



OHIO LEGISLATIVE SERVICE COMMISSION

Russ Keller

Fiscal Note & Local Impact Statement

Bill: H.B. 304 of the 132nd G.A.

Status: As Introduced

Sponsor: Rep. Young

Local Impact Statement Procedure Required: No

Subject: Expand scope of adoption tax credit

State & Local Fiscal Highlights

- The bill has a minimal fiscal effect on state personal income tax receipts.

Detailed Fiscal Analysis

H.B. 304 expands the scope of the existing personal income tax credit for adoption expenses. The bill authorizes a taxpayer to claim this credit if the taxpayer is the stepparent to a disabled adult and legally adopts that disabled adult. Under continuing law, the credit for each eligible adoption equals the amount of the adoption expenses, up to \$10,000, with a minimum credit amount of \$1,500. Credit balances not used in the first year after adoption may be carried forward and claimed for the five following years.

The bill will reduce personal income tax revenues by a minimal amount beginning in FY 2018. H.B. 304 applies to stepparent adoptions of disabled adults occurring on or after January 1, 2016. A stepparent adopting a disabled adult stepchild in 2016 or 2017 may claim the credit on the stepparent's 2017 income tax return. Statistics concerning the adoption of disabled adults by their stepparents are not available to LSC. However, LSC assumes the number of such adoptions in Ohio is likely to be low and would therefore make the GRF cost of this provision minimal.

The personal income tax revenue loss would be shared by the state General Revenue Fund (GRF, 96.66%), the Local Government Fund (LGF, 1.66%) and the Public Library Fund (PLF, 1.68% in FY 2018 and FY 2019). Funds deposited into the LGF and PLF are distributed to counties, municipalities, townships, and public libraries according to statutory formulas. H.B. 304 will reduce LGF and PLF revenues by a negligible amount beginning in FY 2018.

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