



# Ohio Legislative Service Commission

## Final Analysis

Sam Benham

### Am. H.B. 112

130th General Assembly  
(As Passed by the General Assembly)

**Reps.** Schuring and Gonzales, Brenner, Strahorn, Cera, Smith, Barborak, Lundy, Mallory, Antonio, Blair, Letson, Anielski, Ashford, Baker, Barnes, Beck, Bishoff, Blessing, Brown, Buchy, Burkley, Carney, Celebrezze, Conditt, Dovilla, Driehaus, Fedor, Foley, Gerberry, Green, Grossman, Hackett, C. Hagan, Hall, Hill, Johnson, Kunze, Lynch, McClain, Milkovich, Patmon, Patterson, Pelanda, Perales, Ramos, Rogers, Romanchuk, Ruhl, Scherer, Slaby, Slesnick, Sprague, Stinziano, Terhar, Winburn, Batchelder

**Sens.** Tavares, Balderson, Burke, Eklund, Faber, Hite, Hughes, Jones, Kearney, Manning, Obhof, Oelslager, Patton, Peterson, Sawyer, Schaffer, Smith, Turner

**Effective date:** October 11, 2013

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## ACT SUMMARY

- Creates an income tax refund contribution check-off for the benefit of the Breast and Cervical Cancer Project.
- Discontinues an income tax refund check-off category if contributions to that category do not exceed \$150,000 in each of two consecutive years.
- Purports to prohibit the General Assembly from authorizing more than six check-off categories at any one time.
- Prohibits any future check-off category from being effective for more than two years.
- Requires revenue from any future check-off category to be spent or distributed by a state agency.

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## CONTENT AND OPERATION

### Income tax refund contribution for the Breast and Cervical Cancer Project

The act authorizes taxpayers who are due a refund or who overpaid Ohio income tax to specify that all or a part of the refund be paid to the Breast and Cervical Cancer

Project. Contributions are credited to the Breast and Cervical Cancer Project Income Tax Contribution Fund, which is created by the act. Individuals also may contribute directly to the fund.<sup>1</sup>

The Breast and Cervical Cancer Project began in Ohio in 1994, as a result of the federal "Breast and Cervical Cancer Mortality Prevention Act." The program provides free breast and cervical cancer screening, diagnostic testing, and case management services to Ohio women. It is administered by the Ohio Department of Health and operated through 11 regional agencies, which enroll women in the program and schedule the women for services with clinical providers in the agency's service area.

Contributions made to the Breast and Cervical Cancer Project under the act are to be used to provide cancer screening, diagnostic, and outreach services to uninsured and under-insured women. The act also requires that, when using contributions to pay for services, the program's regional agencies must give priority to services provided directly by local departments of health, federally qualified health centers, and community health centers.<sup>2</sup>

Under continuing law, there are four 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; one for the benefit of the Military Injury Relief Fund; and one for the benefit of the Ohio Historical Society. 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 benefit of military personnel injured while serving under Operation Iraqi Freedom or Operating Enduring Freedom (Afghanistan).

As with continuing law's check-offs, the new check-off would authorize taxpayers to direct that all or part of their refund be credited to the new 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.<sup>3</sup>

### **Administration and reporting**

The act requires the Director of Health to distribute contributed funds to the Breast and Cervical Cancer Project and to submit a biennial report to the General

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<sup>1</sup> R.C. 3701.601 and 5747.113.

<sup>2</sup> R.C. 3701.601.

<sup>3</sup> R.C. 5747.113(A) and (C).



Assembly on the effectiveness of the check-off in January of every odd-numbered year. The report must include information about how the money was spent and the amount of money contributed (including the amount contributed through the refund check-off and the amount contributed directly). Each report must provide this information for each of the five preceding years.<sup>4</sup>

### **Expenses**

The Department of Taxation is entitled to reimbursement for its costs of administering the check-offs. Prior to the act, reimbursement was paid from continuing law's four check-off funds in equal one-fourth shares. The total reimbursement could not exceed 2½% of the total amount contributed. Under the act, the reimbursement would be divided in equal one-fifth shares among the two DNR funds, the Military Injury Relief Fund, the Ohio Historical Society Income Tax Contribution Fund and the Breast and Cervical Cancer Project Income Tax Contribution Fund. The reimbursement continues to be limited to 2½% of contributions.<sup>5</sup>

### **Cancelled check-off category**

The act requires any income tax refund check-off category that does not generate at least \$150,000 in contributions annually for two consecutive years to be discontinued by operation of law. No taxpayer is allowed to designate a contribution to that check-off category in following years, and the Tax Commissioner must to remove that check-off category from income tax forms.<sup>6</sup>

### **Limits on future check-off categories**

The act purports to prohibit the General Assembly from authorizing more than six simultaneously available check-off categories. The act additionally requires any future check-off category created by the General Assembly to be effective for no more than two years. Revenue generated by each check-off category, with the exception of the Ohio Historical Society check-off, is required to be spent or distributed by a state agency, including any future check-off category.<sup>7</sup>

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<sup>4</sup> R.C. 5747.113(E)(2).

<sup>5</sup> R.C. 5747.113(D).

<sup>6</sup> R.C. 5747.113(E).

<sup>7</sup> R.C. 5747.113(F).



## Application date

Income tax refunds may be contributed to the Ohio Breast and Cervical Cancer Project, and other changes in the act apply, beginning with taxable years that begin in or after 2014.<sup>8</sup>

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## HISTORY

ACTION	DATE
Introduced	03-27-13
Reported, H. Ways & Means	05-02-13
Passed House (93-0)	05-08-13
Reported, S. Ways & Means	06-25-13
Passed Senate (32-0)	06-27-13
House concurred in Senate amendments (95-2)	06-27-13

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<sup>8</sup> Section 3.

