

MEMO# 24127

February 3, 2010

Institute Letter to Ohio on Direct Deposit of Tax Refunds

[24127]

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TO: PENSION MEMBERS No. 5-10

TRANSFER AGENT ADVISORY COMMITTEE No. 8-10 RE: INSTITUTE LETTER TO OHIO ON
DIRECT DEPOSIT OF TAX REFUNDS

The Institute sent the attached letter to the Ohio State Senate regarding S.B. 194, [\[1\]](#) which would instruct the state tax commissioner to allow Ohio taxpayers to direct their tax refunds to a savings account or IRA, similar to what federal taxpayers can do using Form 8888. [\[2\]](#)

The letter supports the bill and also supports a change made to the bill (in response to comments from the Institute and others) that removes 401(k) plans from the accounts eligible to receive refunds. The letter explains that allowing Ohio taxpayers to direct their refunds to 401(k) plans would be inconsistent with federal tax law and not administratively feasible.

Michael L. Hadley
Associate Counsel

[Attachment](#)

endnotes

[\[1\]](#) A copy of S.B. 194 is available here:

http://www.legislature.state.oh.us/bills.cfm?ID=128_SB_194.

[2] See <http://www.irs.gov/pub/irs-pdf/f8888.pdf>.

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