

Joint Committee on Property Tax Review and Reform

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Co-chairs Blessing, Roemer, and members of the Joint Committee on Property Tax Review and Reform, thank you for the opportunity to provide testimony today. My name is Nikki Cooper and I am the Director of Government Relations for the Ohio Business Roundtable, a statewide business association comprised of CEOs and Presidents of the top companies in the state. We currently have over 100 members, collectively employing over half a million Ohioans and generating a revenue of more than \$1.5 trillion, which contributes significantly to Ohio's economy.

Our membership includes industry leading companies representing over 20 Ohio industries, including—but not limited to—companies such as KeyBank and Huntington in the banking sector; American Financial and Nationwide in the insurance sector; Kokosing in construction; CareSource, Cleveland Clinic, and many of Ohio's children's hospitals in healthcare; The Ohio State University and Miami University in higher education; Owens Corning, RPM International, Inc, and Procter & Gamble in manufacturing; AEP and Marathon in energy and utilities, among others.

The Ohio Business Roundtable supports policies that will strengthen the state's economic and workforce development, reduce onerous barriers for businesses, and foster an environment for businesses to invest and grow in Ohio while competing in the global economy.

Last year, in partnership with five other statewide business advocacy organizations, including those also testifying here today, and the legislative Business First Caucus, we released the 2022 Ohio Economic Competitiveness Study (*see attached*). The study, conducted by Northwood and Miami Universities, highlighted our state's significant economic progress, with Ohio moving from 24th in 2018 to 13th among all 50 states.

It also concluded that Ohio's single biggest challenge to greater economic competitiveness is the level of taxation and the complexity of our tax structure.



Among nine peer states (*Georgia, Illinois, Indiana, Kentucky, Michigan, Missouri, North Carolina, Pennsylvania, West Virginia*), Ohio had the third-highest per capita property tax (\$207) after Michigan (\$233) and Pennsylvania (\$306) (*see Exhibit A*), and the third highest per capita state and local total tax (\$588) after Michigan (\$561) and Pennsylvania (\$684) (*see Exhibit B*). However, despite Ohio’s seemingly high per capita tax, our state does have relatively low tax rates—which can be attributed to factors such as our accelerated economic growth and improved labor market.

Exhibit A.

State	PA	MI	OH	IL	IN	GA	NC	KY	WV	MO
PPT	306	233	207	118	110	107	100	99	55	41

Exhibit B.

State	PA	MI	OH	IN	KY	WV	GA	NC	IL	MO
PTT	684	561	558	483	459	343	247	224	171	108

While our state has made great strides in reducing our state tax burden in recent years, we have heard from employers that our state’s high property taxes, combined with state and local income taxes, pose a barrier to recruiting and retaining top talent. The study reinforces this by concluding the significant variation in taxes across Ohio counties, largely due to property tax and local income taxes in certain parts of the state, could lead to an unfriendly tax environment compared to peer states.

OBRT has advocated for the Low-Income Housing Tax Credit (LIHTC) program, recognizing that we need to meet the demands of our rapidly growing workforce in parts of the state. Recent increases in interest rates have already placed a large burden on Ohioans, discouraging investment, as has the rising property tax rate. By addressing the property tax component, the legislature has the opportunity to help families and spur economic development in Ohio communities. A policy change will also help provide the housing necessary to meet the demands of our workforce in many parts of our state.

The Ohio Business Roundtable is committed to partnering with the General Assembly and Administration on this important issue, as well as advocating for policies that ensure we can remain competitive with peer states in terms of recruiting both talent and economic investment.

Thank you for the opportunity to testify here today and I would be happy to answer any questions.