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# OHIO LEGISLATIVE SERVICE COMMISSION

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H.B. 570  
134<sup>th</sup> General Assembly

## Bill Analysis

**Version:** As Introduced

**Primary Sponsors:** Reps. J. Miller and Sobecki

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### SUMMARY

- Authorizes a personal income tax deduction for up to \$10,200 of unemployment benefits a taxpayer received in 2021.
- Authorizes taxpayers who already filed their 2021 return to either file an amended return or claim a refundable credit equal to the benefit of the deduction in 2022.

### DETAILED ANALYSIS

#### Unemployment compensation income tax deduction

The bill authorizes a personal income tax deduction for unemployment benefits a taxpayer received in 2021, including federal pandemic unemployment assistance authorized as the result of the COVID-19 pandemic. The deduction amount may not exceed \$10,200. For many taxpayers, the bill essentially continues, for state income tax purposes, a similar one-time federal deduction authorized in 2020. Federal law allowed a taxpayer with income below a certain threshold to deduct up to \$10,200 in 2020 unemployment benefits from the taxpayer's federal adjusted gross income (FAGI).<sup>1</sup> This in turn reduced the taxpayer's Ohio adjusted gross income, which is based on FAGI.

If an eligible taxpayer has already filed their 2021 return prior to the bill's 90-day effective date, the bill authorizes the taxpayer to either file an amended return to claim the deduction or claim a refundable income tax credit in 2022 equal to the difference between the taxpayer's 2021 tax liability and what that liability would have been had the taxpayer claimed the deduction for that year.<sup>2</sup>

<sup>1</sup> 26 United States Code 85.

<sup>2</sup> Section 1.

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## HISTORY

Action	Date
Introduced	02-15-22

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