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# OHIO LEGISLATIVE SERVICE COMMISSION

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**To:** Riley Alton, Director of Finance  
House Minority Caucus

**From:** Jorge Valdebenito, Economist *JV*

**Date:** March 31, 2026

**Subject:** H.B. 617 estimate by income category

You recently requested an estimate of the effects of H.B. 617 of the 136<sup>th</sup> General Assembly summarized by income category. The bill exempts all capital gains from both the state personal income tax (PIT) and municipal income taxes. Legislative Budget Office (LBO) staff estimates that the revenue loss for the state from PIT would be between \$615.0 million and \$645.6 million in tax year (TY) 2027 and \$647.8 million and \$679.8 million in TY 2028. The table below provides a summary of the estimated effects of H.B. 617 by income category.

Estimated State Tax Revenue Loss from Exempting Capital Gains by Income Bracket, TY 2027 and TY 2028 (\$ in millions)		
Income Bracket	TY 2027	TY 2028
\$0-\$50,000	\$12.5-\$13.1	\$13.1-\$13.8
\$50,001-\$75,000	\$14.2-\$14.9	\$14.9-\$15.7
\$75,001-\$100,000	\$17.9-\$18.8	\$18.9-\$19.8
\$100,001-\$150,000	\$27.6-\$29.0	\$29.1-\$30.5
\$150,001-\$200,000	\$41.5-\$43.5	\$43.7-\$45.8
\$200,001+	\$501-\$528.4	\$525.9-\$554.2
<b>Total</b>	<b>\$615.0-\$647.8</b>	<b>\$645.6-\$679.8</b>

The income bracket revenue estimates are based on the latest available data from the Statistics of Income (SOI) Division of the Internal Revenue Service (IRS). The methodology builds on the total fiscal analysis presented in [H.B. 617 fiscal note \(PDF\)](#) and constructs estimates based

on the income distribution of taxpayers from the state. For each TY from TY 2019 to TY 2022, LBO staff calculated the share of total capital gains (net of losses) attributable to each income bracket by dividing the amount reported in that bracket by the statewide total for that year. These shares were then averaged across the four years and applied to the total estimated value reported in the fiscal note. Consistent with national and state trends, approximately more than 80% of net capital gains are concentrated among taxpayers with incomes above \$200,000.

I hope you find this information helpful. If you have any questions, please contact me at (614) 466-8817 or [jorge.valdebenito@lsc.ohio.gov](mailto:jorge.valdebenito@lsc.ohio.gov).