



OHIO LEGISLATIVE SERVICE COMMISSION

Bill Analysis

Sam Benham

H.B. 485

131st General Assembly
(As Introduced)

Reps. Ramos, Hood, Patterson, Clyde, Boccieri, Antonio, Cera, K. Smith, Boyce, Lepore-Hagan, Leland

BILL SUMMARY

- Reinstates a since-expired personal income tax deduction for tuition and fees paid for the first two years of post-secondary education at an institution in Ohio, up to a total of \$5,000.
 - Applies only to income tax filers with \$50,000 or less in federal adjusted gross income, or \$100,000 for joint filers.
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CONTENT AND OPERATION

Qualified tuition and fees deduction

For taxable years beginning in or after 2016, the bill reinstates a personal income tax deduction for tuition and fees paid to a college or other qualifying post-secondary institution in Ohio. The deduction was previously in effect for taxable years beginning in 2001 through 2005.

The deduction is permitted only for amounts paid to Ohio state colleges and universities, private, nonprofit schools having certificates of authorization issued by the Ohio Board of Regents, and career colleges and schools having certificate of registrations from the State Board of Career Colleges and Schools. Deductible tuition and fees include only charges imposed as a condition of enrollment or attendance. They do not include charges for sports (other than those that are part of the student's academic program), insurance, room and board, or books; nor do they include expenses paid or reimbursed through scholarships or other educational benefit programs.

To qualify for the deduction, the taxpayer must have federal adjusted gross income (FAGI) not exceeding \$100,000 if a joint filer, or \$50,000 if a single filer, and the

student must be enrolled in a degree- or diploma-granting program and be an Ohio resident. The deduction may be taken for each student only for the academic equivalent of the first two years of post-secondary education and is limited to \$2,500 per student per year. If the student attends part time, the deduction may be claimed for up to five years but is still limited to a total of \$5,000.

The deduction may be claimed only to the extent that qualified expenses are not otherwise deducted or excluded for any taxable year from the taxpayer's FAGI or used to form the basis of an existing job training expense tax credit for displaced workers.¹ A taxpayer must add back to FAGI any reimbursement received of amounts deducted in any prior taxable year to the extent the reimbursement is not otherwise included in adjusted gross income.²

HISTORY

ACTION	DATE
Introduced	03-08-16

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¹ R.C. 5747.01(A)(18) and (AA).

² R.C. 5747.01(A)(19).

