

OLC
HB 110 - State Budget Analysis

[Public Library Fund](#)

Sections: 387.10, 387.20

Description: Increases the share of GRF tax revenue transferred to the Public Library Fund each month from 1.66% in codified law to 1.7% in FY 2022 and FY 2023.

The Legislative Service Commission (LSC) estimates this increases revenue to the PLF by \$11 million in each year of the biennium (FY 2022 and FY 2023). The final appropriations spreadsheet estimates \$439 million in FY 22 and \$454 million in FY 23.

[Ohio Public Library Information Network \(OPLIN\)](#)

Section: 325.20

Description: Requires that OPLIN technology funds be used for an information telecommunications network linking public libraries in the state.

Permits the OPLIN Board of Trustees to make decisions regarding the use of the appropriation.

Requires the OPLIN Board to research and assist local libraries with regard to emerging technologies and methods of controlling access to obscene and illegal materials. Requires the OPLIN director to provide written reports upon request.

Requires OPLIN, INFOhio, and OhioLINK to coordinate their purchases of electronic databases.

Requires the OBM Director to transfer \$3,689,788 cash in each FY from the PLF to the OPLIN Technology Fund.

Library for the Blind

Section: 325.20 **Description:** Requires that appropriations to the Library for the Blind Fund be used for the statewide Talking Book Program.

Requires the OBM Director to transfer \$1,274,194 cash in each FY from the PLF to the Library for the Blind Fund.

State Library Board

Section: 325.10 **Description:** Appropriates \$4,293,122 in each FY for the Operating Expenses of the State Library Board.

Appropriates \$305,000 in each FY for the Ohioana Library Association.

Appropriates \$480,000 in each FY for the Regional Library Systems.

Appropriates \$4,252,887 in each FY for Services for Libraries.

Appropriates \$8,000 in each FY for Services for State Agencies.

Free Photocopies of Identification

Section: 3375.011 **Description:** Requires public libraries to provide an individual with a photocopy of that individual's driver's license, driver's permit, or state identification free of charge if the individual requests one.

Ohioana Library Association

Section: 325.20 **Description:** Earmarks \$180,000 in each fiscal year and requires that Ohioana Library Association appropriations be used for the operating expenses of the Martha Kinney Cooper Ohio Library Association.

Specifies that the remainder of the appropriation be used to pay the rental expenses of the Martha Kinney Cooper Ohioana Library Association.

[Education Technology Resources - INFOhio](#)

Section: 265.140 **Description:** Earmarks up to \$2,500,000 in each FY from the Education Technology Resources appropriation line item for the Union Catalog and INFOhio Network.

Earmarks up to \$1,778,879 in each fiscal year to provide grants to educational television stations working with partner education technology centers to provide public schools with instructional resources and services. Specifies that priority be given to resources and services aligned with state academic content standards. Specifies that such resources and services be based upon the advice and approval of ODE, based on a formula developed in consultation with educational television stations and educational technology centers.

Specifies that the remainder be used to support the training, technical support, guidance, and assistance with compliance reporting to school districts and public libraries applying for federal E-Rate funds; for oversight and guidance of school district technology plans; for support to district technology personnel; and for support of the development, maintenance, and operation of a network of computer-based information and instructional systems.

[Ohio Governor's Imagination Library](#)

Section: 307.10 **Description:** Earmarks \$8,000,000 in each FY from the Department of Jobs and Family Services to the "Ohio Governor's Imagination Library" to support childhood literacy efforts in the state.

[Medical Marijuana](#)

Section: 3796.28 **Description:** Allows an employer to discharge, refuse to hire, or otherwise discriminate against a person because of that person's use of medical marijuana if the person's use of medical marijuana is in violation of the employer's drug-free workplace policy, zero tolerance policy, or other formal program or policy regulating the use of medical marijuana.

[State and Local Government Expenditure Database](#)

Sections: 113.71, 113.70, 113.72, 113.73, 113.74, 113.75, 113.76, 113.77

Description: Requires the Treasurer of State (TOS), in collaboration with the Director of Budget and Management (OBM) and the Director of Administrative Services (DAS), to establish and maintain the Ohio State and Local Government Expenditure Database, which is to include detailed data on expenditures of state government and those of volunteering political subdivisions and state retirement systems. Requires the database be made freely available to the public via the TOS and OBM websites. Requires TOS to enter into an annual agreement with OBM and DAS to ensure the proper maintenance and operation of the database.

Allows a political subdivision or state retirement system to publish expenditure information on the database, pursuant to laws governing the database's content.

[Personal Income Tax Rate Reduction](#)

Section: 5747.02
803.97

Description: Makes the following personal income tax changes for TY 2021 and thereafter:

Reduces tax rates on nonbusiness income by 3% while eliminating the top bracket and further reducing the tax rate in the next-to-top bracket to 3.99%.

Increases the income level at which the lowest tax bracket begins to \$25,000 in tax year 2021.

Suspends the annual inflation indexing adjustment of income tax brackets and personal exemption amounts in tax year 2021; indexing resumes in 2022.

Reduces all-funds tax revenue an estimated \$915.8 million in FY 2022 and \$784.5 million in FY 2023, including a one-time revenue loss in FY 2022 of \$151.5 million from reduction of withholding rates.

[Income Tax Credits for Education-Related Items](#)

Section: 5747.72, 5747.08, 5747.73, 5747.98, 803.97

Description: Authorizes the following two nonrefundable income tax credits for taxable years beginning on or after January 1, 2021:

- 1) A credit of up to \$250, for certain education items used directly for home school instruction, for one or more of the taxpayer's dependents who are home schooled for the school year,
- 2) A credit of up to \$750 per taxable year for cash donations made to nonprofit scholarship granting organizations for primary and secondary school students that prioritize awards to low-income students.

State personal income tax revenue loss from the \$250 credit per taxpayer for homeschooled dependents is estimated at \$2.8 million per year. GRF revenue losses would reduce distributions to the LGF and PLF.

[Income Tax Credit for Private School Tuition](#)

Section: 5747.75, 5747.08, 5747.98, 803.180

Description: Authorizes a nonrefundable income tax credit for tuition paid for one or more dependents to attend a private school that is not chartered by the State Board of Education. Limits eligibility to all households whose total federal adjusted gross income (FAGI) is under \$100,000. The maximum allowable credit is \$500 if the taxpayer's income is under \$50,000 and \$1,000 if the taxpayer's income is between \$50,000 and \$100,000.

[Income Tax Deduction for Capital Gain from Sale of Business](#)

Section: 5747.79, 5747.01

Description: Allows an income tax deduction, beginning tax year 2026, for capital gains for taxpayers with an ownership interest in a business. Provides that the deduction equals the lesser of 1) the capital gain or 2) a percentage of the business' payroll over a specified period, based on the taxpayer's proportionate interest in the business.

Allows the deduction to taxpayers who either 1) materially participated in a business that was headquartered in Ohio for the five preceding years or 2) made a venture capital investment of at least \$1 million in such a business. Provides that the deduction based on the business' payroll is based on payroll as defined for income tax withholding purposes, excluding amounts paid to the taxpayer or specified relatives of the taxpayer.

Revenue loss to the GRF, LGF, and PLF beginning in FY 2027. The Department of Taxation estimates annual revenue losses ranging from the upper tens of millions to the lower to middle hundreds of millions of dollars. The revenue losses likely would vary considerably from year to year.

Kilowatt-hour and Natural Gas Consumption Taxes

Section: 5727.80, 5727.81, 803.100

Description: Clarifies the law exempting certain end users from the kilowatt-hour tax by specifying that the tax does not apply to an end user that (1) generates its own electricity primarily for its own consumption on the same premises, but that also provides excess electricity to other entities, or (2) generates its own electricity primarily for its own consumption at a facility that is located on property that is contiguous to the property on which the electricity is consumed, provided, in either case, the generation facility does not initially exceed the end user's necessary electricity needs. (Currently, an end user is exempt if it uses self-generated electricity on the same site where the electricity was generated.)

The Tax Department estimates that this would reduce all funds revenue by approximately \$2.6 million in FY 2022 and \$3.9 million in FY 2023, of which the GRF revenue loss would be about \$2.5 million and \$3.8 million in FY 2022 and FY 2023, respectively. The remaining approximately \$0.1 million revenue loss each year would be split equally between the Local Government Fund and Public Library Fund. The reductions to LGF and PLF allocations will reduce distributions to counties, municipalities, townships, public libraries, and other political subdivisions.

Megaproject Tax Incentives

Sections: 122.17, 3735.65, 3735.67, 3735.671, 5709.61, 5709.62, 5709.63, 5709.631, 5709.632, 5751.01, 5751.052, 5751.091

Description: Authorizes various tax incentives for operators and certain suppliers of a "megaproject" (i.e., a development project that includes at least \$1 billion in investment or creates at least \$75 million in Ohio payroll, both indexed to inflation). Requires such operators and suppliers to apply to the Director of Development Services, similar to the existing job creation tax credit (JCTC) requirements. Excludes from gross receipts subject to the commercial activity tax (CAT) a megaproject supplier's receipts from the sale of tangible personal property to a megaproject operator.

Increases the maximum number of years a JCTC may be awarded by the Ohio Tax Credit Authority (OTCA) from 15 to 30 years for a business that is a megaproject operator or qualifying megaproject supplier.

The CAT exclusion of gross receipts from sales of a megaproject supplier to a megaproject operator would result in a loss of revenue to the GRF and other state funds. CAT receipts are deposited into the GRF (85%), the School District Tangible Property Tax Replacement Fund (Fund 7047, 13%), and the Local Government Tangible Property Tax Replacement Fund (Fund 7081, 2%). The GRF would bear 96.68% of such revenue loss and the remaining would be borne by the Local Government Fund, and the Public Library Fund.

[Ohio Residential Broadband Expansion Grant Program Fund](#)

Sections: 512.210

Description: Requires the OBM Director, on July 1, 2021, or as soon as possible thereafter, to transfer \$230 million cash from the GRF to the Ohio Residential Broadband Expansion Grant Program Fund (Fund 5GT0).

Requires the OBM Director, on July 1, 2022, or as soon as possible thereafter, to transfer \$20 million cash from the GRF to Fund 5GT0.