

## MAKING TAX POLICY AN ECONOMIC DEVELOPMENT TOOL

Ohio's economy has suffered far too long due to tax policy. It's made the state inhospitable to employers who want to make investments and create jobs and wealth for Ohioans.

But since the Greater Cleveland Partnership's (GCP) priority is making Northeast Ohio a place where businesses can grow and thrive, they joined forces last year with the Ohio Business Roundtable (OBR) to advocate for the most sweeping tax reform Ohio has seen in 75 years.

Working with lawmakers and state leaders in Columbus, this statewide public-private partnership was able to implement a new tax code that was written to encourage businesses and Ohio's economy to grow.

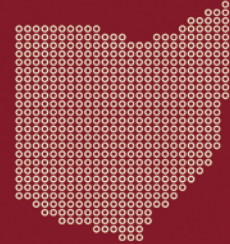
The sweeping tax reforms are being phased in over five years. However, tax liabilities are already being reduced and new jobs are being created.

Now one year into the reform, the OBR recently released *Ohio Tax Reform: Year 1 in Review* analysis, which says "the tax reforms will reduce Ohio's total state and local taxes by \$3.3 billion annually by the year 2010. In that time



### Ohio tax reform: Year 1 in review

Lowering the burden for families and businesses  
Raising the standard of living for all Ohioans



THE TAX REFORMS WILL REDUCE OHIO'S TOTAL STATE AND LOCAL TAXES BY \$3.3 BILLION ANNUALLY BY THE YEAR 2010. IN THAT TIME OHIO'S BUSINESS TAX BURDEN WILL GO FROM BEING ONE OF THE HIGHEST AMONG 12 COMPARABLE STATES TO ONE OF THE LOWEST.

—OHIO TAX REFORM: YEAR 1 IN REVIEW, OHIO BUSINESS ROUNDTABLE

Ohio's business tax burden will go from being one of the highest among 12 comparable states to one of the lowest."

Included in the reform is the Commercial Activity Tax (CAT) designed to help make Ohio more competitive. It calls for no tax to be placed on goods produced in Ohio and sold outside the state. However, non-Ohio businesses that sell to Ohioans are required to pay the CAT.

"The new tax code creates a much more business-and-investment-friendly climate in our state," said GCP Board member and immediate past chairman Sandy Cutler, CEO of the Eaton Corporation, who was mentioned in the analysis. "I am especially delighted that the GCP was able to partner with the OBR in this accomplishment."

Also mentioned in the analysis is GCP Board member John Stropki, chairman and president of Lincoln Electric Company. "We built our business on innovative products and management," said Stropki. "Ohio's business-friendly tax environment encourages and stimulates innovation, growth and expansion."

The GCP will continue to work with the OBR to ensure that the CAT continues to do what it was intended to do: stimulate Ohio's economy and put Ohio at a competitive advantage for job growth, employer attraction and wealth creation. <<

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