OHIO LEGISLATIVE SERVICE COMMISSION

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Office of Research and Drafting

Legislative Budget Office

H.B. 816
136th General Assembly

Fiscal Note & Local Impact Statement

Click here for H.B. 816's Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Click and Lorenz

Local Impact Statement Procedure Required: Yes

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Highlights

- The bill authorizes a sales and use tax (SUT) exemption on service animals as defined under federal law and miniature horses that meet certain standards, which would reduce revenue from the state SUT by roughly between $1.0 million and $5.9 million per year, which may begin in FY 2027. However, the actual revenue loss would depend on the bill's effective date, the number of such service animals and miniature horses purchased in the state, and their prices.
- The GRF would bear 98.25% of any revenue loss, or between $1.0 million and $5.8 million per year. Under codified law, the Local Government Fund (LGF) receives 1.75% of state GRF tax revenue. Therefore, distributions to the LGF would decrease between $17,000 and $103,000 per year.
- Permissive county and transit authorities' sales taxes share the same tax base as the state SUT. Sales tax revenue for these local governments is about 25% of state sales tax revenue. Thus, revenue to county governments and transit authorities is expected to decrease between $246,000 and $1.5 million per year.

Detailed Analysis

The bill exempts sales of service animals as defined under federal law and miniature horses that meet certain standards as outlined in federal law from the state sales and use tax (SUT).

Under federal law, a service animal means any dog that is individually trained to do work or perform tasks for the benefit of an individual with a disability, including a physical, sensory, psychiatric, intellectual, or other mental disability. Other species of animals, whether wild or domestic, trained or untrained, are not service animals for the purposes of this definition.

The work or tasks performed by a service animal must be directly related to the individual's disability. Examples of work or tasks include, but are not limited to, assisting individuals who are blind or have low vision with navigation and other tasks, alerting individuals who are deaf or hard of hearing to the presence of people or sounds, providing nonviolent protection or rescue work, pulling a wheelchair, assisting an individual during a seizure, alerting individuals to the presence of allergens, retrieving items such as medicine or the telephone, providing physical support and assistance with balance and stability to individuals with mobility disabilities, and helping persons with psychiatric and neurological disabilities by preventing or interrupting impulsive or destructive behaviors.

A miniature horse can also be a service animal, if the horse has been individually trained to do work or perform tasks for the benefit of an individual with a disability, and it meets certain standards to be allowed into a specific facility, such as the type, size, and weight of the miniature horse; whether the handler has sufficient control of the miniature horse; the miniature horse is housebroken; and the miniature horse's presence in the facility does not compromise safety.

Fiscal effect

The state SUT losses from the exemption are estimated to be roughly between $1.0 million and $5.9 million per year. These losses would begin on the bill's effective date, which would likely occur during FY 2027. In addition, those estimates may increase in future years, depending on the number of service animals (i.e., eligible dogs or miniature horses) purchased in Ohio and prices of such service animals. The estimates are based on data and assumptions described below.

Service animal estimates

According to results of a study[1] published in a scientific, peer-reviewed, journal on healthcare, "Over 61 million people in the United States are living with disabilities. Less than one percent are teamed with service dogs." The study also indicated that "a service dog may be trained by an accredited service dog organization and may also be self-trained by the individual with the disability for which the person often enlists support from a dog trainer. The amount of time to educate a service dog from an Assistance Dogs International (ADI)-accredited organization is typically a minimum of 15 months." The study also stated that the "cost of breeding, raising, training, and educating the individual who will be teamed with the service dog on how to work together, and ongoing lifetime support for the ADI-accredited service dog team can cost up to USD 50,000."

Based on an online search, the estimated costs of a trained service dog range between $15,000 and $30,000. Based on another online search, the estimated costs of an untrained dog range between $500 and $5,000. In addition, according to service dog statistics, "people in need of a service dog may have to wait up to 1-5 years." However, the average cost of a miniature horse that meets the federal standards is undetermined. In addition, the estimated lifespan of dog breeds averaged between eight and 18 years while the lifespan of a miniature horse ranges

[1] Singleton, J.K. Benefits of Being Teamed with a Service Dog for Individuals Living with Visible and Invisible Disabilities. Healthcare 2023, 11, 2987. doi.org/10.3390/healthcare11222987.

between 25 and 35 years. Thus, a service dog or service miniature horse may need a replacement by those years.

According to data from the 2025 American Community Survey,[2] about 1.7 million Ohioans, or about 14.6% of Ohio's total population, had a disability in 2025. Using the percentage of disabled people who are teamed with service dogs in the aforementioned study (1%), as multiplied by the estimated number of disabled Ohioans, yielded the estimated number of disabled Ohioans who may utilize service animals, which is roughly 17,092.

Based on data above, the average cost of a trained or untrained service dog or a service miniature horse could roughly range between $5,000 and $30,000. Assuming about 1% of the estimated number of disabled Ohioans purchased one service animal every five years, the estimated exempted sales of such purchases would range roughly between $1.0 million and $5.9 million per year (i.e., [$5,000 x 17,092 x 20% x 5.75% = $1.0 million] and [$30,000 x 17,092 x 20% x 5.75% = $5.9 million]). The actual revenue loss could be lower or higher than the estimates, depending on the number of service animals (i.e., eligible dogs or miniature horses) purchased in Ohio in a particular year and the actual prices of service animals.

Currently, all SUT collections are deposited into the state GRF. Thus, the GRF would bear 98.25% of any revenue loss, or between $1.0 million and $5.8 million per year. Under codified law, the Local Government Fund (LGF) receives 1.75% of state GRF tax revenue. Therefore, distributions to the LGF would decrease by between $17,000 and $103,000 per year.

Local permissive sales and use tax by county governments and transit authorities share the same tax base as the state SUT and are estimated to be 25% of state SUT revenue. Thus, expected losses to county governments and transit authorities are roughly between $246,000 and $1.5 million each year.

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[2] Source: U.S. Census Bureau. "Selected Social Characteristics in the United States" American Community Survey, ACS 1-Year Estimates Data Profiles, Table DP02, 2025. Accessed on November 18, 2026.