

February 8, 2021



The Honorable Louis W. Blessing
Chairman, Senate Ways and Means Committee
Ohio Senate
1 Capitol Square, 1st Floor
Columbus, OH 43215

Dear Chairman Blessing:

On behalf of the members of the Ohio Chamber of Commerce, I am submitting this letter of support for Senate Bill 18. SB 18 will incorporate into Ohio Revised Code section 5701.11, several of the federal tax law changes to the Internal Revenue Code (IRC) occurring between the effective date of House Bill 197 (133rd General Assembly) and the effective date of this piece of legislation if it is enacted. This tax incorporation bill is needed because a number of changes to the IRC were recently made in the "Consolidated Appropriations Act (CAA), 2021," H.R. 133 of the 116th Congress, which was signed into law on December 27, 2020.

We thank Senators Roegner and Schaffer for introducing this bill and for the committee's amendment clarifying the tax treatment of Paycheck Protection Program (PPP) loans awarded by the federal government. Under SB 18 the PPP monies will not be treated as gross receipts under Ohio's commercial activity tax (CAT). This continues the same tax treatment afforded PPP monies under HB 481 (133rd General Assembly).

Finally, the Ohio Chamber of Commerce supports SB 18 because adding conformity to most federal and state tax calculations simplify tax filings which reduces tax return errors and avoids additional tax compliance costs for taxpayers. Tax simplicity benefits both the state and the taxpayer.

We urge passage of SB 18.

Sincerely,

A handwritten signature in black ink that reads "Tony Long". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Tony Long
Director, Tax & Economic Policy