



Bringing competitiveness back to
Ohio - protecting citizens and jobs.

**House Ways & Means Committee
Proponent Testimony
House Bill 28
March 5, 2025
Thomas M. Zaino & Brian M. Perera
on behalf of the Ohio Taxpayer Protection Act Coalition**

Chair Roemer, Vice Chair Thomas, Ranking Member Troy, and members of the House Ways and Means Committee, thank you for the opportunity to provide testimony in support of House Bill ("H.B.") 28 on behalf of the *Ohio Taxpayer Protection Act Coalition*. My name is Tom Zaino and I have with me my colleague Brian Perera.

Ohio's local tax system is failing the very people it's meant to serve. Skyrocketing property values have led to crushing unvoted tax hikes that are forcing seniors and middle-class families out of their homes, while businesses are drowning in the most complicated municipal income tax system in the country. Instead of fostering growth and stability, Ohio's outdated local tax structure is making it harder for people to stay in their communities and for businesses to invest, expand, and create jobs. I have heard from business leaders who were initially attracted to Ohio because of the favorable state tax climate created over the last several years, but now, in hindsight, express concern, or even remorse, after being hit with the morass of Ohio's local taxes, including the complex municipal income taxes and high property taxes.

The Ohio Taxpayer Protection Act offers bold, commonsense solutions to restore fairness, simplify compliance, and ensure Ohio remains competitive with other states. Initiated by the Ohio Chamber of Commerce, the Ohio REALTORS®, and The Ohio Society of CPAs, the Ohio Taxpayer Protection Act Coalition was formed to address these issues from the grass roots up. Now is the time to fix this broken system and create a local tax structure that works for everyone. H.B. 28 is one step toward addressing these issues.

Ohio's Property Tax System Is Broken

We all know that, in 1976, the Ohio General Assembly enacted H.B. 920 to prevent rising property values from automatically increasing property taxes. The idea was simple: If a school district or township wanted more money, it had to explain the need to voters and request approval for a tax increase. That doesn't hold true anymore.

School districts and other taxing districts are using the complexity and vast menu of levy options, including replacement levies, to obscure what voters are truly being asked to support. This lack of simplicity and transparency, creates a lack of understanding for voters about property tax levies, which leads to voter mistrust—making it harder to pass levies.

The Joint Property Tax Review and Reform Committee heard extensive testimony on these types of problems and included elimination of replacement levies in its list of recommendations. But, remember, the Committee also suggested “simplifying the types of levies.” During the last General Assembly, the House included elimination of replacement levies in its version of the budget bill (although, the Senate removed that language). H.B. 28 represents one step in the right direction toward simplicity. Many taxpayers use the terms “renewal” and “replacement” interchangeably, not comprehending the difference between the rolled back millage rate and the rate jumping back up to original voted rates. This system is just too complicated. Additional steps might be to consider why Ohio needs such a large menu of levy options. We would suggest that true simplicity and transparency dictates the need for only two types of property tax levies: operating levies and capital levies (with all operating levies being subject to H.B. 920 protections).

Current Tax Revenues Are Not Impacted

It is important to note that the changes made by H.B. 28 will not reduce or clawback any revenues currently being generated for school districts or other taxing jurisdictions. It would only simplify future levy efforts for both taxpayers and taxing jurisdictions.

Conclusion

In conclusion, please consider the following:

1. H.B. 28 addresses an important element of the Taxpayer Protection Act’s overall efforts, including to simplify the local tax system.
2. H.B. 28 will not take away current tax revenues from Ohio’s schools or other taxing districts.
3. H.B. 28 is a simple way to ensure that the property tax system is understandable and transparent.

Mr. Chairman, the Committee will hear more from the Taxpayer Protection Act Coalition as the General Assembly progresses to make Ohio’s local tax system simpler and more competitive. More information on the Coalition will soon be available on its website:

www.taxpayerprotectionact.com.

Mr. Chairman, thank you allowing us to provide this testimony. We would be happy to answer any questions.