

Ohio Matters

An Official Publication of *The Ohio Chamber of Commerce*

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FORMER SPEAKER OF THE U.S. HOUSE JOHN BOEHNER TO SPEAK AT ANNUAL MEETING

The list of distinguished speakers for the Ohio Chamber's Annual Meeting just got longer with the addition of former Speaker of the U.S. House John Boehner. He joins a list that includes George H. W. Bush, Colin Powell, Rudy Giuliani, Tom Brokaw, Bob Woodward, Carly Fiorina and Jeb Bush. This will be his first major speaking event since retiring from the House in October. This year's event is April 5, 2016, at the Capitol Theatre.

"We have strived to make our Annual Meeting the premier business event of the year," says Ohio Chamber President and CEO Andrew E. Doehrel. "Each year, we come up with a list of who's who when it comes to speakers the business community would like to hear. We've been very fortunate to get these top names year after year."

A former businessman, Boehner served as speaker of the United States House of Representatives for nearly five years, during which he led the drive for a smaller, less costly and more accountable federal government. The son of a bartender and second oldest of 12 brothers and sisters, he grew up mopping floors at the family tavern and playing football at Cincinnati Moeller High School.

While working to pay his way through Xavier University, he met Debbie, who would become his wife of 41 years. Upon graduation from Xavier in 1977, Boehner took a job in a small plastics and packaging company in the Cincinnati area. He excelled in business, was steadily promoted and reached the position of president before resigning in 1990 when he was elected to Congress.

He got involved in state and local politics after seeing firsthand how high taxes and red tape can impact entrepreneurs. Boehner served on the Union Township board of trustees from 1981 to 1984 and was then elected to the Ohio House, where he served from 1985 to 1990.

In 1990, the voters sent him to the U.S. House, where he took a strong stand against pork-barrel spending, and as part of the reform-minded Gang of Seven forced the closure of the scandal-ridden House Bank and House Post Office.

The speaker's reputation as a reformer grew as he worked alongside then-House Speaker Newt Gingrich, helping craft the historic 1994 Contract with America and helping to lead the effort to enact the first balanced federal budget in a generation. Later, as chairman of the House Committee on Education



and the Workforce, he wrote legislation to expand school choice, strengthen America's pension system and reform the federal education bureaucracy to demand results for students and parents.

Elected as House majority leader in 2006 and chosen to become House Republican leader later that year, Boehner led the opposition to job-crushing proposals such as President Barack Obama's cap and trade initiative and the Affordable Care Act while promoting better solutions to the challenges facing American families. On Jan. 5, 2011, Boehner took the gavel as speaker of the House following the historic 2010 election in which Congressional Republicans, under Boehner's leadership, picked up 63 seats in the U.S. House.

Armed with the Pledge to America, a new governing agenda reflecting the priorities of the American people, Boehner focused on removing government barriers to private-sector job creation and economic growth, addressing the drivers of America's debt, eliminating pork-barrel earmarks, reforming Congress and rebuilding the bonds of trust between the American people and their representatives in Washington.

Boehner's keynote address will focus on his business and political experience. After he delivers his keynote address, he will take questions from the audience.

Registration information is available at www.ohiochamber.com, then click on Benefits & Events,

then Annual Meeting. The cost is \$125, with special pricing for local chambers.

"The Ohio Chamber's Annual Meeting is a valuable and enjoyable day of networking with other companies, along with legislators," says Vice President, Membership Beau Euton. "This year, we are especially excited to have Speaker Boehner as our keynote. Many have worked with him since his days at the statehouse, and we look forward to hearing from him. I know it's difficult to walk away from your business for a day, but I guarantee the Ohio Chamber's 2016 Annual Meeting will be worth your time." 🐱

QUICK GLANCE

Annual Meeting Agenda

1 p.m. Chamber Day at the Capitol program for local chambers and their members in Studio 2 of the Riffe Center

3:30 p.m. Ohio Chamber Annual Meeting with keynote former Speaker John Boehner in the Capitol Theatre of the Riffe Center

5 p.m. Awards presentation for Chamber Action Alliance

5:30 p.m. Legislative reception at the Sheraton Hotel on State Street



*You work to develop
committed employees.*

*We all work to see better
outcomes.*

*We'll provide the resources
to get you there.*

WE'RE ALL FOR OHIO.

Working with some of Ohio's best human resources attorneys, the Ohio Chamber built the HR Academy to help our members and the larger business community stay updated on important local and national HR issues. We continue to see strong participation in the program, garnering up to 200 participants per webinar, selling hundreds of HR books and enjoying active engagement in our HR Symposium series. We are proud to offer this homegrown effort that brings together Ohio expertise and leadership.

**Watch for more webinars and symposiums
coming this year!**

**For more information, contact Michelle Donovan
at mdonovan@ohiochamber.com or 614-228-4201.**

www.hracademyohio.com

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**HR
Academy**

By Mary Taylor, Lieutenant Governor

HIGHLIGHTS OF OHIO'S COMMON SENSE INITIATIVE



When Gov. John Kasich created Ohio's Common Sense Initiative (CSI) in 2011, he placed it under my leadership, and since that time we have been working to make Ohio's business regulations simpler and Ohio more business friendly.

The core principles of CSI state regulations should be fair, transparent, easily followed and facilitate economic growth. With those principles in mind, last year we updated our strategic plan to ensure CSI is maximizing its impact on Ohio's regulatory business climate. We have just published CSI's 2015 Annual Report, and in it, we describe a number of accomplishments.

While our overall goal remains to reduce regulatory bureaucracy, the new strategic plan helps focus our objectives, introduces new metrics to better measure our impact and drives enhanced efforts to communicate the role of CSI. This 2015 report represents our first year operating under the new strategic plan.

The report highlights instances in which CSI has been able to positively impact a business, as well as explains metrics and performance criteria. For example, since 2012, CSI has reviewed more than 7,850 business-impacting rules, with 59 percent of those either being amended or rescinded. This is clearly an example of how CSI is working to strike a balance between effective regulations that are not overly or unnecessarily burdensome. Our primary role is to make sure agency regulations are as effective and business friendly as possible.

The CSI Office tracks and measures both its effectiveness in carrying out the strategies and the impact on accomplishing the objectives. Recently, we distributed a survey to see what businesses thought of Ohio's regulatory climate and their awareness of available resources. That feedback was used to help compile this annual report, which is organized into five strategies from the strategic plan.

Strategy 1. Review business-impacting rules to ensure appropriate business engagement, and balance the regulatory purpose with economic impact. In 2015, CSI reviewed 2,316 rules, which were presented in 317 rule packages. Of these rules, 65 percent were either amended or rescinded. CSI is also operating at a high level of efficiency, ensuring that rules receive further work or scrutiny when needed, while rules that already meet our standards move through our review quickly.

Strategy 2. Develop partnerships with agencies and businesses to clearly implement CSI projects. We are seeing a continuing downward trend in the number of recommendations and revisions to Business Impact Analyses, which means agencies are addressing and resolving more adverse business impact issues prior to submitting them to CSI. In 2015, the CSI Office initiated an additional focus to partner with agencies on proactive, long-term initiatives intended to make Ohio more business friendly. Two ongoing initiatives described in this report include the modernization of the Ohio Business Gateway and the implementation of Ohio's Global Reach to Engage Academic Talent (GREAT).

Strategy 3. Implement a communication plan to promote a two-way dialogue. Effectively communicating the resource that CSI represents to the business community and hearing the community's feedback remains a focus for us. Over the course of 2015, we have developed a more formalized communication plan to increase outreach activity to Ohio businesses through multiple channels, both directly and through business associations. We are excited to continue moving the bar in 2016 with calculated outreach efforts. The goal is to increase awareness as well as create a positive experience.

Strategy 4. Utilize the Small Business Advisory Council to represent the business community. We continue to identify innovative ways the Small Business Advisory Council can increase its interaction with the business community. Having meetings on the road in local communities was a successful approach. The council convened in Wilmington and Dayton and received positive feedback from both meetings. This provided an opportunity for local businesses to hear directly from senior agency officials, as well as converse directly with the council members to talk about the regulatory issues that impact their business operations.

Strategy 5. Assist businesses with regulatory issues and identify broader areas of concern. Last year, we received 84 suggestions and requests for assistance. The CSI ombuds function has always been measured largely through success stories that demonstrate the ability of my team to get results for businesses facing real-world regulatory obstacles. The stories outlined in this annual report emphasize CSI's efforts to assist businesses on all levels. We have attempted to help businesses reduce the impact of regulations without undermining the benefit of regulations to public health and safety.

My team and I remain committed to cutting unnecessary red tape to create a business-friendly climate in Ohio. We are seeing the results of these culture changes in several of the metrics of this report and out in the field. Kasich and I have insisted regulatory reform be a priority, and the leadership of our nine Small Business Advisory Council members has helped keep the CSI Office focused on the issues that matter to the business community.

There is much work yet to do, but it is clear that significant progress has been made through the work of the Common Sense Initiative, and the future of Ohio is strong and bright. Thank you for your help and your ongoing cooperation. Together we can accomplish great things for Ohio's business community. 🙌



By Chadwick Smith, Executive Director,
Ohio Air Quality Development Authority

OHIO SMALL BUSINESSES GET HELP TO MEET CLEAN AIR RULES



JDM Equipment used reprocessing equipment purchased with funding from the Clean Air Resource Center on the demolition of Veterans Memorial Auditorium in Columbus. The equipment crushes large pieces of concrete into a reusable stone product.

Businesses in Ohio have a resource to help them comply with changing federal and state clean air standards. Small businesses frequently face challenges in navigating the rules and regulations. The Ohio Air Quality Development Authority (OAQDA) has a program designed specifically to assist small businesses with the requirements of the Clean Air Act Amendments of 1990, which introduced air pollution regulations that, for the first time, included small businesses.

The Clean Air Resource Center (CARC), a program of OAQDA, was created in 1996 to provide grants and lower-cost loans to small Ohio companies that need to purchase air quality equipment. CARC financing packages are structured to suit the needs of individual projects and incentivized through conduit bonds issued by OAQDA. These bonds can be federally tax exempt or taxable, and all are exempt from Ohio income, real property, sales and use taxes for the term of the financing.

CARC offers grants equal to 30 percent of equipment costs post closing, capped at a maximum of \$30,000. Specifically, these grants serve as a principal payment on the equipment after it has been installed and operational for at least six months. OAQDA also covers all reasonable closing costs and legal fees. Qualifying businesses must have fewer than 100 employees, emit less than 75 tons per year of all regulated air pollutants and emit 50 tons or less tons of any regulated pollutant.

Here are recent examples of projects funded through the CARC program.

- Dent Magic, a Columbus area auto paint and body repair shop, is using \$105,000 in revenue bond financing through CARC to install a new paint booth to increase capacity. The new, larger paint booth will enable Dent Magic paint teams to spray repaired vehicles and their disassembled parts together in one cycle, rather than in two separate cycles, thanks to the larger cabin size. The new booth features technology upgrades that improve energy consumption and filtered air quality.
- OAQDA supplied \$2 million in revenue bonds to JDM Services LLC of Columbus to help the company purchase equipment to remove concrete from the demolition of Veterans Memorial Auditorium in Columbus. 🙌

Ohio small business owners want to comply with clean air standards and do their part to help preserve Ohio's environment. If you are interested in finding out more about CARC assistance, contact OAQDA at (614) 224-3383, or visit www.ohioairquality.org.

Walter E. Horton Jr., Ph.D., Vice President for Research, Dean, College of Graduate Studies, Professor, Anatomy & Neurobiology, Northeast Ohio Medical University

MEDICAL RESEARCH

Ohio's key to healthy people and a healthy economy

As Ohio's leading sector, the biomedical industry plays an important role in the state's economy, and the resources to support the research being done by colleges, universities and industries to advance societal health must continue to expand.

From protecting us against mosquito-borne pathogens such as the Zika virus or food-borne pathogens such as E. coli O26, Salmonella and Listeria, we constantly need new methods of detection, prevention and treatment, all of which are made possible by the research conducted by dedicated biomedical scientists, research that costs money as it saves lives.

The past year alone saw outbreaks of the three major food pathogens, outbreaks that infected several dozen people. In a coincidence, each of those outbreaks had some connection to people or places in Ohio.

Ohio is also not isolated from the national trends of increased incidence of chronic disease, a result of the combined effects of lifestyle and an aging population. Nearly 60 percent of Ohioans reported having at least one of the following 10 chronic diseases or clinical risk factors — arthritis, asthma, cancer, chronic kidney disease, COPD, diabetes, heart disease, high cholesterol, high blood pressure and stroke¹. Chronic diseases shorten lives, reduce the quality of life and result in numerous poor health outcomes, increased health care needs and higher medical costs.

Although great work is being conducted to detect, prevent and treat cardiovascular disease, minimize the impact of arthritis and find new and innovative approaches to treating neurological conditions such as Parkinson's and Alzheimer's disease, advancing science through research in these areas can be very expensive.

But disease is far more expensive, as medical costs associated with chronic diseases cost Ohioans more than \$25 billion each year. Medical research is the key to healthy people and a healthy economy.

A TEAM SPORT

Increasingly, medical research is a team sport succeeding through important relationships between industry and academia.

A report prepared for the Biotechnology Industry Organization by the Battelle Technology Partnership Practice, "Advancing Translational Research for Biomedical Innovation: Measuring Industry-Academic Connections," found that one in eight industry-sponsored clinical trials has an academic institution as a cosponsor or collaborator. The report also noted an increase in multi-institutional/multicompany collaborations.²

There are also several organizations that serve as advocates for the biomedical research industry. Of particular note is Research!America (RIA). As the nation's largest not-for-profit public education and advocacy alliance, RIA is committed to making research to improve health a higher national priority. RIA has more than 350 member organizations that span the research spectrum from the lab bench to the bedside.

Ohio has the uniqueness of being a health care epicenter that is also trending higher in disease and chronic conditions, but that trend is reversible. The state has come into its own as an incubator of innovation while embracing its manufacturing roots. Ohio's biomedical sector is thriving in basic, applied and translational research, and the colleges, universities and

industries are necessarily interdependent. The diverse group of industries and the equally diverse work in medical research that benefits drug development, device manufacturing, biological, behavioral and genetic science, and new procedures and processes for practitioners often go unseen. But it is there, happening every day across the state.

Ohio's colleges and universities have become increasingly collaborative with hospitals and industry, preparing future health care professionals as practitioners in team-based care. As a result, workforce development is thriving in Ohio, with health care accounting for nearly 1.3 million jobs in the state — more than any other industry. As total compensation for these health care jobs exceeds \$60 billion annually in Ohio, many see this front facing aspect of health care and the direct benefits to Ohio's economy. This positions Ohio well to deliver the outcomes of medical research to the people of the state.³

Ohio is currently among the top tier of states in key measures of bioscience R&D and innovation, including academic R&D, NIH research funding and patenting, with the state's research universities obtaining \$1 billion in funding each year.²

Such funding not only directly supports colleges and universities in advancing science and educating our future health care professionals, scientists and scholars, it also supports the biomedical research industry, producing jobs for many within the supply chain.

Ohio's current economy, its future economy and the health and wellbeing of its citizens are increasingly dependent on medical research, and the threat of reduced federal funding, particularly with the NIH, threatens our thriving economy. This is not only true in Ohio, but across the nation.

LET'S TALK ABOUT IT

Join us June 6, 2016, as Research!America convenes nearly a dozen university presidents across Ohio, C-level execs from leading biotech companies, research scientists, public officials, experts in health care and executives from nationally ranked hospitals at a forum hosted at Northeast Ohio Medical University. Titled "Medical Research, the Right Prescription for Economic Growth," the forum aims to increase advocacy for biomedical research while producing discourse and ideation that engages all for more public-private collaboration and sourcing of funds to maximize the impact of medical research on Ohio's economy and the health of its citizens.

During the event, Research!America President and CEO Mary Woolley will share and discuss the results of a poll commissioned by the nonprofit organization to gain insight from Ohioans regarding their perceptions and knowledge of impact biomedical research on Ohio's economy. A full release of the poll results will be made available the day after the event ends. 📄

Visit neomed.edu for more information.

1. *The Impact of Chronic Disease in Ohio: 2015*. Chronic Disease Epidemiology and Evaluation Section, Bureau of Health Promotion, Ohio Department of Health, 2015. http://www.healthy.ohio.gov/-/media/HealthyOhio/ASSETS/Files/Chronic%20Disease%20Plan/CD%20Burden%20Final_Webv2.pdf
2. *Advancing Translational Research for Biomedical Innovation: Measuring Industry-Academic Connections*. Biotechnology Industry Organization, Battelle Technology Partnership Practice, 2015. https://www.bio.org/sites/default/files/BIOTrans_Report_6-11-15.pdf
3. *The Economic Impact of Hospitals in Ohio, April 2015*. Ohio Hospital Association, 2015. <http://ohiohospitals.org/OHA/media/Images/News%20and%20Publications/Reports/Economic-Impact-Report-Hospitals-Version-FINAL.pdf>

By Samantha Cotton, Director Public Policy Communications

IT'S TIME TO FIX OHIO'S BROKEN UNEMPLOYMENT SYSTEM

Ohio's Unemployment Trust Fund is broke, and the Unemployment Compensation (UC) system is broken. Now is the time to solve Ohio's systemic issues with UC.

Ohio is one of just four states with an outstanding debt to the federal government. The state owes more than \$770 million of the billions borrowed during the last recession. This is not just an issue of failed public policy; UC directly affects the bottom line of Ohio employers. Employers are shouldering this debt by paying a 400 percent increase in federal unemployment taxes. Although the debt should be paid off in 2017, Ohio cannot afford to repeat this pattern.

The Ohio Chamber recognizes that there is no simple solution to this issue. However, any plan to truly address the failures of UC must take a balanced approach. Rep. Barbara Sears has introduced House Bill 394 that would make comprehensive changes to the system. HB 394 makes changes to the amount of taxes paid into the system, while also lowering the number of weeks an individual can receive benefits. The bill is a reasonable solution to fixing the core issues with the system by looking at both employer taxes and benefits.

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The UC system is funded entirely by taxes on employers. Neither the state nor employees pays any amount into the fund. Opposition groups have said that the tax increase in the bill should be higher. They claim that employers are not paying their fair share. This charge is misleading given that the unemployment system is entirely employer funded. Employers are the only ones paying any share.

Concerns have also been raised that HB 394 does not address the current debt being repaid to the federal government. Although this bill does not address the debt, it overhauls the UC system so that the fund is solvent in the future. This bill will prevent employers from facing this situation again.

HB 394 is a balanced solution to a broke and broken system. Now is the time to act, while employment is stable and before the next economic downturn hits. To do nothing would be irresponsible to future unemployed workers and employers. 📄

To follow the progress of HB 394 in the Ohio General Assembly, read our blog and social media updates, or visit www.ohiochamber.com.



By Jon Hyman, Partner, Meyers, Roman, Friedberg & Lewis

EMPLOYERS – THE EMPLOYMENT LAW UNIFORMITY ACT NEEDS YOUR SUPPORT



Ohio's employment discrimination law is broken. It exposes employers to claims for as long as six years. It renders managers and supervisors personally liable for discrimination. It contains no less than four paths for employees to file age discrimination claims, each with different remedies and filing deadlines. It omits any filing prerequisites with the state civil rights agency.

The recently introduced Senate Bill 268 is a business-friendly attempt at comprehensive reform of Ohio's employment discrimination statute. It requires your attention and support.

Among its key reforms, S.B. 268:

- Creates a universal 365-day statute of limitations for all employment discrimination claims
- Eliminates individual statutory liability for managers and supervisors
- Caps noneconomic and punitive damages based on the size of the employer
- Unifies the filing of age discrimination claims to the same procedures and remedies as all other protected classes
- Requires individuals to elect between filing an administrative charge with the Ohio Civil Rights Commission or filing a discrimination lawsuit in court, with the filing of the former tolling the statute of limitations for the latter
- Prioritizes mediation and conciliation for all charges filed with the OCRC, such that all but the most difficult of cases can be resolved efficiently and cost effectively
- Establishes an affirmative defense to claims not alleging an adverse, tangible employment action, when 1) the employer exercised reasonable care to prevent or promptly correct the alleged unlawful discriminatory practice or harassing behavior, and 2) the employee failed to take advantage of any preventive or corrective opportunities provided by the employer or to otherwise avoid the alleged harm.

This bill presents a tangible opportunity to fix a broken law. Ohio's current employment discrimination statute is so different from both its federal counterpart and the similar laws of other states that it places Ohio at a competitive business disadvantage. By paralleling much of the federal employment discrimination statutes, S.B. 268 restores balance and predictability for Ohio employers while, at the same time, preserving the crucial right of employees to be free from discrimination in the workplace.

Focusing on the elimination of individual liability for discrimination claims, vocal opponents of S.B. 268 have already mislabeled this legislation as "protecting sexual predators, racists and bigots" and as "letting sexual harassers off the hook." Nothing could be further from the truth. The legislation leaves intact all common-law remedies employees have if they are subjected to predatory behavior in the workplace — assault, battery, intentional infliction of emotional distress and invasion of privacy — along with the possibility criminal sanctions for the most egregious of misconduct.

S.B. 268 merely brings Ohio in line with federal law and the law of almost every other state on this issue. The risk of common-law civil liability and criminal sanctions is more than a sufficient deterrent to limit manager and supervisor discrimination and harassment; piggy-backed statutory liability adds nothing to this equation.

S.B. 268 also harmonizes Ohio law on the issue of individual liability, as the Ohio Supreme Court has already eliminated individual supervisor and manager liability for public officials. As a matter of policy, we should not hold our private-sector managers and supervisors to a higher standard of accountability than their public-servant counterparts.

Now comes the hard part — passing this bill. If you believe S.B. 268 presents the necessary reform of a broken system, call or email your state senator and urge him or her to support this bill. Passing S.B. 268 is a battle worth fighting to bring meaningful reform to a broken system. Indeed, as an employer, this is a battle that you cannot afford to ignore. 📞

Jon Hyman is a partner in the Labor & Employment group at Meyers, Roman, Friedberg & Lewis. He is also the author of the Ohio Employer's Law Blog, which the ABA Journal recently named to its legal blog Hall of Fame.



TRUE-UP COMING IN JULY

Are you prepared for the next steps in the new workers' comp billing process?

Ohio private employers have adjusted well to the new way the Ohio Bureau of Workers' Compensation (BWC) charges for workers' compensation coverage. Last year's change to prospective billing brought a much-needed move to the standard insurance industry practice of charging premiums in advance of extending coverage.

Employers are now enjoying a number of benefits of the new billing system, including more flexible payment options, better customer service and a \$1 billion premium credit provided by BWC to avoid double-billing employers during the switch.

However, the transition process is not fully complete. The payroll true-up is coming in July.

True-up is a new process that requires employers to report actual payroll for the previous policy year and reconcile differences in premium paid. This is an important step that is necessary for BWC to accurately calculate your premium. It's also critically important to maintaining your policy and participation in your current rating plan or discount programs, as the BWC will remove employers from their current rating plan or discount program if it does not receive a payroll true-up by the due date. In addition, any outstanding payroll true-ups will render the employer ineligible for participation in future rating plans or discount programs until all outstanding payroll true-ups are complete. You must complete the true-up report even if your payroll for the year matches the estimate you receive from BWC.

Your policy year 2015 payroll true-up notice will be sent July 1, and your report is due Aug. 15. Reports must be submitted online at bwc.ohio.gov or by phone at (800) 644-6292.

We encourage you to create an e-account that allows you to manage your policy, pay bills and complete the payroll true-up, as our call center may experience heavy call volumes during the final weeks before the Aug. 15 due date, contributing to longer wait times. Learn how to create an e-account on our YouTube channel and visit bwc.ohio.gov to get started.

If you already have an e-account but don't remember your password or are otherwise unable to access your account, contact our call center. 📞

Videos, webinars and other resources about prospective billing are available at bwc.ohio.gov.

QUICK GLANCE

Upcoming dates to remember

May 2016

May 1 – Policy year 2016 notice of estimated annual premium mailed
 May 31 – Destination: Excellence enrollment deadline for July 1, 2016, program year

June 2016

June 1 – Policy year 2016 premium invoice mailed

July 2016

July 1 – Policy year 2016 first installment due
 July 1 – Policy year 2015 payroll true-up notice sent

August 2016

Aug. 15 – Policy year 2015 payroll true-up report due

November 2016

Nov. 21 – Policy year 2017 group-enrollment deadline

STATE COMMISSION STUDYING OHIO TAX POLICY WITH A VIEW TO 2020

Establishing a state's tax structure happens over a fairly long period of time. The state's economic strengths and weaknesses, trends in population gains and losses, and the demands of its citizens for the state to provide various services are among the key factors in deciding the tax system's underlying foundation. Over time, these factors or criteria change, yielding different data points as to where Ohio stands vis-à-vis the other 49 states and other countries. Thus a state's tax system, to say nothing of its tax rates, is in an almost constant state of flux, study/analysis and revision.



A state's tax system, to say nothing of its tax rates, is in an almost constant state of flux, study/analysis and revision.

Therefore, it is no surprise that Ohio has established the 2020 Tax Policy Study Commission, composed of the Office of Budget & Management Director Tim Keen and six legislators, co-chairs Sen. Bob Peterson and Rep. Jeff McClain, Sens. Scott Oelslager and Charleta Tavares and Reps. Kirk Schuring and Jack Cera. The commission has one general duty – to recommend how to maximize Ohio's competitiveness by 2020 – and four more specific ones.

1. Recommend how to transition Ohio's personal income tax to a 3.5 percent or 3.75 percent flat tax
2. Recommend how to make the historic rehabilitation tax credit more efficient and effective
3. Recommend how to reform Ohio's severance tax to maximize competitiveness and enhance Ohio's general welfare
4. Review and evaluate all tax credits authorized by the state

One of the most likely reactions to the creation of this commission could be, "Oh boy, another do-nothing commission to study Ohio's tax structure." While that reaction might be natural, it would be unfairly dismissive of the productive work of past tax study commissions and the General Assemblies and governors who have acted to pass legislation implementing many of their important recommendations.

In the past 50 years, four tax study commissions have issued reports on Ohio's tax system, and the General Assembly has not allowed those reports to simply gather dust. In November 1968, the Bipartisan Select Committee on Tax Revision recommended

several major changes to the corporation franchise tax, including an alternative net income base and the repeal of the intangible personal property tax. By the end of the next two legislative sessions, some of the key franchise tax reforms had passed and become law.

In December 1982, the Joint Committee to Study State Taxes made 38 recommended changes to Ohio's then-existing state and local tax structure and budget allocations. By 1985, Ohio was on track for a 10-year phase-down of the assessment percentage of the business tangible personal property (TPP) tax on machinery and equipment, furniture and fixtures, and inventory to 25 percent of true value (from 35 percent), and the intangible personal property tax was finally repealed.

In December 1994, the Commission to Study the Ohio Economy and Tax Structure urged elimination of the net worth base of the corporation franchise tax and requiring combined reporting for the net income base, recommending the two reforms be adopted together, and eliminating the TPP tax over a number of years and the inventory component immediately. By 1996, a \$150,000 tax cap was imposed on all corporations paying the franchise tax based on net worth, a reform the Ohio Chamber was instrumental in achieving.

Finally, in March 2003, the Committee to Study State and Local Taxes issued a report calling for eliminating the TPP tax, with a "replacement tax" on all businesses

based on either Ohio-apportioned sales, property and payroll or on Ohio gross receipts, and, creating a uniform tax base for business net profits and a uniform withholding base under the municipal income tax. In 2005, the General Assembly passed, and Gov. Bob Taft signed, House Bill 66, a comprehensive tax reform that did repeal the TPP tax over five years, while phasing in a new commercial activity tax (CAT) on businesses based on Ohio gross receipts. In addition, the General Assembly and Gov. John Kasich made good on the municipal tax recommendations by passing in 2014 House Bill 5, legislation for which the Ohio Chamber strongly advocated.

As you can see, at least in the area of state and local tax policy, creation of a so-called blue ribbon study commission is not without implications and potential consequences for Ohio's business community. The 2020 Tax Policy Study Commission, like its prior four counterparts, will not be a place where credible ideas for reforming Ohio's tax system go to die or gather dust. The 2020 Commission's hearings and deliberations will generate much debate and discussion as to Ohio's tax structure for the foreseeable future, so there is a great deal at stake for Ohio businesses and their owners and employees. 🇺🇸

Please send any comments, suggestions, ideas and/or recommendations on this topic to me at dnavin@ohiochamber.com.

HR ACADEMY: CINCINNATI LABOR & EMPLOYMENT LAW UPDATE

APRIL 21, 2016 - 8 A.M. TO NOON

QUEEN CITY CLUB, 331 E. FOURTH ST., CINCINNATI

Join us for a half-day program co-sponsored by Vorys, Sater, Seymour and Pease and the Ohio Chamber of Commerce. The event will feature discussions on a variety of timely topics, including I-9s, wellness programs, NLRB update, employee reviews on Glassdoor.com, federal case law update concerning discrimination, gender issues, workers' comp, and a wage and hour update.

This program is pending three (general) recertification credit hours toward PHR, SPHR and GPHR recertification through the HR Certification Institute. It is also pending approval in Ohio and Kentucky for three total CLE hours instruction.

To register, go to <http://www.vorys.com/newsevents-events.html>

THE OHIO CHAMBER IN ACTION

The first quarter of the year has been very busy for our members and staff as we have testified on many bills, held several committee meetings, attended educational seminars and spoke at industry events.

Here are some pictures from a recent Tax Committee meeting, the MEC Energy Management Conference and the Chamber of Commerce Executives of Ohio Winter Conference.



GETTING IT RIGHT

How one serial entrepreneur turned hiring hassles into staffing success

While running several companies in Southeast Ohio, Larry Kidd frequently needed to hire temporary workers. However, he was often unsatisfied with the quality of the help he received.

As a serial entrepreneur, Kidd viewed the challenge as an opportunity. His workforce hassles served as the motivation behind the founding of Reliable Staffing Services of Jackson, Ohio, and eventually to his deep involvement with the Ohio Chamber of Commerce.

FINDING A NICHE

Kidd's career took him away from Jackson, where he'd grown up, to Southern California, Florida and beyond.

"Each time I got promoted, I got transferred," he says.

While that was exciting early in his career, by the time he married Cindy and they had two small children, he decided it was time to settle down. So he sent out resumes and found employment as director of purchasing at Luigino's (now Bellisio Foods), the frozen food giant located in his hometown. There, he found that warehousing was a constant challenge.

"We'd receive a production order that required two truckloads of tomatoes," he says. "Since the public warehouse we used

was in Columbus, we were shipping multiple trucks a day. Transportation became costly."

Columbus was 75 miles away, so Kidd convinced the warehousing company, American Warehousing and Logistics, to build a facility in Jackson. He invested in the company, left Luigino's in 2003 and later bought a manufacturing operation northeast of Columbus. That's when Kidd's frustration with temporary workers began.

"We learned how just getting a warm body wasn't enough," he says.

He assumed other business owners were experiencing similar pains, so in 2006, the serial entrepreneur started yet another business — Reliable Staffing Services, a general staffing agency that provides temporary, temporary-to-hire and direct hire services throughout Southeast Ohio.

"What we do differently is that we get to know our people," he says. "We do more screening — background checks and drug tests and skills testing — to give us greater confidence in the people we are placing in positions."

It's working. For two years running (2012 and 2013), his company received recognition from Staffing Industry Analysts as being among the fastest-growing companies in the business.



"You have more clout as an individual business owner with the chamber. They're such great advocates."

*— Larry Kidd,
Reliable Staffing Services*

SOMEONE STEPS IN


Kidd got involved with the Ohio Chamber of Commerce as a result of a workers' compensation claim filed against one of his businesses. That claim boosted its premiums into the stratosphere, and he thought someone had to do something about this issue. It was former state legislator and current Ohio Chancellor John Carey who convinced him that he might be that someone.

"You need to get involved in the Ohio Chamber," Kidd says Carey told him.

Soon he was testifying in Columbus and Washington, D.C., about high workers' compensation costs and other employment issues.

Kidd says that there's nothing like going eye to eye with lawmakers to let them know the real-world consequences of their actions.

"That's what the chamber lets its members do," he says. "The ability to explain your position from your perspective makes all the difference. You have more clout as an individual business owner with the chamber. They're such great advocates. We have a voice and can make a difference because, as a group, we truly understand business and the impact political decisions can have on it."

Kidd also maintains his dedication to business and his community as a member of the JobsOhio board of directors since 2011 and as chairman and trustee of Rio Grande Community College. 

OHIO CHAMBER PREPARES FOR SIGNATURE EVENT



Each year, the Ohio Chamber's Annual Meeting & Legislative Reception brings together members of the Ohio General Assembly and many of our most active business leaders in downtown Columbus. This year's event is the perfect combination of business and politics as we welcome former business leader and former Speaker of the U.S. House of Representatives John Boehner. A full story on Boehner is on the front page of this publication.

Because this is the chamber's signature event of the year, I encourage each of you to attend and be part of a powerful message to our elected officials that businesspeople care and are paying attention to what is going on in Columbus and discuss first hand how their decisions impact your bottom line.

If that reason isn't good enough, I've come up with a few more.

- This is Boehner's first official keynote address since retiring from the U.S. House of Representatives.
- Chamber Action Alliance members will be recognized for their advocacy efforts.

- Attendees have the opportunity to network with other business leaders.
- The Capitol Theatre is inside the Vern Riffe Building – the building that houses all of the offices for the members of the House, the lieutenant governor, governor and other important state officials, so you can easily access their offices.
- Members of the Ohio Chamber staff will be there to meet and talk with you about issues you care about.
- Local chambers can bring their members to show them the importance of advocating for Ohio businesses.
- Ohio's elected officials will be in attendance at the Legislative Reception.
- Come show your support for a pro-business agenda in the capital city.

Those coming to Columbus for the Annual Meeting can also tour the statehouse in the morning, meet one on one with members of the House and Senate or even attend a General Assembly committee meeting.

Also, for our local chambers of commerce, we are putting together the agenda for our Chamber Day at the Capitol, which will be held immediately before the Annual Meeting from 1 p.m. to 3 p.m. in Studio 2 in the Riffe Center. This event is specifically designed for local chambers and their members. We will have guest speakers and a legislative update by members of the Ohio Chamber staff.

More information about the Annual Meeting can be found on our website at www.ohiochamber.com, then click on Benefits & Events, then Annual Meeting.

Now in its 123rd year, the Ohio Chamber's Annual Meeting and Legislative Reception is *the* business event of the year. It will provide all attendees with information sharing and networking opportunities not found anywhere else. I hope to see you there. 🇺🇸

Andrew S. Deebel

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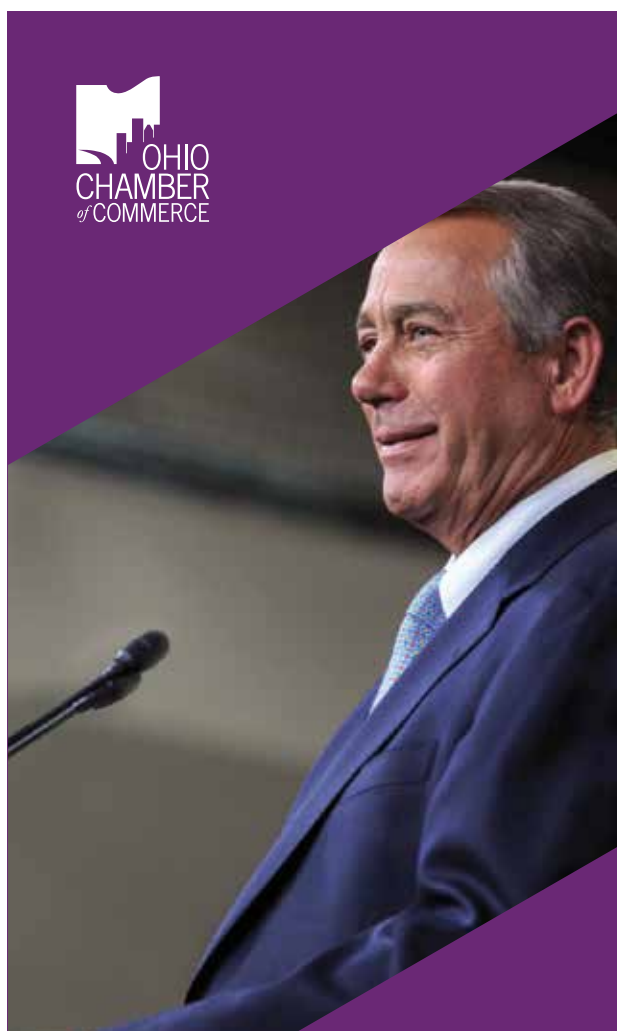
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OHIO CHAMBER OF COMMERCE ANNUAL MEETING & LEGISLATIVE RECEPTION

APRIL 5, 2016

FEATURING FORMER SPEAKER OF THE HOUSE JOHN BOEHNER

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