



Chairman Schaffer of the Ohio House Ways and Means Committee;

We are writing to alert you to the disgraceful failure of the Ohio Business Gateway to collect and remit municipal tax revenues despite repeated assurances they would be able to do so.

Both municipalities and the legislature were assured that the OBG would be able to handle the increased number of net profit filings from businesses that opted in. The following is a direct quote from the testimony of Stu Davis, the Assistant Director of the Ohio Department of Administrative Services and the State Chief Information Office when he testified on before the House Ways and Means Committee on March 14, 2017:

“These modernization efforts – OBG 3.0 – driven by the Lt Governor’s Office, will greatly improve the design and flow for the users and improve the user experience by leveraging a Cloud Solution to minimize application impacts. The new Municipal “Net Profit” collections proposed in the budget would be handled in the new OBG 3.0 platform. The approximately 400,000 transactions, estimated by the Ohio Department of Taxation, represent less than 10% of the 5 million transactions the existing OBG handles today. We are confident that either the existing or the new system has more than enough capacity to handle the increased volume and transactions.”

None of these assurances have proven true. For weeks, both taxpayers and municipalities have been unable to properly use the Ohio Business Gateway. Municipalities are reporting taxpayers, including entire accounting offices, attempting to file and finding themselves locked out of the OBG completely, unable to even log into their accounts to make payments. These problems occur for both municipal net profit business filings and payments. When a municipality or taxpayer calls the OBG for assistance, they could be on hold for over 2 hours, sometimes as the 190<sup>th</sup> person in line. Those who opt for a “call back” never receive one

Not only are taxpayers unable to log into their own accounts to make payments, but municipalities are simply not receiving the revenue once it is collected. The City of Troy did not receive their June distribution the entire month of July. At no point were they notified by the OBG there would be a delay. It was not until July 30<sup>th</sup> that the city was even told the amount that the distribution would be. These extreme delays in distribution create a cash flow issue for the municipalities that jeopardize their ability to fund basic services. How can a city or village guarantee their constituents fire or police services or clean water or garbage collection if they don’t have the revenues they are owed?

The Ohio Business Gateway lied about their capacity to handle net profit business filings administered by the state, and now Ohioans across the state are paying for that lie. We ask that something be done immediately to remedy the situation and stop taxpayers for being punished for the OBG’s inability to correctly perform the one task they promised Ohio they could do.

Sincerely,

Kent Scarrett  
Executive Director  
Ohio Municipal League