



Ohio House Commerce and Labor Committee
Senate Bill 201: Proponent Testimony
Cup O Joe / Stauf's Coffee Roasters

December 1, 2020

Chair Manning, Vice Chair Dean, Ranking Member Lepore-Hagan, and Members of the Ohio House Commerce and Labor Committee, my name is Bill Sturgis and I am an officer of the company that owns Cup O' Joe and Stauf's Coffee Roasters—coffee shops in Central Ohio. I testify as a proponent of SB 201.

We are a small business. Known for brewing “A Better Joe,” we believe we make an exceptional cup of coffee, delicious desserts, and provide a rich customer experience. When it comes to the HR side of the business, we have turned to a solution in the marketplace known as a Professional Employer Organization, or PEO. The PEO model suits us because while we focus on the coffee, the PEO handles the myriad of HR issues that face a small business owner today: payroll, taxes, workers compensation, etc.

The PEO model has helped us reduce our costs and tap into HR expertise we do not have in-house. But it's not perfect. We support SB 201 because it offers an improvement: the ability to file our federal taxes under our own employer identification number (EIN). If our PEO could file taxes using our own EIN, it would help ensure accuracy and compliance. We would benefit from knowing that if any tax issues arise, the IRS would contact us directly. Indeed, it is a model more friendly to small business. We also note the issue is even more relevant now given the Federal CARES Act and the fact that its Paycheck Protection Program requires data submission under our own (not our PEO) EIN. The bill will therefore allow us to seamlessly and more efficiently draw Federal assistance during the ongoing COVID-19 Pandemic.

SB 201 offers us the necessary flexibility by creating the “Alternate Employer Organization”—while still holding the AEO liable for the taxes as well (just as with PEOs).

Ohio has taken a number of steps in recent years to improve the climate for small business. We see SB 201 as another small step in that direction to help entrepreneurs like us become successful, and keep Ohio a great place to start a company.

Thank you for allowing me the opportunity to testify. I am happy to answer any questions you may have.