

HB 2830-3: DRAFT TAX REFORM PLAN

1. COMMERCIAL ACTIVITY TAX(1-1-19)
 - APPLIES TO ALL ENTITY TYPES
 - OHIO BASE INCLUDING FIT
 - FILING THRESHOLD \$150,000 IN RECEIPTS
 - \$250 MIN FOR RECEIPTS LESS THAN \$3 MILLION
 - RATES APPLIED TO RECEIPTS ABOVE \$3 MILLION
 - .75% RATE FOR SERVICES
 - .35% RATE FOR RETAIL TRADE
 - .25% RATE FOR WHOLESAL
 - .15% RATE FOR NATURAL RESOURCES
 - .48% RATE FOR ALL OTHER
 - 50% CAT CREDIT FOR PASS THROUGHs IN 2019/25% STARTING IN 20
2. NEW PERSONAL INCOME TAX RATE STRUCTURE: (2019 TAX YEAR)
 - 4.0%, 6.75%, 8.8% FOR TAXABLE INCOME <\$25K (S), <\$50 K(J), 9.0%, 9.9%
 - INCREASE EITC TO 10% OF FEDERAL CREDIT (1-1-19)
3. INCREASE CORPORATE TAX RATES TO 8 & 9% (1-1-17)
3. ELIMINATE CORPORATE INCOME TAX (2019 CORPORATE TAX YEAR)
4. REPEAL SPECIAL PASS THROUGH RATE (1-1-17)

REVENUE IMPACT ESTIMATES

(MILLIONS)	2017-19	2019-21	2021-23	2023-25
COMMERCIAL ACTIVITY TAX	\$ 548	\$ 2,557	\$ 2,809	\$ 3,074
50%/25% CAT CREDIT FOR PASS THROUGHs	\$ (69)	\$ (202)	\$ (176)	\$ (192)
PERSONAL INCOME TAX	\$ (68)	\$ (369)	\$ (379)	\$ (390)
REPEAL PASS THROUGH SPECIAL RATE	\$ 282	\$ 277	\$ 332	\$ 398
CORPORATE INCOME TAX	\$ 204	\$ (1,076)	\$ (1,122)	\$ (1,171)
REVENUE TO EDUCATION FUND	\$ 470	\$ 2,313	\$ 2,583	\$ 2,827
REVENUE TO HIGHWAY FUND	\$ 10	\$ 46	\$ 50	\$ 55
REVENUE TO GENERAL FUND	\$ 418	\$ (1,168)	\$ (1,169)	\$ (1,163)
NET REVENUE IMPACT	\$ 898	\$ 1,191	\$ 1,465	\$ 1,719

LRO: 6-15-17