



Bethany Boyd

*Bill Analysis*  
Legislative Service Commission

**S.B. 128**  
123rd General Assembly  
(As Introduced)

Sen. Wachtmann

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**BILL SUMMARY**

- Commencing in taxable years beginning on or after January 1, 2000, eliminates the personal income tax on adjusted gross incomes of \$20,000 or less.
- Reduces that tax on adjusted gross incomes of more than \$20,000 by 10%.

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**CONTENT AND OPERATION**

**Reduction of the income tax**

(sec. 5747.02; Section 3)

The state personal income tax is levied on every individual and estate residing, or earning or receiving income, in Ohio. The tax is imposed on a taxpayer's reported federal adjusted gross income, plus or minus Ohio adjustments and minus personal exemptions. Income amounts are divided into nine income brackets, to which the tax is applied at a specific dollar amount plus a percentage of the amount in excess of the particular income bracket. For example, under current law, income of more than \$20,000 but not more than \$40,000 is taxed at a rate of \$445.80 plus 4.457% of the amount in excess of \$20,000.

Commencing in taxable years beginning on or after January 1, 2000, the bill eliminates four of the lower income brackets, which results in no income tax liability for taxpayers with incomes of \$20,000 or less. The bill also reduces by 10% the tax on incomes of more than \$20,000. For the remaining five income brackets, both the dollar amounts and the applicable percentages are reduced by 10%. Using the above example, for income of more than \$20,000 but not more than \$40,000, the bill reduces the tax to \$401.22 plus 4.011% of the amount in excess of \$20,000.

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## HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	04-20-99	p. 322

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