

Short-term rental legislation redraft applies sales tax, misses definition down to one room.

Legislation in Ohio's General Assembly to address issues of taxation of short-term rentals on platforms like Airbnb and Vrbo continues to be discussed with the arrival of a substitute version of House Bill 109, sponsored by State Rep. Justin Pizzulli (R-Scioto County). The new version makes an important change in applying state and local sales and use taxes to short-term rentals in addition to local lodging tax. OHLA has long maintained that any effort to create tax parity needs to include both sales and lodging tax, just as hotels currently pay. Sub. H.B. 109 will also require collection and remission by the short-term rental platform and requiring platforms to provide information about each rental property on the monthly return, which the Department of Taxation must provide to any local government levying a lodging tax.

The revised proposal also allows more local regulation than the previous version. A key omission from the proposal is an update to definition in state statute to apply the tax to properties renting as few as one room, from the current definition of five or more. OHLA maintains that to have real impact, any short-term rental tax legislation must address this definition.

Additional legislation currently under consideration includes S.B. 104 sponsored by State Sen. Andrew Brenner (R-Delaware) which would limit regulation by local government and applies only the lodging tax, and H.B. 161 sponsored by State Rep. Adam Bird (R-New Richmond), which applies sales and lodging tax, revises the definition to one room, and avoids inclusion of any provisions related to local government regulation. OHLA testified in support of H.B. 161 in the Ohio House Development Committee on April 30.

OHLA opposes increase in liability caps, calls for preservation of years of work which improved Ohio's business and jobs climate

Legislation introduced in both houses of the Ohio legislature would increase caps for non-economic and punitive damages in liability cases by a whopping 66 percent and include automatic annual increases. OHLA is supporting efforts across the business community to explain the impacts to lawmakers, which include higher costs of doing business, increases in insurance premiums and/or lack of available coverages, and less development and investment opportunities in Ohio.

The current caps are the partial result of many years of successful legislative and policy efforts to improve Ohio's civil justice system, with resulting investment, business relocation and job growth as a result. Moving backwards now will be a negative for Ohio's economy and jobs in all sectors. OHLA will provide testimony in opposition to the legislation as deliberations continue.

Property tax increases prompt legislative action on several fronts

Business and residential property owners alike are feeling the impacts of steep increases in property taxes across the state. As part of a broader business coalition, OHLA supports measures which would provide needed relief wherever possible. One effort is H.B. 129, sponsored by David Thomas (R-Jefferson). It would change how certain school levies are calculated, including fixed-sum levies such as existing emergency and substitute levies in the calculation of a school district's 20-mill floor or the 2-mill floor for joint vocational school districts. The legislation would place several limits on fixed-sum property taxes. The bill passed the Ohio House on October 8 by a vote of 81-16. Lawmakers continue to work on more sweeping reforms to property tax, and pressure is building to place a constitutional amendment to eliminate property taxes entirely on the statewide November 2026 ballot.