



May 18, 2021

The Honorable Derek Merrin
Chairman
House Ways and Means Committee
Vern Riffe Center
77 South High Street, 13th floor
Columbus, OH 43215

RE: House Bill 157 – Written Proponent Testimony

Dear Chairman Merrin:

The Ohio Manufacturers' Association (OMA) appreciates the opportunity to provide written proponent testimony on the recently accepted substitute version of House Bill 157.

As noted in testimony previously provided to this committee, very early in the COVID-19 pandemic, the OMA engaged with the General Assembly to support Section 29 of House Bill 197 from the 133rd General Assembly that would temporarily allow employers to continue withholding employees' municipal income tax from their principal place of work for the duration of the governor's state of emergency Executive Order plus thirty additional days. Absent the enactment of this temporary provision, companies would have faced a substantial burden in terms of expense and administrative compliance to revamp their tax systems in the midst of the pandemic.

Substitute House Bill 157 would provide a date certain for ending Section 29 of House Bill 197. By placing that date at the end of this tax year, it gives employers the necessary certainty to prepare for a return-to-work. This runway will allow them to make required changes to their payroll systems in order to comply with the withholding income tax changes and to account for ongoing variables, such as vaccine availability for their workforces and hybrid work arrangements (i.e. working some days in the office and others working remotely). Further, the substitute bill simplifies the documentation that an employer can be asked to provide when an employee files a refund application. Under this provision, a municipality may only require that an employer verify which days an employee was working at their principal place of work. This change would reduce the administrative burden of an employer having to verify from where the employee was working during the pandemic.

The OMA appreciates the committee's thoughtful review of this legislation as we work to ensure a smooth transition on this issue in a post-pandemic workplace. We ask for your support of this bill.

Sincerely,

A handwritten signature in blue ink that reads "Rob Brundrett".

Rob Brundrett
Managing Director, Public Policy Services