

Senate Bill 9
Tim Lynch, Policy Director
Proponent Testimony
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Chairman Roemer, Vice Chair Thomas, Ranking Member Troy, and members of the House Ways and Means Committee, my name is Tim Lynch, and I serve as policy director for the Ohio Department of Taxation. Thank you for the opportunity to provide testimony on Senate Bill 9, legislation that incorporates certain federal tax changes into the Ohio Revised Code.

Ohio's income tax, like nearly all state income taxes, relies heavily on coordination with federal tax law. The first line of the Ohio income tax form asks taxpayers to enter their Federal Adjusted Gross Income (FAGI) from the Federal Form 1040. Having the same starting definition of income as the federal government greatly simplifies the preparation and administration of state income tax for taxpayers, tax preparers, state tax officials, and school districts that impose income taxes.

Senate Bill 9 updates Ohio law to reflect federal tax changes enacted since Ohio's previous conformity bill, House Bill 14 of the 136th General Assembly early last year, which took effect on March 7, 2025. Since the enactment of HB 14, federal income tax law has been amended by H.R. 1, the One Big Beautiful Bill (OBBB), which was signed into law in July 2025.

Specifically, H.R. 1 makes the following changes:

- Enhances the maximum Child & Dependent Care tax credit;
- Adds an exclusion for employer payments of student loans;
- Provides for the full expensing of domestic research and experimental expenditures;
- Modifies the limitation on deductible business interest; and
- Creates a special depreciation allowance for qualified production property.

In the absence of the enactment of Senate Bill 9, taxpayers would be required to make certain adjustments when filing their Ohio income tax returns to add back into their income any of the adjustments made at the federal level to resolve the discrepancy between current and prior federal law. Those adjustments and recalculations would introduce complexity and, thus, potentially create taxpayer errors. They also may increase the amount of Ohio income tax paid by many Ohioans.

Thank you for your time and consideration. I'm happy to answer any questions you have.