



September 22, 2015

The Honorable Jeff McClain
Chairman, Ways and Means Committee
Ohio House of Representatives
77 S. High St., 12th floor
Columbus, OH 43215

Re: House Bill 326

Dear Chairman McClain:

The Ohio Manufacturers' Association (OMA) expresses its gratitude to members of the General Assembly and to the Administration for leading efforts that reduce the tax burden on small businesses. The recently passed budget will reduce Ohioan's tax burden.

The small-business deduction in the budget bill will support reinvestment and jobs in our communities. However, after the passage of the budget bill, it came to light that the implementation of the measure would cause – in some cases - unintended tax consequences.

House Bill 326 removes any doubt of the legislature's intent and fixes the calculation of taxes. The bill clarifies that, for tax year 2015, the small business exemption will be applied to 75% of a business's first \$250,000 of income; the remaining 25% of income will be taxed using the current graduated tax rates; and any income above \$250,000 will be taxed at a 3% flat rate.

The OMA thanks you Chairman McClain and Representative Amstutz for identifying this issue and introducing this important piece of clarifying legislation. We urge quick passage of House Bill 326.

Respectfully,

A handwritten signature in blue ink that reads "Rob Brundrett". The signature is written in a cursive, flowing style.

Rob Brundrett
Director, Public Policy Services
The Ohio Manufacturers' Association