



Tim Schaffer
20th District

Ohio Senate
Senate Building
Room 137, First Floor
Columbus, Ohio 43215
(614) 466-8076
sd20@ohiosenate.gov

Committees:
Agriculture & Natural Resources, Chair
Insurance
Rules and Reference
Transportation
Ways and Means

**Senate Ways and Means Committee
Senate Bill 224 — Sponsor Testimony
May 7, 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 testimony on Senate Bill 224.

This bill makes a technical correction to an error in current law where some purchases made through a delivery network company, such as Instacart, or other e-commerce delivery companies, are subject to collect and remit sales and use tax on a product twice.

The delivery network company collects it once when a customer places an online delivery order and then some retailers collect the tax on the products again when the delivery network company purchases the product at the point of sale from the retailer.

This happens because delivery network companies are considered “marketplace facilitators” under current Ohio law. A marketplace facilitator is a person or company that owns, operates, or controls a physical or online marketplace on behalf of one or more marketplace sellers.

Additionally, marketplace facilitators are considered “sellers” under current law and are required to collect and remit sales and use tax if they facilitate \$100,000 or more in total sales or 200 individual sales in the state of Ohio.

To fix this issue, Senate Bill 224 creates a waiver through the Ohio Department of Taxation so that a delivery network company does not have to collect and remit sales and use tax from the customer and only the retailer will collect and remit the sales and use tax at the point of sale.

I have worked with industry stakeholders as well as the Ohio Department of Taxation (TAX) and Representative Beth Lear for feedback on this legislation. We are not currently aware of any concerns from TAX on this bill and Representative Lear is carrying companion legislation in the House of Representatives.

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