

May 22, 2019

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

Dear Chairman Dolan,

I write to you today in regards to the changes to the Business Investment Income Deduction in the Ohio operating budget bill, HB 166.

While the economy is good and business conditions are strong, there are underlying factors creating negative conditions – especially for small businesses. The cost of labor is dramatically increasing with low unemployment numbers. Attracting new talent is much more costly – up 15-20% over 18 months ago. Large corporations are not affected as much as small businesses, as they have more dollars to absorb these costs.

Raw material costs are also increasing due to tariffs as well as overall price increases due to higher demand. There is upward pressure on the costs of rents and leases as less space becomes available. And all businesses are trying to cope with large health and liability insurance increases.

Against this background, Ohio business pay a CAT tax in addition to income taxes. We are also being hit with an 18-cent fuel increase – which hits my business hard, as a large part of our business is mobile.

Now, we are being asked to bear a potential \$1 Billion tax increase not shared by all businesses, but only small pass-through businesses which I believe employ over 60% of workers in Ohio. Large C-Corp businesses get large tax breaks and incentives while they employ less Ohio citizens than small business.

It seems lawmakers should be doing something FOR the largest employer group in the state trying to keep up in a currently good business climate instead of discouraging our expansion, ability to buy equipment, pay better wages and offer better benefits.

Instead, being based in Cincinnati, I have to spend time considering moving my business to northern Kentucky, where I am not hampered by issues that hurt my business.

Small businesses as a whole do not have the dollars to keep up with an increasing amount of tax and regulatory costs as large businesses do. It's all about cash flow for small business, and all of the points above affect the amount of dollars flowing monthly to operate a profitable business.

I hope you give sincere thought to canceling this proposal to change the Business Investor Income Deduction, and more thought into helping those who employ the most voters.

Sincerely,

Floyd Mays
President, Pirtek Fluid Transfer Solutions