

Testimony on Proposed House Bill 126

Presented to the Ohio House of Representatives

House Ways & Means Committee

By: Gary A. Loxley
President, Department of Ohio
Reserve Organization of America

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Chairman Roemer, Vice Chairman Merrin, Ranking Member Troy, and all honorable members of the House Ways & Means Committee, thank you for the opportunity to present proponent testimony on HB 126. My name is Gary Loxley, and I serve as the President of the Department of Ohio, Reserve Organization of America (ROA). I served for a total of 36 years as a member of the Ohio Army National Guard, United States Army, and United States Army Reserve, and retired as a Colonel in 2018.

ROA was founded in 1922 to support and assist in the development and execution of a military policy for the United States which would provide for an adequate national defense. ROA is the only Congressionally chartered military service organization that serves as an advocacy group for national security and readiness on behalf of all members of the Reserve Component.

As President of the Department of Ohio ROA, I represent all ROA members in Ohio and West Virginia. As of June 2022, the Department of Ohio ROA was made up of 1,346 members of the Reserve Component, former members, retirees, and former Reserve Officers Association Ladies (ROAL) members who were assimilated into ROA membership a few years ago.

On behalf of the Department of Ohio ROA, I support HB 126. This legislation allows commissioned officers of the United States Public Health Service (USPHS), USPHS Ready Reserve, and the National Oceanic and Atmospheric Administration (NOAA) to be treated the same for municipal income tax purposes as members of the Armed Forces, Reserve, and National Guard.

The Commissioned Officer Corps of USPHS and NOAA comprise two of the eight uniformed services of the United States. They serve alongside armed forces

personnel when called upon and deserve to be treated the same way for municipal tax purposes as “members of the armed forces of the United States or members of their reserve components, including the national guard of any state” as defined in Ohio Revised Code section 718.01(C)(1).

Ohio has exempted military pay and allowances from municipal taxation since 1957, when the Uniform Municipal Tax Law was enacted. Subsequent amendments added the Reserve Component and National Guard to its provisions. However, since USPHS and NOAA commissioned officers do not fall under the definition set forth in section 718.01(C)(1), they are omitted from the municipal tax exemption provided to members of the Armed Forces, Reserve, and National Guard. HB 126 would permit USPHS and NOAA commissioned officers to exempt their active duty pay and allowances from municipal income tax and correct what has been viewed as an unintentional oversight by the authors of Ohio’s Uniform Municipal Tax Law.

Treating USPHS and NOAA commissioned officers the same as all members of the armed forces has precedent in Ohio legislation. I understand, too, that a bill similar to HB 126 was introduced, was passed by the House, and considered by the Senate several years ago – but to no avail. In 2013, the Ohio legislature exempted USPHS and NOAA retirement pay and survivor benefits from Ohio income tax using many of the same arguments I advance now in support of HB 126. In Ohio’s 132nd General Assembly, Representatives Rick Perales and Jim Butler introduced HB 351 to exempt military pay and allowances of USPHS Corps and NOAA Corps members from municipal income tax. Although HB 351 passed the Ohio House by a vote of 95-0 and was voted out of the Ohio Senate Ways and Means Committee 5-0, the Senate did not

bring the bill to the floor for a vote. Now is the time to resurrect this important matter and bring it to a successful conclusion on behalf of the USPHS and NOAA Corps.

For the reasons outlined above, I strongly urge you to support HB 126.

Thank you for considering my testimony in support of HB 126. I would also like to thank Representatives Adam Mathews and Adam Miller for their initiative in introducing HB 126 and co-sponsoring this legislation.