



Ohio Revised Code

Section 131.44 Transferring surplus revenue to budget stabilization fund and income tax reduction fund.

Effective: October 3, 2023

Legislation: House Bill 33

(A) As used in this section:

- (1) "Surplus revenue" means the excess, if any, of the total fund balance over the required year-end balance.
- (2) "Total fund balance" means the sum of the unencumbered balance in the general revenue fund on the last day of the preceding fiscal year plus the balance in the budget stabilization fund.
- (3) "Required year-end balance" means the sum of the following:
 - (a) Ten per cent of the general revenue fund revenues for the preceding fiscal year;
 - (b) "Ending fund balance," which means one-half of one per cent of general revenue fund revenues for the preceding fiscal year;
 - (c) "Carryover balance," which means, with respect to a fiscal biennium, the excess, if any, of the estimated general revenue fund appropriation and transfer requirement for the second fiscal year of the biennium over the estimated general revenue fund revenue for that fiscal year;
 - (d) "Capital appropriation reserve," which means the amount, if any, of general revenue fund capital appropriations made for the current biennium that the director of budget and management has determined will be encumbered or disbursed.
- (4) "Estimated general revenue fund appropriation and transfer requirement" means the most recent adjusted appropriations made by the general assembly from the general revenue fund and includes both of the following:



(a) Appropriations made and transfers of appropriations from the first fiscal year to the second fiscal year of the biennium in provisions of acts of the general assembly signed by the governor but not yet effective;

(b) Transfers of appropriations from the first fiscal year to the second fiscal year of the biennium approved by the controlling board.

(5) "Estimated general revenue fund revenue" means the most recent such estimate available to the director of budget and management.

(6) "Sales tax holiday" has the same meaning as in section 5739.01 of the Revised Code.

(B)(1) Not later than the thirty-first day of July each year, the director of budget and management shall determine the surplus revenue that existed on the preceding thirtieth day of June and transfer from the general revenue fund, to the extent of the unobligated, unencumbered balance on the preceding thirtieth day of June in excess of one-half of one per cent of the general revenue fund revenues in the preceding fiscal year, the following:

(a) First, to the budget stabilization fund, any amount necessary for the balance of the budget stabilization fund to equal ten per cent of the general revenue fund revenues of the preceding fiscal year;

(b) Then, to the expanded sales tax holiday fund, which is hereby created in the state treasury, an amount equal to the surplus revenue.

(2) Not later than the thirty-first day of July of 2024 and each year thereafter, if the balance in the expanded sales tax holiday fund is sixty million dollars or more, the director shall certify to the tax commissioner that a sales tax holiday shall be held in August of the following fiscal year. The commissioner, in consultation with the director and county commissioners association of Ohio, shall determine the number of days for which the sales tax holiday will be held, which shall be at least three days, and which may include additional days if the commissioner and director determine that the balance in the expanded sales tax holiday fund is sufficient to reimburse the general revenue fund, local government fund, public library fund, and permissive tax distribution fund for the



revenue that would be forgone on four or more of the dates during the period specified in section 5739.41 of the Revised Code. In making the determination, the commissioner and director shall take into account estimated changes in consumer behavior during the time of and immediately preceding and following the sales tax holiday.

(C) The director of budget and management shall transfer money in the expanded sales tax holiday fund to the general revenue fund, local government fund, public library fund, and permissive tax distribution fund as necessary to offset revenue reductions resulting from a sales tax holiday held under section 5739.41 of the Revised Code. The amount transferred to each such fund, and the amounts distributed to counties and transit authorities from the permissive tax distribution fund, shall be in the same proportions as the transfer and distribution of taxes actually collected under sections 5739.02, 5739.021, 5739.023, 5739.026, 5741.02, 5741.021, 5741.022, and 5741.023 of the Revised Code in August of the fiscal year in which the sales tax holiday is held. If no sales tax holiday is held under section 5739.41 of the Revised Code in the current fiscal year, the director shall not transfer money from the sales tax holiday fund to the general revenue fund, local government fund, public library fund, or permissive tax distribution fund.