

Taxable Year 2017

Notice Concerning Ohio Conformity and Miscellaneous Federal Tax Adjustments

April 2, 2018

Because of recent amendments to Ohio Revised Code (ORC) section 5701.11, taxpayers will not be required to make any miscellaneous federal tax adjustments on their year 2017 Ohio income tax returns. See Sub. S.B. 22 of the 132nd General Assembly, effective as of March 30, 2018. These amendments were made in response to amendments to the Internal Revenue Code ("IRC") since March 30, 2017. Notable federal tax legislation incorporated by S.B. 22 includes the "Tax Cuts and Jobs Act of 2017," the "Bipartisan Budget Act of 2018," and the "Consolidated Appropriations Act, 2018".

However, the recent legislation does not alter taxpayer responsibilities with respect to any tax item for which there is a specific Ohio law that directly decouples from the IRC. One such example of Ohio's decoupling from the IRC is the addback and deduction of IRC §168(k) bonus depreciation and §179 first-year cost recovery. Division (A)(20)(a) of R.C. 5747.01 specifically requires taxpayers to add-back 2/3, 5/6, or 6/6 of such amounts taken for federal tax purposes during that tax year. Division (A)(21)(a) of R.C. 5747.01 then specifically allows a subsequent 1/2, 1/5, or 1/6 deduction over the next 2, 5, or 6 tax years, respectively. See *a/so* Sub. H.B. 365 of the 129th General Assembly for more information on the enactment of this addback and deduction.

Taxpayers with additional questions regarding this subject may wish to visit tax.ohio.gov. Taxpayers may submit a question to the Ohio Department of Taxation by choosing the "Contact Us" option found on the bottom of the page.