



Ohio Legislative Service Commission

Bill Analysis

Sam Benham

H.B. 358

131st General Assembly
(As Introduced)

Reps. Dever and Conditt

BILL SUMMARY

- Authorizes a personal income tax deduction for contributions to an "Achieve a Better Living Experience" (ABLE) savings account, which is used to pay qualified disability expenses of a beneficiary.

CONTENT AND OPERATION

ABLE account contributions deduction

The bill authorizes an income tax deduction for contributions to a special savings account opened in accordance with existing state law to pay the disability expenses of a beneficiary. These accounts are referred to as "Achieve a Better Living Experience" (ABLE) savings accounts. The deduction is limited to \$2,000 per taxable year for each ABLE account beneficiary. If a taxpayer contributes more than \$2,000 in a taxable year, the taxpayer may carry forward and deduct that excess in future taxable years.¹ If a contribution is made by a married taxpayer, the \$2,000-per-beneficiary limit applies regardless of whether the taxpayer and spouse file separately or jointly. The \$2,000 limit mirrors the limit on the existing deduction for contributions to an account created under the state's "529" college savings program.²

Continuing law authorizes the Treasurer of State to create and administer the ABLE savings account program. Under the program, a disabled individual or the individual's guardian or trustee may apply to open an ABLE account, which is endowed with certain federal income tax and means-tested public assistance

¹ R.C. 5747.01(A)(32) and 5747.78.

² R.C. 5747.70, not in the bill.

advantages. Any person may contribute money to an ABLE account, within certain limitations. Money in an ABLE account is required to be used to pay qualified disability expenses of the account beneficiary.³ Once money is contributed to an account, earnings on that money are exempted from federal and Ohio income tax, and distributions from the account to the beneficiary are exempted to the extent the money is used to pay qualified disability expenses as defined by federal law. For additional information about the ABLE savings account program, see LSC's Final Analysis of H.B. 155 of the 131st General Assembly.

HISTORY

ACTION	DATE
Introduced	10-06-15

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³ R.C. 113.50 to 113.56, not in the bill.

