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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

S.B. 120  
134<sup>th</sup> General Assembly

## Bill Analysis

**Version:** As Introduced

**Primary Sponsors:** Sens. Fedor and Manning

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### SUMMARY

- Increases the maximum annual amount that a teacher may claim as an income tax deduction for amounts paid out-of-pocket for professional development and classroom supplies from \$250 to \$1000.

### DETAILED ANALYSIS

#### Income tax deduction for teacher expenses

The bill increases, from \$250 to \$1,000, the maximum annual amount an Ohio teacher may claim as an income tax deduction for unreimbursed expenses incurred for professional development and classroom supplies. The increased deduction is available for taxable years ending on or after the provision's effective date.<sup>1</sup>

The Ohio deduction piggy-backs on an existing federal income tax deduction for up to \$250 of such expenses. As with the federal deduction, the Ohio deduction applies to the following expenses, when not reimbursed to the teacher:

1. Books, supplies, computers and other equipment, and supplementary materials used in the classroom, including items to protect against COVID-19. With respect to supplies for a health or physical education class, the deduction only applies to amounts spent on athletic supplies.
2. Expenses paid to participate in professional development courses related to the teacher's curriculum or students.<sup>2</sup>

<sup>1</sup> R.C. 5747.01(A)(31) and (JJ) and 5747.10; Section 3.

<sup>2</sup> 26 United States Code (U.S.C.) 62(a)(2)(D).

The Ohio deduction applies to expenses that exceed what the teacher may claim as a federal deduction. For example, under the bill's increased Ohio deduction, if a teacher incurs \$700 of qualifying expenses in a year, the teacher may claim \$250 as a federal deduction, and the remaining \$450 as a deduction from Ohio taxes. (The first \$250 deduction is already factored into the teacher's Ohio tax liability, since Ohio uses federal adjusted gross income as the starting point on the Ohio income tax return and the federal deduction directly reduces FAGI.)

Under continuing law, to qualify for the Ohio deduction, a teacher must be licensed in Ohio or hold an Ohio-issued certificate or permit and be eligible for the federal deduction. Persons eligible for the federal deduction include any kindergarten through 12<sup>th</sup> grade teacher, instructor, counselor, principal, or aide who works in a primary or secondary school for at least 900 hours per school year.<sup>3</sup>

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## HISTORY

Action	Date
Introduced	03-09-21

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<sup>3</sup> R.C. 5747.01(JJ) and 26 U.S.C. 62(d)(1).