

As Introduced

**130th General Assembly
Regular Session
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S. B. No. 244

Senators Jones, Gardner

**Cosponsors: Senators Brown, Lehner, Manning, Patton, Hughes, Uecker,
Beagle, Hite, Widener, Bacon, Obhof, LaRose**

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A B I L L

To amend section 5747.70 of the Revised Code to 1
increase the maximum income tax deduction for 2
college savings contributions to \$10,000 annually 3
for each beneficiary, to create the Joint 4
Committee on Ohio College Affordability, and to 5
declare an emergency. 6

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 5747.70 of the Revised Code be 7
amended to read as follows: 8

Sec. 5747.70. (A) In computing Ohio adjusted gross income, a 9
deduction from federal adjusted gross income is allowed to a 10
contributor for the amount contributed during the taxable year to 11
a variable college savings program account and to a purchaser of 12
tuition units under the Ohio college savings program created by 13
Chapter 3334. of the Revised Code to the extent that the amounts 14
of such contributions and purchases were not deducted in 15
determining the contributor's or purchaser's federal adjusted 16
gross income for the taxable year. The combined amount of 17
contributions and purchases deducted in any taxable year by a 18

taxpayer or the taxpayer and the taxpayer's spouse, regardless of 19
whether the taxpayer and the taxpayer's spouse file separate 20
returns or a joint return, is limited to ~~two~~ ten thousand dollars 21
for each beneficiary for whom contributions or purchases are made. 22
If the combined annual contributions and purchases for a 23
beneficiary exceed ~~two~~ ten thousand dollars, the excess may be 24
carried forward and deducted in future taxable years until the 25
contributions and purchases have been fully deducted. 26

(B) In computing Ohio adjusted gross income, a deduction from 27
federal adjusted gross income is allowed for: 28

(1) Income related to tuition units and contributions that as 29
of the end of the taxable year have not been refunded pursuant to 30
the termination of a tuition payment contract or variable college 31
savings program account under section 3334.10 of the Revised Code, 32
to the extent that such income is included in federal adjusted 33
gross income. 34

(2) The excess of the total purchase price of tuition units 35
refunded during the taxable year pursuant to the termination of a 36
tuition payment contract under section 3334.10 of the Revised Code 37
over the amount of the refund, to the extent the amount of the 38
excess was not deducted in determining federal adjusted gross 39
income. Division (B)(2) of this section applies only to units for 40
which no deduction was allowable under division (A) of this 41
section. 42

(C) In computing Ohio adjusted gross income, there shall be 43
added to federal adjusted gross income the amount of loss related 44
to tuition units and contributions that as of the end of the 45
taxable year have not been refunded pursuant to the termination of 46
a tuition payment contract or variable college savings program 47
account under section 3334.10 of the Revised Code, to the extent 48
that such loss was deducted in determining federal adjusted gross 49
income. 50

(D) For taxable years in which distributions or refunds are made under a tuition payment or variable college savings program contract for any reason other than payment of tuition or other higher education expenses, or the beneficiary's death, disability, or receipt of a scholarship as described in section 3334.10 of the Revised Code:

(1) If the distribution or refund is paid to the purchaser or contributor or beneficiary, any portion of the distribution or refund not included in the recipient's federal adjusted gross income shall be added to the recipient's federal adjusted gross income in determining the recipient's Ohio adjusted gross income, except that the amount added shall not exceed amounts previously deducted under division (A) of this section less any amounts added under division (D)(1) of this section in a prior taxable year.

(2) If amounts paid by a purchaser or contributor on or after January 1, 2000, are distributed or refunded to someone other than the purchaser or contributor or beneficiary, the amount of the payment not included in the recipient's federal adjusted gross income, less any amounts added under division (D) of this section in a prior taxable year, shall be added to the recipient's federal adjusted gross income in determining the recipient's Ohio adjusted gross income.

Section 2. That existing section 5747.70 of the Revised Code is hereby repealed.

Section 3. (A) There is hereby created the Joint Committee on Ohio College Affordability composed of the following members:

(1) Five members of the Senate, appointed by the President of the Senate, not more than three of whom may be members of the same political party;

(2) Five members of the House of Representatives, appointed

by the Speaker of the House of Representatives, not more than 81
three of whom may be members of the same political party. 82

(B) The President of the Senate and the Speaker of the House 83
of Representatives shall appoint the members of the committee 84
within thirty days after the effective date of this act. The 85
committee shall hold an initial meeting within sixty days after 86
the effective date of this act and shall meet thereafter at the 87
discretion of the committee members. 88

(C) The committee shall study and develop strategies to 89
reduce the cost of attending colleges and universities in this 90
state. As part of this process, the committee shall consult with 91
the Chancellor of the Ohio Board of Regents and persons or 92
organizations representing institutions of higher education. 93

(D) The committee shall compile a report of its activities, 94
findings, and recommendations and shall furnish a copy of the 95
report to the Governor, President of the Senate, and Speaker of 96
the House of Representatives not later than March 31, 2014, at 97
which time the committee shall dissolve by operation of law. 98

Section 4. The amendment by this act of section 5747.70 of 99
the Revised Code applies to taxable years ending on or after the 100
effective date of this act. 101

Section 5. This act is hereby declared to be an emergency 102
measure necessary for the immediate preservation of the public 103
peace, health, and safety. The reason for such necessity is that 104
the rising cost of higher education has placed an enormous 105
financial burden on many individuals and families in this state 106
and it is imperative to develop solutions for, and provide some 107
relief from, that burden at the earliest possible time. Therefore, 108
this act shall go into immediate effect. 109