



Representative Dick Stein
Ohio House District 54

HB 166 House Testimony
House Ways and Means Committee
May 23, 2023

Chair Roemer, Vice Chair Lorenz, Ranking Member Troy, and members of the House Ways and Means committee, thank you for the opportunity to offer testimony on HB 166.

The need for this bill became apparent as the Mayor of Norwalk approached me with a dilemma he is currently encountering. A nearby business approached the city with a need to build housing within the city limits for H2A (Agricultural Migrant) workers. The facility where they are working is not within the city limits and the township does not have an income tax. The city decided to go ahead and grant the variance for the housing (potentially thousands of beds) with the gentleman's understanding that the city would bring in additional substantial revenue from the income tax collected of the workers who are now using the city's street, water, sewer, and emergency services while living within the municipality.

The problem came when the business' attorney came and pointed out that in this very limited case the employer is simply a passive collector of the income tax. The workers are required to **pay** the tax, but the employer is not required to **collect** the tax. I suppose that the city could send tax bills to these part time (ten months or less) residents but once they go back to their home country, there would be no enforcement mechanism to retrieve the funds.

House Bill 166 simply seeks to require the employer to deduct and withhold the taxes from these workers just as they do with all their other employees.

We have had IP meetings with the Ohio Department of Taxation, the Ohio Farm Bureau, and the Ohio Nursery and Landscape Association and none indicated any problem with the concept of the bill. I look forward to working this through the process so we can find the best solution for any municipality that might find itself in the same quandary.

Thank you for your attention. I will be happy take any questions the committee may have.

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