

HB 2830-5: DRAFT TAX REFORM PLAN

1. COMMERCIAL ACTIVITY TAX(1-1-19)
  - APPLIES TO ALL ENTITY TYPES
  - OHIO BASE INCLUDING FIT
  - FILING THRESHOLD \$150,000 IN RECEIPTS
  - \$250 MIN FOR RECEIPTS LESS THAN \$3 MILLION
  - RATES APPLIED TO RECEIPTS ABOVE \$3 MILLION
  - .75% RATE FOR SERVICES
  - .35% RATE FOR RETAIL TRADE
  - .25% RATE FOR WHOLESALE
  - AG & NATURAL RESOURCES EXEMPT
  - .48% RATE FOR ALL OTHER
  - 50% CAT CREDIT FOR PASS THROUGHs IN 2019/25% STARTING IN 20
2. NEW PERSONAL INCOME TAX RATE STRUCTURE: (2019 TAX YEAR)
  - 4.0%, 6.75%, 8.8% FOR TAXABLE INCOME <\$25K (S), <\$50 K(J), 9.0%, 9.9%
  - INCREASE EITC TO 10% OF FEDERAL CREDIT (1-1-19)
3. INCREASE CORPORATE TAX RATES TO 8 & 9% (1-1-17)
3. ELIMINATE CORPORATE INCOME TAX (2019 CORPORATE TAX YEAR)

REVENUE IMPACT ESTIMATES (MILLIONS)	2017-19	2019-21	2021-23	2023-25
COMMERCIAL ACTIVITY TAX	\$ 545	\$ 2,542	\$ 2,790	\$ 3,054
50%/25% CAT CREDIT FOR PASS THROUGHs	\$ (69)	\$ (202)	\$ (174)	\$ (191)
PERSONAL INCOME TAX	\$ (68)	\$ (369)	\$ (379)	\$ (390)
CORPORATE INCOME TAX	\$ 204	\$ (1,076)	\$ (1,122)	\$ (1,171)
REVENUE TO EDUCATION FUND	\$ 466	\$ 2,294	\$ 2,566	\$ 2,808
REVENUE TO HIGHWAY FUND	\$ 10	\$ 46	\$ 50	\$ 55
REVENUE TO GENERAL FUND	\$ 136	\$ (1,445)	\$ (1,501)	\$ (1,561)
NET REVENUE IMPACT	\$ 612	\$ 895	\$ 1,115	\$ 1,302

LRO: 6-17-17