

As Introduced

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H. B. No. 74

Representatives Huffman, Gavarone

Cosponsors: Representatives Green, Cupp, Henne, Seitz, Vitale, Riedel, Sweeney, Blessing, Hughes, Faber, Brenner, Goodman, Scherer, Bishoff, Carfagna, Rogers, Rezabek, Dever

A BILL

To amend section 5747.70 of the Revised Code to 1
increase the maximum income tax deduction for 2
contributions to the state's 529 college savings 3
program from \$2,000 to \$3,000 per beneficiary 4
per year. 5

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

Section 1. That section 5747.70 of the Revised Code be 6
amended to read as follows: 7

Sec. 5747.70. (A) In computing Ohio adjusted gross income, 8
a deduction from federal adjusted gross income is allowed to a 9
contributor for the amount contributed during the taxable year 10
to a variable college savings program account and to a purchaser 11
of tuition units under the Ohio college savings program created 12
by Chapter 3334. of the Revised Code to the extent that the 13
amounts of such contributions and purchases were not deducted in 14
determining the contributor's or purchaser's federal adjusted 15
gross income for the taxable year. The combined amount of 16
contributions and purchases deducted in any taxable year by a 17

taxpayer or the taxpayer and the taxpayer's spouse, regardless 18
of whether the taxpayer and the taxpayer's spouse file separate 19
returns or a joint return, is limited to ~~two~~three thousand 20
dollars for each beneficiary for whom contributions or purchases 21
are made. If the combined annual contributions and purchases for 22
a beneficiary exceed ~~two~~three thousand dollars, the excess may 23
be carried forward and deducted in future taxable years until 24
the contributions and purchases have been fully deducted. 25

(B) In computing Ohio adjusted gross income, a deduction 26
from federal adjusted gross income is allowed for: 27

(1) Income related to tuition units and contributions that 28
as of the end of the taxable year have not been refunded 29
pursuant to the termination of a tuition payment contract or 30
variable college savings program account under section 3334.10 31
of the Revised Code, to the extent that such income is included 32
in federal adjusted gross income. 33

(2) The excess of the total purchase price of tuition 34
units refunded during the taxable year pursuant to the 35
termination of a tuition payment contract under section 3334.10 36
of the Revised Code over the amount of the refund, to the extent 37
the amount of the excess was not deducted in determining federal 38
adjusted gross income. Division (B) (2) of this section applies 39
only to units for which no deduction was allowable under 40
division (A) of this section. 41

(C) In computing Ohio adjusted gross income, there shall 42
be added to federal adjusted gross income the amount of loss 43
related to tuition units and contributions that as of the end of 44
the taxable year have not been refunded pursuant to the 45
termination of a tuition payment contract or variable college 46
savings program account under section 3334.10 of the Revised 47

Code, to the extent that such loss was deducted in determining 48
federal adjusted gross income. 49

(D) For taxable years in which distributions or refunds 50
are made under a tuition payment or variable college savings 51
program contract for any reason other than payment of tuition or 52
other higher education expenses, or the beneficiary's death, 53
disability, or receipt of a scholarship as described in section 54
3334.10 of the Revised Code: 55

(1) If the distribution or refund is paid to the purchaser 56
or contributor or beneficiary, any portion of the distribution 57
or refund not included in the recipient's federal adjusted gross 58
income shall be added to the recipient's federal adjusted gross 59
income in determining the recipient's Ohio adjusted gross 60
income, except that the amount added shall not exceed amounts 61
previously deducted under division (A) of this section less any 62
amounts added under division (D) (1) of this section in a prior 63
taxable year. 64

(2) If amounts paid by a purchaser or contributor on or 65
after January 1, 2000, are distributed or refunded to someone 66
other than the purchaser or contributor or beneficiary, the 67
amount of the payment not included in the recipient's federal 68
adjusted gross income, less any amounts added under division (D) 69
of this section in a prior taxable year, shall be added to the 70
recipient's federal adjusted gross income in determining the 71
recipient's Ohio adjusted gross income. 72

Section 2. That existing section 5747.70 of the Revised 73
Code is hereby repealed. 74

Section 3. The amendment by this act applies to taxable 75
years ending on or after the effective date of this act. 76