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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

**S.B. 38**  
**134<sup>th</sup> General Assembly**

## Fiscal Note & Local Impact Statement

[Click here for S.B. 38's Bill Analysis](#)

**Version:** As Introduced

**Primary Sponsor:** Sen. Schaffer

**Local Impact Statement Procedure Required:** Yes

Eric Makela, Economist

### Highlights

Fund	FY 2022	FY 2023	Future Years
<b>State General Revenue Fund</b>			
Revenues	Loss of between \$5.9 million and \$11.3 million	Loss of between \$5.9 million and \$11.4 million	Losses to increase between 1% and 2% annually
<b>Local Government and Public Library Funds (counties, municipalities, townships, and public libraries)</b>			
Revenues	Loss of between \$100,000 and \$190,000	Loss of between \$100,000 and \$190,000	Losses to increase between 1% and 2% annually

Note: The state or school district fiscal year runs from July 1 through June 30 and is designated by the calendar year in which it ends. For other local governments, the fiscal year is identical to the calendar year.

- The bill establishes a nonrefundable tax credit, in an amount up to \$500, for qualifying purchases of law enforcement items or firefighting items by eligible law enforcement officers or volunteer firefighters, resulting in revenue losses from the personal income tax (PIT).
- The bill's provisions apply to taxable years ending on or after the effective date of the section. The fiscal note assumes the bill becomes law during calendar year 2021, implying initial fiscal effects are realized during FY 2022.

## Detailed Analysis

The bill establishes a nonrefundable credit under the PIT for qualifying purchases of law enforcement items or firefighting items, up to a maximum of \$500. The credit applies only to purchases made by law enforcement officers or volunteer firefighters, and can only be taken if the cost of the item is paid for by the taxpayer and is greater than the reimbursement amount provided by the employer's policies. The credit is nonrefundable, meaning that the amount of the credit that may be taken is limited to no more than the amount of the taxpayer's tax liability.

The bill defines law enforcement item in general terms, and includes products such as uniforms, weapons, body armor, restraint items, telecommunications devices, audio and visual devices, or any other item used by a law enforcement officer in carrying out official law enforcement activities. The bill defines firefighting items as turnout equipment, helmets, gloves, vests, radios, and any other tools or items used by a volunteer firefighter in carrying out official firefighting activities.

In FY 2019, there were approximately 33,700 peace officers registered and licensed in Ohio;<sup>1</sup> in January 2021, around 10,200 volunteer firefighters were certified by Ohio officials. It is assumed that up to 80% of law enforcement officers and volunteer firefighters filing income tax returns in Ohio would be eligible for the credit based on their tax liability at the time of filing. Data on expenditures for equipment was attained through a telephone survey of police and sheriff offices in Ohio; this information is estimated because the offices do not keep record of personal expenditures for protective equipment, according to a survey source.<sup>2</sup> Future fiscal losses are estimated based on projected growth in government employment in Ohio.<sup>3</sup>

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<sup>1</sup> The term "peace officer" generally means the same thing as law enforcement officer, and is the term used in Chapter 109 of the Revised Code.

<sup>2</sup> The above analysis assumes a lower bound of \$210 and an upper bound of \$310 per tax credit given to each participating law enforcement officer; LBO assumes a lower bound of \$0 and an upper bound of \$310 per tax credit given to each participating volunteer firefighter. In addition, due to the small sample size of the survey, LBO cannot rule out the possibility the actual fiscal effect will be greater than estimated above.

<sup>3</sup> Data for future years based on IHS Markit January 2021 projections.