Assembly would be an impediment for all employers in the State of Ohio and the lasting impacts it could mean for our state's economic future.

As the second largest economy in Central Ohio, with an estimated 4,300 employers, the City of Dublin has worked diligently to bring positive economic impacts on the region and the State in the following ways:

- Home to 7 million square feet of commercial space, and 2,000 acres of available land.**
- Eighteenth largest economy in the State of Ohio with many growing business districts.**
- One of the lowest municipal tax rates in Central Ohio at a 2% tax rate to help attract lower taxes on businesses and employee wages.**
- Since 2004, has achieved and maintained a AAA Bond rating from the major reporting agencies due to tax collections and percentage of revenues attributed to capital improvement projects. AAA Bond rating allows for Dublin to ascertain that the City pays the lowest borrowing costs possible when issuing debt. Significant loss in tax revenues collected by most municipalities will drastically affect the municipal bond ratings and ability to repay bond holders to fund capital improvement projects.**

As Ohio continues to mend from the impacts of the COVID-19 pandemic, it is essential that both the private and public sector work collaboratively to ensure a safe transition back to a fully operating economy. One way to help safeguard that transition is by having a longer runway for all employers to prepare and test their payroll systems to be able

to be compliant with the new withholding requirement for employees working from home. The language in HB 157 repealing Section 29 of HB 157 would be detrimental to employers in the State of Ohio and have significant financial impact on municipalities through the following ways:

- Employers would immediately be required to remit local taxes to taxing jurisdiction of employees residence and potentially subject to penalties and interest for incorrectly or timely remitting local taxes properly
- Business leaders have stated that they would need at least through this year, if not beginning of 2023 to evaluate which employees will continue to work from home, update payroll systems, and provide for testing
- Municipalities will need additional time to reevaluate future budgets and any existing economic development agreements with existing companies
- Local tax revenues for municipalities with a higher percentage of employers would see significantly lower tax revenues. The City of Dublin would potentially see a drop in tax revenues of \$25.3 million based on actual figures from Tax Year 2019

Further detailed studies need to be done statewide in a collective effort to identify what the employment landscape will be in Ohio going forward. At the same time municipal governments will be given enough time to reevaluate future budgets and any existing economic development agreements with existing companies. Cities, like Dublin, are major job centers for Ohio that employ tens of thousands of people. These cities engage in detailed master planning and invest in infrastructure, services, and amenities to attract companies often from outside the state to locate and grow their businesses. Significant changes to the municipal income tax structure would put job centers like Dublin in jeopardy as well as the region and state.

In conclusion, I believe that the language included in HB 157 impacting all employers in the State and municipal governments would be horrific for businesses and local governments alike. As a result of our economic development efforts, Dublin businesses employ more than 40,000 individuals that do not reside in the City of Dublin. This bill should not be allowed to be passed in its current version, but should be amended to keep Section 29

of HB 197 intact until employers and municipalities have an assessment of how the global economic development opportunities for the municipalities of the State of Ohio will be impacted by this change in funding. The success of this process is vital to all stakeholders, and I welcome the opportunity to be part of this process.

Chairman Merrin, thank you again for allowing me to testify and I am available for any questions that you may have.