



State Representative Jena Powell

Ohio's 80th House District

HB 249 – Charitable Tax Credit – Sponsor Testimony

Ways & Means Committee, May 3, 2021

Chairman Merrin, Vice Chair Riedel, Ranking Member Sobecki, and members of the House Ways & Means Committee, Rep. McClain and I thank you for the opportunity to present sponsor testimony on HB 249, the Charitable Tax Credit.

HB 249 allows Ohioans to claim a nonrefundable tax credit for donations to qualifying charitable organizations, serving those in need in our communities.

We know how generous our fellow Ohioans are, and in greater hardship they have demonstrated this over and over during the past year. As Ohioans are out of work, places are shut down, and families are struggling – our neighbors continue to give generously out of their own pockets to help others. Giving to others can be a financial burden when you're struggling yourself, and yet, we see Ohioans sacrifice daily to help their neighbors.

One small way that we can make it easier for Ohioans to help their neighbors is to provide a nonrefundable tax credit for donations made to qualifying charitable organizations; the organizations that help with the day-to-day needs of those struggling in our communities.

It is our belief that providing nonrefundable tax credits to individuals who donate to their local charitable organizations will ultimately support these communities and individuals throughout Ohio in need of assistance. Ohioans know better than we do which local organizations are helping their neighbors, and how they should best donate their money to help those in need.

Qualifying organizations must meet the following criteria:

1. Verify they are a 501(c)(3)
2. Provide financial data showing what amount of their budget was spent on services to residents of Ohio who either:
 - a. Receive temporary assistance for needy families benefits (TANF)
 - b. Are low-income residents
 - c. Are individuals who have a chronic illness or physical disability
3. Plan to continue spending at least 50% of the organization's budget on services to residents who receive TANF benefits, are low-income residents, or are individuals with a chronic illness or physical disability.
4. Verify that they do not provide, pay for, or provide coverage of abortions, and do not financially support any other entity that provides, pays for, or provides coverage of abortions.

These organizations must certify with the Ohio Department of Taxation that they meet these criteria. Individuals will then be responsible for noting on their tax returns which organizations they donated to in order to receive the tax credit.

The amount of the credit is equal to 50% of the taxpayer's donations, but will not exceed \$1000 married couples filing jointly, or \$500 for an individual.

I will now let you hear from my joint sponsor, Rep. McClain.