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Ohio needs investment, not tax shifting House should remake state budget, Policy Matters testifies

Policy Matters Ohio told the House Finance Committee today that the state needs more investment in education, health care and communities instead of the mostly flat spending in Governor John Kasich's proposed two-year state budget.

"Ohio has the money to generate the resources we need," said Policy Matters Research Director Zach Schiller in testimony to the committee. He noted that the General Assembly has enacted \$3 billion a year in tax cuts since 2005, much of which has gone to affluent Ohioans in income-tax reductions. Schiller cited in particular the need to repeal a new tax break for business owners, which like other income-tax cuts has not resulted in superior job growth.

Policy Matters outlined a host of areas that need more investment, including children's and seniors' services, fighting the drug epidemic, making higher education more affordable, and stronger support for K-12 education. The organization also called for restoring aid to local governments and ensuring that counties and transit agencies do not lose \$200 million a year because of a change in the sales tax.

Governor Kasich's proposed tax package, featuring more income-tax cuts largely paid for with increases in other taxes, "would further reinforce the shift in Ohio's state and local tax system in favor of affluent residents and against those with lower or middle incomes," Schiller said. "Instead of such tax shifting, we encourage you to make needed investments in Ohio's people and communities."

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*Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute
with offices in Cleveland and Columbus.*