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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

**H.B. 53**  
**135<sup>th</sup> General Assembly**

## Fiscal Note & Local Impact Statement

[Click here for H.B. 53's Bill Analysis](#)

**Version:** As Introduced

**Primary Sponsors:** Reps. Schmidt and A. Miller

**Local Impact Statement Procedure Required:** No

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### Highlights

Fund	FY 2024	FY 2025	Future Years
<b>State General Revenue Fund</b>			
Revenues	\$0	Loss up to \$966,800	Loss up to \$966,800/year
Expenditures	Possible increase	Possible increase	Possible increase
<b>Local Government and Public Library funds (counties, municipalities, townships, and public libraries)</b>			
Revenues	\$0	Loss up to \$16,600 to each fund	Loss up to \$16,600/year to each fund

Note: The fiscal year for the state, school districts, and certain other local governments 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.

- Employers could receive refundable credits under the bill for hiring veterans, national guard or reserve members, or spouses of such persons.
- Total credits would be limited to \$1 million/year. GRF revenue losses would reduce transfers through the Local Government Fund (LGF, Fund 7069) and Public Library Fund (PLF, Fund 7065) to local governments and public libraries.

### Detailed Analysis

The bill would provide a refundable credit for hiring a veteran, disabled veteran, or member of the national guard or reserves, or a spouse of such a person. The amount of each credit would depend on circumstances, and could range up to \$750 per year, as discussed below.

A credit for a qualifying employee could be claimed for up to five calendar years, based on continued employment of the qualifying employee and hours worked.

The bill limits total tax credits to no more than \$1 million that may be approved by the Tax Commissioner for any calendar year, including continuing credits initially approved in a previous year. Plausibly all or most of this amount of credits would be claimed each year. Ohio has more than 700,000 veterans, including more than 360,000 who were 64 years of age or younger as of September 2022, many of whom would be in the labor force.<sup>1</sup>

These credits could be used to reduce amounts owed for the state personal income tax, the commercial activity tax, the financial institutions tax, the domestic and foreign insurance taxes, the public utility excise tax, and the petroleum activity tax. Credits in excess of amounts owed would be refunded. The bill would apply to qualifying employees hired on or after the first January 1 following its effective date, so could apply to employees hired on or after January 1, 2024, depending on its date of enactment. As indicated below, the amount of the credit depends in part on the qualifying person's employment status in the preceding year. Thus the bill appears not to reduce tax revenues in FY 2024. It could be fully effective in FY 2025.

Credit amounts that could be claimed vary depending on an employee's characteristics and period of employment. For a qualifying employee who is a disabled veteran, employed by the applicant at least 180 days in the preceding year, the amount of the credit is \$750 per year for full-time employment and \$375 per year otherwise. For a qualifying employee who is not a disabled veteran, employed by the applicant at least 180 days in the preceding year, the credit amount in the initial year is \$500 per year for full-time employment and \$250 per year otherwise. In subsequent years, the credit amount is \$200 per year for full-time employment and \$100 per year otherwise. For a qualifying employee employed by the applicant for fewer than 180 days in the preceding year, the amount of the credit is prorated based on the percentage of days of the year in which the employee was employed and the dollar amount otherwise applicable.

A loss of GRF tax revenue up to \$1 million would reduce transfers to the Local Government Fund (Fund 7069) and the Public Library Fund (Fund 7065), which each receive 1.66% of GRF tax revenue in codified law. The remaining amount would represent a loss to the GRF.

The Department of Taxation may incur costs to administer this new program. Such costs may be paid from GRF appropriation item 110321, Operating Expenses. No separate funding is provided in the bill for increased costs to the Department for its administration.

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<sup>1</sup> [va.gov/vetdata/Veteran\\_Population.asp](https://www.va.gov/vetdata/Veteran_Population.asp).