

As Introduced

133rd General Assembly

Regular Session

2019-2020

S. B. No. 286

Senator Schaffer

Cosponsors: Senators Rulli, Fedor, Eklund, Hoagland, Sykes, Obhof

A BILL

To amend sections 5747.08 and 5747.98 and to enact
section 5747.63 of the Revised Code to authorize
an income tax credit for volunteer firefighters
who purchase firefighting-related safety or
protective items.

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

Section 1. That sections 5747.08 and 5747.98 be amended
and section 5747.63 of the Revised Code be enacted to read as
follows:

Sec. 5747.08. An annual return with respect to the tax
imposed by section 5747.02 of the Revised Code and each tax
imposed under Chapter 5748. of the Revised Code shall be made by
every taxpayer for any taxable year for which the taxpayer is
liable for the tax imposed by that section or under that
chapter, unless the total credits allowed under division (E) of
section 5747.05 and divisions (F) and (G) of section 5747.055 of
the Revised Code for the year are equal to or exceed the tax
imposed by section 5747.02 of the Revised Code, in which case no
return shall be required unless the taxpayer is liable for a tax

imposed pursuant to Chapter 5748. of the Revised Code. 19

(A) If an individual is deceased, any return or notice 20
required of that individual under this chapter shall be made and 21
filed by that decedent's executor, administrator, or other 22
person charged with the property of that decedent. 23

(B) If an individual is unable to make a return or notice 24
required by this chapter, the return or notice required of that 25
individual shall be made and filed by the individual's duly 26
authorized agent, guardian, conservator, fiduciary, or other 27
person charged with the care of the person or property of that 28
individual. 29

(C) Returns or notices required of an estate or a trust 30
shall be made and filed by the fiduciary of the estate or trust. 31

(D) (1) (a) Except as otherwise provided in division (D) (1) 32
(b) of this section, any pass-through entity may file a single 33
return on behalf of one or more of the entity's investors other 34
than an investor that is a person subject to the tax imposed 35
under section 5733.06 of the Revised Code. The single return 36
shall set forth the name, address, and social security number or 37
other identifying number of each of those pass-through entity 38
investors and shall indicate the distributive share of each of 39
those pass-through entity investor's income taxable in this 40
state in accordance with sections 5747.20 to 5747.231 of the 41
Revised Code. Such pass-through entity investors for whom the 42
pass-through entity elects to file a single return are not 43
entitled to the exemption or credit provided for by sections 44
5747.02 and 5747.022 of the Revised Code; shall calculate the 45
tax before business credits at the highest rate of tax set forth 46
in section 5747.02 of the Revised Code for the taxable year for 47
which the return is filed; and are entitled to only their 48

distributive share of the business credits as defined in 49
division (D) (2) of this section. A single check drawn by the 50
pass-through entity shall accompany the return in full payment 51
of the tax due, as shown on the single return, for such 52
investors, other than investors who are persons subject to the 53
tax imposed under section 5733.06 of the Revised Code. 54

(b) (i) A pass-through entity shall not include in such a 55
single return any investor that is a trust to the extent that 56
any direct or indirect current, future, or contingent 57
beneficiary of the trust is a person subject to the tax imposed 58
under section 5733.06 of the Revised Code. 59

(ii) A pass-through entity shall not include in such a 60
single return any investor that is itself a pass-through entity 61
to the extent that any direct or indirect investor in the second 62
pass-through entity is a person subject to the tax imposed under 63
section 5733.06 of the Revised Code. 64

(c) Nothing in division (D) of this section precludes the 65
tax commissioner from requiring such investors to file the 66
return and make the payment of taxes and related interest, 67
penalty, and interest penalty required by this section or 68
section 5747.02, 5747.09, or 5747.15 of the Revised Code. 69
Nothing in division (D) of this section precludes such an 70
investor from filing the annual return under this section, 71
utilizing the refundable credit equal to the investor's 72
proportionate share of the tax paid by the pass-through entity 73
on behalf of the investor under division (I) of this section, 74
and making the payment of taxes imposed under section 5747.02 of 75
the Revised Code. Nothing in division (D) of this section shall 76
be construed to provide to such an investor or pass-through 77
entity any additional deduction or credit, other than the credit 78

provided by division (I) of this section, solely on account of 79
the entity's filing a return in accordance with this section. 80
Such a pass-through entity also shall make the filing and 81
payment of estimated taxes on behalf of the pass-through entity 82
investors other than an investor that is a person subject to the 83
tax imposed under section 5733.06 of the Revised Code. 84

(2) For the purposes of this section, "business credits" 85
means the credits listed in section 5747.98 of the Revised Code 86
excluding the following credits: 87

(a) The retirement income credit under division (B) of 88
section 5747.055 of the Revised Code; 89

(b) The senior citizen credit under division (F) of 90
section 5747.055 of the Revised Code; 91

(c) The lump sum distribution credit under division (G) of 92
section 5747.055 of the Revised Code; 93

(d) The dependent care credit under section 5747.054 of 94
the Revised Code; 95

(e) The lump sum retirement income credit under division 96
(C) of section 5747.055 of the Revised Code; 97

(f) The lump sum retirement income credit under division 98
(D) of section 5747.055 of the Revised Code; 99

(g) The lump sum retirement income credit under division 100
(E) of section 5747.055 of the Revised Code; 101

(h) The credit for displaced workers who pay for job 102
training under section 5747.27 of the Revised Code; 103

(i) The twenty-dollar personal exemption credit under 104
section 5747.022 of the Revised Code; 105

(j) The joint filing credit under division (E) of section 106
5747.05 of the Revised Code; 107

(k) The nonresident credit under division (A) of section 108
5747.05 of the Revised Code; 109

(l) The credit for a resident's out-of-state income under 110
division (B) of section 5747.05 of the Revised Code; 111

(m) The earned income tax credit under section 5747.71 of 112
the Revised Code; 113

(n) The lead abatement credit under section 5747.26 of the 114
Revised Code; 115

(o) The credit for volunteer firefighter purchases under 116
section 5747.63 of the Revised Code. 117

(3) The election provided for under division (D) of this 118
section applies only to the taxable year for which the election 119
is made by the pass-through entity. Unless the tax commissioner 120
provides otherwise, this election, once made, is binding and 121
irrevocable for the taxable year for which the election is made. 122
Nothing in this division shall be construed to provide for any 123
deduction or credit that would not be allowable if a nonresident 124
pass-through entity investor were to file an annual return. 125

(4) If a pass-through entity makes the election provided 126
for under division (D) of this section, the pass-through entity 127
shall be liable for any additional taxes, interest, interest 128
penalty, or penalties imposed by this chapter if the tax 129
commissioner finds that the single return does not reflect the 130
correct tax due by the pass-through entity investors covered by 131
that return. Nothing in this division shall be construed to 132
limit or alter the liability, if any, imposed on pass-through 133
entity investors for unpaid or underpaid taxes, interest, 134

interest penalty, or penalties as a result of the pass-through 135
entity's making the election provided for under division (D) of 136
this section. For the purposes of division (D) of this section, 137
"correct tax due" means the tax that would have been paid by the 138
pass-through entity had the single return been filed in a manner 139
reflecting the commissioner's findings. Nothing in division (D) 140
of this section shall be construed to make or hold a pass- 141
through entity liable for tax attributable to a pass-through 142
entity investor's income from a source other than the pass- 143
through entity electing to file the single return. 144

(E) If a husband and wife file a joint federal income tax 145
return for a taxable year, they shall file a joint return under 146
this section for that taxable year, and their liabilities are 147
joint and several, but, if the federal income tax liability of 148
either spouse is determined on a separate federal income tax 149
return, they shall file separate returns under this section. 150

If either spouse is not required to file a federal income 151
tax return and either or both are required to file a return 152
pursuant to this chapter, they may elect to file separate or 153
joint returns, and, pursuant to that election, their liabilities 154
are separate or joint and several. If a husband and wife file 155
separate returns pursuant to this chapter, each must claim the 156
taxpayer's own exemption, but not both, as authorized under 157
section 5747.02 of the Revised Code on the taxpayer's own 158
return. 159

(F) Each return or notice required to be filed under this 160
section shall contain the signature of the taxpayer or the 161
taxpayer's duly authorized agent and of the person who prepared 162
the return for the taxpayer, and shall include the taxpayer's 163
social security number. Each return shall be verified by a 164

declaration under the penalties of perjury. The tax commissioner 165
shall prescribe the form that the signature and declaration 166
shall take. 167

(G) Each return or notice required to be filed under this 168
section shall be made and filed as required by section 5747.04 169
of the Revised Code, on or before the fifteenth day of April of 170
each year, on forms that the tax commissioner shall prescribe, 171
together with remittance made payable to the treasurer of state 172
in the combined amount of the state and all school district 173
income taxes shown to be due on the form. 174

Upon good cause shown, the commissioner may extend the 175
period for filing any notice or return required to be filed 176
under this section and may adopt rules relating to extensions. 177
If the extension results in an extension of time for the payment 178
of any state or school district income tax liability with 179
respect to which the return is filed, the taxpayer shall pay at 180
the time the tax liability is paid an amount of interest 181
computed at the rate per annum prescribed by section 5703.47 of 182
the Revised Code on that liability from the time that payment is 183
due without extension to the time of actual payment. Except as 184
provided in section 5747.132 of the Revised Code, in addition to 185
all other interest charges and penalties, all taxes imposed 186
under this chapter or Chapter 5748. of the Revised Code and 187
remaining unpaid after they become due, except combined amounts 188
due of one dollar or less, bear interest at the rate per annum 189
prescribed by section 5703.47 of the Revised Code until paid or 190
until the day an assessment is issued under section 5747.13 of 191
the Revised Code, whichever occurs first. 192

If the commissioner considers it necessary in order to 193
ensure the payment of the tax imposed by section 5747.02 of the 194

Revised Code or any tax imposed under Chapter 5748. of the 195
Revised Code, the commissioner may require returns and payments 196
to be made otherwise than as provided in this section. 197

To the extent that any provision in this division 198
conflicts with any provision in section 5747.026 of the Revised 199
Code, the provision in that section prevails. 200

(H) The amounts withheld by an employer pursuant to 201
section 5747.06 of the Revised Code, a casino operator pursuant 202
to section 5747.063 of the Revised Code, or a lottery sales 203
agent pursuant to section 5747.064 of the Revised Code shall be 204
allowed to the recipient of the compensation casino winnings, or 205
lottery prize award as credits against payment of the 206
appropriate taxes imposed on the recipient by section 5747.02 207
and under Chapter 5748. of the Revised Code. 208

(I) If a pass-through entity elects to file a single 209
return under division (D) of this section and if any investor is 210
required to file the annual return and make the payment of taxes 211
required by this chapter on account of the investor's other 212
income that is not included in a single return filed by a pass- 213
through entity or any other investor elects to file the annual 214
return, the investor is entitled to a refundable credit equal to 215
the investor's proportionate share of the tax paid by the pass- 216
through entity on behalf of the investor. The investor shall 217
claim the credit for the investor's taxable year in which or 218
with which ends the taxable year of the pass-through entity. 219
Nothing in this chapter shall be construed to allow any credit 220
provided in this chapter to be claimed more than once. For the 221
purpose of computing any interest, penalty, or interest penalty, 222
the investor shall be deemed to have paid the refundable credit 223
provided by this division on the day that the pass-through 224

entity paid the estimated tax or the tax giving rise to the 225
credit. 226

(J) The tax commissioner shall ensure that each return 227
required to be filed under this section includes a box that the 228
taxpayer may check to authorize a paid tax preparer who prepared 229
the return to communicate with the department of taxation about 230
matters pertaining to the return. The return or instructions 231
accompanying the return shall indicate that by checking the box 232
the taxpayer authorizes the department of taxation to contact 233
the preparer concerning questions that arise during the 234
processing of the return and authorizes the preparer only to 235
provide the department with information that is missing from the 236
return, to contact the department for information about the 237
processing of the return or the status of the taxpayer's refund 238
or payments, and to respond to notices about mathematical 239
errors, offsets, or return preparation that the taxpayer has 240
received from the department and has shown to the preparer. 241

(K) The tax commissioner shall permit individual taxpayers 242
to instruct the department of taxation to cause any refund of 243
overpaid taxes to be deposited directly into a checking account, 244
savings account, or an individual retirement account or 245
individual retirement annuity, or preexisting college savings 246
plan or program account offered by the Ohio tuition trust 247
authority under Chapter 3334. of the Revised Code, as designated 248
by the taxpayer, when the taxpayer files the annual return 249
required by this section electronically. 250

(L) A taxpayer claiming the deduction under division (A) 251
(31) of section 5747.01 of the Revised Code for a taxable year 252
shall indicate on the taxpayer's return the north American 253
industry classification system code of each business or 254

professional activity from which the taxpayer's business income 255
was derived. The tax commissioner shall provide space on the 256
return for this purpose and shall prescribe, by rule adopted in 257
accordance with Chapter 119. of the Revised Code, the manner by 258
which such a taxpayer shall determine the taxpayer's proper 259
classification codes and business or professional activities 260
from which the taxpayer derives business income. 261

(M) The tax commissioner may adopt rules to administer 262
this section. 263

Sec. 5747.63. (A) As used in this section: 264

(1) "Volunteer firefighter" means an individual who is 265
authorized to act as a firefighter under section 3737.66 of the 266
Revised Code and who serves as a firefighter in a volunteer 267
capacity for a nonprofit fire company or for the fire department 268
of a municipal corporation, township, township fire district, or 269
joint fire district. 270

(2) "Firefighting item" means any of the following items, 271
provided the item meets the requirements or specifications for 272
use prescribed by the volunteer firefighter's nonprofit fire 273
company or fire department: 274

(a) Turnout coats, turnout pants, turnout boots, 275
suspenders, hoods, protective helmets, safety glasses, fire 276
gloves, extrication gloves, five-point breakaway reflective 277
traffic vests, ballistic vests, portable radios, radio pagers, 278
radio straps, flashlights, hand tools, self-rescue rope, and 279
uniforms; 280

(b) Any other item used by a volunteer firefighter in 281
carrying out official firefighting activities if the cost of the 282
item to the volunteer firefighter is greater than the amount 283

reimbursed for the item by the volunteer firefighter's nonprofit 284
fire company or fire department pursuant to the company's or 285
department's policy on July 1, 2019. 286

(B) There is hereby allowed a nonrefundable credit against 287
a taxpayer's aggregate tax liability under section 5747.02 of 288
the Revised Code for any amount spent by a taxpayer who is a 289
volunteer firefighter during the taxable year on firefighting 290
items used by the taxpayer to ensure the taxpayer's safety or 291
protection while performing official firefighting activities 292
reduced by any amount by which the taxpayer was reimbursed by 293
the taxpayer's nonprofit fire company or fire department for the 294
cost of such items. The amount of the credit shall not exceed 295
five hundred dollars. The credit shall be claimed in the order 296
required under section 5747.98 of the Revised Code. 297

The tax commissioner may request that a taxpayer claiming 298
a credit under this section furnish information as is necessary 299
to support the claim for the credit under this section, and no 300
credit shall be allowed unless the requested information is 301
provided. 302

Sec. 5747.98. (A) To provide a uniform procedure for 303
calculating a taxpayer's aggregate tax liability under section 304
5747.02 of the Revised Code, a taxpayer shall claim any credits 305
to which the taxpayer is entitled in the following order: 306

(1) Either the retirement income credit under division (B) 307
of section 5747.055 of the Revised Code or the lump sum 308
retirement income credits under divisions (C), (D), and (E) of 309
that section; 310

(2) Either the senior citizen credit under division (F) of 311
section 5747.055 of the Revised Code or the lump sum 312

distribution credit under division (G) of that section;	313
(3) The dependent care credit under section 5747.054 of the Revised Code;	314 315
(4) The credit for displaced workers who pay for job training under section 5747.27 of the Revised Code;	316 317
(5) The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;	318 319
(6) The joint filing credit under division (G) of section 5747.05 of the Revised Code;	320 321
(7) The earned income credit under section 5747.71 of the Revised Code;	322 323
(8) <u>The credit for volunteer firefighter purchases under section 5747.63 of the Revised Code;</u>	324 325
<u>(9)</u> The credit for adoption of a minor child under section 5747.37 of the Revised Code;	326 327
(9) <u>(10)</u> The nonrefundable job retention credit under division (B) of section 5747.058 of the Revised Code;	328 329
(10) <u>(11)</u> The enterprise zone credit under section 5709.66 of the Revised Code;	330 331
(11) <u>(12)</u> The ethanol plant investment credit under section 5747.75 of the Revised Code;	332 333
(12) <u>(13)</u> The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	334 335
(13) <u>(14)</u> The small business investment credit under section 5747.81 of the Revised Code;	336 337
(14) <u>(15)</u> The nonrefundable lead abatement credit under	338

section 5747.26 of the Revised Code;	339
(15) <u>(16)</u> The opportunity zone investment credit under	340
section 122.84 of the Revised Code;	341
(16) <u>(17)</u> The enterprise zone credits under section	342
5709.65 of the Revised Code;	343
(17) <u>(18)</u> The research and development credit under	344
section 5747.331 of the Revised Code;	345
(18) <u>(19)</u> The credit for rehabilitating a historic	346
building under section 5747.76 of the Revised Code;	347
(19) <u>(20)</u> The nonresident credit under division (A) of	348
section 5747.05 of the Revised Code;	349
(20) <u>(21)</u> The credit for a resident's out-of-state income	350
under division (B) of section 5747.05 of the Revised Code;	351
(21) <u>(22)</u> The refundable motion picture and Broadway	352
theatrical production credit under section 5747.66 of the	353
Revised Code;	354
(22) <u>(23)</u> The refundable jobs creation credit or job	355
retention credit under division (A) of section 5747.058 of the	356
Revised Code;	357
(23) <u>(24)</u> The refundable credit for taxes paid by a	358
qualifying entity granted under section 5747.059 of the Revised	359
Code;	360
(24) <u>(25)</u> The refundable credits for taxes paid by a	361
qualifying pass-through entity granted under division (I) of	362
section 5747.08 of the Revised Code;	363
(25) <u>(26)</u> The refundable credit under section 5747.80 of	364
the Revised Code for losses on loans made to the Ohio venture	365

capital program under sections 150.01 to 150.10 of the Revised 366
Code; 367

~~(26)~~ (27) The refundable credit for rehabilitating a 368
historic building under section 5747.76 of the Revised Code. 369

(B) For any credit, except the refundable credits 370
enumerated in this section and the credit granted under division 371
(H) of section 5747.08 of the Revised Code, the amount of the 372
credit for a taxable year shall not exceed the taxpayer's 373
aggregate amount of tax due under section 5747.02 of the Revised 374
Code, after allowing for any other credit that precedes it in 375
the order required under this section. Any excess amount of a 376
particular credit may be carried forward if authorized under the 377
section creating that credit. Nothing in this chapter shall be 378
construed to allow a taxpayer to claim, directly or indirectly, 379
a credit more than once for a taxable year. 380

Section 2. That existing sections 5747.08 and 5747.98 of 381
the Revised Code are hereby repealed. 382

Section 3. The amendment or enactment by this act of 383
sections 5747.08, 5747.63, and 5747.98 of the Revised Code 384
applies to taxable years ending on or after the effective date 385
of this act. 386

Section 4. Pursuant to division (G) of section 5703.95 of 387
the Revised Code, which states that any bill introduced in the 388
House of Representatives or the Senate that proposes to enact or 389
modify one or more tax expenditures should include a statement 390
explaining the objectives of the tax expenditure or its 391
modification and the sponsor's intent in proposing the tax 392
expenditure or its modification: 393

The purpose of the tax credit authorized by this act is to 394

encourage Ohioans to become volunteer firefighters by providing	395
financial relief for the burdensome cost of gear for the	396
volunteer job.	397