



H.B. 666

123rd General Assembly
(As Introduced)

Reps. Callender, Tiberi, Sullivan, Willamowski, Vesper, Trakas, O'Brien, Schuck, Hollister, Van Vyven, Grendell, Taylor, Allen, Netzley, Roman, A. Core, Buchy, Damschroder

BILL SUMMARY

- Exempts compensation paid for service as a member of the Ohio National Guard from the Ohio and school district income taxes.

CONTENT AND OPERATION

Income tax deduction for National Guard compensation

(sec. 5747.01(A)(20))

Currently, the Ohio income tax applies to all compensation paid to an individual who is a resident of Ohio or who is deemed to have received the compensation from an Ohio source, as long as the compensation is included in the individual's federal adjusted gross income. Federal adjusted gross income includes several forms of compensation that may be paid to members of the armed forces (including the Ohio National Guard), such as basic pay, special pay (e.g., foreign duty, hostile fire), enlistment and reenlistment bonuses, and certain other payments (e.g., student loan repayments). Federal adjusted gross income excludes certain other forms of payments that may be paid to such members, such as pay while serving in a combat zone or a hazardous duty area, housing and subsistence allowances, and various special allowances for families (e.g., educational, duty separation) and uniforms or on account of death, disability, moving, or travel. In addition to the Ohio income tax, school district income taxes apply to all compensation that is taxable by Ohio and paid to an individual while that individual resides in a school district imposing an income tax.

The bill permits individuals to deduct pay and allowances received by them on account of their service in the Ohio National Guard. To the same extent an individual's taxable school district income is reduced.

The deduction applies to pay and allowances received in taxable years beginning in 2001 or thereafter.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	04-18-00	p. 1836

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