



OHIO LEGISLATIVE SERVICE COMMISSION

Philip A. Cummins

Fiscal Note & Local Impact Statement

Bill: H.B. 507 of the 132nd G.A.

Status: As Introduced

Sponsor: Rep. Gonzales

Local Impact Statement Procedure Required: No

Subject: Allows a refundable state income tax credit for parents of stillborn children

State Fiscal Highlights

STATE FUND	FY 2019	FY 2020	FUTURE YEARS
General Revenue Fund			
Revenues	Loss of \$1.8 million	Loss of \$1.8 million	Loss of \$1.8 million per year
Local Government Fund (LGF, Fund 7069) and Public Library Fund (PLF, Fund 7065)			
Expenditures	Decrease of \$60,000	Decrease of \$60,000	Decrease of \$60,000 per year

Note: The state fiscal year is July 1 through June 30.

- The bill allows a \$2,000 refundable credit on the state income tax for each stillborn child, which would reduce annual GRF tax revenue by about \$1.8 million.
- This loss of GRF tax revenue would reduce transfers to each of the LGF and PLF by about \$30,000 per year, distributed to local governments and libraries.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2019	FY 2020	FUTURE YEARS
Counties, other local governments, and libraries			
Revenues	Loss of \$60,000	Loss of \$60,000	Loss of \$60,000 per year
Expenditures	- 0 -	- 0 -	- 0 -

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- The loss of about \$30,000 in transfers from the LGF to local governments would reduce revenues of counties, cities, villages, townships, and special districts.
- The loss of about \$30,000 in transfers from the PLF would reduce distributions mostly to public libraries.

Detailed Fiscal Analysis

The bill allows a refundable state income tax credit of \$2,000 for the parents of a stillborn infant. Because the credit would be refundable, such parents would receive the full \$2,000 regardless of income tax liability. To qualify, the taxpayer must have been issued a certificate recognizing the delivery of a stillborn infant, for which either parent may apply, under R.C. 3705.23(B)(3). The credit must be claimed in the taxable year in which the stillbirth occurred.

Ohio Department of Health records indicate that in 2016, 904 fetal deaths occurred in Ohio with stated or presumed period of gestation of 20 weeks or more.¹ With a refundable tax credit of \$2,000 for each death, this number of stillborn infants implies about a \$1.8 million reduction in state income tax revenue. A GRF revenue loss of this amount would reduce distributions to the Local Government Fund (LGF) by about \$30,000 at the statutory share of GRF tax revenues distributed to the LGF, 1.66%. It would also reduce distributions to the Public Library Fund (PLF) by a similar amount, at the statutory share of GRF tax revenues, 1.66%, in FY 2020 and thereafter, or at 1.68% in FY 2019, a rate enacted for the current biennium in H.B. 49 of the 132nd General Assembly, the main operating budget act. If the bill becomes law in 2018 it would apply to the 2018 tax year, hence would affect income tax final settlements and refunds in FY 2019.

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¹ Fetal deaths included in these statistics do not include those resulting from abortions (voluntary terminations). The figure for 2016 was somewhat higher than most other recent years. The average annual number over the ten years from 2007 through 2016 was 887. Data are on the Ohio Department of Health website at <http://www.odh.ohio.gov/en/healthstats/vitalstats/fetaldeaths>.