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**Senate Ways and Means Committee  
Senate Bill 124 — Sponsor Testimony  
October 3, 2023**

Chairman Blessing, Vice Chair Roegner, Ranking Member Smith and members of the Senate Ways and Means Committee, thank you for the opportunity to present sponsor testimony on Senate Bill 124.

This legislation will create a small arms and ammunition sales tax exemption and manufacturing credit. A removal of sales tax from such firearms and ammunition would make Ohio's firearm related businesses and sporting goods stores more competitive with those in West Virginia, where this language was recently adopted into law, and likely will protect our state's retailers.

The small arms and ammunition manufacturing credit will incentive arms manufacturers to relocate, establish or expand their manufacturing business right here in the state of Ohio. The manufacturing credit will be granted for capital investment projects with a least \$2 million being invested in a new or existing small arms and ammunition manufacturing facility.

The nonrefundable credit will count against the income tax and commercial activity tax of the manufacturer. Additionally, a continuing credit can be claimed up to 20 years on a qualifying investment. I will note that no credits will be awarded unless the project has successfully applied to the Ohio Tax Credit Authority.

Based on research conducted by LSC, exempting these goods from Ohio's sales tax base would lead to a possible state revenue reduction between \$23.5 million and \$39.2 million per year. In comparison to the FY 2023 total state sales tax revenue of \$13.48 billion, Senate Bill 124 would have a minimal impact on the total revenue.

Additionally, it should be stated that both the Second Amendment of the US Constitution and Article 1, Section 4 of the Ohio Constitution protect our natural right to self-defense, the right to bear arms, and the right to ensure the safety to Ohioans and wellbeing of their families. We should prevent impeding these constitutional rights, and this is exactly what this bill will achieve.

Thank you once again, Chairman Blessing and the members of the committee, for the opportunity to present this issue to you today. I will be glad to answer any questions at this time.