



CLARK-SHAWNEE ADMINISTRATIVE OFFICE

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The Honorable Bill Roemer
77 South High Street, 11th Floor
Columbus, OH 43215-6111

March 27, 2023

RE: House Bill 1

Dear Representative Roemer,

I am writing today, not only as the Treasurer of the Clark-Shawnee Local School District, but also on behalf of multiple school districts that collectively serve the residents of Clark County, Ohio. We urge you to **REJECT House Bill 1 (HB 1)**.

HB 1 proposes to create a flat income tax rate of 2.75%. On the surface, this flat income tax rate appears to be a positive change for the State of Ohio. However, the legislation and revisions required to make this possible increase the tax burden for local residents and businesses while concurrently causing school districts to lose hundreds of millions each year.

The facts:

- HB 1 proposes a flat income tax rate of 2.75%.
- HB 1 plans to eliminate the 10% residential credit and revise the 2.5% owner-occupied credit to a flat \$125 per qualifying home. This amount will fall on the taxpayer. Under HB 1, the taxpayer will be responsible for the full amount.
- HB 1 assumes that homeowners will not see a property tax increase due to the reduction of these credits. The bill proposes to adjust the property tax assessment percentage from from 35% to 31.5% to offset the additional tax. **However, this assumption is not correct because of House Bill 920 (HB 920).**
- HB 920 will trigger an increase in the effective tax rates in an attempt to provide the same level of funding to school districts. As an effect, residential taxes will increase six to eight percent and school districts will suffer a significant financial loss due the unvoted 10 mills in the Ohio Constitution, of which schools typically receive four to five inside mills, often referred to as inside millage.

The impact of proposed HB 1 is detrimental to local school districts. School districts across the state will be required to make immediate cuts to staffing, programming, and services. School districts rely heavily on local tax payers and the state to provide quality education and services to each student. HB 1 will impact our students today and our communities in the future, at the cost of local taxpayers. This could not come at a more inopportune time as schools are implementing fundamental changes based on dyslexia legislation and implementation of instructional approaches alined to the science of reading.

The numbers are undeniable. The bill, as proposed, will result in an estimated \$177,625,380 loss for school districts across Ohio. Local residential taxpayers will pay an estimated \$638,940,910 more per year.

In Clark County alone, residents' school district tax bills will increase collectively by an estimated \$5,776,525 per year while our school districts see a funding decrease of an estimated \$1,907,594 per year. This amount impacts the eight Clark County school districts as follows:

Clark-Shawnee Local:

Residential/Agricultural Taxpayers Pay **\$494,552 More**
District **Loses \$277,851**

Greenon Local

Residential/Agricultural Taxpayers Pay **\$714,486 More**
District **Loses \$223,703**

Northeastern Local

Residential/Agricultural Taxpayers Pay **\$865,860 More**
District **Loses \$346,145**

Northwestern Local

Residential/Agricultural Taxpayers Pay **\$716,251 More**
District **Loses \$173,908**

Southeastern Local

Residential/Agricultural Taxpayers Pay **\$257,806 More**
District **Loses \$76,839**

Springfield-Clark CTC

Residential/Agricultural Taxpayers Pay **\$497,017 More**
District **Loses \$0**

Springfield City

Residential/Agricultural Taxpayers Pay **\$1,360,554 More**
District **Loses \$587,346**

Tecumseh Local

Residential/Agricultural Taxpayers Pay **\$896,999 More**
District **Loses \$221,802**

We collectively urge you to **REJECT House Bill 1** for the provision of our education and the prosperity of our communities. If you have questions or need additional information, we welcome the opportunity to talk with you about the impact of HB 1 on our school districts.

Respectfully,



Thomas Faulkner, Treasurer
Clark-Shawnee Local School District
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