



H.B. 549

124th General Assembly
(As Introduced)

Rep. Schaffer

BILL SUMMARY

- Grants a nonrefundable income tax credit of up to \$100 for teachers who purchase classroom instructional materials.

CONTENT AND OPERATION

Income tax credit for teacher purchases of classroom materials

(secs. 5747.71 and 5747.98)

The bill permits primary and secondary school teachers licensed under Ohio law to claim a personal income tax credit for amounts they spend for classroom instructional materials. The maximum credit amount allowed is \$100 per year. The credit is nonrefundable, meaning that if the credit is more than the amount of tax due with the teacher's annual tax return, the difference is not refunded.

To qualify for the credit, the teacher must use the instructional materials for general classroom instruction. Materials are not disqualified just because they are used from time to time by individual students or groups of students, but they are disqualified if they are given to or used only by individual students. The bill requires teachers to submit proof of expenditures if required to do so by the Tax Commissioner.

The credit may be claimed for taxable years beginning in 2002 and subsequent tax years.

NOTE

In March 2002, Congress enacted a federal income tax deduction available to teachers who purchase classroom equipment, supplies, and materials. Teachers

may deduct up to \$250 annually for the cost of such purchases. The deduction is treated like an employee business expense, except that it is not an itemized deduction and it is not subject to the minimum 2% floor as are other employee business expenses. The deduction is available for taxable years beginning after December 31, 2001, and before January 1, 2004.

This new federal deduction might reduce a teacher's Ohio taxable income by up to \$250. For a teacher in the marginal tax rate bracket of 4.457%, this represents an Ohio income tax savings of up to \$11. This savings would be in addition to the credit available under the bill.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	03-28-02	p. 1648

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