

**Presentation to the
Ohio House Economic Recovery Task Force
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April 15, 2020**

On behalf of the 27,000 members of The Ohio Society of CPAs, thank you for this opportunity to share our recommendations on how to help Ohio businesses survive the existing COVID-19 challenges and how to best help them reopen their doors and ramp back up when the State determines it is once again safe to do so. I'm John Venturella, past Chair of OSCPA and a CPA and shareholder with the Dayton office of the accounting firm Clark Schaefer Hackett.

First, we want to thank the legislature for passing H.B. 197 to allow the Ohio Tax Commissioner to extend the income tax filing and payment deadlines to July 15th. To help guide Ohio during this crisis and going forward, OSCPA solicited the input from CPA experts across Ohio to develop suggestions on how to help Ohio job providers in the near future, including:

Provide businesses with a road map: Now, more than ever, Ohio employers need a sense of predictability. As much as possible, impacted industries need a mapped-out process of what their re-entry into more normal operations will look like and how long it will take. We know consideration is being given to just that, but time is of the essence because a number of business owners are barely hanging on – we need to give them as much clarity as we can about what's coming in the near future.

They also need additional financial lifelines to be able to get back on their feet, including the following possible solutions:

Commercial Activity Tax (CAT): The upcoming May 11th filing and payment deadline should be extended. In the alternative, CAT liability should be based off an estimate of this year's gross receipts instead of the prior year's gross receipts as is current practice. Numerous businesses are currently not operating so to gather the information to file and pay the taxes is also going to be difficult.

Net operating losses (NOLs): Ohio should model what the federal government enacted under the CARES Act. For losses arising in tax years 2018, 2019 and 2020, a five-year carryback is allowed (taxpayers can elect to forgo the carryback). This law also applies to pass-through businesses and sole proprietorships. Consideration should also be given to making similar changes at the municipal level.

Financial support for COVID-related expenses

Consider state tax credits for any sort of expenditures businesses are having to incur to stay open due to the Coronavirus that they would not otherwise have incurred. Examples include:

- Door dash fees for food delivery
- Tents and other devices to accommodate food service industry
- Credits for facilities that may convert to temporary hospitals on per bed basis
- Technology expenses to set up employees remotely
- Continuing to pay for benefits like health insurance even though they could not keep employees on payroll

- Sales tax exemption or refundable credit on purchases of COVID-19 related equipment and purchases a business must make to transition their business to meet the social distancing requirements to protect their employees and customers. May include gloves, personal protection equipment at stores such as glass barriers at cash registers.

Other Regulatory relief suggestions:

- Extension of additional state reporting deadlines.
- Declare a moratorium on state tax audits currently underway for a reasonable period, and halt additional audits.
- Consider some way to prevent or provide relief from the lawsuits that almost certainly will be coming after the pandemic is over, such as work stoppage due to inability to meet social distancing mandates.
- Consider a meaningful sales tax holiday period for industries that were particularly hard hit due to forced closures, such as the entertainment and restaurant industries, to entice Ohioans to support those entities.

We realize that the State of Ohio is enduring financial challenges as well, and balanced budgets are constitutionally mandated, but anything that can be done to support our state's struggling small businesses and give them hope for the future will help them bring back employees and regrow operations as the recovery unfolds.