



*Let's Keep*

**STEVE**

**HAMBLEY**

**STATE REPRESENTATIVE**

## Check the Facts: Cutting Taxes and Tax Reform

Passed a comprehensive state budget plan that **cut taxes for Ohioans by nearly \$1.9 billion and brought the top rate to under 5 percent—the lowest it's been since 1982** (*Am. Sub. HB 64*)

### PERSONAL INCOME AND SALES TAX REDUCTIONS

- In 2015, the General Assembly established separate tax brackets for business and non-business income. H.B. 64 (main operation budget) maintained the existing 9 tiered tax brackets for non-business income, while providing a 6.3% across-the-board income tax cut. This the lowest top rate since 1982.
- Helped families and businesses during the back-to-school season by creating a three-day sales tax holiday in which certain school supplies are exempt from sales tax (SB 264)

### SMALL BUSINESS TAX REDUCTIONS

- Continues the 75% income tax deduction for the first 250,000 of income in FY '16 and increases to a 100% deduction in FY '17. For small businesses above the \$250,000 income level, there is a new, low flat tax of 3%. In total, businesses will see approximately \$949 million in tax reductions. This additional money in the hands of our small business owners allows them to reinvest in their companies and create more jobs.
- HOUSE BILL 390 ENACTED—Among other provisions, this bill paid off the unemployment compensation debt (FUTA) that Ohio businesses owe to the federal government. In doing so, this will save Ohio businesses \$400 million next year.

### 2020 TAX POLICY STUDY COMMISSION

- House Republicans established the 2020 Tax Policy Study Commission to examine Ohio's tax policy and ensure that Ohio remains competitive before we enter into the next budget cycle. Three reports are required. Not later than October 1, 2015, the Commission must publish its findings and recommendations regarding Ohio's severance tax and submit its report to the members of the General Assembly. Not later than October 31, 2016, the Commission must publish its findings and recommendations regarding the rehabilitation tax credit and submit its report to members of the General Assembly. Not later than October 1, 2017, the Commission must publish its findings and recommendations regarding all other matters before the Commission and submit its report to the members of the General Assembly.

### CURRENT AGRICULTURAL USE VALUATION REFORM (PENDING)

- Co-sponsor of HB 398—requires that the computation of the capitalization rate for the purposes of determining CAUV of agricultural land be computed using a method that excludes appreciation and equity buildup and to stipulate that CAUV land used for a conservation practice or enrolled in a federal land retirement or conservation program for at least three years must be valued at the lowest of the values assigned on the basis of soil type. HB 398 when enacted which will reduce troubling fluctuations in CAUV values that have plagued Medina County farm owners for the last number of years.