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133rd General Assembly
Regular Session
2019-2020

Sub. H. B. No. 114

A BILL

To amend sections 5747.71 and 5747.98 of the 1
Revised Code to make the earned income tax 2
credit partially refundable. 3

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

Section 1. That sections 5747.71 and 5747.98 of the 4
Revised Code be amended to read as follows: 5

Sec. 5747.71. (A) As used in this section, "eligible 6
individual" has the same meaning as in section 32 of the 7
Internal Revenue Code. 8

(B) There is hereby allowed a nonrefundable credit against 9
a taxpayer's aggregate tax liability under section 5747.02 of 10
the Revised Code for a taxpayer who is an ~~"eligible individual"~~ 11
~~as defined in section 32 of the Internal Revenue Code.~~ The 12
credit shall equal ~~thirty~~ twenty per cent of the federal credit 13
allowed for the taxable year. The credit shall not exceed the 14
aggregate amount of tax otherwise due under section 5747.02 of 15
the Revised Code after deducting any other nonrefundable credits 16
that precede the credit allowed under this section in the order 17



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prescribed by section 5747.98 of the Revised Code. 18

The credit shall be claimed in the order prescribed by 19
section 5747.98 of the Revised Code. 20

(C) There is hereby allowed a refundable credit against a 21
taxpayer's aggregate tax liability under section 5747.02 of the 22
Revised Code for a taxpayer who is an eligible individual. The 23
credit shall equal ten per cent of the credit allowed on the 24
taxpayer's federal income tax return pursuant to section 32 of 25
the Internal Revenue Code for the taxable year. The credit shall 26
be claimed in the order prescribed by section 5747.98 of the 27
Revised Code. If the credit authorized by this division exceeds 28
the aggregate amount of tax otherwise due after deducting all 29
other credits in that order, the excess shall be refunded to the 30
taxpayer. 31

Sec. 5747.98. (A) To provide a uniform procedure for 32
calculating a taxpayer's aggregate tax liability under section 33
5747.02 of the Revised Code, a taxpayer shall claim any credits 34
to which the taxpayer is entitled in the following order: 35

(1) Either the retirement income credit under division (B) 36
of section 5747.055 of the Revised Code or the lump sum 37
retirement income credits under divisions (C), (D), and (E) of 38
that section; 39

(2) Either the senior citizen credit under division (F) of 40
section 5747.055 of the Revised Code or the lump sum 41
distribution credit under division (G) of that section; 42

(3) The dependent care credit under section 5747.054 of 43
the Revised Code; 44

(4) The credit for displaced workers who pay for job 45
training under section 5747.27 of the Revised Code; 46

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| (5) The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code; | 47 48 |
| (6) The joint filing credit under division (G) of section 5747.05 of the Revised Code; | 49 50 |
| (7) The <u>nonrefundable</u> earned income credit under <u>division (B) of section</u> 5747.71 of the Revised Code; | 51 52 |
| (8) The credit for adoption of a minor child under section 5747.37 of the Revised Code; | 53 54 |
| (9) The nonrefundable job retention credit under division (B) of section 5747.058 of the Revised Code; | 55 56 |
| (10) The enterprise zone credit under section 5709.66 of the Revised Code; | 57 58 |
| (11) The ethanol plant investment credit under section 5747.75 of the Revised Code; | 59 60 |
| (12) The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code; | 61 62 |
| (13) The small business investment credit under section 5747.81 of the Revised Code; | 63 64 |
| (14) The nonrefundable lead abatement credit under section 5747.26 of the Revised Code; | 65 66 |
| (15) The opportunity zone investment credit under section 122.84 of the Revised Code; | 67 68 |
| (16) The enterprise zone credits under section 5709.65 of the Revised Code; | 69 70 |
| (17) The research and development credit under section 5747.331 of the Revised Code; | 71 72 |

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| (18) The credit for rehabilitating a historic building | 73 |
| under section 5747.76 of the Revised Code; | 74 |
| (19) The nonresident credit under division (A) of section | 75 |
| 5747.05 of the Revised Code; | 76 |
| (20) The credit for a resident's out-of-state income under | 77 |
| division (B) of section 5747.05 of the Revised Code; | 78 |
| (21) The refundable motion picture and Broadway theatrical | 79 |
| production credit under section 5747.66 of the Revised Code; | 80 |
| (22) The refundable jobs creation credit or job retention | 81 |
| credit under division (A) of section 5747.058 of the Revised | 82 |
| Code; | 83 |
| (23) The refundable credit for taxes paid by a qualifying | 84 |
| entity granted under section 5747.059 of the Revised Code; | 85 |
| (24) The refundable credits for taxes paid by a qualifying | 86 |
| pass-through entity granted under division (I) of section | 87 |
| 5747.08 of the Revised Code; | 88 |
| (25) The refundable credit under section 5747.80 of the | 89 |
| Revised Code for losses on loans made to the Ohio venture | 90 |
| capital program under sections 150.01 to 150.10 of the Revised | 91 |
| Code; | 92 |
| (26) The refundable credit for rehabilitating a historic | 93 |
| building under section 5747.76 of the Revised Code; | 94 |
| <u>(27) The refundable earned income credit under division</u> | 95 |
| <u>(C) of section 5747.71 of the Revised Code.</u> | 96 |
| (B) For any credit, except the refundable credits | 97 |
| enumerated in this section and the credit granted under division | 98 |
| (H) of section 5747.08 of the Revised Code, the amount of the | 99 |

credit for a taxable year shall not exceed the taxpayer's 100
aggregate amount of tax due under section 5747.02 of the Revised 101
Code, after allowing for any other credit that precedes it in 102
the order required under this section. Any excess amount of a 103
particular credit may be carried forward if authorized under the 104
section creating that credit. Nothing in this chapter shall be 105
construed to allow a taxpayer to claim, directly or indirectly, 106
a credit more than once for a taxable year. 107

Section 2. That existing sections 5747.71 and 5747.98 of 108
the Revised Code are hereby repealed. 109

Section 3. The amendment by this act of sections 5747.71 110
and 5747.98 of the Revised Code applies to taxable years ending 111
on or after the effective date of the amendment. 112