



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [H.B. 24 of the 130th G.A.](#)

Date: November 19, 2013

Status: As Introduced

Sponsor: Rep. Boose

Local Impact Statement Procedure Required: No

Contents: Creates a Permanent Tax Expenditure Review Committee

State Fiscal Highlights

- The bill is silent on the compensation of, or reimbursement of expenses of, committee members.

Local Fiscal Highlights

- No fiscal effect on political subdivisions.

Detailed Fiscal Analysis

The bill creates the Tax Expenditure Review Committee, a permanent joint legislative committee of eight legislators and one appointee of the Governor, to periodically review all existing "tax expenditures" and any legislation proposing a new or modified tax expenditure. As defined in the bill, a tax expenditure is "any tax provision in the Revised Code that exempts, either in whole or in part, certain persons, income, goods, services, or property from the effect of taxes established in the Revised Code, including, but not limited to, tax deductions, exemptions, deferrals, exclusions, allowances, credits, reimbursements, and preferential tax rates." According to the most recently issued Tax Expenditure Report by the Department of Taxation, dated January 29, 2013, the revenue reduction to the GRF from existing tax expenditures was estimated to be \$7.71 billion in FY 2014 and \$7.98 billion in FY 2015. The review of existing tax expenditures would have to be scheduled so that each existing tax expenditure would be reviewed at least once every eight years, and the bill sets forth certain factors the review committee may consider in its review.

The committee is to make recommendations to the General Assembly as to the continuation, modification, or repeal of existing tax expenditures, and requires any bill proposing a new or modified tax expenditure to include a statement of the objectives and intent of the tax expenditure. The committee also is required to review each bill that proposes to enact or modify a tax expenditure after the bill is first introduced and before it is scheduled for a vote in a legislative committee. After the review, the committee must issue a copy of its review to each member of the legislative committee the bill was referred to.

The bill is silent on the compensation of, or reimbursement of expenses of, committee members.