



Why small businesses won't pay Ohio's tax collectors as much this year

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By Chris Wetterich

With tax season in full swing, small businesses will receive a significant tax cut for income they earned in 2013 under a measure passed by the Ohio Legislature last year.

Those who file their business income on their individual income tax form - a vast majority of Ohio businesses - can deduct half of their business income up to \$250,000.

That means if a business owner earns \$250,000 in adjusted gross income, he or she can exclude the first \$125,000 from their tax return. The exclusion is available to each investor or owner in a business, said Ohio Tax Commissioner Joe Testa.

The cut, a part of Gov. John Kasich's effort to slice income tax rates, is expected to be worth \$1.6 billion to Ohio small businesses.

"It's pretty significant," Testa said. "This gives them the opportunity to have more revenue they can put back into their businesses, to grow their businesses by purchasing additional equipment or marketing their products or maybe even adding a full-time person when they only had a part-time person."

Article continued here: <http://www.bizjournals.com/cincinnati/news/2014/02/07/why-small-businesses-wont-pay-ohios.html>

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