



Representative Richard D. Brown
State Representative, District 5

Ways and Means Committee, Sponsor Testimony on House Bill 399
April 30, 2024

Chair Roemer, Vice Chair Lorenz, Ranking Member Troy, and members of the Ways and Means Committee, thank you for giving Representative Lampton and me the opportunity to provide sponsor testimony on House Bill (HB) 399.

Kidney disease is a significant problem for many Ohioans. Kidney disease is a killer. It is costly and time consuming to treat. It often ultimately requires a kidney transplant to survive.

According to the Organ Procurement and Transplantation Network, there are currently [over 100,000 individuals nationwide](#) and [almost 3,000 people in Ohio](#) waiting for lifesaving organ transplants. Of those 3,000 Ohioans on an organ transplant waiting list, there are more than 1,900 waiting for a life-saving kidney transplant. But there are simply not enough transplantable kidneys available to meet the demand. And many patients will die while waiting on a kidney transplant.

While many patients unfortunately must wait for organ donations from those who have passed away, living organ donation presents an immediate and life-saving option for some patients, particularly those in need of timely kidney transplants. However, the National Kidney Foundation and families affected by chronic kidney disease have informed us that both patients and potential living organ donors face substantial financial hurdles when considering the decision to donate.

If an additional hearing is held on this bill, representatives of the National Kidney Foundation will come testify before this committee as proponents, so we will defer to their expertise to discuss the specific problems related to chronic kidney disease and its 5 stages. Suffice it to say, not all kidney patients will immediately go onto the transplant list. Most will spend many years receiving regular dialysis treatment before qualifying for an organ donation. Long-term dialysis treatment not only exacts an emotional and physical toll on the patient, but



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also imposes significant financial burdens on the patients, their families, and the state, straining healthcare resources and impacting businesses.

Currently, more than 19,000 patients receive dialysis care in Ohio, costing Medicaid more than \$10 million annually, not including additional expenses such as pharmacological services, outpatient vascular services, specialty care, and nephrology services. To give you an idea of the incredible expense of dialysis, a constituent shared with us that her family spends \$24,000 *weekly* on her husband's dialysis treatment.

Living organ donation offers a solution to the transplantable kidney shortage. The decision to become a living organ donor is deeply personal and challenging, involving many hurdles, but organ donation is the most cost-effective treatment for end-stage renal failure.

If signed into law, HB 399 will serve as a powerful tool to help alleviate financial burdens on living organ donors and incentivize employers to offer paid leave to organ donors, thus encouraging organ donation, increasing the pool of available organs for transplantation, and saving lives.

So what will HB 399 do? First, HB 399 will modify an existing tax **deduction**, which now allows living organ donors to deduct the amount of certain organ donation expenses incurred, *up to* \$10,000, to a flat \$10,000 deduction from the Ohio adjusted gross income for a taxable year for any taxpayer who makes a living organ donation, provided the donation is made in accordance with the National Organ Transplant Act, which sets the standards and procedures for living organ donations. This deduction reduces the organ donor's taxable income.

Second, HB 399 will create a new income tax **credit** for employers who provide paid leave to an employee who makes an organ donation, provided that the compensation paid to the employee as a donation leave benefit is equal to the compensation the employee would have received if the employee had been working as usual. This credit to the employer is a reduction in the tax owed.

There are limits on the employer's tax credit. The credit available per employee and per donation equals the amount of donation leave benefits paid, or,



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\$300 per day of leave, whichever is less, with a maximum of 30 days of leave benefits permitted. That comes to a maximum credit of \$9,000 per employee per donation. And, the amount of an employer's credit-eligible donation leave benefits may not exceed \$54,000 per taxable year.

Finally, HB 399 requires the Ohio Tax Commissioner to issue an annual report, including information about the paid donor leave credit in the preceding year, to the chairs of the main Ohio Senate and Ohio House committees dealing with taxation, to give the legislature some oversight of the organ donor tax credit program.

By reducing barriers to living organ donation, as HB 399 will do, we can achieve long-term financial benefits for Ohio, improve healthcare outcomes for those afflicted with kidney disease, return kidney patients into the workforce, and, most importantly, enhance patients' quality of life. We ask for your support and swift passage of HB 399.