



Press statement

For immediate release
May 26, 2016

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Tax break review moves closer

Ohio needs to regularly review the nearly \$9 billion in tax breaks that the state gives annually to businesses and individuals. The Ohio Senate's approval this week of House Bill 9, which would set up a permanent legislative committee to review tax breaks, brings that closer to reality.

"Tax breaks don't get the same scrutiny that state spending does, even though they are state spending by another name," said Zach Schiller, research director of Policy Matters Ohio. "The Senate's approval of House Bill 9 is a positive step toward the transparency and accountability that we have a right to expect."

House Bill 9 would create a bipartisan committee to review the state's 128 tax break once every eight years. The committee would examine each exemption, credit or deduction based on 10 criteria. It would take public testimony and its report, due July 1 of each even-numbered year, would be included in the governor's executive budget the following year. The bill also calls for proposed new or modified tax breaks to include a statement including the sponsor's intent and objectives.

Policy Matters Ohio [testified](#) in favor of the bill last October. Though steps could be taken to strengthen it, most notably by adding sunsets so that tax breaks would expire and require reauthorization, the bill for the first time would mean that such breaks don't continue indefinitely with no scrutiny.

The Senate approved the bill by a 33-0 vote, mirroring the unanimous passage in the House last year. Because the Senate added an unrelated provision to the bill, the two chambers have to agree on a final version before it can become law. "It's clear that both houses agree on this policy change, and we urge them to put it at the top of the agenda in the fall, when they are both back in session," Schiller said.

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