

**Written Testimony of
David Blatnik, President, Manufacturing Policy Alliance
on Sub. H.B. 157
House Ways & Means Committee
May 18, 2021**

Chair Merrin, Ranking Member Sobecki, and other distinguished members of the House Ways & Means Committee, my name is David Blatnik and I serve as President of the Manufacturing Policy Alliance (MPA). I am providing this written testimony on behalf of MPA to support the substitute version of Sub. H.B. 157 being considered today by the Committee.

Who is MPA? The Manufacturing Policy Alliance (MPA) is a group of large manufacturers and suppliers from around the state of Ohio. Combined, MPA has had an annual payroll of \$2.5 billion and has spent approximately \$11 billion with suppliers around the state. MPA was formed to provide an effective voice on critical policy matters that affect the competitiveness of Ohio and its large manufacturing companies. We strive to work with the General Assembly and the Governor to help sustain a healthy and vibrant economy.

Support for Proposed Substitute HB 157: MPA supports this version of Sub. H.B. 157 because it fairly addresses several important issues for all parties impacted by the municipal income tax and COVID-19 pandemic.

- **Employers:** The bill extends the pandemic-related changes to the 20-Day Occasional Entrant Rule under R.C. 718.011 through the end of 2021 and provides clarity as to how these provisions apply to our businesses. These changes give our members, suppliers, and other Ohio businesses flexibility and time to adjust their tax withholding systems to account for the post COVID-19 Pandemic work environment, as well as ensure that the net profits tax apportionment. Further, paperwork necessary for employers to report to municipalities where employees actually performed services is simplified.
- **Municipalities:** The extension of the 20-Day Occasional Entrant Rule benefits municipalities because, from a practical standpoint, a large portion of 2021 withheld taxes will stay at the Principal Place of Work municipality. The municipalities are also given clarity for 2021, allowing them to budget more effectively.
- **Employees:** The bill provides clarity to employees as to how the municipal income tax withholding rules will apply for all of 2021.

Neutral for 2020. Some confusion has arisen about whether the original Section 29 of Sub. H.B. 197 ultimately applies to employees and municipalities from a taxability standpoint. The substitute bill before the Committee today is, perhaps prudently, neutral on that issue for 2020, providing a balanced compromise for employers, municipalities and employees.

Thank you for allowing me to submit this testimony. MPA is happy to provide more information or answer any questions upon the Committee's request.