

NOTE: “While any taxpayer would welcome a break on taxes, the rebate could be especially powerful for owners of small businesses, including farmers, whose business taxes are paid through personal income tax. A boost to those businesses could add a bit of steam to Ohio’s economic recovery, further amplifying and spreading the benefit of the boom.”



Wednesday, December 5, 2012

Persistence: editorial

Kasich should keep up pressure to update Ohio’s severance tax

It’s good that Gov. John Kasich isn’t giving up on his proposal to impose a reasonable tax increase on the drillers who stand to benefit from Ohio’s oil- and gas-rich shale resources, even though short-sighted legislators have stalled it for now.

Kasich said in a recent speech to the Ohio Farm Bureau Federation that he intends to eventually see a severance-tax increase, coupled with an income-tax rebate, become law.

Ohio’s current taxes on oil and gas extraction are drastically lower than those of neighboring states, some of which also are seeing a boom in extraction from the Marcellus and Utica shale layers. The increase Kasich proposes would leave the state in line with or still lower than many of the neighbors.

Most important, revenue from the tax would go not to fund more government, but directly back to taxpayers, in the form of income-tax rate reductions equivalent to whatever the severance tax generates in a given year.

Editorial continued here:

<http://www.dispatch.com/content/stories/editorials/2012/12/05/persistence.html>

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