



TO: MEMBERS OF THE OHIO SENATE

- On behalf of the nearly 22,000 members of the Ohio chapter of the National Federation of Independent Business (NFIB), you are respectfully urged to **VOTE YES on Amended House Bill 168 (Fraizer, Loychik)**.
- House Bill 168 was amended to allow the administration to pay off the outstanding unemployment compensation loan to the federal government. This action will save employers tens of millions of dollars in increased federal unemployment tax (FUTA) in 2022.
- Outstanding loans to the federal government must be repaid within a set timeframe. Absent complete elimination of the debt, employers begin to lose their FUTA offset credit effectively increasing their per-employee unemployment tax. House Bill 168 prevents a 50% increase in 2022, or \$21 per employee. This tax would increase to \$42 in 2023 and \$63 in 2024.
- Additionally, paying off the loan earlier in 2021 will also prevent the charging of interest on the outstanding loan. A law change in 2016 changed the source of payment from the state general revenue fund to employers.
- During the 2008-09 recession, Ohio employers paid over \$3 billion in additional taxes and penalties because of ongoing borrowing. That outstanding loan was not repaid until 2016. Ohio employers do not need a repeat of this situation.
- Small business should be focused on hiring Ohioans and expanding their operations, not having to worry about another financial blow from a pandemic that they had no control over. Many businesses were shuttered due to no action of their own. It is right and appropriate that Ohio use monies from the State Fiscal Relief Fund to avoid a burdensome tax increase on small business.
- NFIB may consider the vote on Amended House Bill 168 a **Key Small Business Vote** of the 134th General Assembly.

On behalf of Ohio's small-business community, NFIB respectfully urges you to VOTE YES on House Bill 168.