



Ohio House Ways & Means Committee Testimony
House Bill 157 – Repeal Temporary Municipal Income Tax Provisions
Mayor David Berger, City of Lima, Ohio

Chair Merrin, Vice Chair Riedel, Ranking Member Sobecki, members of the Ohio House Ways & Committee, thank you for the opportunity to testify in opposition to HB 157, which would end a temporary, pandemic-related municipal income tax provision. My name is David Berger and I am the Mayor of the City of Lima.

As you are no doubt aware, the Ohio legislature last year passed the remote working provision in House Bill 197, in order to temporarily allow municipalities to continue applying the municipal income tax at the primary place of employment, even if an individual was working from home in another jurisdiction because of the pandemic. This temporary law change preserved the status quo for businesses and local communities like Lima during an incredibly disruptive and uncertain time. We are not yet through this pandemic and therefore it does not make sense to end this provision now.

I want to emphasize that the provision House Bill 157 would repeal is not a permanent law change and we are not asking for it to be permanent. Yet, we know that there will be some long-term, permanent changes to where people work. We *are* asking for the legislature to sustain this temporary law change through the pandemic and not to move the goal posts on Ohio's cities and first responders. The provision in question is already set to expire 30 days after the state emergency order is lifted, which makes much more practical sense than ending it now when our response to this pandemic is still underway and our costs of responding to the pandemic remain.

I cannot underscore enough how devastating the consequences of this bill would be to communities like Lima. It will slow our efforts to recover from the pandemic and return to some sense of normalcy.

Lima has a \$34 million general fund and the income tax is our single largest revenue source representing \$20 million. Further, of that \$20 million, our estimate is that 60% is paid by folks who work in the city and reside somewhere in the region, not in the city. What I would like you to understand is that our police and fire departments combined personnel and capital budgets

consume the entirety of that income tax. Any losses represent fundamental threats to our frontline safety divisions.

Last year, our collective response to this pandemic was to be “federally supported, state managed and locally implemented.” While there is light at the end of this tunnel there is still much work local communities must do to facilitate the mass vaccination of our residents. Our first responders play a critical role ensure that this process is safe, efficient, and effective.

As life after COVID starts to come into focus, local communities need short-term stability on municipal income tax revenue and a thoughtful, deliberative approach to addressing any long-term remote working changes. Passing House Bill 157 would do neither. We urge the committee to maintain current law as outlined in House Bill 197, and continue supporting local communities and our frontline first responders as the end to this pandemic is in sight.

Thank you for your attention to my testimony, I’m happy to answer any questions the committee might have.