



HAMILTON COUNTY, OHIO
Founded 1795

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Fire Chief

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January 21, 2011

The Honorable John Kasich
Riffe Center, 30th Floor
77 S. High Street
Columbus, OH 43215-6108

RE: H.B. 3 – Estate Tax Repeal

Dear Governor Kasich:

We are writing this letter to express our concerns regarding recently proposed legislation to repeal the Estate Tax.

Springfield Township greatly depends on revenue from the Estate Tax to fund vitally important Township services such as road repair, snow removal, senior services, housing code enforcement, and the purchase of emergency service equipment. In addition, we are concerned that the loss of this revenue will not only negatively affect the Township's bond rating and ability to repay debt, but the municipal bond market in general, hurting many communities statewide.

In 2010 the estate tax represented approximately 40% of the Township's General Fund revenues. The loss of revenue will require cuts to basic Township services which will detrimentally impact the quality of life of Township residents.

Many local governments will be forced to pursue local tax initiatives to fill the void left by the loss of estate tax revenue. Therefore, while the State legislature has alleviated a tax burden for approximately 6% of all estates in the Ohio by repealing the estate tax, the majority of living citizens will most likely be burdened by additional property, income, or sales tax to allow the continued delivery of important local government services. This is especially problematic for bedroom communities, such as Springfield Township, as we already have a very high tax rate due to the current methods of funding public school systems and the lack of industry.

While we understand the Legislature's desire to make Ohio more competitive on a national scale, we believe eliminating the estate tax resulting in negative impacts to local government services will be counter-productive to this effort. If the Legislature is determined to change tax law in Ohio, please give thought to comprehensive tax reform, including the way schools are funded, and not just removing one piece of a very complicated puzzle.

We request that before the legislature repeals the Estate Tax please consider the potential devastating impacts that this loss in revenue will have on Springfield Township and local governments throughout the State. While we are not writing in support of the estate tax; we are requesting that, if eliminated, an alternative source of revenue or legislation enabling the creation of new revenue for townships is provided in its place to enable the continuation of vitally important local government services and that a five to ten year phase out period be implemented.

Sincerely,

Tom Bryan
Trustee

Joseph Honerlaw
Trustee

Gwen McFarlin
Trustee