

Ohio House Bill 110 was signed into law last week. Below are some notable provisions from the bill.

- Beginning in 2021, Ohio tax rates have been reduced:
  - The first \$25,000 of nonbusiness income is not taxed.
  - Between \$25,001 and \$44,250, the tax rate is 2.765%.
  - Between \$44,251 and \$88,450, the tax rate is 3.226%.
  - Between \$88,451 and 110,650, the tax rate is 3.688%.
  - Income above \$110,650, the tax rate is 3.99%.
- For 2021, if an employee has municipal tax withheld in a city where they neither are physically working or live, a refund can be requested when filing the personal tax return.
- Ohio BWC dividends are no longer subject to Commercial Activity Tax (CAT).
- Beginning in 2021, a \$250 nonrefundable credit is allowed for dependent home school expenses. This includes books, supplies, computer software, supplementary materials, subscriptions, and applications. It does **not** include electronic devices, computers, or their accessories.
- Beginning in 2021, a nonrefundable credit is allowed for dependent private school tuition. The private school must not be chartered by the State Board of Education. To qualify, federal adjusted gross income (FAGI) must be less than \$100,000. A \$500 credit is allowed for FAGI under \$50,000 and a \$1,000 credit if FAGI is between \$50,000 and \$100,000.