

Reject A Direct Marketing Tax in Ohio!



ADVERTISING TAXES ARE HARMFUL AND SHOULD BE REJECTED. The Ohio Legislature should carefully reconsider and reject efforts to tax any form of advertising. Doing so only hurts consumers, sends a strong anti-business signal, results in lost jobs, is harmful to small businesses, and creates additional significant hurdles for economic growth in Ohio. The proposals included in HB 96 eliminate several sales tax exemptions that would impose millions of dollars in annual taxes on advertising and direct marketing in the State.

BAD FOR EMPLOYERS, ESPECIALLY SMALL BUSINESSES. The tax would adversely impact many Ohio employers. While burdening many companies that advertise, the tax likely will be especially backbreaking for small business seeking to promote new products and services.

ADVERTISING TAXES WILL CAUSE JOB LOSSES. Advertising supports over 1 million, or 19%, of jobs in the State, according to the international economics firm IHS Markit (based on an economic model by a Nobel laureate in economics). Further, the study indicated that advertising drives \$333.3 billion in economic activity in Ohio.

ADVERTISING TAXES HURT CONSUMERS. Given the serious economic challenges facing Ohio businesses, the negative impacts of this proposed tax would be strongly felt by Ohioans. The proposed elimination of the sales tax exemptions will impose tax on business inputs. That tax burden will be passed on to all Ohioans and lead to a double tax (tax pyramiding) for most products in the State.

ADVERTISING TAXES WILL HINDER ECONOMIC GROWTH. Employers rely on advertising to reach and attract customers. Imposing a tax will increase advertising costs, hurting businesses' ability to successfully deal with the economic challenges being felt across the country.

ADVERTISING TAXES BROADLY REJECTED IN THE U.S. More than 100 advertising tax proposals have been put forward in more than 40 states and localities in the past five decades. With one exception currently being challenged in the courts, each has been uniformly rejected or abandoned as economically unsound and counterproductive. The Legislature should reject this proposal, as well.