

As Reported by the Senate Ways and Means Committee

131st General Assembly

Regular Session

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S. B. No. 6

Senators Jones, Eklund

**Cosponsors: Senators Gardner, Burke, Seitz, Hottinger, Widener, Patton, Hughes,
Bacon, Beagle, Uecker, Brown, LaRose, Obhof, Jordan, Tavares**

A BILL

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

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

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

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

taxpayer or the taxpayer and the taxpayer's spouse, regardless 19
of whether the taxpayer and the taxpayer's spouse file separate 20
returns or a joint return, is limited to ~~two~~ten thousand 21
dollars for each beneficiary for whom contributions or purchases 22
are made. If the combined annual contributions and purchases for 23
a 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 27
from federal adjusted gross income is allowed for: 28

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

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

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

Code, to the extent that such loss was deducted in determining 49
federal adjusted gross income. 50

(D) For taxable years in which distributions or refunds 51
are made under a tuition payment or variable college savings 52
program contract for any reason other than payment of tuition or 53
other higher education expenses, or the beneficiary's death, 54
disability, or receipt of a scholarship as described in section 55
3334.10 of the Revised Code: 56

(1) If the distribution or refund is paid to the purchaser 57
or contributor or beneficiary, any portion of the distribution 58
or refund not included in the recipient's federal adjusted gross 59
income shall be added to the recipient's federal adjusted gross 60
income in determining the recipient's Ohio adjusted gross 61
income, except that the amount added shall not exceed amounts 62
previously deducted under division (A) of this section less any 63
amounts added under division (D) (1) of this section in a prior 64
taxable year. 65

(2) If amounts paid by a purchaser or contributor on or 66
after January 1, 2000, are distributed or refunded to someone 67
other than the purchaser or contributor or beneficiary, the 68
amount of the payment not included in the recipient's federal 69
adjusted gross income, less any amounts added under division (D) 70
of this section in a prior taxable year, shall be added to the 71
recipient's federal adjusted gross income in determining the 72
recipient's Ohio adjusted gross income. 73

Section 2. That existing section 5747.70 of the Revised 74
Code is hereby repealed. 75

Section 3. (A) There is hereby created the Joint Committee 76
on Ohio College Affordability composed of the following members: 77

(1) Five members of the Senate, appointed by the President 78
of the Senate, not more than three of whom may be members of the 79
same political party; 80

(2) Five members of the House of Representatives, 81
appointed by the Speaker of the House of Representatives, not 82
more than three of whom may be members of the same political 83
party. 84

(B) The President of the Senate and the Speaker of the 85
House of Representatives shall appoint the members of the 86
committee within thirty days after the effective date of this 87
act. The committee shall hold an initial meeting within sixty 88
days after the effective date of this act and shall meet 89
thereafter at the discretion of the committee members. 90

(C) The committee shall study and develop strategies to 91
reduce the cost of attending colleges and universities in this 92
state. As part of this process, the committee shall consult with 93
the Chancellor of the Ohio Board of Regents and persons or 94
organizations representing institutions of higher education. 95

(D) The committee shall compile a report of its 96
activities, findings, and recommendations and shall furnish a 97
copy of the report to the Governor, President of the Senate, and 98
Speaker of the House of Representatives not later than one year 99
after the effective date of this act, at which time the 100
committee shall dissolve by operation of law. 101

Section 4. The amendment by this act of section 5747.70 of 102
the Revised Code applies to taxable years ending on or after the 103
effective date of this act. 104

Section 5. This act is hereby declared to be an emergency 105
measure necessary for the immediate preservation of the public 106

peace, health, and safety. The reason for such necessity is that 107
the rising cost of higher education has placed an enormous 108
financial burden on many individuals and families in this state 109
and it is imperative to develop solutions for, and provide some 110
relief from, that burden at the earliest possible time. 111
Therefore, this act shall go into immediate effect. 112