



House Ways and Means Committee

House Bill 96

March 5, 2025

Chairman Roemer, Vice Chair Thomas, Ranking Member Troy and members of the House Ways and Means Committee, thank you for the opportunity to provide testimony regarding House Bill 96. Founded in 1957 under the name the Lake Erie Marine Trades Association, the Ohio Marine Trades Association (OMTA) welcome boat dealers, marina operators, watercraft manufacturers, clubs, financial entities, other water-based organizations and the individual recreational boaters throughout the entire State of Ohio. OMTA would like to express our opposition to a provision in the biennial budget that would put our Ohio watercraft dealers at a disadvantage to competing with other states for boat sales.

Under current law purchasers of a watercraft pay lesser of the rate in the jurisdiction where they are purchasing and what they would pay in the jurisdiction where the boat will be registered. Under HB 96, those purchasers would be assessed: the amount of tax that would be due under this chapter and Chapter 5741. of the Revised Code if the total combined rate was six per cent. This testimony includes the current guidance and form from the Ohio Department of Taxation on how this is administered.

The legislature should reject this change and retain the current law on this process. Consumers are savvy and because a watercraft is typically a higher-priced items, increasing the tax for these consumers will change their buying behavior. For Ohio residents, if they purchase a boat in a lower tax jurisdiction, they would be assessed the sales and use tax on the difference they paid in that state and what they would have paid in Ohio. So, under the law, out of state watercraft dealers don't have an advantage from attracting Ohio buys. But Ohio dealers would now have a disadvantage in selling to certain out of state buyers if this change is adopted. While our surrounding states currently have comparable tax rates, the state has no control over that rate, so putting a firm 6% in the law could cause increased disparities in the future.

This change was not mentioned in testimony from the Department of Taxation, and it is unclear what problem they are attempting to solve. Based on our interpretation, this will cause financial and business disadvantages to Ohio watercraft dealers.

For these reasons, OMTA must opposed to the changes proposed to ORC 5739.027 in HB 96. We thank the committee for their consideration of this perspective and request you reject this change.