

Chairman Roemer, Ranking Member Troy and members of the House Ways and Means Committee, my name is Zak Burkons, I am a licensed Lead Risk Assessor and I am here to testify in favor of House Bill 280. My firm PbFree Ohio has performed the largest number of unit tests under Cleveland's new Lead Safe program.

Pass Thru entities.

Many landlords for legal liability title their asset in an LLC. It is the smart way to segregate your assets. The vast majority of rentals are in an LLC format. The current law does not allow any of these people to be eligible for the tax credit. Hence the 5 MM the legislature appropriated, only 50K has been used.

If this legislation allows pass through entities, such as LLC companies to apply it will open the pool up to all landlords large and small, thus bringing more landlords "into the fold" and gives them a compelling reason to comply. In the end this leads to less lead poison of our children which is the goal.

Refundable v. Non-Refundable.

Ohio gives businesses a 250K threshold before they owe any OH state taxes. For example, if your income is 240K you own no tax, however if your AGI is more than 250K you owe 3% of the overage as income tax.

The overwhelming majority of landlords are owned by Mom & Pop companies with one or two rental units. These units compose the core of the affordable housing stock in this state. Very few of my clients are in the income classification over 250K, thus the tax credit has no value.

Changing the credit to refundable will encourage many landlords who need assistance to come compliant with lead safe laws. The people who need the most encouragement to come compliant are lower income landlords and this will ensure the program benefits renters and property owners alike.

I am happy to answer questions you might have.

Zachary Burkons