



January 30, 2023

The Honorable Bill Blessing
Chairman, Senate Ways & Means Committee
Ohio Senate
1 Capitol Square
Columbus, OH 43215

Dear Chairman Blessing:

On behalf of the member companies of the Ohio Chamber of Commerce, I am submitting this letter of support for Senate Bill 10. SB 10 is the latest federal tax conformity effort by the state of Ohio. Ohio is a fixed date or static conformity state and this requires at least annual adjustments to incorporate changes to the federal tax code. SB 10 includes changes to the federal tax code brought by the Inflation Reduction Act of 2022 (IRA) and the Consolidated Appropriations Act passed in December 2022.

The Ohio Chamber asks this committee to consider one additional change to SB 10. Currently, Ohio taxpayers are required to addback Internal Revenue Code (IRC) Sec. 168(k) and Sec. 179 depreciation expenses in the year they are allowed to be taken under those federal tax code sections. In general, impacted taxpayers are required to addback 5/6 of the depreciation expenses in year one. Taxpayers are then allowed to deduct 1/5 of the amount added back in the subsequent 5 years. This current regime is cumbersome, can lead to mistakes and adds administrative cost for both the taxpayer and the Department of Taxation. The Ohio Chamber believes a recoupling of the accelerated depreciation expense with Ohio tax law will simplify tax filing in Ohio and should be considered for inclusion in this tax conformity bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Tony Long".

Tony Long
General Counsel
Ohio Chamber of Commerce