

**As Introduced**

**132nd General Assembly**

**Regular Session**

**2017-2018**

**S. B. No. 5**

**Senators Hottinger, Eklund**

**Cosponsors: Senators Gardner, LaRose**

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**A BILL**

To amend section 5747.70 of the Revised Code to  
increase the maximum income tax deduction for  
contributions to college savings accounts and  
disability expense savings accounts to \$10,000  
annually for each beneficiary, to create the  
Joint Committee on Ohio College Affordability,  
and to declare an emergency.

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

**Section 1.** That section 5747.70 of the Revised Code be  
amended to read as follows:

**Sec. 5747.70.** (A) In computing Ohio adjusted gross income,  
a deduction from federal adjusted gross income is allowed to a  
contributor for the amount contributed during the taxable year  
to a variable college savings program account and to a purchaser  
of tuition units under the Ohio college savings program created  
by Chapter 3334. of the Revised Code to the extent that the  
amounts of such contributions and purchases were not deducted in  
determining the contributor's or purchaser's federal adjusted  
gross income for the taxable year. The combined amount of

contributions and purchases deducted in any taxable year by a taxpayer or the taxpayer and the taxpayer's spouse, regardless of whether the taxpayer and the taxpayer's spouse file separate returns or a joint return, is limited to ~~two~~ten thousand dollars for each beneficiary for whom contributions or purchases are made. If the combined annual contributions and purchases for a beneficiary exceed ~~two~~ten thousand dollars, the excess may be carried forward and deducted in future taxable years until the contributions and purchases have been fully deducted.

(B) In computing Ohio adjusted gross income, a deduction from federal adjusted gross income is allowed for:

(1) Income related to tuition units and contributions that as of the end of the taxable year have not been refunded pursuant to the termination of a tuition payment contract or variable college savings program account under section 3334.10 of the Revised Code, to the extent that such income is included in federal adjusted gross income.

(2) The excess of the total purchase price of tuition units refunded during the taxable year pursuant to the termination of a tuition payment contract under section 3334.10 of the Revised Code over the amount of the refund, to the extent the amount of the excess was not deducted in determining federal adjusted gross income. Division (B)(2) of this section applies only to units for which no deduction was allowable under division (A) of this section.

(C) In computing Ohio adjusted gross income, there shall be added to federal adjusted gross income the amount of loss related to tuition units and contributions that as of the end of the taxable year have not been refunded pursuant to the termination of a tuition payment contract or variable college

savings program account under section 3334.10 of the Revised Code, to the extent that such loss was deducted in determining federal adjusted gross income.

(D) For taxable years in which distributions or refunds are made under a tuition payment or variable college savings program contract for any reason other than payment of tuition or other higher education expenses, or the beneficiary's death, disability, or receipt of a scholarship as described in section 3334.10 of the Revised Code:

(1) If the distribution or refund is paid to the purchaser or contributor or beneficiary, any portion of the distribution or refund not included in the recipient's federal adjusted gross income shall be added to the recipient's federal adjusted gross income in determining the recipient's Ohio adjusted gross income, except that the amount added shall not exceed amounts previously deducted under division (A) of this section less any amounts added under division (D)(1) of this section in a prior taxable year.

(2) If amounts paid by a purchaser or contributor on or after January 1, 2000, are distributed or refunded to someone other than the purchaser or contributor or beneficiary, the amount of the payment not included in the recipient's federal adjusted gross income, less any amounts added under division (D) of this section in a prior taxable year, shall be added to the recipient's federal adjusted gross income in determining the recipient's Ohio adjusted gross income.

**Section 2.** That existing section 5747.70 of the Revised Code is hereby repealed.

**Section 3.** (A) There is hereby created the Joint Committee

on Ohio College Affordability composed of the following members: 78

(1) Five members of the Senate, appointed by the President 79  
of the Senate, not more than three of whom may be members of the 80  
same political party; 81

(2) Five members of the House of Representatives, 82  
appointed by the Speaker of the House of Representatives, not 83  
more than three of whom may be members of the same political 84  
party. 85

(B) The President of the Senate and the Speaker of the 86  
House of Representatives shall appoint the members of the 87  
committee within thirty days after the effective date of this 88  
act. The committee shall hold an initial meeting within sixty 89  
days after the effective date of this act and shall meet 90  
thereafter at the discretion of the committee members. 91

(C) The committee shall study and develop strategies to 92  
reduce the cost of attending colleges and universities in this 93  
state. As part of this process, the committee shall consult with 94  
the Chancellor of Higher Education and persons or organizations 95  
representing institutions of higher education. 96

(D) The committee shall compile a report of its 97  
activities, findings, and recommendations and shall furnish a 98  
copy of the report to the Governor, President of the Senate, and 99  
Speaker of the House of Representatives not later than one year 100  
after the effective date of this act, at which time the 101  
committee shall dissolve by operation of law. 102

**Section 4.** The amendment by this act of section 5747.70 of 103  
the Revised Code applies to taxable years ending on or after the 104  
effective date of this act. 105

**Section 5.** This act is hereby declared to be an emergency 106

measure necessary for the immediate preservation of the public 107  
peace, health, and safety. The reason for such necessity is that 108  
the rising cost of higher education has placed an enormous 109  
financial burden on many individuals and families in this state 110  
and it is imperative to develop solutions for, and provide some 111  
relief from, that burden at the earliest possible time. 112  
Therefore, this act shall go into immediate effect. 113