



**H.B. 523**

123rd General Assembly  
(As Introduced)

**Reps. Carey, Wilson, Cates, Schuck, Flannery, Hollister, Logan, Willamowski, Evans, Vesper, Jolivette, O'Brien, Womer Benjamin, Allen, Van Vyven, Gardner, Grendell, Distel, Hoops, R. Miller, Clancy, Pringle, Mettler, Olman, Terwilleger, Metzger, Ogg, Krupinski, Gooding, Householder, Jones, Tiberi, Aslanides, Bateman, Harris, Smith, Jordan, Coughlin, Goodman, Hartnett, Winkler, Netzley, Peterson, Williams, Mead, Austria, A. Core, Schuring, Buchy, Brading, Myers, Stapleton, Redfern, Ferderber, D. Miller, Bender, Boyd, Sulzer, Perry, Gerberry, Ford, Sutton, Britton, Jerse, Sullivan, Salerno**

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**BILL SUMMARY**

- Creates a state income tax credit for full-time public school teachers whose salary is less than \$30,000 per year and who meet certain years-of-service conditions.
- Provides that the amount of the credit is calculated as a percentage of the teacher's salary, starting at 2.5% of salary for teachers making less than \$20,000; the percentage decreases as salary increases.

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**CONTENT AND OPERATION**

**Tax credit for public school teachers**

(R.C. 5747.38 and 5747.98)

The bill creates a state income tax credit for full-time teachers employed by public school districts whose salary is less than \$30,000 per year and who meet certain years-of-service conditions. Teachers with cooperative education and joint vocational school districts also are eligible, as are those employed by educational service centers. The amount of the credit varies depending on the teacher's salary and how many years the teacher has been teaching. The schedule for determining the amount of the credit is as follows:

	Years of service	
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<b>Salary</b>	<b>completed during the taxable year</b>	<b>Amount of credit</b>
Less than \$20,000	0 or more	2.50% of salary
\$20,000-20,999.99	1 or more	2.00% of salary
\$21,000-21,999.99	2 or more	1.50% of salary
\$22,000-22,999.99	3 or more	1.00% of salary
\$23,000-23,999.99	4 or more	0.75% of salary
\$24,000-24,999.99	5 or more	0.50% of salary
\$25,000-25,999.99	6 or more	0.25% of salary
\$26,000-26,999.99	7 or more	0.25% of salary
\$27,000-27,999.99	8 or more	0.25% of salary
\$28,000-28,999.99	9 or more	0.25% of salary
\$29,000-29,999.99	10 or more	0.25% of salary

The credit is taken against salary received during the taxable year. The credit is refundable, so that if a teacher's credit exceeds the tax owed for a year, the state pays the teacher the amount of the excess.

For the credit calculation, the bill utilizes the same definition of "years of service" as under the Education Law (R.C. 3317.13, not in the bill). The following are included:

--All years teaching in the same school district or educational service center, with each year consisting of at least 120 days under a teacher's contract;

--All years teaching as a licensed teacher in a chartered, nonpublic school in Ohio or in another public school, with each year consisting of at least 120 days under a teacher's contract;

--All years teaching as a licensed teacher in a chartered school, institution, or special education program (or a school, institution, or program that subsequently became chartered) operated by the state or a political subdivision, with each year consisting of at least 120 days;

--All years of active military service in the United States armed forces, up to a maximum of five years. Active service of at least eight continuous months in a year counts as a full year.

The bill's definition of "salary" also is taken from the Education Law, and means the annual base salary stated in the state minimum salary schedule for the performance of the teacher's regular teaching duties that the teacher earns for services rendered for the first full week of October of the school year, not including any salary payments for supplemental teachers contracts. (R.C. 3317.023, not in the bill.)

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## **HISTORY**

<b>ACTION</b>	<b>DATE</b>	<b>JOURNAL ENTRY</b>
Introduced	12-23-99	p. 1469

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