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# Strickland proposing new job-creation tax incentives

**By Mark Niquette THE COLUMBUS DISPATCH**

Gov. Ted Strickland has proposed expanding several tax breaks to companies that create or keep jobs, even after state officials admitted last fall they can't say how many jobs such incentives actually create.

But the governor's proposed two-year, $54.7 billion budget also calls for $500,000 in computer upgrades at the Ohio Department of Development to better track the tax-incentive programs.

State officials say the upgrades, dubbed "BUILD-IT," will revamp the agency's information-technology systems and allow better monitoring and reporting of how many jobs are created or retained.

"Modernizing our information systems is critical in our capability to manage our data and measure our progress," spokeswoman Kelly Schlissberg said.

Responding to an Ohio economy that lost 89,000 jobs last year and 111,600 since he took office, Strickland has announced the proposed expansion of three tax-incentive projects and two new tax credits designed to help create jobs.

The state's existing Job Retention Tax Credit program, for example, allows qualifying companies to get credit for up to 75 percent of state income taxes withheld from eligible full-time employees for up to 15 years.

But current program guidelines require companies to retain at least 1,000 jobs, and Strickland proposes lowering the threshold to 500 jobs with the goal of making the program available to more companies.

The governor also is calling for two new tax credits: a Film Tax Credit capped at $10 million a year for companies that make movies in Ohio, and a New Markets Tax Credit aimed at encouraging investment in downtowns and other areas.

"We will strengthen Ohio with a commitment to job creation," Strickland said in his State of the State address Jan. 28. The administration outlined other details with the release of its proposed budget last week.

But The Dispatch reported in September that despite the fact companies promised to create 200,000 jobs during the past decade in exchange for more than $1.7 billion in state tax breaks, loans, grants and other incentives, state officials admitted they couldn't say how many jobs actually were created.

In theory, the state can go after the businesses that don't keep their promises and attempt to recover the taxes that should have been paid. In reality, that happens little — especially in an ailing economy.

Lt. Gov. Lee Fisher, who also is director of the state Development Department, and other officials blamed antiquated computer systems for not being able to provide such detail.

The state requires companies to submit reports at least annually documenting the number of jobs created or the results of other commitments, but the data are entered into three different computer systems in different divisions.

When The Dispatch asked for an accounting of all projects in recent years, officials said it was all but impossible to produce accurate data.

Development leaders insisted that each project is reviewed carefully by state staff and action is taken if job promises aren't kept. And they vowed to improve the system.

"There's no question that we must do a better job of monitoring the results that come out of the incentives that we commit to businesses," Fisher said at the time.

The initial $500,000 for BUILD-IT, announced last year as part of the Development Department's strategic plan, is in the executive version of the budget that must be approved by the legislature by June 30.

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