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House Bill 234- CAT Phase Out  
**Proponent Written Testimony**  
**January 18<sup>th</sup> 2021**  
**Ohio**

Chairman Merrin, Vice Chair Riedel, Ranking Member Sobecki, and members of the Ways and Means Committee, thank you for allowing us to provide proponent testimony for HB 234; legislation to repeal the Commercial Activity Tax (CAT).

On behalf of the Liberty Township Board of Trustees, we are providing our written testimony in support of House Bill 234. We are unable to be in person to give testimony on House Bill 234, but wish to submit the following as our written testimony in support of House Bill 234. Liberty Township is located in southwest Ohio's Butler County in the center of the fast-growing Cincinnati-Dayton metroplex. We are a community of 44,000 residents and 500 businesses. We are one of the fastest growing townships in the state and have been for more than a decade. Our community is only about 50% built out with approximately 700 acres along I-75 that is planned for commercial development.

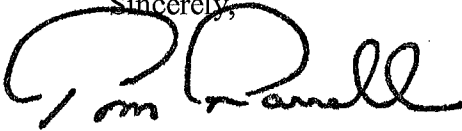
Liberty Township and other large urban townships throughout Ohio have the ability to attract new jobs and new investments to the State because we have open, available land prime for development. Townships encompass 45% of Ohio's population but have jurisdiction over an estimated 91% of Ohio's land area. Liberty Township and Butler County have access to a strong workforce due to being positioned in the center of the Cincinnati-Dayton region with a population of 2.8 million. Continuing to attract business to Liberty Township, and in turn, the region and State of Ohio is our number one priority to achieve sustainability.

We agree with and support the data that is provided for in House Bill 234, and we want to focus on just a couple of points with regard to our support:

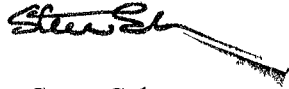
- To attract and keep sustainable business we must be more business friendly. The CAT tax is not business friendly, quite the opposite. It is uniquely uncompetitive, and it discourages investment in the state.
- House bill 234 phases out an archaic gross receipt tax that screams deception, and bias. In today's world we need to do everything we can to restore the trust and remove the bias in our society.
- The gross receipt tax is biased to businesses with low gross margin, and that is a large percentage of our businesses in Ohio.
- It is deceptive as it shows a small percentage but due to pyramiding it can equate to almost 24% at its current .26% rate. Effectively the 35% federal income tax could be replaced with a 1.1% gross receipts tax and generate the same revenue.

This tax has no place in Ohio. In an effort to support businesses in Ohio, and growth in our economy we urge you to support House Bill 234. We appreciate the opportunity to provide this written testimony. It is imperative to have responsible, practical legislation in place to help Ohio businesses thrive.

Sincerely,

A handwritten signature in black ink that reads "Tom Farrell". The signature is written in a cursive style with a large, prominent initial "T".

Tom Farrell  
Trustee President

A handwritten signature in black ink that reads "Steve Schramm". The signature is written in a cursive style with a large, prominent initial "S".

Steve Schramm  
Trustee Vice President

A handwritten signature in black ink that reads "Todd Minniear". The signature is written in a cursive style with a large, prominent initial "T".

Todd Minniear  
Trustee