



WRITTEN TESTIMONY TO THE HOUSE WAYS AND MEANS COMMITTEE

OPPONENT TESTIMONY

HB 443

March 8, 2022

Chair Merrin, Vice Chair Riedel, Ranking Member Sobocki, and members of the House Ways and Means Committee, thank you for the opportunity to write in opposition of HB 443.

HB 443 authorizes a refundable tax credit for employer-paid group health plan premiums. An employer may claim the credit against either the commercial activity tax (CAT), income tax, financial institutions tax, insurance company premiums taxes, public utility excise tax, or petroleum activity tax. According to the bill's fiscal analysis, this is estimated to reduce the GRF by approximately \$107 million each year.

Ohio's General Revenue Fund (GRF) would bear most of the revenue loss resulting from HB 443, which will in turn reduce the amount distributed to the Local Government Fund (LGF), which is currently 1.66% of the GRF. This reduction will in turn decrease distributions from the funds to cities and villages.

Municipalities are still working to recover from the economic impacts of the COVID-19 pandemic, most notably the revenue loss many municipalities will experience as a result from permanent work-from-home policies. To ensure that this bill does not result in decreased municipal revenues that fund essential local services, we request that the bill be amended to ensure the LGF remains whole.

Thank you for your consideration of our concerns.

Sincerely,

Kent Scarrett
Executive Director
Ohio Municipal League