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Policy Matters supports review for tax breaks Testifies in favor of bill in Ohio Senate

Policy Matters Ohio testified to lawmakers today that a bill to create a permanent committee to review state tax exemptions, credits and deductions is a step in the right direction.

House Bill 9 provides for review of the 128 existing exemptions, credits and deductions – known as “tax expenditures” – which together are worth nearly \$8.5 billion this fiscal year. In testimony prepared for the Senate Ways & Means Committee, Research Director Zach Schiller urged support of the bill as “a first step toward providing the accountability for tax expenditures that Ohio needs.”

Schiller noted several improvements that could be made to House Bill 9, such as the addition of automatic sunsets for tax breaks, so they stay in place only if their worth is proven.

Unlike direct budgetary expenditures, tax expenditures may remain in effect indefinitely with little or no scrutiny by policy makers. “A tax-expenditure review mechanism is badly needed,” Schiller said. The bill was unanimously approved by the House in June.

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