



April 25, 2023

The Honorable Bill Roemer
Chairman, House Ways & Means Committee
Columbus, OH 43215

Dear Chairman Roemer:

I am writing today on behalf of the Ohio Chamber of Commerce in support of House Bill 105. In its current form, HB 105 makes two changes to the municipal income tax laws. First, when an individual taxpayer receives a federal tax extension, the bill prohibits the municipal tax administrator from sending a notification to the taxpayer until the extended due date passes or the return is filed. Second, the bill places a cap on the late filing penalties and provides an exemption from penalty if this is the first time a taxpayer failed to file the return. These are sensible changes to the tax code.

The Ohio Chamber is also writing to ask the committee to consider an amendment to HB 105 that would allow a municipal tax filing extension for the net profit returns filed. Substitute HB 33 currently contains language that extends the due date of the return to the fifteenth day of the eleventh month after the last day of the taxable year. This provision applies if the taxpayer requested an automatic extension for filing a federal income tax return.

This extra month past the due date of the extended federal return (October or tenth month) gives tax filers and business tax preparers sufficient time to accurately calculate and pay any taxes due when filing the extended return. Such extended returns often rely on adjustments to federal returns and this extra month gives taxpayers the ability to calculate the necessary adjustments on their local returns. Importantly, extension of the filing date does not extend the time of payment, including any estimated payments. Allowing the filing extension should not significantly impact local government revenue streams.

Hopefully the language in Substitute House Bill 33 (page 611, lines 18968-18970) can be added to HB 105 by this committee in its deliberations of HB 105. Thank you for the opportunity to provide testimony on HB 105.

Sincerely,



Tony Long
General Counsel
Director, Tax & Economic Policy
Ohio Chamber of Commerce