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Short Takes

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A measure that would close a tax loophole and create a simpler, fairer tax structure for all banks in Ohio is overdue, and has broad support in the industry. But Ohio House Bill 510 apparently is being held up in the Senate largely due to the lobbying efforts of one large out-of-state bank.

The plan would generate millions in new revenue by imposing the same tax on out-of-state banks as Ohio banks pay; currently, big banks based elsewhere can avoid paying state taxes by moving money to other affiliates. Though companies like JPMorgan Chase likely would pay more in taxes, officials for that bank have said they would benefit from the reduced administrative burden that a simplified tax code would bring.

But a unit of New York-based giant Citigroup apparently has been working on Senate lawmakers to convince them to stall on the bill until later this year. The company has raised an 11th-hour objection to a specific provision of the bill, but the net effect could be to hold up the entire process until after the election.

Ohio lawmakers should not delay this bill based on the parochial interests of an out-of-state banking giant. The law would benefit existing Ohio banks with no net tax increase, making the state a more attractive place in which to do business and create jobs.

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