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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

H.B. 279  
(1\_136\_1446-2)  
136<sup>th</sup> General Assembly

## Fiscal Note & Local Impact Statement

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

**Version:** In House Ways and Means

**Primary Sponsors:** Reps. A. Mathews and Williams

**Local Impact Statement Procedure Required:** Yes

Kyuhan Choi, Economist

### 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 up to \$3 million beginning in FY 2027. Of this amount, 1.75% 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 tax year and is subject to an overall cap of \$3 million in total credits per fiscal year. Any unused portion of the credit may be carried forward indefinitely.

To qualify, a taxpayer must have an adjusted gross income above \$7,500, excluding interest, dividends, royalties, rent, and capital gains. Additional income limits apply for taxpayers married filing jointly, whose modified adjusted gross income (MAGI)<sup>1</sup> 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 \$500 in eligible caregiving expenses for a family member who has a documented need, certified by a licensed health care provider, for assistance with at least two activities of daily living, such as ambulating, eating, dressing, and hygiene.

A family caregiver who incurs eligible expenses to provide care for an eligible family member may submit an application, prescribed by the Tax Commissioner, to the Commissioner

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<sup>1</sup> Modified adjusted gross income is Ohio adjusted gross income plus the business income deduction.

by the 15<sup>th</sup> day of January, beginning in 2027, for expenses incurred in the preceding calendar year for a nonrefundable credit. The Commissioner must evaluate applications in the order in which they are received and issue a determination. If the Commissioner approves an application, the determination must include a certificate listing the amount of credit that the applicant may claim.

Assuming the bill takes effect in tax year (TY) 2026, it is estimated to reduce personal income tax (PIT) revenues by up to \$3 million, beginning in FY 2027. The potential PIT revenue loss would be distributed between the GRF (98.25% of total) and the Local Government Fund (1.75% of total).

## **Synopsis of Fiscal Effect Changes**

The substitute bill adds a cap of \$3 million per fiscal year on the total amount of nonrefundable income tax credits issued for eligible family caregiving expenses. It also lowers the minimum amount of eligible expenses required to qualify for the credit from \$1,000 to \$500. These changes are expected to reduce the estimated PIT revenue loss to \$3 million per tax year.