

# OHIOsteel

## COUNCIL

May 3, 2013

The Honorable Ron Amstutz  
Chairman, Finance Committee  
Ohio House of Representatives

The Honorable Scott Oelslager  
Chairman, Finance Committee  
Ohio Senate

**RE: Tax Reform and State Budget Discussions**

Dear Chairmen:

The Ohio Steel Council writes to convey concern over any proposal to increase the CAT rate or erode the CAT base.

Ohio steel companies have been proponents of the tax reform initiative contained in 2005's H.B. 66. Key to this historic reform was the implementation of the CAT. We continue to strongly believe that exemptions from and credits against the CAT compromise the integrity and intent of a broad-based tax. It is only because of the breadth of this tax that the rate can be low, thereby encouraging economic growth and equitable treatment of Ohio's business taxpayers.

Exemptions and earmarks against the CAT promote discrimination between taxpayers and set bad precedent. A key element of economic growth is the stability and predictability of the tax environment. For any business, uncertainty presents many problems when addressing difficult decisions regarding where and how to grow and expand. One very big concern with making changes to the CAT is that it would create the perception that the CAT would become the primary vehicle for new tax revenue every budget cycle. That perception could affect business investment decisions and be detrimental to Ohio's economy.

Specifically the Ohio Steel Council urges against rumored proposals to hike the CAT rate and we oppose a change to Substitute House Bill 59 which would exempt licensed agricultural commodity handlers or others from the Commercial Activity Tax.

We are thankful to both Governor Kasich and the leadership of the Ohio General Assembly for continuing the important provisions contained in 2005's tax reform package. We applaud your efforts to date, and encourage your continued action to keep the tax code fair and predictable.

Thank you for considering our position. Please do not hesitate to contact us if you would like to discuss these items further or if we can be of any assistance.

Sincerely:



Brenda Schulz  
Nucor  
OSC Board Chair



Robert J. Lapp  
The Timken Company  
OSC Government Affairs Committee Chair

cc: Speaker William Batchelder  
Senate President Keith Faber  
Governor John Kasich  
Tax Commissioner Joe Testa