



April 18, 2023

To: Members of the Ohio House of Representatives

Representative,

**The undersigned organizations write in support of the 135<sup>th</sup> Ohio General Assembly passing legislation that reduces the state income tax to a single flat rate and reduces revenue on net, returning hard-earned taxpayer dollars to families and small businesses.**

The state took in nearly \$6 billion more than expected by the end of the last fiscal year. When government collects more money than needed, the most important priority should be returning that money to the taxpayers who earned it.

We applaud the House for prioritizing tax reform that achieves these principles with House Bill 1 and support the proposals to the budget that achieve these goals: Achieving a low flat income tax rate while avoiding increasing the burden on any bracket; using the surplus to achieve permanent income tax reduction; and disentangling state and local government revenue.

Should these amendments be added to the House budget, the plan would reduce Ohio's state income tax to a flat, 2.75% single rate. **This would be the second-lowest flat tax rate in the nation, and a lower tax rate than any state's top graduated income tax rate.**

**This would make Ohio a top 10 state for income tax competitiveness**, behind only the states that do not impose an income tax (under current law).

These changes would return over \$17 billion to taxpayers – attracting new workers and businesses, making it easier for existing Ohio businesses to stay and grow, all while letting Ohio workers keep more of their pay.

Through the budget process, we urge legislators to support these tax reforms and pass them by June 30<sup>th</sup>: A 2.75% flat income tax, that avoids increasing the burden on any bracket; disentangling state and local revenue; and using the budget surplus to achieve this permanent income tax reduction.

Legislators should also limit spending to ensure a sustainable budget for Ohio taxpayers. Ultimately, a cap on spending that limits increases to [the rate of inflation plus population growth rate](#) is a proven mechanism to ensure budget growth does not spike beyond the needs, or means, of Ohioans. [Eliminating wasteful spending](#) along with [constraining the growth of future spending](#) are key to a state's prosperity.

We applaud your focus on nation-leading tax relief as a top priority this session. The legislature during Gov. DeWine's tenure has achieved great success in reducing Ohio's tax, and regulatory burdens. These efforts are earning the attention of the nation and spurring neighboring states to continue their work to limit their tax burdens.

**We urge you to keep cutting and flattening Ohio's income tax in the biennial budget this session by enacting tax reform along the principles outlined in this letter.**

Sincerely,

Donovan O'Neil  
Ohio State Director  
Americans for Prosperity

Robert Alt  
President & CEO  
The Buckeye Institute

Grover Norquist  
President  
Americans for Tax Reform

Doug Kellogg  
Director  
Ohioans for Tax Reform

Dan Mitchell  
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Lisa Woods  
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Medina County Friends and Neighbors, MCFAN

May Mailman  
Cleveland Chapter Leader  
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Center for a Free Economy