



BEFORE THE OHIO HOUSE WAYS AND MEANS COMMITTEE  
TESTIMONY ON HOUSE BILL 223  
April 20, 2021

Good Afternoon Chairman Merrin, Vice Chair Riedel, Ranking Member Sobecki, and members of the committee. My name is Tony Long, and I am the Director of Tax & Economic Policy for the Ohio Chamber of Commerce. On behalf of the Ohio Chamber, I am testifying in support of House Bill 223.

HB 223 is designed to align bad debt sales tax deductions on private label purchases administered by third parties with sales tax deductions on comparable private label purchases that are handled by the private label retailer. The old sales tax deduction law was written before the rise of third parties administering the private label credit card program on behalf of retail merchants. Back in the day, these credit card programs were administered in-house. HB 223 eliminates the arbitrary distinction between businesses that administer their own program and those that turn over the work to a third party.

The distinction in the current sales tax law adds complexity and confusion for those individuals in tax departments charged with sales tax compliance. Elimination of this distinction will alleviate that complexity and add clarity for those in tax compliance roles when accounting for Ohio sales tax and the deduction for bad debts.

The Ohio Chamber supports this legislative effort to create a better sales tax policy for the state of Ohio. This will align Ohio with several of its neighboring states, such as Illinois, Michigan, Pennsylvania, and Wisconsin.

Thank you for the opportunity to testify on HB 223. I will try to answer any questions you may have for me.