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Ohio Statehouse Update: High Profile Ohio Bills Scheduled for Action before Summer Break

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Legislators returned to Columbus this week after the Memorial Day weekend for what is likely their last two weeks of work before they break for the summer.

Several high profile bills are scheduled for action before the summer break. They include SB 310, a controversial measure to put a two-year freeze on renewable and alternative energy standards, and HB 483, one of the Mid Biennial Budget Review (MBR) bills introduced by Governor John Kasich earlier this year.

Another high profile bill, HB 375, the proposed increase in the oil and gas severance tax, seems likely to be held until legislators return after the November election. It had its first hearing in the Senate on Tuesday, May 27.

SB 310 passed out of the Senate in April, and the House Public Utilities Committee on Tuesday of this week. It is scheduled for a House vote on Wednesday, May 28. This bill has split the business community and engendered vocal opposition from the supporters of renewable and alternative energy. The bill would impose a two-year freeze on standards adopted in 2008 under SB 221. During the next two years legislators would be required to review the standards and make recommendations for changes. If legislators fail to act, SB 310 would reinstate the same standards adopted in SB 221.

HB 483, the MBR appropriations legislation, passed the Senate with amendments last Wednesday, and is headed for a House-Senate conference committee at the end of this week or the beginning of next week. The conference committee, composed of three members from the House and three members of the Senate, will hammer out the differences between the House and Senate passed versions of the bill. The Senate amendments included:

- Acceleration of the phase-in of the previously enacted 10 percent personal income tax cut for Ohioans. The amendment fully implements the tax cut in two years instead of three years.

- A provision to give small businesses a one-time increase of the business income tax deduction to 75 percent on the first \$250,000 in income for tax year 2014.
- A prohibition against school districts filing property tax valuation challenges, which is a provision that is likely to be hotly debated in conjunction with the conference committee deliberations.

Other controversial tax-related proposals that have been under consideration, such as increasing the rate of the Commercial Activity Tax (CAT) on businesses, and increasing taxes imposed on tobacco and tobacco-related products, were not included in either the House-passed or Senate-passed versions of HB 483.

HB 375, the proposed increase in the oil and gas severance tax, was introduced in the House in December 2013 and passed the House on May 14. When the Senate received the bill with fewer than three weeks left in this Spring session, a spokesman for the Senate expressed doubt that Senators would have ample time to give it proper consideration. The bill is supported by at least one industry group, the Ohio Oil and Gas Association. Governor Kasich's administration has stated publicly it feels the tax does not go far enough, but is reviewing the House passed version. The Governor is counting on higher tax revenues from the industry to help pay for a cut in the personal income tax.