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Testimony of International Interior Design Association
Ohio Senate Finance Committee
House Bill 49
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The International Interior Design Association (IIDA) and its Ohio-Kentucky Chapter strongly support the Ohio House of Representatives decision to remove the interior design and decoration sales tax from the Governor's budget. A sales tax on our members' services would not only create a competitive disadvantage to interior designers in neighboring states, but also to architects within the state.

IIDA is the commercial interior design association. Our members design spaces in hospitals, senior living facilities, schools, universities, offices, retail outlets, restaurants, and hotels. They can take a raw space and create a vibrant, productive interior environment. Commercial interior designers create spaces that increase productivity, reduce healing time, or promote learning. Many of the services that are provided by commercial interior designers could be classified as "architectural services" at an architectural firm, but an independent designer would be taxed for the same work. Additionally, nearly 9 out of 10 Ohio interior designers are women, who should be allowed to compete on a fair playing field.

Commercial interior designers, at times, are often not based in the state in which the project is located. For example, a commercial interior designer in a surrounding state may be redesigning all the branches of a bank in Ohio. An Ohio sales tax in this scenario creates confusion and complications for tax auditors to determine if work completed in another state for a physical location in Ohio should be taxed. In these cases, the determination of the nexus of the work or the execution of the services would be administratively burdensome. Consider a commercial interior designer bidding for a project; if an out-of-state designer's services were not taxed and if a tax was levied here it would automatically put Ohio commercial interior designers at a pricing disadvantage to those designers. Given the competitive nature and focus on best price and best value in our industry, Ohio's interior designers would be seriously compromised in every corner of Ohio if our members were taxed.

We urge you to support the growing commercial interior design industry, that is already a billion-dollar industry in Ohio, and prevent a sales tax on interior design and decoration services.

Thank you,

Emily Kluczynski, MPPA
Director of Advocacy and Legislative Affairs
International Interior Design Association