

**As Introduced**

**136th General Assembly**

**Regular Session**

**2025-2026**

**H. B. No. 30**

**Representatives Mathews, A., Lampton**

**Cosponsors: Representatives Click, Williams, Fowler Arthur, Hall, T., John, Gross,  
Lear, Fischer, Robb Blasdel, Dean**

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**A BILL**

To amend section 5747.02 of the Revised Code to 1  
phase-down the state income tax to a flat rate 2  
of 2.75% over two years. 3

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That section 5747.02 of the Revised Code be 4  
amended to read as follows: 5

**Sec. 5747.02.** (A) For the purpose of providing revenue for 6  
the support of schools and local government functions, to 7  
provide relief to property taxpayers, to provide revenue for the 8  
general revenue fund, and to meet the expenses of administering 9  
the tax levied by this chapter, there is hereby levied on every 10  
individual, trust, and estate residing in or earning or 11  
receiving income in this state, on every individual, trust, and 12  
estate earning or receiving lottery winnings, prizes, or awards 13  
pursuant to Chapter 3770. of the Revised Code, on every 14  
individual, trust, and estate earning or receiving winnings on 15  
casino or sports gaming, and on every individual, trust, and 16  
estate otherwise having nexus with or in this state under the 17  
Constitution of the United States, an annual tax measured as 18

prescribed in divisions (A) (1) to (4) of this section. 19

(1) In the case of trusts, the tax imposed by this section 20  
shall be measured by modified Ohio taxable income under division 21  
(D) of this section and levied in the same amount as the tax is 22  
imposed on estates as prescribed in division (A) (2) of this 23  
section. 24

(2) In the case of estates, the tax imposed by this 25  
section shall be measured by Ohio taxable income. The tax shall 26  
be levied at the rate of 1.38462% for the first twenty-six 27  
thousand fifty dollars of such income ~~and, for taxable years~~ 28  
beginning in 2024, twenty-six thousand seven hundred dollars of 29  
such income for taxable years beginning in 2025, and twenty- 30  
seven thousand three hundred fifty dollars of such income for 31  
taxable years beginning in 2026 and thereafter. For income in 32  
excess of that amount, the tax shall be levied at the same rates 33  
prescribed in division (A) (3) of this section for individuals. 34

(3) In the case of individuals, the tax imposed by this 35  
section on income other than taxable business income shall be 36  
measured by Ohio adjusted gross income, less taxable business 37  
income and less an exemption for the taxpayer, the taxpayer's 38  
spouse, and each dependent as provided in section 5747.025 of 39  
the Revised Code. If the balance thus obtained is ~~equal to or~~ 40  
~~less not more~~ than twenty-six thousand fifty dollars the 41  
applicable dollar amount described in division (A) (2) of this 42  
section, no tax shall be imposed on that balance. If the balance 43  
thus obtained is greater than ~~twenty-six thousand fifty~~ 44  
~~dollars~~ that amount, the tax is hereby levied as follows: 45

(a) ~~For taxable years beginning in 2023:-~~ 46

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A ~~OHIO ADJUSTED GROSS INCOME LESS TAX~~  
~~TAXABLE BUSINESS INCOME AND EXEMPTIONS~~  
~~(INDIVIDUALS) OR MODIFIED OHIO TAXABLE~~  
~~INCOME (TRUSTS) OR OHIO TAXABLE INCOME~~  
~~(ESTATES)~~

B ~~More than \$26,050 but not more than~~ ~~\$360.69 plus 2.75% of the~~  
~~\$100,000~~ ~~amount in excess of \$26,050~~

C ~~More than \$100,000 but not more than~~ ~~\$2,394.32 plus 3.688% of the~~  
~~\$115,300~~ ~~amount in excess of \$100,000~~

D ~~More than \$115,300~~ ~~\$2,958.58 plus 3.75% of the~~  
~~amount in excess of \$115,300~~

~~(b) For taxable years beginning in 2024 and thereafter:~~ 48

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A OHIO ADJUSTED GROSS INCOME LESS TAXABLE TAX  
BUSINESS INCOME AND EXEMPTIONS  
(INDIVIDUALS) OR MODIFIED OHIO TAXABLE  
INCOME (TRUSTS) OR OHIO TAXABLE INCOME  
(ESTATES)

B More than \$26,050 but not more than \$360.69 plus 2.75% of the  
\$100,000 amount in excess of  
\$26,050

C More than \$100,000 \$2,394.32 plus 3.5% of

the amount in excess of  
\$100,000

(b) For taxable years beginning in 2025: 51  
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A OHIO ADJUSTED GROSS INCOME LESS TAX  
TAXABLE BUSINESS INCOME AND EXEMPTIONS  
(INDIVIDUALS) OR MODIFIED OHIO TAXABLE  
INCOME (TRUSTS) OR OHIO TAXABLE INCOME  
(ESTATES)

B More than \$26,700 but not more than \$369.69 plus 2.75% of the  
\$102,400 amount in excess of \$26,700

C More than \$102,400 \$2,451.44 plus 3.125% of the  
amount in excess of \$102,400

(c) For taxable years beginning in 2026 and thereafter, 53  
\$378.69 plus 2.75% of the amount in excess of \$27,350. 54

(4) (a) In the case of individuals, the tax imposed by this 55  
section on taxable business income shall equal three per cent of 56  
the result obtained by subtracting any amount allowed under 57  
division (A) (4) (b) of this section from the individual's taxable 58  
business income. 59

(b) If the exemptions allowed to an individual under 60  
division (A) (3) of this section exceed the taxpayer's Ohio 61  
adjusted gross income less taxable business income, the excess 62  
shall be deducted from taxable business income before computing 63  
the tax under division (A) (4) (a) of this section. 64

(5) Except as otherwise provided in this division, in 65  
August of each year, the tax commissioner shall make a new 66  
adjustment to the income amounts prescribed in divisions (A) (2) 67  
and (3) of this section by multiplying the percentage increase 68  
in the gross domestic product deflator computed that year under 69  
section 5747.025 of the Revised Code by each of the income 70  
amounts resulting from the adjustment under this division in the 71  
preceding year, adding the resulting product to the 72  
corresponding income amount resulting from the adjustment in the 73  
preceding year, and rounding the resulting sum to the nearest 74  
multiple of fifty dollars. The tax commissioner also shall 75  
recompute each of the tax dollar amounts to the extent necessary 76  
to reflect the new adjustment of the income amounts. To 77  
recompute the tax dollar amount corresponding to the lowest tax 78  
rate in division (A) (3) of this section, the commissioner shall 79  
multiply the tax rate prescribed in division (A) (2) of this 80  
section by the income amount specified in that division and as 81  
adjusted according to this paragraph. The rates of taxation 82  
shall not be adjusted. 83

The adjusted amounts apply to taxable years beginning in 84  
the calendar year in which the adjustments are made and to 85  
taxable years beginning in each ensuing calendar year until a 86  
calendar year in which a new adjustment is made pursuant to this 87  
division. The tax commissioner shall not make a new adjustment 88  
in any year in which the amount resulting from the adjustment 89  
would be less than the amount resulting from the adjustment in 90  
the preceding year. 91

(B) If the director of budget and management makes a 92  
certification to the tax commissioner under division (B) of 93  
section 131.44 of the Revised Code, the amount of tax as 94  
determined under divisions (A) (1) to (3) of this section shall 95

be reduced by the percentage prescribed in that certification 96  
for taxable years beginning in the calendar year in which that 97  
certification is made. 98

(C) (1) The tax imposed by this section on a trust shall be 99  
computed by multiplying the Ohio modified taxable income of the 100  
trust by the rates prescribed by division (A) of this section. 101

(2) A resident trust may claim a credit against the tax 102  
computed under division (C) of this section equal to the lesser 103  
of (a) the tax paid to another state or the District of Columbia 104  
on the resident trust's modified nonbusiness income, other than 105  
the portion of the resident trust's nonbusiness income that is 106  
qualifying investment income as defined in section 5747.012 of 107  
the Revised Code, or (b) the effective tax rate, based on 108  
modified Ohio taxable income, multiplied by the resident trust's 109  
modified nonbusiness income other than the portion of the 110  
resident trust's nonbusiness income that is qualifying 111  
investment income. The credit applies before any other 112  
applicable credits. 113

(3) Any credit authorized against the tax imposed by this 114  
section applies to a trust subject to division (C) of this 115  
section only if the trust otherwise qualifies for the credit. To 116  
the extent that the trust distributes income for the taxable 117  
year for which a credit is available to the trust, the credit 118  
shall be shared by the trust and its beneficiaries. The tax 119  
commissioner and the trust shall be guided by applicable 120  
regulations of the United States treasury regarding the sharing 121  
of credits. 122

(D) For the purposes of this section, "trust" means any 123  
trust described in Subchapter J of Chapter 1 of the Internal 124  
Revenue Code, excluding trusts that are not irrevocable as 125

defined in division (I) (3) (b) of section 5747.01 of the Revised 126  
Code and that have no modified Ohio taxable income for the 127  
taxable year, charitable remainder trusts, qualified funeral 128  
trusts and preneed funeral contract trusts established pursuant 129  
to sections 4717.31 to 4717.38 of the Revised Code that are not 130  
qualified funeral trusts, endowment and perpetual care trusts, 131  
qualified settlement trusts and funds, designated settlement 132  
trusts and funds, and trusts exempted from taxation under 133  
section 501(a) of the Internal Revenue Code. 134

(E) Nothing in division (A) (3) of this section shall 135  
prohibit an individual with an Ohio adjusted gross income, less 136  
taxable business income and exemptions, of ~~twenty-six thousand-~~ 137  
~~fifty dollars or less~~ not more than the applicable amount 138  
described in division (A) (2) of this section from filing a 139  
return under this chapter to receive a refund of taxes withheld 140  
or to claim any refundable credit allowed under this chapter. 141

**Section 2.** That existing section 5747.02 of the Revised 142  
Code is hereby repealed. 143

**Section 3.** The Tax Commissioner shall not make adjustments 144  
in 2025 or 2026 to the income amounts in divisions (A) (2) and 145  
(3) of section 5747.02 of the Revised Code, as otherwise 146  
required by division (A) (5) of that section. 147