



H.B. 555

124th General Assembly
(As Introduced)

**Reps. Young, Brinkman, Collier, DeWine, Husted, Patton, Reinhard,
Schaffer, Seitz**

BILL SUMMARY

- Exempts from personal income taxation any capital gains arising from selling equity or debt issued by newly formed Ohio corporations.

CONTENT AND OPERATION

Income tax deduction for capital gains on certain securities

(sec. 5747.01(A)(20))

Under current law, gains from the sale of securities and other assets are subject to the personal income tax to the extent they are included in a taxpayer's federal adjusted gross income. There is an exception for securities and other promissory instruments issued by the state, its subdivisions, or their instrumentalities: gains on these securities may be deducted, and losses must be added back (see R.C. 5747.01(A)(9), (S)(7), and (U)).

The bill permits taxpayers to deduct gains arising from the sale of stocks, bonds, debentures, notes, or similar obligations issued by an Ohio corporation having its principal business office in Ohio, as long as the obligations were issued within five years after the corporation's articles of incorporation were filed with the Secretary of State. The deduction applies to taxable years beginning in 2002 and thereafter.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	04-09-02	p. 1652

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