



Ohio Legislative Service Commission

Bill Analysis

Mackenzie Damon

S.B. 211

130th General Assembly
(As Introduced)

Sens. Schaffer and Peterson, Hite, Beagle

BILL SUMMARY

- Authorizes an income tax credit for donations to the permanent endowment fund of an eligible community foundation.
- Limits total credits to \$20 million per year.
- Requires the Department of Taxation to administer the credit.

CONTENT AND OPERATION

Endow Ohio tax credit

The bill authorizes a nonrefundable income tax credit for individuals and entities that donate to the permanent endowment fund of an eligible community foundation. The credit equals 20% of the donation, but may not exceed \$10,000 for individual returns or \$20,000 for joint returns.

To qualify for the credit, a taxpayer must make the donation of cash or publicly traded securities to the eligible foundation on or after January 1, 2014. A community foundation is "eligible" if it is exempt from federal income taxation, is accredited by the Community Foundations National Standards Board, and publishes an audited report of its fund balances, activities, and donors at least once a year. The foundation's permanent endowment fund must be held in perpetuity, be used for the benefit of charitable causes in Ohio, and have an annual spending rate of 5% or less.

Before receiving a credit, the taxpayer must receive approval for the donation from the Department of Taxation. The Department must approve the taxpayer's application if the annual total credit limit of \$20 million has not been reached. Once an application is approved, the taxpayer must make the donation within 60 days of

receiving approval. A community foundation that does not receive an approved donation within that 60 days must notify the Department, and the Department must make the previously approved amount available to other taxpayers. The Department may charge a reasonable fee for the processing of credit applications.

If the amount of a credit exceeds the taxpayer's tax liability for the year in which the donation is made, the taxpayer may carry forward the excess credit for up to five taxable years.¹

HISTORY

ACTION	DATE
Introduced	10-22-13

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¹ R.C. 5747.78 and 5747.98.

