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Good afternoon, Chair Roemer, Vice Chair Thomas, Ranking Member Troy, and members of the committee.

Thank you for the opportunity to speak in support of House Bill 404, which seeks to authorize a sales tax credit for the trade-in value of portable electronics and home appliances when traded in for similar items. This bill is a timely and necessary update to our state's tax code, designed to help Ohio consumers, support local businesses, and promote environmentally responsible practices.

In today's fast-paced technological world, consumers are continuously upgrading their electronics and home appliances to keep up with the latest innovations. From smartphones and tablets to refrigerators and washing machines, these products are integral to our daily lives. However, when these items become outdated, malfunction, or simply no longer meet our needs, consumers face a difficult choice: discard them and contribute to waste, or hold on to aging, less-efficient products that often come with higher maintenance costs.

House Bill 404 addresses this issue by offering a sales tax credit on the trade-in value of old electronics and appliances. The intent of this bill is simple: it makes upgrading to newer, energy-efficient models more affordable by reducing the overall cost of new purchases. Just as Ohio law currently exempts the trade-in value of motor vehicles from sales tax, this bill extends that same benefit to portable electronics and household appliances. By doing so, it encourages responsible recycling and helps reduce electronic waste, which is increasingly a concern in our state and across the nation.

Importantly, this bill is designed not only to help consumers but to stimulate economic activity. As Ohioans upgrade their devices, local retailers will benefit from increased demand for new products. This, in turn, drives higher sales and contributes to the state's economy. Retailers will also see an increase in customer loyalty, as trade-in programs often encourage repeat business. Furthermore, by lowering the financial barrier to upgrading, we are creating a more competitive market for businesses that sell electronics and home appliances. This bill represents a win-win: consumers save money, while businesses thrive, and Ohio's economy grows.

As we look at Ohio's tax code today, we see that a sales tax exemption is already applied to the trade-in value of motor vehicles and certain other goods. Extending this exemption to consumer electronics and household appliances is both fair and practical. In an information-driven society where smartphones, tablets, and smart home appliances are no longer luxuries but necessities, it's only right to offer the same financial benefits for these essential items. For families trying to manage tight budgets, the ability to trade in older products without being penalized with additional sales tax is a crucial way to keep up with the fast pace of technological innovation.

Moreover, as household appliances become more complex and computerized, many consumers are opting to repair or replace their older models in favor of more energy-efficient, cost-effective solutions. By offering a sales tax credit on trade-ins, this bill makes it easier for consumers to make these necessary upgrades without being weighed down by excessive tax burdens. This change will help Ohioans manage their household budgets more effectively while still enjoying the benefits of the latest, most efficient technologies.

This bill also offers a streamlined mechanism for the trade-in process. The sales tax credit would be clearly stated on the invoice or bill of sale, ensuring transparency in every transaction. Consumers will know exactly how much credit they're receiving, and businesses will be able to seamlessly integrate the process into their existing systems without unnecessary administrative burdens.

By encouraging consumers to upgrade their electronics and appliances in an affordable and sustainable manner, House Bill 404 contributes to a greener Ohio, fostering responsible recycling practices and reducing the amount of electronic waste that ends up in landfills. Additionally, it keeps Ohioans connected to the ever-evolving world of technology, ensuring they can remain competitive and engaged in a rapidly changing marketplace.

In conclusion, House Bill 404 is a simple change to the ORC that supports Ohio consumers and stimulates local businesses. I urge the committee to support this bill, as it will provide immediate financial relief to Ohio families and will foster economic growth.

Thank you for your time, and I welcome any questions you may have.