May 17, 2019

The Honorable NAME

Ohio Senate

1 Capital Square, 1st Floor

Columbus, OH 43215

Dear Senator NAME:

As a small business owner, I am writing to respectfully request the removal of provisions in the General Revenue Fund (GRF) budget bill, HB 166. Specifically, the language that reduced the business income deduction (BID) from $250,000 to $100,000 and the language that removes the 3% cap on pass-through income above the deduction. The fiscal impact of this change is $1.2 billion annual tax increase on pass through entities in Ohio.

I am concerned about the negative impact the reduction of the BID will have on small businesses. This is taking money out of businesses that would have otherwise been used to buy equipment, expand operations, and/or increase wages proving to be detrimental to Ohio’s overall economic growth and competitiveness.

These substantial changes were done quickly without discussion with the small business owners it impacts. The BID has been in place in its current form since 2015, to make a substantial change impacting business without proper discussion is not good public policy.

My company is a member of the American Council of Engineering Companies of Ohio (ACEC Ohio), which represents the business of engineering in the state employing over 7500 people. Over 50% of ACEC Ohio’s membership is made up of small engineering consulting businesses under 50 employees.

Thank you for your consideration of my request to remove this language and maintain current law for the small business income deduction. If you should have any questions, I would be happy to discuss this issue with you.

Sincerely,