



April 10, 2015

The Honorable Ryan Smith
Chairman, Finance Committee
Ohio House of Representatives
77 S. High Street, 13th Floor
Columbus, Ohio 43215

RE: Concerns regarding H.B. 64 – Taxes

Dear Chairman Smith:

The Ohio Steel Council writes to convey strong concern over provisions included in H.B. 64. Specifically, the Council supports the broad-based, low-rate Commercial Activity Tax (CAT) that applies to gross receipts from business activities conducted in Ohio. Since its establishment in 2005, the structure of the CAT has increased investments from many members of the Ohio Steel Council including: United States Steel Corporation, The Timken Company, AK Steel, among others.

With this in mind, the Ohio Steel Council does not support the proposed 23 percent increase to the CAT rate from 0.26 percent to 0.32 percent. Such an increase will have a direct negative impact on Ohio's steel industry and make Ohio less competitive for future manufacturing investments. The Ohio Steel Council recommends the elimination of the current exemptions from the CAT instead of a percent increase to the tax.

Additionally, the Ohio Steel Council does not support the proposed increase to the state sales tax rate by 8.7 percent as proposed in H.B. 64. This effort runs contrary to the principal of a broad-based, low-rate tax, where the goal should be to lower rates, not to increase them. The proposals included in H.B. 64 have the potential to increase operating costs for Ohio's steel industry by more than 30 percent.

Accordingly, H.B. 64 does not represent a tax structure with a goal to encourage job growth and investment in Ohio. During a time when Ohio's over 100 year-old steel industry is fighting to stay afloat amidst a dismal global economy, it is greatly discouraging to see such deconstructive tax policy introduced in the Ohio General Assembly.

On behalf of the Ohio Steel Council and the thousands of Ohioans our members employ, we respectfully ask for your consideration of our position and ask that you vote 'no' to the proposed tax increases in H.B. 64. We appreciate your time and please do not hesitate to contact us if you would like to discuss these items further.

Sincerely,



Brenda Schulz
Nucor Marion, Inc.
Chair, Ohio Steel Council



Emily B. Elizer
U.S. Steel Corporation
Government Affairs Chair, Ohio Steel
Council

Comprised of steel producers, processors and suppliers, the Ohio Steel Council serves as the voice of the steel industry in Ohio. Additional information about the Ohio Steel Council is available at www.ohiosteelcouncil.org. Ohio Steel Council members include: AK Steel Corporation, AMG Vanadium, Inc., ArcelorMittal, Charter Steel, Cliffs Natural Resources, Inc., Eramet Marietta, Inc., Nucor Steel Marion, Inc., Stein, Inc., The Timken Company, Tata Steel, Tube City IMS, United States Steel Corporation and Wheeling & Lake Erie Railway.