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Council of Smaller Enterprises supports Governor's income tax cuts, shares Greater Cleveland Partnership's concerns on CAT increase, sales tax expansion

CLEVELAND, March 12, 2015 - The Council of Smaller Enterprises (COSE) announced that many small businesses would benefit from Governor Kasich's proposed income tax exemption and personal income tax deductions, but also has concerns about the impact other proposed tax changes could have on large and small employers in Ohio. Last week, the Greater Cleveland Partnership, Ohio Chamber and seven Ohio metro chambers sent a letter to the Governor and state leaders about concerns with tax proposals in the budget.

Together, COSE and GCP represent the most comprehensive large and small business partnership in the state, representing more than 10,000 businesses in Northeast Ohio, with more than 9,000 of its member businesses having fewer than 50 employees and approximately 80% with less than \$2 million per year in gross receipts.

COSE President and Executive Director Steve Millard submitted written testimony earlier in the week to the Ohio House Ways & Means Committee concerning the Governor's budget proposal.

"It is clear that the Governor considers small business to be a priority and his proposed budget puts a specific emphasis on supporting sole proprietors and small businesses of less than \$2 million," Millard said. "While the proposed income tax exemption and tax cut would clearly benefit these small businesses, we have concerns with the current construct, and believe shifting tax burdens from one set of businesses to another through an increase in the commercial activity tax (CAT) rate and expansion of the sales tax to more business to business transactions is not the right path."

"We hope that the final package passed by the legislature will continue the Governor's and General Assembly's efforts to provide as much support for small business tax relief as possible, without the type of shift currently proposed. We will continue to work with all state leaders toward that goal," he added.

The two groups noted that the state's budget continues to grow at a rate that exceeds inflation; and, they urged all parties to search for greater efficiency in state government to use resulting cost savings to fund support for small businesses.

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