
Detailed Fiscal Analysis

Paperwork provisions

The bill generally provides that, for any small business that is found to have made a first-time paperwork violation, the state agency or regulatory authority that regulates the field of operation in which the business operates must waive any and all administrative fines or civil penalties on the small business for the violation. The exemption would not apply in situations where the violation:

- has the potential to cause serious harm to the public interest;
- involves a small business knowingly or willfully engaging in conduct that results in a felony conviction;
- if not cited, would impede or interfere with the detection of criminal activity;
- is of a law concerning the assessment or collection of any tax, debt, revenue, or receipt;
- presents a direct danger to the public health or safety, or presents the risk of severe environmental harm, as determined by the head of the agency or regulatory authority.

The provisions of this bill could potentially result in some revenue losses to those state agencies that impose paperwork requirements on small businesses.

Small business paperwork requirements

The Ohio Department of Development's Small Business Development Center (SBDC) has produced a list of the different paperwork requirements that all small businesses in Ohio must file, regardless of the type of business. For example, small businesses must submit an Employee Identification Number Form (Form SS-4) to the U.S. Government, and an Employee Eligibility Verification Form (I-9) to comply with immigration law. Presumably, these federal requirements are not affected by this bill. However, applicable state forms might include a New Hire Reporting Form (Form 7048) to the state, state income tax withholding forms, and a Report to Determine Liability (JFS-66300), used by employers to apply for an unemployment compensation tax account. SBDC's web site also contains a list of 250 small business categories. Each category contains a list of the state agencies that the small business would need to contact in order to determine what business specific paperwork is necessary.

The overall statewide fiscal effect would depend on the (1) applicable number of small business filing violations that would be exempted under the bill, and (2) amount of fines that would be waived. In addition to this, agencies and regulatory authorities would have to determine on a case-by-case basis situations where the exemption for first-time violations would not apply. Given these variables, the magnitude of revenue loss for each agency as a result of the bill is unknown.

LSC fiscal staff: Terry Steele, Budget Analyst

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