

**LEGISLATIVE REVIEW**  
**MARCH 7, 2013 – REPORT #5**

***THE STATE BUDGET ALWAYS PACKS THEM IN***

The legislature is in the process of reviewing the Governor's proposed 60 billion dollar budget. The size alone draws many from far and wide to urge more in the way of an appropriation or less in terms of a burden. Government's budgets are just that way: it takes taxes to produce revenue and the recipients always expect an increase. The General Assembly is the body who makes the final determination.

The budget always starts in the House. Hearings are well underway before committees and subcommittees. Drawing a lot of attention this budget is a proposed expansion of the state sales tax. Currently, certain activities are specifically subject to the tax. Under the proposal, ALL services would become subject to the tax unless specifically exempt. This raises many questions as just about anything done for a price could be considered a service. The notable groups that would be subject to the tax are all professional service providers i.e. attorneys, realtors accountants etc. to name a few. Barbers, vending machine owners and movie theaters are a few of the other services which would also be covered.

Our industry is in a questionable position as housing and real estate construction services are exempt. We appreciate the thought, and will inquire and request some clarification of just what encompasses exempt services as the proposal move forward. In the meantime, the House will be hearing from many about the entire proposal which contains other taxes, fees, as well as, provides tax relief. Notably, the state sales tax is reduced by one-half percent and business and personal income tax relief is proposed as well. Further, some limits are placed on the growth of locally imposed taxes. In the next few weeks, the House will wind up its review and pass the bill to the Senate by mid-march.

***OHBA SUBMITS COMMENTS ON NPDES CONSTRUCTION PERMIT***

OHBA officially commented on the EPA's rule renewal of the general construction permit governing construction sites. Please see attached letter for more information.

***COMMON SENSE INITIATIVE OFFICE REFERENCES WORK ON RESIDENTIAL CODE***

Please see the attached report of the Governor's Common Sense Initiative which helped OHBA obtain \$2,000 relief in the new statewide residential building code.