



November 28, 2022

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

Dear Chairman Blessing:

For 129 years, the Ohio Chamber has served as the state's leading business advocate, and we represent over 8,000 small and large companies that do business in Ohio. On behalf of those Ohio Chamber members, I am submitting this letter of support for House Bill 223.

HB 223 is designed to align bad debt sales tax deductions on private label purchases administered by third parties with sales tax deductions on comparable private label purchases that are handled by the private label retailer. The old sales tax deduction law was written before the rise of third parties administering the private label credit card program on behalf of retail merchants. Back in the day, these credit card programs were administered in-house. HB 223 eliminates the arbitrary distinction between businesses that administer their own program and those that turn over the work to a third party.

The distinction in the current sales tax law adds complexity and confusion for those individuals in tax departments charged with sales tax compliance. Elimination of this distinction will alleviate that complexity and add clarity for those in tax compliance roles when accounting for Ohio sales tax and the deduction for bad debts.

The Ohio Chamber supports this legislative effort to create a better sales tax policy for the state of Ohio. This will align Ohio with several of its neighboring states, such as Illinois, Michigan, Pennsylvania, and Wisconsin.

Sincerely,

A handwritten signature in blue ink that reads "Tony Long". The signature is written in a cursive, flowing style.

Tony Long
Director, Taxation & Economic Policy