



February 14, 2022

The Honorable Derek Merrin
Chairman, House Ways and Means Committee
Ohio House of Representatives
Riffe Center - 77 S. High Street, 13th Floor
Columbus, OH 43215

Dear Chairman Merrin:

I am writing today on behalf of the Ohio Chamber of Commerce in support of House Bill 513. HB 513 would permit a bad debt refund for cigarette, other tobacco products (OTP) or vapor products excise taxes paid by a wholesaler but remain unpaid by the purchaser of the products and is then written off by the wholesaler as uncollectible or worthless. Much like the bad debt allowance for sales tax on general goods and services, the wholesaler will be required to repay the refund if tax is later paid by the purchaser to the wholesaler.

The bill outlines criteria for a wholesaler to follow to qualify for the refund and the legislation also allows the wholesaler and the Tax Commissioner to apply the credit against the wholesaler's future cigarette, OTP, or vapor products tax liability. This process is clear and gives the parties involved flexibility in determining the best method of carrying out the bad debt program.

Finally, HB 513 is modeled after laws in other state including a couple of our neighbor states. This continuity in law is good for commerce and businesses that operate as wholesalers in multiple states. We urge passage of HB 513.

Sincerely,

A handwritten signature in black ink, appearing to read "Tony Long".

Tony Long
Director, Tax & Economic Policy
Ohio Chamber of Commerce