

Tuesday, September 21, 2021

Chairman Bill Blessing
1 Capitol Square
Ground Floor
Columbus, OH 43215

RE: Rep. Jim Hoops Sponsor Testimony-House Bill 66

Chairman Blessing, Vice Chair Roegner, Ranking Member Williams, and members of the Ohio Senate Ways and Means Committee thank you for the opportunity to provide sponsor testimony on House Bill 66.

HB 66 would require the Ohio Tax Commissioner's biennial tax expenditure report to include information on local property tax exemptions.

For close to a century, the Ohio Department of Taxation has published a biennial report documenting a complete list and total dollar amount of all state tax exemptions currently enacted by the General Assembly (R.C. Sec. 5703.48).

The biennial report is a great tool that provides lawmakers and taxpayers a better understanding of what businesses or individuals are exempt from paying state tax dollars. The report provides an estimate of the amount of revenue that is not available to the state general fund as a result of the operation of each tax exemption.

HB66 would add local property tax exemptions to the Tax Commissioner's biennial report. This added information and transparency will provide to our constituents and the General Assembly a better understanding of our local tax base, which funds many of our local services and much of our public education.

Similar to knowing what state tax exemptions have been enacted, by having a list of local property tax exemptions reported biennially, lawmakers can review and determine if those exemptions are accomplishing the goals that were intended when the exemptions were created.

I would recommend the committee accepts one amendment which is to remove the Tax Expenditure Review Committee to periodically review each local property tax exemption (R.C. Sec. 5703.95). The committee was created in H.B. 9 of the 131st General Assembly to review all current state tax expenditures at least once every eight years and make recommendations on whether each tax expenditure should be continued, modified, repealed or scheduled for further reviewed at a later time.

The Tax Expenditure Review Committee was abolished in this years biennial budget. Therefore, we recommend these provision be removed from HB66. Once the bill is amended, it will still have great value to future policy makers. The Tax Department's biennial report, containing an analysis of local property tax exemptions, will serve as a tool to educate legislators on the impact to local governments of past policies which may have created local exemptions.

Mr. Chairman and members of the committee, I thank you for the opportunity to testify on this piece of legislation that adds additional transparency as it relates to property tax exemptions. I'd be happy to answer any questions.