



June 15, 2021

Good afternoon Chairman Merrin, Vice-Chair Riedel, Ranking Member Sobecki and members of the House Ways & Means Committee. On behalf of the members of the Ohio Chamber of Commerce, I am testifying in support of House Bill 186. HB 186 creates a first-time home buyer program. This will allow an individual to open a first-time home buyer savings account. The individual must also designate an individual as the beneficiary of the account. The qualified beneficiary must be an Ohio resident who has not owned or purchased a single-family home in the three years before the year in which the money is withdrawn for the purchase of a home.

The individual that opens the account can receive an Ohio income tax deduction of up to \$5,000 (\$10,000 for joint returns) each year, and a total deduction of \$50,000 (\$100,000 for joint returns) for all years. Withdrawals must be used for down payments and/or closing costs on either a standalone single-family residence, a unit in a multiple unit building or manufactured or mobile home. Withdrawals for any other purpose will be subject to an addback on the next tax return and a 10% penalty.

If HB 186 is later amended to match the language of the senate companion bill, Senate Bill 24, the Ohio Chamber will continue to support HB 186. Notwithstanding the lowering of the benefit and years of use, and other limitations added to SB 24, the Ohio Chamber supports the development of a first-time home buyer savings program.

We would like to thank Representatives Swearingen and Wilkin for introducing this bill to encourage home ownership. In central Ohio alone, the population is expected to rise another 1,000,000 in population by 2050. For Ohio to realize that growth and resulting economic activity it needs to find housing for that future population. We may need other legislation to address the lack of housing stock to meet the future need, but this bill addresses the how of getting someone into a home.

Buyers can put aside money and build savings toward a down payment. These first-time buyers will then put down roots, build a sense of community, and accumulate wealth through the purchase of the home. All of this activity builds a stable population and steady workforce that will fill current workforce needs as well as attract future employers looking to invest in the Ohio economy. This bill is a positive step for the economic future of Ohio. The Ohio Chamber urges passage of HB 186.

Thank you again for the opportunity to testify on this bill and I will now try to answer any questions you may have for me.