

Are your
operating costs
putting pressure
on your bottom line?



Here's How **Ohio** Can Help You...

Operating costs are always an important factor in making capital investment decisions. Ohio has enacted comprehensive tax reform designed to reduce your overall operating costs.

Why
Ohio?

Highlights of Ohio Business Tax Reform

Eliminates tax on machinery, equipment, furniture and fixtures

Ohio recognizes that taxing your company when you are making new investments is a disincentive for growth. That's why Ohio eliminated the tax on all new investments in machinery and equipment. Taxes on machinery and equipment placed in Ohio before January 1, 2005 will be reduced each year until the tax is eliminated in 2008. The tax on furniture and fixtures will also be reduced each year through 2008.

Eliminates tax on inventory

Carrying inventory costs can be a heavy burden for your company, especially warehousing and distribution operations. Tax on inventory held in Ohio will be eliminated by January 1, 2008.

No corporate income or franchise tax

Profit is not a dirty word in Ohio. Taxing profits hurts your company and hampers growth opportunities. That's why it is being eliminated completely in Ohio by tax year 2010.

21% reduction in personal income tax

A high personal income tax has an adverse effect on your company's ability to attract and retain top-level managers and high-skilled workers. Lowering the state personal income tax makes Ohio a more attractive location for corporate executives to live and work.

Sales outside of Ohio are exempt from taxation

The sale of goods and services to customers outside Ohio are exempt from taxation. Only sales within the state are taxed at a flat rate of 0.0026, which translates to \$2.60 per \$1,000 of Ohio sales.

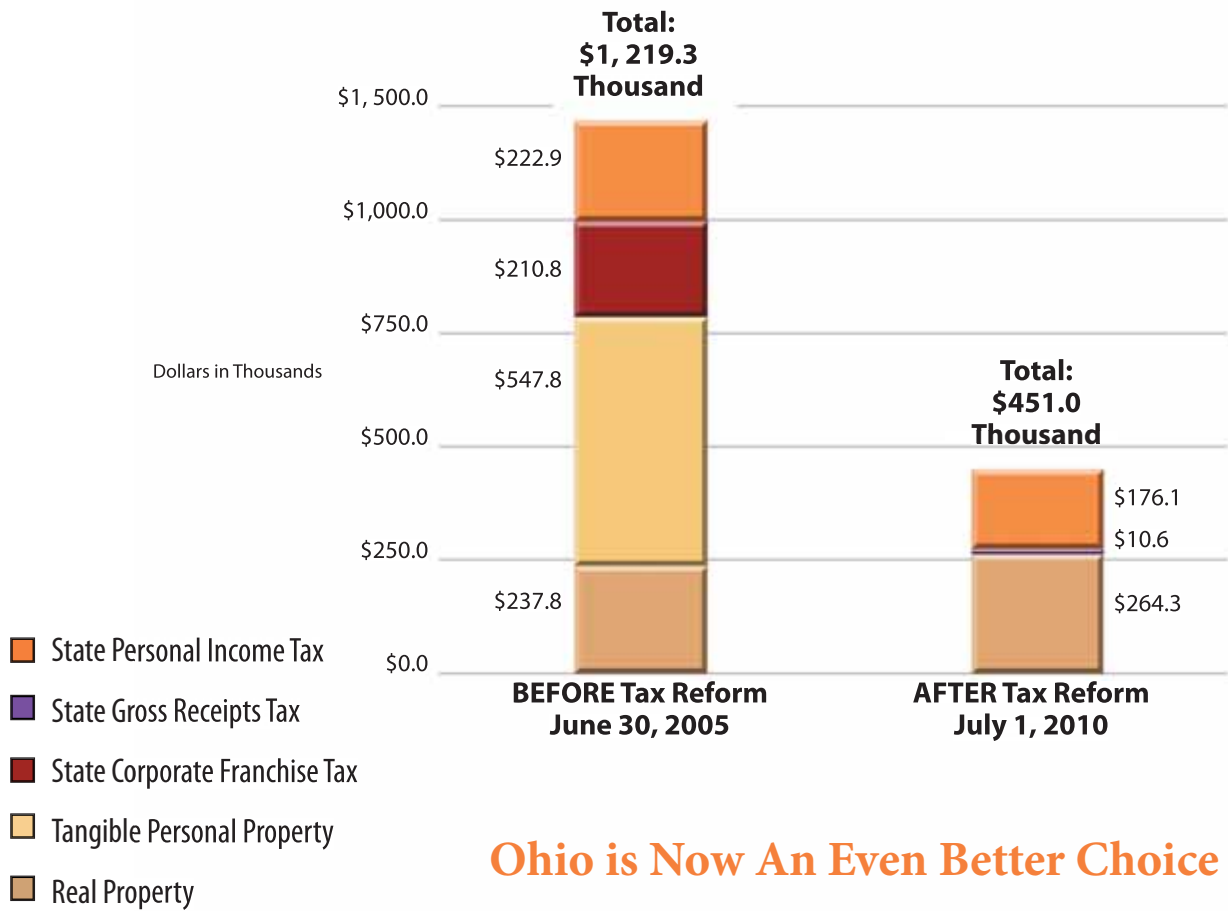
First \$1 million in annual gross receipts are exempt

To provide relief for small businesses, especially those that transact most or all of their business in Ohio, the first \$1 million in gross receipts are exempt.

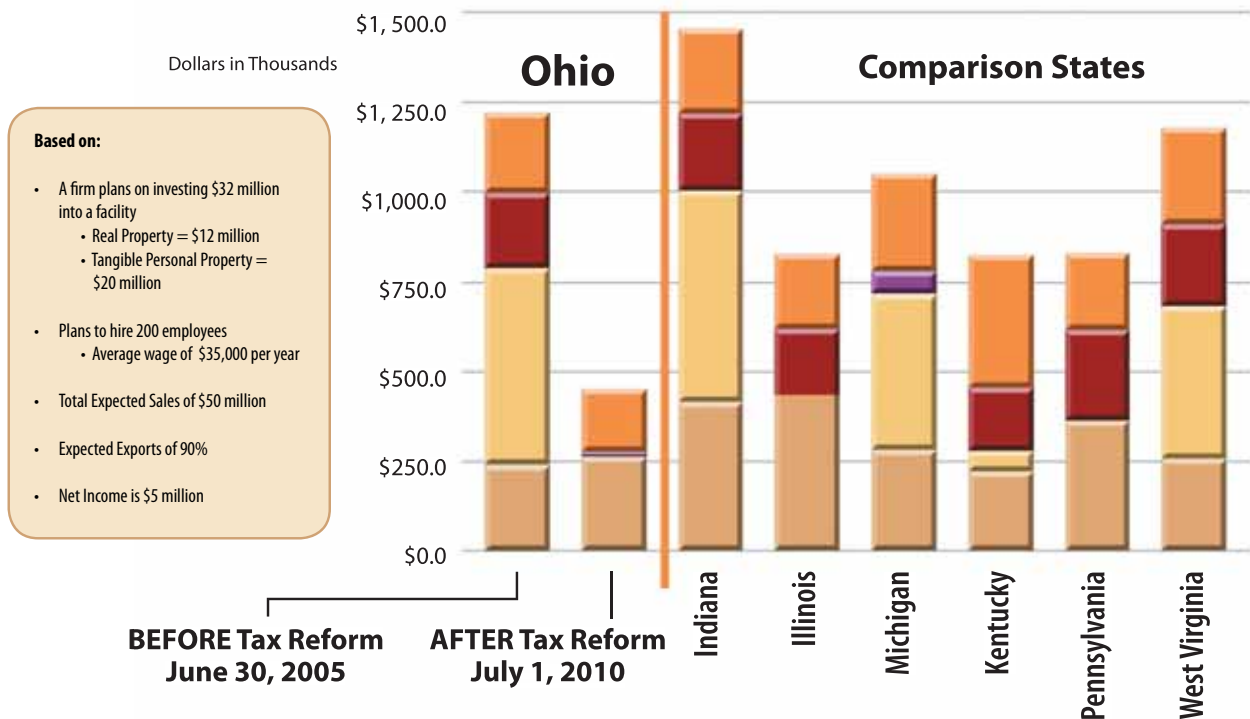
What's the catch?

There is no catch. Ohio has reduced government spending, while lowering the tax rate and broadening the base, enabling sweeping reform for Ohio's businesses.

Up to 63% Reduction in Tax Burden



Ohio is Now An Even Better Choice



Benefits to You

- **Reduced operating costs.** No tax on inventory or corporate income.
 - **Enhanced productivity.** No tax on investments in machinery and equipment.
 - **Attract talent.** Shrink labor costs. 21% reduction in personal income tax.
 - **Enjoy a level playing field.** All companies taxed the same low rate.
 - **Boost ROI.** No tax on product sold to customers outside Ohio.
 - **Reward Entrepreneurialism.** First \$1 million in gross receipts are tax-free.
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To find out what it means to you:

CALL 1-877-466-4551 within the U.S.
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www.odod.state.oh.us/taxreform.htm

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