## Ohio lawmakers to drop DeWine's 'sin tax' hikes from budget plan, add \$600M in Browns stadium bonds

## ву Jeremy Pelzer Cleveland.com

COLUMBUS, Ohio—State lawmakers are preparing to dump Gov. Mike DeWine's proposed tax increases on cigarettes, marijuana, and sports gambling from the state's budget bill in the next couple weeks, according to a key lawmaker.

In addition, the Ohio House Finance Committee will likely soon add language to the massive budget legislation to authorize \$600 million in state-backed bonds to help pay for a new \$2.4 billion Cleveland Browns stadium in suburban Brook Park, according to Finance Committee Chair Brian Stewart, a Pickaway County Republican.

Both moves would be major blows to DeWine's budget plan, which sought to double the state's 20% tax on sports-betting companies to help fund stadium projects for sports teams like the Browns.

DeWine, a Republican, also sought tax hikes on recreational marijuana and cigarettes to pay for, respectively, a \$1,000-per-year child income-tax credit and funding for things like police training and local jails.

The removal of DeWine's tax proposals, Stewart said, reflect unease among House Republicans – who hold almost two-thirds of House seats – with raising taxes.

Stewart said the tax increases are set to be removed by the House Finance Committee either next week in an initial round of budget bill changes, or in two weeks when the committee makes additional revisions. Stewart and other House leaders say they hope to pass the budget bill by mid-April, after which it goes to the Senate for additional changes.

Stewart's comments come a day after DeWine touted his stadium-funding plan and child tax credit in his annual State of the State address.

DeWine spokesman Dan Tierney declined comment Thursday.

The governor has argued that he would prefer to create a permanent source of funding for stadium projects and suggested that providing the Browns \$600 million via bonds could end up costing up to a billion dollars when interest payments are factored in.

However, a Browns representative downplayed such fears during a presentation to state lawmakers earlier this week, saying the bonds would be paid off via tax revenue generated from the stadium and a <u>proposed \$1 billion mixed-use</u> <u>development</u> surrounding it. The Browns' projections show that revenue would cover the cost of the bonds plus add more money to state coffers.

The team has also offered to set aside \$38 million – which would grow with interest over time – that could be tapped into if projected tax revenues aren't able to cover the bond costs.

DeWine's budget plan, <u>unveiled last month</u>, also proposed doubling the state's tax on recreational marijuana to 20%, up from the 10% rate Ohio voters approved in 2023. The governor would use the money raised from the tax increase for things like police training, improvements to local jails, and moving driver's education programs from the private sector back to high schools.

The Ohio Senate <u>passed legislation late last month</u> to make major changes to the state's recreational marijuana law, but -- as written -- neither that bill nor <u>a recently introduced marijuana reform bill in the House</u> would touch the current 10% tax rate.

A third provision in DeWine's budget would nearly double the state's cigarette tax, from \$1.60 per pack now to \$3.10 per pack. The state tax on vaping products would also rise by the same proportion.

Those tax increases would be used to cover the nearly \$1 billion price tag of a state income tax credit of \$1,000 per child for parents of kids age 6 and younger, with certain income eligibility limits.