



**S.B. 93**

126th General Assembly  
(As Introduced)

**Sens. Miller, Roberts, Brady, Fedor, Dann, Hagan, Zurz**

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**BILL SUMMARY**

- Creates an income tax check-off so that taxpayers may make contributions to the American Diabetes Association through their income tax returns.

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**CONTENT AND OPERATION**

**Income tax check-off for the American Diabetes Association**

(R.C. 1517.11, 1531.26, 5747.03(A)(5), and 5747.113(B))

Continuing law establishes a system whereby a taxpayer who claims an income tax refund on the taxpayer's tax return may contribute any part of the refund to the Natural Areas and Preserves Fund or the Nongame and Endangered Wildlife Fund simply by checking-off on the return the fund or funds to which the taxpayer wishes to make a contribution and writing in the proper space on the return the refund amount to be contributed. The income tax law designates this system the "income tax refund contribution system."

The bill changes this designation to the "income tax contribution system" and adds a check-off on the income tax return for the American Diabetes Association Research Fund (hereinafter "the Fund"). Beginning in taxable year 2005, a taxpayer who wishes to contribute to the American Diabetes Association may do so by contributing to the Fund any part of the taxpayer's refund. In addition, if the taxpayer owes income taxes, the taxpayer may contribute to the Fund by increasing the payment that accompanies the return. In either case, the taxpayer must designate on the return the amount the taxpayer wishes to contribute, provided that the amount must be at least \$1. If the taxpayer elects to increase an income tax payment but fails to remit the full amount of the contribution the taxpayer designates on the return, the amount of the contribution will be reduced accordingly. The bill provides that a contribution to the Fund

cannot operate to reduce the combined amount of the state and school district income taxes shown to be due on the taxpayer's annual return.

Continuing law provides that money collected from income taxes generally must be credited to the General Revenue Fund. The bill adds an exception requiring that the Treasurer of State credit to the Fund an amount equal to the total dollar value contributed to the Fund under the income tax contribution system.

**Use of the Fund**

(R.C. 3701.032)

The bill creates the Fund in the state treasury, and specifies that it consists of money transferred to it under the income tax contribution system and of contributions made directly to it. Any person may contribute directly to the Fund independently of the check-off. The bill provides that, each year, the Director of Health must make at least one grant to the American Diabetes Association using money in the Fund. If that Association ceases to exist, the Director must use money in the Fund to make grants to one or more nonprofit organizations that conduct diabetes research, disseminate information about diabetes, and advocate on behalf of diabetes research and assistance for those afflicted with the disease.

**Administrative costs**

(R.C. 5747.113(F))

The costs of administering the income tax contribution system, which under continuing law cannot exceed 2½% of the total amount contributed under the system during a year, must be certified by the Tax Commissioner to the Director of Budget and Management, who must transfer one-third of the administrative costs from each of the three check-off funds to the Litter Control and Natural Resources Tax Administration Fund. (The bill revises from one-half to one-third the portion transferred from the funds, to acknowledge the addition of the Fund to the two funds that are already part of the income tax contribution system.)

**Technical revisions**

(R.C. 5101.184(A) and 5747.113(D) and (E))

The bill contains technical revisions in the law regarding assistance payments and in the income tax contribution system law to reflect the creation of the check-off for the American Diabetes Association.

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## HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	03-08-05	p. 276

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