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policymattersohio.org/tax-review-dec16

Review of tax breaks is a positive step

The Ohio General Assembly today approved a bill that will for the first time bring a regular review of the nearly \$9 billion in annual state tax breaks for businesses and individuals. Policy Matters Ohio supported House Bill 9, sponsored by Rep. Terry Boose.

“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 General Assembly’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 breaks 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 year. Further steps can be taken to strengthen it, most notably by adding sunsets so that tax breaks would expire and require reauthorization.

“Even as the legislature approved the bill, other new tax breaks are being sandwiched into bills flying through the lame duck session,” Schiller said. “However, the approval of House Bill 9 means that for the first time such breaks don’t continue indefinitely with no scrutiny.”

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