

May 23, 2019

The Honorable Matt Dolan
Finance Chairman, The Ohio Senate
Ohio Statehouse, First Floor
Columbus, OH 43215

Dear Chairman Dolan:

I am Tom Secor, President of Durable Corporation, and past Chair of the Ohio Small Business Council within the Ohio Chamber of Commerce.

Governor Kasich had admirable desires to make Ohio a more attractive option for business growth, attraction and incubation. He, working with the legislation, set in motion a direction toward income tax reduction and elimination which was greatly appreciated. The only exception was that small business never seemed to get the same break as large corporate America, even though we presented the greatest opportunity to fulfill the goals of establishing a vibrant business economy in Ohio.

The Business Investor Deduction (BID) was ultimately created to provide some relief to this inequity, albeit with very cumbersome and complex filing requirements. The cost of filing compliance for small business is a burden much greater than that for large business and one that few elected officials ever seem to grasp. And now it appears there is a desire to cut 60% of the BID with what appears a quick decision to find over \$1 billion of revenue in the two-year budget.

While the new business filings have been growing in Ohio the past ten years, 2016 was up 7.4%, 2017 was up 11.8% and 2018 was up 6.6%, significantly higher than the preceding five years which only had one year above 6%. In addition, income tax revenues were up over 10% in 2018 while rates have been declining. It would certainly appear that the income tax reductions along with the BID have made a very positive contribution to the Ohio economy.

And where did this money saved go. In 2018, we completed an addition to our facility and added new equipment with an investment of over \$550,000.00. We also increased our employment by 2 additional people to 40 employees. This expansion and employee addition was completed to meet the increasing business opportunities we have and I am proud to say that we did it with no increased debt. The federal and state tax reforms that keep more money in our businesses do in fact allow us to invest for the future.

What's most important in being able to internally fund expansion is the fact that without the debt it allows me the comfort in knowing that when the next economic downturn does come, I'm in a better position to protect our greatest investment and asset, our people. When things slow down a weak balance sheet requires the elimination of employees, but a strong balance sheet allows the opportunity to weather a temporary storm with everyone in place.

Chairman Dolan, I'm asking this committee to pull this provision from the budget and allow a thorough analysis of the consequences of dramatically changing the BID. History has shown that the unintended consequences of quick decisions can be devastating. Let's not make that mistake in Ohio.

Thank you.

Sincerely,

Thomas E. Secor
President