



OHIO LEGISLATIVE SERVICE COMMISSION

Bill Analysis

Sam Benham

H.B. 232

132nd General Assembly
(As Introduced)

Reps. Rogers and Rezabek, Boggs, Celebrezze, Cera, Kent, Manning, Miller, O'Brien, Patterson, Sheehy, Stein, West

BILL SUMMARY

- Authorizes an income tax deduction for expenses incurred or time volunteered by an attorney to perform pro bono legal services for indigent persons through a legal aid society.
 - Authorizes a law firm to take the deduction instead of the attorney if the firm compensates or reimburses the attorney for time spent or expenses incurred to provide such services.
 - Authorizes the deduction for six years (2017 through 2022).
-

CONTENT AND OPERATION

Deduction for pro bono legal aid work

The bill authorizes a personal income tax deduction for expenses incurred or time volunteered by an attorney for performing pro bono legal services for indigent persons through or on behalf of a legal aid society. The deduction is available only for taxable years beginning in 2017 through 2022. An attorney may deduct (1) \$125 for each hour of such services provided, up to \$10,000, and (2) reasonable expenses incurred by the attorney to provide such services.¹ Deductible expenses include litigation expenses such as discovery and court costs and expert witness fees as well as expenses for lodging, meals, and transportation directly attributable to the attorney providing such services. Indigent persons are those with income not greater than 125% of the federal poverty line (\$15,075 in 2017 for a single family). A legal aid society is a nonprofit

¹ R.C. 5747.01(A)(33) and 5747.014(B).

corporation that provides pro bono civil legal services to indigent persons.² The deduction is not available to the extent that an attorney is compensated or reimbursed by anyone else for their services or expenses.

The bill authorizes a law firm organized as a pass-through entity or sole proprietorship to take the deduction instead of the attorney providing such services if the firm compensates the attorney or reimburses the attorney for the time or expenses incurred for performing such services. The deduction may be allocated between owners of the law firm in proportion to their ownership interests or as the owners otherwise agree.³

If the attorney providing the pro bono services takes the deduction based on the number of hours the attorney provides such services, or if owners of a law firm take the deduction, the taxpayer is required to furnish with the taxpayer's income tax return a statement from the legal aid society certifying the number of hours the attorney provided qualifying pro bono legal services.⁴ The Tax Commissioner may adopt rules to administer the deduction.⁵

HISTORY

ACTION	DATE
Introduced	05-18-17

H0232-I-132.docx/emr

² R.C. 5747.014(A).

³ R.C. 5747.014(C).

⁴ R.C. 5747.014(D).

⁵ R.C. 5747.014(E).

