



**CHRISTIAN BUSINESS PARTNERSHIP**  
*Ohio's Christian Chamber of Commerce*

Written Testimony before the Ohio Senate Finance  
Committee in Support of the Flat Tax provision in the  
Senate Sub Bill for HB96

Monty Lobb

Executive Director of the Christian Business Partnership

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Good morning Chairman Cirino, Vice Chair Chavez, Ranking Member Hicks-Hudson and all members of the Senate Finance Committee. My name is Monty Lobb and I serve as the Executive Director for the Christian Business Partnership, Ohio's only statewide Christian Chamber of Commerce, and a division of the Center for Christian Virtue. I also served as the former Dean of the School of Business & Government at Ohio Christian University. I am here to testify in support of the Flat Tax as it is written currently in the Senate Sub Bill for HB96.

Adopting a 2.75% flat tax in Ohio presents a compelling opportunity to simplify the state's tax code, boost economic competitiveness, and enhance transparency for taxpayers and businesses. Currently, Ohio uses a progressive income tax system with multiple brackets ranging from 2.75% to just under 4%. Transitioning to a single, flat 2.75% rate would offer numerous advantages for residents, lawmakers, and the broader state economy.

A flat tax system **eliminates complexity**. With fewer brackets and exemptions, it becomes easier for individuals and businesses to calculate their tax liability. A simplified structure reduces the burden on the Ohio Department of Taxation and can lower administrative costs for both the government and taxpayers. Fewer resources would be needed to comply



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with, audit, and enforce the tax code. Taxpayers could file returns more efficiently, and the state could reduce costs tied to enforcement and correction of errors.

Ohio faces **competition from neighboring states** that are aggressively reforming their tax systems. Indiana, for instance, is phasing down its income tax, while others like Florida and Texas impose no personal income tax at all. A 2.75% flat tax would send a strong message that Ohio is committed to pro-growth policy. Lower and flatter taxes attract new residents, entrepreneurs, and businesses looking for predictability and a favorable business climate. Ohio is already a favorable destination due to its physical location, highways, and intermodal transportation. This policy could make Ohio more competitive in attracting remote workers, startups, and retirees.

**Progressive tax systems penalize** upward mobility by imposing higher rates as income grows. This disincentivizes hard work, advancement, and investment. A flat tax treats all income equally, encouraging people to work more, save, and invest without fear of being pushed into a higher bracket. This can foster a more dynamic economy and increase overall tax revenues through broader economic growth, even at a lower rate.

Critics often argue that flat taxes favor the wealthy, but a flat tax actually ensures everyone pays the same proportion of their income, regardless of how much they earn. This is arguably a fairer approach than a system where higher earners pay significantly more while benefiting from deductions and loopholes. A flat tax also **promotes transparency**; taxpayers can more easily understand how much they owe and why, increasing trust in the system.

While a flat tax would reduce rates for higher earners, broadening the base by eliminating many deductions and credits can make revenue more predictable. Combined with Ohio's already growing economy, this can help ensure the state remains fiscally stable. Additionally, a flatter system encourages greater scrutiny over spending, as the government can no longer rely on soaking a small segment of high-income earners for increasing expenditures.



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A 2.75% flat tax would represent a bold step forward for Ohio, aligning its tax code with principles of simplicity, fairness, and growth. It would position the state to compete more effectively in a mobile and global economy while respecting the hard work and contributions of every taxpayer. Legislators should seize this opportunity to modernize Ohio's tax system for the benefit of all residents.

Leadership on this committee seem to have identified feasible means to fund the estimated \$1.6–2 billion in lost revenue. We would only add the following additional means to consider if it would help spread the financial burden more equitably: adjustment of the severance tax, the Buckeye Institute's "glide path" with revenue triggers, expanding services through the consolidation of local government entities, reduction of corporate welfare and closing of tax loopholes.

I would be happy to entertain any questions you might have.