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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Legislative Budget
Office

H.B. 323
134th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsor: Rep. Fowler Arthur

Prince Senayah, LSC Fellow

SUMMARY

- Authorizes a nonrefundable personal income tax credit for certain primary and secondary education expenses of a taxpayer's student or dependent, up to \$1,500 per student or dependent.

DETAILED ANALYSIS

Income tax credit for educational expenses

The bill allows an individual whose dependent received home instruction or instruction from a public, chartered nonpublic, or nonchartered nonpublic school during the school year or an educator of such students, to claim a nonrefundable personal income tax credit. The credit equals the taxpayer's unreimbursed expenses for the taxpayer's dependents or students on items such as books, supplementary materials, supplies, tutoring, educational field trips, and lessons (referred to for the purpose of this analysis as "unreimbursed educational expenses") but excluding tuition fees or room and board expenses. The credit may not exceed \$1,500 of unreimbursed educational expenses for each such student or dependent.¹ The credit applies to taxable years beginning on or after January 1, 2021.²

For an educator to qualify for the credit, the taxpayer must be licensed as a teacher in Ohio, hold an Ohio-issued teacher certificate or permit, or provide home schooling to a student.³

¹ R.C. 5747.38, 5747.08, and 5747.98.

² Section 3.

³ R.C. 5747.38(A)(2).

Current educator tax incentives

The credit authorized by the bill may be claimed in addition to existing state and federal income tax deductions that allow a qualified educator to deduct some of the educator's unreimbursed educational expenses. Under continuing law, a kindergarten through 12th grade teacher, instructor, counselor, principal, or aide who works in a primary or secondary school for at least 900 hours per school year, may claim a \$250 federal income tax deduction for unreimbursed educational expenses, as well as expenses paid to participate in professional development courses related to the teacher's curriculum or students.⁴ Additionally, a teacher who is licensed in Ohio or holds an Ohio-issued certificate or permit may claim a similar state deduction of \$250 for such expenses that exceed what the teacher may claim under the federal deduction.⁵

HISTORY

Action	Date
Introduced	05-25-21

H0323-I-134/ts

⁴ 26 United States Code 62(a)(2)(D).

⁵ R.C. 5747.01(A)(31), not in the bill.