



# ATTENTION SMALL BUSINESSES:

Ohio is cutting your taxes – Revising its rules – Rebating workers comp costs – All to help you grow!

## Cutting Taxes

Virtually all small businesses in Ohio are now eligible for a 50 percent tax deduction on the first \$250,000 of business income. This tax cut was the centerpiece of a major tax reform package initiated by Ohio Governor John Kasich and approved by the Ohio General Assembly that produced the largest overall tax reduction in the country – \$2.7 billion over three years.

The small business tax cut enables a business owner to deduct 50 percent of Ohio net business income from the adjusted gross income they report on their Ohio personal income tax return. If the business has multiple owners, each is eligible to claim the deduction. This 50 percent tax cut is available on up to \$250,000 in business income, meaning the deduction is capped at \$125,000 for each investor or owner.

Owners of and investors in Ohio businesses structured as pass-through entities (PTEs) qualify for this new tax cut. PTEs include: sole proprietorships, partnerships, Subchapter S corporations (S-corps) and Limited Liability Companies (LLCs). Income generated by the business and passed through to the owners/investors is subject to the personal income tax. The cut is first effective for income earned in 2013 and claimed on income tax returns filed in 2014.

For more information on this tax cut, please contact the Ohio Department of Taxation at 1-800-282-1780 or visit their website at [www.tax.ohio.gov](http://www.tax.ohio.gov)

## Revising Rules

Ohio's **Common Sense Initiative** is reviewing Ohio's regulatory system to eliminate excessive and duplicative rules that stand in the way of job creation. Since started by Gov. Kasich in 2011, about 1,500 rules have been reviewed by CSI, leading to regulations that have more stakeholder input, reduced business impact, and are more focused on public protection. Please visit [www.governor.ohio.gov/csi](http://www.governor.ohio.gov/csi), and sign up for periodic updates about the progress and success of CSI Ohio. Or, simply email us at [CSIOhio@governor.ohio.gov](mailto:CSIOhio@governor.ohio.gov) with your common sense solutions for cutting government red tape.

## Rebates to Employers

The Ohio Bureau of Workers Compensation gave a billion dollars back to private and public customers as rebates on their workers' comp payments as a result of well-managed funds. BWC is also tripling safety grants to help make workplaces safer and modernizing the payment system to lower rates and make it more flexible. All of these things help drive our goal of creating a jobs-friendly climate in Ohio. If you believe you met the eligibility requirements and have not received a check or credit to your account, call 1-800-644-6292