



www.lsc.ohio.gov

OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

S.B. 129
136th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsor: Sen. Koehler

Kitty Sorah, Attorney

SUMMARY

- Authorizes a refundable business tax credit equal to 1.3% of the premiums paid by an employer for a group health plan for employees who are Ohio residents.

DETAILED ANALYSIS

Business tax credit for employer group health plan premiums

The bill authorizes a refundable tax credit for employer-paid group health plan premiums. An employer may claim the credit against one of the following business taxes: the commercial activity tax (CAT), income tax, financial institutions tax, insurance company premiums taxes, public utility excise tax, or petroleum activity tax.

The credit equals 1.3% of the premiums paid by an employer for a group health plan for employees who qualify as Ohio residents for personal income tax purposes, i.e., individuals domiciled in Ohio. To qualify, the plan must be a group health insurance plan that covers employee's basic health care services, i.e., physician, hospital, emergency health, urgent care, diagnostic, and preventive care services. (Comprehensive medical plans generally cover such services.) The credit does not apply to self-insurance plans or to premiums paid for nonresident employees.¹ The credit applies for premiums paid on or after the bill's 90-day effective date.²

The bill also specifically provides that a company that is not required to pay the CAT cannot register for the tax in order to claim the tax credit.³

¹ R.C. 5725.39, 5725.98, 5726.62, 5726.98, 5727.242, 5727.301, 5729.22, 5729.98, 5736.51, 5747.74, 5747.98, 5751.56, and 5751.98.

² Section 3.

³ R.C. 5751.56(B).

HISTORY

Action	Date
Introduced	03-04-25
