



**Senate Finance Committee, Proponent Testimony, Sub. H.B. 96, 06.04.2025**

Chairman Cirino, Vice-Chair Chavez, Ranking Member Hicks-Hudson, and members of the Senate Finance Committee:

Thank you for the opportunity to provide Proponent testimony on Senate Substitute House Bill 96. My name is Donovan O’Neil, and I serve as the State Director for Americans for Prosperity–Ohio.

At AFP–Ohio, we believe the biennial budget is more than just a spreadsheet—it is an opportunity to set a big, bold vision for the future of our state. And this version of HB 96 sends a strong message: **Ohio is serious about fiscal responsibility and creating a tax structure that positions us to lead not just the Midwest, but set us on a path to being number one in the nation for economic opportunity.**

**We commend the Senate for including a 2.75% flat personal income tax.**

Opponents argue this policy benefits only the wealthy. That tired talking point simply doesn’t hold up. In reality, it’s Ohio’s working class—teachers, truck drivers, nurses, mechanics, and retail managers—who stand to benefit most from a flatter, simpler tax code.

Across Ohio, middle-class families earning \$100,000+ per year are currently taxed at the top marginal rate. These folks aren’t rich—they’re working hard to build a future and are being penalized by a tax structure that assumes they can give more. Flattening the code delivers simplicity, transparency, and fairness. It helps families keep more of what they earn—and when they do, they spend it locally, supporting small businesses and strengthening local revenues.

This reform is a meaningful step toward the long-term goal of eliminating the personal income tax entirely—a policy AFP–Ohio strongly supports.

**We also applaud the Senate’s continued commitment to spending restraint.**

For the first time in several years, the Ohio House delivered a budget that spent less than the executive proposal—a \$4.2 billion reduction in all-funds spending. The Senate continues and expands that effort by curbing total spending by \$5.7 billion from the executive request. That is a meaningful signal that fiscal discipline is taking root once again in Columbus.

Ohio's cost-per-capita in state government remains higher than many of our economic peers. This budget takes important steps to buck that trend—restraining the growth of government while still meeting the essential needs of Ohioans.

## **Structural Tax Reform and Transparency.**

This budget delivers both immediate relief and long-term structural reforms that AFP–Ohio has long championed—especially at the local level, where rising property taxes have outpaced household incomes.

Key reforms include:

- An expanded homestead exemption to protect seniors and low-income homeowners.
- Empowering county budget commissions to responsibly reduce millage on voter-approved levies when collections are excessive or no longer needed.

Improved transparency and accountability through common-sense changes such as:

- Requiring emergency and substitute levies to count toward the 20-mill floor.
- Eliminating overly complex and duplicative levy types like replacement levies, fixed-sum emergency levies, and combined income/property tax levies.
- New safeguards against unchecked tax growth, including:
  - Prohibiting school districts with over 100% general fund carryover balances from proposing new current expense levies.
  - Requiring a two-thirds vote of school board members to place new levies on the ballot.
  - Barring levy renewals from being combined with tax increases—preventing backdoor hikes.

This budget also takes important steps to clean up the tax code by closing special-interest loopholes like Sunsetting the Film & Theater Production Tax Credit and eliminating the political contribution tax credit among many others.

Together, these provisions mark a shift toward smarter, more disciplined government—one that favors taxpayers over carveouts, transparency over complexity, and broad-based relief over special favors.

In closing, we thank the Senate Finance Committee for its leadership in crafting a responsible, forward-looking budget. The inclusion of the 2.75% flat income tax, along with meaningful spending restraint and structural reforms, positions Ohio to lead—not lag—its neighbors in economic growth and opportunity.

We urge you to pass this legislation and send it back to the House, so we can take the next bold step toward a simpler tax code, smarter government, and a stronger future for all Ohioans.

Thank you for your time and consideration. I'm happy to answer any questions.