

Tax Management

Businesses Face Higher Unemployment Taxes

In a background paper on unemployment insurance, the Tax Foundation studied states like Ohio that have exhausted their funds for paying unemployment benefits and "may soon face a financial crisis without significant reform to the system."

Their study, **Unemployment Insurance Taxes: Option for Program Design and Insolvent Trust Funds**, serves as a primer for an important but complex system and as a roadmap for how to improve it. The study includes state-by-state rankings on unemployment insurance program structure, funding, and other metrics. Ohio's outstanding federal loans as of September, stood at \$2.61 billion.

10/21/2011

OMA To Lawmakers: Preserve Tax Reform

OMA Tax Counsel **Mark Engel** of Bricker & Eckler LLC this week told a panel in the Ohio House of Representatives to hold the line on the broad-base, low-rate commercial activity tax (CAT). Dozens of other business interests have told the lawmakers that their business or industry is harmed by the CAT and are seeking exemption. Pharmaceutical distributors, retailers, grain elevator operators, and gas stations are among the parties protesting the "unfair" burden imposed on them by the CAT.

In his **testimony** on behalf of the OMA, Engel said, "The solution isn't a tax system made of Swiss cheese; we tried that already, and it didn't work. Hold fast to a broad-based, low-rate tax that is simple to enforce and simple to follow, and that treats all taxpayers the same."

Last week, Cleveland State University Dean Edward "Ned" Hill made a presentation to the committee on the economic benefits of the tax reforms enacted in 2005.

09/23/2011

More Small Business Loans Available

The federal government recently approved the next wave of funds, \$767 million, to community banks for making commercial and industrial loans. The development is part of the Small Business Jobs Act enacted last year which set aside \$30 billion for this purpose. Manufacturers worked in support of the creation of this program.

Read more in the **PMA / NTMA One Voice**.

09/16/2011

OMA Recognized for Estate Tax Repeal

Earlier this year, state leaders repealed Ohio's estate tax as an amendment to state budget legislation. Abolishing the tax had been an OMA priority for many years because the tax served as a deterrent to necessary re-investment by family-owned businesses. **The Wall Street Journal** chronicled the historic development. The OMA worked together with



other supporter organizations including Citizens United to End Ohio's Estate Tax.

Pictured is the OMA's Ryan Augsburger, Ron Alban and Jack Boyle of Citizens Untied to End Ohio's Estate Tax, and OMA President Eric Burkland.

09/09/2011

House Panel Considers State Tax Policy

The Ohio House of Representatives this week began a series of "study committees" with a panel to examine the state's tax structure.

Deputy Ohio Tax Commissioner Fred Church said the goal of the tax reform of 2005 was to create a broad-based, low-rate business tax to replace the corporate franchise and tangible personal property taxes and to lower the personal income tax rate. Church testified that the new "tax was designed to benefit

manufacturing, creating a favorable 'platform for production' in Ohio."

"Fred's **presentation** described accurately how the significant tax reforms have dramatically improved Ohio's tax climate," commented the OMA's Ryan Augsburger.

A threat to Ohio's manufacturing-friendly state tax policy is special interest lobbying to obtain tax exemptions, which erode the tax base. A witness representing gas station/convenience store operators testified that the industry should be exempted from the tax. There'll be more of this coming from other groups as the study committee continues its hearings.

08/26/2011

State Outlines New Economic Development Apparatus

The Kasich administration this week **unveiled details** about the state's new way of working with businesses to promote their growth and attract new investment in Ohio. To date, the functions of economic development have been shepherded by the Ohio Department of Development; however, with the passage of the JobsOhio bill (House Bill 1), Governor Kasich was authorized to form a nonprofit corporation which is responsible for economic development, job creation, job retention and the recruitment of businesses to Ohio.

The **full report** details which functions should remain within the state agency structure and which functions should transfer to JobsOhio.

Officials responsible for the new structure are holding **six regional meetings** to discuss Ohio's new economic development strategy. The meetings are intended to describe the role of the Ohio Department of Development and its relationship with JobsOhio and the JobsOhio Network partners.

"This new approach, which has a regional focus, represents perhaps the most sweeping reform ever of Ohio's economic development strategy," commented the OMA's Ryan Augsburger, who will be monitoring the developments and

reporting them to members via this publication and to the OMA Tax Policy Committee. Manufacturers are invited to attend the regional events and to view a **presentation** the state is using to describe JobsOhio.

08/19/2011

Ohio GrowNOW Program Reduces Interest Rates on New or Existing Small Business Loans

State Treasurer Josh Mandel has created the **GrowNOW** program to make financing more affordable for small business owners.

Qualifying businesses can receive a three percentage point interest rate reduction on new or existing small business loans for two years with the opportunity for renewal.

The program is a partnership between eligible banks and the Ohio Treasury. Small business owners must commit to the creation or retention of at least one full-time job or two part-time jobs in the state of Ohio for every \$50,000 borrowed, up to \$400,000. GrowNOW broadly serves as a catalyst for Ohio's economic development by supporting the small businesses that drive it.

07/29/2011