



Ohio Legislative Service Commission

Bill Analysis

Sam Benham

H.B. 188

130th General Assembly
(As Introduced)

Reps. Becker, Butler, Brenner, Buchy, J. Adams, Young, Hood, Roegner, Maag, Terhar, Retherford, Reece

BILL SUMMARY

- Modifies the computation of the joint filer income tax credit to ensure that joint filers do not pay more combined tax on their joint return than they would if they filed separate returns.

CONTENT AND OPERATION

Income tax credit for joint filers

Under current law, a married couple that files a joint return qualifies for a joint filing credit if each spouse has a modified adjusted gross income of at least \$500. The credit equals a percentage of the spouses' modified taxable income – ranging from 20% for couples with a combined taxable income of \$20,000 or less to 5% for couples with a combined taxable income of \$75,000 or more – up to a maximum of \$650.¹

The bill eliminates this formula and substitutes a formula that ensures that joint filers do not pay more combined tax on their joint return than they would if they filed separate returns. Under the bill, the joint filing credit equals the difference between the spouses' combined liability on their joint return and the total amount of tax that would be due on the husband's and wife's separate returns if each spouse claimed all adjustments and credits allowed on those separate returns in a manner that would result in the least combined amount of tax due.

¹ R.C. 5747.05(G). For the purpose of qualifying for the credit, a spouse's adjusted gross income is modified to exclude income from capital gains, interest, dividends, distributions, royalties, and rent. For the purposes of calculating the credit, the spouses' taxable income is modified to subtract for any credits that the spouses may claim before applying the joint filing credit.

HISTORY

ACTION

DATE

Introduced

06-04-13

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