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133rd General Assembly

Regular Session

2019-2020

H. B. No. 2

Representatives Cross, Lepore-Hagan

A BILL

To amend section 5747.01 and to enact sections 1
122.178 122.179, 122.1710, and 122.1711 of the 2
Revised Code to create the TechCred Program and 3
the Individual Microcredential Assistance 4
Program, to develop a grant program to support 5
industry sector partnerships, and to make an 6
appropriation. 7

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

Section 1. That section 5747.01 be amended and sections 8
122.178, 122.179, 122.1710, and 122.1711 of the Revised Code be 9
enacted to read as follows: 10

Sec. 122.178. (A) As used in this section, 11
"microcredential" means an industry-recognized credential or 12
certificate that an applicant may complete in not more than one 13
year and that is approved by the chancellor of higher education. 14

(B) There is hereby created the TechCred program to 15
reimburse employers from appropriations made for that purpose 16
for training costs for prospective and incumbent employees to 17
earn a microcredential. The development services agency, in 18
consultation with the governor's office of workforce 19

transformation and the department of higher education, shall 20
develop the program. 21

(C) (1) An employer seeking to participate in the program 22
shall submit an application to the director of development 23
services during the annual open enrollment period the director 24
establishes by rule adopted under division (I) of this section. 25
The employer shall include in the application all of the 26
following information: 27

(a) Proof that the employer is registered to do business 28
in this state; 29

(b) Proof that the employer is current on all tax 30
obligations to the state; 31

(c) Proof that the employer is in compliance with all 32
environmental regulations applicable to the employer; 33

(d) The name of the training provider from which a 34
prospective or incumbent employee will receive the training and 35
earn the microcredential; 36

(e) The cost of the training; 37

(f) The positions for which earning the microcredential 38
will make a prospective or incumbent employee qualified or the 39
occupational skill set that the prospective or incumbent 40
employee will acquire on completing the training; 41

(g) The address of the facility or location at which the 42
prospective or incumbent employee is expected to be employed 43
after completing the training; 44

(h) Any other information the director requires. 45

(2) In addition to the information required under division 46

(C) (1) of this section, an employer seeking to participate in 47
the program also may submit information regarding the estimated 48
wage after completing the training and earning the 49
microcredential or any other information the employer wishes to 50
provide to the director. 51

(D) (1) The director shall consider all applications 52
submitted during the open enrollment period after the open 53
enrollment period ends. The director shall consider the 54
following factors in determining whether to approve an 55
application: 56

(a) The duration of the training program; 57

(b) The cost of the training; 58

(c) A prospective or incumbent employee's estimated wage 59
after completing the training and earning the microcredential; 60

(d) Whether approving an application will promote regional 61
diversity in apportioning reimbursements uniformly across the 62
state; 63

(e) Any other factors the director considers relevant in 64
determining whether to approve an application. 65

(2) The chancellor of higher education shall adopt rules 66
in accordance with Chapter 119. of the Revised Code to establish 67
a list of approved training providers in this state and the 68
microcredentials offered by those providers. The director shall 69
not approve an application submitted under division (C) of this 70
section unless the training provider and microcredentials 71
identified in the application are included in the chancellor's 72
list. 73

(3) If the director approves an application for 74

participation in the program, the approval is valid for the 75
fiscal year as designated by the director. An employer that 76
participates in the program that wishes to participate in the 77
program in any subsequent fiscal year shall apply to the 78
director in accordance with division (C) of this section. 79

(E) (1) Each participating employer seeking reimbursement 80
for training costs for a prospective or incumbent employee shall 81
submit an application to the director that includes all of the 82
following information for each prospective or incumbent 83
employee: 84

(a) The prospective or incumbent employee's name and 85
position, if applicable, at the time of submitting the 86
application; 87

(b) The actual amount the employer paid to the training 88
provider for the training; 89

(c) Evidence that the prospective or incumbent employee 90
earned a microcredential; 91

(d) Evidence that the prospective or incumbent employee is 92
a resident of this state. 93

(2) The amount of the reimbursement shall be at least five 94
hundred dollars but not more than two thousand dollars for each 95
microcredential a prospective or incumbent employee receives. 96

(F) No participating employer shall require a prospective 97
or incumbent employee who receives a microcredential because the 98
employer participated in and received a reimbursement through 99
the employer's participation in the TechCred program to accept 100
or continue employment with the employer. 101

(G) For the purposes of determining regional diversity 102

under this section, the following constitute the regions of the 103
state: 104

(1) The counties of Allen, Crawford, Defiance, Fulton, 105
Hancock, Hardin, Henry, Lucas, Ottawa, Paulding, Putnam, 106
Sandusky, Seneca, Van Wert, Williams, Wood, and Wyandot are one 107
region; 108

(2) The counties of Ashland, Ashtabula, Columbiana, 109
Cuyahoga, Erie, Geauga, Huron, Lake, Lorain, Mahoning, Medina, 110
Portage, Richland, Stark, Summit, Trumbull, Tuscarawas, and 111
Wayne are one region; 112

(3) The counties of Auglaize, Champaign, Clark, Clinton, 113
Darke, Fayette, Greene, Mercer, Miami, Montgomery, Preble, and 114
Shelby are one region; 115

(4) The counties of Delaware, Fairfield, Franklin, Knox, 116
Licking, Logan, Madison, Marion, Morrow, Pickaway, and Union are 117
one region; 118

(5) The counties of Adams, Athens, Belmont, Carroll, 119
Coshocton, Gallia, Guernsey, Harrison, Highland, Hocking, 120
Holmes, Jackson, Jefferson, Lawrence, Meigs, Monroe, Morgan, 121
Muskingum, Noble, Perry, Pike, Ross, Scioto, Vinton, and 122
Washington are one region; 123

(6) The counties of Brown, Butler, Clermont, Hamilton, and 124
Warren are one region. 125

(H) (1) The director shall do both of the following 126
regarding the operation of the program: 127

(a) Create an application to participate in the program 128
and an application for reimbursement; 129

(b) Create an internet web site with the applications for 130

and information regarding the program created in this section. 131

(2) The governor's office of workforce transformation 132
shall include on the office's internet web site either of the 133
following: 134

(a) The applications for and information regarding the 135
program created in this section; 136

(b) An internet link to the internet web site created 137
under division (H)(1)(b) of this section. 138

(I) The director shall adopt rules in accordance with 139
Chapter 119. of the Revised Code to establish an open enrollment 140
period during which an employer may submit an application under 141
division (C) of this section. 142

The director may adopt rules in accordance with Chapter 143
119. of the Revised Code regarding the operation of the program 144
as the director considers necessary to administer the program, 145
including establishing priority guidelines for approving 146
applications under division (D) of this section. 147

(J)(1) The following information included in any 148
applications the director receives in connection with the 149
TechCred program created under this section are not public 150
records for purposes of section 149.43 of the Revised Code: 151

(a) Any information regarding the wages or estimated wages 152
of an incumbent or prospective employee; 153

(b) Any personal information of an incumbent or 154
prospective employee; 155

(c) Any information regarding the microcredentials sought 156
or earned by an incumbent or prospective employee. 157

(2) Nothing in division (J) (1) of this section shall be construed to prevent the director from including information in the report required under section 122.1711 of the Revised Code. 158
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(K) The auditor of state and any employee or investigator designated by the auditor of state, at the written request of the director, shall conduct an investigation of any employer that received a reimbursement under this section and may exercise any authority granted under section 117.18 of the Revised Code in the performance of the investigation. The investigation shall be for the purposes of verifying the information an employer has included in any application submitted to the director in connection with the TechCred program and determining whether the employer violated division (F) of this section. On completing the investigation, the auditor of state shall submit to the director the results of the investigation. After receiving the results of the investigation, if the director determines that reasonable evidence exists that either the information the employer included in any application is inaccurate or that the employer violated division (F) of this section with respect to any prospective or incumbent employee, the director shall send a notice and conduct a hearing in accordance with Chapter 119. of the Revised Code. After the hearing, if the director determines the information is inaccurate or violated that division, the director shall order the employer to refund to the director the reimbursement the employer received for that prospective or incumbent employee. 161
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Sec. 122.179. (A) As used in this section: 184

"Charitable organization" has the same meaning as in section 1716.01 of the Revised Code. 185
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"Independent college or university" means a nonprofit 187

institution of higher education that has a certificate of 188
authorization under Chapter 1713. of the Revised Code. 189

"Industry sector partnership" means a regional workforce 190
collaborative that organizes key leaders and stakeholders of an 191
industry cluster into a working group that focuses on achieving 192
a shared goal of meeting the industry cluster's human resources 193
needs. 194

"Ohio technical center" has the same meaning as in section 195
3333.94 of the Revised Code. 196

"State board" and "local board" have the same meanings as 197
in section 6301.01 of the Revised Code. 198

"State institution of higher education" has the same 199
meaning as in section 3345.011 of the Revised Code. 200

(B) One or more employers of an industry cluster may 201
organize and lead an industry sector partnership by convening or 202
acting in partnership with representatives of one or more 203
businesses, employers, or other institutions of an industry 204
cluster, including small- and medium-sized employers where 205
practicable. An industry sector partnership may include 206
representatives of one or more of the following: 207

(1) A school district; 208

(2) A state institution of higher education; 209

(3) An Ohio technical center; 210

(4) An independent college or university; 211

(5) The state or a local government; 212

(6) A state or local economic or workforce development 213
agency; 214

<u>(7) A state board or local board;</u>	215
<u>(8) The department of job and family services;</u>	216
<u>(9) A business, trade, or industry association;</u>	217
<u>(10) A charitable organization;</u>	218
<u>(11) An economic development organization;</u>	219
<u>(12) A nonprofit or community-based organization or intermediary;</u>	220 221
<u>(13) The Ohio state university extension division established under section 3335.16 of the Revised Code or the central state university extension program;</u>	222 223 224
<u>(14) Any other organization that the industry sector partnership considers necessary to further the shared goal of meeting the industry cluster's human resources needs.</u>	225 226 227
<u>(C) The director of development services, in consultation with the governor's office of workforce transformation, shall develop a grant program to support regional industry sector partnerships. An industry sector partnership may use a grant awarded under this section to do any of the following:</u>	228 229 230 231 232
<u>(1) Hire employees to coordinate industry sector partnership activities;</u>	233 234
<u>(2) Develop curricula or other educational resources to support the industry sector partnership;</u>	235 236
<u>(3) Market the industry sector partnership and opportunities the partnership creates for workforce development activities;</u>	237 238 239
<u>(4) Any other activity the director has approved in rules adopted under division (E) of this section.</u>	240 241

<u>(D) The director shall do both of the following:</u>	242
<u>(1) Establish a system for evaluating and scoring grant applications;</u>	243
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<u>(2) Award a grant to an industry sector partnership that submits a complete application for funding describing the activities in division (C) of this section the partnership will use the funds to support and meets the scoring criteria established under division (D)(1) of this section.</u>	245
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<u>(E) The director may adopt rules in accordance with Chapter 119. of the Revised Code as the director considers necessary to administer the grant program.</u>	250
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<u>Sec. 122.1710.</u> (A) As used in this section:	253
<u>(1) "Microcredential" has the same meaning as in section 122.178 of the Revised Code.</u>	254
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<u>(2) "OhioMeansJobs web site" has the same meaning as in section 6301.01 of the Revised Code.</u>	256
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<u>(B) The individual microcredential assistance program is hereby created in the development services agency to provide grants to eligible individuals to pay for the costs of training to earn a microcredential.</u>	258
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<u>(C) An individual seeking to participate in the program shall submit an application to the director of development services. The individual shall include in the application all of the following information:</u>	262
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<u>(1) The individual's name and address at which the individual resides;</u>	266
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<u>(2) The name of the individual's employer at the time of</u>	268

<u>applying, if applicable;</u>	269
<u>(3) Proof that the individual is a resident of this state;</u>	270
<u>(4) Proof of the individual's total income during the</u> <u>prior calendar year;</u>	271 272
<u>(5) The name of the microcredential that the individual is</u> <u>seeking to obtain;</u>	273 274
<u>(6) The name of the training provider from which the</u> <u>individual will receive the training to earn the microcredential</u> <u>and proof that the individual was accepted into the training</u> <u>provider's program to earn the microcredential;</u>	275 276 277 278
<u>(7) The cost of the training;</u>	279
<u>(8) Any other information the director requires.</u>	280
<u>(D)(1) The director shall consider the following factors</u> <u>in determining whether to approve an application submitted under</u> <u>division (C) of this section:</u>	281 282 283
<u>(a) The duration of the training program;</u>	284
<u>(b) The cost of the training;</u>	285
<u>(c) Whether approving an application will promote regional</u> <u>diversity in apportioning grants uniformly across the state;</u>	286 287
<u>(d) The individual's financial need for the grant based on</u> <u>the individual's total income from the prior calendar year.</u>	288 289
<u>(2) In determining regional diversity under division (D)</u> <u>(1)(c) of this section, the director shall use the regions</u> <u>established under division (G) of section 122.178 of the Revised</u> <u>Code.</u>	290 291 292 293
<u>(3) The director shall not approve an application</u>	294

submitted under this section unless the training provider and 295
microcredentials identified in the application are included in 296
the list the chancellor of higher education adopts in rules 297
under section 122.178 of the Revised Code. 298

(E) On receiving an individual's application for a grant, 299
the director shall do either of the following: 300

(1) If the director approves the application, the director 301
shall do both of the following: 302

(a) Notify in writing the individual and the training 303
provider that the director has approved the individual's 304
application for a grant; 305

(b) Disburse a grant directly to the training provider to 306
cover the cost of the training program in an amount that is not 307
less than five hundred dollars nor more than two thousand 308
dollars. 309

(2) If the director denies the application, the director 310
shall notify in writing the individual of the director's denial. 311

(F) If an individual fails to complete the training for 312
which a grant was disbursed and does not earn a microcredential 313
from the training provider, the training provider shall refund 314
the entire grant amount to the director. If the training 315
provider is a public institution, the training provider shall 316
forward the name of the individual and the amount of the grant 317
refunded under this division to the attorney general for 318
collection under section 131.02 of the Revised Code. If the 319
training provider is a private institution, after refunding the 320
grant, the training provider may bring an action in any court of 321
competent jurisdiction to recover damages equal to the grant 322
amount disbursed to the training provider. 323

- (G) (1) The director shall do all of the following 324
regarding the operation of the program: 325
- (a) Create an application to participate in and receive a 326
grant for the program; 327
- (b) Create an internet web site that allows an individual 328
to apply to a training provider for acceptance into a 329
microcredential training program; 330
- (c) Create and distribute a survey to each individual who 331
successfully earned a microcredential because of a grant 332
disbursed under this section inquiring as to the individual's 333
occupation and wages at the time of completing the survey. 334
- (2) The director shall include all of the following in the 335
internet web site created under division (G) (1) (b) of this 336
section: 337
- (a) The application for and information regarding the 338
program created in this section; 339
- (b) The list of the approved training providers and 340
microcredentials the chancellor of higher education establishes 341
in rules adopted under section 122.178 of the Revised Code; 342
- (c) A database that does all of the following: 343
- (i) Allows a user to search for a microcredential by name 344
and produces results that display the training providers that 345
offer training to earn that microcredential and the training 346
provider's address; 347
- (ii) Allows a user to search by zip code and produces 348
results that display both the microcredentials offered and 349
training providers located within and near that zip code and 350
allows a user to filter training providers by distance in 351

relation to that zip code; 352

(iii) Allows a user to access a listing of every 353
microcredential offered by each approved training provider. 354

(H) The director shall include on the internet web site 355
maintained by the development services agency, and the 356
governor's office of workforce transformation shall include on 357
the office's internet web site and the OhioMeansJobs web site, 358
either of the following: 359

(1) All of the content available on the internet web site 360
created under division (G) (1) (b) of this section; 361

(2) An internet link to the internet web site created 362
under division (G) (1) (b) of this section. 363

(I) The director may adopt rules in accordance with 364
Chapter 119. of the Revised Code as the director considers 365
necessary to implement this section, including establishing 366
priority guidelines for approving applications under division 367
(D) of this section. 368

(J) Any personal information of an individual included in 369
an application the director receives in connection with the 370
individual microcredential assistance program created under this 371
section is not a public record for purposes of section 149.43 of 372
the Revised Code. However, the director may use the information 373
as necessary to complete the reports required under section 374
122.1711 of the Revised Code. 375

Sec. 122.1711. (A) Beginning one year after the effective 376
date of this section, and every year thereafter, the director of 377
development services shall submit to the general assembly a 378
written report that compiles and includes information required 379
in this section regarding the programs created under sections 380

122.178, 122.179, and 122.1710 of the Revised Code. 381

(1) For the TechCred program created under section 122.178 382
of the Revised Code, the director shall include in the report 383
required under division (A) of this section all of the following 384
information: 385

(a) The average per cent rate change of wages during the 386
previous year, if any, for prospective or incumbent employees 387
who earned a microcredential categorized by microcredentials 388
earned in each region and statewide; 389

(b) The average per cent rate change of wages during the 390
previous years, if any, for prospective or incumbent employees 391
who earned a microcredential categorized by the region in which 392
employees reside and statewide; 393

(c) The average annual wages paid to positions for which 394
holding a microcredential or having the occupational skills 395
acquired through obtaining a microcredential is required, 396
categorized by each region and statewide; 397

(d) The rate of change during the previous year of 398
unemployment categorized by each region and statewide; 399

(e) A list of the training providers and microcredentials 400
established in rules adopted by the chancellor of higher 401
education under section 122.178 of the Revised Code categorized 402
by each region and statewide; 403

(f) Any other information the director wishes to include. 404

(2) For the individual microcredential assistance program 405
created under section 122.1710 of the Revised Code, the director 406
shall include in the report required under division (A) of this 407
section all of the following information: 408

(a) The information required under divisions (A) (1) (a) to (c) of this section, except that the information shall represent the individuals who successfully earned a microcredential through a grant disbursed under the individual microcredential assistance program; 409
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(b) A demographic analysis of individuals who earned a microcredential under the individual microcredential assistance program based on the race and gender of each individual; 414
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(c) An analysis of the results of the surveys the director distributed under division (G) (1) (c) of section 122.1710 of the Revised Code categorized by each region and statewide; 417
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(d) The rate of completion for each approved microcredential categorized by region and statewide; 420
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(e) Any other information the director wishes to include. 422

(3) For the grant program to support regional industry sector partnerships created under section 122.179 of the Revised Code, the director shall include in the report required under division (A) of this section all of the following information: 423
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(a) A list, categorized by region and statewide, of each industry sector partnership to which a grant was awarded under section 122.179 of the Revised Code; 427
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(b) A list detailing the member composition of each industry sector partnership to which a grant was awarded under section 122.179 of the Revised Code, including each employer and representative of an industry cluster; 430
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(c) Information regarding the activities described in division (C) of section 122.179 of the Revised Code for which industry sector partnerships used grants awarded under that 434
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section. 437

(B) In reporting on regional information under this 438
section, the director shall use the regions established under 439
section 122.178 of the Revised Code. 440

(C) The director shall market the programs created under 441
sections 122.178, 122.179, and 122.1710 of the Revised Code. 442

Sec. 5747.01. Except as otherwise expressly provided or 443
clearly appearing from the context, any term used in this 444
chapter that is not otherwise defined in this section has the 445
same meaning as when used in a comparable context in the laws of 446
the United States relating to federal income taxes or if not 447
used in a comparable context in those laws, has the same meaning 448
as in section 5733.40 of the Revised Code. Any reference in this 449
chapter to the Internal Revenue Code includes other laws of the 450
United States relating to federal income taxes. 451

As used in this chapter: 452

(A) "Adjusted gross income" or "Ohio adjusted gross 453
income" means federal adjusted gross income, as defined and used 454
in the Internal Revenue Code, adjusted as provided in this 455
section: 456

(1) Add interest or dividends on obligations or securities 457
of any state or of any political subdivision or authority of any 458
state, other than this state and its subdivisions and 459
authorities. 460

(2) Add interest or dividends on obligations of any 461
authority, commission, instrumentality, territory, or possession 462
of the United States to the extent that the interest or 463
dividends are exempt from federal income taxes but not from 464
state income taxes. 465

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

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

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

(6) In the case of a taxpayer who is a beneficiary of a trust that makes an accumulation distribution as defined in section 665 of the Internal Revenue Code, add, for the beneficiary's taxable years beginning before 2002, the portion, if any, of such distribution that does not exceed the undistributed net income of the trust for the three taxable years preceding the taxable year in which the distribution is made to the extent that the portion was not included in the trust's taxable income for any of the trust's taxable years beginning in 2002 or thereafter. "Undistributed net income of a trust" means the taxable income of the trust increased by (a) (i) the additions to adjusted gross income required under division (A) of this section and (ii) the personal exemptions allowed to the trust pursuant to section 642(b) of the Internal Revenue Code, and decreased by (b) (i) the deductions to adjusted gross income required under division (A) of this section, (ii) the amount of federal income taxes attributable to such income, and (iii) the amount of taxable income that has been included in the

adjusted gross income of a beneficiary by reason of a prior 496
accumulation distribution. Any undistributed net income included 497
in the adjusted gross income of a beneficiary shall reduce the 498
undistributed net income of the trust commencing with the 499
earliest years of the accumulation period. 500

(7) Deduct the amount of wages and salaries, if any, not 501
otherwise allowable as a deduction but that would have been 502
allowable as a deduction in computing federal adjusted gross 503
income for the taxable year, had the targeted jobs credit 504
allowed and determined under sections 38, 51, and 52 of the 505
Internal Revenue Code not been in effect. 506

(8) Deduct any interest or interest equivalent on public 507
obligations and purchase obligations to the extent that the 508
interest or interest equivalent is included in federal adjusted 509
gross income. 510

(9) Add any loss or deduct any gain resulting from the 511
sale, exchange, or other disposition of public obligations to 512
the extent that the loss has been deducted or the gain has been 513
included in computing federal adjusted gross income. 514

(10) Deduct or add amounts, as provided under section 515
5747.70 of the Revised Code, related to contributions to 516
variable college savings program accounts made or tuition units 517
purchased pursuant to Chapter 3334. of the Revised Code. 518

(11) (a) Deduct, to the extent not otherwise allowable as a 519
deduction or exclusion in computing federal or Ohio adjusted 520
gross income for the taxable year, the amount the taxpayer paid 521
during the taxable year for medical care insurance and qualified 522
long-term care insurance for the taxpayer, the taxpayer's 523
spouse, and dependents. No deduction for medical care insurance 524

under division (A) (11) of this section shall be allowed either 525
to any taxpayer who is eligible to participate in any subsidized 526
health plan maintained by any employer of the taxpayer or of the 527
taxpayer's spouse, or to any taxpayer who is entitled to, or on 528
application would be entitled to, benefits under part A of Title 529
XVIII of the "Social Security Act," 49 Stat. 620 (1935), 42 530
U.S.C. 301, as amended. For the purposes of division (A) (11) (a) 531
of this section, "subsidized health plan" means a health plan 532
for which the employer pays any portion of the plan's cost. The 533
deduction allowed under division (A) (11) (a) of this section 534
shall be the net of any related premium refunds, related premium 535
reimbursements, or related insurance premium dividends received 536
during the taxable year. 537

(b) Deduct, to the extent not otherwise deducted or 538
excluded in computing federal or Ohio adjusted gross income 539
during the taxable year, the amount the taxpayer paid during the 540
taxable year, not compensated for by any insurance or otherwise, 541
for medical care of the taxpayer, the taxpayer's spouse, and 542
dependents, to the extent the expenses exceed seven and one-half 543
per cent of the taxpayer's federal adjusted gross income. 544

(c) Deduct, to the extent not otherwise deducted or 545
excluded in computing federal or Ohio adjusted gross income, any 546
amount included in federal adjusted gross income under section 547
105 or not excluded under section 106 of the Internal Revenue 548
Code solely because it relates to an accident and health plan 549
for a person who otherwise would be a "qualifying relative" and 550
thus a "dependent" under section 152 of the Internal Revenue 551
Code but for the fact that the person fails to meet the income 552
and support limitations under section 152(d) (1) (B) and (C) of 553
the Internal Revenue Code. 554

(d) For purposes of division (A)(11) of this section, 555
"medical care" has the meaning given in section 213 of the 556
Internal Revenue Code, subject to the special rules, 557
limitations, and exclusions set forth therein, and "qualified 558
long-term care" has the same meaning given in section 7702B(c) 559
of the Internal Revenue Code. Solely for purposes of divisions 560
(A)(11)(a) and (c) of this section, "dependent" includes a 561
person who otherwise would be a "qualifying relative" and thus a 562
"dependent" under section 152 of the Internal Revenue Code but 563
for the fact that the person fails to meet the income and 564
support limitations under section 152(d)(1)(B) and (C) of the 565
Internal Revenue Code. 566

(12)(a) Deduct any amount included in federal adjusted 567
gross income solely because the amount represents a 568
reimbursement or refund of expenses that in any year the 569
taxpayer had deducted as an itemized deduction pursuant to 570
section 63 of the Internal Revenue Code and applicable United 571
States department of the treasury regulations. The deduction 572
otherwise allowed under division (A)(12)(a) of this section 573
shall be reduced to the extent the reimbursement is attributable 574
to an amount the taxpayer deducted under this section in any 575
taxable year. 576

(b) Add any amount not otherwise included in Ohio adjusted 577
gross income for any taxable year to the extent that the amount 578
is attributable to the recovery during the taxable year of any 579
amount deducted or excluded in computing federal or Ohio 580
adjusted gross income in any taxable year. 581

(13) Deduct any portion of the deduction described in 582
section 1341(a)(2) of the Internal Revenue Code, for repaying 583
previously reported income received under a claim of right, that 584

meets both of the following requirements: 585

(a) It is allowable for repayment of an item that was 586
included in the taxpayer's adjusted gross income for a prior 587
taxable year and did not qualify for a credit under division (A) 588
or (B) of section 5747.05 of the Revised Code for that year; 589

(b) It does not otherwise reduce the taxpayer's adjusted 590
gross income for the current or any other taxable year. 591

(14) Deduct an amount equal to the deposits made to, and 592
net investment earnings of, a medical savings account during the 593
taxable year, in accordance with section 3924.66 of the Revised 594
Code. The deduction allowed by division (A) (14) of this section 595
does not apply to medical savings account deposits and earnings 596
otherwise deducted or excluded for the current or any other 597
taxable year from the taxpayer's federal adjusted gross income. 598

(15) (a) Add an amount equal to the funds withdrawn from a 599
medical savings account during the taxable year, and the net 600
investment earnings on those funds, when the funds withdrawn 601
were used for any purpose other than to reimburse an account 602
holder for, or to pay, eligible medical expenses, in accordance 603
with section 3924.66 of the Revised Code; 604

(b) Add the amounts distributed from a medical savings 605
account under division (A) (2) of section 3924.68 of the Revised 606
Code during the taxable year. 607

(16) Add any amount claimed as a credit under section 608
5747.059 or 5747.65 of the Revised Code to the extent that such 609
amount satisfies either of the following: 610

(a) The amount was deducted or excluded from the 611
computation of the taxpayer's federal adjusted gross income as 612
required to be reported for the taxpayer's taxable year under 613

the Internal Revenue Code; 614

(b) The amount resulted in a reduction of the taxpayer's 615
federal adjusted gross income as required to be reported for any 616
of the taxpayer's taxable years under the Internal Revenue Code. 617

(17) Deduct the amount contributed by the taxpayer to an 618
individual development account program established by a county 619
department of job and family services pursuant to sections 620
329.11 to 329.14 of the Revised Code for the purpose of matching 621
funds deposited by program participants. On request of the tax 622
commissioner, the taxpayer shall provide any information that, 623
in the tax commissioner's opinion, is necessary to establish the 624
amount deducted under division (A) (17) of this section. 625

(18) Beginning in taxable year 2001 but not for any 626
taxable year beginning after December 31, 2005, if the taxpayer 627
is married and files a joint return and the combined federal 628
adjusted gross income of the taxpayer and the taxpayer's spouse 629
for the taxable year does not exceed one hundred thousand 630
dollars, or if the taxpayer is single and has a federal adjusted 631
gross income for the taxable year not exceeding fifty thousand 632
dollars, deduct amounts paid during the taxable year for 633
qualified tuition and fees paid to an eligible institution for 634
the taxpayer, the taxpayer's spouse, or any dependent of the 635
taxpayer, who is a resident of this state and is enrolled in or 636
attending a program that culminates in a degree or diploma at an 637
eligible institution. The deduction may be claimed only to the 638
extent that qualified tuition and fees are not otherwise 639
deducted or excluded for any taxable year from federal or Ohio 640
adjusted gross income. The deduction may not be claimed for 641
educational expenses for which the taxpayer claims a credit 642
under section 5747.27 of the Revised Code. 643

(19) Add any reimbursement received during the taxable 644
year of any amount the taxpayer deducted under division (A) (18) 645
of this section in any previous taxable year to the extent the 646
amount is not otherwise included in Ohio adjusted gross income. 647

(20) (a) (i) Subject to divisions (A) (20) (a) (iii), (iv), and 648
(v) of this section, add five-sixths of the amount of 649
depreciation expense allowed by subsection (k) of section 168 of 650
the Internal Revenue Code, including the taxpayer's 651
proportionate or distributive share of the amount of 652
depreciation expense allowed by that subsection to a pass- 653
through entity in which the taxpayer has a direct or indirect 654
ownership interest. 655

(ii) Subject to divisions (A) (20) (a) (iii), (iv), and (v) 656
of this section, add five-sixths of the amount of qualifying 657
section 179 depreciation expense, including the taxpayer's 658
proportionate or distributive share of the amount of qualifying 659
section 179 depreciation expense allowed to any pass-through 660
entity in which the taxpayer has a direct or indirect ownership 661
interest. 662

(iii) Subject to division (A) (20) (a) (v) of this section, 663
for taxable years beginning in 2012 or thereafter, if the 664
increase in income taxes withheld by the taxpayer is equal to or 665
greater than ten per cent of income taxes withheld by the 666
taxpayer during the taxpayer's immediately preceding taxable 667
year, "two-thirds" shall be substituted for "five-sixths" for 668
the purpose of divisions (A) (20) (a) (i) and (ii) of this section. 669

(iv) Subject to division (A) (20) (a) (v) of this section, 670
for taxable years beginning in 2012 or thereafter, a taxpayer is 671
not required to add an amount under division (A) (20) of this 672
section if the increase in income taxes withheld by the taxpayer 673

and by any pass-through entity in which the taxpayer has a 674
direct or indirect ownership interest is equal to or greater 675
than the sum of (I) the amount of qualifying section 179 676
depreciation expense and (II) the amount of depreciation expense 677
allowed to the taxpayer by subsection (k) of section 168 of the 678
Internal Revenue Code, and including the taxpayer's 679
proportionate or distributive shares of such amounts allowed to 680
any such pass-through entities. 681

(v) If a taxpayer directly or indirectly incurs a net 682
operating loss for the taxable year for federal income tax 683
purposes, to the extent such loss resulted from depreciation 684
expense allowed by subsection (k) of section 168 of the Internal 685
Revenue Code and by qualifying section 179 depreciation expense, 686
"the entire" shall be substituted for "five-sixths of the" for 687
the purpose of divisions (A) (20) (a) (i) and (ii) of this section. 688

The tax commissioner, under procedures established by the 689
commissioner, may waive the add-backs related to a pass-through 690
entity if the taxpayer owns, directly or indirectly, less than 691
five per cent of the pass-through entity. 692

(b) Nothing in division (A) (20) of this section shall be 693
construed to adjust or modify the adjusted basis of any asset. 694

(c) To the extent the add-back required under division (A) 695
(20) (a) of this section is attributable to property generating 696
nonbusiness income or loss allocated under section 5747.20 of 697
the Revised Code, the add-back shall be situated to the same 698
location as the nonbusiness income or loss generated by the 699
property for the purpose of determining the credit under 700
division (A) of section 5747.05 of the Revised Code. Otherwise, 701
the add-back shall be apportioned, subject to one or more of the 702
four alternative methods of apportionment enumerated in section 703

5747.21 of the Revised Code. 704

(d) For the purposes of division (A) (20) (a) (v) of this 705
section, net operating loss carryback and carryforward shall not 706
include the allowance of any net operating loss deduction 707
carryback or carryforward to the taxable year to the extent such 708
loss resulted from depreciation allowed by section 168(k) of the 709
Internal Revenue Code and by the qualifying section 179 710
depreciation expense amount. 711

(e) For the purposes of divisions (A) (20) and (21) of this 712
section: 713

(i) "Income taxes withheld" means the total amount 714
withheld and remitted under sections 5747.06 and 5747.07 of the 715
Revised Code by an employer during the employer's taxable year. 716

(ii) "Increase in income taxes withheld" means the amount 717
by which the amount of income taxes withheld by an employer 718
during the employer's current taxable year exceeds the amount of 719
income taxes withheld by that employer during the employer's 720
immediately preceding taxable year. 721

(iii) "Qualifying section 179 depreciation expense" means 722
the difference between (I) the amount of depreciation expense 723
directly or indirectly allowed to a taxpayer under section 179 724
of the Internal Revised Code, and (II) the amount of 725
depreciation expense directly or indirectly allowed to the 726
taxpayer under section 179 of the Internal Revenue Code as that 727
section existed on December 31, 2002. 728

(21) (a) If the taxpayer was required to add an amount 729
under division (A) (20) (a) of this section for a taxable year, 730
deduct one of the following: 731

(i) One-fifth of the amount so added for each of the five 732

succeeding taxable years if the amount so added was five-sixths 733
of qualifying section 179 depreciation expense or depreciation 734
expense allowed by subsection (k) of section 168 of the Internal 735
Revenue Code; 736

(ii) One-half of the amount so added for each of the two 737
succeeding taxable years if the amount so added was two-thirds 738
of such depreciation expense; 739

(iii) One-sixth of the amount so added for each of the six 740
succeeding taxable years if the entire amount of such 741
depreciation expense was so added. 742

(b) If the amount deducted under division (A) (21) (a) of 743
this section is attributable to an add-back allocated under 744
division (A) (20) (c) of this section, the amount deducted shall 745
be situated to the same location. Otherwise, the add-back shall 746
be apportioned using the apportionment factors for the taxable 747
year in which the deduction is taken, subject to one or more of 748
the four alternative methods of apportionment enumerated in 749
section 5747.21 of the Revised Code. 750

(c) No deduction is available under division (A) (21) (a) of 751
this section with regard to any depreciation allowed by section 752
168(k) of the Internal Revenue Code and by the qualifying 753
section 179 depreciation expense amount to the extent that such 754
depreciation results in or increases a federal net operating 755
loss carryback or carryforward. If no such deduction is 756
available for a taxable year, the taxpayer may carry forward the 757
amount not deducted in such taxable year to the next taxable 758
year and add that amount to any deduction otherwise available 759
under division (A) (21) (a) of this section for that next taxable 760
year. The carryforward of amounts not so deducted shall continue 761
until the entire addition required by division (A) (20) (a) of 762

this section has been deducted. 763

(d) No refund shall be allowed as a result of adjustments 764
made by division (A) (21) of this section. 765

(22) Deduct, to the extent not otherwise deducted or 766
excluded in computing federal or Ohio adjusted gross income for 767
the taxable year, the amount the taxpayer received during the 768
taxable year as reimbursement for life insurance premiums under 769
section 5919.31 of the Revised Code. 770

(23) Deduct, to the extent not otherwise deducted or 771
excluded in computing federal or Ohio adjusted gross income for 772
the taxable year, the amount the taxpayer received during the 773
taxable year as a death benefit paid by the adjutant general 774
under section 5919.33 of the Revised Code. 775

(24) Deduct, to the extent included in federal adjusted 776
gross income and not otherwise allowable as a deduction or 777
exclusion in computing federal or Ohio adjusted gross income for 778
the taxable year, military pay and allowances received by the 779
taxpayer during the taxable year for active duty service in the 780
United States army, air force, navy, marine corps, or coast 781
guard or reserve components thereof or the national guard. The 782
deduction may not be claimed for military pay and allowances 783
received by the taxpayer while the taxpayer is stationed in this 784
state. 785

(25) Deduct, to the extent not otherwise allowable as a 786
deduction or exclusion in computing federal or Ohio adjusted 787
gross income for the taxable year and not otherwise compensated 788
for by any other source, the amount of qualified organ donation 789
expenses incurred by the taxpayer during the taxable year, not 790
to exceed ten thousand dollars. A taxpayer may deduct qualified 791

organ donation expenses only once for all taxable years 792
beginning with taxable years beginning in 2007. 793

For the purposes of division (A) (25) of this section: 794

(a) "Human organ" means all or any portion of a human 795
liver, pancreas, kidney, intestine, or lung, and any portion of 796
human bone marrow. 797

(b) "Qualified organ donation expenses" means travel 798
expenses, lodging expenses, and wages and salary forgone by a 799
taxpayer in connection with the taxpayer's donation, while 800
living, of one or more of the taxpayer's human organs to another 801
human being. 802

(26) Deduct, to the extent not otherwise deducted or 803
excluded in computing federal or Ohio adjusted gross income for 804
the taxable year, amounts received by the taxpayer as retired 805
personnel pay for service in the uniformed services or reserve 806
components thereof, or the national guard, or received by the 807
surviving spouse or former spouse of such a taxpayer under the 808
survivor benefit plan on account of such a taxpayer's death. If 809
the taxpayer receives income on account of retirement paid under 810
the federal civil service retirement system or federal employees 811
retirement system, or under any successor retirement program 812
enacted by the congress of the United States that is established 813
and maintained for retired employees of the United States 814
government, and such retirement income is based, in whole or in 815
part, on credit for the taxpayer's uniformed service, the 816
deduction allowed under this division shall include only that 817
portion of such retirement income that is attributable to the 818
taxpayer's uniformed service, to the extent that portion of such 819
retirement income is otherwise included in federal adjusted 820
gross income and is not otherwise deducted under this section. 821

Any amount deducted under division (A) (26) of this section is 822
not included in a taxpayer's adjusted gross income for the 823
purposes of section 5747.055 of the Revised Code. No amount may 824
be deducted under division (A) (26) of this section on the basis 825
of which a credit was claimed under section 5747.055 of the 826
Revised Code. 827

(27) Deduct, to the extent not otherwise deducted or 828
excluded in computing federal or Ohio adjusted gross income for 829
the taxable year, the amount the taxpayer received during the 830
taxable year from the military injury relief fund created in 831
section 5902.05 of the Revised Code. 832

(28) Deduct, to the extent not otherwise deducted or 833
excluded in computing federal or Ohio adjusted gross income for 834
the taxable year, the amount the taxpayer received as a veterans 835
bonus during the taxable year from the Ohio department of 836
veterans services as authorized by Section 2r of Article VIII, 837
Ohio Constitution. 838

(29) Deduct, to the extent not otherwise deducted or 839
excluded in computing federal or Ohio adjusted gross income for 840
the taxable year, any income derived from a transfer agreement 841
or from the enterprise transferred under that agreement under 842
section 4313.02 of the Revised Code. 843

(30) Deduct, to the extent not otherwise deducted or 844
excluded in computing federal or Ohio adjusted gross income for 845
the taxable year, Ohio college opportunity or federal Pell grant 846
amounts received by the taxpayer or the taxpayer's spouse or 847
dependent pursuant to section 3333.122 of the Revised Code or 20 848
U.S.C. 1070a, et seq., and used to pay room or board furnished 849
by the educational institution for which the grant was awarded 850
at the institution's facilities, including meal plans 851

administered by the institution. For the purposes of this 852
division, receipt of a grant includes the distribution of a 853
grant directly to an educational institution and the crediting 854
of the grant to the enrollee's account with the institution. 855

(31) (a) For taxable years beginning in 2015, deduct from 856
the portion of an individual's adjusted gross income that is 857
business income, to the extent not otherwise deducted or 858
excluded in computing federal or Ohio adjusted gross income for 859
the taxable year, the lesser of the following amounts: 860

(i) Seventy-five per cent of the individual's business 861
income; 862

(ii) Ninety-three thousand seven hundred fifty dollars for 863
each spouse if spouses file separate returns under section 864
5747.08 of the Revised Code or one hundred eighty-seven thousand 865
five hundred dollars for all other individuals. 866

(b) For taxable years beginning in 2016 or thereafter, 867
deduct from the portion of an individual's adjusted gross income 868
that is business income, to the extent not otherwise deducted or 869
excluded in computing federal adjusted gross income for the 870
taxable year, one hundred twenty-five thousand dollars for each 871
spouse if spouses file separate returns under section 5747.08 of 872
the Revised Code or two hundred fifty thousand dollars for all 873
other individuals. 874

(32) Deduct, as provided under section 5747.78 of the 875
Revised Code, contributions to ABLE savings accounts made in 876
accordance with sections 113.50 to 113.56 of the Revised Code. 877

(33) (a) Deduct, to the extent not otherwise deducted or 878
excluded in computing federal or Ohio adjusted gross income 879
during the taxable year, all of the following: 880

(i) Compensation paid to a qualifying employee described 881
in division (A) (14) (a) of section 5703.94 of the Revised Code to 882
the extent such compensation is for disaster work conducted in 883
this state during a disaster response period pursuant to a 884
qualifying solicitation received by the employee's employer; 885

(ii) Compensation paid to a qualifying employee described 886
in division (A) (14) (b) of section 5703.94 of the Revised Code to 887
the extent such compensation is for disaster work conducted in 888
this state by the employee during the disaster response period 889
on critical infrastructure owned or used by the employee's 890
employer; 891

(iii) Income received by an out-of-state disaster business 892
for disaster work conducted in this state during a disaster 893
response period, or, if the out-of-state disaster business is a 894
pass-through entity, a taxpayer's distributive share of the 895
pass-through entity's income from the business conducting 896
disaster work in this state during a disaster response period, 897
if, in either case, the disaster work is conducted pursuant to a 898
qualifying solicitation received by the business. 899

(b) All terms used in division (A) (33) of this section 900
have the same meanings as in section 5703.94 of the Revised 901
Code. 902

(34) Deduct, to the extent not already otherwise allowable 903
as a deduction or exclusion in computing Ohio adjusted gross 904
income for the taxable year, any amount included in the 905
taxpayer's federal adjusted gross income attributable to 906
payments made to cover the cost of a training program for the 907
taxpayer under division (E) of section 122.1710 of the Revised 908
Code. 909

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

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

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

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

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

(G) "Individual" means any natural person.

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

(I) "Resident" means any of the following, provided that division (I) (3) of this section applies only to taxable years of a trust beginning in 2002 or thereafter:

(1) An individual who is domiciled in this state, subject 939
to section 5747.24 of the Revised Code; 940

(2) The estate of a decedent who at the time of death was 941
domiciled in this state. The domicile tests of section 5747.24 942
of the Revised Code are not controlling for purposes of division 943
(I) (2) of this section. 944

(3) A trust that, in whole or part, resides in this state. 945
If only part of a trust resides in this state, the trust is a 946
resident only with respect to that part. 947

For the purposes of division (I) (3) of this section: 948

(a) A trust resides in this state for the trust's current 949
taxable year to the extent, as described in division (I) (3) (d) 950
of this section, that the trust consists directly or indirectly, 951
in whole or in part, of assets, net of any related liabilities, 952
that were transferred, or caused to be transferred, directly or 953
indirectly, to the trust by any of the following: 954

(i) A person, a court, or a governmental entity or 955
instrumentality on account of the death of a decedent, but only 956
if the trust is described in division (I) (3) (e) (i) or (ii) of 957
this section; 958

(ii) A person who was domiciled in this state for the 959
purposes of this chapter when the person directly or indirectly 960
transferred assets to an irrevocable trust, but only if at least 961
one of the trust's qualifying beneficiaries is domiciled in this 962
state for the purposes of this chapter during all or some 963
portion of the trust's current taxable year; 964

(iii) A person who was domiciled in this state for the 965
purposes of this chapter when the trust document or instrument 966
or part of the trust document or instrument became irrevocable, 967

but only if at least one of the trust's qualifying beneficiaries 968
is a resident domiciled in this state for the purposes of this 969
chapter during all or some portion of the trust's current 970
taxable year. If a trust document or instrument became 971
irrevocable upon the death of a person who at the time of death 972
was domiciled in this state for purposes of this chapter, that 973
person is a person described in division (I) (3) (a) (iii) of this 974
section. 975

(b) A trust is irrevocable to the extent that the 976
transferor is not considered to be the owner of the net assets 977
of the trust under sections 671 to 678 of the Internal Revenue 978
Code. 979

(c) With respect to a trust other than a charitable lead 980
trust, "qualifying beneficiary" has the same meaning as 981
"potential current beneficiary" as defined in section 1361(e) (2) 982
of the Internal Revenue Code, and with respect to a charitable 983
lead trust "qualifying beneficiary" is any current, future, or 984
contingent beneficiary, but with respect to any trust 985
"qualifying beneficiary" excludes a person or a governmental 986
entity or instrumentality to any of which a contribution would 987
qualify for the charitable deduction under section 170 of the 988
Internal Revenue Code. 989

(d) For the purposes of division (I) (3) (a) of this 990
section, the extent to which a trust consists directly or 991
indirectly, in whole or in part, of assets, net of any related 992
liabilities, that were transferred directly or indirectly, in 993
whole or part, to the trust by any of the sources enumerated in 994
that division shall be ascertained by multiplying the fair 995
market value of the trust's assets, net of related liabilities, 996
by the qualifying ratio, which shall be computed as follows: 997

(i) The first time the trust receives assets, the 998
numerator of the qualifying ratio is the fair market value of 999
those assets at that time, net of any related liabilities, from 1000
sources enumerated in division (I) (3) (a) of this section. The 1001
denominator of the qualifying ratio is the fair market value of 1002
all the trust's assets at that time, net of any related 1003
liabilities. 1004

(ii) Each subsequent time the trust receives assets, a 1005
revised qualifying ratio shall be computed. The numerator of the 1006
revised qualifying ratio is the sum of (1) the fair market value 1007
of the trust's assets immediately prior to the subsequent 1008
transfer, net of any related liabilities, multiplied by the 1009
qualifying ratio last computed without regard to the subsequent 1010
transfer, and (2) the fair market value of the subsequently 1011
transferred assets at the time transferred, net of any related 1012
liabilities, from sources enumerated in division (I) (3) (a) of 1013
this section. The denominator of the revised qualifying ratio is 1014
the fair market value of all the trust's assets immediately 1015
after the subsequent transfer, net of any related liabilities. 1016

(iii) Whether a transfer to the trust is by or from any of 1017
the sources enumerated in division (I) (3) (a) of this section 1018
shall be ascertained without regard to the domicile of the 1019
trust's beneficiaries. 1020

(e) For the purposes of division (I) (3) (a) (i) of this 1021
section: 1022

(i) A trust is described in division (I) (3) (e) (i) of this 1023
section if the trust is a testamentary trust and the testator of 1024
that testamentary trust was domiciled in this state at the time 1025
of the testator's death for purposes of the taxes levied under 1026
Chapter 5731. of the Revised Code. 1027

(ii) A trust is described in division (I) (3) (e) (ii) of 1028
this section if the transfer is a qualifying transfer described 1029
in any of divisions (I) (3) (f) (i) to (vi) of this section, the 1030
trust is an irrevocable inter vivos trust, and at least one of 1031
the trust's qualifying beneficiaries is domiciled in this state 1032
for purposes of this chapter during all or some portion of the 1033
trust's current taxable year. 1034

(f) For the purposes of division (I) (3) (e) (ii) of this 1035
section, a "qualifying transfer" is a transfer of assets, net of 1036
any related liabilities, directly or indirectly to a trust, if 1037
the transfer is described in any of the following: 1038

(i) The transfer is made to a trust, created by the 1039
decedent before the decedent's death and while the decedent was 1040
domiciled in this state for the purposes of this chapter, and, 1041
prior to the death of the decedent, the trust became irrevocable 1042
while the decedent was domiciled in this state for the purposes 1043
of this chapter. 1044

(ii) The transfer is made to a trust to which the 1045
decedent, prior to the decedent's death, had directly or 1046
indirectly transferred assets, net of any related liabilities, 1047
while the decedent was domiciled in this state for the purposes 1048
of this chapter, and prior to the death of the decedent the 1049
trust became irrevocable while the decedent was domiciled in 1050
this state for the purposes of this chapter. 1051

(iii) The transfer is made on account of a contractual 1052
relationship existing directly or indirectly between the 1053
transferor and either the decedent or the estate of the decedent 1054
at any time prior to the date of the decedent's death, and the 1055
decedent was domiciled in this state at the time of death for 1056
purposes of the taxes levied under Chapter 5731. of the Revised 1057

Code. 1058

(iv) The transfer is made to a trust on account of a 1059
contractual relationship existing directly or indirectly between 1060
the transferor and another person who at the time of the 1061
decedent's death was domiciled in this state for purposes of 1062
this chapter. 1063

(v) The transfer is made to a trust on account of the will 1064
of a testator who was domiciled in this state at the time of the 1065
testator's death for purposes of the taxes levied under Chapter 1066
5731. of the Revised Code. 1067

(vi) The transfer is made to a trust created by or caused 1068
to be created by a court, and the trust was directly or 1069
indirectly created in connection with or as a result of the 1070
death of an individual who, for purposes of the taxes levied 1071
under Chapter 5731. of the Revised Code, was domiciled in this 1072
state at the time of the individual's death. 1073

(g) The tax commissioner may adopt rules to ascertain the 1074
part of a trust residing in this state. 1075

(J) "Nonresident" means an individual or estate that is 1076
not a resident. An individual who is a resident for only part of 1077
a taxable year is a nonresident for the remainder of that 1078
taxable year. 1079

(K) "Pass-through entity" has the same meaning as in 1080
section 5733.04 of the Revised Code. 1081

(L) "Return" means the notifications and reports required 1082
to be filed pursuant to this chapter for the purpose of 1083
reporting the tax due and includes declarations of estimated tax 1084
when so required. 1085

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

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

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

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

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

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

(2) "Essential local government purposes" includes all functions that any subdivision is required by general law to exercise, including like functions that are exercised under a charter adopted pursuant to the Ohio Constitution.

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

(S) "Taxable income" or "Ohio taxable income" applies only 1115
to estates and trusts, and means federal taxable income, as 1116
defined and used in the Internal Revenue Code, adjusted as 1117
follows: 1118

(1) Add interest or dividends, net of ordinary, necessary, 1119
and reasonable expenses not deducted in computing federal 1120
taxable income, on obligations or securities of any state or of 1121
any political subdivision or authority of any state, other than 1122
this state and its subdivisions and authorities, but only to the 1123
extent that such net amount is not otherwise includible in Ohio 1124
taxable income and is described in either division (S) (1) (a) or 1125
(b) of this section: 1126

(a) The net amount is not attributable to the S portion of 1127
an electing small business trust and has not been distributed to 1128
beneficiaries for the taxable year; 1129

(b) The net amount is attributable to the S portion of an 1130
electing small business trust for the taxable year. 1131

(2) Add interest or dividends, net of ordinary, necessary, 1132
and reasonable expenses not deducted in computing federal 1133
taxable income, on obligations of any authority, commission, 1134
instrumentality, territory, or possession of the United States 1135
to the extent that the interest or dividends are exempt from 1136
federal income taxes but not from state income taxes, but only 1137
to the extent that such net amount is not otherwise includible 1138
in Ohio taxable income and is described in either division (S) 1139
(1) (a) or (b) of this section; 1140

(3) Add the amount of personal exemption allowed to the 1141
estate pursuant to section 642(b) of the Internal Revenue Code; 1142

(4) Deduct interest or dividends, net of related expenses 1143

deducted in computing federal taxable income, on obligations of 1144
the United States and its territories and possessions or of any 1145
authority, commission, or instrumentality of the United States 1146
to the extent that the interest or dividends are exempt from 1147
state taxes under the laws of the United States, but only to the 1148
extent that such amount is included in federal taxable income 1149
and is described in either division (S)(1)(a) or (b) of this 1150
section; 1151

(5) Deduct the amount of wages and salaries, if any, not 1152
otherwise allowable as a deduction but that would have been 1153
allowable as a deduction in computing federal taxable income for 1154
the taxable year, had the targeted jobs credit allowed under 1155
sections 38, 51, and 52 of the Internal Revenue Code not been in 1156
effect, but only to the extent such amount relates either to 1157
income included in federal taxable income for the taxable year 1158
or to income of the S portion of an electing small business 1159
trust for the taxable year; 1160

(6) Deduct any interest or interest equivalent, net of 1161
related expenses deducted in computing federal taxable income, 1162
on public obligations and purchase obligations, but only to the 1163
extent that such net amount relates either to income included in 1164
federal taxable income for the taxable year or to income of the 1165
S portion of an electing small business trust for the taxable 1166
year; 1167

(7) Add any loss or deduct any gain resulting from sale, 1168
exchange, or other disposition of public obligations to the 1169
extent that such loss has been deducted or such gain has been 1170
included in computing either federal taxable income or income of 1171
the S portion of an electing small business trust for the 1172
taxable year; 1173

(8) Except in the case of the final return of an estate, 1174
add any amount deducted by the taxpayer on both its Ohio estate 1175
tax return pursuant to section 5731.14 of the Revised Code, and 1176
on its federal income tax return in determining federal taxable 1177
income; 1178

(9) (a) Deduct any amount included in federal taxable 1179
income solely because the amount represents a reimbursement or 1180
refund of expenses that in a previous year the decedent had 1181
deducted as an itemized deduction pursuant to section 63 of the 1182
Internal Revenue Code and applicable treasury regulations. The 1183
deduction otherwise allowed under division (S) (9) (a) of this 1184
section shall be reduced to the extent the reimbursement is 1185
attributable to an amount the taxpayer or decedent deducted 1186
under this section in any taxable year. 1187

(b) Add any amount not otherwise included in Ohio taxable 1188
income for any taxable year to the extent that the amount is 1189
attributable to the recovery during the taxable year of any 1190
amount deducted or excluded in computing federal or Ohio taxable 1191
income in any taxable year, but only to the extent such amount 1192
has not been distributed to beneficiaries for the taxable year. 1193

(10) Deduct any portion of the deduction described in 1194
section 1341(a) (2) of the Internal Revenue Code, for repaying 1195
previously reported income received under a claim of right, that 1196
meets both of the following requirements: 1197

(a) It is allowable for repayment of an item that was 1198
included in the taxpayer's taxable income or the decedent's 1199
adjusted gross income for a prior taxable year and did not 1200
qualify for a credit under division (A) or (B) of section 1201
5747.05 of the Revised Code for that year. 1202

(b) It does not otherwise reduce the taxpayer's taxable 1203
income or the decedent's adjusted gross income for the current 1204
or any other taxable year. 1205

(11) Add any amount claimed as a credit under section 1206
5747.059 or 5747.65 of the Revised Code to the extent that the 1207
amount satisfies either of the following: 1208

(a) The amount was deducted or excluded from the 1209
computation of the taxpayer's federal taxable income as required 1210
to be reported for the taxpayer's taxable year under the 1211
Internal Revenue Code; 1212

(b) The amount resulted in a reduction in the taxpayer's 1213
federal taxable income as required to be reported for any of the 1214
taxpayer's taxable years under the Internal Revenue Code. 1215

(12) Deduct any amount, net of related expenses deducted 1216
in computing federal taxable income, that a trust is required to 1217
report as farm income on its federal income tax return, but only 1218
if the assets of the trust include at least ten acres of land 1219
satisfying the definition of "land devoted exclusively to 1220
agricultural use" under section 5713.30 of the Revised Code, 1221
regardless of whether the land is valued for tax purposes as 1222
such land under sections 5713.30 to 5713.38 of the Revised Code. 1223
If the trust is a pass-through entity investor, section 5747.231 1224
of the Revised Code applies in ascertaining if the trust is 1225
eligible to claim the deduction provided by division (S) (12) of 1226
this section in connection with the pass-through entity's farm 1227
income. 1228

Except for farm income attributable to the S portion of an 1229
electing small business trust, the deduction provided by 1230
division (S) (12) of this section is allowed only to the extent 1231

that the trust has not distributed such farm income. Division 1232
(S) (12) of this section applies only to taxable years of a trust 1233
beginning in 2002 or thereafter. 1234

(13) Add the net amount of income described in section 1235
641(c) of the Internal Revenue Code to the extent that amount is 1236
not included in federal taxable income. 1237

(14) Add or deduct the amount the taxpayer would be 1238
required to add or deduct under division (A) (20) or (21) of this 1239
section if the taxpayer's Ohio taxable income were computed in 1240
the same manner as an individual's Ohio adjusted gross income is 1241
computed under this section. In the case of a trust, division 1242
(S) (14) of this section applies only to any of the trust's 1243
taxable years beginning in 2002 or thereafter. 1244

(T) "School district income" and "school district income 1245
tax" have the same meanings as in section 5748.01 of the Revised 1246
Code. 1247

(U) As used in divisions (A) (8), (A) (9), (S) (6), and (S) 1248
(7) of this section, "public obligations," "purchase 1249
obligations," and "interest or interest equivalent" have the 1250
same meanings as in section 5709.76 of the Revised Code. 1251

(V) "Limited liability company" means any limited 1252
liability company formed under Chapter 1705. of the Revised Code 1253
or under the laws of any other state. 1254

(W) "Pass-through entity investor" means any person who, 1255
during any portion of a taxable year of a pass-through entity, 1256
is a partner, member, shareholder, or equity investor in that 1257
pass-through entity. 1258

(X) "Banking day" has the same meaning as in section 1259
1304.01 of the Revised Code. 1260

(Y) "Month" means a calendar month.	1261
(Z) "Quarter" means the first three months, the second	1262
three months, the third three months, or the last three months	1263
of the taxpayer's taxable year.	1264
(AA) (1) "Eligible institution" means a state university or	1265
state institution of higher education as defined in section	1266
3345.011 of the Revised Code, or a private, nonprofit college,	1267
university, or other post-secondary institution located in this	1268
state that possesses a certificate of authorization issued by	1269
the chancellor of higher education pursuant to Chapter 1713. of	1270
the Revised Code or a certificate of registration issued by the	1271
state board of career colleges and schools under Chapter 3332.	1272
of the Revised Code.	1273
(2) "Qualified tuition and fees" means tuition and fees	1274
imposed by an eligible institution as a condition of enrollment	1275
or attendance, not exceeding two thousand five hundred dollars	1276
in each of the individual's first two years of post-secondary	1277
education. If the individual is a part-time student, "qualified	1278
tuition and fees" includes tuition and fees paid for the	1279
academic equivalent of the first two years of post-secondary	1280
education during a maximum of five taxable years, not exceeding	1281
a total of five thousand dollars. "Qualified tuition and fees"	1282
does not include:	1283
(a) Expenses for any course or activity involving sports,	1284
games, or hobbies unless the course or activity is part of the	1285
individual's degree or diploma program;	1286
(b) The cost of books, room and board, student activity	1287
fees, athletic fees, insurance expenses, or other expenses	1288
unrelated to the individual's academic course of instruction;	1289

(c) Tuition, fees, or other expenses paid or reimbursed	1290
through an employer, scholarship, grant in aid, or other	1291
educational benefit program.	1292
(BB) (1) "Modified business income" means the business	1293
income included in a trust's Ohio taxable income after such	1294
taxable income is first reduced by the qualifying trust amount,	1295
if any.	1296
(2) "Qualifying trust amount" of a trust means capital	1297
gains and losses from the sale, exchange, or other disposition	1298
of equity or ownership interests in, or debt obligations of, a	1299
qualifying investee to the extent included in the trust's Ohio	1300
taxable income, but only if the following requirements are	1301
satisfied:	1302
(a) The book value of the qualifying investee's physical	1303
assets in this state and everywhere, as of the last day of the	1304
qualifying investee's fiscal or calendar year ending immediately	1305
prior to the date on which the trust recognizes the gain or	1306
loss, is available to the trust.	1307
(b) The requirements of section 5747.011 of the Revised	1308
Code are satisfied for the trust's taxable year in which the	1309
trust recognizes the gain or loss.	1310
Any gain or loss that is not a qualifying trust amount is	1311
modified business income, qualifying investment income, or	1312
modified nonbusiness income, as the case may be.	1313
(3) "Modified nonbusiness income" means a trust's Ohio	1314
taxable income other than modified business income, other than	1315
the qualifying trust amount, and other than qualifying	1316
investment income, as defined in section 5747.012 of the Revised	1317
Code, to the extent such qualifying investment income is not	1318

otherwise part of modified business income. 1319

(4) "Modified Ohio taxable income" applies only to trusts, 1320
and means the sum of the amounts described in divisions (BB) (4) 1321
(a) to (c) of this section: 1322

(a) The fraction, calculated under section 5747.013, and 1323
applying section 5747.231 of the Revised Code, multiplied by the 1324
sum of the following amounts: 1325

(i) The trust's modified business income; 1326

(ii) The trust's qualifying investment income, as defined 1327
in section 5747.012 of the Revised Code, but only to the extent 1328
the qualifying investment income does not otherwise constitute 1329
modified business income and does not otherwise constitute a 1330
qualifying trust amount. 1331

(b) The qualifying trust amount multiplied by a fraction, 1332
the numerator of which is the sum of the book value of the 1333
qualifying investee's physical assets in this state on the last 1334
day of the qualifying investee's fiscal or calendar year ending 1335
immediately prior to the day on which the trust recognizes the 1336
qualifying trust amount, and the denominator of which is the sum 1337
of the book value of the qualifying investee's total physical 1338
assets everywhere on the last day of the qualifying investee's 1339
fiscal or calendar year ending immediately prior to the day on 1340
which the trust recognizes the qualifying trust amount. If, for 1341
a taxable year, the trust recognizes a qualifying trust amount 1342
with respect to more than one qualifying investee, the amount 1343
described in division (BB) (4) (b) of this section shall equal the 1344
sum of the products so computed for each such qualifying 1345
investee. 1346

(c) (i) With respect to a trust or portion of a trust that 1347

is a resident as ascertained in accordance with division (I) (3) 1348
(d) of this section, its modified nonbusiness income. 1349

(ii) With respect to a trust or portion of a trust that is 1350
not a resident as ascertained in accordance with division (I) (3) 1351
(d) of this section, the amount of its modified nonbusiness 1352
income satisfying the descriptions in divisions (B) (2) to (5) of 1353
section 5747.20 of the Revised Code, except as otherwise 1354
provided in division (BB) (4) (c) (ii) of this section. With 1355
respect to a trust or portion of a trust that is not a resident 1356
as ascertained in accordance with division (I) (3) (d) of this 1357
section, the trust's portion of modified nonbusiness income 1358
recognized from the sale, exchange, or other disposition of a 1359
debt interest in or equity interest in a section 5747.212 1360
entity, as defined in section 5747.212 of the Revised Code, 1361
without regard to division (A) of that section, shall not be 1362
allocated to this state in accordance with section 5747.20 of 1363
the Revised Code but shall be apportioned to this state in 1364
accordance with division (B) of section 5747.212 of the Revised 1365
Code without regard to division (A) of that section. 1366

If the allocation and apportionment of a trust's income 1367
under divisions (BB) (4) (a) and (c) of this section do not fairly 1368
represent the modified Ohio taxable income of the trust in this 1369
state, the alternative methods described in division (C) of 1370
section 5747.21 of the Revised Code may be applied in the manner 1371
and to the same extent provided in that section. 1372

(5) (a) Except as set forth in division (BB) (5) (b) of this 1373
section, "qualifying investee" means a person in which a trust 1374
has an equity or ownership interest, or a person or unit of 1375
government the debt obligations of either of which are owned by 1376
a trust. For the purposes of division (BB) (2) (a) of this section 1377

and for the purpose of computing the fraction described in 1378
division (BB) (4) (b) of this section, all of the following apply: 1379

(i) If the qualifying investee is a member of a qualifying 1380
controlled group on the last day of the qualifying investee's 1381
fiscal or calendar year ending immediately prior to the date on 1382
which the trust recognizes the gain or loss, then "qualifying 1383
investee" includes all persons in the qualifying controlled 1384
group on such last day. 1385

(ii) If the qualifying investee, or if the qualifying 1386
investee and any members of the qualifying controlled group of 1387
which the qualifying investee is a member on the last day of the 1388
qualifying investee's fiscal or calendar year ending immediately 1389
prior to the date on which the trust recognizes the gain or 1390
loss, separately or cumulatively own, directly or indirectly, on 1391
the last day of the qualifying investee's fiscal or calendar 1392
year ending immediately prior to the date on which the trust 1393
recognizes the qualifying trust amount, more than fifty per cent 1394
of the equity of a pass-through entity, then the qualifying 1395
investee and the other members are deemed to own the 1396
proportionate share of the pass-through entity's physical assets 1397
which the pass-through entity directly or indirectly owns on the 1398
last day of the pass-through entity's calendar or fiscal year 1399
ending within or with the last day of the qualifying investee's 1400
fiscal or calendar year ending immediately prior to the date on 1401
which the trust recognizes the qualifying trust amount. 1402

(iii) For the purposes of division (BB) (5) (a) (iii) of this 1403
section, "upper level pass-through entity" means a pass-through 1404
entity directly or indirectly owning any equity of another pass- 1405
through entity, and "lower level pass-through entity" means that 1406
other pass-through entity. 1407

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 taxable year and with respect to a part of a trust that is not a resident for the taxable year, "qualifying investee" for that taxable year does not include a C corporation if both of the following apply:

(i) During the taxable year the trust or part of the trust 1439
recognizes a gain or loss from the sale, exchange, or other 1440
disposition of equity or ownership interests in, or debt 1441
obligations of, the C corporation. 1442

(ii) Such gain or loss constitutes nonbusiness income. 1443

(6) "Available" means information is such that a person is 1444
able to learn of the information by the due date plus 1445
extensions, if any, for filing the return for the taxable year 1446
in which the trust recognizes the gain or loss. 1447

(CC) "Qualifying controlled group" has the same meaning as 1448
in section 5733.04 of the Revised Code. 1449

(DD) "Related member" has the same meaning as in section 1450
5733.042 of the Revised Code. 1451

(EE) (1) For the purposes of division (EE) of this section: 1452

(a) "Qualifying person" means any person other than a 1453
qualifying corporation. 1454

(b) "Qualifying corporation" means any person classified 1455
for federal income tax purposes as an association taxable as a 1456
corporation, except either of the following: 1457

(i) A corporation that has made an election under 1458
subchapter S, chapter one, subtitle A, of the Internal Revenue 1459
Code for its taxable year ending within, or on the last day of, 1460
the investor's taxable year; 1461

(ii) A subsidiary that is wholly owned by any corporation 1462
that has made an election under subchapter S, chapter one, 1463
subtitle A of the Internal Revenue Code for its taxable year 1464
ending within, or on the last day of, the investor's taxable 1465
year. 1466

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

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

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

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

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

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

(a) The document or instrument creating the trust was executed by the grantor before January 1, 1972;

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

(c) The grantor was domiciled in this state at the time

the trust was created. 1495

(GG) "Uniformed services" has the same meaning as in 10 1496
U.S.C. 101. 1497

(HH) "Taxable business income" means the amount by which 1498
an individual's business income that is included in federal 1499
adjusted gross income exceeds the amount of business income the 1500
individual is authorized to deduct under division (A) (31) of 1501
this section for the taxable year. 1502

(II) "Employer" does not include a franchisor with respect 1503
to the franchisor's relationship with a franchisee or an 1504
employee of a franchisee, unless the franchisor agrees to assume 1505
that role in writing or a court of competent jurisdiction 1506
determines that the franchisor exercises a type or degree of 1507
control over the franchisee or the franchisee's employees that 1508
is not customarily exercised by a franchisor for the purpose of 1509
protecting the franchisor's trademark, brand, or both. For 1510
purposes of this division, "franchisor" and "franchisee" have 1511
the same meanings as in 16 C.F.R. 436.1. 1512

Section 2. That existing section 5747.01 of the Revised 1513
Code is hereby repealed. 1514

Section 3. All items in this section are hereby 1515
appropriated as designated out of any moneys in the state 1516
treasury to the credit of the designated fund. For all 1517
appropriations made in this act, those in the first column are 1518
for fiscal year 2020 and those in the second column are for 1519
fiscal year 2021. The appropriations made in this act are in 1520
addition to any other appropriations made for the FY 2020-FY 1521
2021 biennium. 1522
DEV DEVELOPMENT SERVICES AGENCY 1523

General Revenue Fund				1524
GRF	195553	Industry Sector Partnerships		1525
	\$2,500,000	\$2,500,000		1526
GRF	195556	Microcredential Assistance	\$15,000,000	1527
	\$15,000,000			1528
		Program		1529
TOTAL GRF General Revenue Fund	\$17,500,000	\$17,500,000		1530
TOTAL ALL BUDGET FUND GROUPS	\$17,500,000	\$17,500,000		1531
		INDUSTRY SECTOR PARTNERSHIPS		1532
		The foregoing appropriation item 195553, Industry Sector Partnerships, shall be used for the grant program described in section 122.179 of the Revised Code.		1533 1534 1535
		On July 1, 2020, or as soon as possible thereafter, the Director of Development Services shall certify to the Director of Budget and Management the unexpended, unencumbered balance of the fiscal year 2020 appropriation to the foregoing appropriation item. The certified amount is hereby reappropriated to the foregoing appropriation item in fiscal year 2021.		1536 1537 1538 1539 1540 1541 1542
		MICROCREDENTIAL ASSISTANCE PROGRAM		1543
		(A) Of the foregoing appropriation item 195556, Microcredential Assistance Program, \$12,300,000 in each fiscal year shall be used for the TechCred Program as described in section 122.178 of the Revised Code, provided that:		1544 1545 1546 1547
		(1) Not more than \$4,100,000 in each fiscal year may be awarded to businesses with 50 or fewer employees;		1548 1549
		(2) Not more than \$4,100,000 in each fiscal year may be		1550

awarded to businesses with between 51 and 200 employees; and 1551

(3) Not more than \$4,100,000 in each fiscal year may be 1552
awarded to businesses with 201 or more employees. 1553

(B) Of the foregoing appropriation item 195556, 1554
Microcredential Assistance Program, \$2,500,000 in each fiscal 1555
year shall be used for the Individual Microcredential Assistance 1556
Program as described in section 122.1710 of the Revised Code. 1557

(C) Of the foregoing appropriation item 195556, 1558
Microcredential Assistance Program, \$200,000 in each fiscal year 1559
shall be used for marketing the workforce development programs 1560
offered by the Development Services Agency as described in 1561
section 122.1711 of the Revised Code. 1562

(D) On July 1, 2020, or as soon as possible thereafter, 1563
the Director of Development Services shall certify to the 1564
Director of Budget and Management the unexpended, unencumbered 1565
balance of the fiscal year 2020 appropriation to the foregoing 1566
appropriation item. The certified amount is hereby 1567
reappropriated to the foregoing appropriation item in fiscal 1568
year 2021, provided that the reappropriated amount is allocated 1569
for the purposes set forth in divisions (A) (1), (2), (3), (B), 1570
and (C) of this section. 1571

Section 4. Within the limits set forth in this act, the 1572
Director of Budget and Management shall establish accounts 1573
indicating the source and amount of funds for each appropriation 1574
made in this act, and shall determine the form and manner in 1575
which appropriation accounts shall be maintained. Expenditures 1576
from appropriations contained in this act shall be accounted for 1577
as though made in the main operating appropriations act of the 1578
133rd General Assembly. 1579

The appropriations made in this act are subject to all	1580
provisions of the main operating appropriations act of the 133rd	1581
General Assembly that are generally applicable to such	1582
appropriations.	1583