

**As Introduced**

**131st General Assembly**

**Regular Session**

**2015-2016**

**H. B. No. 99**

**Representative Curtin**

**Cosponsors: Representatives Leland, Lepore-Hagan, Phillips**

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**A BILL**

To amend sections 5747.02 and 5747.03 of the  
Revised Code to require that an amount equal to  
state income tax collections, less amounts  
contributed to the Ohio political party fund via  
the income tax checkoff, be distributed for the  
support of elementary, secondary, vocational,  
and special education programs.

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

**Section 1.** That sections 5747.02 and 5747.03 of the  
Revised Code be amended to read as follows:

**Sec. 5747.02.** (A) For the purpose of providing revenue for  
the support of ~~schools and local government functions, to~~  
~~provide relief to property taxpayers, to provide revenue for the~~  
~~general revenue fund, and to meet the expenses of administering~~  
~~the tax levied by this chapter~~ elementary, secondary,  
vocational, and special education programs, there is hereby  
levied on every individual, trust, and estate residing in or  
earning or receiving income in this state, on every individual,  
trust, and estate earning or receiving lottery winnings, prizes,  
or awards pursuant to Chapter 3770. of the Revised Code, on

every individual, trust, and estate earning or receiving 20  
winnings on casino gaming, and on every individual, trust, and 21  
estate otherwise having nexus with or in this state under the 22  
Constitution of the United States, an annual tax measured in the 23  
case of individuals by Ohio adjusted gross income less an 24  
exemption for the taxpayer, the taxpayer's spouse, and each 25  
dependent as provided in section 5747.025 of the Revised Code; 26  
measured in the case of trusts by modified Ohio taxable income 27  
under division (D) of this section; and measured in the case of 28  
estates by Ohio taxable income. The tax imposed by this section 29  
on the balance thus obtained is hereby levied as follows: 30

(1) For taxable years beginning in 2004: 31

OHIO ADJUSTED GROSS INCOME LESS 32

EXEMPTIONS (INDIVIDUALS) 33

OR 34

MODIFIED OHIO 35

TAXABLE INCOME (TRUSTS) 36

OR 37

OHIO TAXABLE INCOME (ESTATES) TAX 38

\$5,000 or less .743% 39

More than \$5,000 but \$37.15 plus 1.486% of the amount 40

not more than \$10,000 in excess of \$5,000 41

More than \$10,000 but \$111.45 plus 2.972% of the amount 42

not more than \$15,000 in excess of \$10,000 43

More than \$15,000 but \$260.05 plus 3.715% of the amount 44

not more than \$20,000 in excess of \$15,000 45

More than \$20,000 but \$445.80 plus 4.457% of the amount 46

not more than \$40,000 in excess of \$20,000 47

More than \$40,000 but \$1,337.20 plus 5.201% of the amount 48

not more than \$80,000 in excess of \$40,000 49

More than \$80,000 but not more than \$100,000	\$3,417.60 plus 5.943% of the amount in excess of \$80,000	50 51
More than \$100,000 but not more than \$200,000	\$4,606.20 plus 6.9% of the amount in excess of \$100,000	52 53
More than \$200,000	\$11,506.20 plus 7.5% of the amount in excess of \$200,000	54 55
(2) For taxable years beginning in 2005:		56
OHIO ADJUSTED GROSS INCOME LESS		57
EXEMPTIONS (INDIVIDUALS)		58
OR		59
MODIFIED OHIO		60
TAXABLE INCOME (TRUSTS)		61
OR		62
OHIO TAXABLE INCOME (ESTATES)	TAX	63
\$5,000 or less	.712%	64
More than \$5,000 but not more than \$10,000	\$35.60 plus 1.424% of the amount in excess of \$5,000	65 66
More than \$10,000 but not more than \$15,000	\$106.80 plus 2.847% of the amount in excess of \$10,000	67 68
More than \$15,000 but not more than \$20,000	\$249.15 plus 3.559% of the amount in excess of \$15,000	69 70
More than \$20,000 but not more than \$40,000	\$427.10 plus 4.27% of the amount in excess of \$20,000	71 72
More than \$40,000 but not more than \$80,000	\$1,281.10 plus 4.983% of the amount in excess of \$40,000	73 74
More than \$80,000 but not more than \$100,000	\$3,274.30 plus 5.693% of the amount in excess of \$80,000	75 76
More than \$100,000 but not more than \$200,000	\$4,412.90 plus 6.61% of the amount in excess of \$100,000	77 78
More than \$200,000	\$11,022.90 plus 7.185% of the	79

amount in excess of \$200,000	80
(3) For taxable years beginning in 2006:	81
OHIO ADJUSTED GROSS INCOME LESS	82
EXEMPTIONS (INDIVIDUALS)	83
OR	84
MODIFIED OHIO	85
TAXABLE INCOME (TRUSTS)	86
OR	87
OHIO TAXABLE INCOME (ESTATES) TAX	88
\$5,000 or less .681%	89
More than \$5,000 but \$34.05 plus 1.361% of the amount	90
not more than \$10,000 in excess of \$5,000	91
More than \$10,000 but \$102.10 plus 2.722% of the amount	92
not more than \$15,000 in excess of \$10,000	93
More than \$15,000 but \$238.20 plus 3.403% of the amount	94
not more than \$20,000 in excess of \$15,000	95
More than \$20,000 but \$408.35 plus 4.083% of the amount	96
not more than \$40,000 in excess of \$20,000	97
More than \$40,000 but \$1,224.95 plus 4.764% of the amount	98
not more than \$80,000 in excess of \$40,000	99
More than \$80,000 but \$3,130.55 plus 5.444% of the amount	100
not more than \$100,000 in excess of \$80,000	101
More than \$100,000 but \$4,219.35 plus 6.32% of the amount	102
not more than \$200,000 in excess of \$100,000	103
More than \$200,000 \$10,539.35 plus 6.87% of the amount	104
in excess of \$200,000	105
(4) For taxable years beginning in 2007:	106
OHIO ADJUSTED GROSS INCOME LESS	107
EXEMPTIONS (INDIVIDUALS)	108

OR		109
MODIFIED OHIO		110
TAXABLE INCOME (TRUSTS)		111
OR		112
OHIO TAXABLE INCOME (ESTATES)	TAX	113
\$5,000 or less	.649%	114
More than \$5,000 but not more than \$10,000	\$32.45 plus 1.299% of the amount in excess of \$5,000	115 116
More than \$10,000 but not more than \$15,000	\$97.40 plus 2.598% of the amount in excess of \$10,000	117 118
More than \$15,000 but not more than \$20,000	\$227.30 plus 3.247% of the amount in excess of \$15,000	119 120
More than \$20,000 but not more than \$40,000	\$389.65 plus 3.895% of the amount in excess of \$20,000	121 122
More than \$40,000 but not more than \$80,000	\$1,168.65 plus 4.546% of the amount in excess of \$40,000	123 124
More than \$80,000 but not more than \$100,000	\$2,987.05 plus 5.194% of the amount in excess of \$80,000	125 126
More than \$100,000 but not more than \$200,000	\$4,025.85 plus 6.031% of the amount in excess of \$100,000	127 128
More than \$200,000	\$10,056.85 plus 6.555% of the amount in excess of \$200,000	129 130
(5) For taxable years beginning in 2008, 2009, or 2010:		131
OHIO ADJUSTED GROSS INCOME LESS		132
EXEMPTIONS (INDIVIDUALS)		133
OR		134
MODIFIED OHIO		135
TAXABLE INCOME (TRUSTS)		136
OR		137
OHIO TAXABLE INCOME (ESTATES)	TAX	138

\$5,000 or less	.618%	139
More than \$5,000 but not more than \$10,000	\$30.90 plus 1.236% of the amount in excess of \$5,000	140 141
More than \$10,000 but not more than \$15,000	\$92.70 plus 2.473% of the amount in excess of \$10,000	142 143
More than \$15,000 but not more than \$20,000	\$216.35 plus 3.091% of the amount in excess of \$15,000	144 145
More than \$20,000 but not more than \$40,000	\$370.90 plus 3.708% of the amount in excess of \$20,000	146 147
More than \$40,000 but not more than \$80,000	\$1,112.50 plus 4.327% of the amount in excess of \$40,000	148 149
More than \$80,000 but not more than \$100,000	\$2,843.30 plus 4.945% of the amount in excess of \$80,000	150 151
More than \$100,000 but not more than \$200,000	\$3,832.30 plus 5.741% of the amount in excess of \$100,000	152 153
More than \$200,000	\$9,573.30 plus 6.24% of the amount in excess of \$200,000	154 155

(6) For taxable years beginning in 2011 or 2012: 156

OHIO ADJUSTED GROSS INCOME LESS 157

EXEMPTIONS (INDIVIDUALS) 158

OR 159

MODIFIED OHIO 160

TAXABLE INCOME (TRUSTS) 161

OR 162

OHIO TAXABLE INCOME (ESTATES) TAX 163

\$5,000 or less	.587%	164
More than \$5,000 but not more than \$10,000	\$29.35 plus 1.174% of the amount in excess of \$5,000	165 166
More than \$10,000 but not more than \$15,000	\$88.05 plus 2.348% of the amount in excess of \$10,000	167 168

More than \$15,000 but not more than \$20,000	\$205.45 plus 2.935% of the amount in excess of \$15,000	169 170
More than \$20,000 but not more than \$40,000	\$352.20 plus 3.521% of the amount in excess of \$20,000	171 172
More than \$40,000 but not more than \$80,000	\$1,056.40 plus 4.109% of the amount in excess of \$40,000	173 174
More than \$80,000 but not more than \$100,000	\$2,700.00 plus 4.695% of the amount in excess of \$80,000	175 176
More than \$100,000 but not more than \$200,000	\$3,639.00 plus 5.451% of the amount in excess of \$100,000	177 178
More than \$200,000	\$9,090.00 plus 5.925% of the amount in excess of \$200,000	179 180
(7) For taxable years beginning in 2013:		181
OHIO ADJUSTED GROSS INCOME LESS		182
EXEMPTIONS (INDIVIDUALS)		183
OR		184
MODIFIED OHIO		185
TAXABLE INCOME (TRUSTS)		186
OR		187
OHIO TAXABLE INCOME (ESTATES)	TAX	188
\$5,000 or less	.537%	189
More than \$5,000 but not more than \$10,000	\$26.86 plus 1.074% of the amount in excess of \$5,000	190 191
More than \$10,000 but not more than \$15,000	\$80.57 plus 2.148% of the amount in excess of \$10,000	192 193
More than \$15,000 but not more than \$20,000	\$187.99 plus 2.686% of the amount in excess of \$15,000	194 195
More than \$20,000 but not more than \$40,000	\$322.26 plus 3.222% of the amount in excess of \$20,000	196 197
More than \$40,000 but	\$966.61 plus 3.760% of the amount	198

not more than \$80,000	in excess of \$40,000	199
More than \$80,000 but not more than \$100,000	\$2,470.50 plus 4.296% of the amount in excess of \$80,000	200 201
More than \$100,000 but not more than \$200,000	\$3,329.68 plus 4.988% of the amount in excess of \$100,000	202 203
More than \$200,000	\$8,317.35 plus 5.421% of the amount in excess of \$200,000	204 205
(8) For taxable years beginning in 2014 or thereafter:		206
OHIO ADJUSTED GROSS INCOME LESS		207
EXEMPTIONS (INDIVIDUALS)		208
OR		209
MODIFIED OHIO		210
TAXABLE INCOME (TRUSTS)		211
OR		212
OHIO TAXABLE INCOME (ESTATES)	TAX	213
\$5,000 or less	.528%	214
More than \$5,000 but not more than \$10,000	\$26.41 plus 1.057% of the amount in excess of \$5,000	215 216
More than \$10,000 but not more than \$15,000	\$79.24 plus 2.113% of the amount in excess of \$10,000	217 218
More than \$15,000 but not more than \$20,000	\$184.90 plus 2.642% of the amount in excess of \$15,000	219 220
More than \$20,000 but not more than \$40,000	\$316.98 plus 3.169% of the amount in excess of \$20,000	221 222
More than \$40,000 but not more than \$80,000	\$950.76 plus 3.698% of the amount in excess of \$40,000	223 224
More than \$80,000 but not more than \$100,000	\$2,430.00 plus 4.226% of the amount in excess of \$80,000	225 226
More than \$100,000 but not more than \$200,000	\$3,275.10 plus 4.906% of the amount in excess of \$100,000	227 228





is made. 259

(C) The levy of this tax on income does not prevent a 260  
municipal corporation, a joint economic development zone created 261  
under section 715.691, or a joint economic development district 262  
created under section 715.70 or 715.71 or sections 715.72 to 263  
715.81 of the Revised Code from levying a tax on income. 264

(D) This division applies only to taxable years of a trust 265  
beginning in 2002 or thereafter. 266

(1) The tax imposed by this section on a trust shall be 267  
computed by multiplying the Ohio modified taxable income of the 268  
trust by the rates prescribed by division (A) of this section. 269

(2) A resident trust may claim a credit against the tax 270  
computed under division (D) of this section equal to the lesser 271  
of (1) the tax paid to another state or the District of Columbia 272  
on the resident trust's modified nonbusiness income, other than 273  
the portion of the resident trust's nonbusiness income that is 274  
qualifying investment income as defined in section 5747.012 of 275  
the Revised Code, or (2) the effective tax rate, based on 276  
modified Ohio taxable income, multiplied by the resident trust's 277  
modified nonbusiness income other than the portion of the 278  
resident trust's nonbusiness income that is qualifying 279  
investment income. The credit applies before any other 280  
applicable credits. 281

(3) The credits enumerated in divisions (A) (1) to (13) of 282  
section 5747.98 of the Revised Code do not apply to a trust 283  
subject to division (D) of this section. Any credits enumerated 284  
in other divisions of section 5747.98 of the Revised Code apply 285  
to a trust subject to division (D) of this section. To the 286  
extent that the trust distributes income for the taxable year 287

for which a credit is available to the trust, the credit shall 288  
be shared by the trust and its beneficiaries. The tax 289  
commissioner and the trust shall be guided by applicable 290  
regulations of the United States treasury regarding the sharing 291  
of credits. 292

(E) For the purposes of this section, "trust" means any 293  
trust described in Subchapter J of Chapter 1 of the Internal 294  
Revenue Code, excluding trusts that are not irrevocable as 295  
defined in division (I) (3) (b) of section 5747.01 of the Revised 296  
Code and that have no modified Ohio taxable income for the 297  
taxable year, charitable remainder trusts, qualified funeral 298  
trusts and preneed funeral contract trusts established pursuant 299  
to sections 4717.31 to 4717.38 of the Revised Code that are not 300  
qualified funeral trusts, endowment and perpetual care trusts, 301  
qualified settlement trusts and funds, designated settlement 302  
trusts and funds, and trusts exempted from taxation under 303  
section 501(a) of the Internal Revenue Code. 304

**Sec. 5747.03.** (A) All money collected under this chapter 305  
arising from the taxes imposed by section 5747.02 or 5747.41 of 306  
the Revised Code shall be credited to the general revenue fund, 307  
except that the treasurer of state shall, at the beginning of 308  
each calendar quarter, credit to the Ohio political party fund, 309  
pursuant to section 3517.16 of the Revised Code, an amount equal 310  
to the total dollar value realized from the taxpayer exercise of 311  
the income tax checkoff option on tax forms processed during the 312  
preceding calendar quarter. 313

(B) (1) Following the crediting of moneys pursuant to 314  
division (A) of this section, an amount equal to the remainder 315  
deposited in the general revenue fund shall be distributed 316  
~~pursuant to division (F) of section 321.24 and section 323.156-~~ 317

~~of the Revised Code; to make subsidy payments to institutions of higher education from appropriations to the Ohio board of regents; to support expenditures for programs and services for the mentally ill, mentally retarded, developmentally disabled, and elderly; for primary and secondary education; for medical assistance; and for any other purposes authorized by law~~ for the support of elementary, secondary, vocational, and special education programs as determined in appropriations made by the general assembly, subject to the limitation that at least fifty per cent of the income tax collected by the state from the tax imposed by section 5747.02 of the Revised Code shall be returned pursuant to Section 9 of Article XII, Ohio Constitution.

(2) To ensure that such constitutional requirement is satisfied the tax commissioner shall, on or before the thirtieth day of June of each year, from the best information available to the tax commissioner, determine and certify for each county to the director of budget and management the amount of taxes collected under this chapter from the tax imposed under section 5747.02 of the Revised Code during the preceding calendar year that are required to be returned to the county by Section 9 of Article XII, Ohio Constitution. The director shall provide for payment from the general revenue fund to the county in the amount, if any, that the sum of the amount so certified for that county exceeds the sum of the following:

(a) The sum of the payments from the general revenue fund for the preceding calendar year credited to the county's undivided income tax fund pursuant to division (F) of section 321.24 and section 323.156 of the Revised Code or made directly from the general revenue fund to political subdivisions located in the county;

(b) The sum of the amounts from the general revenue fund 348  
distributed in the county during the preceding calendar year for 349  
subsidy payments to institutions of higher education from 350  
appropriations to the Ohio board of regents; for programs and 351  
services for mentally ill, mentally retarded, developmentally 352  
disabled, and elderly persons; for ~~primary and elementary,~~ 353  
secondary, vocational, and special education programs; and for 354  
medical assistance. 355

~~(c) In the case of payments made by the director under 356  
this division in 2007, the total amount distributed to the 357  
county during the preceding calendar year from the local 358  
government fund and the local government revenue assistance 359  
fund, and, in the case of payments made by the director under 360  
this division in subsequent calendar years, the The amount 361  
distributed to the county during the preceding calendar year 362  
from the local government fund; 363~~

~~(d) In the case of payments made by the director under 364  
this division, the total The amount distributed to the county 365  
during the preceding calendar year from the public library fund. 366~~

Payments under this division shall be credited to the 367  
county's undivided income tax fund, except that, notwithstanding 368  
section 5705.14 of the Revised Code, such payments may be 369  
transferred by the board of county commissioners to the county 370  
general fund by resolution adopted with the affirmative vote of 371  
two-thirds of the members thereof. 372

(C) All payments received in each month from taxes imposed 373  
under Chapter 5748. of the Revised Code and any penalties or 374  
interest thereon shall be paid into the school district income 375  
tax fund, which is hereby created in the state treasury, except 376  
that an amount equal to the following portion of such payments 377

shall be paid into the general school district income tax administrative fund, which is hereby created in the state treasury:

(1) One and three-quarters of one per cent of those received in fiscal year 1996;

(2) One and one-half per cent of those received in fiscal year 1997 and thereafter.

Money in the school district income tax administrative fund shall be used by the tax commissioner to defray costs incurred in administering the school district's income tax, including the cost of providing employers with information regarding the rate of tax imposed by any school district. Any moneys remaining in the fund after such use shall be deposited in the school district income tax fund.

All interest earned on moneys in the school district income tax fund shall be credited to the fund.

(D) (1) (a) Within thirty days of the end of each calendar quarter ending on the last day of March, June, September, and December, the director of budget and management shall make a payment from the school district income tax fund to each school district for which school district income tax revenue was received during that quarter. The amount of the payment shall equal the balance in the school district's account at the end of that quarter.

(b) After a school district ceases to levy an income tax, the director of budget and management shall adjust the payments under division (D) (1) (a) of this section to retain sufficient money in the school district's account to pay refunds. For the calendar quarters ending on the last day of March and December

of the calendar year following the last calendar year the tax is 407  
levied, the director shall make the payments in the amount 408  
required under division (D)(1)(a) of this section. For the 409  
calendar quarter ending on the last day of June of the calendar 410  
year following the last calendar year the tax is levied, the 411  
director shall make a payment equal to nine-tenths of the 412  
balance in the account at the end of that quarter. For the 413  
calendar quarter ending on the last day of September of the 414  
calendar year following the last calendar year the tax is 415  
levied, the director shall make no payment. For the second and 416  
succeeding calendar years following the last calendar year the 417  
tax is levied, the director shall make one payment each year, 418  
within thirty days of the last day of June, in an amount equal 419  
to the balance in the district's account on the last day of 420  
June. 421

(2) Moneys paid to a school district under this division 422  
shall be deposited in its school district income tax fund. All 423  
interest earned on moneys in the school district income tax fund 424  
shall be apportioned by the tax commissioner pro rata among the 425  
school districts in the proportions and at the times the 426  
districts are entitled to receive payments under this division. 427

**Section 2.** That existing sections 5747.02 and 5747.03 of 428  
the Revised Code are hereby repealed. 429