



Ohio Legislative Service Commission

Bill Analysis

Mackenzie Damon

S.B. 164

130th General Assembly
(As Introduced)

Sens. Tavares, Kearney, Smith

BILL SUMMARY

- Creates an income tax refund check-off to support scholarships to attend Central State University.

CONTENT AND OPERATION

Central State University scholarships 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, Ohio Historical Society Income Tax Contribution Fund, or Breast and Cervical Cancer Project 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 bill adds a check-off on the income tax return for the Central State University Scholarship Income Tax Contribution Fund. For taxable years beginning in or after 2013, a taxpayer who wishes to support scholarships for individuals to attend Central State University may do so by contributing to the Fund any part of the taxpayer's refund. The taxpayer must designate a contribution of at least \$1.

Use of the Central State University Scholarship Income Tax Contribution Fund

The bill creates the Fund in the state treasury, and specifies that the Fund consists 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 Board of Trustees of Central State University to use the money in the Fund solely to provide scholarships to individuals enrolled in a course of study at the university.

Administrative costs

The costs of administering the income tax refund contribution system, which under continuing law cannot exceed 2½% of the total amount contributed under the system during a year, are divided equally among each of the existing check-off funds. The bill revises the percentage amount that must be transferred from each of the funds for administrative costs to acknowledge the addition of the Central State University Scholarship Income Tax Contribution Fund.

Biennial report to the General Assembly

The bill requires the Board of Trustees of Central State University to report to the General Assembly on the effectiveness of the university's 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 refund contribution system, in each of the previous five years, and the purposes for which the money in the Fund was expended. The other five funds that are currently part of the income tax refund contribution system are also required to make such reports to the General Assembly.¹

HISTORY

ACTION	DATE
Introduced	07-30-13

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¹ R.C. 3343.11 and 5747.113.

