

THE OHIO COUNCIL OF

Retail Merchants

The voice of retail since 1922

TESTIMONY REGARDING HOUSE BILL 348

Before the House Financial Institutions Committee

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Chairman Jordan, Vice-Chairman Ferguson, Ranking Member Crossman, and members of the Committee, The Ohio Council of Retail Merchants (“OCRM”) appreciate the opportunity to submit these written comments.

At the outset, it is important to state that unclaimed property law is not easily understood. Most people have a general understanding of unclaimed property law. But most people are not fully aware of what the law requires from a compliance standpoint, and most people do not know how difficult and time consuming it is to identify and report unclaimed property.

Ohio adopted Revised Code Chapter 169 in 1967. Since then, Ohio has been a leader in terms of modernizing its unclaimed property laws. In 2000, Ohio was one of the first states to exempt business to business transactions from unclaimed funds reporting. In 2001, Ohio was one of the first states to exempt gift cards from unclaimed funds reporting. Not long thereafter Ohio was one of the first states to not allow contract auditors to earn a contingency fee - - although the General Assembly should tighten up this restriction.

On balance H.B. 348 is helpful to Ohio retailers. The proposed amendments to R.C. 169.01(B) are particularly attractive to retailers. So too are the proposed amendments that modernize the penalty provisions. That said, OCRM is aware of the concerns that the Council of State Taxation (“COST”) raised in its written testimony. OCRM agrees with each of the concerns that COST raised. In that regard, H.B. 348 is a bit too deferential to the Ohio Department of Commerce (“Department”). OCRM would be happy to participate in any interested party meetings to see if the business community and the Department can find common ground on these important issues.

Thank you for your thoughtful consideration of our input on House Bill 348. Please don’t hesitate to reach out if you have any questions.