



## Ohio Revised Code

### Section 5747.70 Deductions for contributions to college savings programs.

Effective: April 3, 2023

Legislation: Senate Bill 33

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(A) In computing Ohio adjusted gross income, a deduction from federal adjusted gross income is allowed to a taxpayer who contributes to or purchases tuition units under a qualified tuition program established in accordance with section 529 of the Internal Revenue Code. The amount of the deduction shall equal the amount contributed or purchased during the taxable year to the extent that the amounts of such contributions and purchases were not deducted in determining the contributor's or purchaser's federal adjusted gross income for the taxable year. The combined amount of contributions and purchases deducted in any taxable year by a taxpayer or the taxpayer and the taxpayer's spouse, regardless of whether the taxpayer and the taxpayer's spouse file separate returns or a joint return, is limited to four thousand dollars for each beneficiary for whom contributions or purchases are made. If the combined annual contributions and purchases for a beneficiary exceed four thousand dollars, the excess may be carried forward and deducted in future taxable years until the contributions and purchases have been fully deducted.

(B) In computing Ohio adjusted gross income, a deduction from federal adjusted gross income is allowed for:

(1) Income related to tuition units and contributions that as of the end of the taxable year have not been refunded pursuant to the termination of a qualified tuition program payment contract or account to the extent that such income is included in federal adjusted gross income.

(2) The excess of the total purchase price of tuition units refunded during the taxable year pursuant to the termination of a qualified tuition program payment contract over the amount of the refund, to the extent the amount of the excess was not deducted in determining federal adjusted gross income. Division (B)(2) of this section applies only to units for which no deduction was allowable under division (A) of this section.

(C) In computing Ohio adjusted gross income, there shall be added to federal adjusted gross income the amount of loss related to tuition units and contributions that as of the end of the taxable year have



not been refunded pursuant to the termination of a qualified tuition program payment contract or account to the extent that such loss was deducted in determining federal adjusted gross income.

(D) For taxable years in which distributions or refunds are made under a qualified tuition program for any reason other than payment of higher education expenses, or the beneficiary's death, disability, or receipt of a scholarship as described in section 3334.10 of the Revised Code:

(1) If the distribution or refund is paid to the purchaser or contributor or beneficiary, any portion of the distribution or refund not included in the recipient's federal adjusted gross income shall be added to the recipient's federal adjusted gross income in determining the recipient's Ohio adjusted gross income, except that the amount added shall not exceed amounts previously deducted under division (A) of this section less any amounts added under division (D)(1) of this section in a prior taxable year.

(2) If amounts paid by a purchaser or contributor on or after January 1, 2000, are distributed or refunded to someone other than the purchaser or contributor or beneficiary, the amount of the payment not included in the recipient's federal adjusted gross income, less any amounts added under division (D) of this section in a prior taxable year, shall be added to the recipient's federal adjusted gross income in determining the recipient's Ohio adjusted gross income.