



Ohio Legislative Service Commission

Bill Analysis

Mackenzie Damon

S.B. 138

129th General Assembly
(As Introduced)

Sens. Hughes, Stewart, Widener

BILL SUMMARY

- Creates an income tax check-off so that taxpayers may make contributions to the Ohio chapters of the Alzheimer's Association through their income tax returns.
- Requires that tax refund contributions be used for Alzheimer's disease care, support, and research.

CONTENT AND OPERATION

Alzheimer's Association income tax check-off

Under continuing law, a taxpayer who claims an income tax refund on the taxpayer's return may contribute any part of the refund to the Natural Areas and Preserves Fund, Nongame and Endangered Wildlife Fund, or Military Injury Relief Fund by indicating on the return the fund or funds to which the taxpayer wishes to make a contribution, and by writing in the proper space on the return the refund amount to be contributed. The income tax law designates this procedure the "income tax refund contribution system" or the "income tax contribution system."¹

The bill adds a check-off on the income tax return for the Alzheimer's Association Income Tax Contribution Fund (hereinafter the "Fund"). For taxable years beginning in or after 2011, a taxpayer who wishes to contribute to the Ohio chapters of the Alzheimer's Association may do so by contributing to the Fund any part of the

¹ R.C. 5747.113 and R.C. 1517.11, 1531.26, and 5101.98, not in the bill.

taxpayer's refund. The taxpayer must designate on the return the amount of the contribution.²

Alzheimer's Association Income Tax Contribution Fund

The bill creates the Fund in the state treasury, and specifies that the Fund must consist of money transferred to it under the income tax refund contribution system and of contributions made directly to it. The bill provides that any person may contribute directly to the Fund independently of the check-off procedure.

The bill requires the Director of Aging to distribute money in the Fund to Ohio chapters of the Alzheimer's Association. The local chapters must use the money for Alzheimer's disease care, support, or research.³

Administrative costs

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 then transfer one-fourth of the administrative costs from each of the four check-off funds to the Income Tax Contribution Administration Fund. (The bill revises from one-third to one-fourth the percentage amount that must be transferred from each of the funds, to acknowledge the addition of the Alzheimer's Association Income Tax Contribution Fund to the three funds that are already part of the income tax contribution system.)⁴

Biennial report to be made to the General Assembly

The bill requires that the Director of Aging report to the General Assembly on the effectiveness of the Alzheimer's Association income tax check-off in January of every odd-numbered year. The report must address the amount of money contributed to the Fund, and contributed directly to the Fund independent of the income tax contribution system, in each of the previous five years, and the purposes for which Fund monies were expended. The other three funds that currently are part of the income tax contribution system are already required to make these reports to the General Assembly.⁵

² R.C. 5747.113(A), (B), and (C).

³ R.C. 173.041.

⁴ R.C. 5747.113(D).

⁵ R.C. 5747.113(E)(2).

HISTORY

ACTION

DATE

Introduced

03-31-11

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