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**Senate Bill 309**  
**Senate Ways and Means Committee, June 26, 2018**  
**Sponsor Testimony**

Chairman Eklund, Vice Chair Terhar, 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 309.

Senate Bill 309 is modeled on the already existing Job Creation Tax Credit, but would expand the scope to be attractive to the very largest of large job creators. We are, in fact, calling this the MegaJobs bill. In the bill, the megaproject that brings Ohio those MegaJobs is defined as a one that: requires unique sites, extremely robust utility service, and a technically skilled workforce. The project must compensate its employees at an average hourly wage of at least three hundred per cent of the federal minimum wage, not including benefits, and the project's fixed-asset investments can equal at least one billion dollars or the project can create at least fifty million dollars in Ohio employee payroll. The term of the tax credit of the megaproject cannot exceed 30 years.

This legislation 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. In order for the company's suppliers to qualify for these tax credits, it 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 is proper oversight, this legislation requires an annual review to ensure that the requirements are still being met in the signed agreement between the state and the project 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.

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. Senate Bill 309 will make Ohio more competitive for the MegaJobs that these companies bring. One of the greatest responsibilities we have in the Ohio General Assembly is to make Ohio more attractive than other states, to bring companies to set up shop, 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.

Chairman Eklund and members of the committee: thank you for the opportunity to present sponsor testimony on Senate Bill 309. We are happy to answer any questions that the committee might have.