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**Senate Ways and Means Committee
Senate Bill 297—Sponsor Testimony
Tuesday March 1, 2022**

Chairman Blessing, Vice Chair Roegner, Ranking Member Williams, and members of the Senate Ways and Means Committee, thank you for the opportunity to present sponsor testimony on Senate Bill 297.

Senate Bill 297 provides incentives for nonprofit organizations and Ohioans looking to become involved in nonprofit management. This is essentially the same legislation that former Rep. Michael Ashford and I jointly sponsored in recent general assemblies.

Nonprofit corporations present a unique opportunity to build Ohio's employment base. Many national and international nonprofits are headquartered in large East coast cities, and many have staff members who don't care for the big city life and are frustrated because they know the cost of living in the Heartland is so much lower and better.

Under the bill, nonprofits that **are not** sales and property tax exempt -- 501(C)(6)s typically, like chambers of commerce, medical and other professional societies -- moving operations into Ohio would be able to apply for a sales tax exemption for up to three years as long as they move payroll of 50 or more FT employees into the state.

The bill also calls for personal income tax credits for the employees of those nonprofits should they enroll in a college curriculum leading to a degree in nonprofit, public, or organizational management or seek one of several professional designations.

Nonprofits that **are** tax exempt -- 501(c)(3)s typically, like the American Heart Association and United Way, etc. -- exclusively engaged in charitable or educational activities, would have only the bill's personal income tax credits available for their staff. They would not be eligible for an exemption from sales or property taxes since they are not legally obligated to pay them in the first place.

During the drafting of this bill, my office has worked with the Department of Taxation, Department of Higher Education, and JobsOhio to ensure that what we have before you today brought up no concerns. This bill also has the support of the Ohio Society of Association Professionals and the Ohio Association of Non-Profit Organizations.

Thank you once again Chairman Blessing and members of the committee for the opportunity to present this legislation to you today. I will be glad to answer any questions at this time.