

I\_132\_0429-1

132nd General Assembly  
Regular Session  
2017-2018

Sub. H. B. No. 333

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**A BILL**

To amend section 5747.05 of the Revised Code to  
change the computation of the income tax joint  
filer credit so that the credit results in joint  
filers paying the same amount of combined tax on  
a joint return as they would on separate  
returns.

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

**Section 1.** That section 5747.05 of the Revised Code be  
amended to read as follows:

**Sec. 5747.05.** As used in this section, "income tax"  
includes both a tax on net income and a tax measured by net  
income.

The following credits shall be allowed against the  
aggregate income tax liability imposed by section 5747.02 of the  
Revised Code on individuals and estates:

(A) (1) The amount of tax otherwise due under section  
5747.02 of the Revised Code on such portion of the combined  
adjusted gross income and business income of any nonresident



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taxpayer that is not allocable or apportionable to this state 18  
pursuant to sections 5747.20 to 5747.23 of the Revised Code. The 19  
credit provided under this division shall not exceed the total 20  
tax due under section 5747.02 of the Revised Code. 21

(2) The tax commissioner may enter into an agreement with 22  
the taxing authorities of any state or of the District of 23  
Columbia that imposes an income tax to provide that compensation 24  
paid in this state to a nonresident taxpayer shall not be 25  
subject to the tax levied in section 5747.02 of the Revised Code 26  
so long as compensation paid in such other state or in the 27  
District of Columbia to a resident taxpayer shall likewise not 28  
be subject to the income tax of such other state or of the 29  
District of Columbia. 30

(B) The lesser of division (B) (1) or (2) of this section: 31

(1) The aggregate amount of tax otherwise due under 32  
section 5747.02 of the Revised Code on such portion of the 33  
combined adjusted gross income and business income of a resident 34  
taxpayer that in another state or in the District of Columbia is 35  
subjected to an income tax. The credit provided under division 36  
(B) (1) of this section shall not exceed the total tax due under 37  
section 5747.02 of the Revised Code. 38

(2) The amount of income tax liability to another state or 39  
the District of Columbia on the portion of the combined adjusted 40  
gross income and business income of a resident taxpayer that in 41  
another state or in the District of Columbia is subjected to an 42  
income tax. The credit provided under division (B) (2) of this 43  
section shall not exceed the total amount of tax otherwise due 44  
under section 5747.02 of the Revised Code. 45

(3) If the credit provided under division (B) of this 46

section is affected by a change in either the portion of the 47  
combined adjusted gross income and business income of a resident 48  
taxpayer subjected to an income tax in another state or the 49  
District of Columbia or the amount of income tax liability that 50  
has been paid to another state or the District of Columbia, the 51  
taxpayer shall report the change to the tax commissioner within 52  
sixty days of the change in such form as the commissioner 53  
requires. 54

(a) In the case of an underpayment, the report shall be 55  
accompanied by payment of any additional tax due as a result of 56  
the reduction in credit together with interest on the additional 57  
tax and is a return subject to assessment under section 5747.13 58  
of the Revised Code solely for the purpose of assessing any 59  
additional tax due under this division, together with any 60  
applicable penalty and interest. It shall not reopen the 61  
computation of the taxpayer's tax liability under this chapter 62  
from a previously filed return no longer subject to assessment 63  
except to the extent that such liability is affected by an 64  
adjustment to the credit allowed by division (B) of this 65  
section. 66

(b) In the case of an overpayment, an application for 67  
refund may be filed under this division within the sixty-day 68  
period prescribed for filing the report even if it is beyond the 69  
period prescribed in section 5747.11 of the Revised Code if it 70  
otherwise conforms to the requirements of such section. An 71  
application filed under this division shall only claim refund of 72  
overpayments resulting from an adjustment to the credit allowed 73  
by division (B) of this section unless it is also filed within 74  
the time prescribed in section 5747.11 of the Revised Code. It 75  
shall not reopen the computation of the taxpayer's tax liability 76  
except to the extent that such liability is affected by an 77

adjustment to the credit allowed by division (B) of this section. 78  
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(4) No credit shall be allowed under division (B) of this section: 80  
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(a) For income tax paid or accrued to another state or to the District of Columbia if the taxpayer, when computing federal adjusted gross income, has directly or indirectly deducted, or was required to directly or indirectly deduct, the amount of that income tax; 82  
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(b) For compensation that is not subject to the income tax of another state or the District of Columbia as the result of an agreement entered into by the tax commissioner under division (A) (3) of this section; or 87  
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(c) For income tax paid or accrued to another state or the District of Columbia if the taxpayer fails to furnish such proof as the tax commissioner shall require that such income tax liability has been paid. 91  
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(C) An individual who is a resident for part of a taxable year and a nonresident for the remainder of the taxable year is allowed the credits under divisions (A) and (B) of this section in accordance with rules prescribed by the tax commissioner. In no event shall the same income be subject to both credits. 95  
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(D) The credit allowed under division (A) of this section shall be calculated based upon the amount of tax due under section 5747.02 of the Revised Code after subtracting any other credits that precede the credit under that division in the order required under section 5747.98 of the Revised Code. The credit allowed under division (B) of this section shall be calculated based upon the amount of tax due under section 5747.02 of the 100  
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Revised Code after subtracting any other credits that precede 107  
the credit under that division in the order required under 108  
section 5747.98 of the Revised Code. 109

(E) (1) On a joint return filed by a husband and wife, ~~each~~ 110  
~~of whom had adjusted gross income of at least five hundred~~ 111  
~~dollars, exclusive of interest, dividends and distributions,~~ 112  
~~royalties, rent, and capital gains,~~ a nonrefundable credit equal 113  
to the ~~lesser of six hundred fifty dollars or the percentage~~ 114  
~~shown in column B that corresponds with the taxpayer's adjusted~~ 115  
~~gross income, less exemptions for the taxable year, of the total~~ 116  
~~amount~~ difference of the amount of tax shown to be due on the 117  
joint return minus the husband's and wife's minimum combined 118  
amount of tax due, after allowing for any other credit that 119  
precedes this credit as required under section 5747.98 of the 120  
Revised Code:— 121

\_\_\_\_\_ A. \_\_\_\_\_ B. 122  
~~IF THE ADJUSTED GROSS INCOME, \_\_\_\_\_ THE CREDIT FOR THE TAXABLE~~ 123  
~~LESS EXEMPTIONS, FOR THE \_\_\_\_\_ YEAR IS:~~ 124  
~~TAX YEAR IS:~~ 125  
~~\$25,000 or less \_\_\_\_\_ 20%~~ 126  
~~More than \$25,000 but not more \_\_\_\_\_ 15%~~ 127  
~~than \$50,000 \_\_\_\_\_~~ 128  
~~More than \$50,000 but not more \_\_\_\_\_ 10%~~ 129  
~~than \$75,000 \_\_\_\_\_~~ 130  
~~More than \$75,000 \_\_\_\_\_ 5%.~~ 131

(2) ~~The credit shall be claimed in the order required~~ 132  
~~under~~ As used in division (E) of this section: 133

(a) "Minimum combined amount of tax" means the sum of the 134  
tax that would be due on the husband's and wife's returns if the 135

husband and wife filed separate returns, notwithstanding 136  
division (E) of section 5747.08 of the Revised Code, if the 137  
husband and wife made all adjustments and claimed all credits to 138  
which the husband and wife would be required or allowed to make 139  
or claim on each separate return. For the purpose of calculating 140  
"minimum combined amount of tax," adjustments or credits that 141  
could be taken or claimed by either the husband or wife on the 142  
husband's or wife's separate return shall be claimed by each 143  
spouse in a manner that would result in the least combined tax 144  
due. 145

(b) "Adjustment" means a deduction taken on a federal 146  
income tax return that is included in the computation of the 147  
husband's or the wife's federal adjusted gross income or an 148  
addition or deduction described in division (A) of section 149  
5747.01 of the Revised Code and allowed to the husband or wife. 150

(c) "Credit" means any credit described in section 5747.98 151  
of the Revised Code. 152

(F) No claim for credit under this section shall be 153  
allowed unless the claimant furnishes such supporting 154  
information as the tax commissioner prescribes by rules. 155

**Section 2.** That existing section 5747.05 of the Revised 156  
Code is hereby repealed. 157

**Section 3.** The amendment by this act of section 5747.05 of 158  
the Revised Code applies to taxable years beginning in 2019 or 159  
thereafter. 160