



Ohio Legislative Service Commission

Bill Analysis

Mackenzie Damon

Am. H.B. 112

130th General Assembly
(As Reported by S. Ways and Means)

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

Sen. Tavares

BILL 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.

CONTENT AND OPERATION

Income tax refund contribution for the Breast and Cervical Cancer Project

The bill 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 to be credited to the Breast and Cervical Cancer

Project Income Tax Contribution Fund, which is created by the bill. Individuals also may contribute directly to the fund.¹

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 bill are to be used to provide cancer screening, diagnostic, and outreach services to uninsured and under-insured women. The bill 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.²

Currently, 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 the existing 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.³

Administration and reporting

The bill 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 Assembly on the effectiveness of the check-off in January of every odd-numbered year.

¹ R.C. 3701.601 and 5747.113.

² R.C. 3701.601.

³ R.C. 5747.113(A) and (C).



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.⁴

Expenses

The Department of Taxation is entitled to reimbursement for its costs of administering the check-offs. Reimbursement currently is paid from the four existing check-off funds in equal one-fourth shares. The total reimbursement may not exceed 2½% of the total amount contributed. Under the bill, 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 would continue to be limited to 2½% of contributions.⁵

Cancelled check-off category

The bill 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 is required to remove that check-off category from income tax forms.⁶

Limits on future check-off categories

The bill purports to prohibit the General Assembly from authorizing more than six simultaneously available check-off categories. The bill 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.⁷

⁴ R.C. 5747.113(E)(2).

⁵ R.C. 5747.113(D).

⁶ R.C. 5747.113(E).

⁷ 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 bill apply beginning with taxable years that begin in or after 2014.⁸

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

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⁸ Section 3.

