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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

H.B. 87  
(with AM0352  
and AMo817)  
136<sup>th</sup> General Assembly

## Fiscal Note & Local Impact Statement

[Click here for H.B. 87's Bill Analysis](#)

**Version:** In House Ways and Means

**Primary Sponsors:** Reps. Click and Klopfenstein

**Local Impact Statement Procedure Required:** Yes

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### Highlights

- The definition of a dependent is expanded under the bill to include conceived children; this allows pregnant taxpayers to claim an exemption against the personal income tax (PIT) ranging from between \$1,900 and \$2,400 per conceived child in tax year (TY) 2026, depending on their modified adjusted gross income (MAGI).
- The total all-funds PIT revenue loss from the inclusion of conceived children in the definition of dependents is expected to approach \$5.3 million per year.

### Detailed Analysis

The bill expands the definition of a dependent, as applied against the personal income tax (PIT). The change would allow taxpayers to claim a dependent exemption against the PIT for each of their conceived children, including if a pregnancy results in a miscarriage, unless the loss of the child occurred through an abortion or selective reduction.

#### Personal income tax exemption

The Ohio Department of Health (ODH) reported 126,813 live resident births in calendar year (CY) 2024.<sup>1</sup> As an estimated 15% of all known pregnancies end in spontaneous miscarriage,<sup>2</sup> 22,379 miscarriages are expected to have occurred that year. The bill does not allow a conceived child to qualify for an exemption in the same year the child is born, as the child would already be eligible to be claimed as a dependent under continuing law. Assuming a nine-month average

<sup>1</sup> Ohio Department of Health, Bureau of Vital Statistics: [Comprehensive Birth Database](#). 2024 data is listed as preliminary and subject to change.

<sup>2</sup> Cleveland Clinic, Health Library: [Miscarriage](#).

pregnancy gestation period for children carried full term, approximately three-fourths of estimated live births in any given year are expected to qualify for the conceived child exemption under the bill. All spontaneous miscarriages, however, would qualify for the expanded exemption, which excludes the loss of a child through abortion or selective reduction. This results in an estimated 117,489 additional qualifying exemptions, compared to baseline law.

Personal and Dependent Exemption Amounts Applied Against the PIT for TY 2026*	
Ohio Modified Adjusted Gross Income (MAGI)	Exemption Amount (Deduction per Exemption)
\$40,000 or less	\$2,400
\$40,001 to \$80,000	\$2,150
\$80,001 to \$500,000	\$1,900
\$500,001 or more	\$0

\*The personal and dependent exemption amounts are typically adjusted for inflation each year according to R.C. 5747.025. Section 757.120 of H.B. 96 of the 136<sup>th</sup> General Assembly suspended this inflation adjustment for TY 2025 and TY 2026.

The estimated average revenue loss to the state from the addition of one exemption to a taxpayer's TY 2026 return is roughly \$45.10,<sup>3</sup> resulting in a total revenue loss of \$5.3 million on an all-funds basis.

## Local Government Fund and Public Library Fund

The state PIT losses would be shared by the GRF (98.25%) and the Local Government Fund (LGF), of which the latter receives 1.75% of GRF tax receipts. Funds deposited into the LGF are distributed to counties, municipalities, and townships according to statutory formulas.

The PIT definition of a dependent would apply for TY 2026 and thereafter, with the majority of revenue losses expected beginning in FY 2027, when annual returns are due. The LGF would incur a loss of nearly \$0.1 million per year, on behalf of the bill's PIT provision.

<sup>3</sup> Statistical Tabulation provided to LBO by the Ohio Department of Taxation, updated by LBO for TY 2026.