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**Testimony to the Sunset Commission**  
**November 30, 2015**  
**2020 Tax Policy Study Commission**

Good afternoon and thank you, Mr. Chairman, for allowing us to speak on behalf of the 2020 Tax Policy Study Commission. I am Luke Houghton, Senior Legislative Aide to Senator Bob Peterson. This is Kelly Parliament, Legislative Aide to Representative Jeff McClain. Unfortunately, Senator Peterson and Representative McClain were unable to present testimony today.

The Ohio 2020 Tax Policy Study Commission was created as part of House Bill 64 to review Ohio's tax structure and policies and make recommendations to the General Assembly on a wide variety of issues. These issues include: how to maximize Ohio's competitiveness by the year 2020, how to transition Ohio's personal income tax to a flat tax of 3.5% or 3.75% beginning in tax year 2018, how to make the tax credit authorized in section 149.311 of the Revised Code more efficient and effective, including converting it to a refundable tax credit or grant program, and how to reform Ohio's severance tax in a way that maximizes competitiveness and enhances the general welfare of the state. The Commission also plans to review and evaluate every credit against a tax levied by the state and authorized in the Revised Code.

The law creating the Ohio 2020 Tax Policy Study Commission took effect on September 29, 2015. The commission is staffed by existing House and Senate staff, while the Ohio Legislative Service Commission provides assistance to the commission as needed. Additionally, there is no funding specifically appropriated to support the commission. The Ohio House and Senate and Legislative Service Commission provide the staff and supplies for the commission from their existing budgets.

There are seven members who serve on the Ohio 2020 Tax Policy Study Commission. We have 3 members of the House of Representatives: Co-Chair McClain, Representative Schuring and Representative Cera. We have 3 members of the Senate: Co-Chair Peterson, Senator Oelslager and Senator Tavares. Finally, we have the Governor's appointee, who is the Director of the Office of Budget Management, Tim Keen. It is important to note that members of the commission do not receive any additional compensation.

The goal of the 2020 Tax Policy Study Commission is to study Ohio's tax policies in preparation for our next biennial budget. Ohio's tax code is long and complex. Without having the time pressure of a looming June 30<sup>th</sup> deadline, our Commission will have the ability to study this complex code more thoroughly than we would ordinarily have. Having only met twice at this time, we have not yet accomplished the purposes for which we were established.

Thank you for your time and attention and we would be happy to answer any questions.