

Testimony to the Senate Finance Committee on House Bill 492

Zach Schiller

Chairman Oelslager, Ranking Member Sawyer and members of the committee: Thank you for allowing me to testify on House Bill 492. My name is Zach Schiller and I am research director at Policy Matters Ohio, a nonprofit, nonpartisan organization with the mission of creating a more vibrant, equitable, sustainable and inclusive Ohio.

HB 492 includes a proposed change in the InvestOhio personal income tax credit. It would reduce the number of years that investors must hold their investments in companies in order to qualify for the credit. Currently, this program does not include a requirement that those companies create any new jobs. Investors are eligible for the credit if the companies they invest in simply pay to their existing employees an amount equal to the investment received (see Section 122.86(1)(d)). This is a loophole that should be closed. Investors should not receive tax credits – money that otherwise could be used for needed public investments – for investing in companies that simply continue to pay existing employees. We respectfully submit that the bill should be amended to require new job creation for investors to receive the credit.

Thank you very much for the opportunity to testify.

*Policy Matters Ohio is a nonprofit, non-partisan research institute
with offices in Cleveland and Columbus.*