



## Ohio Revised Code

### Section 3924.66 Account deducted from Ohio adjusted gross income.

Effective: September 6, 2002

Legislation: Senate Bill 200 - 124th General Assembly

---

(A) In determining Ohio adjusted gross income under Chapter 5747. of the Revised Code, an account holder may deduct an amount equaling the total of the deposits that the account holder, the account holder's spouse, or the account holder's employer made to the account during the taxable year, to the extent that the funds for the deposits have not otherwise been deducted or excluded in determining the account holder's federal adjusted gross income. The amount deducted by an account holder for a taxable year shall not exceed three thousand dollars. If two married persons each have an account, each spouse may claim the deduction described in this section, and the amount deducted by each spouse shall not exceed three thousand dollars, whether the spouses file returns jointly or separately.

(B) The maximum deduction allowed under division (A) of this section shall be adjusted annually by the department of taxation to reflect increases in the consumer price index for all items for all urban consumers for the midwest region, as determined by the United States bureau of labor statistics for the period of the first day of January of the preceding calendar year to the last day of December of the preceding calendar year. The department of taxation shall determine in September of each tax year the adjustment that will be effective for the succeeding tax year. The department shall not make the adjustment in any tax year in which the maximum deduction resulting from the adjustment is less than the maximum deduction allowed for the previous tax year.

(C) In determining Ohio adjusted gross income under Chapter 5747. of the Revised Code, an account holder may deduct the investment earnings of a medical savings account from the account holder's federal adjusted gross income, to the extent that these earnings have been included in the account holder's federal adjusted gross income.

(D) In determining Ohio adjusted gross income under Chapter 5747. of the Revised Code, an account holder shall add to the account holder's federal adjusted gross income an amount equal to the sum of the amounts described in divisions (D)(1) and (2) of this section to the extent that those amounts were included in the account holder's federal adjusted gross income and previously deducted in determining the account holder's Ohio adjusted gross income. In determining the extent to which



amounts withdrawn from the account shall be included in the account holder's Ohio adjusted gross income, the tax commissioner shall be guided by sections 72 and 408 of the Internal Revenue Code governing the determination of the amount of withdrawals from an individual retirement account to be included in federal gross income.

(1) Amounts withdrawn from the account during the taxable year used for any purpose other than to reimburse the account holder for, or to pay, the eligible medical expenses of the account holder or the account holder's spouse or dependents;

(2) Investment earnings during the taxable year on amounts withdrawn from the account that are described in division (D)(1) of this section.

(E) Amounts withdrawn from a medical savings account to reimburse the account holder for, or to pay, the account holder's eligible medical expenses, or the eligible medical expenses of the account holder's spouse or dependents, shall not be included in the account holder's Ohio adjusted gross income in determining taxes due under Chapter 5747. of the Revised Code.

(F) If a dependent of an account holder becomes ineligible to continue to participate in the account holder's policy, plan, or contract of health coverage, the account holder may withdraw funds from the account holder's account and use those funds to pay the premium for the first year of a policy, plan, or contract of health coverage for the dependent and to pay any deductible for the first year of that policy, plan, or contract. Funds withdrawn and used for that purpose shall not be included in the account holder's Ohio adjusted gross income in determining taxes due under Chapter 5747. of the Revised Code.