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June 3, 2021

Senator Matt Dolan  
Chair, Ohio Senate Finance Committee  
1 Capitol Square, 1<sup>st</sup> Floor  
Columbus, OH 43215

Dear Chairman Dolan:

I am writing on behalf of our nearly 22,000 governing members of Ohio NFIB to lend support for several provisions contained in House Bill 110, the state's operating budget. We applaud the Ohio Senate for continuing the good work of the Ohio House by recognizing the importance of the success of small businesses to Ohio's economic vibrancy.

#### **Business Grants**

The substitute version of House Bill 110 accepted by the Ohio Senate Finance Committee continues the commitment of the General Assembly by preserving the combined total of \$155 million of additional grants to certain businesses in fiscal year 2022. These grants are targeted at industries hardest hit by the pandemic including bars, restaurants, lodging and entertainment venues. Additionally, the grant funding for new businesses is welcome as entrepreneurs that took the risk in 2020 and 2021 do not typically qualify for other grant/loan programs.

#### **TechCred**

We appreciate the ongoing funding of the TechCred program and building upon the investment passed by the Ohio House, adding \$25 million for fiscal year 2023, for a total of over \$58 million through the biennium. We view this program as a win-win. Employers receive reimbursement for employee training to meet their needs and employees earn new credentials or certifications to upskill their talents. There have been hundreds of programs and training opportunities approved and reimbursed for employers and employees. TechCred ensures Ohioans can keep pace as workforce needs and technology continues to evolve.

#### **Taxes**

House Bill 110 make permanent the exclusion of Ohio Bureau of Workers' Compensation (BWC) dividends from the commercial activity tax (CAT). This important policy builds on the action taken in Senate Bill 18 to exclude these payments for tax years 2020 and 2021. These monies, a return of premiums paid plus an additional infusion of cash from successful investment returns, served as a lifeline for many businesses.

The substitute bill added language to provide employers certainty with respect to municipal income tax withholding and net profit obligations. House Bill 197 from the 133<sup>rd</sup> General Assembly temporarily

changed the law to require municipal income taxes to be withheld to the principal place of business, irrespective of where an employee was working. Language included in House Bill 110 continues this requirement through the end of calendar year 2021 and clarifies the policy is for withholding on qualifying employee earnings as well as for purposes of net profit situsing. The extension gives employers time to plan and adjust their operations accordingly.

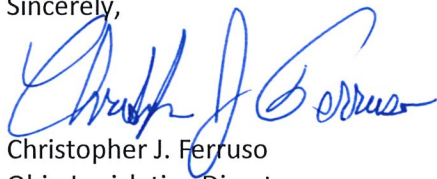
Additionally, eliminating the sales tax on employment services is a positive policy change that will align Ohio with many other states. Employers utilize these services to assist in staffing, an increasing challenge in today's labor environment. The additional costs associated with the state sales tax as well as the county add-on can make the cost of utilizing employment services prohibitive.

### **Uniform Commerce**

House Bill 242 from the 133<sup>rd</sup> General Assembly enacted a 12-month prohibition on local governments from imposing a tax, fee, assessment, or other charge on auxiliary containers like plastic bags. The bill also permits individuals to use an auxiliary container for purposes of commerce or otherwise. House Bill 110 will extend these policies in perpetuity. This will help employers avoid navigating a patchwork of laws.

Thank you again for the commitment to small businesses. The aforementioned policy provisions will continue to assist our members as they recover from the financial impacts of the Covid pandemic. We look forward to continuing to work with your committee, the Ohio Senate, and the Ohio House of Representatives to create an environment that allows our members and their employees the opportunity to grow and thrive.

Sincerely,



Christopher J. Ferruso  
Ohio Legislative Director

cc: Members of the Ohio Senate Finance Committee