



# Ohio Legislative Service Commission

## Bill Analysis

Wendy H. Gridley

### **S.B. 11**

128th General Assembly  
(As Introduced)

**Sens.** Fedor, Wagoner, R. Miller, D. Miller, Turner, Grendell

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## **BILL SUMMARY**

- Creates an income tax check-off so that taxpayers may make contributions to the Ohio Veterans' Home Agency through their income tax returns.
- Requires that contributions be used for advancement of veterans' services and assisting veterans with significant financial need.

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## **CONTENT AND OPERATION**

### **Ohio Veterans' Home Agency income tax check-off**

(R.C. 5747.113 and 5907.11)

Under continuing law, a taxpayer who claims an income tax refund on the taxpayer's return may contribute any part of the refund to the Natural Areas and Preserves Fund, the Nongame and Endangered Wildlife Fund, or the Military Injury Relief Fund by indicating on the return the fund or funds to which the taxpayer wishes to make a contribution, and by writing in the proper space on the return the refund amount to be contributed. The income tax law interchangeably designates this procedure the "income tax refund contribution system" or the "income tax contribution system."

The bill adds a check-off on the income tax return for the Ohio Veterans' Home Agency Income Tax Contribution Fund (hereinafter the "Fund"). The Ohio Veterans' Home Agency maintains and operates veterans' and nursing homes for honorably discharged veterans. (R.C. Chapter 5907.) For taxable years beginning in or after 2008, a taxpayer who wishes to contribute to the Ohio Veterans' Home Agency may do so by contributing to the Fund any part of the taxpayer's refund.

## **Use of donated tax refunds**

(R.C. 5907.111; R.C. 5907.11, not in the bill)

The bill creates the Ohio Veterans' Home Agency Income Tax Contribution Fund in the state treasury, and specifies that the Fund consists of money transferred to it under the income tax contribution system and of contributions made directly to it. The bill provides that any person may contribute directly to the Fund independently of the refund check-off procedure.

The bill requires that money credited to the Fund be distributed by the board of trustees of the Ohio Veterans' Home Agency among residents' benefit funds and must be used specifically for advancement of veterans' services and assisting veterans with significant financial need. Under continuing law, the Superintendent of the Agency, with the approval of the board of trustees of the Agency, may establish a residents' benefit fund for each veterans' home, to be used for the entertainment and welfare of a home's residents and for events sponsored by the Ohio Veterans Hall of Fame.

## **Administrative costs**

(R.C. 5747.113(D))

The costs of administering the income tax contribution system, which under continuing law cannot exceed 2½% of the total amount contributed under the system during a year, must be certified by the Tax Commissioner to the Director of Budget and Management, who must then transfer one-fourth of the administrative costs from each of the four check-off funds to the Income Tax Contribution Administration Fund. The bill revises from one-third to one-fourth the percentage amount that must be transferred from each of the funds, to acknowledge the addition of the Fund to the three funds that are already part of the income tax contribution system.

## **Biennial report to be made to the General Assembly**

(R.C. 5747.113(E)(2))

The bill requires the Superintendent of the Ohio Veterans' Home Agency to report to the General Assembly on the effectiveness of the income tax check-off in January of every odd-numbered year. The report must address the amount of money contributed to the Ohio Veterans' Home Agency Income Tax Contribution Fund, and contributed directly to the Fund independent of the income tax contribution system, in each of the previous five years, and the purposes for which Fund moneys were expended. The other three funds that are part of the income tax contribution system are already required to make reports to the General Assembly.

## Technical revisions

(R.C. 5747.113(B) and (C))

The bill makes technical revisions in the income tax contribution system law to reflect the creation of the check-off for the Ohio Veterans' Home Agency.

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## HISTORY

ACTION	DATE
Introduced	02-10-09

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