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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

S.B. 216
135th General Assembly

Fiscal Note & Local Impact Statement

[Click here for S.B. 216's Bill Analysis](#)

Version: As Introduced

Primary Sponsors: Sens. Lang and S. Huffman

Local Impact Statement Procedure Required: Yes

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Highlights

- The bill repeals the commercial activity tax (CAT) for tax periods ending on or after January 1, 2030, and phases out the personal income tax (PIT) on nonbusiness income through tax year (TY) 2029, terminating the nonbusiness PIT in TY 2030.
- State revenue losses under the bill are estimated to total \$13.68 billion in FY 2031, \$11.02 billion of which is attributed to losses from the phase out of the PIT and \$2.66 billion from the repeal of the CAT. Both taxes distribute 96.6% of their revenue to the GRF, with the remaining amounts evenly shared between the Local Government Fund (LGF, Fund 7069) and Public Library Fund (PLF, Fund 7065).

Detailed Analysis

Elimination of nonbusiness PIT and CAT

The bill gradually phases out the personal income tax (PIT) on nonbusiness income through tax year (TY) 2029 until it no longer applies, beginning in TY 2030 and years thereafter. The commercial activity tax (CAT) is also permanently repealed under the bill beginning the first day of calendar year (CY) 2030. The table below provides revenue loss estimates for FY 2025 through FY 2031. Given these projections reach well beyond the biennium, however, such estimates should be considered rough. As the termination of both taxes are to be fully implemented by FY 2031, the fiscal effect in subsequent years is expected to be comparable to the amount estimated for FY 2031, as adjusted for economic growth.

Both taxes distribute 96.6% of their revenue to the GRF, with the remaining amounts evenly shared between the Local Government Fund (LGF, 1.7%) and Public Library Fund (PLF, 1.7%).

Estimated State Revenue Losses (\$ in millions) Through FY 2031 Under S.B. 216			
Fiscal Year	PIT	CAT	Total
FY 2025	\$352	\$0	\$352
FY 2026	\$1,103	\$0	\$1,103
FY 2027	\$2,590	\$0	\$2,590
FY 2028	\$4,873	\$0	\$4,873
FY 2029	\$7,257	\$0	\$7,257
FY 2030	\$9,679	\$643	\$10,323
FY 2031	\$11,024	\$2,660	\$13,684

Note: PIT revenue losses were estimated using a tax sample provided by the Ohio Department of Taxation (TAX). CAT revenue losses were estimated using data published by TAX.