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Bill Analysis

Legislative Service Commission

H.B. 2

126th General Assembly
(As Introduced)

Rep. Widowfield

BILL SUMMARY

- Expands eligibility for an Ohio income tax filing and payment extension to all National Guard members and members of a reserve component of the United States Armed Forces who are called to active duty by an executive order of the President or an act of Congress, not just those members who are serving on active or other duty under Operation Iraqi Freedom.
- Increases the number of authorized participants in the Ohio National Guard Scholarship Program for the 2005 summer academic term from the equivalent of 800 to the equivalent of 1,000 individuals.

CONTENT AND OPERATION

Income tax extension for active duty military personnel

Current law grants an income tax filing and payment extension, generally upon application (see below), to National Guard members and members of a reserve component of the United State Armed Forces who are called to active or "other" duty under Operation Iraqi Freedom. Under the current extension, an eligible service member does not have to file Ohio income tax and school district income tax returns and payments until 61 days after the individual's duty service ends. Taxes then become due in installments as provided in a contract between the service member and the Tax Commissioner. No penalties or interest apply as long as filings and payments are made according to the contract. (R.C. 5747.026(A) and (B).)

Eligible service members generally must apply to the Tax Commissioner for the extension within 60 days after the member's duty service ends. But, if a service member receives a federal income tax filing extension, the member receives an automatic extension for filing and paying Ohio and school district

income taxes equal to the federal extension, in lieu of the state's 60-day extension.¹ (R.C. 5747.026(A) and (C).)

The bill expands eligibility for the state's 60-day extension to all National Guard members and members of a reserve component of the United States Armed Forces who are called to active (but not "other") duty pursuant to an executive order of the President or an act of Congress; a member need not be serving in Operation Iraqi Freedom to be eligible for the extension (R.C. 5746.026(A) and (B)).

Ohio National Guard Scholarship Program participants--summer 2005 academic term

Current codified law creates the Ohio National Guard Scholarship Program, which provides financial assistance to eligible Ohio National Guard members to attend institutions of higher education. That law generally limits the number of participants in the Program for the summer academic term to the equivalent of 800 full-time participants (R.C. 5919.34(B)(1)--not in the bill).

The bill carves, in uncodified law, an exception to that limitation by increasing, *for the summer academic term in 2005*, the limit on the number of participants to the equivalent of 1,000 full-time participants (Section 3 of the bill).

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	01-24-05	p. 78

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¹ *A federal income tax extension is available to active duty personnel serving in a combat zone or in an area in support of a combat zone. The extension is for at least 180 days after service in the zone or support area ends.*