Ohio Legislative Service Commission

Bill Analysis

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S.B. 30

130th General Assembly
(As Introduced)

Sens. Schaffer, Brown

BILL SUMMARY

- Creates an income tax check-off so that taxpayers may make contributions to the American Red Cross Greater Columbus Chapter through their income tax returns.
- Requires that contributions be used for planning and implementing programs to assist in disaster preparedness and response throughout Ohio, and for paying the costs of administering those programs.

CONTENT AND OPERATION

American Red Cross 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, Military Injury Relief Fund, or Ohio Historical Society Income Tax Contribution 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 American Red Cross Ohio Disaster Response Readiness and Preparedness Fund (hereinafter the "Fund"). For taxable years beginning in or after 2013, a taxpayer who wishes to contribute to the American Red Cross Greater Columbus Chapter may do so by contributing to the Fund any part of the taxpayer's refund. In addition, if the taxpayer owes income taxes, the

[1] R.C. 1517.11, 1531.26, 5101.98, 5502.23(A), and 5747.113(A)(2).

taxpayer may make a contribution to the Fund by increasing the payment that accompanies the return. In either case, the taxpayer must designate on the return the amount of the contribution, provided that the amount is 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 contribution amount will be reduced accordingly. The bill further 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.[2]

The bill also changes the check-off procedure's designation to one name – the "income tax contribution system."

Use of the American Red Cross Ohio Disaster Response Readiness and Preparedness 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 contribution system and of contributions made directly to it.[3] The bill provides that any person may contribute directly to the Fund independently of the check-off procedure.

The bill requires the Executive Director of the state Emergency Management Agency (which is within the Department of Public Safety) to make at least one grant each year to the American Red Cross Greater Columbus Chapter using money appropriated from the Fund, to be used by the Chapter for planning, for the implementation of programs to assist in disaster preparedness and response throughout Ohio, and for the costs of administering those programs. The Chapter must submit to the Executive Director its plan for the use of the grants within 60 days after the effective date of any law appropriating grant money from the Fund.

If the American Red Cross Greater Columbus Chapter ceases to exist, the Executive Director must use money in the Fund to make grants to the American Red Cross to be used for disaster preparedness, response, and planning throughout Ohio.

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-fifth of the administrative costs from each of

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[2] R.C. 5747.113(A)(2).

[3] R.C. 5502.23.

the five check-off funds to the Income Tax Contribution Administration Fund. (The bill revises from one-fourth to one-fifth the percentage amount that must be transferred from each of the funds, to acknowledge the addition of the American Red Cross Ohio Disaster Response Readiness and Preparedness Fund to the four 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 Executive Director of the State Emergency Management Agency report to the General Assembly on the effectiveness of the American Red Cross income tax check-off in January of every odd-numbered year, beginning January 2015. 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 four funds that currently are part of the income tax contribution system are already required to make these reports to the General Assembly.[5]

HISTORY

ACTION	DATE
Introduced	02-12-13

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[4] R.C. 5747.113(D).

[5] R.C. 5747.113(E)(3).