

Tax cut for Ohio investors makes way into budget

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Gov. John Kasich's tax cut on gains from investments made in Ohio's companies made it into the state budget without a public hearing or prior review of its details.

Late last night, just before the six-member budget conference committee voted 4-2 (all four Republicans voting in favor) to include InvestOhio in the budget, some details related to caps and costs on the tax cut were revealed.

The investment must be held for at least two years, if made before June 30, 2013, or for five years if after that date. The credit, equal to 10 percent of the investment, is not received until after the end of the holding period.

The credit is capped at \$10 million every two years per taxpayer, for a total of \$100 million statewide. The delay means it will not have an impact on the new two-year budget.

To qualify, a company must have at least 50 employees in Ohio or a majority of its employees in Ohio, and must have either assets of \$50 million or less or sales of less than \$10 million. The business must invest an amount equal to the taxpayer's investment within six months of receiving it.

Democrats opposed the measure. Sen. Michael Skindell, D-Lakewood, said members did not have enough time to review it, and he noted that Ohio already has \$7 billion a year in tax credits and other exemptions.

Rep. Ron Amstutz, R-Wooster, said he hoped the plan would "generate some jobs in this state."

Kasich first introduced InvestOhio during a speech he made to a room full of accountants on June 16. The tax cut received no public hearings because it was not considered by the House or Senate during their initial budget-vetting periods.

Rep. John Carey Jr., R-Wellston, said testimony provided for House Bill 134 - which would limit taxes on capital gains from investments to 2.5 percent - earlier this year was sufficient information for the public as it relates to InvestOhio.

The liberal policy group Innovation Ohio, which opposes the tax cut, recently sent out a release that lowering taxes on investment gains "is likely to help the rich and penalize the rest."

"There is no hard evidence whatsoever, either about Invest Ohio's fiscal impact or the number of jobs, if any, it is likely to create," Innovation Ohio spokesman Dale Butland said.

Original Article:<http://www.dispatch.com/content/stories/local/2011/06/28/caps-on-investohio.html>