

December 16, 2024

The Honorable Brian Lorenz

Ohio House, District 89

1 Capitol Square

Columbus, Ohio 43215

RE: Opposition for proposed amendments to JEDD creation in Senate Bill 75

Chair Lorenz,

Thank you for the opportunity to provide written testimony in opposition to Senate Bill 75 as passed by the Senate to provide local jurisdictions additional options to create JEDDs. I speak to this issue as a private citizen and represent no organization or employer.

As a Certified Payroll Professional with over a decade of experience in Ohio, I'm familiar with the burdensome compliance requirements Ohio's unique and byzantine local income tax structure places on employers and workers alike. Ohio employers and workers must contend with;

- Municipal income tax for where an employee works
- Municipal income tax for where an employee lives
- Ohio school district income tax withholding

But today, we aren't addressing those complexities, but rather a 4<sup>th</sup> type of local tax – JEDDs. While I have no doubt that JEDDs are a useful and valuable tool for policy makers, city officials, and developers, I feel the ongoing compliance burden they impose on employers and workers is too often overlooked. I wish to illustrate this burden by providing an anecdote.

In 2019, I was working for an employer with operations near Milford, OH. Our payroll system had recently added a new tax code for "Milford-Union Township JEDD 6." I was tasked with determining if this new local tax code applied to us. A quick search of the Milford city website provided no information on the new district. I'll point out that not all Ohio municipalities maintain a website, let alone an up-to-date one. The Ohio Department of Taxation's Finder webpage was no help either, as in 2019 it didn't contain information on JEDD's. While this centralized state website supposedly maintains a list of JEDDs today, it does so with heavy disclaimers.

Neither the State of Ohio nor the Ohio Department of Taxation assumes any liability for any errors or omissions in the data provided by this system, or in any other respect. After receiving tax jurisdiction information for your address in The Finder, it is a good idea to verify this information with the appropriate municipality and/or joint economic development district (JEDD) or joint economic development zone (JEDZ) even if no tax liability is indicated. If you feel there is an error or have questions regarding the information you have received, please e-mail the Department of Taxation at [TheFinderHelp@tax.state.oh.us](mailto:TheFinderHelp@tax.state.oh.us). Please refer to the reference number XXXXXXXXXX displayed on this page.

*Pictured: JEDD/JEDZ 'Lookup by Address' disclaimer from the Ohio Department of Taxation's "Finder" webpage at [thefinder.tax.ohio.gov](http://thefinder.tax.ohio.gov), accessed 1/28/2024*

I continued my research, finding only a single article in local media that described the JEDD as being around 'the former Glen Este High School campus.' While this description likely made sense to local residents and officials, it was no help to a compliance person sitting in Columbus, nor my California-based national employer. I often wonder if local officials ever consider the compliance burdens they place on national employers when these JEDDs are formed. After the ribbon cutting ceremonies and back-slapping are over, coders and compliance staff in far-flung states need to update systems in order to accommodate these deals. Even today, the exact boundaries of this site don't appear to be publicly available.

This latest JEDD concerns the former Glen Este High School campus at 4342 Glen Este-Withamsville Road in Union Township. There are several development projects ongoing with the property, including a senior assisted-living development.

*Pictured: A brief mention of the new JEDD was included in an April 15, 2019 article of the Clermont Sun (attached)*

Finally, having exhausted all other options, I called the city of Milford. I spoke to an employee in the income tax office, explaining that I wished to review the boundaries of the Milford-Union Township JEDD VI to determine if we were impacted. To my surprise, the employee of Milford's income tax department responded "You know you called the city of Milford, right?" and tried to direct me to contact the township. The actual income tax department staff at Milford failed to understand that a JEDD was an expansion of their city's ability to impose an income tax into the township. *I actually had to explain how a JEDD worked to the very people imposing the JEDD!*

The committee shouldn't reject this bill because JEDDs made my life slightly more difficult once, or because of a single city's implementation of them. But I hope this single anecdote illustrates how burdensome it can be for even diligent employers to comply with Ohio's complex local income tax laws. No other state imposes local income taxes in the way Ohio does.

Imagine the scenario of a landscaper. Suppose this worker cuts the grass at various sites, working 25 days/year in a JEDD. Because this worker is in excess of Ohio's 20 day occasional entrant provision, he must have the JEDD tax withheld from his wages. But how does the worker know if he's in a JEDD? How does the employer? By consulting the Ohio Department of Taxation's Finder webpage? Maybe, but that comes with a disclaimer. By calling the city? Maybe, but their staff may not know the immediate boundaries of a JEDD. With this bill, a JEDD could exist between 2 cities – which should the employer

contact in between their many other duties? In reality, most employers wouldn't bother. Non-compliance and money 'slipping through the cracks' becomes more common as Ohio's local tax structure becomes more complex.

Every few years, the General Assembly makes an effort to simplify and streamline local income tax collection. Most recently, we've seen this with House Bill 33, the 2024-2025 appropriations bill, which included several provisions simplifying municipal income tax collections. I applaud the General Assembly for passing House Bill 33 and I thank members Swearingen, Santucci, Upchurch, Claggett, Dobos, John, Kick, Miller, and Williams who supported it. I also applaud the General Assembly's cuts to and flattening of Ohio's state income tax.

I ask the members of the committee to think about Ohio's local tax structure more broadly when considering this bill. Will the General Assembly continue its trend of simplifying and streamlining local tax collections, bit by bit, as in House Bill 33? Or will this committee allow the 4<sup>th</sup> type of local income tax – JEDDs – to proliferate and add yet more complexity to an already-convoluted system? JEDDs introduce a hyper-local requirement to Ohio local tax compliance, one that can't easily be resolved by looking at the boundaries of a school district or the city limits, but the obscure boundaries of a JEDD known only to a few dealmakers at city hall.

Sincerely,

James Good, CPP

## Milford Community Fire Department receives donation

April 15, 2019



*pictured is the city of Milford's council (in back) with the Community Fire Department in front at the council's April 2, 2019 meeting. Bill Knepp, pictured in front middle, donated a rescue strap to the department, which was demonstrated on the mannequin.*

1/20/24, 12:39 PM

**By Brett Milam**  
*Editor*

The Milford city council met on April 2 to discuss a variety of matters.

– Bill Knepp, the town crier, was on hand to discuss his donation to the Milford Community Fire Department. The donation is a piece of life-saving equipment — a rescue strap — made in the honor of his wife, Nancy.

Mark Baird, fire chief, said the department was appreciative to have the equipment available to them.

The strap, known as a Rapid Extraction System, is a heavy-duty, multi-point strap system; it will be for victim rescue scenarios, making it easier for the victim and the firefighter to remove the victim from a dangerous situation, Baird said.

The department did a demonstration in front of council with a mannequin to show how the strap worked to save conscious or unconscious victims in a quick and safe manner.

The strap can be stored in the firefighter's pocket.

In addition to fire rescue, the device could also be useful for active shooter situations, hose carries and EMS details with larger patients EMTs made need help lifting, Baird noted.

– Milford and Union Township have entered into another Joint Economic Development District (JEDD) agreement; it is the two governments' sixth such agreement.

Michael Doss, city manager, explained that JEDDs are a way for a township, which can't levy an income tax, to partner with municipalities who can, and then split that disbursement received from an economic development program.

Through the JEDD, Union Township would get 85 percent of the 1 percent income tax on the development, and Milford would get the remaining 15 percent.

"We've had a really good relationship with Union Township, quite frankly, with the revenue-sharing we've able to do with our 1 percent," Doss said.

This latest JEDD concerns the former Glen Este High School campus at 4342 Glen Este-Withamsville Road in Union Township. There are several development projects ongoing with the property, including a senior assisted-living development.

– Amy Brewer, vice mayor, said in her public service committee report that the committee considered the possibility of utilizing golf carts to off-set parking issues in the city. Two proposals were presented: either the city operate the golf cart service or the city contracts with a service-provider.

It was estimated that for the city to provide the service, it would cost \$36,000 a year. That would include the cost of the cart, two part-time employees and other expenses, Brewer said.

Brewer said Gest offered a one-year contract of \$45,350.

In January, council considered Gest, the golf cart service company similar to Uber, but with golf carts, to transport people in and around the area they operate in. The company already operates in Downtown Cincinnati, Newport and Covington.

It's a six-person cart, but with the driver, the cart can hold five people.

It's a free service for riders, but the company would charge Milford the money to lease the cart, which includes insurance, the driver, gas and so on. The city would also provide storage for the cart.

Corporate sponsorships would supplement the costs.

At the time, council tabled the discussion because the company wouldn't be available to start until April 1. Now that it's come up again, the committee said it would be a good service to provide, but the contract isn't in the budget.

– Joe Dills, from Union Township, was on hand to let council know he is running for John Becker's House District 65 seat when Becker is term-limited in 2021. The representation includes the city of Milford. Dills is a local business owner and veteran.

– Milford's spring litter clean up is on April 13 at 9 a.m. at the Milford Service Department, located at 850 Garfield Avenue.

Administrator

View Comments

ALSO ON CLERMONT SUN

- The Kentucky Fried Chicken increases

a year ago · 1 comment

My first real job was at a Wendy's restaurant in
- American Legion flagpole installation

2 years ago · 1 comment

A flag pole dedication ceremony was held at
- Voters in Williamsburg Township are ...

a year ago · 1 comment

Voters in Williamsburg Township are invited to

