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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

S.B. 284
134th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsor: Sen. Maharath

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SUMMARY

- Authorizes a nonrefundable credit against various state taxes for taxpayers who donate to certain child care facilities.
- Limits the amount of credits that a taxpayer may annually claim to \$5,000 per tax type.

DETAILED ANALYSIS

Child care program donation credit

The bill authorizes a tax credit for cash donations to certain child care programs made after the bill's 90-day effective date.¹ The credit can be claimed against any of the following taxes:

- Income tax.²
- Commercial activity tax.³
- Insurance premiums taxes.⁴
- Financial institutions tax.⁵
- Public utility excise taxes.⁶

¹ Section 3.

² R.C. 5747.83 and 5747.98.

³ R.C. 5751.55 and 5751.98.

⁴ R.C. 5725.36, 5729.19, 5725.98, and 5729.98.

⁵ R.C. 5726.58 and 5726.98.

- Petroleum activity tax.⁷

The same donation may not be claimed as a credit against more than one of these taxes.

Qualifying donations

The credit is available to a taxpayer who donates cash to a child care facility that achieves at least two stars, i.e., have been rated at the 4th highest tier or higher, on the Step Up to Quality program administered by the Ohio Department of Education (ODE) and the Ohio Department of Job and Family Services (JFS).⁸ Qualifying child care facilities include child day-care centers and family day-care homes licensed by JFS and preschool programs licensed by ODE.

The credit equals 50% of donations made during a year, up to \$5,000 per tax. The taxpayer must supply supporting documentation to the Tax Commissioner (or the Superintendent of Insurance for insurance premiums taxes) verifying qualifying donation amounts.

Credit carry forward

The credit is nonrefundable, which means that the credit may not exceed a taxpayer's tax liability in any year. However, if the credit does exceed a taxpayer's liability for a particular year, the taxpayer may carry forward the unused amount for up to five taxable years.

HISTORY

Action	Date
Introduced	01-24-22

ANSB0284IN-134/ec

⁶ R.C. 5727.242 and 5727.301.

⁷ R.C. 5736.51.

⁸ For a description of the Step Up to Quality rating system, see the [Step Up to Quality information page](#), which may be accessed by conducting a keyword "Step Up to Quality" search on ODE's website: education.ohio.gov.