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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

S.B. 9
136th General Assembly

Fiscal Note & Local Impact Statement

[Click here for S.B. 9's Bill Analysis](#)

Version: As Introduced

Primary Sponsor: Sen. Blessing

Local Impact Statement Procedure Required: No

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Highlights

- The bill incorporates into Ohio income tax law changes made to the federal Internal Revenue Code (IRC) since March 15, 2023. Any revenue effect is expected to be minor and will begin in FY 2025.

Detailed Analysis

Conforming to federal income tax law

The bill incorporates into Ohio income tax law changes to the federal Internal Revenue Code (IRC) made since March 15, 2023, including an act of U.S. Congress, the “Federal Disaster Tax Relief Act of 2023” (DRA). In general, Ohio tax law incorporates by reference parts of the IRC and other federal laws. Periodic amendments to federal law do not become part of Ohio law unless they are incorporated by an act of the General Assembly.

One recent change in tax law that may affect a very small portion of Ohio taxpayers comes from the “Federal Disaster Tax Relief Act of 2023,” which excludes from a taxpayer’s gross income disaster relief payments received from governments, Norfolk Railway, or any insurer, agent, or subsidiary of Norfolk Railway for the East Palestine train derailment or certain wildfires. However, such payments related to the East Palestine train derailment are already excluded from a taxpayer’s Ohio adjusted gross income from the passage of H.B. 33 of the 135th General Assembly.¹ Only taxpayers who received payments for certain out-of-state wildfires may be eligible to deduct additional income from their federal adjusted gross income (FAGI). Therefore, conformity with this federal law will have a minor fiscal impact, if any, for the state.

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¹ R.C. 5747.01(A)(39).