

As Introduced

132nd General Assembly

Regular Session

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S. B. No. 213

Senator Schiavoni

Cosponsors: Senators Tavares, Williams, Yuko, Sykes, Thomas, Brown, O'Brien

A BILL

To amend sections 122.17, 122.171, 122.174, 321.24,	1
323.152, 323.153, 4503.065, 4503.066, 5104.30,	2
5725.98, 5726.98, 5729.98, 5747.01, 5747.02,	3
5747.98, 5748.01, and 5751.98 and to enact	4
sections 122.084, 122.178, 122.891, 5709.29,	5
5747.61, 5751.55, 6301.021, 6303.01, and 6303.02	6
of the Revised Code to enhance economic and	7
employment opportunities and improve local	8
infrastructure in Ohio by providing additional	9
assistance to workforce development and	10
employment programs; establishing a revolving	11
loan program for small businesses seeking to	12
expand operations; extending job tax credits to	13
smaller businesses; enabling expanded	14
participation in public sector contracting by	15
smaller companies; enhancing support for child	16
care centers; funding additional local	17
infrastructure and public transit; authorizing	18
tax incentives for hiring military veterans, for	19
donating money to local programs assisting	20
distressed communities, or for improving	21
distressed property; exempting the homes of	22
disabled veterans from property taxation;	23

terminating the income tax deduction and reduced 24
tax rate for business income; and to make an 25
appropriation. 26

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 122.17, 122.171, 122.174, 321.24, 27
323.152, 323.153, 4503.065, 4503.066, 5104.30, 5725.98, 5726.98, 28
5729.98, 5747.01, 5747.02, 5747.98, 5748.01, and 5751.98 be 29
amended and sections 122.084, 122.178, 122.891, 5709.29, 30
5747.61, 5751.55, 6301.021, 6303.01, and 6303.02 of the Revised 31
Code be enacted to read as follows: 32

Sec. 122.084. As used in this section, a "small business" 33
is a business that has fewer than five hundred employees and 34
that conducts operations in this state. 35

The director of development services, under Chapter 119. 36
of the Revised Code, shall adopt rules that establish and 37
provide for the administration of a small business microloan 38
revolving loan program to assist small businesses for the 39
general purposes of meeting capitalization requirements, 40
expanding business operations, and creating and retaining jobs. 41
The director shall include the following in the rules: 42

(A) Qualifications to be met by small businesses that seek 43
to receive microloans through the program; 44

(B) Procedures according to which small businesses shall 45
apply for microloans through the program; 46

(C) Criteria for reviewing applications for microloans and 47
criteria for selecting small businesses that are entitled to 48

receive microloans; 49

(D) Standards for determining the amount of microloans, 50
which shall limit the amount of microloans received by an 51
applicant in a fiscal year to not more than two million dollars; 52

(E) Specifications identifying the purposes to which 53
microloans may be applied and methods through which the use of 54
microloans can be accounted for; 55

(F) Standards for setting the interest to be paid on 56
microloans and standards for fixing the terms according to which 57
microloans are to be repaid; 58

(G) Procedures to be implemented upon default in repayment 59
of microloans; 60

(H) Qualifications to be met by, and procedures for 61
approving, business training programs in which individuals 62
having control of small businesses are required to have 63
participated in as a condition of receiving microloans; 64

(I) Any other qualifications, procedures, criteria, 65
specifications, methods, or standards necessary and proper for 66
efficient and successful establishment and administration of the 67
small business microloan revolving loan program as a coherent 68
program to assist small businesses. 69

The director may prescribe forms that are necessary for 70
efficient and successful administration of the small business 71
microloan revolving loan program. The forms do not need to be 72
prescribed by rule. 73

A small business may not use a microloan to pay debts that 74
are outstanding at the time the microloan is disbursed to the 75
small business. The interest charged on a microloan shall be a 76

fixed rate that is at or below the market rate in the community 77
in which the microloan applicant is doing business. 78

The director shall disburse microloans through the several 79
Ohio small business development centers. The individual or 80
individuals having control of a small business, as a condition 81
of receiving a microloan, shall have participated in and 82
successfully completed an approved business training program 83
provided by or through a small business development center or 84
the development services agency. 85

There is hereby created the small business microloan 86
revolving loan fund in the state treasury. The fund consists of 87
money appropriated to the fund, money received in repayment of 88
microloans made from the fund, and investment earnings on money 89
in the fund. The director shall use money in the fund to make 90
microloans to qualified small businesses through the small 91
business microloan revolving loan program and to pay reasonable 92
costs of administering the program. All investment earnings on 93
money in the fund shall be credited to the fund. 94

Sec. 122.17. (A) As used in this section: 95

(1) "Payroll" means the total taxable income paid by the 96
employer during the employer's taxable year, or during the 97
calendar year that includes the employer's tax period, to each 98
employee or each home-based employee employed in the project to 99
the extent such payroll is not used to determine the credit 100
under section 122.171 of the Revised Code. "Payroll" excludes 101
amounts paid before the day the taxpayer becomes eligible for 102
the credit and retirement or other benefits paid or contributed 103
by the employer to or on behalf of employees. 104

(2) "Baseline payroll" means Ohio employee payroll, except 105

that the applicable measurement period is the twelve months 106
immediately preceding the date the tax credit authority approves 107
the taxpayer's application or the date the tax credit authority 108
receives the recommendation described in division (C) (2) (a) of 109
this section, whichever occurs first, multiplied by the sum of 110
one plus an annual pay increase factor to be determined by the 111
tax credit authority. 112

(3) "Ohio employee payroll" means the amount of 113
compensation used to determine the withholding obligations in 114
division (A) of section 5747.06 of the Revised Code and paid by 115
the employer during the employer's taxable year, or during the 116
calendar year that includes the employer's tax period, to the 117
following: 118

(a) An employee employed in the project who is a resident 119
of this state including a qualifying work-from-home employee not 120
designated as a home-based employee by an applicant under 121
division (C) (1) of this section; 122

(b) An employee employed at the project location who is 123
not a resident and whose compensation is not exempt from the tax 124
imposed under section 5747.02 of the Revised Code pursuant to a 125
reciprocity agreement with another state under division (A) (3) 126
of section 5747.05 of the Revised Code; 127

(c) A home-based employee employed in the project. 128

"Ohio employee payroll" excludes any such compensation to 129
the extent it is used to determine the credit under section 130
122.171 of the Revised Code, and excludes amounts paid before 131
the day the taxpayer becomes eligible for the credit under this 132
section. 133

(4) "Excess payroll" means Ohio employee payroll minus 134

baseline payroll. 135

(5) "Home-based employee" means an employee whose services 136
are performed primarily from the employee's residence in this 137
state exclusively for the benefit of the project and whose rate 138
of pay is at least one hundred thirty-one per cent of the 139
federal minimum wage under 29 U.S.C. 206. 140

(6) "Full-time equivalent employees" means the quotient 141
obtained by dividing the total number of hours for which 142
employees were compensated for employment in the project by two 143
thousand eighty. "Full-time equivalent employees" excludes hours 144
that are counted for a credit under section 122.171 of the 145
Revised Code. 146

(7) "Metric evaluation date" means the date by which the 147
taxpayer must meet all of the commitments included in the 148
agreement. 149

(8) "Qualifying work-from-home employee" means an employee 150
who is a resident of this state and whose services are 151
supervised from the employer's project location and performed 152
primarily from a residence of the employee located in this 153
state. 154

(9) "Resident" or "resident of this state" means an 155
individual who is a resident as defined in section 5747.01 of 156
the Revised Code. 157

(B) The tax credit authority may make grants under this 158
section to foster job creation in this state. Such a grant shall 159
take the form of a refundable credit allowed against the tax 160
imposed by section 5725.18, 5726.02, 5729.03, 5733.06, 5736.02, 161
or 5747.02 or levied under Chapter 5751. of the Revised Code. 162
The credit shall be claimed for the taxable years or tax periods 163

specified in the taxpayer's agreement with the tax credit 164
authority under division (D) of this section. With respect to 165
taxes imposed under section 5726.02, 5733.06, or 5747.02 or 166
Chapter 5751. of the Revised Code, the credit shall be claimed 167
in the order required under section 5726.98, 5733.98, 5747.98, 168
or 5751.98 of the Revised Code. The amount of the credit 169
available for a taxable year or for a calendar year that 170
includes a tax period equals the excess payroll for that year 171
multiplied by the percentage specified in the agreement with the 172
tax credit authority. 173

(C) (1) A taxpayer or potential taxpayer who proposes a 174
project to create new jobs in this state may apply to the tax 175
credit authority to enter into an agreement for a tax credit 176
under this section. 177

An application shall not propose to include both home- 178
based employees and employees who are not home-based employees 179
in the computation of Ohio employee payroll for the purposes of 180
the same tax credit agreement, except that a qualifying work- 181
from-home employee shall not be considered to be a home-based 182
employee unless so designated by the applicant. If a taxpayer or 183
potential taxpayer employs both home-based employees and 184
employees who are not home-based employees in a project, the 185
taxpayer shall submit separate applications for separate tax 186
credit agreements for the project, one of which shall include 187
home-based employees in the computation of Ohio employee payroll 188
and one of which shall include all other employees in the 189
computation of Ohio employee payroll. 190

The director of development services shall prescribe the 191
form of the application. After receipt of an application, the 192
authority may enter into an agreement with the taxpayer for a 193

credit under this section if it determines all of the following: 194

(a) The taxpayer's project will increase payroll; 195

(b) The taxpayer's project is economically sound and will 196
benefit the people of this state by increasing opportunities for 197
employment and strengthening the economy of this state; 198

(c) Receiving the tax credit is a major factor in the 199
taxpayer's decision to go forward with the project. 200

(2) (a) A taxpayer that chooses to begin the project prior 201
to receiving the determination of the authority may, upon 202
submitting the taxpayer's application to the authority, request 203
that the chief investment officer of the nonprofit corporation 204
formed under section 187.01 of the Revised Code and the director 205
review the taxpayer's application and recommend to the authority 206
that the taxpayer's application be considered. As soon as 207
possible after receiving such a request, the chief investment 208
officer and the director shall review the taxpayer's application 209
and, if they determine that the application warrants 210
consideration by the authority, make that recommendation to the 211
authority not later than six months after the application is 212
received by the authority. 213

(b) The authority shall consider any taxpayer's 214
application for which it receives a recommendation under 215
division (C) (2) (a) of this section. If the authority determines 216
that the taxpayer does not meet all of the criteria set forth in 217
division (C) (1) of this section, the authority and the 218
development services agency shall proceed in accordance with 219
rules adopted by the director pursuant to division (I) of this 220
section. 221

(D) An agreement under this section shall include all of 222

the following: 223

(1) A detailed description of the project that is the 224
subject of the agreement; 225

(2) (a) The term of the tax credit, which, except as 226
provided in division (D) (2) (b) of this section, shall not exceed 227
fifteen years, and the first taxable year, or first calendar 228
year that includes a tax period, for which the credit may be 229
claimed; 230

(b) If the tax credit is computed on the basis of home- 231
based employees, the term of the credit shall expire on or 232
before the last day of the taxable or calendar year ending 233
before the beginning of the seventh year after September 6, 234
2012, the effective date of H.B. 327 of the 129th general 235
assembly. 236

(3) A requirement that the taxpayer shall maintain 237
operations at the project location for at least the greater of 238
seven years or the term of the credit plus three years; 239

(4) The percentage, as determined by the tax credit 240
authority, of excess payroll that will be allowed as the amount 241
of the credit for each taxable year or for each calendar year 242
that includes a tax period; 243

(5) The pay increase factor to be applied to the 244
taxpayer's baseline payroll; 245

(6) A requirement that the taxpayer annually shall report 246
to the director of development services full-time equivalent 247
employees, payroll, Ohio employee payroll, investment, the 248
provision of health care benefits and tuition reimbursement if 249
required in the agreement, and other information the director 250
needs to perform the director's duties under this section; 251

(7) A requirement that the director of development 252
services annually review the information reported under division 253
(D) (6) of this section and verify compliance with the agreement; 254
if the taxpayer is in compliance, a requirement that the 255
director issue a certificate to the taxpayer stating that the 256
information has been verified and identifying the amount of the 257
credit that may be claimed for the taxable or calendar year; 258

(8) A provision providing that the taxpayer may not 259
relocate a substantial number of employment positions from 260
elsewhere in this state to the project location unless the 261
director of development services determines that the legislative 262
authority of the county, township, or municipal corporation from 263
which the employment positions would be relocated has been 264
notified by the taxpayer of the relocation. 265

For purposes of this section, the movement of an 266
employment position from one political subdivision to another 267
political subdivision shall be considered a relocation of an 268
employment position unless the employment position in the first 269
political subdivision is replaced. The movement of a qualifying 270
work-from-home employee to a different residence located in this 271
state or to the project location shall not be considered a 272
relocation of an employment position. 273

(9) If the tax credit is computed on the basis of home- 274
based employees, that the tax credit may not be claimed by the 275
taxpayer until the taxable year or tax period in which the 276
taxpayer employs at least two hundred employees more than the 277
number of employees the taxpayer employed on June 30, 2011. 278

(E) If a taxpayer fails to meet or comply with any 279
condition or requirement set forth in a tax credit agreement, 280
the tax credit authority may amend the agreement to reduce the 281

percentage or term of the tax credit. The reduction of the 282
percentage or term may take effect in the current taxable or 283
calendar year. 284

(F) Projects that consist solely of point-of-final- 285
purchase retail facilities are not eligible for a tax credit 286
under this section. If a project consists of both point-of- 287
final-purchase retail facilities and nonretail facilities, only 288
the portion of the project consisting of the nonretail 289
facilities is eligible for a tax credit and only the excess 290
payroll from the nonretail facilities shall be considered when 291
computing the amount of the tax credit. If a warehouse facility 292
is part of a point-of-final-purchase retail facility and 293
supplies only that facility, the warehouse facility is not 294
eligible for a tax credit. Catalog distribution centers are not 295
considered point-of-final-purchase retail facilities for the 296
purposes of this division, and are eligible for tax credits 297
under this section. 298

(G) Financial statements and other information submitted 299
to the development services agency or the tax credit authority 300
by an applicant or recipient of a tax credit under this section, 301
and any information taken for any purpose from such statements 302
or information, are not public records subject to section 149.43 303
of the Revised Code. However, the chairperson of the authority 304
may make use of the statements and other information for 305
purposes of issuing public reports or in connection with court 306
proceedings concerning tax credit agreements under this section. 307
Upon the request of the tax commissioner or, if the applicant or 308
recipient is an insurance company, upon the request of the 309
superintendent of insurance, the chairperson of the authority 310
shall provide to the commissioner or superintendent any 311
statement or information submitted by an applicant or recipient 312

of a tax credit in connection with the credit. The commissioner 313
or superintendent shall preserve the confidentiality of the 314
statement or information. 315

(H) A taxpayer claiming a credit under this section shall 316
submit to the tax commissioner or, if the taxpayer is an 317
insurance company, to the superintendent of insurance, a copy of 318
the director of development services' certificate of 319
verification under division (D) (7) of this section with the 320
taxpayer's tax report or return for the taxable year or for the 321
calendar year that includes the tax period. Failure to submit a 322
copy of the certificate with the report or return does not 323
invalidate a claim for a credit if the taxpayer submits a copy 324
of the certificate to the commissioner or superintendent within 325
the time prescribed by section 5703.0510 of the Revised Code or 326
within thirty days after the commissioner or superintendent 327
requests it. 328

(I) The director of development services, after 329
consultation with the tax commissioner and the superintendent of 330
insurance and in accordance with Chapter 119. of the Revised 331
Code, shall adopt rules necessary to implement this section, 332
including rules that establish a procedure to be followed by the 333
tax credit authority and the development services agency in the 334
event the authority considers a taxpayer's application for which 335
it receives a recommendation under division (C) (2) (a) of this 336
section but does not approve it. The rules shall not prescribe a 337
minimum number of full-time equivalent employees a taxpayer must 338
hire for employment at a project location to be eligible for the 339
credit authorized under this section. The rules may provide for 340
recipients of tax credits under this section to be charged fees 341
to cover administrative costs of the tax credit program. For the 342
purposes of these rules, a qualifying work-from-home employee 343

shall be considered to be an employee employed at the 344
applicant's project location. The fees collected shall be 345
credited to the tax incentives operating fund created in section 346
122.174 of the Revised Code. At the time the director gives 347
public notice under division (A) of section 119.03 of the 348
Revised Code of the adoption of the rules, the director shall 349
submit copies of the proposed rules to the chairpersons of the 350
standing committees on economic development in the senate and 351
the house of representatives. 352

(J) For the purposes of this section, a taxpayer may 353
include a partnership, a corporation that has made an election 354
under subchapter S of chapter one of subtitle A of the Internal 355
Revenue Code, or any other business entity through which income 356
flows as a distributive share to its owners. A partnership, S- 357
corporation, or other such business entity may elect to pass the 358
credit received under this section through to the persons to 359
whom the income or profit of the partnership, S-corporation, or 360
other entity is distributed. The election shall be made on the 361
annual report required under division (D)(6) of this section. 362
The election applies to and is irrevocable for the credit for 363
which the report is submitted. If the election is made, the 364
credit shall be apportioned among those persons in the same 365
proportions as those in which the income or profit is 366
distributed. 367

(K) (1) If the director of development services determines 368
that a taxpayer who has received a credit under this section is 369
not complying with the requirements of the agreement, the 370
director shall notify the tax credit authority of the 371
noncompliance. After receiving such a notice, and after giving 372
the taxpayer an opportunity to explain the noncompliance, the 373
tax credit authority may require the taxpayer to refund to this 374

state a portion of the credit in accordance with the following: 375

(a) If the taxpayer fails to comply with the requirement 376
under division (D) (3) of this section, an amount determined in 377
accordance with the following: 378

(i) If the taxpayer maintained operations at the project 379
location for a period less than or equal to the term of the 380
credit, an amount not exceeding one hundred per cent of the sum 381
of any credits allowed and received under this section; 382

(ii) If the taxpayer maintained operations at the project 383
location for a period longer than the term of the credit, but 384
less than the greater of seven years or the term of the credit 385
plus three years, an amount not exceeding seventy-five per cent 386
of the sum of any credits allowed and received under this 387
section. 388

(b) If, on the metric evaluation date, the taxpayer fails 389
to substantially meet the job creation, payroll, or investment 390
requirements included in the agreement, an amount determined at 391
the discretion of the authority; 392

(c) If the taxpayer fails to substantially maintain the 393
number of new full-time equivalent employees or amount of 394
payroll required under the agreement at any time during the term 395
of the agreement after the metric evaluation date, an amount 396
determined at the discretion of the authority. 397

(2) If a taxpayer files for bankruptcy and fails as 398
described in division (K) (1) (a), (b), or (c) of this section, 399
the director may immediately commence an action to recoup an 400
amount not exceeding one hundred per cent of the sum of any 401
credits received by the taxpayer under this section. 402

(3) In determining the portion of the tax credit to be 403

refunded to this state, the tax credit authority shall consider 404
the effect of market conditions on the taxpayer's project and 405
whether the taxpayer continues to maintain other operations in 406
this state. After making the determination, the authority shall 407
certify the amount to be refunded to the tax commissioner or 408
superintendent of insurance, as appropriate. If the amount is 409
certified to the commissioner, the commissioner shall make an 410
assessment for that amount against the taxpayer under Chapter 411
5726., 5733., 5736., 5747., or 5751. of the Revised Code. If the 412
amount is certified to the superintendent, the superintendent 413
shall make an assessment for that amount against the taxpayer 414
under Chapter 5725. or 5729. of the Revised Code. The time 415
limitations on assessments under those chapters do not apply to 416
an assessment under this division, but the commissioner or 417
superintendent, as appropriate, shall make the assessment within 418
one year after the date the authority certifies to the 419
commissioner or superintendent the amount to be refunded. 420

(L) On or before the first day of August each year, the 421
director of development services shall submit a report to the 422
governor, the president of the senate, and the speaker of the 423
house of representatives on the tax credit program under this 424
section. The report shall include information on the number of 425
agreements that were entered into under this section during the 426
preceding calendar year, a description of the project that is 427
the subject of each such agreement, and an update on the status 428
of projects under agreements entered into before the preceding 429
calendar year. 430

(M) There is hereby created the tax credit authority, 431
which consists of the director of development services and four 432
other members appointed as follows: the governor, the president 433
of the senate, and the speaker of the house of representatives 434

each shall appoint one member who shall be a specialist in 435
economic development; the governor also shall appoint a member 436
who is a specialist in taxation. Terms of office shall be for 437
four years. Each member shall serve on the authority until the 438
end of the term for which the member was appointed. Vacancies 439
shall be filled in the same manner provided for original 440
appointments. Any member appointed to fill a vacancy occurring 441
prior to the expiration of the term for which the member's 442
predecessor was appointed shall hold office for the remainder of 443
that term. Members may be reappointed to the authority. Members 444
of the authority shall receive their necessary and actual 445
expenses while engaged in the business of the authority. The 446
director of development services shall serve as chairperson of 447
the authority, and the members annually shall elect a vice- 448
chairperson from among themselves. Three members of the 449
authority constitute a quorum to transact and vote on the 450
business of the authority. The majority vote of the membership 451
of the authority is necessary to approve any such business, 452
including the election of the vice-chairperson. 453

The director of development services may appoint a 454
professional employee of the development services agency to 455
serve as the director's substitute at a meeting of the 456
authority. The director shall make the appointment in writing. 457
In the absence of the director from a meeting of the authority, 458
the appointed substitute shall serve as chairperson. In the 459
absence of both the director and the director's substitute from 460
a meeting, the vice-chairperson shall serve as chairperson. 461

(N) For purposes of the credits granted by this section 462
against the taxes imposed under sections 5725.18 and 5729.03 of 463
the Revised Code, "taxable year" means the period covered by the 464
taxpayer's annual statement to the superintendent of insurance. 465

(O) On or before the first day of March of each of the 466
five calendar years beginning with 2014, each taxpayer subject 467
to an agreement with the tax credit authority under this section 468
on the basis of home-based employees shall report the number of 469
home-based employees and other employees employed by the 470
taxpayer in this state to the development services agency. 471

(P) On or before the first day of January of 2019, the 472
director of development services shall submit a report to the 473
governor, the president of the senate, and the speaker of the 474
house of representatives on the effect of agreements entered 475
into under this section in which the taxpayer included home- 476
based employees in the computation of income tax revenue, as 477
that term was defined in this section prior to the amendment of 478
this section by H.B. 64 of the 131st general assembly. The 479
report shall include information on the number of such 480
agreements that were entered into in the preceding six years, a 481
description of the projects that were the subjects of such 482
agreements, and an analysis of nationwide home-based employment 483
trends, including the number of home-based jobs created from 484
July 1, 2011, through June 30, 2017, and a description of any 485
home-based employment tax incentives provided by other states 486
during that time. 487

(Q) The director of development services may require any 488
agreement entered into under this section for a tax credit 489
computed on the basis of home-based employees to contain a 490
provision that the taxpayer makes available health care benefits 491
and tuition reimbursement to all employees. 492

(R) Original agreements approved by the tax credit 493
authority under this section in 2014 or 2015 before September 494
29, 2015, may be revised at the request of the taxpayer to 495

conform with the amendments to this section and sections 496
5733.0610, 5736.50, 5747.058, and 5751.50 of the Revised Code by 497
H.B. 64 of the 131st general assembly, upon mutual agreement of 498
the taxpayer and the development services agency, and approval 499
by the tax credit authority. 500

(S) (1) As used in division (S) of this section: 501

(a) "Eligible agreement" means an agreement approved by 502
the tax credit authority under this section on or before 503
December 31, 2013. 504

(b) "Reporting period" means a period corresponding to the 505
annual report required under division (D) (6) of this section. 506

(c) "Income tax revenue" has the same meaning as under 507
this section as it existed before September 29, 2015, the 508
effective date of the amendment of this section by H.B. 64 of 509
the 131st general assembly. 510

(2) In calendar year 2016 and thereafter, the tax credit 511
authority shall annually determine a withholding adjustment 512
factor to be used in the computation of income tax revenue for 513
eligible agreements. The withholding adjustment factor shall be 514
a numerical percentage that equals the percentage that employer 515
income tax withholding rates have been increased or decreased as 516
a result of changes in the income tax rates prescribed by 517
section 5747.02 of the Revised Code by amendment of that section 518
taking effect on or after June 29, 2013. 519

(3) Except as provided in division (S) (4) of this section, 520
for reporting periods ending in 2015 and thereafter for 521
taxpayers subject to eligible agreements, the tax credit 522
authority shall adjust the income tax revenue reported on the 523
taxpayer's annual report by multiplying the withholding 524

adjustment factor by the taxpayer's income tax revenue and doing 525
one of the following: 526

(a) If the income tax rates prescribed by section 5747.02 527
of the Revised Code have decreased by amendment of that section 528
taking effect on or after June 29, 2013, add the product to the 529
taxpayer's income tax revenue. 530

(b) If the income tax rates prescribed by section 5747.02 531
of the Revised Code have increased by amendment of that section 532
taking effect on or after June 29, 2013, subtract the product 533
from the taxpayer's income tax revenue. 534

(4) Division (S) (3) of this section shall not apply unless 535
all of the following apply for the reporting period with respect 536
to the eligible agreement: 537

(a) The taxpayer has achieved one hundred per cent of the 538
new employment commitment identified in the agreement. 539

(b) If applicable, the taxpayer has achieved one hundred 540
per cent of the new payroll commitment identified in the 541
agreement. 542

(c) If applicable, the taxpayer has achieved one hundred 543
per cent of the investment commitment identified in the 544
agreement. 545

(5) Failure by a taxpayer to have achieved any of the 546
applicable commitments described in divisions (S) (4) (a) to (c) 547
of this section in a reporting period does not disqualify the 548
taxpayer for the adjustment under division (S) of this section 549
for an ensuing reporting period. 550

Sec. 122.171. (A) As used in this section: 551

(1) "Capital investment project" means a plan of 552

investment at a project site for the acquisition, construction, 553
renovation, or repair of buildings, machinery, or equipment, or 554
for capitalized costs of basic research and new product 555
development determined in accordance with generally accepted 556
accounting principles, but does not include any of the 557
following: 558

(a) Payments made for the acquisition of personal property 559
through operating leases; 560

(b) Project costs paid before January 1, 2002; 561

(c) Payments made to a related member as defined in 562
section 5733.042 of the Revised Code or to a consolidated 563
elected taxpayer or a combined taxpayer as defined in section 564
5751.01 of the Revised Code. 565

(2) "Eligible business" means a taxpayer and its related 566
members with Ohio operations ~~satisfying all of the following:~~ 567

~~(a) The taxpayer employs at least five hundred full-time 568
equivalent employees or has an annual Ohio employee payroll of 569
at least thirty five million dollars at the time the tax credit 570
authority grants the tax credit under this section;~~ 571

~~(b) The taxpayer that makes or causes to be made payments 572
for the a capital investment project of one of the following:~~ 573

~~(i) If the taxpayer is engaged at the project site 574
primarily as a manufacturer, at least fifty million dollars in 575
the aggregate at the project site during a period of three 576
consecutive calendar years, including the calendar year that 577
includes a day of the taxpayer's taxable year or tax period with 578
respect to which the credit is granted;~~ 579

~~(ii) If the taxpayer is engaged at the project site 580~~

~~primarily in significant corporate administrative functions, as~~ 581
~~defined by the director of development services by rule, at~~ 582
~~least twenty million dollars in the aggregate at the project~~ 583
~~site during a period of three consecutive calendar years~~ 584
~~including the calendar year that includes a day of the~~ 585
~~taxpayer's taxable year or tax period with respect to which the~~ 586
~~credit is granted.~~ 587

~~(c) The taxpayer had a capital investment project reviewed~~ 588
and approved by the tax credit authority as provided in 589
divisions (C), (D), and (E) of this section. 590

(3) "Full-time equivalent employees" means the quotient 591
obtained by dividing the total number of hours for which 592
employees were compensated for employment in the project by two 593
thousand eighty. "Full-time equivalent employees" shall exclude 594
hours that are counted for a credit under section 122.17 of the 595
Revised Code. 596

(4) "Ohio employee payroll" has the same meaning as in 597
section 122.17 of the Revised Code. 598

(5) "Manufacturer" has the same meaning as in section 599
5739.011 of the Revised Code. 600

(6) "Project site" means an integrated complex of 601
facilities in this state, as specified by the tax credit 602
authority under this section, within a fifteen-mile radius where 603
a taxpayer is primarily operating as an eligible business. 604

(7) "Related member" has the same meaning as in section 605
5733.042 of the Revised Code as that section existed on the 606
effective date of its amendment by Am. Sub. H.B. 215 of the 607
122nd general assembly, September 29, 1997. 608

(8) "Taxable year" includes, in the case of a domestic or 609

foreign insurance company, the calendar year ending on the 610
thirty-first day of December preceding the day the 611
superintendent of insurance is required to certify to the 612
treasurer of state under section 5725.20 or 5729.05 of the 613
Revised Code the amount of taxes due from insurance companies. 614

(B) The tax credit authority created under section 122.17 615
of the Revised Code may grant a nonrefundable tax credit to an 616
eligible business under this section for the purpose of 617
fostering job retention in this state. Upon application by an 618
eligible business and upon consideration of the determination of 619
the director of budget and management, tax commissioner, and the 620
superintendent of insurance in the case of an insurance company, 621
and the recommendation and determination of the director of 622
development services under division (C) of this section, the tax 623
credit authority may grant the credit against the tax imposed by 624
section 5725.18, 5726.02, 5729.03, 5733.06, 5736.02, 5747.02, or 625
5751.02 of the Revised Code. 626

The credit authorized in this section may be granted for a 627
period up to fifteen taxable years or, in the case of the tax 628
levied by section 5736.02 or 5751.02 of the Revised Code, for a 629
period of up to fifteen calendar years. The credit amount for a 630
taxable year or a calendar year that includes the tax period for 631
which a credit may be claimed equals the Ohio employee payroll 632
for that year multiplied by the percentage specified in the 633
agreement with the tax credit authority. The credit shall be 634
claimed in the order required under section 5725.98, 5726.98, 635
5729.98, 5733.98, 5747.98, or 5751.98 of the Revised Code. In 636
determining the percentage and term of the credit, the tax 637
credit authority shall consider both the number of full-time 638
equivalent employees and the value of the capital investment 639
project. The credit amount may not be based on the Ohio employee 640

payroll for a calendar year before the calendar year in which 641
the tax credit authority specifies the tax credit is to begin, 642
and the credit shall be claimed only for the taxable years or 643
tax periods specified in the eligible business' agreement with 644
the tax credit authority. In no event shall the credit be 645
claimed for a taxable year or tax period terminating before the 646
date specified in the agreement. 647

If a credit allowed under this section for a taxable year 648
or tax period exceeds the taxpayer's tax liability for that year 649
or period, the excess may be carried forward for the three 650
succeeding taxable or calendar years, but the amount of any 651
excess credit allowed in any taxable year or tax period shall be 652
deducted from the balance carried forward to the succeeding year 653
or period. 654

(C) A taxpayer that proposes a capital investment project 655
to retain jobs in this state may apply to the tax credit 656
authority to enter into an agreement for a tax credit under this 657
section. The director of development services shall prescribe 658
the form of the application. After receipt of an application, 659
the authority shall forward copies of the application to the 660
director of budget and management, the tax commissioner, and the 661
superintendent of insurance in the case of an insurance company, 662
each of whom shall review the application to determine the 663
economic impact the proposed project would have on the state and 664
the affected political subdivisions and shall submit a summary 665
of their determinations to the authority. The authority shall 666
also forward a copy of the application to the director of 667
development services, who shall review the application to 668
determine the economic impact the proposed project would have on 669
the state and the affected political subdivisions and shall 670
submit a summary of the director's determinations and 671

recommendations to the authority. 672

(D) Upon review and consideration of the determinations 673
and recommendations described in division (C) of this section, 674
the tax credit authority may enter into an agreement with the 675
taxpayer for a credit under this section if the authority 676
determines all of the following: 677

(1) The taxpayer's capital investment project will result 678
in the retention of employment in this state. 679

(2) The taxpayer is economically sound and has the ability 680
to complete the proposed capital investment project. 681

(3) The taxpayer intends to and has the ability to 682
maintain operations at the project site for at least the greater 683
of (a) the term of the credit plus three years, or (b) seven 684
years. 685

(4) Receiving the credit is a major factor in the 686
taxpayer's decision to begin, continue with, or complete the 687
project. 688

(E) An agreement under this section shall include all of 689
the following: 690

(1) A detailed description of the project that is the 691
subject of the agreement, including the amount of the 692
investment, the period over which the investment has been or is 693
being made, the number of full-time equivalent employees at the 694
project site, and the anticipated Ohio employee payroll to be 695
generated. 696

(2) The term of the credit, the percentage of the tax 697
credit, the maximum annual value of tax credits that may be 698
allowed each year, and the first year for which the credit may 699

be claimed. 700

(3) A requirement that the taxpayer maintain operations at 701
the project site for at least the greater of (a) the term of the 702
credit plus three years, or (b) seven years. 703

~~(4) A requirement that the taxpayer retain at least five 704
hundred full-time equivalent employees at the project site and 705
within this state for the entire term of the credit, or a 706
requirement that the taxpayer maintain an annual Ohio employee 707
payroll of at least thirty five million dollars for the entire 708
term of the credit. 709~~

~~(5)~~ A requirement that the taxpayer annually report to the 710
director of development services full-time equivalent employees, 711
Ohio employee payroll, capital investment, and other information 712
the director needs to perform the director's duties under this 713
section. 714

~~(6)~~ (5) A requirement that the director of development 715
services annually review the annual reports of the taxpayer to 716
verify the information reported under division (E) ~~(5)~~ (4) of 717
this section and compliance with the agreement. Upon 718
verification, the director shall issue a certificate to the 719
taxpayer stating that the information has been verified and 720
identifying the amount of the credit for the taxable year or 721
calendar year that includes the tax period. In determining the 722
number of full-time equivalent employees, no position shall be 723
counted that is filled by an employee who is included in the 724
calculation of a tax credit under section 122.17 of the Revised 725
Code. 726

~~(7)~~ (6) A provision providing that the taxpayer may not 727
relocate a substantial number of employment positions from 728

elsewhere in this state to the project site unless the director 729
of development services determines that the taxpayer notified 730
the legislative authority of the county, township, or municipal 731
corporation from which the employment positions would be 732
relocated. 733

For purposes of this section, the movement of an 734
employment position from one political subdivision to another 735
political subdivision shall be considered a relocation of an 736
employment position unless the movement is confined to the 737
project site. The transfer of an employment position from one 738
political subdivision to another political subdivision shall not 739
be considered a relocation of an employment position if the 740
employment position in the first political subdivision is 741
replaced by another employment position. 742

~~(8)~~ (7) A waiver by the taxpayer of any limitations 743
periods relating to assessments or adjustments resulting from 744
the taxpayer's failure to comply with the agreement. 745

(F) If a taxpayer fails to meet or comply with any 746
condition or requirement set forth in a tax credit agreement, 747
the tax credit authority may amend the agreement to reduce the 748
percentage or term of the credit. The reduction of the 749
percentage or term may take effect in the current taxable or 750
calendar year. 751

(G) Financial statements and other information submitted 752
to the department of development services or the tax credit 753
authority by an applicant for or recipient of a tax credit under 754
this section, and any information taken for any purpose from 755
such statements or information, are not public records subject 756
to section 149.43 of the Revised Code. However, the chairperson 757
of the authority may make use of the statements and other 758

information for purposes of issuing public reports or in 759
connection with court proceedings concerning tax credit 760
agreements under this section. Upon the request of the tax 761
commissioner, or the superintendent of insurance in the case of 762
an insurance company, the chairperson of the authority shall 763
provide to the commissioner or superintendent any statement or 764
other information submitted by an applicant for or recipient of 765
a tax credit in connection with the credit. The commissioner or 766
superintendent shall preserve the confidentiality of the 767
statement or other information. 768

(H) A taxpayer claiming a tax credit under this section 769
shall submit to the tax commissioner or, in the case of an 770
insurance company, to the superintendent of insurance, a copy of 771
the director of development services' certificate of 772
verification under division (E) ~~(6)~~ (5) of this section with the 773
taxpayer's tax report or return for the taxable year or for the 774
calendar year that includes the tax period. Failure to submit a 775
copy of the certificate with the report or return does not 776
invalidate a claim for a credit if the taxpayer submits a copy 777
of the certificate to the commissioner or superintendent within 778
the time prescribed by section 5703.0510 of the Revised Code or 779
within thirty days after the commissioner or superintendent 780
requests it. 781

(I) For the purposes of this section, a taxpayer may 782
include a partnership, a corporation that has made an election 783
under subchapter S of chapter one of subtitle A of the Internal 784
Revenue Code, or any other business entity through which income 785
flows as a distributive share to its owners. A partnership, S- 786
corporation, or other such business entity may elect to pass the 787
credit received under this section through to the persons to 788
whom the income or profit of the partnership, S-corporation, or 789

other entity is distributed. The election shall be made on the 790
annual report required under division (E) ~~(5)~~ (4) of this 791
section. The election applies to and is irrevocable for the 792
credit for which the report is submitted. If the election is 793
made, the credit shall be apportioned among those persons in the 794
same proportions as those in which the income or profit is 795
distributed. 796

(J) (1) If the director of development services determines 797
that a taxpayer that received a certificate under division (E) 798
~~(6)~~ (5) of this section is not complying with the requirements 799
of the agreement, the director shall notify the tax credit 800
authority of the noncompliance. After receiving such a notice, 801
and after giving the taxpayer an opportunity to explain the 802
noncompliance, the authority may terminate the agreement and 803
require the taxpayer, or any related member or members that 804
claimed the tax credit under division (N) of this section, to 805
refund to the state all or a portion of the credit claimed in 806
previous years, as follows: 807

(a) If the taxpayer fails to comply with the requirement 808
under division (E) (3) of this section, an amount determined in 809
accordance with the following: 810

(i) If the taxpayer maintained operations at the project 811
site for less than or equal to the term of the credit, an amount 812
not to exceed one hundred per cent of the sum of any tax credits 813
allowed and received under this section. 814

(ii) If the taxpayer maintained operations at the project 815
site longer than the term of the credit, but less than the 816
greater of seven years or the term of the credit plus three 817
years, the amount required to be refunded shall not exceed 818
seventy-five per cent of the sum of any tax credits allowed and 819

received under this section. 820

(b) If the taxpayer fails to substantially maintain both 821
the number of full-time equivalent employees and the amount of 822
Ohio employee payroll required under the agreement at any time 823
during the term of the agreement or during the post-term 824
reporting period, an amount determined at the discretion of the 825
authority. 826

(2) If a taxpayer files for bankruptcy and fails as 827
described in division (J) (1) (a) or (b) of this section, the 828
director may immediately commence an action to recoup an amount 829
not exceeding one hundred per cent of the sum of any credits 830
received by the taxpayer under this section. 831

(3) In determining the portion of the credit to be 832
refunded to this state, the authority shall consider the effect 833
of market conditions on the taxpayer's project and whether the 834
taxpayer continues to maintain other operations in this state. 835
After making the determination, the authority shall certify the 836
amount to be refunded to the tax commissioner or the 837
superintendent of insurance. If the taxpayer, or any related 838
member or members who claimed the tax credit under division (N) 839
of this section, is not an insurance company, the commissioner 840
shall make an assessment for that amount against the taxpayer 841
under Chapter 5726., 5733., 5736., 5747., or 5751. of the 842
Revised Code. If the taxpayer, or any related member or members 843
that claimed the tax credit under division (N) of this section, 844
is an insurance company, the superintendent of insurance shall 845
make an assessment under section 5725.222 or 5729.102 of the 846
Revised Code. The time limitations on assessments under those 847
chapters and sections do not apply to an assessment under this 848
division, but the commissioner or superintendent shall make the 849

assessment within one year after the date the authority 850
certifies to the commissioner or superintendent the amount to be 851
refunded. 852

(K) The director of development services, after 853
consultation with the tax commissioner and the superintendent of 854
insurance and in accordance with Chapter 119. of the Revised 855
Code, shall adopt rules necessary to implement this section. The 856
rules may provide for recipients of tax credits under this 857
section to be charged fees to cover administrative costs of the 858
tax credit program. The fees collected shall be credited to the 859
tax incentives operating fund created in section 122.174 of the 860
Revised Code. At the time the director gives public notice under 861
division (A) of section 119.03 of the Revised Code of the 862
adoption of the rules, the director shall submit copies of the 863
proposed rules to the chairpersons of the standing committees on 864
economic development in the senate and the house of 865
representatives. 866

(L) On or before the first day of August of each year, the 867
director of development services shall submit a report to the 868
governor, the president of the senate, and the speaker of the 869
house of representatives on the tax credit program under this 870
section. The report shall include information on the number of 871
agreements that were entered into under this section during the 872
preceding calendar year, a description of the project that is 873
the subject of each such agreement, and an update on the status 874
of projects under agreements entered into before the preceding 875
calendar year. 876

(M) The aggregate amount of nonrefundable tax credits 877
issued under this section during any calendar year for capital 878
investment projects reviewed and approved by the tax credit 879

authority may not exceed the following amounts: 880

(1) For 2010, thirteen million dollars; 881

(2) For 2011 through 2023, the amount of the limit for the 882
preceding calendar year plus thirteen million dollars; 883

(3) For 2024 and each year thereafter, one hundred ninety- 884
five million dollars. 885

The limitations in division (M) of this section do not 886
apply to credits for capital investment projects approved by the 887
tax credit authority before July 1, 2009. 888

(N) This division applies only to an eligible business 889
that is part of an affiliated group that includes a diversified 890
savings and loan holding company or a grandfathered unitary 891
savings and loan holding company, as those terms are defined in 892
section 5726.01 of the Revised Code. Notwithstanding any 893
contrary provision of the agreement between such an eligible 894
business and the tax credit authority, any credit granted under 895
this section against the tax imposed by section 5725.18, 896
5729.03, 5733.06, 5747.02, or 5751.02 of the Revised Code to the 897
eligible business, at the election of the eligible business and 898
without any action by the tax credit authority, may be shared 899
with any member or members of the affiliated group that includes 900
the eligible business, which member or members may claim the 901
credit against the taxes imposed by section 5725.18, 5726.02, 902
5729.03, 5733.06, 5747.02, or 5751.02 of the Revised Code. 903
Credits shall be claimed by the eligible business in sequential 904
order, as applicable, first claiming the credits to the fullest 905
extent possible against the tax that the certificate holder is 906
subject to, then against the tax imposed by, sequentially, 907
section 5729.03, 5725.18, 5747.02, 5751.02, and lastly 5726.02 908

of the Revised Code. The credits may be allocated among the 909
members of the affiliated group in such manner as the eligible 910
business elects, but subject to the sequential order required 911
under this division. This division applies to credits granted 912
before, on, or after March 27, 2013, the effective date of H.B. 913
510 of the 129th general assembly. Credits granted before that 914
effective date that are shared and allocated under this division 915
may be claimed in those calendar years in which the remaining 916
taxable years specified in the agreement end. 917

As used in this division, "affiliated group" means a group 918
of two or more persons with fifty per cent or greater of the 919
value of each person's ownership interests owned or controlled 920
directly, indirectly, or constructively through related 921
interests by common owners during all or any portion of the 922
taxable year, and the common owners. "Affiliated group" 923
includes, but is not limited to, any person eligible to be 924
included in a consolidated elected taxpayer group under section 925
5751.011 of the Revised Code or a combined taxpayer group under 926
section 5751.012 of the Revised Code. 927

(O) (1) As used in division (O) of this section: 928

(a) "Eligible agreement" means an agreement approved by 929
the tax credit authority under this section on or before 930
December 31, 2013. 931

(b) "Reporting period" means a period corresponding to the 932
annual report required under division (E) ~~(5)~~ (4) of this 933
section. 934

(c) "Income tax revenue" has the same meaning as under 935
division (S) of section 122.17 of the Revised Code. 936

(2) In calendar year 2016 and thereafter, the tax credit 937

authority shall annually determine a withholding adjustment 938
factor to be used in the computation of income tax revenue for 939
eligible agreements. The withholding adjustment factor shall be 940
a numerical percentage that equals the percentage that employer 941
income tax withholding rates have been increased or decreased as 942
a result of changes in the income tax rates prescribed by 943
section 5747.02 of the Revised Code by amendment of that section 944
taking effect on or after June 29, 2013. 945

(3) Except as provided in division (O) (4) of this section, 946
for reporting periods ending in 2015 and thereafter for 947
taxpayers subject to eligible agreements, the tax credit 948
authority shall adjust the income tax revenue reported on the 949
taxpayer's annual report by multiplying the withholding 950
adjustment factor by the taxpayer's income tax revenue and doing 951
one of the following: 952

(a) If the income tax rates prescribed by section 5747.02 953
of the Revised Code have decreased by amendment of this section 954
taking effect on or after June 29, 2013, add the product to the 955
taxpayer's income tax revenue. 956

(b) If the income tax rates prescribed by section 5747.02 957
of the Revised Code have increased by amendment of this section 958
taking effect on or after June 29, 2013, subtract the product 959
from the taxpayer's income tax revenue. 960

(4) Division (O) (3) of this section shall not apply unless 961
all of the following apply with respect to the eligible 962
agreement: 963

(a) The taxpayer has achieved one hundred per cent of the 964
job retention commitment identified in the agreement. 965

(b) If applicable, the taxpayer has achieved one hundred 966

per cent of the payroll retention commitment identified in the 967
agreement. 968

(c) If applicable, the taxpayer has achieved one hundred 969
per cent of the investment commitment identified in the 970
agreement. 971

(5) Failure by a taxpayer to have achieved any of the 972
applicable commitments described in divisions (O) (4) (a) to (c) 973
of this section in a reporting period does not disqualify the 974
taxpayer for the adjustment under division (O) of this section 975
for an ensuing reporting period. 976

Sec. 122.174. There is hereby created in the state 977
treasury the tax incentives operating fund. The fund shall 978
consist of any amounts appropriated to it and money credited to 979
the fund pursuant to section 122.17, 122.171, 122.175, 122.178, 980
122.85, 122.86, 3735.672, 5709.68, or 5725.33 of the Revised 981
Code. The director of development services shall use money in 982
the fund to pay expenses related to the administration of (A) 983
the business services division of the development services 984
agency and (B) the programs described in those sections. 985

Sec. 122.178. (A) As used in this section: 986

(1) "Neighborhood organization" means an organization that 987
is exempt from federal income taxation under section 501(c)(3) 988
of the Internal Revenue Code and that serves distressed 989
neighborhoods within the state. 990

(2) "Distressed neighborhood" means any specific 991
geographic area that is experiencing problems endangering the 992
area's economic viability and stability. 993

(3) "Project" means a project or activity proposed by a 994
neighborhood organization that involves providing or promoting 995

<u>affordable housing, community economic development, community</u>	996
<u>services, education, neighborhood assistance, neighborhood</u>	997
<u>conservation, crime prevention, job training, or charitable food</u>	998
<u>assistance within a distressed neighborhood.</u>	999
<u>(4) "Donation" means an unconditional gift of cash.</u>	1000
<u>(5) "Certified donation" means a donation that has been</u>	1001
<u>certified to the director of development services under division</u>	1002
<u>(C) (4) of this section.</u>	1003
<u>(6) "Taxpayer" means a person subject to a tax against</u>	1004
<u>which a credit is allowed under this section.</u>	1005
<u>(7) "Tax period" means:</u>	1006
<u>(a) In the case of a domestic insurance company or a</u>	1007
<u>foreign insurance company, the calendar year ending on the</u>	1008
<u>thirty-first day of December next preceding the day the report</u>	1009
<u>or annual statement is required to be returned under section</u>	1010
<u>5725.18 or 5729.02 of the Revised Code;</u>	1011
<u>(b) In the case of a financial institution subject to</u>	1012
<u>taxation under Chapter 5726. of the Revised Code, the financial</u>	1013
<u>institution's taxable year for the purposes of that chapter;</u>	1014
<u>(c) In the case of a public utility, electric distribution</u>	1015
<u>company, or natural gas distribution company, the calendar year;</u>	1016
<u>(d) In the case of a pass-through entity the owners of</u>	1017
<u>which are subject to taxation under Chapter 5747. of the Revised</u>	1018
<u>Code, the pass-through entity's taxable year for the purposes of</u>	1019
<u>that chapter;</u>	1020
<u>(e) In the case of a person subject to taxation under</u>	1021
<u>Chapter 5751. of the Revised Code, the calendar year.</u>	1022

(8) "Pass-through entity" has the same meaning as in 1023
section 5733.04 of the Revised Code and includes a sole 1024
proprietorship. 1025

(B) The director of development services shall establish 1026
and administer a neighborhood assistance program. Under the 1027
program, the director shall identify distressed neighborhoods 1028
and authorize tax credits for businesses that make certified 1029
donations to projects administered by neighborhood organizations 1030
within those neighborhoods. 1031

(C) (1) A neighborhood organization may apply to the 1032
director of development services to certify a project as 1033
eligible to receive certified donations. The application shall 1034
include all of the following information: 1035

(a) A description of the project, including the 1036
neighborhood being served, the needs addressed by the project, 1037
and the proposed outcomes of the project; 1038

(b) The projected timeline and budget for the project; 1039

(c) The amount of certified donations to the project that 1040
the neighborhood organization expects to receive during the 1041
contribution period; 1042

(d) Evidence that the neighborhood organization has the 1043
capacity to complete the project; 1044

(e) Any other information required by the director to 1045
administer the program. 1046

(2) The director may certify projects as eligible to 1047
receive certified donations. Once a project is certified, the 1048
director shall enter into an agreement with the neighborhood 1049
organization that states both of the following: 1050

(a) The maximum amount of donations to the project that 1051
may be used to claim the credit authorized by division (D) of 1052
this section; 1053

(b) The contribution period for the project, which shall 1054
be the period over which such donations must be made. 1055

(3) The director may additionally designate a certified 1056
project as a neighborhood partnership project. In order for a 1057
project to receive that designation, the neighborhood 1058
organization must submit letters of commitment from two or more 1059
donors that have agreed to donate at least fifty thousand 1060
dollars to the project over a period of at least five years. 1061

(4) After the director and neighborhood organization have 1062
entered into the agreement required by division (C) (2) of this 1063
section, the neighborhood organization shall notify donors and 1064
accept donations to the certified project during the 1065
contribution period. The neighborhood organization shall certify 1066
to the director each donation made to the project during the 1067
contribution period, up to the maximum donation amount allowed 1068
in the agreement. Each certification shall include the name of 1069
the donor, the amount of the donation, and any other information 1070
required by the director to administer the program. 1071

(5) The director may charge a reasonable fee for the 1072
filing of an application under division (C) (1) of this section 1073
to defray the costs of processing the application and 1074
administering this section. The fees collected shall be credited 1075
to the tax incentives operating fund created by section 122.174 1076
of the Revised Code. 1077

(D) A nonrefundable credit is allowed against the tax 1078
imposed by section 5725.18, 5726.02, 5727.24, 5727.30, 5727.81, 1079

or 5727.811, the tax assessed under Chapter 5729., or the tax 1080
imposed by section 5747.02 or 5751.03 of the Revised Code for a 1081
taxpayer that makes a certified donation or that is an equity 1082
owner of a pass-through entity that makes a certified donation 1083
to a neighborhood organization. If a pass-through entity claims 1084
a credit under this section, it may apply the credit to the tax 1085
imposed under section 5751.03 of the Revised Code, or its equity 1086
owners may apply the credit to the tax imposed on them under 1087
section 5747.02 of the Revised Code, but the credit for any 1088
certified donation may not be applied to both of those taxes. 1089

The credit shall equal one of the following amounts: 1090

(1) Fifty-five per cent of the certified donation, except 1091
as otherwise provided in divisions (D) (2) and (3) of this 1092
section; 1093

(2) Seventy-five per cent of the certified donation if the 1094
project addresses the special priorities of a distressed 1095
neighborhood, as determined by the director, or if the donor 1096
commits to donate at least fifty thousand dollars to a 1097
neighborhood partnership project over a period of five years; 1098

(3) Eighty per cent of the certified donation if the donor 1099
commits to donate at least fifty thousand dollars to a 1100
neighborhood partnership project over a period of six or more 1101
years. 1102

The credit shall be claimed for the tax period in which 1103
the certified donation is made and shall be claimed in the order 1104
required under section 5725.98, 5726.98, 5729.98, 5747.98, or 1105
5751.98 of the Revised Code, except that an individual claiming 1106
a distributive share of a credit as an equity owner of a pass- 1107
through entity shall claim the credit for the taxpayer's taxable 1108

year that includes the last day of the entity's taxable year in 1109
which the donation was made. The amount of the credit may not 1110
exceed the tax otherwise due after allowing for all other 1111
credits in that order. Excess credit not used in the tax period 1112
in which the certified donation was made may be carried to the 1113
next succeeding tax period, provided that no excess credit shall 1114
be carried forward to a tax period ending more than four years 1115
after the last day of the tax period in which the certified 1116
donation is made. The amount of excess credit claimed in any 1117
such tax period shall be deducted from the balance carried 1118
forward to the next tax period. 1119

(E) The total amount of credits authorized under this 1120
section shall not exceed one hundred million dollars. 1121

(F) A single neighborhood organization may propose 1122
multiple projects, and a donor may donate to multiple projects. 1123
If a donor makes certified donations to less than four projects, 1124
the total amount of credits the donor may claim under this 1125
section shall not exceed five hundred thousand dollars. If a 1126
donor makes certified donations to four or more projects, the 1127
total amount of credits the donor may claim under this section 1128
shall not exceed one million two hundred fifty thousand dollars. 1129

(G) The director of development services shall require 1130
each neighborhood organization that receives certified donations 1131
to file an annual report that details the progress and outcomes 1132
of its certified projects, as well as any other information 1133
required by the director to administer the program. 1134

(H) The director of development services may adopt any 1135
rules necessary to implement this section. 1136

Sec. 122.891. (A) As used in this section: 1137

(1) "Qualified contractor assistance program" means an 1138
educational program or technical assistance program for business 1139
development that is designed to assist a small business in 1140
becoming eligible for bonding and that has been approved by the 1141
director of development services for operation and attendance as 1142
required under this section. 1143

(2) "Small business" means a business operating in this 1144
state having five million dollars or less in annual payroll 1145
expenditures. 1146

(3) "Successfully completed a qualified contractor 1147
assistance program" means the small business completed such a 1148
program on or after the effective date of this section. 1149

(4) "Unbonded state contractor program" means the program 1150
described in division (B) of this section. 1151

(5) "Unbonded political subdivision contractor program" 1152
means the program described in division (C) of this section. 1153

(B) Notwithstanding any provision of the Revised Code to 1154
the contrary, a small business may bid or enter into a contract 1155
with the state or with any instrumentality of the state without 1156
being required to provide a bond as follows: 1157

(1) For the first contract that a small business enters 1158
into with the state or with any particular instrumentality of 1159
the state, the small business may bid or enter into a contract 1160
valued at twenty-five thousand dollars or less without being 1161
required to provide a bond, but only if the small business is 1162
participating in a qualified contractor assistance program or 1163
has successfully completed a qualified contractor assistance 1164
program after the effective date of this section. 1165

(2) After the state or the particular instrumentality of 1166

the state has accepted the first contract as completed and all 1167
subcontractors and suppliers on the contract have been paid, the 1168
small business may bid or enter into a second contract with the 1169
state or with that particular instrumentality of the state 1170
valued at fifty thousand dollars or less without being required 1171
to provide a bond, but only if the small business is 1172
participating in a qualified contractor assistance program or 1173
has successfully completed a qualified contractor assistance 1174
program after the effective date of this section. 1175

(3) After the state or the particular instrumentality of 1176
the state has accepted the second contract as completed and all 1177
subcontractors and suppliers on the contract have been paid, the 1178
small business may bid or enter into a third contract with the 1179
state or with that particular instrumentality of the state 1180
valued at one hundred thousand dollars or less without being 1181
required to provide a bond, but only if the small business has 1182
successfully completed a qualified contractor assistance program 1183
after the effective date of this section. 1184

(4) After the state or the particular instrumentality of 1185
the state has accepted the third contract as completed and all 1186
subcontractors and suppliers on the contract have been paid, the 1187
small business may bid or enter into a fourth contract with the 1188
state or with that particular instrumentality of the state 1189
valued at three hundred thousand dollars or less without being 1190
required to provide a bond, but only if the small business has 1191
successfully completed a qualified contractor assistance program 1192
after the effective date of this section. 1193

(5) After the state or the instrumentality of the state 1194
has accepted the fourth contract as completed and all 1195
subcontractors and suppliers on the contract have been paid, 1196

upon a showing that with respect to a contract valued at four 1197
hundred thousand dollars or less with the state or with any 1198
particular instrumentality of the state, that the small business 1199
either has been denied a bond by two surety companies or that 1200
the small business has applied to two surety companies for a 1201
bond and, at the expiration of sixty days after making the 1202
application, has neither received nor been denied a bond, the 1203
small business may repeat its participation in the unbonded 1204
state contractor program. Under no circumstances shall a small 1205
business be permitted to participate in the unbonded state 1206
contractor program more than twice. 1207

(C) Notwithstanding any provision of the Revised Code to 1208
the contrary, a small business may bid or enter into a contract 1209
with any political subdivision of the state or with any 1210
instrumentality of a political subdivision without being 1211
required to provide a bond as follows: 1212

(1) For the first contract that the small business enters 1213
into with any particular political subdivision of the state or 1214
with any particular instrumentality of a political subdivision, 1215
the small business may bid or enter into a contract valued at 1216
twenty-five thousand dollars or less without being required to 1217
provide a bond, but only if the small business is participating 1218
in a qualified contractor assistance program or has successfully 1219
completed a qualified contractor assistance program after the 1220
effective date of this section. 1221

(2) After the political subdivision or the instrumentality 1222
of a political subdivision has accepted the first contract as 1223
completed and all subcontractors and suppliers on the contract 1224
have been paid, the small business may bid or enter into a 1225
second contract with that particular political subdivision or 1226

with that particular instrumentality of a political subdivision 1227
valued at fifty thousand dollars or less without being required 1228
to provide a bond, but only if the small business is 1229
participating in a qualified contractor assistance program or 1230
has successfully completed a qualified contractor assistance 1231
program after the effective date of this section. 1232

(3) After the political subdivision or the instrumentality 1233
of a political subdivision has accepted the second contract as 1234
completed and all subcontractors and suppliers on the contract 1235
have been paid, the small business may bid or enter into a third 1236
contract with that particular political subdivision or with that 1237
particular instrumentality of a political subdivision valued at 1238
one hundred thousand dollars or less without being required to 1239
provide a bond, but only if the small business has successfully 1240
completed a qualified contractor assistance program after the 1241
effective date of this section. 1242

(4) After the political subdivision or the instrumentality 1243
of a political subdivision has accepted the third contract as 1244
completed and all subcontractors and suppliers on the contract 1245
have been paid, the small business may bid or enter into a 1246
fourth contract with that particular political subdivision of 1247
the state or with that particular instrumentality of a political 1248
subdivision valued at two hundred thousand dollars or less 1249
without being required to provide a bond, but only if the small 1250
business has successfully completed a qualified contractor 1251
assistance program after the effective date of this section. 1252

(5) After the political subdivision or the instrumentality 1253
of a political subdivision has accepted the fourth contract as 1254
completed and all subcontractors and suppliers on the contract 1255
have been paid, upon a showing that with respect to a contract 1256

valued at three hundred thousand dollars or less with any 1257
political subdivision or any instrumentality of a political 1258
subdivision, that the small business either has been denied a 1259
bond by two surety companies or that the small business has 1260
applied to two surety companies for a bond and, at the 1261
expiration of sixty days after making the application, has 1262
neither received nor been denied a bond, the small business may 1263
repeat its participation in the unbonded political subdivision 1264
contractor program. Under no circumstances shall a small 1265
business be permitted to participate in the unbonded political 1266
subdivision contractor program more than twice. 1267

(D) Notwithstanding any provision of the Revised Code to 1268
the contrary, if a small business has entered into two or more 1269
contracts with the state or with any instrumentality of the 1270
state, the small business may bid or enter into a contract with 1271
a political subdivision or with any instrumentality of a 1272
political subdivision valued at the level at which the small 1273
business would qualify if entering into an additional contract 1274
with the state. 1275

(E) The director of development services shall coordinate 1276
and oversee the unbonded state contractor program described in 1277
division (B) of this section, the unbonded political subdivision 1278
contractor program described in division (C) of this section, 1279
and the approval of a qualified contractor assistance program. 1280
The director shall prepare an annual report and submit it to the 1281
governor and the general assembly on or before the first day of 1282
February that includes the following: information on the 1283
director's activities for the preceding calendar year regarding 1284
the unbonded state contractor program, the unbonded political 1285
subdivision contractor program, and the qualified contractor 1286
assistance program; a summary and description of the operations 1287

and activities of these programs; an assessment of the 1288
achievements of these programs; and a recommendation as to 1289
whether these programs need to continue. 1290

Sec. 321.24. (A) On or before the fifteenth day of 1291
February, in each year, the county treasurer shall settle with 1292
the county auditor for all taxes and assessments that the 1293
treasurer has collected on the general duplicate of real and 1294
public utility property at the time of making the settlement. If 1295
the county treasurer has made or will make advance payments to 1296
the several taxing districts of current year unpaid taxes under 1297
section 321.341 of the Revised Code before collecting them, the 1298
county treasurer shall take the advance payments into account 1299
for purposes of the settlement with the county auditor under 1300
this division. 1301

(B) On or before the thirtieth day of June, in each year, 1302
the treasurer shall settle with the auditor for all advance 1303
payments of general personal and classified property taxes that 1304
the treasurer has received at the time of making the settlement. 1305

(C) On or before the tenth day of August, in each year, 1306
the treasurer shall settle with the auditor for all taxes and 1307
assessments that the treasurer has collected on the general 1308
duplicates of real and public utility property at the time of 1309
making such settlement, not included in the preceding February 1310
settlement. If the county treasurer has made or will make 1311
advance payments to the several taxing districts of the current 1312
year delinquent taxes under section 321.341 of the Revised Code 1313
before collecting them, the county treasurer shall take the 1314
advance payments into account for purposes of the settlement 1315
with the county auditor under this division. 1316

(D) On or before the thirty-first day of October, in each 1317

year, the treasurer shall settle with the auditor for all taxes 1318
that the treasurer has collected on the general personal and 1319
classified property duplicates, and for all advance payments of 1320
general personal and classified property taxes, not included in 1321
the preceding June settlement, that the treasurer has received 1322
at the time of making such settlement. 1323

(E) In the event the time for the payment of taxes is 1324
extended, pursuant to section 323.17 of the Revised Code, the 1325
date on or before which settlement for the taxes so extended 1326
must be made, as herein prescribed, shall be deemed to be 1327
extended for a like period of time. At each such settlement, the 1328
auditor shall allow to the treasurer, on the moneys received or 1329
collected and accounted for by the treasurer, the treasurer's 1330
fees, at the rate or percentage allowed by law, at a full 1331
settlement of the treasurer. 1332

(F) Within thirty days after the day of each settlement of 1333
taxes required under divisions (A) and (C) of this section, the 1334
treasurer shall certify to the tax commissioner any adjustments 1335
that have been made to the amount certified previously pursuant 1336
to section 319.302 of the Revised Code and that the settlement 1337
has been completed. Upon receipt of such certification, the 1338
commissioner shall provide for payment to the county treasurer 1339
from the general revenue fund of an amount equal to one-half of 1340
the amount certified by the treasurer in the preceding tax year 1341
under section 319.302 of the Revised Code, less one-half of the 1342
amount computed for all taxing districts in that county for the 1343
current fiscal year under section 5703.80 of the Revised Code 1344
for crediting to the property tax administration fund. Such 1345
payment shall be credited upon receipt to the county's undivided 1346
income tax fund, and the county auditor shall transfer to the 1347
county general fund from the amount thereof the total amount of 1348

all fees and charges which the auditor and treasurer would have 1349
been authorized to receive had such section not been in effect 1350
and that amount had been levied and collected as taxes. The 1351
county auditor shall distribute the amount remaining among the 1352
various taxing districts in the county as if it had been levied, 1353
collected, and settled as real property taxes. The amount 1354
distributed to each taxing district shall be reduced by the 1355
total of the amounts computed for the district under section 1356
5703.80 of the Revised Code, but the reduction shall not exceed 1357
the amount that otherwise would be distributed to the taxing 1358
district under this division. The tax commissioner shall make 1359
available to taxing districts such information as is sufficient 1360
for a taxing district to be able to determine the amount of the 1361
reduction in its distribution under this section. 1362

(G) ~~(1)~~ Within thirty days after ~~the day of the a~~ 1363
~~settlement required in division (D) of taxes under divisions (A)~~ 1364
~~and (C) of this section, the county treasurer shall notify~~ 1365
~~certify to the tax commissioner that the settlement has been~~ 1366
~~completed~~ one-half of the difference obtained by subtracting the 1367
amount of tax assessed on property in the county appearing on 1368
the tax list for the preceding tax year from the amount of tax 1369
that would be assessed on property in the county that would 1370
appear on the tax list for the preceding tax year but for the 1371
exemption authorized under section 5709.29 of the Revised Code. 1372
~~Upon receipt of that notification, the~~ The commissioner, within 1373
thirty days of receiving such a certification, shall provide for 1374
payment to the county treasurer, from the general revenue fund, 1375
of ~~an the~~ amount equal to the amount certified under former 1376
~~section 319.311 of the Revised Code and paid in the state's~~ 1377
~~fiscal year 2003 multiplied by the percentage specified in~~ 1378
~~division (G) (2) of this section. The payment, which shall be~~ 1379

credited upon receipt to the county's undivided income tax fund,
~~and. Immediately upon receipt of money into that fund, the~~
county auditor shall distribute ~~the amount thereof among the~~
~~various to each taxing districts of authority in the county as~~
~~if it had been levied, collected, and settled as personal~~
~~property taxes~~ an amount equal to one-half of the difference
obtained by subtracting the amount of tax levied by the taxing
authority and assessed on property in the county appearing on
the tax list for the preceding tax year from the amount of tax
levied by the taxing authority that would be assessed on
property in the county that would appear on the tax list for the
preceding tax year but for the exemption authorized under
section 5709.29 of the Revised Code. ~~The~~ Any amount received by
a taxing ~~district authority~~ under this division shall be
apportioned among its funds in the same proportion as the
~~current preceding tax year's~~ personal property taxes are
apportioned.

~~(2) Payments required under division (G) (1) of this~~
~~section shall be made at the following percentages of the amount~~
~~certified under former section 319.311 of the Revised Code and~~
~~paid under division (G) (1) of this section in the state's fiscal~~
~~year 2003:~~

- ~~(a) In fiscal year 2004, ninety per cent;~~
- ~~(b) In fiscal year 2005, eighty per cent;~~
- ~~(c) In fiscal year 2006, sixty four per cent;~~
- ~~(d) In fiscal year 2007, forty per cent;~~
- ~~(e) In fiscal year 2008, thirty two per cent;~~
- ~~(f) In fiscal year 2009, sixteen per cent.~~

~~After fiscal year 2009, no payments shall be made under~~ 1408
~~division (G) (1) of this section.~~ 1409

(H) (1) On or before the fifteenth day of April each year, 1410
the county treasurer shall settle with the county auditor for 1411
all manufactured home taxes that the county treasurer has 1412
collected on the manufactured home tax duplicate at the time of 1413
making the settlement. 1414

(2) On or before the fifteenth day of September each year, 1415
the county treasurer shall settle with the county auditor for 1416
all remaining manufactured home taxes that the county treasurer 1417
has collected on the manufactured home tax duplicate at the time 1418
of making the settlement. 1419

(3) If the time for payment of such taxes is extended 1420
under section 4503.06 of the Revised Code, the time for making 1421
the settlement as prescribed by divisions (H) (1) and (2) of this 1422
section is extended for a like period of time. 1423

(I) On or before the second Monday in September of each 1424
year, the county treasurer shall certify to the tax commissioner 1425
the total amount by which the manufactured home taxes levied in 1426
that year were reduced pursuant to section 319.302 of the 1427
Revised Code. Within ninety days after the receipt of such 1428
certification, the commissioner shall provide for payment to the 1429
county treasurer from the general revenue fund of an amount 1430
equal to the amount certified by the treasurer. Such payment 1431
shall be credited upon receipt to the county's undivided income 1432
tax fund, and the county auditor shall transfer to the county 1433
general fund from the amount thereof the total amount of all 1434
fees and charges that the auditor and treasurer would have been 1435
authorized to receive had such section not been in effect and 1436
that amount had been levied and collected as manufactured home 1437

taxes. The county auditor shall distribute the amount remaining 1438
among the various taxing districts in the county as if it had 1439
been levied, collected, and settled as manufactured home taxes. 1440

Sec. 323.152. In addition to the reduction in taxes 1441
required under section 319.302 of the Revised Code, taxes shall 1442
be reduced as provided in divisions (A) and (B) of this section. 1443

(A) (1) (a) Division (A) (1) of this section applies to any 1444
of the following persons: 1445

(i) A person who is permanently and totally disabled; 1446

(ii) A person who is sixty-five years of age or older; 1447

(iii) A person who is the surviving spouse of a deceased 1448
person who was permanently and totally disabled or sixty-five 1449
years of age or older and who applied and qualified for a 1450
reduction in taxes under this division in the year of death, 1451
provided the surviving spouse is at least fifty-nine but not 1452
sixty-five or more years of age on the date the deceased spouse 1453
dies. 1454

(b) Real property taxes on a homestead owned and occupied, 1455
or a homestead in a housing cooperative occupied, by a person to 1456
whom division (A) (1) of this section applies shall be reduced 1457
for each year for which an application for the reduction has 1458
been approved. The reduction shall equal one of the following 1459
amounts, as applicable to the person: 1460

(i) If the person received a reduction under division (A) 1461
(1) of this section for tax year 2006, the greater of the 1462
reduction for that tax year or the amount computed under 1463
division (A) (1) (c) of this section; 1464

(ii) If the person received, for any homestead, a 1465

reduction under division (A) (1) of this section for tax year 1466
2013 or under division (A) of section 4503.065 of the Revised 1467
Code for tax year 2014 or the person is the surviving spouse of 1468
such a person and the surviving spouse is at least fifty-nine 1469
years of age on the date the deceased spouse dies, the amount 1470
computed under division (A) (1) (c) of this section. For purposes 1471
of divisions (A) (1) (b) (ii) and (iii) of this section, a person 1472
receives a reduction under division (A) (1) of this section or 1473
under division (A) of section 4503.065 of the Revised Code for 1474
tax year 2013 or 2014, respectively, if the person files a late 1475
application for that respective tax year that is approved by the 1476
county auditor under section 323.153 or 4503.066 of the Revised 1477
Code. 1478

(iii) If the person is not described in division (A) (1) (b) 1479
(i) or (ii) of this section and the person's total income does 1480
not exceed thirty thousand dollars, as adjusted under division 1481
(A) (1) (d) of this section, the amount computed under division 1482
(A) (1) (c) of this section. 1483

(c) The amount of the reduction under division (A) (1) (c) 1484
of this section equals the product of the following: 1485

(i) Twenty-five thousand dollars of the true value of the 1486
property in money; 1487

(ii) The assessment percentage established by the tax 1488
commissioner under division (B) of section 5715.01 of the 1489
Revised Code, not to exceed thirty-five per cent; 1490

(iii) The effective tax rate used to calculate the taxes 1491
charged against the property for the current year, where 1492
"effective tax rate" is defined as in section 323.08 of the 1493
Revised Code; 1494

(iv) The quantity equal to one minus the sum of the 1495
percentage reductions in taxes received by the property for the 1496
current tax year under section 319.302 of the Revised Code and 1497
division (B) of section 323.152 of the Revised Code. 1498

(d) Each calendar year, the tax commissioner shall adjust 1499
the total income threshold described in division (A) (1) (b) (iii) 1500
of this section by completing the following calculations in 1501
September of each year: 1502

(i) Determine the percentage increase in the gross 1503
domestic product deflator determined by the bureau of economic 1504
analysis of the United States department of commerce from the 1505
first day of January of the preceding calendar year to the last 1506
day of December of the preceding calendar year; 1507

(ii) Multiply that percentage increase by the total income 1508
threshold for the current tax year; 1509

(iii) Add the resulting product to the total income 1510
threshold for the current tax year; 1511

(iv) Round the resulting sum to the nearest multiple of 1512
one hundred dollars. 1513

The commissioner shall certify the amount resulting from 1514
the adjustment to each county auditor not later than the first 1515
day of December each year. The certified amount applies to the 1516
following tax year for persons described in division (A) (1) (b) 1517
(iii) of this section. The commissioner shall not make the 1518
adjustment in any calendar year in which the amount resulting 1519
from the adjustment would be less than the total income 1520
threshold for the current tax year. 1521

(2) A homestead owned and occupied by a disabled veteran 1522
shall be exempted from taxation. Real property taxes on a 1523

homestead ~~owned and occupied, or a homestead~~ in a housing 1524
cooperative occupied, by a disabled veteran shall be reduced ~~for~~ 1525
~~each year for which an application for the reduction has been~~ 1526
~~approved. The reduction shall equal the product obtained by~~ 1527
~~multiplying fifty thousand dollars of the true value of the~~ 1528
~~property in money by the amounts described in divisions (A) (1)~~ 1529
~~(c) (ii) to (iv) of this section by the portion of taxes~~ 1530
attributed to the homestead under section 323.159 of the Revised 1531
Code. The exemption or reduction is in lieu of any reduction 1532
under section 323.158 of the Revised Code or division (A) (1) of 1533
this section. The exemption or reduction applies to only one 1534
homestead owned and occupied by a disabled veteran. For the 1535
purposes of sections 323.153, 323.154, 323.155, 323.156, and 1536
4503.064 of the Revised Code, the exemption under division (A) 1537
(2) of this section is a reduction in taxes in the amount of the 1538
current taxes that would have been charged and payable against 1539
the homestead if the homestead had not been exempted. 1540

If a homestead qualifies for ~~a~~ an exemption or reduction 1541
in taxes under division (A) (2) of this section for the year in 1542
which the disabled veteran dies, and the disabled veteran is 1543
survived by a spouse who occupied the homestead when the 1544
disabled veteran died and who acquires ownership of the 1545
homestead or, in the case of a homestead that is a unit in a 1546
housing cooperative, continues to occupy the homestead, the 1547
exemption or reduction shall continue through the year in which 1548
the surviving spouse dies or remarries. 1549

(B) To provide a partial exemption, real property taxes on 1550
any homestead, and manufactured home taxes on any manufactured 1551
or mobile home on which a manufactured home tax is assessed 1552
pursuant to division (D) (2) of section 4503.06 of the Revised 1553
Code, shall be reduced for each year for which an application 1554

for the reduction has been approved. The amount of the reduction 1555
shall equal two and one-half per cent of the amount of taxes to 1556
be levied by qualifying levies on the homestead or the 1557
manufactured or mobile home after applying section 319.301 of 1558
the Revised Code. For the purposes of this division, "qualifying 1559
levy" has the same meaning as in section 319.302 of the Revised 1560
Code. 1561

(C) The reductions and exemption granted by this section 1562
do not apply to special assessments or respread of assessments 1563
levied against the homestead, and if there is a transfer of 1564
ownership subsequent to the filing of an application for a 1565
reduction in taxes, such reductions are not forfeited for such 1566
year by virtue of such transfer. 1567

(D) The reductions in taxable value referred to in this 1568
section shall be applied solely as a factor for the purpose of 1569
computing the reduction of taxes under this section, and the 1570
reductions and the exemption shall not affect the total value of 1571
property in any subdivision or taxing district as listed and 1572
assessed for taxation on the tax lists and duplicates, or any 1573
direct or indirect limitations on indebtedness of a subdivision 1574
or taxing district. If after application of sections 5705.31 and 1575
5705.32 of the Revised Code, including the allocation of all 1576
levies within the ten-mill limitation to debt charges to the 1577
extent therein provided, there would be insufficient funds for 1578
payment of debt charges not provided for by levies in excess of 1579
the ten-mill limitation, the reduction of taxes provided for in 1580
sections 323.151 to 323.159 of the Revised Code shall be 1581
proportionately adjusted to the extent necessary to provide such 1582
funds from levies within the ten-mill limitation. 1583

(E) No reduction in taxes or exemption from taxation shall 1584

be made ~~on the taxes due on~~ under this section for the homestead 1585
of any person convicted of violating division (D) or (E) of 1586
section 323.153 of the Revised Code for a period of three years 1587
following the conviction. 1588

Sec. 323.153. (A) To obtain a reduction in real property 1589
taxes under division (A) or (B) of section 323.152 of the 1590
Revised Code or in manufactured home taxes under division (B) of 1591
section 323.152 of the Revised Code, the owner shall file an 1592
application with the county auditor of the county in which the 1593
owner's homestead is located. 1594

To obtain a reduction in real property taxes under 1595
division (A) of section 323.152 of the Revised Code, the 1596
occupant of a homestead in a housing cooperative shall file an 1597
application with the nonprofit corporation that owns and 1598
operates the housing cooperative, in accordance with this 1599
paragraph. Not later than the first day of March each year, the 1600
corporation shall obtain applications from the county auditor's 1601
office and provide one to each new occupant. Not later than the 1602
first day of May, any occupant who may be eligible for a 1603
reduction in taxes under division (A) of section 323.152 of the 1604
Revised Code shall submit the completed application to the 1605
corporation. Not later than the fifteenth day of May, the 1606
corporation shall file all completed applications, and the 1607
information required by division (B) of section 323.159 of the 1608
Revised Code, with the county auditor of the county in which the 1609
occupants' homesteads are located. Continuing applications shall 1610
be furnished to an occupant in the manner provided in division 1611
(C) (4) of this section. 1612

(1) An application for reduction based upon a physical 1613
disability shall be accompanied by a certificate signed by a 1614

physician, and an application for reduction based upon a mental 1615
disability shall be accompanied by a certificate signed by a 1616
physician or psychologist licensed to practice in this state, 1617
attesting to the fact that the applicant is permanently and 1618
totally disabled. The certificate shall be in a form that the 1619
tax commissioner requires and shall include the definition of 1620
permanently and totally disabled as set forth in section 323.151 1621
of the Revised Code. An application for reduction based upon a 1622
disability certified as permanent and total by a state or 1623
federal agency having the function of so classifying persons 1624
shall be accompanied by a certificate from that agency. An 1625
application by a disabled veteran for the exemption or reduction 1626
under division (A) (2) of section 323.152 of the Revised Code 1627
shall be accompanied by a letter or other written confirmation 1628
from the United States department of veterans affairs, or its 1629
predecessor or successor agency, showing that the veteran 1630
qualifies as a disabled veteran. 1631

An application for a reduction under division (A) of 1632
section 323.152 of the Revised Code constitutes a continuing 1633
application for a reduction in taxes for each year in which the 1634
dwelling is the applicant's homestead. 1635

(2) An application for a reduction in taxes under division 1636
(B) of section 323.152 of the Revised Code shall be filed only 1637
if the homestead or manufactured or mobile home was transferred 1638
in the preceding year or did not qualify for and receive the 1639
reduction in taxes under that division for the preceding tax 1640
year. The application for homesteads transferred in the 1641
preceding year shall be incorporated into any form used by the 1642
county auditor to administer the tax law in respect to the 1643
conveyance of real property pursuant to section 319.20 of the 1644
Revised Code or of used manufactured homes or used mobile homes 1645

as defined in section 5739.0210 of the Revised Code. The owner 1646
of a manufactured or mobile home who has elected under division 1647
(D) (4) of section 4503.06 of the Revised Code to be taxed under 1648
division (D) (2) of that section for the ensuing year may file 1649
the application at the time of making that election. The 1650
application shall contain a statement that failure by the 1651
applicant to affirm on the application that the dwelling on the 1652
property conveyed is the applicant's homestead prohibits the 1653
owner from receiving the reduction in taxes until a proper 1654
application is filed within the period prescribed by division 1655
(A) (3) of this section. Such an application constitutes a 1656
continuing application for a reduction in taxes for each year in 1657
which the dwelling is the applicant's homestead. 1658

(3) Failure to receive a new application filed under 1659
division (A) (1) or (2) or notification under division (C) of 1660
this section after an application for reduction has been 1661
approved is prima-facie evidence that the original applicant is 1662
entitled to the reduction in taxes calculated on the basis of 1663
the information contained in the original application. The 1664
original application and any subsequent application, including 1665
any late application, shall be in the form of a signed statement 1666
and shall be filed on or before the thirty-first day of December 1667
of the year for which the reduction is sought. The original 1668
application and any subsequent application for a reduction in 1669
manufactured home taxes shall be filed in the year preceding the 1670
year for which the reduction is sought. The statement shall be 1671
on a form, devised and supplied by the tax commissioner, which 1672
shall require no more information than is necessary to establish 1673
the applicant's eligibility for the reduction in taxes and the 1674
amount of the reduction, and, except for homesteads that are 1675
units in a housing cooperative, shall include an affirmation by 1676

the applicant that ownership of the homestead was not acquired 1677
from a person, other than the applicant's spouse, related to the 1678
owner by consanguinity or affinity for the purpose of qualifying 1679
for the real property or manufactured home tax reduction 1680
provided for in division (A) or (B) of section 323.152 of the 1681
Revised Code. The form shall contain a statement that conviction 1682
of willfully falsifying information to obtain a reduction in 1683
taxes or failing to comply with division (C) of this section 1684
results in the revocation of the right to the reduction for a 1685
period of three years. In the case of an application for a 1686
reduction in taxes for persons described in division (A) (1) (b) 1687
(iii) of section 323.152 of the Revised Code, the form shall 1688
contain a statement that signing the application constitutes a 1689
delegation of authority by the applicant to the tax commissioner 1690
or the county auditor, individually or in consultation with each 1691
other, to examine any tax or financial records relating to the 1692
income of the applicant as stated on the application for the 1693
purpose of determining eligibility for the exemption or a 1694
possible violation of division (D) or (E) of this section. 1695

(B) A late application for a tax reduction for the year 1696
preceding the year in which an original application is filed, or 1697
for a reduction in manufactured home taxes for the year in which 1698
an original application is filed, may be filed with the original 1699
application. If the county auditor determines the information 1700
contained in the late application is correct, the auditor shall 1701
determine the amount of the reduction in taxes to which the 1702
applicant would have been entitled for the preceding tax year 1703
had the applicant's application been timely filed and approved 1704
in that year. 1705

The amount of such reduction shall be treated by the 1706
auditor as an overpayment of taxes by the applicant and shall be 1707

refunded in the manner prescribed in section 5715.22 of the 1708
Revised Code for making refunds of overpayments. The county 1709
auditor shall certify the total amount of the reductions in 1710
taxes made in the current year under this division to the tax 1711
commissioner, who shall treat the full amount thereof as a 1712
reduction in taxes for the preceding tax year and shall make 1713
reimbursement to the county therefor in the manner prescribed by 1714
section 323.156 of the Revised Code, from money appropriated for 1715
that purpose. 1716

(C) (1) If, in any year after an application has been filed 1717
under division (A) (1) or (2) of this section, the owner does not 1718
qualify for a reduction in taxes on the homestead or on the 1719
manufactured or mobile home set forth on such application, the 1720
owner shall notify the county auditor that the owner is not 1721
qualified for a reduction in taxes. 1722

(2) If, in any year after an application has been filed 1723
under division (A) (1) of this section, the occupant of a 1724
homestead in a housing cooperative does not qualify for a 1725
reduction in taxes on the homestead, the occupant shall notify 1726
the county auditor that the occupant is not qualified for a 1727
reduction in taxes or file a new application under division (A) 1728
(1) of this section. 1729

(3) If the county auditor or county treasurer discovers 1730
that the owner of property not entitled to the reduction in 1731
taxes under division (B) of section 323.152 of the Revised Code 1732
failed to notify the county auditor as required by division (C) 1733
(1) of this section, a charge shall be imposed against the 1734
property in the amount by which taxes were reduced under that 1735
division for each tax year the county auditor ascertains that 1736
the property was not entitled to the reduction and was owned by 1737

the current owner. Interest shall accrue in the manner 1738
prescribed by division (B) of section 323.121 or division (G) (2) 1739
of section 4503.06 of the Revised Code on the amount by which 1740
taxes were reduced for each such tax year as if the reduction 1741
became delinquent taxes at the close of the last day the second 1742
installment of taxes for that tax year could be paid without 1743
penalty. The county auditor shall notify the owner, by ordinary 1744
mail, of the charge, of the owner's right to appeal the charge, 1745
and of the manner in which the owner may appeal. The owner may 1746
appeal the imposition of the charge and interest by filing an 1747
appeal with the county board of revision not later than the last 1748
day prescribed for payment of real and public utility property 1749
taxes under section 323.12 of the Revised Code following receipt 1750
of the notice and occurring at least ninety days after receipt 1751
of the notice. The appeal shall be treated in the same manner as 1752
a complaint relating to the valuation or assessment of real 1753
property under Chapter 5715. of the Revised Code. The charge and 1754
any interest shall be collected as other delinquent taxes. 1755

(4) Each year during January, the county auditor shall 1756
furnish by ordinary mail a continuing application to each person 1757
receiving a reduction under division (A) of section 323.152 of 1758
the Revised Code. The continuing application shall be used to 1759
report changes in total income, ownership, occupancy, 1760
disability, and other information earlier furnished the auditor 1761
relative to the reduction in taxes on the property. The 1762
continuing application shall be returned to the auditor not 1763
later than the thirty-first day of December; provided, that if 1764
such changes do not affect the status of the homestead exemption 1765
or the amount of the reduction to which the owner is entitled 1766
under division (A) of section 323.152 of the Revised Code or to 1767
which the occupant is entitled under section 323.159 of the 1768

Revised Code, the application does not need to be returned. 1769

(5) Each year during February, the county auditor, except 1770
as otherwise provided in this paragraph, shall furnish by 1771
ordinary mail an original application to the owner, as of the 1772
first day of January of that year, of a homestead or a 1773
manufactured or mobile home that transferred during the 1774
preceding calendar year and that qualified for and received a 1775
reduction in taxes under division (B) of section 323.152 of the 1776
Revised Code for the preceding tax year. In order to receive the 1777
reduction under that division, the owner shall file the 1778
application with the county auditor not later than the thirty- 1779
first day of December. If the application is not timely filed, 1780
the auditor shall not grant a reduction in taxes for the 1781
homestead for the current year, and shall notify the owner that 1782
the reduction in taxes has not been granted, in the same manner 1783
prescribed under section 323.154 of the Revised Code for 1784
notification of denial of an application. Failure of an owner to 1785
receive an application does not excuse the failure of the owner 1786
to file an original application. The county auditor is not 1787
required to furnish an application under this paragraph for any 1788
homestead for which application has previously been made on a 1789
form incorporated into any form used by the county auditor to 1790
administer the tax law in respect to the conveyance of real 1791
property or of used manufactured homes or used mobile homes, and 1792
an owner who previously has applied on such a form is not 1793
required to return an application furnished under this 1794
paragraph. 1795

(D) No person shall knowingly make a false statement for 1796
the purpose of obtaining a reduction in the person's real 1797
property or manufactured home taxes under section 323.152 of the 1798
Revised Code. 1799

(E) No person shall knowingly fail to notify the county auditor of changes required by division (C) of this section that have the effect of maintaining or securing a reduction in taxes under section 323.152 of the Revised Code.

(F) No person shall knowingly make a false statement or certification attesting to any person's physical or mental condition for purposes of qualifying such person for tax relief pursuant to sections 323.151 to 323.159 of the Revised Code.

Sec. 4503.065. (A) (1) Division (A) of this section applies to any of the following persons:

(a) An individual who is permanently and totally disabled;

(b) An individual who is sixty-five years of age or older;

(c) An individual who is the surviving spouse of a deceased person who was permanently and totally disabled or sixty-five years of age or older and who applied and qualified for a reduction in assessable value under this section in the year of death, provided the surviving spouse is at least fifty-nine but not sixty-five or more years of age on the date the deceased spouse dies.

(2) The manufactured home tax on a manufactured or mobile home that is paid pursuant to division (C) of section 4503.06 of the Revised Code and that is owned and occupied as a home by an individual whose domicile is in this state and to whom this section applies, shall be reduced for any tax year for which an application for such reduction has been approved, provided the individual did not acquire ownership from a person, other than the individual's spouse, related by consanguinity or affinity for the purpose of qualifying for the reduction. An owner includes a settlor of a revocable or irrevocable inter vivos

trust holding the title to a manufactured or mobile home 1829
occupied by the settlor as of right under the trust. 1830

(a) For manufactured and mobile homes for which the tax 1831
imposed by section 4503.06 of the Revised Code is computed under 1832
division (D)(2) of that section, the reduction shall equal one 1833
of the following amounts, as applicable to the person: 1834

(i) If the person received a reduction under this section 1835
for tax year 2007, the greater of the reduction for that tax 1836
year or the amount computed under division (A)(2)(b) of this 1837
section; 1838

(ii) If the person received, for any homestead, a 1839
reduction under division (A) of this section for tax year 2014 1840
or under division (A)(1) of section 323.152 of the Revised Code 1841
for tax year 2013 or the person is the surviving spouse of such 1842
a person and the surviving spouse is at least fifty-nine years 1843
of age on the date the deceased spouse dies, the amount computed 1844
under division (A)(2)(b) of this section. For purposes of 1845
divisions (A)(2)(a)(ii) and (iii) of this section, a person 1846
receives a reduction under division (A) of this section or 1847
division (A)(1) of section 323.152 of the Revised Code for tax 1848
year 2014 or 2013, respectively, if the person files a late 1849
application for that respective tax year that is approved by the 1850
county auditor under section 4503.066 or 323.153 of the Revised 1851
Code. 1852

(iii) If the person is not described in division (A)(2)(a) 1853
(i) or (ii) of this section and the person's total income does 1854
not exceed thirty thousand dollars, as adjusted under division 1855
(A)(2)(e) of this section, the amount computed under division 1856
(A)(2)(b) of this section. 1857

(b) The amount of the reduction under division (A) (2) (b) 1858
of this section equals the product of the following: 1859

(i) Twenty-five thousand dollars of the true value of the 1860
property in money; 1861

(ii) The assessment percentage established by the tax 1862
commissioner under division (B) of section 5715.01 of the 1863
Revised Code, not to exceed thirty-five per cent; 1864

(iii) The effective tax rate used to calculate the taxes 1865
charged against the property for the current year, where 1866
"effective tax rate" is defined as in section 323.08 of the 1867
Revised Code; 1868

(iv) The quantity equal to one minus the sum of the 1869
percentage reductions in taxes received by the property for the 1870
current tax year under section 319.302 of the Revised Code and 1871
division (B) of section 323.152 of the Revised Code. 1872

(c) For manufactured and mobile homes for which the tax 1873
imposed by section 4503.06 of the Revised Code is computed under 1874
division (D) (1) of that section, the reduction shall equal one 1875
of the following amounts, as applicable to the person: 1876

(i) If the person received a reduction under this section 1877
for tax year 2007, the greater of the reduction for that tax 1878
year or the amount computed under division (A) (2) (d) of this 1879
section; 1880

(ii) If the person received, for any homestead, a 1881
reduction under division (A) of this section for tax year 2014 1882
or under division (A) (1) of section 323.152 of the Revised Code 1883
for tax year 2013 or the person is the surviving spouse of such 1884
a person and the surviving spouse is at least fifty-nine years 1885
of age on the date the deceased spouse dies, the amount computed 1886

under division (A) (2) (d) of this section. For purposes of 1887
divisions (A) (2) (c) (ii) and (iii) of this section, a person 1888
receives a reduction under division (A) of this section or under 1889
division (A) (1) of section 323.152 of the Revised Code for tax 1890
year 2014 or 2013, respectively, if the person files a late 1891
application for a refund of overpayments for that respective tax 1892
year that is approved by the county auditor under section 1893
4503.066 of the Revised Code. 1894

(iii) If the person is not described in division (A) (2) (c) 1895
(i) or (ii) of this section and the person's total income does 1896
not exceed thirty thousand dollars, as adjusted under division 1897
(A) (2) (e) of this section, the amount computed under division 1898
(A) (2) (d) of this section. 1899

(d) The amount of the reduction under division (A) (2) (d) 1900
of this section equals the product of the following: 1901

(i) Twenty-five thousand dollars of the cost to the owner, 1902
or the market value at the time of purchase, whichever is 1903
greater, as those terms are used in division (D) (1) of section 1904
4503.06 of the Revised Code; 1905

(ii) The percentage from the appropriate schedule in 1906
division (D) (1) (b) of section 4503.06 of the Revised Code; 1907

(iii) The assessment percentage of forty per cent used in 1908
division (D) (1) (b) of section 4503.06 of the Revised Code; 1909

(iv) The tax rate of the taxing district in which the home 1910
has its situs. 1911

(e) Each calendar year, the tax commissioner shall adjust 1912
the income threshold described in divisions (A) (2) (a) (iii) and 1913
(A) (2) (c) (iii) of this section by completing the following 1914
calculations in September of each year: 1915

(i) Determine the percentage increase in the gross 1916
domestic product deflator determined by the bureau of economic 1917
analysis of the United States department of commerce from the 1918
first day of January of the preceding calendar year to the last 1919
day of December of the preceding calendar year; 1920

(ii) Multiply that percentage increase by the total income 1921
threshold for the ensuing tax year; 1922

(iii) Add the resulting product to the total income 1923
threshold for the ensuing tax year; 1924

(iv) Round the resulting sum to the nearest multiple of 1925
one hundred dollars. 1926

The commissioner shall certify the amount resulting from 1927
the adjustment to each county auditor not later than the first 1928
day of December each year. The certified amount applies to the 1929
second ensuing tax year. The commissioner shall not make the 1930
adjustment in any calendar year in which the amount resulting 1931
from the adjustment would be less than the total income 1932
threshold for the ensuing tax year. 1933

(B) ~~The manufactured home tax levied pursuant to division~~ 1934
~~(C) of section 4503.06 of the Revised Code on a~~ A 1935
manufactured or mobile home that is owned and occupied by a disabled veteran 1936
shall be ~~reduced for any tax year for which an application for~~ 1937
~~such reduction has been approved~~ exempted from the manufactured 1938
home tax imposed under division (C) of section 4503.06 of the 1939
Revised Code, provided the disabled veteran did not acquire 1940
ownership from a person, other than the disabled veteran's 1941
spouse, related by consanguinity or affinity for the purpose of 1942
qualifying for the ~~reduction~~ exemption. An owner includes an 1943
owner within the meaning of division (A) (2) of this section. 1944

~~(1) For manufactured and mobile homes for which the tax imposed by section 4503.06 of the Revised Code is computed under division (D) (2) of that section, the reduction shall equal the product obtained by multiplying fifty thousand dollars of the true value of the property in money by the amounts described in divisions (A) (2) (b) (ii) to (iv) of this section.~~

~~(2) For manufactured and mobile homes for which the tax imposed by section 4503.06 of the Revised Code is computed under division (D) (1) of that section, the reduction shall equal the product obtained by multiplying fifty thousand dollars of the cost to the owner, or the market value at the time of purchase, whichever is greater, as those terms are used in division (D) (1) of section 4503.06 of the Revised Code, by the amounts described in divisions (A) (2) (d) (ii) to (iv) of this section.~~

The ~~reduction exemption~~ is in lieu of any reduction under section 4503.0610 of the Revised Code or division (A) of this section. The ~~reduction exemption~~ applies to only one manufactured or mobile home owned and occupied by a disabled veteran. For the purposes of sections 4503.064 to 4503.069 of the Revised Code, the exemption under division (B) of this section is a reduction in manufactured home taxes in the amount of the current manufactured home taxes that would have been charged and payable against the homestead if the homestead had not been exempted.

If a manufactured or mobile home ~~qualifies for a reduction in taxes~~ is exempted from taxation under this division for the year in which the disabled veteran dies, and the disabled veteran is survived by a spouse who occupied the home when the disabled veteran died and who acquires ownership of the home, the reduction shall continue through the year in which the

surviving spouse dies or remarries. 1975

(C) If the owner or the spouse of the owner of a 1976
manufactured or mobile home is eligible for a homestead 1977
exemption on the land upon which the home is located, the 1978
reduction to which the owner or spouse is entitled under this 1979
section shall not exceed the difference between the reduction to 1980
which the owner or spouse is entitled under division (A) or (B) 1981
of this section and the amount of the reduction under the 1982
homestead exemption. 1983

(D) No ~~reduction-exemption~~ shall be made with respect to 1984
the home of any person convicted of violating division (C) or 1985
(D) of section 4503.066 of the Revised Code for a period of 1986
three years following the conviction. 1987

Sec. 4503.066. (A) (1) To obtain a tax reduction under 1988
section 4503.065 of the Revised Code, the owner of the home 1989
shall file an application with the county auditor of the county 1990
in which the home is located. An application for reduction in 1991
taxes based upon a physical disability shall be accompanied by a 1992
certificate signed by a physician, and an application for 1993
reduction in taxes based upon a mental disability shall be 1994
accompanied by a certificate signed by a physician or 1995
psychologist licensed to practice in this state. The certificate 1996
shall attest to the fact that the applicant is permanently and 1997
totally disabled, shall be in a form that the department of 1998
taxation requires, and shall include the definition of totally 1999
and permanently disabled as set forth in section 4503.064 of the 2000
Revised Code. An application for reduction in taxes based upon a 2001
disability certified as permanent and total by a state or 2002
federal agency having the function of so classifying persons 2003
shall be accompanied by a certificate from that agency. An 2004

application by a disabled veteran for the ~~reduction~~-exemption 2005
under division (B) of section 4503.065 of the Revised Code shall 2006
be accompanied by a letter or other written confirmation from 2007
the United States department of veterans affairs, or its 2008
predecessor or successor agency, showing that the veteran 2009
qualifies as a disabled veteran. 2010

(2) Each application shall constitute a continuing 2011
application for a reduction in taxes for each year in which the 2012
manufactured or mobile home is occupied by the applicant. 2013
Failure to receive a new application or notification under 2014
division (B) of this section after an application for reduction 2015
has been approved is prima-facie evidence that the original 2016
applicant is entitled to the reduction calculated on the basis 2017
of the information contained in the original application. The 2018
original application and any subsequent application shall be in 2019
the form of a signed statement and shall be filed on or before 2020
the thirty-first day of December of the year for which the 2021
reduction is sought. The statement shall be on a form, devised 2022
and supplied by the tax commissioner, that shall require no more 2023
information than is necessary to establish the applicant's 2024
eligibility for the reduction in taxes and the amount of the 2025
reduction to which the applicant is entitled. The form shall 2026
contain a statement that signing such application constitutes a 2027
delegation of authority by the applicant to the tax commissioner 2028
or the county auditor, individually or in consultation with each 2029
other, to examine any tax or financial records that relate to 2030
the income of the applicant as stated on the application for the 2031
purpose of determining eligibility under, or possible violation 2032
of, division (C) or (D) of this section. The form also shall 2033
contain a statement that conviction of willfully falsifying 2034
information to obtain a reduction in taxes or failing to comply 2035

with division (B) of this section shall result in the revocation 2036
of the right to the reduction for a period of three years. 2037

If an application filed for the current tax year is 2038
approved after the taxes have been paid for the current year, 2039
the amount of the reduction in taxes for the current year shall 2040
be treated as an overpayment of taxes in the same manner as a 2041
late application under division (A) (3) of this section. 2042

(3) A late application for a reduction in taxes for the 2043
year preceding the year for which an original application is 2044
filed may be filed with an original application. If the auditor 2045
determines that the information contained in the late 2046
application is correct, the auditor shall determine both the 2047
amount of the reduction in taxes to which the applicant would 2048
have been entitled for the current tax year had the application 2049
been timely filed and approved in the preceding year, and the 2050
amount the taxes levied under section 4503.06 of the Revised 2051
Code for the current year would have been reduced as a result of 2052
the reduction. When an applicant is permanently and totally 2053
disabled on the first day of January of the year in which the 2054
applicant files a late application, the auditor, in making the 2055
determination of the amounts of the reduction in taxes under 2056
division (A) (3) of this section, is not required to determine 2057
that the applicant was permanently and totally disabled on the 2058
first day of January of the preceding year. 2059

The amount of the reduction in taxes pursuant to a late 2060
application shall be treated as an overpayment of taxes by the 2061
applicant. The auditor shall credit the amount of the 2062
overpayment against the amount of the taxes or penalties then 2063
due from the applicant, and, at the next succeeding settlement, 2064
the amount of the credit shall be deducted from the amount of 2065

any taxes or penalties distributable to the county or any taxing unit in the county that has received the benefit of the taxes or penalties previously overpaid, in proportion to the benefits previously received. If, after the credit has been made, there remains a balance of the overpayment, or if there are no taxes or penalties due from the applicant, the auditor shall refund that balance to the applicant by a warrant drawn on the county treasurer in favor of the applicant. The treasurer shall pay the warrant from the general fund of the county. If there is insufficient money in the general fund to make the payment, the treasurer shall pay the warrant out of any undivided manufactured or mobile home taxes subsequently received by the treasurer for distribution to the county or taxing district in the county that received the benefit of the overpaid taxes, in proportion to the benefits previously received, and the amount paid from the undivided funds shall be deducted from the money otherwise distributable to the county or taxing district in the county at the next or any succeeding distribution. At the next or any succeeding distribution after making the refund, the treasurer shall reimburse the general fund for any payment made from that fund by deducting the amount of that payment from the money distributable to the county or other taxing unit in the county that has received the benefit of the taxes, in proportion to the benefits previously received. The county auditor shall certify the total amount of the reductions in taxes made in the current year under division (A) (3) of this section to the tax commissioner who shall treat that amount as a reduction in taxes for the current tax year and shall make reimbursement to the county of that amount in the manner prescribed in section 4503.068 of the Revised Code, from moneys appropriated for that purpose.

(B) If in any year for which an application for reduction 2097
in taxes has been approved the owner no longer qualifies for the 2098
reduction, the owner shall notify the county auditor that the 2099
owner is not qualified for a reduction in taxes. 2100

During February of each year, the county auditor shall 2101
furnish each person whose application for reduction has been 2102
approved, by ordinary mail, a form on which to report any 2103
changes in total income, ownership, occupancy, disability, and 2104
other information earlier furnished the auditor relative to the 2105
application. The form shall be completed and returned to the 2106
auditor not later than the thirty-first day of December if the 2107
changes would affect the person's eligibility for the reduction. 2108

(C) No person shall knowingly make a false statement for 2109
the purpose of obtaining a reduction in taxes under section 2110
4503.065 of the Revised Code. 2111

(D) No person shall knowingly fail to notify the county 2112
auditor of any change required by division (B) of this section 2113
that has the effect of maintaining or securing a reduction in 2114
taxes under section 4503.065 of the Revised Code. 2115

(E) No person shall knowingly make a false statement or 2116
certification attesting to any person's physical or mental 2117
condition for purposes of qualifying such person for tax relief 2118
pursuant to sections 4503.064 to 4503.069 of the Revised Code. 2119

(F) Whoever violates division (C), (D), or (E) of this 2120
section is guilty of a misdemeanor of the fourth degree. 2121

Sec. 5104.30. (A) The department of job and family 2122
services is hereby designated as the state agency responsible 2123
for administration and coordination of federal and state funding 2124
for publicly funded child care in this state. Publicly funded 2125

child care shall be provided to the following: 2126

(1) Recipients of transitional child care as provided 2127
under section 5104.34 of the Revised Code; 2128

(2) Participants in the Ohio works first program 2129
established under Chapter 5107. of the Revised Code; 2130

(3) Individuals who would be participating in the Ohio 2131
works first program if not for a sanction under section 5107.16 2132
of the Revised Code and who continue to participate in a work 2133
activity, developmental activity, or alternative work activity 2134
pursuant to an assignment under section 5107.42 of the Revised 2135
Code; 2136

(4) A family receiving publicly funded child care on 2137
October 1, 1997, until the family's income reaches one hundred 2138
fifty per cent of the federal poverty line; 2139

(5) Subject to available funds, other individuals 2140
determined eligible in accordance with rules adopted under 2141
section 5104.38 of the Revised Code. 2142

The department shall apply to the United States department 2143
of health and human services for authority to operate a 2144
coordinated program for publicly funded child care, if the 2145
director of job and family services determines that the 2146
application is necessary. For purposes of this section, the 2147
department of job and family services may enter into agreements 2148
with other state agencies that are involved in regulation or 2149
funding of child care. The department shall consider the special 2150
needs of migrant workers when it administers and coordinates 2151
publicly funded child care and shall develop appropriate 2152
procedures for accommodating the needs of migrant workers for 2153
publicly funded child care. 2154

(B) The department of job and family services shall 2155
distribute state and federal funds for publicly funded child 2156
care, including appropriations of state funds for publicly 2157
funded child care and appropriations of federal funds available 2158
under the child care block grant act, Title IV-A, and Title XX. 2159
The department may use any state funds appropriated for publicly 2160
funded child care as the state share required to match any 2161
federal funds appropriated for publicly funded child care. 2162

(C) In the use of federal funds available under the child 2163
care block grant act, all of the following apply: 2164

(1) The department may use the federal funds to hire staff 2165
to prepare any rules required under this chapter and to 2166
administer and coordinate federal and state funding for publicly 2167
funded child care. 2168

(2) Not more than five per cent of the aggregate amount of 2169
the federal funds received for a fiscal year may be expended for 2170
administrative costs. 2171

(3) The department shall allocate and use at least four 2172
per cent of the federal funds for the following: 2173

(a) Activities designed to provide comprehensive consumer 2174
education to parents and the public; 2175

(b) Activities that increase parental choice; 2176

(c) Activities, including child care resource and referral 2177
services, designed to improve the quality, and increase the 2178
supply, of child care; 2179

(d) Establishing the step up to quality program pursuant 2180
to section 5104.29 of the Revised Code. 2181

(4) The department shall ensure that the federal funds 2182

will be used only to supplement, and will not be used to 2183
supplant, federal, state, and local funds available on the 2184
effective date of the child care block grant act for publicly 2185
funded child care and related programs. If authorized by rules 2186
adopted by the department pursuant to section 5104.42 of the 2187
Revised Code, county departments of job and family services may 2188
purchase child care from funds obtained through any other means. 2189

(D) The department shall encourage the development of 2190
suitable child care throughout the state, especially in areas 2191
with high concentrations of recipients of public assistance and 2192
families with low incomes. The department shall encourage the 2193
development of suitable child care designed to accommodate the 2194
special needs of migrant workers. On request, the department, 2195
through its employees or contracts with state or community child 2196
care resource and referral service organizations, shall provide 2197
consultation to groups and individuals interested in developing 2198
child care. The department of job and family services may enter 2199
into interagency agreements with the department of education, 2200
the chancellor of higher education, the department of 2201
development, and other state agencies and entities whenever the 2202
cooperative efforts of the other state agencies and entities are 2203
necessary for the department of job and family services to 2204
fulfill its duties and responsibilities under this chapter. 2205

The department shall develop and maintain a registry of 2206
persons providing child care. The director shall adopt rules in 2207
accordance with Chapter 119. of the Revised Code establishing 2208
procedures and requirements for the registry's administration. 2209

(E) (1) The director shall adopt rules in accordance with 2210
Chapter 119. of the Revised Code establishing both of the 2211
following: 2212

(a) Reimbursement ceilings for providers of publicly funded child care not later than the first day of July in each odd-numbered year;

(b) A procedure for reimbursing and paying providers of publicly funded child care.

(2) In establishing reimbursement ceilings under division (E) (1) (a) of this section, the director shall do all of the following:

(a) ~~Use~~ Adjust reimbursement ceilings in accordance with the most recent information obtained under division (B) (3) of section 5104.04 of the Revised Code;

(b) Establish an enhanced reimbursement ceiling for providers who provide child care for caretaker parents who work nontraditional hours;

(c) For an in-home aide, establish an hourly reimbursement ceiling;

(d) With regard to the step up to quality program established pursuant to section 5104.29 of the Revised Code, do both of the following:

(i) Establish enhanced reimbursement ceilings for child day-care providers that participate in the program and maintain quality ratings;

(ii) Weigh any reduction in reimbursement ceilings more heavily against providers that do not participate in the program or do not maintain quality ratings.

(3) In establishing reimbursement ceilings under division (E) (1) (a) of this section, the director may establish different reimbursement ceilings based on any of the following:

(a) Geographic location of the provider;	2241
(b) Type of care provided;	2242
(c) Age of the child served;	2243
(d) Special needs of the child served;	2244
(e) Whether the expanded hours of service are provided;	2245
(f) Whether weekend service is provided;	2246
(g) Whether the provider has exceeded the minimum requirements of state statutes and rules governing child care;	2247 2248
(h) Any other factors the director considers appropriate.	2249
<u>Sec. 5709.29. (A) As used in this section:</u>	2250
<u>(1) "Distressed residential or commercial property" means</u>	2251
<u>real property that was or is used exclusively for residential or</u>	2252
<u>commercial purposes as classified in the county real property</u>	2253
<u>tax records and that is vacant, abandoned, foreclosed-upon, or</u>	2254
<u>located in a blighted area.</u>	2255
<u>(2) "Blighted area" has the same meaning defined by</u>	2256
<u>section 1.08 of the Revised Code.</u>	2257
<u>(3) "Qualifying improvement" means the increase in the</u>	2258
<u>assessed value of distressed residential or commercial property</u>	2259
<u>as shown on the tax list for a tax year after the tax year in</u>	2260
<u>which the owner of that property remodels the property.</u>	2261
<u>(4) "Remodel" means to make any change to a building that</u>	2262
<u>constitutes distressed residential or commercial property for</u>	2263
<u>the purpose of making it structurally more sound or more</u>	2264
<u>habitable or to improve its appearance.</u>	2265
<u>(B) If the owner of distressed residential or commercial</u>	2266

property remodels the property within one year after first 2267
acquiring title to the property, the qualifying improvement is 2268
exempt from taxation beginning in the following tax year and 2269
continuing until, but not including, the earlier of (1) the 2270
fifth tax year following that tax year or (2) the tax year 2271
immediately following the tax year in which that owner transfers 2272
title to the property to another person. 2273

Sec. 5725.98. (A) To provide a uniform procedure for 2274
calculating the amount of tax imposed by section 5725.18 of the 2275
Revised Code that is due under this chapter, a taxpayer shall 2276
claim any credits and offsets against tax liability to which it 2277
is entitled in the following order: 2278

(1) The credit for an insurance company or insurance 2279
company group under section 5729.031 of the Revised Code; 2280

(2) The credit for eligible employee training costs under 2281
section 5725.31 of the Revised Code; 2282

(3) The credit for purchasers of qualified low-income 2283
community investments under section 5725.33 of the Revised Code; 2284

(4) The nonrefundable job retention credit under division 2285
(B) of section 122.171 of the Revised Code; 2286

(5) The nonrefundable credit for certified neighborhood 2287
assistance donations under section 122.178 of the Revised Code; 2288

(6) The offset of assessments by the Ohio life and health 2289
insurance guaranty association permitted by section 3956.20 of 2290
the Revised Code; 2291

~~(6)~~ (7) The refundable credit for rehabilitating a 2292
historic building under section 5725.34 of the Revised Code. 2293

~~(7)~~ (8) The refundable credit for Ohio job retention under 2294

former division (B) (2) or (3) of section 122.171 of the Revised Code as those divisions existed before September 29, 2015, the effective date of the amendment of this section by H.B. 64 of the 131st general assembly;

~~(8)~~ (9) The refundable credit for Ohio job creation under section 5725.32 of the Revised Code;

~~(9)~~ (10) The refundable credit under section 5725.19 of the Revised Code for losses on loans made under the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code.

(B) For any credit except the refundable credits enumerated in this section, the amount of the credit for a taxable year shall not exceed the tax due after allowing for any other credit that precedes it in the order required under this section. Any excess amount of a particular credit may be carried forward if authorized under the section creating that credit. Nothing in this chapter shall be construed to allow a taxpayer to claim, directly or indirectly, a credit more than once for a taxable year.

Sec. 5726.98. (A) To provide a uniform procedure for calculating the amount of tax due under section 5726.02 of the Revised Code, a taxpayer shall claim any credits to which the taxpayer is entitled under this chapter in the following order:

(1) The nonrefundable job retention credit under division (B) of section 5726.50 of the Revised Code;

(2) The nonrefundable credit for purchases of qualified low-income community investments under section 5726.54 of the Revised Code;

(3) The nonrefundable credit for certified neighborhood

assistance donations under section 122.178 of the Revised Code; 2324

(4) The nonrefundable credit for qualified research 2325
expenses under section 5726.56 of the Revised Code; 2326

~~(4)~~ (5) The nonrefundable credit for qualifying dealer in 2327
intangibles taxes under section 5726.57 of the Revised Code; 2328

~~(5)~~ (6) The refundable credit for rehabilitating an 2329
historic building under section 5726.52 of the Revised Code; 2330

~~(6)~~ (7) The refundable job retention or job creation 2331
credit under division (A) of section 5726.50 of the Revised 2332
Code; 2333

~~(7)~~ (8) The refundable credit under section 5726.53 of the 2334
Revised Code for losses on loans made under the Ohio venture 2335
capital program under sections 150.01 to 150.10 of the Revised 2336
Code; 2337

~~(8)~~ (9) The refundable motion picture production credit 2338
under section 5726.55 of the Revised Code. 2339

(B) For any credit except the refundable credits 2340
enumerated in this section, the amount of the credit for a 2341
taxable year shall not exceed the tax due after allowing for any 2342
other credit that precedes it in the order required under this 2343
section. Any excess amount of a particular credit may be carried 2344
forward if authorized under the section creating that credit. 2345
Nothing in this chapter shall be construed to allow a taxpayer 2346
to claim, directly or indirectly, a credit more than once for a 2347
taxable year. 2348

Sec. 5729.98. (A) To provide a uniform procedure for 2349
calculating the amount of tax due under this chapter, a taxpayer 2350
shall claim any credits and offsets against tax liability to 2351

which it is entitled in the following order: 2352

(1) The credit for an insurance company or insurance 2353
company group under section 5729.031 of the Revised Code; 2354

(2) The credit for eligible employee training costs under 2355
section 5729.07 of the Revised Code; 2356

(3) The credit for purchases of qualified low-income 2357
community investments under section 5729.16 of the Revised Code; 2358

(4) The nonrefundable job retention credit under division 2359
(B) of section 122.171 of the Revised Code; 2360

(5) The nonrefundable credit for certified neighborhood 2361
assistance donations under section 122.178 of the Revised Code; 2362

(6) The offset of assessments by the Ohio life and health 2363
insurance guaranty association against tax liability permitted 2364
by section 3956.20 of the Revised Code; 2365

~~(6)~~ (7) The refundable credit for rehabilitating a 2366
historic building under section 5729.17 of the Revised Code. 2367

~~(7)~~ (8) The refundable credit for Ohio job retention under 2368
former division (B) (2) or (3) of section 122.171 of the Revised 2369
Code as those divisions existed before September 29, 2015, the 2370
effective date of the amendment of this section by H.B. 64 of 2371
the 131st general assembly; 2372

~~(8)~~ (9) The refundable credit for Ohio job creation under 2373
section 5729.032 of the Revised Code; 2374

~~(9)~~ (10) The refundable credit under section 5729.08 of 2375
the Revised Code for losses on loans made under the Ohio venture 2376
capital program under sections 150.01 to 150.10 of the Revised 2377
Code. 2378

(B) For any credit except the refundable credits 2379
enumerated in this section, the amount of the credit for a 2380
taxable year shall not exceed the tax due after allowing for any 2381
other credit that precedes it in the order required under this 2382
section. Any excess amount of a particular credit may be carried 2383
forward if authorized under the section creating that credit. 2384
Nothing in this chapter shall be construed to allow a taxpayer 2385
to claim, directly or indirectly, a credit more than once for a 2386
taxable year. 2387

Sec. 5747.01. Except as otherwise expressly provided or 2388
clearly appearing from the context, any term used in this 2389
chapter that is not otherwise defined in this section has the 2390
same meaning as when used in a comparable context in the laws of 2391
the United States relating to federal income taxes or if not 2392
used in a comparable context in those laws, has the same meaning 2393
as in section 5733.40 of the Revised Code. Any reference in this 2394
chapter to the Internal Revenue Code includes other laws of the 2395
United States relating to federal income taxes. 2396

As used in this chapter: 2397

(A) "Adjusted gross income" or "Ohio adjusted gross 2398
income" means federal adjusted gross income, as defined and used 2399
in the Internal Revenue Code, adjusted as provided in this 2400
section: 2401

(1) Add interest or dividends on obligations or securities 2402
of any state or of any political subdivision or authority of any 2403
state, other than this state and its subdivisions and 2404
authorities. 2405

(2) Add interest or dividends on obligations of any 2406
authority, commission, instrumentality, territory, or possession 2407

of the United States to the extent that the interest or 2408
dividends are exempt from federal income taxes but not from 2409
state income taxes. 2410

(3) Deduct interest or dividends on obligations of the 2411
United States and its territories and possessions or of any 2412
authority, commission, or instrumentality of the United States 2413
to the extent that the interest or dividends are included in 2414
federal adjusted gross income but exempt from state income taxes 2415
under the laws of the United States. 2416

(4) Deduct disability and survivor's benefits to the 2417
extent included in federal adjusted gross income. 2418

(5) Deduct benefits under Title II of the Social Security 2419
Act and tier 1 railroad retirement benefits to the extent 2420
included in federal adjusted gross income under section 86 of 2421
the Internal Revenue Code. 2422

(6) In the case of a taxpayer who is a beneficiary of a 2423
trust that makes an accumulation distribution as defined in 2424
section 665 of the Internal Revenue Code, add, for the 2425
beneficiary's taxable years beginning before 2002, the portion, 2426
if any, of such distribution that does not exceed the 2427
undistributed net income of the trust for the three taxable 2428
years preceding the taxable year in which the distribution is 2429
made to the extent that the portion was not included in the 2430
trust's taxable income for any of the trust's taxable years 2431
beginning in 2002 or thereafter. "Undistributed net income of a 2432
trust" means the taxable income of the trust increased by (a) (i) 2433
the additions to adjusted gross income required under division 2434
(A) of this section and (ii) the personal exemptions allowed to 2435
the trust pursuant to section 642(b) of the Internal Revenue 2436
Code, and decreased by (b) (i) the deductions to adjusted gross 2437

income required under division (A) of this section, (ii) the 2438
amount of federal income taxes attributable to such income, and 2439
(iii) the amount of taxable income that has been included in the 2440
adjusted gross income of a beneficiary by reason of a prior 2441
accumulation distribution. Any undistributed net income included 2442
in the adjusted gross income of a beneficiary shall reduce the 2443
undistributed net income of the trust commencing with the 2444
earliest years of the accumulation period. 2445

(7) Deduct the amount of wages and salaries, if any, not 2446
otherwise allowable as a deduction but that would have been 2447
allowable as a deduction in computing federal adjusted gross 2448
income for the taxable year, had the targeted jobs credit 2449
allowed and determined under sections 38, 51, and 52 of the 2450
Internal Revenue Code not been in effect. 2451

(8) Deduct any interest or interest equivalent on public 2452
obligations and purchase obligations to the extent that the 2453
interest or interest equivalent is included in federal adjusted 2454
gross income. 2455

(9) Add any loss or deduct any gain resulting from the 2456
sale, exchange, or other disposition of public obligations to 2457
the extent that the loss has been deducted or the gain has been 2458
included in computing federal adjusted gross income. 2459

(10) Deduct or add amounts, as provided under section 2460
5747.70 of the Revised Code, related to contributions to 2461
variable college savings program accounts made or tuition units 2462
purchased pursuant to Chapter 3334. of the Revised Code. 2463

(11) (a) Deduct, to the extent not otherwise allowable as a 2464
deduction or exclusion in computing federal or Ohio adjusted 2465
gross income for the taxable year, the amount the taxpayer paid 2466

during the taxable year for medical care insurance and qualified 2467
long-term care insurance for the taxpayer, the taxpayer's 2468
spouse, and dependents. No deduction for medical care insurance 2469
under division (A) (11) of this section shall be allowed either 2470
to any taxpayer who is eligible to participate in any subsidized 2471
health plan maintained by any employer of the taxpayer or of the 2472
taxpayer's spouse, or to any taxpayer who is entitled to, or on 2473
application would be entitled to, benefits under part A of Title 2474
XVIII of the "Social Security Act," 49 Stat. 620 (1935), 42 2475
U.S.C. 301, as amended. For the purposes of division (A) (11) (a) 2476
of this section, "subsidized health plan" means a health plan 2477
for which the employer pays any portion of the plan's cost. The 2478
deduction allowed under division (A) (11) (a) of this section 2479
shall be the net of any related premium refunds, related premium 2480
reimbursements, or related insurance premium dividends received 2481
during the taxable year. 2482

(b) Deduct, to the extent not otherwise deducted or 2483
excluded in computing federal or Ohio adjusted gross income 2484
during the taxable year, the amount the taxpayer paid during the 2485
taxable year, not compensated for by any insurance or otherwise, 2486
for medical care of the taxpayer, the taxpayer's spouse, and 2487
dependents, to the extent the expenses exceed seven and one-half 2488
per cent of the taxpayer's federal adjusted gross income. 2489

(c) Deduct, to the extent not otherwise deducted or 2490
excluded in computing federal or Ohio adjusted gross income, any 2491
amount included in federal adjusted gross income under section 2492
105 or not excluded under section 106 of the Internal Revenue 2493
Code solely because it relates to an accident and health plan 2494
for a person who otherwise would be a "qualifying relative" and 2495
thus a "dependent" under section 152 of the Internal Revenue 2496
Code but for the fact that the person fails to meet the income 2497

and support limitations under section 152(d)(1)(B) and (C) of 2498
the Internal Revenue Code. 2499

(d) For purposes of division (A)(11) of this section, 2500
"medical care" has the meaning given in section 213 of the 2501
Internal Revenue Code, subject to the special rules, 2502
limitations, and exclusions set forth therein, and "qualified 2503
long-term care" has the same meaning given in section 7702B(c) 2504
of the Internal Revenue Code. Solely for purposes of divisions 2505
(A)(11)(a) and (c) of this section, "dependent" includes a 2506
person who otherwise would be a "qualifying relative" and thus a 2507
"dependent" under section 152 of the Internal Revenue Code but 2508
for the fact that the person fails to meet the income and 2509
support limitations under section 152(d)(1)(B) and (C) of the 2510
Internal Revenue Code. 2511

(12)(a) Deduct any amount included in federal adjusted 2512
gross income solely because the amount represents a 2513
reimbursement or refund of expenses that in any year the 2514
taxpayer had deducted as an itemized deduction pursuant to 2515
section 63 of the Internal Revenue Code and applicable United 2516
States department of the treasury regulations. The deduction 2517
otherwise allowed under division (A)(12)(a) of this section 2518
shall be reduced to the extent the reimbursement is attributable 2519
to an amount the taxpayer deducted under this section in any 2520
taxable year. 2521

(b) Add any amount not otherwise included in Ohio adjusted 2522
gross income for any taxable year to the extent that the amount 2523
is attributable to the recovery during the taxable year of any 2524
amount deducted or excluded in computing federal or Ohio 2525
adjusted gross income in any taxable year. 2526

(13) Deduct any portion of the deduction described in 2527

section 1341(a)(2) of the Internal Revenue Code, for repaying 2528
previously reported income received under a claim of right, that 2529
meets both of the following requirements: 2530

(a) It is allowable for repayment of an item that was 2531
included in the taxpayer's adjusted gross income for a prior 2532
taxable year and did not qualify for a credit under division (A) 2533
or (B) of section 5747.05 of the Revised Code for that year; 2534

(b) It does not otherwise reduce the taxpayer's adjusted 2535
gross income for the current or any other taxable year. 2536

(14) Deduct an amount equal to the deposits made to, and 2537
net investment earnings of, a medical savings account during the 2538
taxable year, in accordance with section 3924.66 of the Revised 2539
Code. The deduction allowed by division (A)(14) of this section 2540
does not apply to medical savings account deposits and earnings 2541
otherwise deducted or excluded for the current or any other 2542
taxable year from the taxpayer's federal adjusted gross income. 2543

(15)(a) Add an amount equal to the funds withdrawn from a 2544
medical savings account during the taxable year, and the net 2545
investment earnings on those funds, when the funds withdrawn 2546
were used for any purpose other than to reimburse an account 2547
holder for, or to pay, eligible medical expenses, in accordance 2548
with section 3924.66 of the Revised Code; 2549

(b) Add the amounts distributed from a medical savings 2550
account under division (A)(2) of section 3924.68 of the Revised 2551
Code during the taxable year. 2552

(16) Add any amount claimed as a credit under section 2553
5747.059 or 5747.65 of the Revised Code to the extent that such 2554
amount satisfies either of the following: 2555

(a) The amount was deducted or excluded from the 2556

computation of the taxpayer's federal adjusted gross income as 2557
required to be reported for the taxpayer's taxable year under 2558
the Internal Revenue Code; 2559

(b) The amount resulted in a reduction of the taxpayer's 2560
federal adjusted gross income as required to be reported for any 2561
of the taxpayer's taxable years under the Internal Revenue Code. 2562

(17) Deduct the amount contributed by the taxpayer to an 2563
individual development account program established by a county 2564
department of job and family services pursuant to sections 2565
329.11 to 329.14 of the Revised Code for the purpose of matching 2566
funds deposited by program participants. On request of the tax 2567
commissioner, the taxpayer shall provide any information that, 2568
in the tax commissioner's opinion, is necessary to establish the 2569
amount deducted under division (A) (17) of this section. 2570

(18) Beginning in taxable year 2001 but not for any 2571
taxable year beginning after December 31, 2005, if the taxpayer 2572
is married and files a joint return and the combined federal 2573
adjusted gross income of the taxpayer and the taxpayer's spouse 2574
for the taxable year does not exceed one hundred thousand 2575
dollars, or if the taxpayer is single and has a federal adjusted 2576
gross income for the taxable year not exceeding fifty thousand 2577
dollars, deduct amounts paid during the taxable year for 2578
qualified tuition and fees paid to an eligible institution for 2579
the taxpayer, the taxpayer's spouse, or any dependent of the 2580
taxpayer, who is a resident of this state and is enrolled in or 2581
attending a program that culminates in a degree or diploma at an 2582
eligible institution. The deduction may be claimed only to the 2583
extent that qualified tuition and fees are not otherwise 2584
deducted or excluded for any taxable year from federal or Ohio 2585
adjusted gross income. The deduction may not be claimed for 2586

educational expenses for which the taxpayer claims a credit 2587
under section 5747.27 of the Revised Code. 2588

(19) Add any reimbursement received during the taxable 2589
year of any amount the taxpayer deducted under division (A) (18) 2590
of this section in any previous taxable year to the extent the 2591
amount is not otherwise included in Ohio adjusted gross income. 2592

(20) (a) (i) Subject to divisions (A) (20) (a) (iii), (iv), and 2593
(v) of this section, add five-sixths of the amount of 2594
depreciation expense allowed by subsection (k) of section 168 of 2595
the Internal Revenue Code, including the taxpayer's 2596
proportionate or distributive share of the amount of 2597
depreciation expense allowed by that subsection to a pass- 2598
through entity in which the taxpayer has a direct or indirect 2599
ownership interest. 2600

(ii) Subject to divisions (A) (20) (a) (iii), (iv), and (v) 2601
of this section, add five-sixths of the amount of qualifying 2602
section 179 depreciation expense, including the taxpayer's 2603
proportionate or distributive share of the amount of qualifying 2604
section 179 depreciation expense allowed to any pass-through 2605
entity in which the taxpayer has a direct or indirect ownership 2606
interest. 2607

(iii) Subject to division (A) (20) (a) (v) of this section, 2608
for taxable years beginning in 2012 or thereafter, if the 2609
increase in income taxes withheld by the taxpayer is equal to or 2610
greater than ten per cent of income taxes withheld by the 2611
taxpayer during the taxpayer's immediately preceding taxable 2612
year, "two-thirds" shall be substituted for "five-sixths" for 2613
the purpose of divisions (A) (20) (a) (i) and (ii) of this section. 2614

(iv) Subject to division (A) (20) (a) (v) of this section, 2615

for taxable years beginning in 2012 or thereafter, a taxpayer is 2616
not required to add an amount under division (A) (20) of this 2617
section if the increase in income taxes withheld by the taxpayer 2618
and by any pass-through entity in which the taxpayer has a 2619
direct or indirect ownership interest is equal to or greater 2620
than the sum of (I) the amount of qualifying section 179 2621
depreciation expense and (II) the amount of depreciation expense 2622
allowed to the taxpayer by subsection (k) of section 168 of the 2623
Internal Revenue Code, and including the taxpayer's 2624
proportionate or distributive shares of such amounts allowed to 2625
any such pass-through entities. 2626

(v) If a taxpayer directly or indirectly incurs a net 2627
operating loss for the taxable year for federal income tax 2628
purposes, to the extent such loss resulted from depreciation 2629
expense allowed by subsection (k) of section 168 of the Internal 2630
Revenue Code and by qualifying section 179 depreciation expense, 2631
"the entire" shall be substituted for "five-sixths of the" for 2632
the purpose of divisions (A) (20) (a) (i) and (ii) of this section. 2633

The tax commissioner, under procedures established by the 2634
commissioner, may waive the add-backs related to a pass-through 2635
entity if the taxpayer owns, directly or indirectly, less than 2636
five per cent of the pass-through entity. 2637

(b) Nothing in division (A) (20) of this section shall be 2638
construed to adjust or modify the adjusted basis of any asset. 2639

(c) To the extent the add-back required under division (A) 2640
(20) (a) of this section is attributable to property generating 2641
nonbusiness income or loss allocated under section 5747.20 of 2642
the Revised Code, the add-back shall be situated to the same 2643
location as the nonbusiness income or loss generated by the 2644
property for the purpose of determining the credit under 2645

division (A) of section 5747.05 of the Revised Code. Otherwise, 2646
the add-back shall be apportioned, subject to one or more of the 2647
four alternative methods of apportionment enumerated in section 2648
5747.21 of the Revised Code. 2649

(d) For the purposes of division (A) (20) (a) (v) of this 2650
section, net operating loss carryback and carryforward shall not 2651
include the allowance of any net operating loss deduction 2652
carryback or carryforward to the taxable year to the extent such 2653
loss resulted from depreciation allowed by section 168(k) of the 2654
Internal Revenue Code and by the qualifying section 179 2655
depreciation expense amount. 2656

(e) For the purposes of divisions (A) (20) and (21) of this 2657
section: 2658

(i) "Income taxes withheld" means the total amount 2659
withheld and remitted under sections 5747.06 and 5747.07 of the 2660
Revised Code by an employer during the employer's taxable year. 2661

(ii) "Increase in income taxes withheld" means the amount 2662
by which the amount of income taxes withheld by an employer 2663
during the employer's current taxable year exceeds the amount of 2664
income taxes withheld by that employer during the employer's 2665
immediately preceding taxable year. 2666

(iii) "Qualifying section 179 depreciation expense" means 2667
the difference between (I) the amount of depreciation expense 2668
directly or indirectly allowed to a taxpayer under section 179 2669
of the Internal Revised Code, and (II) the amount of 2670
depreciation expense directly or indirectly allowed to the 2671
taxpayer under section 179 of the Internal Revenue Code as that 2672
section existed on December 31, 2002. 2673

(21) (a) If the taxpayer was required to add an amount 2674

under division (A) (20) (a) of this section for a taxable year, 2675
deduct one of the following: 2676

(i) One-fifth of the amount so added for each of the five 2677
succeeding taxable years if the amount so added was five-sixths 2678
of qualifying section 179 depreciation expense or depreciation 2679
expense allowed by subsection (k) of section 168 of the Internal 2680
Revenue Code; 2681

(ii) One-half of the amount so added for each of the two 2682
succeeding taxable years if the amount so added was two-thirds 2683
of such depreciation expense; 2684

(iii) One-sixth of the amount so added for each of the six 2685
succeeding taxable years if the entire amount of such 2686
depreciation expense was so added. 2687

(b) If the amount deducted under division (A) (21) (a) of 2688
this section is attributable to an add-back allocated under 2689
division (A) (20) (c) of this section, the amount deducted shall 2690
be situated to the same location. Otherwise, the add-back shall 2691
be apportioned using the apportionment factors for the taxable 2692
year in which the deduction is taken, subject to one or more of 2693
the four alternative methods of apportionment enumerated in 2694
section 5747.21 of the Revised Code. 2695

(c) No deduction is available under division (A) (21) (a) of 2696
this section with regard to any depreciation allowed by section 2697
168(k) of the Internal Revenue Code and by the qualifying 2698
section 179 depreciation expense amount to the extent that such 2699
depreciation results in or increases a federal net operating 2700
loss carryback or carryforward. If no such deduction is 2701
available for a taxable year, the taxpayer may carry forward the 2702
amount not deducted in such taxable year to the next taxable 2703

year and add that amount to any deduction otherwise available 2704
under division (A) (21) (a) of this section for that next taxable 2705
year. The carryforward of amounts not so deducted shall continue 2706
until the entire addition required by division (A) (20) (a) of 2707
this section has been deducted. 2708

(d) No refund shall be allowed as a result of adjustments 2709
made by division (A) (21) of this section. 2710

(22) Deduct, to the extent not otherwise deducted or 2711
excluded in computing federal or Ohio adjusted gross income for 2712
the taxable year, the amount the taxpayer received during the 2713
taxable year as reimbursement for life insurance premiums under 2714
section 5919.31 of the Revised Code. 2715

(23) Deduct, to the extent not otherwise deducted or 2716
excluded in computing federal or Ohio adjusted gross income for 2717
the taxable year, the amount the taxpayer received during the 2718
taxable year as a death benefit paid by the adjutant general 2719
under section 5919.33 of the Revised Code. 2720

(24) Deduct, to the extent included in federal adjusted 2721
gross income and not otherwise allowable as a deduction or 2722
exclusion in computing federal or Ohio adjusted gross income for 2723
the taxable year, military pay and allowances received by the 2724
taxpayer during the taxable year for active duty service in the 2725
United States army, air force, navy, marine corps, or coast 2726
guard or reserve components thereof or the national guard. The 2727
deduction may not be claimed for military pay and allowances 2728
received by the taxpayer while the taxpayer is stationed in this 2729
state. 2730

(25) Deduct, to the extent not otherwise allowable as a 2731
deduction or exclusion in computing federal or Ohio adjusted 2732

gross income for the taxable year and not otherwise compensated 2733
for by any other source, the amount of qualified organ donation 2734
expenses incurred by the taxpayer during the taxable year, not 2735
to exceed ten thousand dollars. A taxpayer may deduct qualified 2736
organ donation expenses only once for all taxable years 2737
beginning with taxable years beginning in 2007. 2738

For the purposes of division (A) (25) of this section: 2739

(a) "Human organ" means all or any portion of a human 2740
liver, pancreas, kidney, intestine, or lung, and any portion of 2741
human bone marrow. 2742

(b) "Qualified organ donation expenses" means travel 2743
expenses, lodging expenses, and wages and salary forgone by a 2744
taxpayer in connection with the taxpayer's donation, while 2745
living, of one or more of the taxpayer's human organs to another 2746
human being. 2747

(26) Deduct, to the extent not otherwise deducted or 2748
excluded in computing federal or Ohio adjusted gross income for 2749
the taxable year, amounts received by the taxpayer as retired 2750
personnel pay for service in the uniformed services or reserve 2751
components thereof, or the national guard, or received by the 2752
surviving spouse or former spouse of such a taxpayer under the 2753
survivor benefit plan on account of such a taxpayer's death. If 2754
the taxpayer receives income on account of retirement paid under 2755
the federal civil service retirement system or federal employees 2756
retirement system, or under any successor retirement program 2757
enacted by the congress of the United States that is established 2758
and maintained for retired employees of the United States 2759
government, and such retirement income is based, in whole or in 2760
part, on credit for the taxpayer's uniformed service, the 2761
deduction allowed under this division shall include only that 2762

portion of such retirement income that is attributable to the 2763
taxpayer's uniformed service, to the extent that portion of such 2764
retirement income is otherwise included in federal adjusted 2765
gross income and is not otherwise deducted under this section. 2766
Any amount deducted under division (A) (26) of this section is 2767
not included in a taxpayer's adjusted gross income for the 2768
purposes of section 5747.055 of the Revised Code. No amount may 2769
be deducted under division (A) (26) of this section on the basis 2770
of which a credit was claimed under section 5747.055 of the 2771
Revised Code. 2772

(27) Deduct, to the extent not otherwise deducted or 2773
excluded in computing federal or Ohio adjusted gross income for 2774
the taxable year, the amount the taxpayer received during the 2775
taxable year from the military injury relief fund created in 2776
section 5902.05 of the Revised Code. 2777

(28) Deduct, to the extent not otherwise deducted or 2778
excluded in computing federal or Ohio adjusted gross income for 2779
the taxable year, the amount the taxpayer received as a veterans 2780
bonus during the taxable year from the Ohio department of 2781
veterans services as authorized by Section 2r of Article VIII, 2782
Ohio Constitution. 2783

(29) Deduct, to the extent not otherwise deducted or 2784
excluded in computing federal or Ohio adjusted gross income for 2785
the taxable year, any income derived from a transfer agreement 2786
or from the enterprise transferred under that agreement under 2787
section 4313.02 of the Revised Code. 2788

(30) Deduct, to the extent not otherwise deducted or 2789
excluded in computing federal or Ohio adjusted gross income for 2790
the taxable year, Ohio college opportunity or federal Pell grant 2791
amounts received by the taxpayer or the taxpayer's spouse or 2792

dependent pursuant to section 3333.122 of the Revised Code or 20 2793
U.S.C. 1070a, et seq., and used to pay room or board furnished 2794
by the educational institution for which the grant was awarded 2795
at the institution's facilities, including meal plans 2796
administered by the institution. For the purposes of this 2797
division, receipt of a grant includes the distribution of a 2798
grant directly to an educational institution and the crediting 2799
of the grant to the enrollee's account with the institution. 2800

~~(31) (a) For taxable years beginning in 2015, deduct from 2801
the portion of an individual's adjusted gross income that is 2802
business income, to the extent not otherwise deducted or 2803
excluded in computing federal or Ohio adjusted gross income for 2804
the taxable year, the lesser of the following amounts: 2805~~

~~(i) Seventy five per cent of the individual's business 2806
income; 2807~~

~~(ii) Ninety three thousand seven hundred fifty dollars for 2808
each spouse if spouses file separate returns under section 2809
5747.08 of the Revised Code or one hundred eighty seven thousand 2810
five hundred dollars for all other individuals. 2811~~

~~(b) For taxable years beginning in 2016 or thereafter, 2812
deduct from the portion of an individual's adjusted gross income 2813
that is business income, to the extent not otherwise deducted or 2814
excluded in computing federal adjusted gross income for the 2815
taxable year, one hundred twenty five thousand dollars for each 2816
spouse if spouses file separate returns under section 5747.08 of 2817
the Revised Code or two hundred fifty thousand dollars for all 2818
other individuals. 2819~~

~~(32)~~ Deduct, as provided under section 5747.78 of the 2820
Revised Code, contributions to ABLE savings accounts made in 2821

accordance with sections 113.50 to 113.56 of the Revised Code. 2822

(B) "Business income" means income, including gain or 2823
loss, arising from transactions, activities, and sources in the 2824
regular course of a trade or business and includes income, gain, 2825
or loss from real property, tangible property, and intangible 2826
property if the acquisition, rental, management, and disposition 2827
of the property constitute integral parts of the regular course 2828
of a trade or business operation. "Business income" includes 2829
income, including gain or loss, from a partial or complete 2830
liquidation of a business, including, but not limited to, gain 2831
or loss from the sale or other disposition of goodwill. 2832

(C) "Nonbusiness income" means all income other than 2833
business income and may include, but is not limited to, 2834
compensation, rents and royalties from real or tangible personal 2835
property, capital gains, interest, dividends and distributions, 2836
patent or copyright royalties, or lottery winnings, prizes, and 2837
awards. 2838

(D) "Compensation" means any form of remuneration paid to 2839
an employee for personal services. 2840

(E) "Fiduciary" means a guardian, trustee, executor, 2841
administrator, receiver, conservator, or any other person acting 2842
in any fiduciary capacity for any individual, trust, or estate. 2843

(F) "Fiscal year" means an accounting period of twelve 2844
months ending on the last day of any month other than December. 2845

(G) "Individual" means any natural person. 2846

(H) "Internal Revenue Code" means the "Internal Revenue 2847
Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended. 2848

(I) "Resident" means any of the following, provided that 2849

division (I) (3) of this section applies only to taxable years of 2850
a trust beginning in 2002 or thereafter: 2851

(1) An individual who is domiciled in this state, subject 2852
to section 5747.24 of the Revised Code; 2853

(2) The estate of a decedent who at the time of death was 2854
domiciled in this state. The domicile tests of section 5747.24 2855
of the Revised Code are not controlling for purposes of division 2856
(I) (2) of this section. 2857

(3) A trust that, in whole or part, resides in this state. 2858
If only part of a trust resides in this state, the trust is a 2859
resident only with respect to that part. 2860

For the purposes of division (I) (3) of this section: 2861

(a) A trust resides in this state for the trust's current 2862
taxable year to the extent, as described in division (I) (3) (d) 2863
of this section, that the trust consists directly or indirectly, 2864
in whole or in part, of assets, net of any related liabilities, 2865
that were transferred, or caused to be transferred, directly or 2866
indirectly, to the trust by any of the following: 2867

(i) A person, a court, or a governmental entity or 2868
instrumentality on account of the death of a decedent, but only 2869
if the trust is described in division (I) (3) (e) (i) or (ii) of 2870
this section; 2871

(ii) A person who was domiciled in this state for the 2872
purposes of this chapter when the person directly or indirectly 2873
transferred assets to an irrevocable trust, but only if at least 2874
one of the trust's qualifying beneficiaries is domiciled in this 2875
state for the purposes of this chapter during all or some 2876
portion of the trust's current taxable year; 2877

(iii) A person who was domiciled in this state for the 2878
purposes of this chapter when the trust document or instrument 2879
or part of the trust document or instrument became irrevocable, 2880
but only if at least one of the trust's qualifying beneficiaries 2881
is a resident domiciled in this state for the purposes of this 2882
chapter during all or some portion of the trust's current 2883
taxable year. If a trust document or instrument became 2884
irrevocable upon the death of a person who at the time of death 2885
was domiciled in this state for purposes of this chapter, that 2886
person is a person described in division (I) (3) (a) (iii) of this 2887
section. 2888

(b) A trust is irrevocable to the extent that the 2889
transferor is not considered to be the owner of the net assets 2890
of the trust under sections 671 to 678 of the Internal Revenue 2891
Code. 2892

(c) With respect to a trust other than a charitable lead 2893
trust, "qualifying beneficiary" has the same meaning as 2894
"potential current beneficiary" as defined in section 1361(e) (2) 2895
of the Internal Revenue Code, and with respect to a charitable 2896
lead trust "qualifying beneficiary" is any current, future, or 2897
contingent beneficiary, but with respect to any trust 2898
"qualifying beneficiary" excludes a person or a governmental 2899
entity or instrumentality to any of which a contribution would 2900
qualify for the charitable deduction under section 170 of the 2901
Internal Revenue Code. 2902

(d) For the purposes of division (I) (3) (a) of this 2903
section, the extent to which a trust consists directly or 2904
indirectly, in whole or in part, of assets, net of any related 2905
liabilities, that were transferred directly or indirectly, in 2906
whole or part, to the trust by any of the sources enumerated in 2907

that division shall be ascertained by multiplying the fair 2908
market value of the trust's assets, net of related liabilities, 2909
by the qualifying ratio, which shall be computed as follows: 2910

(i) The first time the trust receives assets, the 2911
numerator of the qualifying ratio is the fair market value of 2912
those assets at that time, net of any related liabilities, from 2913
sources enumerated in division (I) (3) (a) of this section. The 2914
denominator of the qualifying ratio is the fair market value of 2915
all the trust's assets at that time, net of any related 2916
liabilities. 2917

(ii) Each subsequent time the trust receives assets, a 2918
revised qualifying ratio shall be computed. The numerator of the 2919
revised qualifying ratio is the sum of (1) the fair market value 2920
of the trust's assets immediately prior to the subsequent 2921
transfer, net of any related liabilities, multiplied by the 2922
qualifying ratio last computed without regard to the subsequent 2923
transfer, and (2) the fair market value of the subsequently 2924
transferred assets at the time transferred, net of any related 2925
liabilities, from sources enumerated in division (I) (3) (a) of 2926
this section. The denominator of the revised qualifying ratio is 2927
the fair market value of all the trust's assets immediately 2928
after the subsequent transfer, net of any related liabilities. 2929

(iii) Whether a transfer to the trust is by or from any of 2930
the sources enumerated in division (I) (3) (a) of this section 2931
shall be ascertained without regard to the domicile of the 2932
trust's beneficiaries. 2933

(e) For the purposes of division (I) (3) (a) (i) of this 2934
section: 2935

(i) A trust is described in division (I) (3) (e) (i) of this 2936

section if the trust is a testamentary trust and the testator of 2937
that testamentary trust was domiciled in this state at the time 2938
of the testator's death for purposes of the taxes levied under 2939
Chapter 5731. of the Revised Code. 2940

(ii) A trust is described in division (I)(3)(e)(ii) of 2941
this section if the transfer is a qualifying transfer described 2942
in any of divisions (I)(3)(f)(i) to (vi) of this section, the 2943
trust is an irrevocable inter vivos trust, and at least one of 2944
the trust's qualifying beneficiaries is domiciled in this state 2945
for purposes of this chapter during all or some portion of the 2946
trust's current taxable year. 2947

(f) For the purposes of division (I)(3)(e)(ii) of this 2948
section, a "qualifying transfer" is a transfer of assets, net of 2949
any related liabilities, directly or indirectly to a trust, if 2950
the transfer is described in any of the following: 2951

(i) The transfer is made to a trust, created by the 2952
decedent before the decedent's death and while the decedent was 2953
domiciled in this state for the purposes of this chapter, and, 2954
prior to the death of the decedent, the trust became irrevocable 2955
while the decedent was domiciled in this state for the purposes 2956
of this chapter. 2957

(ii) The transfer is made to a trust to which the 2958
decedent, prior to the decedent's death, had directly or 2959
indirectly transferred assets, net of any related liabilities, 2960
while the decedent was domiciled in this state for the purposes 2961
of this chapter, and prior to the death of the decedent the 2962
trust became irrevocable while the decedent was domiciled in 2963
this state for the purposes of this chapter. 2964

(iii) The transfer is made on account of a contractual 2965

relationship existing directly or indirectly between the 2966
transferor and either the decedent or the estate of the decedent 2967
at any time prior to the date of the decedent's death, and the 2968
decedent was domiciled in this state at the time of death for 2969
purposes of the taxes levied under Chapter 5731. of the Revised 2970
Code. 2971

(iv) The transfer is made to a trust on account of a 2972
contractual relationship existing directly or indirectly between 2973
the transferor and another person who at the time of the 2974
decedent's death was domiciled in this state for purposes of 2975
this chapter. 2976

(v) The transfer is made to a trust on account of the will 2977
of a testator who was domiciled in this state at the time of the 2978
testator's death for purposes of the taxes levied under Chapter 2979
5731. of the Revised Code. 2980

(vi) The transfer is made to a trust created by or caused 2981
to be created by a court, and the trust was directly or 2982
indirectly created in connection with or as a result of the 2983
death of an individual who, for purposes of the taxes levied 2984
under Chapter 5731. of the Revised Code, was domiciled in this 2985
state at the time of the individual's death. 2986

(g) The tax commissioner may adopt rules to ascertain the 2987
part of a trust residing in this state. 2988

(J) "Nonresident" means an individual or estate that is 2989
not a resident. An individual who is a resident for only part of 2990
a taxable year is a nonresident for the remainder of that 2991
taxable year. 2992

(K) "Pass-through entity" has the same meaning as in 2993
section 5733.04 of the Revised Code. 2994

(L) "Return" means the notifications and reports required 2995
to be filed pursuant to this chapter for the purpose of 2996
reporting the tax due and includes declarations of estimated tax 2997
when so required. 2998

(M) "Taxable year" means the calendar year or the 2999
taxpayer's fiscal year ending during the calendar year, or 3000
fractional part thereof, upon which the adjusted gross income is 3001
calculated pursuant to this chapter. 3002

(N) "Taxpayer" means any person subject to the tax imposed 3003
by section 5747.02 of the Revised Code or any pass-through 3004
entity that makes the election under division (D) of section 3005
5747.08 of the Revised Code. 3006

(O) "Dependents" means dependents as defined in the 3007
Internal Revenue Code and as claimed in the taxpayer's federal 3008
income tax return for the taxable year or which the taxpayer 3009
would have been permitted to claim had the taxpayer filed a 3010
federal income tax return. 3011

(P) "Principal county of employment" means, in the case of 3012
a nonresident, the county within the state in which a taxpayer 3013
performs services for an employer or, if those services are 3014
performed in more than one county, the county in which the major 3015
portion of the services are performed. 3016

(Q) As used in sections 5747.50 to 5747.55 of the Revised 3017
Code: 3018

(1) "Subdivision" means any county, municipal corporation, 3019
park district, or township. 3020

(2) "Essential local government purposes" includes all 3021
functions that any subdivision is required by general law to 3022
exercise, including like functions that are exercised under a 3023

charter adopted pursuant to the Ohio Constitution. 3024

(R) "Overpayment" means any amount already paid that 3025
exceeds the figure determined to be the correct amount of the 3026
tax. 3027

(S) "Taxable income" or "Ohio taxable income" applies only 3028
to estates and trusts, and means federal taxable income, as 3029
defined and used in the Internal Revenue Code, adjusted as 3030
follows: 3031

(1) Add interest or dividends, net of ordinary, necessary, 3032
and reasonable expenses not deducted in computing federal 3033
taxable income, on obligations or securities of any state or of 3034
any political subdivision or authority of any state, other than 3035
this state and its subdivisions and authorities, but only to the 3036
extent that such net amount is not otherwise includible in Ohio 3037
taxable income and is described in either division (S) (1) (a) or 3038
(b) of this section: 3039

(a) The net amount is not attributable to the S portion of 3040
an electing small business trust and has not been distributed to 3041
beneficiaries for the taxable year; 3042

(b) The net amount is attributable to the S portion of an 3043
electing small business trust for the taxable year. 3044

(2) Add interest or dividends, net of ordinary, necessary, 3045
and reasonable expenses not deducted in computing federal 3046
taxable income, on obligations of any authority, commission, 3047
instrumentality, territory, or possession of the United States 3048
to the extent that the interest or dividends are exempt from 3049
federal income taxes but not from state income taxes, but only 3050
to the extent that such net amount is not otherwise includible 3051
in Ohio taxable income and is described in either division (S) 3052

(1) (a) or (b) of this section; 3053

(3) Add the amount of personal exemption allowed to the 3054
estate pursuant to section 642(b) of the Internal Revenue Code; 3055

(4) Deduct interest or dividends, net of related expenses 3056
deducted in computing federal taxable income, on obligations of 3057
the United States and its territories and possessions or of any 3058
authority, commission, or instrumentality of the United States 3059
to the extent that the interest or dividends are exempt from 3060
state taxes under the laws of the United States, but only to the 3061
extent that such amount is included in federal taxable income 3062
and is described in either division (S) (1) (a) or (b) of this 3063
section; 3064

(5) Deduct the amount of wages and salaries, if any, not 3065
otherwise allowable as a deduction but that would have been 3066
allowable as a deduction in computing federal taxable income for 3067
the taxable year, had the targeted jobs credit allowed under 3068
sections 38, 51, and 52 of the Internal Revenue Code not been in 3069
effect, but only to the extent such amount relates either to 3070
income included in federal taxable income for the taxable year 3071
or to income of the S portion of an electing small business 3072
trust for the taxable year; 3073

(6) Deduct any interest or interest equivalent, net of 3074
related expenses deducted in computing federal taxable income, 3075
on public obligations and purchase obligations, but only to the 3076
extent that such net amount relates either to income included in 3077
federal taxable income for the taxable year or to income of the 3078
S portion of an electing small business trust for the taxable 3079
year; 3080

(7) Add any loss or deduct any gain resulting from sale, 3081

exchange, or other disposition of public obligations to the 3082
extent that such loss has been deducted or such gain has been 3083
included in computing either federal taxable income or income of 3084
the S portion of an electing small business trust for the 3085
taxable year; 3086

(8) Except in the case of the final return of an estate, 3087
add any amount deducted by the taxpayer on both its Ohio estate 3088
tax return pursuant to section 5731.14 of the Revised Code, and 3089
on its federal income tax return in determining federal taxable 3090
income; 3091

(9) (a) Deduct any amount included in federal taxable 3092
income solely because the amount represents a reimbursement or 3093
refund of expenses that in a previous year the decedent had 3094
deducted as an itemized deduction pursuant to section 63 of the 3095
Internal Revenue Code and applicable treasury regulations. The 3096
deduction otherwise allowed under division (S) (9) (a) of this 3097
section shall be reduced to the extent the reimbursement is 3098
attributable to an amount the taxpayer or decedent deducted 3099
under this section in any taxable year. 3100

(b) Add any amount not otherwise included in Ohio taxable 3101
income for any taxable year to the extent that the amount is 3102
attributable to the recovery during the taxable year of any 3103
amount deducted or excluded in computing federal or Ohio taxable 3104
income in any taxable year, but only to the extent such amount 3105
has not been distributed to beneficiaries for the taxable year. 3106

(10) Deduct any portion of the deduction described in 3107
section 1341(a) (2) of the Internal Revenue Code, for repaying 3108
previously reported income received under a claim of right, that 3109
meets both of the following requirements: 3110

(a) It is allowable for repayment of an item that was 3111
included in the taxpayer's taxable income or the decedent's 3112
adjusted gross income for a prior taxable year and did not 3113
qualify for a credit under division (A) or (B) of section 3114
5747.05 of the Revised Code for that year. 3115

(b) It does not otherwise reduce the taxpayer's taxable 3116
income or the decedent's adjusted gross income for the current 3117
or any other taxable year. 3118

(11) Add any amount claimed as a credit under section 3119
5747.059 or 5747.65 of the Revised Code to the extent that the 3120
amount satisfies either of the following: 3121

(a) The amount was deducted or excluded from the 3122
computation of the taxpayer's federal taxable income as required 3123
to be reported for the taxpayer's taxable year under the 3124
Internal Revenue Code; 3125

(b) The amount resulted in a reduction in the taxpayer's 3126
federal taxable income as required to be reported for any of the 3127
taxpayer's taxable years under the Internal Revenue Code. 3128

(12) Deduct any amount, net of related expenses deducted 3129
in computing federal taxable income, that a trust is required to 3130
report as farm income on its federal income tax return, but only 3131
if the assets of the trust include at least ten acres of land 3132
satisfying the definition of "land devoted exclusively to 3133
agricultural use" under section 5713.30 of the Revised Code, 3134
regardless of whether the land is valued for tax purposes as 3135
such land under sections 5713.30 to 5713.38 of the Revised Code. 3136
If the trust is a pass-through entity investor, section 5747.231 3137
of the Revised Code applies in ascertaining if the trust is 3138
eligible to claim the deduction provided by division (S) (12) of 3139

this section in connection with the pass-through entity's farm 3140
income. 3141

Except for farm income attributable to the S portion of an 3142
electing small business trust, the deduction provided by 3143
division (S) (12) of this section is allowed only to the extent 3144
that the trust has not distributed such farm income. Division 3145
(S) (12) of this section applies only to taxable years of a trust 3146
beginning in 2002 or thereafter. 3147

(13) Add the net amount of income described in section 3148
641(c) of the Internal Revenue Code to the extent that amount is 3149
not included in federal taxable income. 3150

(14) Add or deduct the amount the taxpayer would be 3151
required to add or deduct under division (A) (20) or (21) of this 3152
section if the taxpayer's Ohio taxable income were computed in 3153
the same manner as an individual's Ohio adjusted gross income is 3154
computed under this section. In the case of a trust, division 3155
(S) (14) of this section applies only to any of the trust's 3156
taxable years beginning in 2002 or thereafter. 3157

(T) "School district income" and "school district income 3158
tax" have the same meanings as in section 5748.01 of the Revised 3159
Code. 3160

(U) As used in divisions (A) (8), (A) (9), (S) (6), and (S) 3161
(7) of this section, "public obligations," "purchase 3162
obligations," and "interest or interest equivalent" have the 3163
same meanings as in section 5709.76 of the Revised Code. 3164

(V) "Limited liability company" means any limited 3165
liability company formed under Chapter 1705. of the Revised Code 3166
or under the laws of any other state. 3167

(W) "Pass-through entity investor" means any person who, 3168

during any portion of a taxable year of a pass-through entity, 3169
is a partner, member, shareholder, or equity investor in that 3170
pass-through entity. 3171

(X) "Banking day" has the same meaning as in section 3172
1304.01 of the Revised Code. 3173

(Y) "Month" means a calendar month. 3174

(Z) "Quarter" means the first three months, the second 3175
three months, the third three months, or the last three months 3176
of the taxpayer's taxable year. 3177

(AA) (1) "Eligible institution" means a state university or 3178
state institution of higher education as defined in section 3179
3345.011 of the Revised Code, or a private, nonprofit college, 3180
university, or other post-secondary institution located in this 3181
state that possesses a certificate of authorization issued by 3182
the chancellor of higher education pursuant to Chapter 1713. of 3183
the Revised Code or a certificate of registration issued by the 3184
state board of career colleges and schools under Chapter 3332. 3185
of the Revised Code. 3186

(2) "Qualified tuition and fees" means tuition and fees 3187
imposed by an eligible institution as a condition of enrollment 3188
or attendance, not exceeding two thousand five hundred dollars 3189
in each of the individual's first two years of post-secondary 3190
education. If the individual is a part-time student, "qualified 3191
tuition and fees" includes tuition and fees paid for the 3192
academic equivalent of the first two years of post-secondary 3193
education during a maximum of five taxable years, not exceeding 3194
a total of five thousand dollars. "Qualified tuition and fees" 3195
does not include: 3196

(a) Expenses for any course or activity involving sports, 3197

games, or hobbies unless the course or activity is part of the 3198
individual's degree or diploma program; 3199

(b) The cost of books, room and board, student activity 3200
fees, athletic fees, insurance expenses, or other expenses 3201
unrelated to the individual's academic course of instruction; 3202

(c) Tuition, fees, or other expenses paid or reimbursed 3203
through an employer, scholarship, grant in aid, or other 3204
educational benefit program. 3205

(BB) (1) "Modified business income" means the business 3206
income included in a trust's Ohio taxable income after such 3207
taxable income is first reduced by the qualifying trust amount, 3208
if any. 3209

(2) "Qualifying trust amount" of a trust means capital 3210
gains and losses from the sale, exchange, or other disposition 3211
of equity or ownership interests in, or debt obligations of, a 3212
qualifying investee to the extent included in the trust's Ohio 3213
taxable income, but only if the following requirements are 3214
satisfied: 3215

(a) The book value of the qualifying investee's physical 3216
assets in this state and everywhere, as of the last day of the 3217
qualifying investee's fiscal or calendar year ending immediately 3218
prior to the date on which the trust recognizes the gain or 3219
loss, is available to the trust. 3220

(b) The requirements of section 5747.011 of the Revised 3221
Code are satisfied for the trust's taxable year in which the 3222
trust recognizes the gain or loss. 3223

Any gain or loss that is not a qualifying trust amount is 3224
modified business income, qualifying investment income, or 3225
modified nonbusiness income, as the case may be. 3226

(3) "Modified nonbusiness income" means a trust's Ohio taxable income other than modified business income, other than the qualifying trust amount, and other than qualifying investment income, as defined in section 5747.012 of the Revised Code, to the extent such qualifying investment income is not otherwise part of modified business income.

(4) "Modified Ohio taxable income" applies only to trusts, and means the sum of the amounts described in divisions (BB) (4) (a) to (c) of this section:

(a) The fraction, calculated under section 5747.013, and applying section 5747.231 of the Revised Code, multiplied by the sum of the following amounts:

(i) The trust's modified business income;

(ii) The trust's qualifying investment income, as defined in section 5747.012 of the Revised Code, but only to the extent the qualifying investment income does not otherwise constitute modified business income and does not otherwise constitute a qualifying trust amount.

(b) The qualifying trust amount multiplied by a fraction, the numerator of which is the sum of the book value of the qualifying investee's physical assets in this state on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the day on which the trust recognizes the qualifying trust amount, and the denominator of which is the sum of the book value of the qualifying investee's total physical assets everywhere on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the day on which the trust recognizes the qualifying trust amount. If, for a taxable year, the trust recognizes a qualifying trust amount

with respect to more than one qualifying investee, the amount 3256
described in division (BB) (4) (b) of this section shall equal the 3257
sum of the products so computed for each such qualifying 3258
investee. 3259

(c) (i) With respect to a trust or portion of a trust that 3260
is a resident as ascertained in accordance with division (I) (3) 3261
(d) of this section, its modified nonbusiness income. 3262

(ii) With respect to a trust or portion of a trust that is 3263
not a resident as ascertained in accordance with division (I) (3) 3264
(d) of this section, the amount of its modified nonbusiness 3265
income satisfying the descriptions in divisions (B) (2) to (5) of 3266
section 5747.20 of the Revised Code, except as otherwise 3267
provided in division (BB) (4) (c) (ii) of this section. With 3268
respect to a trust or portion of a trust that is not a resident 3269
as ascertained in accordance with division (I) (3) (d) of this 3270
section, the trust's portion of modified nonbusiness income 3271
recognized from the sale, exchange, or other disposition of a 3272
debt interest in or equity interest in a section 5747.212 3273
entity, as defined in section 5747.212 of the Revised Code, 3274
without regard to division (A) of that section, shall not be 3275
allocated to this state in accordance with section 5747.20 of 3276
the Revised Code but shall be apportioned to this state in 3277
accordance with division (B) of section 5747.212 of the Revised 3278
Code without regard to division (A) of that section. 3279

If the allocation and apportionment of a trust's income 3280
under divisions (BB) (4) (a) and (c) of this section do not fairly 3281
represent the modified Ohio taxable income of the trust in this 3282
state, the alternative methods described in division (C) of 3283
section 5747.21 of the Revised Code may be applied in the manner 3284
and to the same extent provided in that section. 3285

(5) (a) Except as set forth in division (BB) (5) (b) of this section, "qualifying investee" means a person in which a trust has an equity or ownership interest, or a person or unit of government the debt obligations of either of which are owned by a trust. For the purposes of division (BB) (2) (a) of this section and for the purpose of computing the fraction described in division (BB) (4) (b) of this section, all of the following apply:

(i) If the qualifying investee is a member of a qualifying controlled group on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the gain or loss, then "qualifying investee" includes all persons in the qualifying controlled group on such last day.

(ii) If the qualifying investee, or if the qualifying investee and any members of the qualifying controlled group of which the qualifying investee is a member on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the gain or loss, separately or cumulatively own, directly or indirectly, on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the qualifying trust amount, more than fifty per cent of the equity of a pass-through entity, then the qualifying investee and the other members are deemed to own the proportionate share of the pass-through entity's physical assets which the pass-through entity directly or indirectly owns on the last day of the pass-through entity's calendar or fiscal year ending within or with the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the qualifying trust amount.

(iii) For the purposes of division (BB) (5) (a) (iii) of this section, "upper level pass-through entity" means a pass-through entity directly or indirectly owning any equity of another pass-through entity, and "lower level pass-through entity" means that other pass-through entity.

An upper level pass-through entity, whether or not it is also a qualifying investee, is deemed to own, on the last day of the upper level pass-through entity's calendar or fiscal year, the proportionate share of the lower level pass-through entity's physical assets that the lower level pass-through entity directly or indirectly owns on the last day of the lower level pass-through entity's calendar or fiscal year ending within or with the last day of the upper level pass-through entity's fiscal or calendar year. If the upper level pass-through entity directly and indirectly owns less than fifty per cent of the equity of the lower level pass-through entity on each day of the upper level pass-through entity's calendar or fiscal year in which or with which ends the calendar or fiscal year of the lower level pass-through entity and if, based upon clear and convincing evidence, complete information about the location and cost of the physical assets of the lower pass-through entity is not available to the upper level pass-through entity, then solely for purposes of ascertaining if a gain or loss constitutes a qualifying trust amount, the upper level pass-through entity shall be deemed as owning no equity of the lower level pass-through entity for each day during the upper level pass-through entity's calendar or fiscal year in which or with which ends the lower level pass-through entity's calendar or fiscal year. Nothing in division (BB) (5) (a) (iii) of this section shall be construed to provide for any deduction or exclusion in computing any trust's Ohio taxable income.

(b) With respect to a trust that is not a resident for the 3347
taxable year and with respect to a part of a trust that is not a 3348
resident for the taxable year, "qualifying investee" for that 3349
taxable year does not include a C corporation if both of the 3350
following apply: 3351

(i) During the taxable year the trust or part of the trust 3352
recognizes a gain or loss from the sale, exchange, or other 3353
disposition of equity or ownership interests in, or debt 3354
obligations of, the C corporation. 3355

(ii) Such gain or loss constitutes nonbusiness income. 3356

(6) "Available" means information is such that a person is 3357
able to learn of the information by the due date plus 3358
extensions, if any, for filing the return for the taxable year 3359
in which the trust recognizes the gain or loss. 3360

(CC) "Qualifying controlled group" has the same meaning as 3361
in section 5733.04 of the Revised Code. 3362

(DD) "Related member" has the same meaning as in section 3363
5733.042 of the Revised Code. 3364

(EE) (1) For the purposes of division (EE) of this section: 3365

(a) "Qualifying person" means any person other than a 3366
qualifying corporation. 3367

(b) "Qualifying corporation" means any person classified 3368
for federal income tax purposes as an association taxable as a 3369
corporation, except either of the following: 3370

(i) A corporation that has made an election under 3371
subchapter S, chapter one, subtitle A, of the Internal Revenue 3372
Code for its taxable year ending within, or on the last day of, 3373
the investor's taxable year; 3374

(ii) A subsidiary that is wholly owned by any corporation 3375
that has made an election under subchapter S, chapter one, 3376
subtitle A of the Internal Revenue Code for its taxable year 3377
ending within, or on the last day of, the investor's taxable 3378
year. 3379

(2) For the purposes of this chapter, unless expressly 3380
stated otherwise, no qualifying person indirectly owns any asset 3381
directly or indirectly owned by any qualifying corporation. 3382

(FF) For purposes of this chapter and Chapter 5751. of the 3383
Revised Code: 3384

(1) "Trust" does not include a qualified pre-income tax 3385
trust. 3386

(2) A "qualified pre-income tax trust" is any pre-income 3387
tax trust that makes a qualifying pre-income tax trust election 3388
as described in division (FF)(3) of this section. 3389

(3) A "qualifying pre-income tax trust election" is an 3390
election by a pre-income tax trust to subject to the tax imposed 3391
by section 5751.02 of the Revised Code the pre-income tax trust 3392
and all pass-through entities of which the trust owns or 3393
controls, directly, indirectly, or constructively through 3394
related interests, five per cent or more of the ownership or 3395
equity interests. The trustee shall notify the tax commissioner 3396
in writing of the election on or before April 15, 2006. The 3397
election, if timely made, shall be effective on and after 3398
January 1, 2006, and shall apply for all tax periods and tax 3399
years until revoked by the trustee of the trust. 3400

(4) A "pre-income tax trust" is a trust that satisfies all 3401
of the following requirements: 3402

(a) The document or instrument creating the trust was 3403

executed by the grantor before January 1, 1972; 3404

(b) The trust became irrevocable upon the creation of the 3405
trust; and 3406

(c) The grantor was domiciled in this state at the time 3407
the trust was created. 3408

(GG) "Uniformed services" has the same meaning as in 10 3409
U.S.C. 101. 3410

~~(HH) "Taxable business income" means the amount by which 3411
an individual's business income that is included in federal 3412
adjusted gross income exceeds the amount of business income the 3413
individual is authorized to deduct under division (A) (31) of 3414
this section for the taxable year. 3415~~

Sec. 5747.02. (A) For the purpose of providing revenue for 3416
the support of schools and local government functions, to 3417
provide relief to property taxpayers, to provide revenue for the 3418
general revenue fund, and to meet the expenses of administering 3419
the tax levied by this chapter, there is hereby levied on every 3420
individual, trust, and estate residing in or earning or 3421
receiving income in this state, on every individual, trust, and 3422
estate earning or receiving lottery winnings, prizes, or awards 3423
pursuant to Chapter 3770. of the Revised Code, on every 3424
individual, trust, and estate earning or receiving winnings on 3425
casino gaming, and on every individual, trust, and estate 3426
otherwise having nexus with or in this state under the 3427
Constitution of the United States, an annual tax measured as 3428
prescribed in divisions (A) (1) to ~~(4)~~ (3) of this section. 3429

(1) In the case of trusts, the tax imposed by this section 3430
shall be measured by modified Ohio taxable income under division 3431
(D) of this section and levied in the same amount as the tax is 3432

imposed on estates as prescribed in division (A) (2) of this 3433
section. 3434

(2) In the case of estates, the tax imposed by this 3435
section shall be measured by Ohio taxable income and levied at 3436
the rate of seven thousand four hundred twenty-five ten- 3437
thousandths per cent for the first ten thousand five hundred 3438
dollars of such income and, for income in excess of that amount, 3439
at the same rates prescribed in division (A) (3) of this section 3440
for individuals. 3441

(3) In the case of individuals, for taxable years 3442
beginning in 2017 or thereafter, the tax imposed by this section 3443
~~on income other than taxable business income~~ shall be measured 3444
by Ohio adjusted gross income, ~~less taxable business income and~~ 3445
less an exemption for the taxpayer, the taxpayer's spouse, and 3446
each dependent as provided in section 5747.025 of the Revised 3447
Code. If the balance thus obtained is equal to or less than ten 3448
thousand five hundred dollars, no tax shall be imposed on that 3449
balance. If the balance thus obtained is greater than ten 3450
thousand five hundred dollars, the tax is hereby levied as 3451
follows: 3452

OHIO ADJUSTED GROSS	3453
INCOME LESS TAXABLE	3454
BUSINESS INCOME AND EXEMPTIONS	3455
(INDIVIDUALS)	3456
OR	3457
MODIFIED OHIO	3458
TAXABLE INCOME (TRUSTS)	3459
OR	3460
OHIO TAXABLE INCOME (ESTATES) TAX	3461

More than \$10,500 but \$77.96 plus 1.980% of the amount 3462

not more than \$15,800 in excess of \$10,500	3463
More than \$15,800 but \$182.90 plus 2.476% of the amount	3464
not more than \$21,100 in excess of \$15,800	3465
More than \$21,100 but \$314.13 plus 2.969% of the amount	3466
not more than \$42,100 in excess of \$21,100	3467
More than \$42,100 but \$937.62 plus 3.465% of the amount	3468
not more than \$84,200 in excess of \$42,100	3469
More than \$84,200 but \$2,396.39 plus 3.960% of the amount	3470
not more than \$105,300 in excess of \$84,200	3471
More than \$105,300 but \$3,231.95 plus 4.597% of the amount	3472
not more than \$210,600 in excess of \$105,300	3473
More than \$210,600 \$8,072.59 plus 4.997% of the amount	3474
in excess of \$210,600	3475
(4) (a) In the case of individuals, for taxable years	3476
beginning in 2016 or thereafter, the tax imposed by this section	3477
on taxable business income shall equal three per cent of the	3478
result obtained by subtracting any amount allowed under division	3479
(A) (4) (b) of this section from the individual's taxable business	3480
income.	3481
(b) If the exemptions allowed to an individual under	3482
division (A) (3) of this section exceed the taxpayer's Ohio	3483
adjusted gross income less taxable business income, the excess	3484
shall be deducted from taxable business income before computing	3485
the tax under division (A) (4) (a) of this section.	3486
(5) Except as otherwise provided in this division, in	3487
August of each year, the tax commissioner shall make a new	3488
adjustment to the income amounts prescribed in divisions (A) (2)	3489
and (3) of this section by multiplying the percentage increase	3490

in the gross domestic product deflator computed that year under 3491
section 5747.025 of the Revised Code by each of the income 3492
amounts resulting from the adjustment under this division in the 3493
preceding year, adding the resulting product to the 3494
corresponding income amount resulting from the adjustment in the 3495
preceding year, and rounding the resulting sum to the nearest 3496
multiple of fifty dollars. The tax commissioner also shall 3497
recompute each of the tax dollar amounts to the extent necessary 3498
to reflect the new adjustment of the income amounts. To 3499
recompute the tax dollar amount corresponding to the lowest tax 3500
rate in division (A) (3) of this section, the commissioner shall 3501
multiply the tax rate prescribed in division (A) (2) of this 3502
section by the income amount specified in that division and as 3503
adjusted according to this paragraph. The rates of taxation 3504
shall not be adjusted. 3505

The adjusted amounts apply to taxable years beginning in 3506
the calendar year in which the adjustments are made and to 3507
taxable years beginning in each ensuing calendar year until a 3508
calendar year in which a new adjustment is made pursuant to this 3509
division. The tax commissioner shall not make a new adjustment 3510
in any year in which the amount resulting from the adjustment 3511
would be less than the amount resulting from the adjustment in 3512
the preceding year. 3513

(B) If the director of budget and management makes a 3514
certification to the tax commissioner under division (B) of 3515
section 131.44 of the Revised Code, the amount of tax as 3516
determined under divisions (A) (1) to (3) of this section shall 3517
be reduced by the percentage prescribed in that certification 3518
for taxable years beginning in the calendar year in which that 3519
certification is made. 3520

(C) The levy of this tax on income does not prevent a 3521
municipal corporation, a joint economic development zone created 3522
under section 715.691, or a joint economic development district 3523
created under section 715.70, 715.71, or 715.72 of the Revised 3524
Code from levying a tax on income. 3525

(D) This division applies only to taxable years of a trust 3526
beginning in 2002 or thereafter. 3527

(1) The tax imposed by this section on a trust shall be 3528
computed by multiplying the Ohio modified taxable income of the 3529
trust by the rates prescribed by division (A) of this section. 3530

(2) A resident trust may claim a credit against the tax 3531
computed under division (D) of this section equal to the lesser 3532
of (a) the tax paid to another state or the District of Columbia 3533
on the resident trust's modified nonbusiness income, other than 3534
the portion of the resident trust's nonbusiness income that is 3535
qualifying investment income as defined in section 5747.012 of 3536
the Revised Code, or (b) the effective tax rate, based on 3537
modified Ohio taxable income, multiplied by the resident trust's 3538
modified nonbusiness income other than the portion of the 3539
resident trust's nonbusiness income that is qualifying 3540
investment income. The credit applies before any other 3541
applicable credits. 3542

(3) The credits enumerated in divisions (A)(1) to (9) and 3543
(A) ~~(18)~~ ~~(19)~~ to ~~(20)~~ ~~(21)~~ of section 5747.98 of the Revised Code 3544
do not apply to a trust subject to division (D) of this section. 3545
Any credits enumerated in other divisions of section 5747.98 of 3546
the Revised Code apply to a trust subject to division (D) of 3547
this section. To the extent that the trust distributes income 3548
for the taxable year for which a credit is available to the 3549
trust, the credit shall be shared by the trust and its 3550

beneficiaries. The tax commissioner and the trust shall be 3551
guided by applicable regulations of the United States treasury 3552
regarding the sharing of credits. 3553

(E) For the purposes of this section, "trust" means any 3554
trust described in Subchapter J of Chapter 1 of the Internal 3555
Revenue Code, excluding trusts that are not irrevocable as 3556
defined in division (I) (3) (b) of section 5747.01 of the Revised 3557
Code and that have no modified Ohio taxable income for the 3558
taxable year, charitable remainder trusts, qualified funeral 3559
trusts and preneed funeral contract trusts established pursuant 3560
to sections 4717.31 to 4717.38 of the Revised Code that are not 3561
qualified funeral trusts, endowment and perpetual care trusts, 3562
qualified settlement trusts and funds, designated settlement 3563
trusts and funds, and trusts exempted from taxation under 3564
section 501(a) of the Internal Revenue Code. 3565

(F) Nothing in division (A) (3) of this section shall 3566
prohibit an individual with an Ohio adjusted gross income, less 3567
~~taxable business income and exemptions~~, of ten thousand five 3568
hundred dollars or less from filing a return under this chapter 3569
to receive a refund of taxes withheld or to claim any refundable 3570
credit allowed under this chapter. 3571

Sec. 5747.61. (A) As used in this section: 3572

(1) "Qualified unemployed veteran" means a veteran who was 3573
unemployed for at least six months during the one-year period 3574
ending on the date the employer hired the veteran and, upon 3575
being employed, whose compensation is subject to the tax imposed 3576
by section 5747.02 of the Revised Code or would be subject to 3577
that tax if the tax applied to income less than the least dollar 3578
income amount prescribed by the tax rate schedule in division 3579
(A) (3) of that section. 3580

(2) "Qualified unemployed disabled veteran" means a 3581
disabled veteran who was unemployed for at least six months 3582
during the one-year period ending on the date the employer hired 3583
the disabled veteran and, upon being employed, whose 3584
compensation is subject to the tax imposed by section 5747.02 of 3585
the Revised Code or would be subject to that tax if the tax 3586
applied to income less than the least dollar income amount 3587
prescribed by the tax rate schedule in division (A)(3) of that 3588
section. 3589

(3) "Veteran" means an individual who was not serving 3590
extended active duty in the armed forces of the United States at 3591
any time during the sixty-day period ending on the day the 3592
individual was hired and who either (a) served on active 3593
military duty in the armed forces for more than one hundred 3594
eighty days and has not received a discharge or separation under 3595
dishonorable conditions, or (b) is a former member of the armed 3596
forces who has been discharged or released from active duty in 3597
the armed forces for a service-connected disability. 3598

(4) "Disabled veteran" means a veteran who is entitled to 3599
compensation for a disability recognized by the department of 3600
veterans affairs or department of defense as a service-connected 3601
disability. As used in this division, "compensation" means a 3602
monthly payment made by the United States secretary of veterans 3603
affairs to a veteran. 3604

(5) "Extended active duty" has the same meaning as in 3605
section 51 of the Internal Revenue Code. 3606

(6) "Service-connected disability" means a disability that 3607
was incurred or aggravated in the line of duty in the active 3608
service of the armed forces of the United States. 3609

(7) "Credit period" means the period that begins on the 3610
effective date of the enactment of this section and ends on the 3611
last day of the sixth year after that effective date. 3612

(B) (1) There is hereby allowed a nonrefundable credit 3613
against the tax imposed by section 5747.02 of the Revised Code 3614
for a taxpayer who meets all of the following criteria: 3615

(a) The taxpayer hires a qualified unemployed veteran or 3616
qualified unemployed disabled veteran during the credit period. 3617

(b) The taxpayer deducts and withholds income tax from the 3618
compensation paid to the qualified unemployed veteran or 3619
qualified unemployed disabled veteran and remits such amounts 3620
under sections 5747.06 and 5747.07 of the Revised Code if and to 3621
the extent required by those sections. 3622

(c) The taxpayer employs the qualified unemployed veteran 3623
or qualified unemployed disabled veteran for a minimum of 3624
thirty-five hours per week for six consecutive months or, if the 3625
taxpayer terminates the qualified unemployed veteran or 3626
qualified unemployed disabled veteran within the first six 3627
months of employment, the termination is for good cause. 3628

(2) The amount of the credit shall be two thousand dollars 3629
for the hiring of a qualified unemployed veteran or two thousand 3630
five hundred dollars for the hiring of a qualified unemployed 3631
disabled veteran. 3632

The credit shall be claimed for the taxable year that 3633
includes the one hundred eightieth day after the qualified 3634
unemployed veteran or qualified unemployed disabled veteran is 3635
hired or the date on which the qualified unemployed veteran or 3636
qualified unemployed disabled veteran is terminated for good 3637
cause, whichever is earlier. The credit shall be claimed in the 3638

order required under section 5747.98 of the Revised Code. The 3639
amount of credit claimed may not exceed the tax otherwise due 3640
after allowing for all preceding credits in that order. 3641

A credit may be claimed under this section or section 3642
5751.55 of the Revised Code only once with respect to any 3643
particular qualified unemployed veteran or qualified unemployed 3644
disabled veteran. A person that claims the credit under section 3645
5751.55 of the Revised Code may not claim the credit under this 3646
section for the same qualified unemployed veteran or qualified 3647
unemployed disabled veteran. 3648

If an employer that qualifies for a credit under this 3649
section is a pass-through entity, a taxpayer that holds a direct 3650
or indirect interest in the pass-through entity may claim the 3651
taxpayer's distributive or proportionate share of the credit. 3652

(C) Not later than two years after the effective date of 3653
the enactment of this section, the tax commissioner shall submit 3654
to the president of the senate and the speaker of the house of 3655
representatives a comprehensive report on the tax credits 3656
authorized under this section and section 5751.55 of the Revised 3657
Code. The report shall provide an overview of the effectiveness 3658
of the tax credits, evaluate the costs and benefits of the tax 3659
credit program, and include information on the number of tax 3660
credits authorized, the number of employers claiming the tax 3661
credits, the fiscal impact of the tax credit program on the 3662
state budget, and any other information the commissioner 3663
considers relevant to the topics addressed in the report. The 3664
commissioner may request that any other appropriate state agency 3665
assist in the preparation of the report. 3666

(D) The tax commissioner may require a taxpayer to furnish 3667
any information necessary to support a claim for a credit under 3668

this section, and no credit shall be allowed unless such 3669
information is provided. 3670

Sec. 5747.98. (A) To provide a uniform procedure for 3671
calculating a taxpayer's aggregate tax liability under section 3672
5747.02 of the Revised Code, a taxpayer shall claim any credits 3673
to which the taxpayer is entitled in the following order: 3674

(1) Either the retirement income credit under division (B) 3675
of section 5747.055 of the Revised Code or the lump sum 3676
retirement income credits under divisions (C), (D), and (E) of 3677
that section; 3678

(2) Either the senior citizen credit under division (F) of 3679
section 5747.055 of the Revised Code or the lump sum 3680
distribution credit under division (G) of that section; 3681

(3) The dependent care credit under section 5747.054 of 3682
the Revised Code; 3683

(4) The credit for displaced workers who pay for job 3684
training under section 5747.27 of the Revised Code; 3685

(5) The campaign contribution credit under section 5747.29 3686
of the Revised Code; 3687

(6) The twenty-dollar personal exemption credit under 3688
section 5747.022 of the Revised Code; 3689

(7) The joint filing credit under division (G) of section 3690
5747.05 of the Revised Code; 3691

(8) The earned income credit under section 5747.71 of the 3692
Revised Code; 3693

(9) The nonrefundable credit for hiring a qualified 3694
unemployed veteran or qualified unemployed disabled veteran 3695

<u>under section 5747.61 of the Revised Code;</u>	3696
<u>(10)</u> The credit for adoption of a minor child under	3697
section 5747.37 of the Revised Code;	3698
(10) <u>(11)</u> The nonrefundable job retention credit under	3699
division (B) of section 5747.058 of the Revised Code;	3700
(11) <u>(12)</u> The enterprise zone credit under section 5709.66	3701
of the Revised Code;	3702
(12) <u>(13)</u> The ethanol plant investment credit for	3703
<u>certified neighborhood assistance donations</u> under section	3704
5747.75-122.178 of the Revised Code;	3705
(13) <u>(14)</u> The credit for purchases of qualifying grape	3706
production property under section 5747.28 of the Revised Code;	3707
(14) <u>(15)</u> The small business investment credit under	3708
section 5747.81 of the Revised Code;	3709
(15) <u>(16)</u> The enterprise zone credits under section	3710
5709.65 of the Revised Code;	3711
(16) <u>(17)</u> The research and development credit under	3712
section 5747.331 of the Revised Code;	3713
(17) <u>(18)</u> The credit for rehabilitating a historic	3714
building under section 5747.76 of the Revised Code;	3715
(18) <u>(19)</u> The nonresident credit under division (A) of	3716
section 5747.05 of the Revised Code;	3717
(19) <u>(20)</u> The credit for a resident's out-of-state income	3718
under division (B) of section 5747.05 of the Revised Code;	3719
(20) <u>(21)</u> The refundable motion picture production credit	3720
under section 5747.66 of the Revised Code;	3721

~~(21)~~ (22) The refundable jobs creation credit or job retention credit under division (A) of section 5747.058 of the Revised Code; 3722
3723
3724

~~(22)~~ (23) The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code; 3725
3726
3727

~~(23)~~ (24) The refundable credits for taxes paid by a qualifying pass-through entity granted under division (I) of section 5747.08 of the Revised Code; 3728
3729
3730

~~(24)~~ (25) The refundable credit under section 5747.80 of the Revised Code for losses on loans made to the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code; 3731
3732
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3734

~~(25)~~ (26) The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code; 3735
3736

~~(26)~~ (27) The refundable credit for financial institution taxes paid by a pass-through entity granted under section 5747.65 of the Revised Code. 3737
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(B) For any credit, except the refundable credits enumerated in this section and the credit granted under division (H) of section 5747.08 of the Revised Code, the amount of the credit for a taxable year shall not exceed the taxpayer's aggregate amount of tax due under section 5747.02 of the Revised Code, after allowing for any other credit that precedes it in the order required under this section. Any excess amount of a particular credit may be carried forward if authorized under the section creating that credit. Nothing in this chapter shall be construed to allow a taxpayer to claim, directly or indirectly, a credit more than once for a taxable year. 3740
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Sec. 5748.01. As used in this chapter:	3751
(A) "School district income tax" means an income tax	3752
adopted under one of the following:	3753
(1) Former section 5748.03 of the Revised Code as it	3754
existed prior to its repeal by Amended Substitute House Bill No.	3755
291 of the 115th general assembly;	3756
(2) Section 5748.03 of the Revised Code as enacted in	3757
Substitute Senate Bill No. 28 of the 118th general assembly;	3758
(3) Section 5748.08 of the Revised Code as enacted in	3759
Amended Substitute Senate Bill No. 17 of the 122nd general	3760
assembly;	3761
(4) Section 5748.021 of the Revised Code;	3762
(5) Section 5748.081 of the Revised Code;	3763
(6) Section 5748.09 of the Revised Code.	3764
(B) "Individual" means an individual subject to the tax	3765
levied by section 5747.02 of the Revised Code.	3766
(C) "Estate" means an estate subject to the tax levied by	3767
section 5747.02 of the Revised Code.	3768
(D) "Taxable year" means a taxable year as defined in	3769
division (M) of section 5747.01 of the Revised Code.	3770
(E) "Taxable income" means:	3771
(1) In the case of an individual, one of the following, as	3772
specified in the resolution imposing the tax:	3773
(a) Ohio adjusted gross income for the taxable year as	3774
defined in division (A) of section 5747.01 of the Revised Code,	3775
less the exemptions provided by section 5747.02 of the Revised	3776

~~Code, plus any amount deducted under division (A) (31) of section~~ 3777
~~5747.01 of the Revised Code for the taxable year;~~ 3778

(b) Wages, salaries, tips, and other employee compensation 3779
to the extent included in Ohio adjusted gross income as defined 3780
in section 5747.01 of the Revised Code, and net earnings from 3781
self-employment, as defined in section 1402(a) of the Internal 3782
Revenue Code, to the extent included in Ohio adjusted gross 3783
income. 3784

(2) In the case of an estate, taxable income for the 3785
taxable year as defined in division (S) of section 5747.01 of 3786
the Revised Code. 3787

(F) "Resident" of the school district means: 3788

(1) An individual who is a resident of this state as 3789
defined in division (I) of section 5747.01 of the Revised Code 3790
during all or a portion of the taxable year and who, during all 3791
or a portion of such period of state residency, is domiciled in 3792
the school district or lives in and maintains a permanent place 3793
of abode in the school district; 3794

(2) An estate of a decedent who, at the time of death, was 3795
domiciled in the school district. 3796

(G) "School district income" means: 3797

(1) With respect to an individual, the portion of the 3798
taxable income of an individual that is received by the 3799
individual during the portion of the taxable year that the 3800
individual is a resident of the school district and the school 3801
district income tax is in effect in that school district. An 3802
individual may have school district income with respect to more 3803
than one school district. 3804

(2) With respect to an estate, the taxable income of the 3805
estate for the portion of the taxable year that the school 3806
district income tax is in effect in that school district. 3807

(H) "Taxpayer" means an individual or estate having school 3808
district income upon which a school district income tax is 3809
imposed. 3810

(I) "School district purposes" means any of the purposes 3811
for which a tax may be levied pursuant to division (A) of 3812
section 5705.21 of the Revised Code, including the combined 3813
purposes authorized by section 5705.217 of the Revised Code. 3814

Sec. 5751.55. (A) As used in this section, "qualified 3815
unemployed veteran," "qualified unemployed disabled veteran," 3816
and "credit period" have the same meanings as in section 5747.61 3817
of the Revised Code. 3818

(B) (1) There is hereby allowed a nonrefundable credit 3819
against the tax imposed by section 5751.02 of the Revised Code 3820
for a taxpayer that meets all of the following criteria: 3821

(a) The taxpayer hires a qualified unemployed veteran or 3822
qualified unemployed disabled veteran during the credit period. 3823

(b) The taxpayer deducts and withholds income tax from the 3824
compensation paid to the qualified unemployed individual, 3825
qualified unemployed veteran, or qualified unemployed disabled 3826
veteran and remits such amounts under sections 5747.06 and 3827
5747.07 of the Revised Code if and to the extent required by 3828
those sections. 3829

(c) The taxpayer employs the qualified unemployed veteran 3830
or qualified unemployed disabled veteran for a minimum of 3831
thirty-five hours per week for six consecutive months or, if the 3832
taxpayer terminates the qualified unemployed veteran or 3833

qualified unemployed disabled veteran within the first six 3834
months of employment, the termination is for good cause. 3835

(2) The amount of the credit shall be two thousand dollars 3836
for the hiring of a qualified unemployed veteran or two thousand 3837
five hundred dollars for the hiring of a qualified unemployed 3838
disabled veteran. 3839

The credit shall be claimed with the annual return 3840
required under section 5751.051 of the Revised Code for the 3841
calendar year that includes the one hundred eightieth day after 3842
the qualified unemployed veteran or qualified unemployed 3843
disabled veteran is hired or the date on which the qualified 3844
unemployed veteran or qualified unemployed disabled veteran is 3845
terminated for good cause, whichever is earlier. The credit 3846
shall be claimed in the order required under section 5751.98 of 3847
the Revised Code. The amount of credit claimed may not exceed 3848
the tax otherwise due after allowing for all preceding credits 3849
in that order. 3850

A credit may be claimed under this section or section 3851
5747.61 of the Revised Code only once with respect to any 3852
particular qualified unemployed veteran or qualified unemployed 3853
disabled veteran. A person that claims the credit under section 3854
5747.61 of the Revised Code may not claim the credit under this 3855
section for the same qualified unemployed veteran or qualified 3856
unemployed disabled veteran. 3857

(C) The tax commissioner may require a taxpayer to furnish 3858
any information necessary to support a claim for a credit under 3859
this section, and no credit shall be allowed unless such 3860
information is provided. 3861

Sec. 5751.98. (A) To provide a uniform procedure for 3862

calculating the amount of tax due under this chapter, a taxpayer 3863
shall claim any credits to which it is entitled in the following 3864
order: 3865

(1) The nonrefundable jobs retention credit under division 3866
(B) of section 5751.50 of the Revised Code; 3867

(2) The nonrefundable credit for certified neighborhood 3868
assistance donations under section 122.178 of the Revised Code; 3869

(3) The nonrefundable credit for hiring a qualified 3870
unemployed veteran or qualified unemployed disabled veteran 3871
under section 5751.55 of the Revised Code; 3872

(4) The nonrefundable credit for qualified research 3873
expenses under division (B) of section 5751.51 of the Revised 3874
Code; 3875

~~(3)~~ (5) The nonrefundable credit for a borrower's 3876
qualified research and development loan payments under division 3877
(B) of section 5751.52 of the Revised Code; 3878

~~(4)~~ (6) The nonrefundable credit for calendar years 2010 3879
to 2029 for unused net operating losses under division (B) of 3880
section 5751.53 of the Revised Code; 3881

~~(5)~~ (7) The refundable motion picture production credit 3882
under section 5751.54 of the Revised Code; 3883

~~(6)~~ (8) The refundable jobs creation credit or job 3884
retention credit under division (A) of section 5751.50 of the 3885
Revised Code; 3886

~~(7)~~ (9) The refundable credit for calendar year 2030 for 3887
unused net operating losses under division (C) of section 3888
5751.53 of the Revised Code. 3889

(B) For any credit except the refundable credits 3890
enumerated in this section, the amount of the credit for a tax 3891
period shall not exceed the tax due after allowing for any other 3892
credit that precedes it in the order required under this 3893
section. Any excess amount of a particular credit may be carried 3894
forward if authorized under the section creating the credit. 3895

Sec. 6301.021. The office of workforce development, under 3896
the department of job and family services, shall provide 3897
assistance to local boards to do all of the following: 3898

(A) Work with entities as necessary to identify and track 3899
local skill shortages; 3900

(B) Work with community colleges and other educational 3901
agencies in the local area served by the local board to develop 3902
curricula and programs to meet workforce demands, including 3903
industry-recognized credentialing; 3904

(C) Regularly and systematically interview employers in 3905
industries experiencing skill shortages to do both of the 3906
following: 3907

(1) Determine the skills necessary for an individual to 3908
gain employment in the industry; 3909

(2) Quantify and describe those necessary skills to the 3910
extent possible. 3911

Sec. 6303.01. (A) As used in this section: 3912

(1) "Eligible youth" means an individual eighteen to 3913
twenty-four years of age who fulfills either of the following: 3914

(a) The individual is not enrolled in a secondary or post- 3915
secondary school. 3916

(b) The individual is or has been subject to any stage of 3917
the criminal justice process. 3918

(2) "Recidivism" means a tendency to return to criminal 3919
behavior. 3920

(3) "Unsubsidized job" means an employment position with 3921
an employer who fulfills both of the following: 3922

(a) The employer pays the wages for the position. 3923

(b) The employer does not receive public funds for the 3924
creation and maintenance of the employment position. 3925

(B) The director of job and family services may adopt 3926
rules to award grants, on a competitive basis, to nonprofit 3927
organizations for the purpose of carrying out urban jobs 3928
programs that provide a comprehensive set of services to 3929
eligible youth in urban communities to provide such youth with a 3930
pathway to employment or education leading to employment. 3931

(C) If the director adopts rules under division (B) of 3932
this section, to be eligible to receive a grant under this 3933
section a nonprofit organization seeking a grant shall submit an 3934
application in the time and manner prescribed in the rules and 3935
that contains the information specified in division (D) of this 3936
section. 3937

(D) The director shall require, if the director adopts 3938
rules under division (B) of this section, that the nonprofit 3939
organization include all of the following in the grant 3940
application: 3941

(1) A request for the grant, specifying the grant amount 3942
requested and proposed uses of the grant funds; 3943

(2) A description of how the nonprofit organization will 3944

fulfill, for participants in the urban jobs program, goals 3945
consisting of all of the following: 3946

(a) Increased long-term employment in unsubsidized jobs; 3947

(b) Reduced recidivism; 3948

(c) Increased attainment of a certificate of high school 3949
equivalence or other recognized equivalent of a high school 3950
diploma; 3951

(d) Improved literacy and numeracy; 3952

(e) Increased attainment of industry-recognized 3953
certificates or credentials, or preparation for entry into an 3954
institution of higher education without need for further 3955
remediation. 3956

(3) A description of underlying supports for the program, 3957
including all of the following: 3958

(a) Engaged community partners; 3959

(b) Staff expertise in youth development; 3960

(c) Demonstrated understanding of youth characteristics. 3961

(4) A description of how the program will enable program 3962
participants to achieve outcomes consisting of all of the 3963
following: 3964

(a) Creating caring relationships with peers and staff; 3965

(b) Creating goals, such as the attainment described in 3966
division (D) (2) (c) of this section, attaining employment, 3967
admission to or completing a degree at an institution of higher 3968
education, attaining industry-recognized certificates or 3969
credentials, or preparing entry into an institution of higher 3970
education without need for further remediation; 3971

<u>(c) Participating in opportunities to contribute to the</u>	3972
<u>community through service or volunteerism;</u>	3973
<u>(d) Developing twenty-first century workplace skills,</u>	3974
<u>including critical thinking and collaboration;</u>	3975
<u>(e) Developing a sense of responsibility for an</u>	3976
<u>individual's future;</u>	3977
<u>(f) Developing plans or strategies to meet an individual's</u>	3978
<u>goals;</u>	3979
<u>(g) Reducing risk-taking behaviors;</u>	3980
<u>(h) Achieving improved educational outcomes, such as</u>	3981
<u>numeracy, literacy, or the attainment described in division (D)</u>	3982
<u>(2) (c) of this section;</u>	3983
<u>(i) Achieving improved employment outcomes;</u>	3984
<u>(j) Reducing recidivism.</u>	3985
<u>(5) A description of activities to be provided through the</u>	3986
<u>urban jobs program that lead to attaining industry-recognized</u>	3987
<u>certificates or credentials described in division (E) of this</u>	3988
<u>section.</u>	3989
<u>(E) A nonprofit organization that receives a grant under</u>	3990
<u>this section shall use the funds made available through the</u>	3991
<u>grant to carry out an urban jobs program, which shall include</u>	3992
<u>the following comprehensive set of services:</u>	3993
<u>(1) Case management, through an individual responsible for</u>	3994
<u>helping participants navigate the urban jobs program activities;</u>	3995
<u>(2) Educational services, including skill assessment,</u>	3996
<u>reading and math remediation, educational enrichment, services</u>	3997
<u>involving preparation for and opportunities for attaining the</u>	3998

recognized equivalent of a high school diploma, services that 3999
connect to career pathways such as opportunities for attaining 4000
industry-recognized certificates or credentials or for preparing 4001
for entry into an institution of higher education without the 4002
need for further remediation, and post-secondary education; 4003

(3) Employment and job readiness activities, including 4004
mentoring, community service opportunities, internships, on-the- 4005
job training, occupational skills training, personal 4006
development, and unsubsidized jobs; 4007

(4) Support services, health and nutrition service 4008
referral, substance abuse counseling and treatment, and the 4009
provision of housing assistance, interpersonal and basic living 4010
skills, and transportation, child care, clothing, and other 4011
assistance as needed. 4012

Sec. 6303.02. As used in this section, "eligible youth" 4013
means an individual who is at least sixteen years of age but not 4014
more than twenty-one years of age and who resides in an area of 4015
high poverty. 4016

The director of job and family services shall adopt rules 4017
to create a program to award competitive grants to nonprofit or 4018
for-profit organizations, or coalitions thereof, to fund 4019
programs that provide summer employment opportunities for 4020
eligible youth in this state. The director shall require any 4021
recipient of a grant under this section to provide matching 4022
funds in an amount equal to at least twenty per cent of the 4023
amount of the grant. 4024

Section 2. That existing sections 122.17, 122.171, 4025
122.174, 321.24, 323.152, 323.153, 4503.065, 4503.066, 5104.30, 4026
5725.98, 5726.98, 5729.98, 5747.01, 5747.02, 5747.98, 5748.01, 4027

and 5751.98 of the Revised Code are hereby repealed. 4028

Section 3. The amendment by this act of sections 122.17 4029
and 122.171 of the Revised Code applies to agreements between a 4030
taxpayer and the Tax Credit Authority entered into under those 4031
sections on or after the effective date of this act. 4032

Section 4. The enactment by this act of section 5709.29 of 4033
the Revised Code applies to tax years beginning on or after the 4034
effective date of this act. 4035

Section 5. (A) The amendment by this act of sections 4036
323.152 and 323.153 of the Revised Code applies to tax year 2017 4037
and each tax year thereafter. An individual who first qualifies 4038
for the exemption under division (A)(2) of section 323.152 of 4039
the Revised Code, as amended by this act, for tax year 2017 4040
because of the amendment may file a late application for the 4041
exemption for that year during the 2018 filing period in the 4042
manner prescribed by division (B) of section 323.153 of the 4043
Revised Code, and a refund shall be issued as provided in that 4044
division if the late application is approved for tax year 2017. 4045

(B) The amendment by this act of sections 4503.065 and 4046
4503.066 of the Revised Code applies to tax year 2018 and each 4047
tax year thereafter. 4048

Section 6. The amendment by this act of sections 5747.01, 4049
5747.02, and 5748.01 of the Revised Code applies to taxable 4050
years ending on or after the effective date of this section. 4051

Section 7. All items in this act are hereby appropriated 4052
as designated out of any moneys in the state treasury to the 4053
credit of the designated fund. For all appropriations made in 4054
this act, those in the first column are for fiscal year 2018 and 4055
those in the second column are for fiscal year 2019. The 4056

appropriations made in this act are in addition to any other 4057
appropriations made for the FY 2018-FY 2019 biennium. 4058

Section 8. JFS DEPARTMENT OF JOB AND FAMILY SERVICES 4059

General Revenue Fund 4060

GRF 600503 Job and Family Services \$30,000,000 \$30,000,000 4061

 Program Support 4062

TOTAL GRF General Revenue Fund \$30,000,000 \$30,000,000 4063

TOTAL ALL BUDGET FUND GROUPS \$30,000,000 \$30,000,000 4064

JOB AND FAMILY SERVICES PROGRAM SUPPORT 4065

Of the foregoing appropriation item 600503, Job and Family 4066
Services Program Support, \$10,000,000 in each fiscal year shall 4067
be used to provide services to urban youth in accordance with 4068
section 6303.01 of the Revised Code, \$10,000,000 in each fiscal 4069
year shall be used to provide summer employment opportunities 4070
for youth aged 16 to 21 in high-poverty areas in accordance with 4071
section 6303.02 of the Revised Code, and \$10,000,000 in each 4072
fiscal year shall be used to assist low-income individuals with 4073
the cost associated with union apprenticeship programs. 4074

Section 9. DEV DEVELOPMENT SERVICES AGENCY 4075

General Revenue Fund 4076

GRF 195405 Minority Business \$3,250,000 \$3,250,000 4077

 Development 4078

TOTAL GRF General Revenue Fund \$3,250,000 \$3,250,000 4079

Dedicated Purpose Fund Group 4080

4W10 195646 Minority Business Enterprise \$6,500,000 \$6,500,000 4081

Loan				4082
5UF0 195653	Small Business Microloan	\$10,000,000	\$10,000,000	4083
	Revolving Loan Program			4084
TOTAL DPF Dedicated Purpose Fund Group		\$16,500,000	\$16,500,000	4085
TOTAL ALL BUDGET FUND GROUPS		\$19,750,000	\$19,750,000	4086
MINORITY BUSINESS DEVELOPMENT				4087
The foregoing appropriation item 195405, Minority Business				4088
Development, shall be distributed in equal amounts to the seven				4089
minority business assistance centers across the state.				4090
MINORITY BUSINESS ENTERPRISE LOAN				4091
The foregoing appropriation item 195646, Minority Business				4092
Enterprise Loan, shall be used for the Minority Business Direct				4093
Loan Program.				4094
On July 1 of each fiscal year of the biennium ending June				4095
30, 2019, or as soon as possible thereafter, the Director of				4096
Budget and Management shall transfer \$6,500,000 cash from the				4097
General Revenue Fund to the Minority Business Enterprise Loan				4098
Fund (Fund 4W10).				4099
SMALL BUSINESS MICROLOAN REVOLVING LOAN PROGRAM				4100
The foregoing appropriation item 195653, Small Business				4101
Microloan Revolving Loan Program, shall be used for the Small				4102
Business Microloan Revolving Loan Program under section 122.084				4103
of the Revised Code.				4104
On July 1 of each fiscal year of the biennium ending June				4105
30, 2019, or as soon as possible thereafter, the Director of				4106
Budget and Management shall transfer \$10,000,000 cash from the				4107
General Revenue Fund to the Small Business Microloan Revolving				4108

Loan Fund (Fund 5UF0) created in section 122.084 of the Revised 4109
Code. 4110

Section 10. DOT DEPARTMENT OF TRANSPORTATION 4111

General Revenue Fund 4112

GRF 772502 Local Transportation Projects \$50,000,000 \$50,000,000 4113

GRF 775451 Public Transportation - State \$50,000,000 \$50,000,000 4114

TOTAL GRF General Revenue Fund \$100,000,000 \$100,000,000 4115

TOTAL ALL BUDGET FUND GROUPS \$100,000,000 \$100,000,000 4116

LOCAL TRANSPORTATION PROJECTS 4117

The foregoing appropriation item 772502, Local 4118
Transportation Projects, shall be used to award competitive 4119
grants to political subdivisions for road and bridge repair 4120
under criteria established by the Director of Transportation. 4121
Awards shall be evaluated and awarded by urgent need and a grant 4122
shall not exceed \$5,000,000. 4123

PUBLIC TRANSPORTATION - STATE 4124

The foregoing appropriation item 775451, Public 4125
Transportation - State, shall be used to provide supplementary 4126
financial assistance for operating and capital costs of transit 4127
agencies. Assistance provided from this appropriation item shall 4128
be awarded in equal amounts to each transit agency that 4129
qualifies for assistance under the Ohio Public Transportation 4130
Grant Program. 4131

Section 11. Within the limits set forth in this act, the 4132
Director of Budget and Management shall establish accounts 4133
indicating the source and amount of funds for each appropriation 4134
made in this act and shall determine the form and manner in 4135

which appropriation accounts shall be maintained. Expenditures 4136
from appropriations contained in this act shall be accounted for 4137
as though made in Am. Sub. H.B. 49 of the 132nd General 4138
Assembly. 4139

The appropriations made in this act are subject to all 4140
provisions of Am. Sub. H.B. 49 of the 132nd General Assembly 4141
that are generally applicable to such appropriations. 4142

Section 12. Pursuant to division (G) of section 5703.95 of 4143
the Revised Code, which states that any bill introduced in the 4144
House of Representatives or the Senate that proposes to enact or 4145
modify one or more tax expenditures should include a statement 4146
explaining the objectives of the tax expenditure or its 4147
modification and the sponsor's intent in proposing the tax 4148
expenditure or its modification: 4149

The purpose of this act is to eliminate a single tax 4150
deduction to make more targeted investments that benefit small 4151
businesses and all Ohioans. 4152

Section 13. Section 321.24 of the Revised Code is 4153
presented in this act as a composite of the section as amended 4154
by both Sub. S.B. 353 of the 127th General Assembly and Am. Sub. 4155
H.B. 1 of the 128th General Assembly. The General Assembly, 4156
applying the principle stated in division (B) of section 1.52 of 4157
the Revised Code that amendments are to be harmonized if 4158
reasonably capable of simultaneous operation, finds that the 4159
composite is the resulting version of the section in effect 4160
prior to the effective date of the section as presented in this 4161
act. 4162