



Senator George Lang
Senate Bill 116
Sponsor Testimony
Senate Public Utilities Committee
March 19th, 2025

Chairman Wilkin, Vice Chair Reineke, Ranking Member DeMora, and members of the Senate Public Utilities Committee: Thank you for the opportunity to present sponsor testimony on Substitute Senate Bill 116, a measure to reduce the tangible personal property tax rate for pipeline companies from 88% to 25%.

It's an exciting time to be an American—and even more so an Ohioan. Our state has been taking strides toward being the most business-friendly state in the union—a cause I deeply care about. And with the vision of our current leadership, I'm confident we can reclaim our place as the economic engine of the Midwest in the near future. But, a critical step toward that goal is unleashing our state's great stores of natural resources.

Under current Ohio law, pipeline companies' tangible personal property is taxed at 88% of its true value. Substitute Senate Bill 116 proposes lowering that rate to 25%. Frankly, an 88% tax rate is excessive—for any individual or industry. And given our state's increasing need for both energy generation and distribution, we must seriously examine our tax code and eliminate the hurdles for businesses looking to build. For context, Ohio's 88% tax on tangible personal property of pipelines is the highest of any of its neighbors. For an even starker comparison, Pennsylvania's TPP tax on pipelines is zero.

That said, I do acknowledge the valid concerns of local governments regarding critical revenues that come from this tax. And after discussions with county representatives, it's clear we must grandfather existing pipeline infrastructure at the current 88% rate until a viable off-ramp is proposed. The substitute bill that the committee adopted today accomplishes just that: The reduced 25% rate will apply only to new pipeline construction, while existing infrastructure remains at 88%.

This language is now part of Senate Bill 2, which, alongside its other provisions, will unleash Ohio's energy potential—both in generation and distribution.

Thank you, Mr. Chairman, for allowing me to testify on Substitute Senate Bill 116. I welcome any questions you or the committee may have.