



HOUSE WAYS & MEANS COMMITTEE – Proponent Testimony HB 1, March 7th,
2023

Chairman Roemer, Vice Chair Merrin, Ranking Member Troy, and members of the committee, thank you for holding this hearing and for the opportunity to provide testimony.

My name is Donovan O’Neil, and I am the State Director for Americans for Prosperity – Ohio (AFP). As one of the largest grassroots organizations in the country, AFP is driving long-term solutions to some of the country’s biggest problems. Our organization, and its thousands of activists across Ohio, are dedicated to breaking barriers that stand in the way of people realizing their full potential. Removing or reducing these barriers, in whatever forms they take, helps move our society toward one of mutual benefit, where people succeed by helping others improve their lives and by transforming their communities. Accordingly, I urge you to support House Bill 1, transformational tax reform legislation sponsored by Rep. Adam Mathews.

From an economic and demographic standpoint, Ohio has not compared favorably to many other states in recent years. Our state’s population growth is severely lagging that of other states, and its economic growth hasn’t kept pace with many of our regional peers. HB 1 takes a bold and necessary step toward rectifying these issues by repealing Ohio’s current graduated income tax rates, and instead levying a flat income tax rate of 2.75% on all income over \$26,050. No matter which current bracket Ohioans and their families find themselves in today, the passage and enactment of HB 1 will result in all of them paying less; this legislation truly is a tax cut for everyone. A flat rate of 2.75% would give Ohio (apart from the handful of states with no personal income tax) the second lowest rate in the country, which will encourage significant private sector investment in the Buckeye State and encourage Ohioans and their families to continue to call Ohio home instead of fleeing for greener pastures in states with friendlier economic climates.

In addition to the influx of capital investment and economic activity that will result because of these considerable tax cuts, HB 1 also importantly provides greater transparency to taxpayers by unraveling and simplifying Ohio’s current convoluted system which intertwines property and income taxes. Currently, the state subsidizes local taxing entities so they can impose lower

property tax rates. HB 1 will remove this process to grant greater local control over property taxes while also reducing the assessment value coefficient from 35% to 31.5%, also accounting for inflation, to protect property owners as values may vary and waver over time.

Restrictive tax and regulatory environments are hindrances to prosperity, innovation, and entrepreneurship. The Ohio General Assembly has made some positive progress over the last several budget cycles by slowly and steadily driving tax rates down and reducing the number of brackets. HB 1 will rapidly accelerate that progress by cutting taxes and creating a clearer, more easily understandable system regarding income and property taxes, which will lead to greater private sector investment in our state. That investment will bring opportunities to bolster the workforce, and to strengthen and revitalize struggling communities.

AFP – Ohio has made income tax reform one of the main pillars of our [Buckeye Blueprint](#) agenda for Ohio policymakers, and my organization commends Rep. Mathews and Speaker Stephens for making it a top priority of this chamber through HB 1.

Thank you again, Chairman, for the opportunity to offer testimony today. AFP – Ohio strongly supports HB 1, and on behalf of my organization and our affiliated activists, I urge the members of the committee to favorably report this bill. Thank you.

Americans for Prosperity (AFP) exists to recruit, educate, and mobilize citizens in support of the policies and goals of a free society at the local, state, and federal level, helping every American live their dream – especially the least fortunate. AFP has more than 3.2 million activists across the nation, a local infrastructure that includes 36 state chapters, and has received financial support from more than 100,000 Americans in all 50 states. For more information, visit www.AmericansForProsperity.org.