



Ohio Legislative Service Commission

Philip A. Cummins

Fiscal Note & Local Impact Statement

Bill: S.B. 219 of the 131st G.A.

Date: May 5, 2016

Status: As Introduced

Sponsor: Sen. Hughes

Local Impact Statement Procedure Required: No

Contents: Allows taxpayers to contribute income tax refunds to a metropark

State Fiscal Highlights

STATE FUND	FY 2016	FY 2017	FUTURE YEARS
Metropolitan Park District Fund (created by the bill)			
Revenues	- 0 -	Potential gain	Potential gain
Expenditures	- 0 -	Potential increase	Potential increase
Income Tax Contribution Fund (Fund 4370)			
Revenues	- 0 -	Potential gain	Potential gain
Expenditures	- 0 -	Potential increase	Potential increase

Note: The state fiscal year is July 1 through June 30. For example, FY 2016 is July 1, 2015 – June 30, 2016.

- The bill would add a seventh income tax check-off for contributions to the Metropolitan Park District Fund, created by the bill.
- Taxpayers contributing through this check-off would designate the metropolitan park district to receive their contributions. The Tax Commissioner is to certify amounts to be paid to each district.
- Contributions are to be used by metropolitan park districts for permanent improvements or needed maintenance or repairs for health and safety of patrons.
- One-seventh of costs to administer the check-off system, up to 2.5% of total contributions, would be transferred from each fund receiving contributions to Fund 4370 to pay Department of Taxation costs to administer the check-off system.
- Amounts that would be contributed to the new fund are uncertain. Individual funds raised between about \$140,000 and \$780,000 annually in the most recent five years.
- The Director of Natural Resources is to distribute contributed funds to metropolitan park districts, based on the Tax Commissioner's certification, and would report to the General Assembly in odd-numbered years on the effectiveness of this program.
- The bill also increases the number of allowed check-offs from six to seven.

Local Fiscal Highlights

- Revenue of designated metropolitan park districts would be likely to increase.

Detailed Fiscal Analysis

The bill adds a new income tax check-off for contributions to the Metropolitan Park District Fund, created by the bill. The income tax check-off for the Metropolitan Park District Fund would become the seventh check-off on the state's personal income tax. These contributions do not reduce income taxes owed, but are made from taxpayers' refunds.

Distributions from the new fund by the Director of Natural Resources would be used by the metropolitan park districts designated by taxpayers for permanent improvements or for maintenance or repairs needed for the health and safety of park patrons. The Director would incur costs, likely minimal, to make these distributions. The Tax Commissioner is to certify to the Director the amount that taxpayers indicate is to be distributed to each park district; the bill specifies that the tax form include a space for taxpayers to indicate which metropolitan park district should receive their contributions.

One-seventh of the costs to the Department of Taxation to administer the income tax check-off system, up to 2.5% of total contributions, would be transferred from each of the seven funds (associated with each of the seven check-offs) to the Income Tax Contribution Fund (Fund 4370). Costs, likely minimal, for the Commissioner to make the required certifications to the Director would be covered out of contributions.

Whether the new fund established by the bill would raise more or less than the amounts raised in the past for funds in the check-off system is uncertain. Funds in the income tax check-off system raised the following amounts in the most recent five years for which records are posted on the Department of Taxation's website.

Contributions to Income Tax Refund Funds									
	Nongame and Endangered Wildlife		Natural Areas and Preserves		Military Injury Relief		Ohio Historical Society Income Tax Contribution		
Tax Year	Number of Returns	Amount	Number of Returns	Amount	Number of Returns	Amount	Number of Returns	Amount	Total Amount
2009	32,252	\$301,335	34,395	\$332,200	34,308	\$488,918	N/A	N/A	\$1,122,452
2010	29,998	\$269,821	31,123	\$304,801	32,471	\$471,652	N/A	N/A	\$1,046,274
2011	30,216	\$286,721	32,225	\$336,676	32,692	\$529,150	17,348	\$153,177	\$1,305,724
2012	28,329	\$272,181	29,625	\$319,116	29,491	\$464,200	15,874	\$137,978	\$1,193,475
2013	30,471	\$422,007	32,150	\$527,905	32,472	\$776,701	18,375	\$300,449	\$2,027,061

Figures are published for contributions to the Ohio Historical Society Income Tax Contribution Fund only since tax year 2011, when it was added. No data are available on the Department of Taxation website for contributions to the Breast and Cervical Cancer Project Income Tax Contribution Fund, added in tax year 2014, or for contributions to the Wishes for Sick Children Income Tax Contribution Fund, added in tax year 2015.

The bill requires that every two years, in January of odd-numbered years, the Director of Natural Resources is to report to the General Assembly on the effectiveness of the income tax refund contribution system as it pertains to the new fund, including revenues to the fund and to each metropolitan park district in each of the prior five years, and the amount of money contributed directly to the fund separately from the income tax refund contribution system. As the new Revised Code section enacted by the bill, which creates the fund and specifies the fund's source of money, does not provide for direct contributions, the latter amount will plausibly be zero.

The bill increases the number of taxpayer refund contribution check-offs that may be listed on the income tax return form from six to seven.

The Metropolitan Park District Fund will be created on the effective date of the bill, but changes to the income tax contribution system and the appearance of the new fund as one of the check-offs on the tax form are effective in tax year 2016. LSC assumes that few contributions will be made to the new fund prior to FY 2017.