



10 West Broad Street, Suite 2450  
Columbus, OH 43215

614-221-4107  
Fax 614-221-8677  
[www.NFIB.com/OH](http://www.NFIB.com/OH)

April 18, 2023

Representative Bill Roemer  
Chair, Ohio House Ways & Means Committee  
77 South High Street, 11<sup>th</sup> Floor  
Columbus, OH 43215

Dear Chair Roemer:

Thank you for the opportunity to offer support for House Bill 116, which would bring Ohio into sync with federal tax law regarding bonus depreciation. We applaud Representatives Peterson and Claggett for sponsoring this important business focused legislation.

By way of background, a typical NFIB member employs 15 or fewer and does less than \$2 million in gross receipts. Our members come from all industry types and each of Ohio's 88 counties.

Taxes are a major cost of doing business, not only in dollars owed but also in resources spent complying. Our members believe an important tenet of sound tax policy is reducing complexity so they can put time and money into growing their businesses.

As the sponsors noted during their testimony, Ohio does not automatically conform to federal law changes, requiring a tax conformity bill to be passed each year by the Ohio General Assembly. Bonus depreciation is an example where Ohio elected to forego conformity and not allow businesses to recognize this tax benefit. The federal government permitted bonus depreciation in the early 2000's to encourage business purchasing of equipment to help stimulate the economy. Businesses can depreciate their assets more quickly lowering their federal adjusted gross income, thus reducing Ohio taxable income. However, Ohio decoupled from this policy requiring an add-back reducing the immediate tax benefit by requiring depreciation of an asset over a longer period.

Ohio should conform with federal law and allow for bonus depreciation. House Bill 116 will ease the complexity of compliance and encourage increased business economic activity for those enterprises that avail themselves of this policy.

We recommend passage of House Bill 116. Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris J. Ferruso", is written over a light blue horizontal line.

Christopher J. Ferruso  
State Director