



PH: 614-854-9658 FX: 614-854-9485  
870 NORTH HIGH STREET SUITE 19, WORTHINGTON, OH 43085  
[www.NoAdTax.com](http://www.NoAdTax.com)

## FOR IMMEDIATE RELEASE

March 21, 2013

### OHIO ADVERTISING TAX COALITION TESTIFIES THAT AD TAX WILL DAMAGE OHIO'S ECONOMY

(Columbus, OH) – National media and advertising law expert, James H. Davidson, told an Ohio House Committee that a new sales tax on advertising would be unfair and extremely harmful to businesses, media, and consumers in the State of Ohio.

Davidson, managing partner, Polsinelli Shughart, testified today on behalf of the Ohio Advertising Tax Coalition in opposition to an ad tax included in House Bill 59. He cited a study by IHS Global Insight, a world-recognized economic consulting firm, using a model of the U.S. economy developed by Dr. Lawrence Klein, Nobel Laureate in Economics.

“The study shows that advertising expenditures contributed \$198.5 billion of total economic activity in the State of the Ohio, and helps support 783,021 or 15.2 percent of the 5.2 million jobs in Ohio,” said Davidson. “An ad tax would likely result in the loss of \$12.1 billion in sales and 48,911 jobs in the state.”

Davidson said that by making it more expensive for Ohio businesses to reach their customers, there will be less advertising, which will result in fewer sales and less tax revenue for the state. He said that an ad tax will drastically slow and harm the economy.

He also told lawmakers that an ad tax is unfair because it results in multiple taxation or a “turnover tax.” This occurs when the sales tax is imposed on business services at the intermediate level, rather than being imposed only on the final purchase of the product by consumers.

“The State of Ohio already taxes the cost of the advertising on virtually every tangible good that is subject to the sales tax.” said Davidson. “The real issue is whether you want to tax advertising twice.”

Davidson said that attempts to tax advertising in other states have failed for a number of reasons – it causes national advertisers to spend their money in other states, it is nearly impossible to administer accurately and enforce it, and it makes retail and manufactured goods less competitive in the state.

# # #

### FOR MORE INFORMATION

For a copy of the full testimony, please [click here](#) or visit [www.NoAdTax.com](http://www.NoAdTax.com).

(continued)

American Advertising Federation

- AAF-Akron

- AAF-Cincinnati

- AAF-Cleveland

- AAF-Columbus

- AAF-Dayton

- Advertising Club of Toledo

- Canton Advertising Federation

American Association of Advertising Agencies

Association of National Advertisers

Motion Picture Association of America

Ohio Association of Broadcasters

Ohio Auto Dealers Association

Ohio Cable Telecommunications Association

Ohio Grocers Association

Ohio Newspaper Association

Outdoor Advertising Association of Ohio

**ABOUT THE COALITION**

The Ohio Advertising Tax Coalition is a group of concerned organizations representing hundreds of thousands of employees working for a wide spectrum of communications and other businesses in Ohio. Its members include: American Advertising Federation, AAF – Akron, AAF – Cincinnati, AAF – Cleveland, AAF – Columbus, AAF – Dayton, Advertising Club of Toledo, Canton Advertising Federation, American Association of Advertising Agencies, Association of National Advertisers, Motion Picture Association of America, Ohio Association of Broadcasters, Ohio Auto Dealers Association, Ohio Cable Telecommunications Association, Ohio Grocers Association, Ohio Newspaper Association, and the Outdoor Advertising Association of Ohio. Please visit the coalition website at [www.NoAdTax.com](http://www.NoAdTax.com).

**CONTACT**

Ann Gallagher  
t: 614-854-9658  
e: [ann@gallagherinc.com](mailto:ann@gallagherinc.com)

Kristin Mack Deuber  
t: 614-975-4186  
e: [Kristin@gallagherinc.com](mailto:Kristin@gallagherinc.com)