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May 18, 2021

Representative Derek Merrin
Chair, Ohio House Ways and Means Committee
77 South High Street, 13th Floor
Columbus, OH 43215

Dear Chairman Merrin:

I am writing on behalf of the nearly 22,000 governing members of the National Federation of Independent Business in Ohio (NFIB) to lend our support for the substitute version of House Bill 157 being discussed today. This legislation will continue employer municipal income tax withholding obligations and net profit situsing to the principal place of business through the end of calendar year 2021, as well as provide clarity with respect to employer obligations regarding verifying when employees worked at the principal place of work.

Section 29 of House Bill 197 from the 133rd General Assembly was enacted with language that in effect temporarily suspended the 20-day casual entrant rule by requiring "...any day on which an employee performs personal services at a location, including the employee's home, to which the employee is required to report for employment duties because of the declaration shall be deemed to be a day performing personal services at the employee's principal place of work." This much needed law change ensured employers would continue to withhold employee municipal income tax to the principal place of work for thirty days after the expiration of Executive Order 2020-01 D issued on March 9, 2020. We are grateful to the General Assembly for taking this important step.

House Bill 157, per the substitute bill, will continue Section 29 of House Bill 197, from the 133rd General Assembly, through December 31, 2021. House Bill 157 also clarifies that net profit situsing or apportioning is to be considered at the principal place of work. We support this extension to give our members time to adjust and plan for a reversion to existing Chapter 718 treatment of municipal income tax and net profit situsing or apportioning. Additionally, we support the waiving of penalties and interest for employers who withheld municipal income tax on employees' qualifying wages and sitused net profits in accordance with House Bill 197 and to be continued under House Bill 157.

Substitute House Bill 157 also clarifies a municipal tax administrator may not require "any statement or other documentation from the employer other than a statement verifying the number of days the employee worked at the employee's principal place of work during the taxable year and that the employer did not refund any withheld taxes to the employee." The addition of this language removes the employer from identifying where, specifically an employee may have been working. This language simply requires an employer to state whether an employee was or was not earning qualifying wages at the principal place of work.

We are grateful to the committee and sponsors for the willingness to provide certainty on employers' municipal tax obligations. We urge favorable adoption of Substitute House Bill 157.

Thank you for your consideration and please feel free to contact me with any questions.

Sincerely,



Christopher J. Ferruso
Ohio Legislative Director