

_____ moved to amend as follows:

In line 2 of the title, delete the first "and"; after "5729.98" insert ", 5747.71, and 5747.98"

In line 7 of the title, delete "and" and insert ","

In line 8 of the title, after "liens" insert ", and to make the earned income tax credit partially refundable"

In line 10, delete the first "and"; after "5729.98" insert ", 5747.71, and 5747.98"

After line 672, insert:

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

(B) There is hereby allowed a nonrefundable credit against a taxpayer's aggregate tax liability under section 5747.02 of the Revised Code for a taxpayer who is an "eligible individual" as defined in section 32 of the Internal Revenue Code. The credit shall equal ~~thirty~~ twenty per cent of the federal credit allowed for the taxable year. The credit shall not exceed the



aggregate amount of tax otherwise due under section 5747.02 of 18
the Revised Code after deducting any other nonrefundable credits 19
that precede the credit allowed under this section in the order 20
prescribed by section 5747.98 of the Revised Code. 21

The credit shall be claimed in the order prescribed by 22
section 5747.98 of the Revised Code. 23

(C) There is hereby allowed a refundable credit against a 24
taxpayer's aggregate tax liability under section 5747.02 of the 25
Revised Code for a taxpayer who is an eligible individual. The 26
credit shall equal ten per cent of the credit allowed on the 27
taxpayer's federal income tax return pursuant to section 32 of 28
the Internal Revenue Code for the taxable year. The credit shall 29
be claimed in the order prescribed by section 5747.98 of the 30
Revised Code. If the credit authorized by this division exceeds 31
the aggregate amount of tax otherwise due after deducting all 32
other credits in that order, the excess shall be refunded to the 33
taxpayer. 34

Sec. 5747.98. (A) To provide a uniform procedure for 35
calculating a taxpayer's aggregate tax liability under section 36
5747.02 of the Revised Code, a taxpayer shall claim any credits 37
to which the taxpayer is entitled in the following order: 38

(1) Either the retirement income credit under division (B) 39
of section 5747.055 of the Revised Code or the lump sum 40
retirement income credits under divisions (C), (D), and (E) of 41
that section; 42

(2) Either the senior citizen credit under division (F) of 43
section 5747.055 of the Revised Code or the lump sum 44
distribution credit under division (G) of that section; 45

(3) The dependent care credit under section 5747.054 of 46

the Revised Code;	47
(4) The credit for displaced workers who pay for job training under section 5747.27 of the Revised Code;	48 49
(5) The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;	50 51
(6) The joint filing credit under division (G) of section 5747.05 of the Revised Code;	52 53
(7) The <u>nonrefundable</u> earned income credit under <u>division (B) of</u> section 5747.71 of the Revised Code;	54 55
(8) The credit for adoption of a minor child under section 5747.37 of the Revised Code;	56 57
(9) The nonrefundable job retention credit under division (B) of section 5747.058 of the Revised Code;	58 59
(10) The enterprise zone credit under section 5709.66 of the Revised Code;	60 61
(11) The ethanol plant investment credit under section 5747.75 of the Revised Code;	62 63
(12) The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	64 65
(13) The small business investment credit under section 5747.81 of the Revised Code;	66 67
(14) The nonrefundable lead abatement credit under section 5747.26 of the Revised Code;	68 69
(15) The opportunity zone investment credit under section 122.84 of the Revised Code;	70 71
(16) The enterprise zone credits under section 5709.65 of	72

the Revised Code;	73
(17) The research and development credit under section 5747.331 of the Revised Code;	74 75
(18) The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	76 77
(19) The nonresident credit under division (A) of section 5747.05 of the Revised Code;	78 79
(20) The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	80 81
(21) The refundable motion picture and Broadway theatrical production credit under section 5747.66 of the Revised Code;	82 83
(22) The refundable jobs creation credit or job retention credit under division (A) of section 5747.058 of the Revised Code;	84 85 86
(23) The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	87 88
(24) The refundable credits for taxes paid by a qualifying pass-through entity granted under division (I) of section 5747.08 of the Revised Code;	89 90 91
(25) The refundable credit under section 5747.80 of the Revised Code for losses on loans made to the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code;	92 93 94 95
(26) The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	96 97
<u>(27) The refundable earned income credit under division (C) of section 5747.71 of the Revised Code.</u>	98 99

(B) For any credit, except the refundable credits 100
enumerated in this section and the credit granted under division 101
(H) of section 5747.08 of the Revised Code, the amount of the 102
credit for a taxable year shall not exceed the taxpayer's 103
aggregate amount of tax due under section 5747.02 of the Revised 104
Code, after allowing for any other credit that precedes it in 105
the order required under this section. Any excess amount of a 106
particular credit may be carried forward if authorized under the 107
section creating that credit. Nothing in this chapter shall be 108
construed to allow a taxpayer to claim, directly or indirectly, 109
a credit more than once for a taxable year." 110

In line 674, delete "and"; after "5729.98" insert ", 5747.71, and 111
5747.98" 112

After line 675, insert: 113

"Section 3. The amendment by this act of sections 5747.71 114
and 5747.98 of the Revised Code applies to taxable years ending 115
on or after the effective date of the amendment." 116

In line 676, delete "3" and insert "4" 117

The motion was _____ agreed to.

SYNOPSIS 118

Earned income tax credit 119

R.C. 5747.71 and 5747.98; Section 3 120

Makes Ohio's earned income tax credit partly refundable: 121
of the current credit, which equals 30% of the federal credit 122

amount, one-third would become refundable and two-thirds would 123
continue to be nonrefundable. (A nonrefundable credit may only 124
reduce a taxpayer's net tax liability, but may not result in a 125
refund; a refundable credit not only may reduce net liability 126
but may result in a refund if the credit is greater than the 127
taxpayer's net tax liability.) 128