

As Introduced

132nd General Assembly

Regular Session

2017-2018

H. B. No. 155

Representatives Sprague, Howse

**Cosponsors: Representatives Antani, Hughes, Manning, Miller, Reece, Riedel,
Roegner, Schaffer, Sykes, Vitale, West**

A BILL

To amend sections 5747.98 and 5751.98 and to enact
sections 122.91, 5747.82, and 5751.55 of the
Revised Code to authorize a tax credit for
expenses incurred by an employer to train a
commercial vehicle operator.

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

Section 1. That sections 5747.98 and 5751.98 be amended
and sections 122.91, 5747.82, and 5751.55 of the Revised Code be
enacted to read as follows:

Sec. 122.91. (A) As used in this section:

(1) "Qualifying individual" means an individual who holds
a valid commercial driver's license or who is eligible to obtain
such a license.

(2) "Commercial driver's license" and "commercial motor
vehicle" have the same meanings as in section 4506.01 of the
Revised Code.

(3) "Training expense" means any cost customarily incurred

by an employer to train an employee who is a qualifying 17
individual to obtain a commercial driver's license or to operate 18
a commercial motor vehicle. "Training expense" shall not include 19
such an employee's wages. 20

(4) "Tax credit-eligible training expense" means any 21
training expense certified under division (B) of this section. 22

(5) "Director" means the director of development services. 23

(B)(1) On or before the first day of December, an employer 24
may apply to the director, on a form prescribed by the director, 25
to certify training expenses that an employer estimates the 26
employer will incur during the following calendar year as tax 27
credit-eligible training expenses. Within thirty days after 28
receiving such an application, the director shall certify to 29
each applicant the amount of the applicant's submitted expenses 30
the director finds to be tax credit-eligible training expenses. 31
The director shall not certify more than fifty thousand dollars 32
of training expenses per year as tax credit-eligible training 33
expenses for any employer. 34

(2) The director shall not certify more than three million 35
dollars in tax credit-eligible training expenses for each 36
calendar year, increased by the sum of tax credit-eligible 37
expenses the director was authorized to certify within the limit 38
described in division (B)(2) of this section for preceding years 39
that were not the basis of a tax credit certificate issued under 40
division (C)(2) of this section in the current year or any 41
preceding year. 42

(C)(1) An employer that incurs tax credit-eligible 43
training expenses in a calendar year that were certified for 44
that year under division (B) of this section may apply to the 45

director for a nonrefundable credit against the tax imposed by 46
section 5747.02 or 5751.02 of the Revised Code. The credit shall 47
equal one-half of the tax credit-eligible training expenses 48
actually incurred by the employer in, and certified for, the 49
preceding calendar year. The application may be submitted after 50
the first day and before the twenty-first day of January of the 51
year following the year for which the director certified the 52
expenses. The application shall be submitted on a form 53
prescribed by the director. 54

(2) If the director approves an application described in 55
division (C)(1) of this section, the director, within fifteen 56
days after receipt of the application, shall issue a tax credit 57
certificate to the applicant. The director in consultation with 58
the tax commissioner shall prescribe the form and manner of 59
issuing certificates. The director shall assign a unique 60
identifying number to each tax credit certificate and shall 61
record the certificate in a register devised and maintained by 62
the director for that purpose. The certificate shall state the 63
amount of the tax credit-eligible training expenses on which the 64
credit is based, the amount of the credit, and the date the 65
certificate is issued. Upon issuance of a certificate, the 66
director shall certify to the tax commissioner the name of the 67
applicant, the amount of tax credit-eligible training expenses 68
stated on the certificate, and any other information required by 69
the rules adopted under this section. 70

(D) The director in consultation with the tax commissioner 71
shall adopt rules under Chapter 119. of the Revised Code for the 72
administration of this section. Such rules shall set forth the 73
types of expenses that qualify as training expenses for purposes 74
of this section. 75

Sec. 5747.82. There is allowed a nonrefundable credit 76
against a taxpayer's aggregate tax liability under section 77
5747.02 of the Revised Code for a taxpayer that has been issued 78
a tax credit certificate under section 122.91 of the Revised 79
Code. The amount of the credit shall equal the credit amount 80
stated on the certificate, less any amount of that credit the 81
taxpayer claims under section 5751.55 of the Revised Code. The 82
credit shall be claimed for the taxpayer's most recently 83
concluded taxable year that ended before the issuance date 84
stated on the certificate. 85

The credit shall be claimed in the order required under 86
section 5747.98 of the Revised Code. Any credit amount in excess 87
of the aggregate amount of tax due under section 5747.02 of the 88
Revised Code, after allowing for any other credits preceding the 89
credit in that order, may be carried forward for five taxable 90
years, but the amount of the excess credit allowed in any such 91
year shall be deducted from the balance carried forward to the 92
next year. 93

Nothing in this section limits or disallows pass-through 94
treatment of the credit if the credit certificate has been 95
issued to a pass-through entity. 96

Sec. 5747.98. (A) To provide a uniform procedure for 97
calculating a taxpayer's aggregate tax liability under section 98
5747.02 of the Revised Code, a taxpayer shall claim any credits 99
to which the taxpayer is entitled in the following order: 100

(1) Either the retirement income credit under division (B) 101
of section 5747.055 of the Revised Code or the lump sum 102
retirement income credits under divisions (C), (D), and (E) of 103
that section; 104

| | |
|---|-----|
| (2) Either the senior citizen credit under division (F) of | 105 |
| section 5747.055 of the Revised Code or the lump sum | 106 |
| distribution credit under division (G) of that section; | 107 |
| (3) The dependent care credit under section 5747.054 of | 108 |
| the Revised Code; | 109 |
| (4) The low-income credit under section 5747.056 of the | 110 |
| Revised Code; | 111 |
| (5) The credit for displaced workers who pay for job | 112 |
| training under section 5747.27 of the Revised Code; | 113 |
| (6) The campaign contribution credit under section 5747.29 | 114 |
| of the Revised Code; | 115 |
| (7) The twenty-dollar personal exemption credit under | 116 |
| section 5747.022 of the Revised Code; | 117 |
| (8) The joint filing credit under division (G) of section | 118 |
| 5747.05 of the Revised Code; | 119 |
| (9) The earned income credit under section 5747.71 of the | 120 |
| Revised Code; | 121 |
| (10) The credit for adoption of a minor child under | 122 |
| section 5747.37 of the Revised Code; | 123 |
| (11) The nonrefundable job retention credit under division | 124 |
| (B) of section 5747.058 of the Revised Code; | 125 |
| (12) The enterprise zone credit under section 5709.66 of | 126 |
| the Revised Code; | 127 |
| (13) The ethanol plant investment credit under section | 128 |
| 5747.75 of the Revised Code; | 129 |
| (14) <u>The credit for commercial vehicle operator training</u> | 130 |
| <u>expenses under section 5747.82 of the Revised Code;</u> | 131 |

| | |
|---|-----|
| <u>(15)</u> The credit for purchases of qualifying grape | 132 |
| production property under section 5747.28 of the Revised Code; | 133 |
| (15) <u>(16)</u> The small business investment credit under | 134 |
| section 5747.81 of the Revised Code; | 135 |
| (16) <u>(17)</u> The enterprise zone credits under section | 136 |
| 5709.65 of the Revised Code; | 137 |
| (17) <u>(18)</u> The research and development credit under | 138 |
| section 5747.331 of the Revised Code; | 139 |
| (18) <u>(19)</u> The credit for rehabilitating a historic | 140 |
| building under section 5747.76 of the Revised Code; | 141 |
| (19) <u>(20)</u> The nonresident credit under division (A) of | 142 |
| section 5747.05 of the Revised Code; | 143 |
| (20) <u>(21)</u> The credit for a resident's out-of-state income | 144 |
| under division (B) of section 5747.05 of the Revised Code; | 145 |
| (21) <u>(22)</u> The refundable motion picture production credit | 146 |
| under section 5747.66 of the Revised Code; | 147 |
| (22) <u>(23)</u> The refundable jobs creation credit or job | 148 |
| retention credit under division (A) of section 5747.058 of the | 149 |
| Revised Code; | 150 |
| (23) <u>(24)</u> The refundable credit for taxes paid by a | 151 |
| qualifying entity granted under section 5747.059 of the Revised | 152 |
| Code; | 153 |
| (24) <u>(25)</u> The refundable credits for taxes paid by a | 154 |
| qualifying pass-through entity granted under division (I) of | 155 |
| section 5747.08 of the Revised Code; | 156 |
| (25) <u>(26)</u> The refundable credit under section 5747.80 of | 157 |
| the Revised Code for losses on loans made to the Ohio venture | 158 |

capital program under sections 150.01 to 150.10 of the Revised Code; 159
160

~~(26)~~ (27) The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code; 161
162

~~(27)~~ (28) The refundable credit for financial institution taxes paid by a pass-through entity granted under section 5747.65 of the Revised Code. 163
164
165

(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. 166
167
168
169
170
171
172
173
174
175
176

Sec. 5751.55. There is allowed a nonrefundable credit against the tax imposed by section 5751.02 of the Revised Code for a taxpayer that has been issued a tax credit certificate under section 122.91 of the Revised Code. The credit shall equal the credit amount stated on the certificate, less any amount of that credit the taxpayer claims under section 5747.82 of the Revised Code. A calendar quarter taxpayer shall claim the credit for the most recently concluded tax period that ended before the issuance date stated on the certificate. A calendar year taxpayer shall claim the credit for the tax period in which the issuance date of the certificate occurs. 177
178
179
180
181
182
183
184
185
186
187

The credit shall be claimed in the order required under 188
section 5751.98 of the Revised Code. Any credit amount in excess 189
of the tax due under section 5751.02 of the Revised Code, after 190
allowing for any other credits preceding the credit in that 191
order, may be carried forward for five calendar years, but the 192
amount of the excess credit allowed in any such year shall be 193
deducted from the balance carried forward to the next year. 194

Sec. 5751.98. (A) To provide a uniform procedure for 195
calculating the amount of tax due under this chapter, a taxpayer 196
shall claim any credits to which it is entitled in the following 197
order: 198

(1) The nonrefundable jobs retention credit under division 199
(B) of section 5751.50 of the Revised Code; 200

(2) The credit for commercial vehicle operator training 201
expenses under section 5751.55 of the Revised Code; 202

(3) The nonrefundable credit for qualified research 203
expenses under division (B) of section 5751.51 of the Revised 204
Code; 205

~~(3)~~ (4) The nonrefundable credit for a borrower's 206
qualified research and development loan payments under division 207
(B) of section 5751.52 of the Revised Code; 208

~~(4)~~ (5) The nonrefundable credit for calendar years 2010 209
to 2029 for unused net operating losses under division (B) of 210
section 5751.53 of the Revised Code; 211

~~(5)~~ (6) The refundable motion picture production credit 212
under section 5751.54 of the Revised Code; 213

~~(6)~~ (7) The refundable jobs creation credit or job 214
retention credit under division (A) of section 5751.50 of the 215

Revised Code; 216

~~(7)~~ (8) The refundable credit for calendar year 2030 for 217
unused net operating losses under division (C) of section 218
5751.53 of the Revised Code. 219

(B) For any credit except the refundable credits 220
enumerated in this section, the amount of the credit for a tax 221
period shall not exceed the tax due after allowing for any other 222
credit that precedes it in the order required under this 223
section. Any excess amount of a particular credit may be carried 224
forward if authorized under the section creating the credit. 225

Section 2. That existing sections 5747.98 and 5751.98 of 226
the Revised Code are hereby repealed. 227

Section 3. (A) The amendment or enactment by this act of 228
sections 122.91, 5747.82, 5747.98, 5751.55, and 5751.98 of the 229
Revised Code applies to training expenses, as that term is 230
defined under section 122.91 of the Revised Code, estimated to 231
be incurred on or after January 1, 2018. 232

(B) In adopting the rules required under division (D) of 233
section 122.91 of the Revised Code, as enacted by this act, the 234
Director of Development Services shall file the notice and text 235
of the proposed rules as required by division (B) of section 236
119.03 of the Revised Code not later than one hundred fifty days 237
after the effective date of this section. 238