



JOSH MANDEL

STATE TREASURER OF OHIO

Columbus Dispatch Opinion Pages

As Ohio's treasurer and watchdog of Ohioans' hard-earned dollars, I am proud to stand up to support sanity and fiscal responsibility in state and local government. That's why I urge the Ohio legislature to pass House Bill 5 in order to simplify Ohio's municipal income-tax system.

Ohio is the only state in which every city and village sets its own rules and regulations about who must pay taxes, how much and on what type of income. More than 600 local government entities have devised more than 300 different tax forms. As a result, our municipal-tax reality is an unnecessary maze of inconsistency, uncertainty and inefficiency.

There is a reason why no other state subjects its residents and businesses to such a complex and cumbersome web of tax rules and forms.

As a former city councilman, I understand local distrust of state government, but in this case, arguments in favor of keeping the status quo are far outweighed by the merits of a more streamlined and rational approach. As I travel the state, meeting with small businesses, entrepreneurs and skilled laborers, this issue comes up time and again.

For example, an electrician in Minster was required to file 39 different municipal tax forms last year. He owed a tax to every city he visited in a single workday, even if he was there for 10 minutes or less. If he worked in any one of those municipalities more than 12 days in a year, he was required to file its tax forms.

This unfortunate case highlights how our current law kills jobs and is an obstacle to small-business growth. Many small businesses pay more to the accountants and lawyers helping them wade through the endless sea of tax forms than they actually owe in taxes.

Most of the forms that this electrician filed were for less than \$5, though he paid on average \$150 to prepare and file each return.

More than 20 organizations representing thousands of Ohioans agree that the multitude of municipal income-tax regulations on the books stifles economic growth. Small businesses are supporting this legislation not because they believe they will pay less in taxes but because they hope to spend less time and money on confusing bureaucracy and more on creating jobs. If local businesses are able to invest in increasing sales and productivity instead of funding an army of compliance officers, it will be a net positive for job growth.

State lawmakers have a great opportunity to enact common-sense reforms that will help create an environment where the private sector can flourish. My hope is that our state will put a more-rational system in place so that money currently being wasted on mountains of municipal income-tax paperwork instead can be invested to fuel Ohio job growth.

Ohio House Bill 5, introduced by Reps. Cheryl Grossman of Grove City and Michael Henne of Clayton, helps streamline this



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patchwork of local rules, forms and definitions of income to make Ohio's municipal income-tax system simpler, fairer and more friendly for job creation.

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