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Senate Bill 45
February 9th, 2021
Senate Ways and Means Committee
Sponsor Testimony

Chairman Blessing, Vice Chair Roegner, Ranking Member Williams and members of the Ohio Senate Ways and Means committee. Thank you for the opportunity to present sponsor testimony on Senate Bill 45. This bill is a reintroduction of Senate Bill 95 from the 133rd General Assembly.

One of the greatest responsibilities we have in the Ohio General Assembly is to make Ohio competitive and more attractive than other states, to encourage businesses to locate and grow in Ohio, and to employ our citizens. When Ohio misses out on opportunities to create jobs, not only do our local governments miss out on new tax revenue, more importantly, Ohioans are not afforded the opportunity to be gainfully employed and provide for their families with well-paying jobs.

The competition between states for companies to make a massive multi-million dollar capital investment in new facilities and create thousands of new jobs is fierce. This bill's goal is to make Ohio more competitive for those megaprojects and the thousands of jobs that they bring.

What we are proposing is to introduce legislation that will: lengthen the maximum term of the job creation tax credit for businesses making substantial fixed asset and employment investments and for their critical suppliers, authorize commercial activity tax exclusions for such businesses and suppliers, and authorize local governments to grant longer term property tax exemptions for such businesses or suppliers.

This legislation has been narrowly tailored to only apply to the largest of companies. A Mega project is defined as a project that: requires unique sites, extremely robust utility service, and a technically skilled workforce; Compensates the project's employees at an average hourly wage of at least three hundred per cent of the federal minimum wage under 29 U.S.C. 206, exclusive of employee benefits, at the time an agreement with the tax credit authority is entered into and satisfies both of the following: the project's fixed-asset investments in this state equal to at least one billion dollars by the time or the project creates at least seventy-five million dollars in Ohio employee payroll. The term of the tax credit of the megaproject will not exceed 30 years. In order for the Megaproject's suppliers to qualify for the tax credits, the Megaproject must demonstrate that the parts provided by the supplier are a critical component of their operation and are needed to make the company operate.

To ensure that there are checks and balances, this legislation requires an annual review to ensure that the requirements are still being met in the signed agreement between the state and the

Megaproject in order to qualify for the tax credits. If it is discovered that the agreement has not been met, the tax authority can cancel the terms of the agreement.

We believe this proposal is necessary to make Ohio more attractive for large companies to invest and build their companies in Ohio.

Now more than ever, as we work to position Ohio to be in the best place possible for economic recovery from the pandemic, it is imperative we do all we can to ensure we are competitive in attracting and retaining long term investment in our state.

Chairman Blessing and members of the committee, thank you for the opportunity to present sponsor testimony on Senate Bill 45. We are happy to answer any questions that the committee might have.