



WRITTEN TESTIMONY TO THE SENATE WAYS AND MEANS COMMITTEE

PROPONENT TESTIMONY

HB 228

September 21, 2021

Chair Blessing, Vice Chair Roegner, Ranking Member Cirino, and members of the Senate Ways and Means Committee, thank you for the opportunity to write in support of HB 228.

HB 228 makes administrative changes to municipal net profit tax law and seeks to streamline the process for taxpayers, municipalities and the State when businesses choose to centrally file their municipal net profit businesses filings with the State through the Ohio Business Gateway. These changes include the removal of the 0.5% administration fee charged by the State for the collection and remittance of those municipal revenues. The Ohio Supreme Court ruled last year that the charging of the 0.5% administration fee was unconstitutional.

HB 228 includes a provision that grants the Tax Commissioner discretionary authority to withhold a portion of the municipality's payment if that municipality is not in compliance with the bill's reporting requirements. In the House Ways and Means Committee, the bill was amended to clarify that these revenues must be restored back to the municipality when they come into compliance with those requirements. The League is supportive of this clarification.

We thank Representative Roemer for working with us to ensure this clarification was included in the bill. Thank you for your consideration, and we urge for your favorable passage of this bill.

Sincerely,

Kent Scarrett
Executive Director
Ohio Municipal League