

May 22, 2019

The Honorable Matt Dolan
Chairman, Ohio Senate Finance Committee
1 Capitol Square, 1st Floor
Columbus, OH 43215

Dear Chairman Dolan,

Retroactive to January 1, 2019, my business has been able to utilize the B-I-D as we have been fairly, financially successful over the past 5 years. As a result, after evaluating this past year's performance we have budgeted asset purchases as well as engaged an outside consultant to help improve the efficiency of our operation, as well as utilize new technology in how we warehouse and "pick" orders for our daily deliveries. Reducing the B-I-D from its current \$250k threshold to \$100k, removing the 3% cap on pass-through income above the deduction, and making it retroactive to 1/1/2019 is like changing rules in the middle of the game. We have made and implemented business investment decisions for 2019 based on our performance in 2018 with the B-I-D factored in.

Over the past 5 years, our companies have invested nearly \$1M in new assets and improvements to our facility. These investments would have been scaled back if we had not had the B-I-D of which to take advantage. These investments may not have directly related to employment in our company, but the local builder, local electricians, plumbers, dry wall installers and HVAC company were able to take advantage of our success and investment in our facility.

In addition, over the past 5 years, we have invested in new equipment, specifically fleet updates and reconditioning other vehicles all using Ohio car dealers and Ohio truck sales/service dealers.

Over the past 2 years and for the next 3 years, Matesich Distributing Co. will be experiencing significant turnover of our Senior Leadership Team – with 4 (50%) of our members retiring. Our ability to invest in replacement staff months prior to our associates retiring was aided by the ability of utilizing the full \$250K Business Investment Deduction. Knowing we had this as a resource, we brought these new associates on board months before the retiring associates left, in order to aid in the development, training and transition of our business with these new staff members.

I urge you to leave the Business Investment Deduction in its current state and to remove the changes as listed in the current proposed state budget.

Sincerely,

Jim Matesich
Matesich Distributing Co.