

**As Introduced**

**132nd General Assembly**

**Regular Session**

**2017-2018**

**H. B. No. 74**

**Representatives Huffman, Gavarone**

**Cosponsors: Representatives Green, Cupp, Henne, Seitz, Vitale, Riedel, Sweeney, Blessing, Hughes, Faber, Brenner, Goodman, Scherer, Bishoff, Carfagna, Rogers, Rezabek, Dever**

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**A BILL**

To amend section 5747.70 of the Revised Code to 1  
increase the maximum income tax deduction for 2  
contributions to the state's 529 college savings 3  
program from \$2,000 to \$3,000 per beneficiary 4  
per year. 5

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That section 5747.70 of the Revised Code be 6  
amended to read as follows: 7

**Sec. 5747.70.** (A) In computing Ohio adjusted gross income, 8  
a deduction from federal adjusted gross income is allowed to a 9  
contributor for the amount contributed during the taxable year 10  
to a variable college savings program account and to a purchaser 11  
of tuition units under the Ohio college savings program created 12  
by Chapter 3334. of the Revised Code to the extent that the 13  
amounts of such contributions and purchases were not deducted in 14  
determining the contributor's or purchaser's federal adjusted 15  
gross income for the taxable year. The combined amount of 16  
contributions and purchases deducted in any taxable year by a 17

taxpayer or the taxpayer and the taxpayer's spouse, regardless 18  
of whether the taxpayer and the taxpayer's spouse file separate 19  
returns or a joint return, is limited to ~~two~~three thousand 20  
dollars for each beneficiary for whom contributions or purchases 21  
are made. If the combined annual contributions and purchases for 22  
a beneficiary exceed ~~two~~three thousand dollars, the excess may 23  
be carried forward and deducted in future taxable years until 24  
the contributions and purchases have been fully deducted. 25

(B) In computing Ohio adjusted gross income, a deduction 26  
from federal adjusted gross income is allowed for: 27

(1) Income related to tuition units and contributions that 28  
as of the end of the taxable year have not been refunded 29  
pursuant to the termination of a tuition payment contract or 30  
variable college savings program account under section 3334.10 31  
of the Revised Code, to the extent that such income is included 32  
in federal adjusted gross income. 33

(2) The excess of the total purchase price of tuition 34  
units refunded during the taxable year pursuant to the 35  
termination of a tuition payment contract under section 3334.10 36  
of the Revised Code over the amount of the refund, to the extent 37  
the amount of the excess was not deducted in determining federal 38  
adjusted gross income. Division (B) (2) of this section applies 39  
only to units for which no deduction was allowable under 40  
division (A) of this section. 41

(C) In computing Ohio adjusted gross income, there shall 42  
be added to federal adjusted gross income the amount of loss 43  
related to tuition units and contributions that as of the end of 44  
the taxable year have not been refunded pursuant to the 45  
termination of a tuition payment contract or variable college 46  
savings program account under section 3334.10 of the Revised 47

Code, to the extent that such loss was deducted in determining 48  
federal adjusted gross income. 49

(D) For taxable years in which distributions or refunds 50  
are made under a tuition payment or variable college savings 51  
program contract for any reason other than payment of tuition or 52  
other higher education expenses, or the beneficiary's death, 53  
disability, or receipt of a scholarship as described in section 54  
3334.10 of the Revised Code: 55

(1) If the distribution or refund is paid to the purchaser 56  
or contributor or beneficiary, any portion of the distribution 57  
or refund not included in the recipient's federal adjusted gross 58  
income shall be added to the recipient's federal adjusted gross 59  
income in determining the recipient's Ohio adjusted gross 60  
income, except that the amount added shall not exceed amounts 61  
previously deducted under division (A) of this section less any 62  
amounts added under division (D) (1) of this section in a prior 63  
taxable year. 64

(2) If amounts paid by a purchaser or contributor on or 65  
after January 1, 2000, are distributed or refunded to someone 66  
other than the purchaser or contributor or beneficiary, the 67  
amount of the payment not included in the recipient's federal 68  
adjusted gross income, less any amounts added under division (D) 69  
of this section in a prior taxable year, shall be added to the 70  
recipient's federal adjusted gross income in determining the 71  
recipient's Ohio adjusted gross income. 72

**Section 2.** That existing section 5747.70 of the Revised 73  
Code is hereby repealed. 74

**Section 3.** The amendment by this act applies to taxable 75  
years ending on or after the effective date of this act. 76