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SALES TAX HIKE HURTS POOR MORE THAN WEALTHY, STUDY SAYS

The temporary one-cent sales tax increase included in the pending state budget bill (HB 95) would increase the sales tax burden on low-income Ohioans by more than five times the increase it imposes on the state's residents with the highest income, according to a report Policy Matters Ohio released on Thursday.

The bulk of Ohio families would pay at least three times as much as the richest residents, according to calculations performed by the Institute for Taxation and Economic Policy.

Separately, human services advocates Thursday urged Senate members now considering the budget proposal to restore health care coverage for 50,000 to 60,000 low-income working parents.

The report notes that the proposal would increase the tax payments made by the richest Ohioans - defined as those who earn at least \$261,000 per year by 0.14%. Conversely, those who make less than \$15,000 per year would pay an additional 0.67% in taxes.

"Ohio needs more revenue to pay for vital public services, and the House has begun to recognize that with the sales tax increase," PMO's Zach Schiller said. "However, we should make sure that those least able to pay are not forced to shoulder the largest burden."

The organization said the establishment of a state earned income tax credit would eliminate the added burden that lower-income families would face. It further said the state should make sure it is raising the extra revenue from those people most able to pay for it and reverse a "shift" in the tax burden from businesses to individuals.

The health care coverage advocates delivered roses to Senate members, urging them to think on Mother's Day about the working mothers and fathers who would lose coverage under the House-passed version of the bill.

Col Owens, a Cincinnati attorney and chair of the Ohio Family Coverage Coalition, said providing that coverage in the past has helped achieve several goals, including getting parents to work; slowing possible returns to welfare and helping stabilize the low-wage workforce.

Cathy Levine, executive director of Universal Health Care Access Network of Ohio, said the people who would be impacted by the change aren't just numbers. "These are people

who live and work in our communities, who are going to work every day, while raising families," she said. "They need health care coverage to remain healthy, continue working and care for their children."