



Tax Analysis Division
30 E. Broad St., 22nd Floor
Columbus, Ohio 43215
Phone: (614) 466-3960
Fax: (614) 752-0700
tax.ohio.gov

DETERMINING TAXABLE INCOME UNDER THE NEW SDIT BASE

In House Bill 66, the current biennial budget bill, the legislature created an alternate base for a school district income tax levied under Chapter 5748 of the Ohio Revised Code. The new base subjects only earned income to the school income tax. This document provides a guide to how taxpayers can estimate their liabilities under the new tax base. The descriptions here assume that the taxpayer is a resident of a school district with this type of tax for the entire tax year. It assumes the taxpayer is computing the liability as if the tax were in effect for tax year 2005.

Taxpayers filing federal form 1040 EZ

Take Line 1 of the federal 1040 EZ.

Taxpayers filing federal form 1040A

Take Line 7 of the federal 1040A.

Taxpayers filing federal form 1040

Take the sum of the following items:

Line 7 – wages, salaries, tips, etc.

Line 12 – business income or loss

Line 18 – farm income or loss

Line 17 – but only the portion of line 17 that represents distributions from partnerships that are subject to federal self-employment tax, reported on form 1065, Schedule K-1, line 14.

To compare the new tax base to the traditional tax base that begins with the federal adjusted gross income, the taxpayer would take the amount calculated above and compare that with line 5 of the state 1040 or 1040 EZ.