Ohio Legislative Service Commission

Bill Analysis

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H.B. 206

129th General Assembly
(As Introduced)

Reps. Stinziano, Ashford, Milkovich, O'Brien, Reece, Yuko

BILL SUMMARY

- Creates an income tax refund "check-off" contribution for the benefit of "block watch"-like community safety programs.
- Authorizes the Director of Public Safety to make grants to community safety programs.
- Authorizes a nonrefundable income tax credit up to $50 for donations to a community safety program or to the grant program.

CONTENT AND OPERATION

Community policing fund check-off

The bill authorizes taxpayers who are due a refund of overpaid Ohio income tax to specify that all or a part of the refund be paid to the Community Policing Fund created by the bill.[1] The fund is established to make grants to community safety programs, as described below. In addition to income tax refund contributions, the fund may accept direct contributions.

Currently, there are three income tax refund contributions or "check-offs": one for the benefit of the Natural Areas and Preserves Fund; one for the benefit of the Nongame and Endangered Wildlife Fund; and one for the benefit of the Military Injury Relief Fund. The Natural Areas and Preserves Fund and the Nongame and Endangered Wildlife Fund are administered by the Department of Natural Resources. The Military Injury Relief Fund is administered by the Department of Job and Family Services for the

[1] R.C. 5502.53 and 5747.113.

benefit of military personnel injured while serving under Operation Iraqi Freedom or Operating Enduring Freedom (Afghanistan).

As with the existing check-offs, the bill's Community Policing Fund check-off would authorize taxpayers to direct that all or part of their refund be credited to the designated fund. The designation is made on the annual income tax return. The designation may not be revoked once the designation is made and the return is filed.

The Department of Taxation is entitled to reimbursement for its costs of administering the check-offs. Reimbursement currently is paid from the existing check-off funds in equal one-third shares. The reimbursement may not exceed 2½% of the total amount contributed. Under the bill, the reimbursement would be divided in equal one-fourth shares among the two DNR funds, the Military Injury Relief Fund, and the Community Policing Fund. The reimbursement would continue to be limited to 2½% of contributions. Income tax refunds may be contributed to the Community Policing Fund beginning with taxable years beginning in 2011 or thereafter.

Community policing grant program

The Community Policing Fund will be administered by the Director of Public Safety.[2] Money in the fund will be used to make grants to "community safety programs." A community safety program is a volunteer law enforcement program formed to observe activities in a neighborhood, report them to law enforcement, and take other actions intended to deter crime. To receive a grant, a community safety program must submit an application to the Director of Public Safety.

Tax credit

The bill authorizes a nonrefundable tax credit against the income tax on individuals, trusts, and estates for contributions of money to a community safety program approved by the Director of Public Safety or to the Community Policing Fund.[3] The credit equals the lesser of the amount contributed or $50 in the case of an individual return or $100 in the case of a joint return. The credit must be claimed for the taxpayer's taxable year in which the contribution was made.

Grant and credit administration

The bill requires the Director to adopt rules under Chapter 119. that establish the following:

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[2] R.C. 5502.53.

[3] R.C. 5747.65 with conforming changes in R.C. 5747.08 and 5747.98.

- Forms and procedures for receiving a grant or approval as a tax credit-eligible community safety program;
- Criteria for determining whether a grant will be issued and in what amount, and procedures for appealing adverse decisions (adverse decisions may be appealed pursuant only to such procedures);
- Criteria for determining whether a community safety program is a tax credit-eligible program and procedures for appealing adverse decisions (adverse decisions may be appealed pursuant only to such procedures);
- Any other rules necessary to administer the grant program.

The bill requires the Director of Public Safety to maintain a list of tax credit-eligible or grant-eligible community safety programs on the Department of Public Safety's web site.

HISTORY

ACTION	DATE
Introduced	04-20-11

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