



## Ohio Tax Commissioner Tells Lawmakers To Lay Off Kasich Plan

Friday, March 22, 2013

By Jim Heath

COLUMBUS, Ohio - Ohio's tax commissioner is urging lawmakers to support Gov. John Kasich's budget plan and not write one of their own.

"What this is about is recognizing reality. What's reality? Reality is we have a service based economy," said Joe Testa, Ohio's tax commissioner. "In the 1930's, when the sales tax was started, it was a goods based economy. This has been changing for decades and the legislature knows it."

Testa was responding to remarks Thursday by state representative Ron Amstutz that the House version of the budget will replace Kasich's proposed sales-tax expansion.

"We have identified enough difficulties and unintended consequences with the proposed sales-tax expansion that we need to develop an alternative means of financing the income-tax reduction," Amstutz said.

Testa defends the plan and says the Republican-led legislature should broaden the sales tax base to generate revenue for a 20 percent across the board income tax cut.

"When these things have been done in the past it's been to raise taxes, to expand government," Testa told Capitol Square moderator Jim Heath. "Not this governor. Not this administration. We're driving taxes down, we're making taxes smaller."

House Speaker William Batchelder has said the House budget is also likely to remove Kasich's plan to raise the severance tax on 'Big Oil.' Testa strongly disagrees with its removal.

"We think it's the right thing to do," said Testa. "It took 400 million years to develop that Utica shale base, this is a one-time thing. All of these companies that are extracting this product from the state of Ohio are from Texas, Oklahoma, I mean c'mon."

In an interview with 10TV last month, Kasich said he was determined to impose the tax on the oil and gas industry.

"It's the big out of state oil companies that will be affected by this," Kasich said. "I talk to these people, I talk to their executives and what they tell me is these companies ought to thank you for a four percent severance tax."

Many Republican lawmakers have sided with the oil and gas industry, and Testa indicates the administration is bracing for when the severance tax is removed from the budget.

"It should be part of the tax reform package. If they take that out, I hope they don't, but if they take it out they'll have to figure out other ways to get to the same goal," said Testa.

Democrats have watched Republicans divide over the issue of tax increases and the Kasich budget.

Dale Butland, from the liberal think-tank Innovation Ohio, questions whether tax cuts should be a concern in the current economy.

"Our tax policies ought to be geared toward putting more money in the pockets of middle income, low income folks to buy the washing machines and cars and all the other things to get the economy moving," Butland said.

Butland also blames Kasich for failing to convince his own party that a small tax increase on 'Big Oil' is in the best interest of the state.

"The problem he's got in the legislature is that you've got people there who believe the oil companies shouldn't pay any new taxes," said Butland. "But that's his problem on that."

Sam Gresham from Common Cause echoed the complaint about the GOP priorities.

"This is a good example of a bad idea even when people are on the same team," Gresham said. "Republicans see it as a bad idea. It's a bad idea. We don't need tax cuts. Local governments need money, schools need money."

The tax debate is the featured topic this Sunday at 11 am on 10TVs Capitol Square.

**Original Article:** <http://www.10tv.com/content/stories/2013/03/22/ohio-taxpayer-fight-over-governor-sales-tax-plan.html>