

Finance Committee
Ohio Senate

Chair Cirino, Vice Chair Chavez and Ranking Member Hicks-Hudson. My name is Gail Long and I am a member of Northern Ohioans for Budget Legislation Equality/NOBLE and a resident of Cuyahoga County. I am here today to speak to the importance of revenue in balancing a budget while meeting the needs of all Ohio citizens, particularly those on low incomes who are often the most vulnerable and are recipients of State supported services. These services are often administered by the Departments of Job & Family Services, Medicaid, Aging, Health, Mental Health and Addiction Services, Transportation, Education and Workforce and Higher Education.

The State of Ohio has had, until recent years one of the fairest graduated income tax systems in the Country. In order to restore that, we ask that you reinstate the 7.5% rate for incomes over \$250,000 which now stands at 3%. Though not currently in HB 96, we do not support a change to a flat tax. We feel that this will cost Ohioans more money than it will save us and will not be fair and equitable to all taxpayers. Going to a flat rate will do nothing for those earning less than \$100,000 a year while costing needed revenue.¹

We do support the Governor's proposal for a refundable State Child Tax Credit. We ask however that the earned income requirement be eliminated so that all low-income families will benefit from a child credit.

We do not support the Governor's proposals to increase the marijuana tax, the gambling tax and the cigarette tax. Legalized marijuana, gambling and cigarettes are a reality, but to increase already regressive taxes is not equitable. Though cutting smoking is a worthy objective, the cigarette tax is not dependable as smoking rates fall.

Finally, we have urged for three budget cycles now the elimination of the business income deduction, also known as the LLC loophole. To eliminate income taxes for owners of LLCs earning up to \$250,000 per year is not fair. An income tax is just that and we ask that you do away with the loophole. This elimination along with the restoration of the 7.5% tax rate will more than pay for the Child Tax Credit.

Thank you.

¹ See House Bill 30, <https://www.legislature.ohio.gov/legislation/136/hb30>