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H.B. 126
135th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Mathews and A. Miller

Zachary P. Bowerman, Attorney

SUMMARY

- Requires municipal corporations to exempt from income tax the military pay of members of the Space Force and the Commissioned Corps of the National Oceanic and Atmospheric Administration and the Public Health Service.

DETAILED ANALYSIS

Municipal taxation of military pay

Continuing law requires municipal corporations to exempt from municipal income tax the military pay and allowances of members of the United States Army, Navy, Air Force, Coast Guard, or Marine Corps (collectively referred to under federal law as the “Armed Forces”), their respective reserve components, or the National Guard. The bill requires municipal corporations to also exempt military pay and allowances of members of the Space Force and the Commissioned Corps of the National Oceanic and Atmospheric Administration (NOAA) and the Commissioned Corps of the Public Health Service (PHS).¹ The bill accomplishes this by extending the existing exemption to include pay or allowances for any member of the “Uniformed Services,” which under federal law encompasses the Armed Forces, Space Force, and Commissioned Corps of NOAA and PHS.²

The extension of the exemption applies to taxable years beginning in or after 2023.³

¹ R.C. 718.01(C)(1).

² 10 United States Code 101(a)(5).

³ Section 3.

HISTORY

Action	Date
Introduced	03-21-23
