

WRITTEN TESTIMONY BEFORE THE
HOUSE WAYS AND MEANS COMMITTEE
OPPONENT TESTIMONY ON H.B. 157

Chairman Merrin, Vice Chair Riedel, Ranking Member Sobecki, and members of the House Ways and Means Committee, thank you for the opportunity to provide written remarks on H.B. 157, a bill that deals with how remote workers should pay income taxes. On behalf of the Ohio Business Roundtable, I am testifying as an opponent of this legislation.

By way of background, the Ohio Business Roundtable (OBRT) was established in 1992 for one sole purpose: to improve Ohio's business climate. Since its inception, the OBRT has worked with Ohio's governors and legislative leaders to make Ohio more business-friendly and more competitive both nationally and internationally. The Roundtable is a nonpartisan, nonprofit organization comprised of chief executive officers of many of Ohio's largest, most successful companies. Because of the collective expertise and insights of OBRT members, the Roundtable is uniquely capable of bringing solutions to improve Ohio's economic vitality and ensure that Ohio remains the ideal state in which to live, work and succeed.

As you know, the bill before you today would repeal Section 29 of H.B. 197 of the 133rd General Assembly. In the early stages of the COVID-19 pandemic, employers voiced concern over the complexity of municipal income tax withholding as an issue that this body should address due to the changing nature of work resulting from the pandemic. We applaud this body for recognizing that working from home triggered changes in Ohio's withholding and income tax laws that were cumbersome and difficult to implement for businesses that don't regularly permit work from home.

At the time, companies were concerned that their payroll staff and systems would not be able to handle the required withholding and income tax changes required by law for the unique and temporary set of circumstances. That is why OBRT joined other statewide business groups in advocating that the 20-day rule in current law be extended to last for the duration of the Governor's state of emergency Executive Order. Very few of us at the time could have predicted just how long that order

would need to stay in place, and the pandemic has caused employers of all sizes to reevaluate what the future of work looks like even after we emerge from this devastating crisis.

While we believe it is wise for this committee to deliberate the long-term strategy of how and where remote workers are taxed, we do not think the issue will be solved by simply repealing Section 29, as this bill aims to do. In addition, Ohio's major cities and their surrounding counties account for more than half of the state's GDP. From an economic development perspective, it is important that Ohio continues to boast strong, safe cities in order to attract and retain employers and their workforce. We believe this committee should think carefully about eliminating a revenue stream that helps our cities fund infrastructure construction, safety maintenance, utilities and other essential services. It is these basic services which are the bedrock of our vibrant cities. If Ohio is to continue to compete with peer states for interested employers and a skilled workforce, then we must ensure our cities remain strong and prosperous.

Chairman Merrin and members of the committee, thank you for allowing the Ohio Business Roundtable to provide testimony on H.B. 157. We respectfully ask that the Committee consider a larger conversation on finding long-term solutions on this important and complex issue.

Sincerely,

Michael McLean
Vice President of Policy
Ohio Business Roundtable