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OHIO LEGISLATIVE SERVICE COMMISSION

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Substitute Bill Comparative Synopsis

Sub. H.B. 186

134th General Assembly

House Ways and Means

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This table summarizes how the latest substitute version of the bill differs from the immediately preceding version. It addresses only the topics on which the two versions differ substantively. It does not list topics on which the two bills are substantively the same.

Previous Version (As Introduced)	Latest Version (I_134_0969-2)
Deduction amount and duration	
Any person may contribute money to a first-time home buyer savings account, but only amounts contributed by the account holder are deductible (<i>R.C. 193.02(G) and 193.05(A)</i>).	All contributions to a first-time home buyer savings account, regardless of who made them, are attributed to the account holder and included in computing the account holder's deduction (<i>R.C. 193.02(H) and 193.05(A)</i>).
The maximum annual deduction is \$5,000 for individuals and \$10,000 for joint filers (<i>R.C. 193.05(C)(1)</i>).	Decreases the maximum annual deduction to \$3,000 for individuals and \$6,000 for joint filers (<i>R.C. 193.05(C)(1)</i>).

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<p>The aggregate amount deducted by an account holder for all taxable years is limited to \$50,000 for individuals and \$100,000 for joint filers (<i>R.C. 193.05(C)(2)</i>).</p> <p>The deduction may be claimed for the taxable year in which the account holder <i>opens</i> the first-time home buyer savings account and for the <i>following 14 taxable years</i>. Amounts remaining in the account on December 31 of the 14th taxable year must be added to the account holder's Ohio adjusted gross income (OAGI) for that taxable year. Unless an exception applies, account holder must also pay a penalty equal to 10% of that amount.</p> <p>A first-time home buyer savings account is "opened" in the taxable year in which it is established or, if the account includes amounts transferred from another first-time home buyer savings account, the taxable year in which the account holder first claimed a deduction for deposits to or earnings of such an account. (<i>R.C. 193.05(B)(3) and (C)(3), 193.06(A), and 5747.01(A)(33)</i>.)</p>	<p>Decreases the aggregate deduction limit to \$15,000 for individuals and \$30,000 for joint filers (<i>R.C. 193.05(C)(2)</i>).</p> <p>The deduction may be claimed for the taxable year in which the account holder first <i>designates</i> a first-time home buyer savings account and for the <i>following four taxable years</i>. The add-back and penalty provisions apply to amounts remaining in the account on December 31 of the fourth taxable year. (<i>R.C. 193.05(B)(3) and (C)(3), 193.06(A), and 5747.01(A)(33)</i>.)</p>
Application date	
<p>A person may open an account and designate it as a first-time home buyer savings account on or after the bill's effective date. Accordingly, the deduction is first available for taxable years ending on or after that date. (<i>R.C. 193.02(A)</i>.)</p>	<p>Instead specifies that an account may be opened and designated as a first-time home buyer savings account on or after January 1, 2022. The deduction is first available for taxable years ending on or after that date. (<i>R.C. 193.02(A)</i>.)</p>
Account characteristics	
<p>To qualify for the deduction, the account must be designated "in its entirety, as a first-time home buyer savings account to be used to pay . . .</p>	<p>Further clarifies that an account which includes funds designated for other purposes may not be designated as a first-time home buyer</p>

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eligible costs for the purchase of a single family residence in this state” (<i>R.C. 193.02(A)</i>).	savings account (<i>R.C. 193.01(F) and 193.02(A)</i>).
Qualifying beneficiaries	
<p>The qualifying beneficiary for a first-time home buyer savings account must be an Ohio resident who has not owned or purchased a single-family home in the three years preceding the purchase of a home using the proceeds of the account (<i>R.C. 193.01(E) and (G)</i>).</p> <p>The account holder may change the qualified beneficiary at any time by filing a form prescribed by rule of the Tax Commissioner (<i>R.C. 193.02(B) and 193.07(B)(2)</i>).</p>	<p>Limits the qualifying beneficiary to an Ohio resident who has never owned or purchased a single-family residence (<i>R.C. 193.01(E) and (G)</i>).</p> <p>The account holder may change the qualified beneficiary no more than one time per taxable year. The form designated by the Commissioner must include an affidavit by which the account holder attests that the designated beneficiary meets all qualifications of a first-time home buyer. (<i>R.C. 193.02(B) and 193.07(B)(2)</i>.)</p>
Reporting requirements	
<p>Prescribes two distinct reporting requirements for account holders. The first requirement applies each time money is withdrawn from a first-time home buyer savings account for purposes other than paying a service fee imposed by the financial institution in which the account is held. That report must include all of the following information:</p> <ul style="list-style-type: none"> ▪ The amount of money withdrawn; ▪ The amount of money remaining in the account; ▪ If the money was applied to the costs purchasing of a single-family residence, a detailed accounting of those costs; ▪ If the money was transferred to another first-time home buyer 	<p>Combines the two reporting requirements into one annual report submitted with the account holder’s state income tax return for each taxable year that the account holder claims the deduction or is required to make an addition to their federal adjusted gross income (FAGI) under the bill and, unless the account was fully liquidated in a prior taxable year, a final accounting for the fourth taxable year following the year that the account holder first designated a first-time home buyer savings account. The report must include all of the information prescribed by the Introduced version of the bill, plus the following:</p> <ul style="list-style-type: none"> ▪ The account holder’s name;

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<p>savings account, the name of the financial institution at which the account is held and the name of the qualified beneficiary of the new account;</p> <ul style="list-style-type: none"> ▪ If the money was withdrawn due to the death or disability of the account holder, the name and address of each person to which the money was distributed. <i>(R.C. 193.03(B).)</i> <p>The second reporting requirement applies annually, for each taxable year that the account holder claims the deduction or is required to make an addition to their FAGI under the bill. That report, submitted with the account holder’s state income tax return, must include both of the following:</p> <ul style="list-style-type: none"> ▪ A ledger listing deposits to and withdrawals from the account; ▪ The IRS form 1099 issued to the account holder by the financial institution at which the account is held. <i>(R.C. 193.03(A).)</i> 	<ul style="list-style-type: none"> ▪ The qualified beneficiary’s name; ▪ The name of the financial institution at which the account is held and the account number; ▪ The balance of the account at the beginning and end of the taxable year; ▪ The amount of the deduction claimed or addition made for the taxable year. <i>(R.C. 193.03(A).)</i>
<p>Enforcement</p>	
<p>No provision.</p>	<p>Authorizes the Commissioner to request statements and other records from the financial institution in which a first-time home buyer savings account his held for the purposes of resolving discrepancies in information reported by the account holder or investigating suspected false statements. Requires the financial institution to provide the requested statements and records within 30 days. <i>(R.C. 193.04(D).)</i></p>
<p>No provision.</p>	<p>Specifies that persons who knowingly make a false statement on a form, report, affidavit, or other communication in connection with a first-time home buyer savings account are guilty of falsification, a first degree misdemeanor<i>(R.C. 2921.13).</i></p>

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Publication of deduction	
Requires the Commissioner to publicize the deduction by distributing informational materials to banks and potential home buyers (R.C. 193.07(C)).	No provision.