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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

S.B. 190
133rd General Assembly

Fiscal Note & Local Impact Statement

[Click here for S.B. 190's Bill Analysis](#)

Version: As Introduced

Primary Sponsor: Sen. Schaffer

Local Impact Statement Procedure Required: Yes

Eric Makela, Economist

Highlights

Fund	FY 2020	FY 2021	Future Years
State General Revenue Fund			
Revenues	\$0	Loss between \$5.3 million and \$8.0 million	Annual losses increasing by approximately 3.0% annually
Local Government and Public Library funds (counties, municipalities, townships, and public libraries)			
Revenues	\$0	Loss between \$180,000 and \$271,000	Annual losses increasing by approximately 3.0% annually

Note: The state or school district fiscal year runs from July 1 through June 30 and is designated by the calendar year in which it ends. For other local governments, the fiscal year is identical to the calendar year.

- Establishes a nonrefundable income tax credit of up to \$500 per year for amounts spent by law enforcement officers on items used by that officer for safety or protective purposes while performing official law enforcement activities.
- The credit would reduce revenue to the GRF by an estimated \$5.3 million to \$8.0 million annually. The reduction in GRF tax revenue would reduce transfers from the GRF to the Local Government Fund (LGF) and the Public Library Fund (PLF). During the current biennium the LGF is to receive transfers of 1.68% of GRF tax revenue and the PLF is to receive transfers of 1.7%.

Detailed Analysis

The bill allows law enforcement officers filing income tax returns in Ohio to claim a credit of up to \$500 per year for personal spending on items used for safety or protection of themselves or others while the officer is performing duties within the limits of their statutory authority. The credit is nonrefundable, meaning that if the credit is greater than the tax amount due on the peace officer's annual tax return, the difference is not refunded.

The bill defines an eligible law enforcement officer as "a sheriff, deputy sheriff, constable, municipal police officer, police officer of a township or joint township police district, marshal, deputy marshal, or state highway patrolman, and also means any officer, agent, or employee of the state or any of its agencies, instrumentalities, or political subdivisions, upon whom, by statute, the authority to arrest violators is conferred." The bill also stipulates that the Tax Commissioner may request a claimant to furnish information necessary to support the claim for the credit. The Tax Commissioner may rescind the credit unless the requested information is provided.

According to data from the Ohio Attorney General, approximately 33,350 peace officers were registered in Ohio during 2018.¹ For purposes of estimating the revenue effects of the credit, it is assumed that up to 80% of peace officers filing income tax returns in Ohio would be eligible for the credit based on their tax liability at the time of filing. Data on expenditure for protective equipment was attained through a telephone survey of police and sheriff offices in Ohio; this information is estimated because the offices do not keep record of personal expenditures for protective equipment, according to a survey source.² Future fiscal losses are estimated based on growth in the global market for firearms, as estimated by BIS Research.³

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¹ The term "peace officer" generally means the same thing as law enforcement officer, and is the term used in Chapter 109 of the Revised Code.

² The above analysis assumes a lower bound of \$200 and an upper bound of \$300 per tax credit given to each participating law enforcement officer. In addition, due to the small sample size of the survey, LBO cannot rule out the possibility the actual fiscal effect will be greater than estimated above.

³ <https://www.reportlinker.com/p05663448/Global-Sports-Gun-Market-Focus-on-Gun-Type-Pistol-Rifle-Revolver-and-Shotgun-Analysis-and-Forecast.html>.