



S.B. 12
124th General Assembly
(As Introduced)

Sens. Armbruster, Spada

BILL SUMMARY

- Permits spouses to file a joint Ohio income tax return or each spouse to file a separate Ohio income tax return, regardless of whether they filed joint or separate federal tax returns.
- Requires spouses filing separate returns to allocate between themselves any additions to or deductions from taxable income, tax exemptions, tax credits, and other tax items.

CONTENT AND OPERATION

Income tax filing status under current law

(secs. 5747.08 and 5747.09)

Currently, married couples filing a joint federal income tax return must file a joint Ohio income tax return, and spouses filing separate federal returns must file separate Ohio returns. The only circumstance under which spouses may choose their Ohio filing status independently of their federal filing status is if only one spouse is required to file a federal return, but both spouses must file an Ohio return. A couple filing a joint return are jointly and severally liable for any underpayment of tax, any penalties or interest, or any other liabilities arising from a tax deficiency. A couple filing separate returns have separate liability and they may not claim the other spouse's personal exemption.

A couple filing a joint return also must file quarterly a joint declaration of estimated taxes if such a declaration is required. (Estimated tax declarations are required if a couple's estimated annual tax liability, less withheld taxes, is \$500 or more.)

Couples may choose Ohio filing status under the bill

(secs. 5747.08(E) and 5747.09(B); Section 3)

The bill permits married couples to choose their Ohio income tax filing status--joint or separate--regardless of their federal filing status. Spouses who file separately are required to allocate between themselves as they choose, any additions to and deductions from their incomes, exemptions for dependents, and tax credits to which they are jointly entitled. Each spouse must claim his or her own personal exemption. Any other allocations are to be made in accordance with rules the Tax Commissioner must adopt. The rules must require spouses to allocate the items in the same manner as provided under federal income tax law.

If spouses file jointly, their liability continues to be joint and several; if they file separately, their liabilities continue to be separate.

The bill also provides that spouses filing separate Ohio income tax returns may file a joint declaration of estimated taxes and, if they do so, they must allocate between them the estimated taxes that they have paid when they report those payments on their separate returns.

The bill first applies to taxable year 2001 state income tax returns.

HISTORY

| ACTION | DATE | JOURNAL ENTRY |
|------------|----------|---------------|
| Introduced | 01-30-01 | pp. 91-92 |

S0012-I.124/jc