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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Legislative Budget
Office

H.B. 375
133rd General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsor: Rep. Brown

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SUMMARY

- Authorizes a refundable income tax credit for an extracurricular activity fee paid by or on behalf of a low-income public school student.

DETAILED ANALYSIS

Activity fee tax credit

Many primary and secondary schools in Ohio, including many public schools, charge students fees to participate in extracurricular activities including sports and music, drama, and fine arts activities. The bill authorizes a refundable income tax credit equal to the amount of an activity fee paid by or on behalf of a public school student whose family meets certain income qualifications (see “**Eligible activity fee**,” below).¹

The credit is only available on the basis of one such fee paid for a student during the taxpayer’s taxable year. If the student is charged more than one fee during the year, and more than one taxpayer pays the fees, then the first taxpayer to pay the first fee charged in that year may claim the credit unless the taxpayers mutually agree that another taxpayer should claim the credit.²

Eligible activity fee

The credit applies to an activity fee for a student attending a school operated by a school district or a community school, STEM school, or college-preparatory boarding school. But the credit is available only for a fee paid for a student to participate in an extracurricular activity sponsored by the school. It is not available for a fee paid for the student to join a club-

¹ R.C. 5747.77(B), 5747.08, and 5747.98.

² R.C. 5747.77(C).

sponsored activity or an enrollment fee for a graded course in excess of a general participation fee, e.g., a uniform fee for a graded band course.

A fee qualifies for the credit only if the student's family income is less than 175% of the annually adjusted Federal Poverty Line (FPL) for the student's family size, which, based on the FPL of \$25,750 for 2019, equals \$45,062 for a family of four. The student's family income is determined by aggregating the student's parents' income or, if divorced, the income of the student's residential parent, or, if under a shared parenting arrangement or unmarried, either of the student's parents. The student's family size is determined by aggregating the parents or, in those other cases, the applicable parent, with the dependents the parents or parent claim on their federal income tax return.³

Application

The activity fee credit is available for activity fees paid in taxable years ending on or after the bill's effective date.⁴

HISTORY

Action	Date
Introduced	10-22-19

H0375-I-133/ar

³ R.C. 5747.77(A).

⁴ Section 3 of the bill.