



Representative Bill Roemer
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House Ways and Means Committee
House Bill 519 Sponsor Testimony
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Chairman Merrin, Vice Chairman Riedel, Ranking Member Sobecki, and Members of the House Ways and Means Committee, thank you for the opportunity to testify on House Bill 519. This legislation puts into place much-needed protections for taxpayers against excessive late penalties and notices.

I was first alerted of this issue by a very long social media post, where many of my constituents complained about being charged excessive late fees from their regional tax collection agency even though they did not owe any municipal tax. I then reached out to Rep. Roemer, our House tax expert, who conducted further research and found that under current law, municipal income tax penalties are a firm dollar amount (\$25) for each month a taxpayer fails to file a required return, up to \$150 for each return. This in no way accounts for the actual amount of tax owed – it just penalizes taxpayers for not filing, even if they owe little to no tax. Further, we found that municipalities or the Ohio Department of Taxation can send notice to a taxpayer regarding a late return even if they have already filed for an

extension. At best, this is an annoyance – and at worst, it could create confusion for taxpayers who have received an extension. Simply put, these practices do not treat our taxpayers with respect, which is why we have introduced House Bill 519.

House Bill 519 makes two very simple changes to municipal income tax law: it bans notices from being sent after a taxpayer has received an extension (but before their new, extended deadline) and places a cap on timely filing penalties equal to 50 percent of the tax owed if that amount is less than \$150. This way, penalties are proportional to the tax owed and no taxpayer can be charged more than their tax liability in fees and penalties. We believe this arrangement would be fundamentally fairer for taxpayers than the current law, and hope that the committee will view these proposed changes favorably.

Chairman Merrin and members of the committee, thank you again for the opportunity to testify on House Bill 519. We welcome any questions you may have.