



Chairman Merrin, Vice Chair Riedel, Ranking Member Sobecki and Members of the House Ways and Means Committee:

My name is Jim Taylor and I serve as Vice President of State and Local Tax for Alliance Data in support for House Bill 223.

By way of background, Alliance Data: employs over 3,300 Ohioans, has consistently been recognized as a "Best Place to Work" in Columbus as well as Cincinnati, and has been the recipient of the United Way of Central Ohio's Corporate Excellence award.

Alliance Data is also proud to provide the private label credit card program for approximately 100 retail brand clients. Almost all of them transact business in Ohio and thus inevitably remit Ohio sales tax on private label credit card purchases that prove to be bad debt on the part of the customer. This bill is needed for a multitude of reasons.

First, it aligns bad debt sales tax refunds on private label purchases with sales tax refunds on comparable purchases. Under the current system, retailers are allowed to recoup sales tax remitted on most transactions that result in bad debt, except those tied to private label credit sales.

Second, HB 223 aligns Ohio's tax code with those of other states. Accordingly, it reduces the unnecessary drain on resources that our clients and we must expend to navigate the multitude of varying states' tax laws. In addition, HB 223 will place Alliance Data, its clients, and, most importantly, Ohio cardholders, in a more competitive position relative to other states.

Finally, this legislation removes an inequity that is also an obstacle to growth. Today, Alliance Data and our retail clients indemnify the State for sales taxes that are never collected from the original purchaser. This converts the consumption based sales tax to a tax on business, which, in turn, increases the costs to do business in Ohio and impedes business growth.

Chairman Merrin, thank you for allowing me to testify before the committee today and I am happy to answer any questions you all may have.