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Chairman Blessing, Vice Chair Roegner, Ranking Member DeMora, and Members of the Senate Ways and Means Committee, thank you for the opportunity to present sponsor testimony on Senate Bill 9. This bill is simple housekeeping; its intent is to incorporate into Ohio law recent changes to the Internal Revenue Code (IRC) that took effect after March 15, 2023.

The federal act that created this change to the IRC is H.R. 5863 of the 118th Congress, more commonly known as the Federal Disaster Tax Relief Act of 2023. These changes may directly affect the tax base of Ohioans' income taxes by adjusting federal adjusted gross income (FAGI). This is done by changing the starting number for determining a taxpayer's Ohio taxable income. The changes may also affect the tax base of school districts levying an income tax based on federal adjusted gross income.

The most significant change in the Federal Disaster Tax Relief Act affecting Ohio law involves the tax treatment of certain relief payments. Specifically, the act excludes from a taxpayer's gross income qualified disaster relief payments for losses resulting from the East Palestine train derailment on February 3, 2023. This exclusion is similar to a provision in Ohio law enacted by the most recent main operating budget.

The Ohio Department of Taxation will present proponent testimony after me, and they can provide more information about this legislation to the committee. The department is still reviewing these acts and the changes they create, so there might be additional information as this bill goes through the process.

Therefore, the committee can see that Senate Bill 9 is a simple housekeeping bill to keep the Ohio tax law consistent with the federal tax law. Thank you for the committee's consideration of SB 9. I am happy to answer any questions from the committee.