



**State Representative
Jack Cera**

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Rep. Cera Says Severance Tax Cut Falls Short

COLUMBUS— After nine hearings in the Ohio House Ways and Means Committee, House Bill 375, the proposal to raise the oil and gas severance tax, passed the Ohio House of Representatives by a margin of 55-35. Rep. Jack Cera (D-Bellaire) was highly disappointed with the outcome, noting that not enough money raised from the tax will be earmarked to stay in eastern Ohio for use in water, sewer, road and bridge projects.

“It is a sad day when we have the chance to make a difference to an entire region of the state and fall short of that goal,” said Rep. Cera as he described how a severance tax allocation to local governments could serve as a catalyst for economic development efforts in eastern Ohio through investments in water and sewer projects and by improving and maintaining roads and bridges.

Rep. Cera offered an amendment in the House Ways and Means Committee and on the House floor to increase the local share of the severance tax from 17.5 percent to 50 percent. However, both times it was rejected. He noted that several other Democratic amendments were rejected as well, including dedicating a portion of revenue for local governments, a sales tax reduction instead of a Personal Income Tax cut, an advanced energy fund, restoring the 12.5 percent property tax rollback eliminated in the state’s budget bill, an investment in workforce training and paying off the state’s federal unemployment compensation debt.

“I have worked with local elected officials and economic development leaders over the last few months on this issue. All have emphasized the importance of rebuilding our part of the state with money from the severance tax. Unfortunately, the House majority failed to understand the importance of returning dollars to the shale region,” said Cera.

During a recent trip to northern Jefferson County, the legislator learned that prospective business development had halted once it was determined that sewage was not available. “This scenario is proof that the revenue from the severance tax should be viewed as an economic development tool to help our region grow and help the industry create jobs,” added Rep. Cera.

Rep. Cera noted that local officials throughout the entire oil and gas regions of the state have contacted the legislature over the last 6 months, indicating that the money from the severance tax is an investment in Ohio’s future and should be earmarked for eastern Ohio. “Sadly, our voices fell on deaf ears. Using the severance tax revenue to shift a tax reduction to the wealthy while ignoring the opportunity to grow an entire region is not good public policy,” concluded Rep. Cera.