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Members of the House Economic and Workforce Development Committee,

My name is Austin Hein, and I write on behalf of American Action Fund and Young Americans for Liberty. Today, I write in strong support of House Bill 547, to restrict the use of tax credits for illegal immigrants.

At the American Action Fund, we have always championed tax cuts as a means to promote economic freedom and personal responsibility. However, the issue of tax credits is more nuanced than straightforward tax cuts. In my opinion, tax credits often act as a misguided attempt at tax relief, essentially serving as a form of wealth redistribution rather than a genuine reduction in tax liability.

Tax credits for low-income earners can sometimes result in undeserved rebates, providing credits for taxes that were not actually paid. This, in effect, creates a government handout funded by the taxpayers. Such a mechanism undermines the principle of fairness in our tax system and imposes an undue burden on those who do pay their taxes.

In our view, the most effective approach would be to eliminate the underlying tax credit altogether and replace it with the elimination of Ohio's property tax. This would address the original intent of the tax credit legislation by providing genuine tax relief without resorting to indirect redistribution mechanisms.

While I understand that the primary focus of House Bill 547 is not to overhaul the tax system, we believe that HB 547 provides essential safeguards within the current tax credit framework. If tax credit programs are to persist, they must be accompanied by proper guardrails, such as those proposed in HB 547. To be clear, we oppose government handouts in principle, and it is especially egregious when these handouts take money from Ohioan taxpayers to be redistributed to illegal immigrants.

House Bill 547 is a common sense reform that should be adopted unanimously by this committee. That said, this legislation only highlights the larger concerns we have with tax credit programs at large. It is our hope HB 547 sparks a conversation on their overall efficacy.

The American Action Fund and Young Americans for Liberty remain committed to advocating for the elimination of taxes wherever possible, promoting policies that enhance economic freedom and reduce the size of government.

For Liberty,

Austin Hein
Mid-Atlantic Manager
American Action Fund