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OHIO LEGISLATIVE SERVICE COMMISSION

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Office

H.B. 279
136th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 279's Bill Analysis](#)

Version: As Introduced

Primary Sponsors: Reps. A. Mathews and Williams

Local Impact Statement Procedure Required: Yes

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Highlights

- The bill authorizes a nonrefundable income tax credit for certain family caregiving expenses, and it is projected to reduce the personal income tax (PIT) revenue by at least \$131.3 million beginning in FY 2027. Of this amount, \$2.3 million would be allocated to the Local Government Fund.

Detailed Analysis

The bill creates a nonrefundable income tax credit for eligible taxpayers who incur qualified expenses to act as a caregiver for a family member age 50 or older. The credit equals 30% of eligible caregiving expenses, up to a maximum of \$2,000 per caregiver per year. Any unused portion of the credit may be carried forward indefinitely.

To qualify, a taxpayer must have a modified adjusted gross income (MAGI)¹ above \$7,500, excluding interest, dividends, royalties, rent, and capital gains. Additional income limits apply for taxpayers married filing jointly, whose MAGI must be below \$94,000; the limit is \$56,500 for taxpayers married filing separately and \$69,000 for single filers. Taxpayers must also incur at least \$1,000 in eligible caregiving expenses for a family member who has a documented needed, certified by a licensed health care provider, for assistance with at least two activities of daily living, such as ambulating, eating, dressing, and hygiene.

Assuming the bill takes effect in tax year (TY) 2026, it is estimated to reduce personal income tax (PIT) revenues by at least \$131.3 million, beginning in FY 2027. Due to limited state-level data on family caregiving, the estimate relies on information from the Bureau of Labor

¹ Modified adjusted gross income is Ohio adjusted gross income plus the business income deduction.

Statistics (BLS), which reports that 14% of the U.S. population provides unpaid eldercare. Although the BLS definition of eldercare providers² does not precisely align with the bill's eligibility criteria for the family caregiving credit, it could serve as an appropriate proxy for estimating the number of Ohio taxpayers potentially eligible for the credit.

Based on TY 2023 PIT data from the Department of Taxation, approximately 3.1 million taxpayers fall within the bill's income eligibility limits. If 14% of these taxpayers claim the credit based on minimum eligible caregiving expenses, the resulting PIT revenue loss is estimated at roughly \$131.3 million. Actual losses could be higher if taxpayers claim larger eligible expenses, but the credit's nonrefundable nature and \$2,000 cap will limit potential revenue reductions.

Annual revenue losses of \$131.3 million would be distributed between the GRF (\$129.0 million, 98.25% of total) and the Local Government Fund (\$2.3 million, 1.75% of total).

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² BLS defines eldercare providers as individuals who provide unpaid care to someone age 65 or older who needs help because of a condition related to aging. This care can be provided to household or nonhousehold members, as well as people living in retirement homes or assisted care facilities.