



Dave Yost • Auditor of State

November 4, 2011

Joseph W. Testa
Tax Commissioner
Ohio Department of Taxation
P.O. Box 530
Columbus, Ohio 43216-0530

Dear Commissioner Testa:

I have been following the conversations surrounding the state's efforts to centralize the collection of local income taxes. While I support efforts to make doing business in Ohio easier and there certainly may be merit to the proposal, I have some concerns I would like to share with you so they may be considered as this proposal is developed.

First, we need to consider that some jurisdictions may have incremental costs that are cheaper than using a state centralized system. We should do our best to avoid any increased costs for our local governments.

Second, moving money to Columbus may cause cash flow issues for local governments. A delay in receiving local tax dollars could force short-term borrowing and attendant costs.

If the state chooses to push forward with this project, it must be cognizant of the repercussions at the local level. I appreciate your efforts to search for further efficiencies in our state and encourage you to work with our local partners in developing a plan that works for all.

Sincerely,

A handwritten signature in blue ink that reads "Dave Yost".

Dave Yost
Auditor of State