



## MEMORANDUM

To: All House Members

From: Representatives Terry Boose and Jarrod Martin

Date: April 15, 2010

Re: Co-Sponsor Request – Ohio FairTax Constitutional Amendment

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Today Ohioans all across the state will be filing both their state and federal income taxes. Many of these Ohioans, both individuals and business owners, would like to make April 15<sup>th</sup> of every year just another ordinary day. According to the Tax Foundation, the Typical Ohioan has to work until April 8<sup>th</sup> to be able to pay their taxes. We can help them by allowing the Voters of Ohio to enact an Amendment to the Constitution of Ohio that would eliminate the burdensome tax system that Ohio has by repealing the Income Tax, the Commercial Activity Tax, and the Estate Tax and replacing them with a simplified broad based, low rate consumption tax on retail sales.

This type of concept is known as the FairTax, and there are states all across the country that are looking into this type of tax system. Right now the State of Missouri is very close to enacting these reforms in their state. [Here is a link to Chapter 2 of the American Legislative Exchange Commission's 2010 Rich States, Poor States report that details the reforms in Missouri.](#) There is also a national FairTax movement to repeal the Federal Income Tax and abolish the IRS, and thousands of Americans will be descending upon Washington DC today for a rally in support of this idea.

There are many benefits to replacing our current tax system with the FairTax, and here are the most important that are in this amendment:

1. It will let Ohioans keep their entire paycheck by eliminating tax withholding.
2. Replace Ohio's current complex and unfair tax system with a single, no loophole, retail sales tax on all new goods and services.
3. The initial rate will be recommended to the General Assembly by a nonpartisan commission of economists, not politicians.
4. Provide a more stable revenue source and raise the same amount of money for Ohio

Government.

5. Eliminate tax on necessities for all Ohio families via a "prebate," based on the rate of the FairTax multiplied by  $1/12^{\text{th}}$  of the Federal Poverty Guidelines
6. Require public approval for tax increases.
7. Eliminate current Income Tax, CAT Tax, the Death Tax and all taxes on business to business purchases.
8. Make Ohio products more competitive with foreign products and return jobs here.
9. Returns a significant portion of the tax revenue to local governments.
10. Encourages all Ohioans to invest and build up savings by making their savings and investments tax-deferred.

If you would like to co-sponsor this legislation or have any questions, please contact either Nick in Rep. Boose's office at 6-9628 or [nicholas.brusky@ohr.state.oh.us](mailto:nicholas.brusky@ohr.state.oh.us) or Jimmy in Rep. Martin's office at 4-6020 or [jimmy.sheppard@ohr.state.oh.us](mailto:jimmy.sheppard@ohr.state.oh.us). The deadline for this request is Friday April 30th, no later than 12:00pm.

**Nick Brusky**  
Legislative Aide  
Rep. Terry Boose  
614-466-9628