

LEGISLATIVE REVIEW
FEBRUARY 8, 2013 – REPORT #2

**NPDES CONSTRUCTION STORM WATER GENERAL PERMIT UP FOR REVIEW;
OHBA TO COMMENT**

Ohio EPA has issued its public notice and request for comments on the NPDES construction storm water general permit. The public hearing is set for February 25th, with comments due March 4, 2013. OHBA plans on submitting comments, and will be discussing the issue further at its Spring Board meeting in February. If anyone wants to participate in the comment process, please contact OHBA. We appreciate any feedback on the rule as we move ahead in preparing formal comments.

SALES TAX REFORM INCLUDED IN GOVERNOR'S BUDGET PROPOSAL

Although the actual budget language has not been released, budget hearings began this week in House Finance Committee on the proposals. Among numerous tax reforms, many services have been tagged for application of the sales tax. Kasich has proposed a major paradigm shift in Ohio taxation by applying the sales tax to all services except for a few exempted areas related to education, housing construction, rent, health care and residential utilities.

Governor Kasich's reform proposal does not simply enumerate additional services to be subject to the sales tax. Instead, it changes the entire structure of the tax that has been in effect since the 1930s. Current law presumes that exchanges of TPP are taxable unless specifically exempted, but that services are exempted unless specifically enumerated as taxable. The reform proposal would put services on the same basis as TPP: that is, service transactions would be taxable unless specifically exempted.

The proposal excludes major categories of services that one may consider to be essentials for modern life. That is, health care, construction services, rental of residential property and education services would all be exempt. The proposal would also exempt social assistance services, day care services, insurance premiums, residential trash removal, oil and gas drilling services.

OHBA will be involved in discussions throughout the budget process. For now, we are waiting for more details on the exempted services, and for actual legislation with budget language to be introduced.