



April 25, 2017

**Testimony
House Ways and Means Committee
Opposition Testimony to HB 116 (written only)
Brad Cole, Managing Director of Research**

Good morning, Chairman Schaffer, Vice Chair Scherer, Ranking Member Rogers and members of House Ways and Means Committee. My name is Brad Cole and I am Managing Director of Research for CCAO.

Thank you for the opportunity to present written opponent testimony on HB 116, a bill which exempts prescription optical eyeglasses and contact lenses from the sales and use tax.

CCAO opposes HB 116 because exempting sales of prescription eyewear reduces the sales tax base which impacts state general revenue fund revenues, county/transit sales tax revenues and local government fund distributions. According to the Legislative Service Commission fiscal note, if this legislation is adopted the state GRF stands to lose \$21.3 million, counties and transit authorities will experience a reduction of \$5.7 million, and the two local government funds will experience a decline of \$700,000 in SFY 19 and increasing losses in succeeding years.

The sales and use tax became the number one revenue source to the state GRF in 2014, surpassing the personal income tax which for over two decades had been the number one revenue source. The sales and use tax has long been the number one revenue source for virtually every county general fund, however, similar to the state, the dependence of counties on the sales tax has grown in recent years.

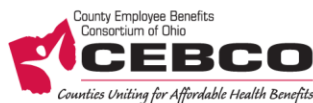
As Ohio pursues changes to Ohio's tax law, we believe care must be taken that the number one revenue source for the state GRF and county general funds remains broad based and capable of supporting state and county services. CCAO recognizes our interdependence on a common revenue source and values the partnership counties have with the state in providing state authorized, county delivered services to Ohioans.

Thank you for the opportunity to provide written testimony to the committee on HB 116.



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