

I_133_0146-2

133rd General Assembly
Regular Session
2019-2020

Sub. S. B. No. 8

A BILL

To amend sections 107.036, 122.86, 5747.02, and 1
5747.98 and to enact section 122.84 of the 2
Revised Code to authorize a tax credit for 3
investments in an Ohio Opportunity Zone. 4

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

Section 1. That sections 107.036, 122.86, 5747.02, and 5
5747.98 be amended and section 122.84 of the Revised Code be 6
enacted to read as follows: 7

Sec. 107.036. (A) For each business incentive tax credit, 8
the main operating appropriations act shall contain a detailed 9
estimate of the total amount of credits that may be authorized 10
in each year, an estimate of the amount of credits expected to 11
be claimed in each year, and an estimate of the amount of 12
credits expected to remain outstanding at the end of the 13
biennium. The governor shall include such estimates in the state 14
budget submitted to the general assembly pursuant to section 15
107.03 of the Revised Code. 16

(B) As used in this section, "business incentive tax 17



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credit" means all of the following:	18
(1) The job creation tax credit under section 122.17 of the Revised Code;	19 20
(2) The job retention tax credit under section 122.171 of the Revised Code;	21 22
(3) The historic preservation tax credit under section 149.311 of the Revised Code;	23 24
(4) The motion picture tax credit under section 122.85 of the Revised Code;	25 26
(5) The new markets tax credit under section 5725.33 of the Revised Code;	27 28
(6) The research and development credit under section 166.21 of the Revised Code;	29 30
(7) The small business investment credit under section 122.86 of the Revised Code;	31 32
(8) The rural growth investment credit under section 122.152 of the Revised Code;	33 34
<u>(9) The Ohio opportunity zone investment credit under section 122.84 of the Revised Code.</u>	35 36
<u>Sec. 122.84.</u> (A) As used in this section:	37
<u>(1) "Ohio qualified opportunity fund" means a qualified opportunity fund that holds one hundred per cent of its assets in qualified opportunity zone property situated in an Ohio opportunity zone. The percentage shall be determined by the average of the percentage of qualified opportunity zone property held in the fund as measured on the last day of the first six- month period of the taxable year of the fund and on the last day</u>	38 39 40 41 42 43 44

of the taxable year of the fund. 45

In the case of qualified opportunity zone property that is 46
qualified opportunity zone stock or qualified opportunity zone 47
partnership interest, the stock or interest is situated in an 48
Ohio opportunity zone only if, during all of the qualified 49
opportunity fund's holding period for such stock or interest, 50
all of the use of the corporation's or partnership's tangible 51
property was in an Ohio opportunity zone. In the case of 52
qualified opportunity zone property that is qualified 53
opportunity zone business property, the property is situated in 54
an Ohio opportunity zone only if, during all of the fund's 55
holding period for such property, all of the use of the property 56
was in an Ohio opportunity zone. 57

All terms used in division (A) of this section have the 58
same meaning as in 26 U.S.C. 1400Z-2, except that "all" shall be 59
substituted for "substantially all" wherever "substantially all" 60
appears in the definition of those terms or in the definition of 61
terms used in those terms. 62

(2) "Ohio opportunity zone" means a qualified opportunity 63
zone designated in this state under 26 U.S.C. 1400Z-1. 64

(3) "Qualifying taxable year" means a taxpayer's taxable 65
year that includes the first day of a calendar year during which 66
an Ohio qualified opportunity fund in which the taxpayer invests 67
makes an investment in a project located in an Ohio opportunity 68
zone. 69

(B) A taxpayer that invests in one or more Ohio qualified 70
opportunity funds may apply to the director of development 71
services for a nonrefundable credit against the tax levied under 72
section 5747.02 of the Revised Code. The application shall be 73

made on forms prescribed by the director on or after the first 74
day of January and on or before the first day of February of 75
each year. The credit shall equal ten per cent of the amount of 76
the taxpayer's investment in the fund that the fund invested 77
during the preceding calendar year in projects located in Ohio 78
opportunity zones. 79

The taxpayer shall include the following information with 80
the taxpayer's application: 81

(1) The amount of the taxpayer's investment in Ohio 82
qualified opportunity funds during the taxpayer's qualifying 83
taxable year, arranged according to the amount invested in each 84
such fund if the taxpayer invested in more than one such fund; 85

(2) A statement from an employee or officer of each Ohio 86
qualified opportunity fund identified by the taxpayer under 87
division (B) (1) of this section certifying the amount of the 88
taxpayer's investment in the fund and the amount of that 89
investment the fund invested in projects located in Ohio 90
opportunity zones during the preceding calendar year. The 91
statement shall describe each project funded by the investment 92
and state each project's location and the portion of the 93
taxpayer's investment invested in each such project. Unless the 94
fund demonstrates otherwise to the director's satisfaction, the 95
amount of a taxpayer's investment that the fund invested in a 96
project located in an Ohio opportunity zone equals the same 97
proportion of the amount of the fund's investment in the project 98
as the taxpayer's investment in the fund bears to the total 99
investment by all investors in that fund on the date the fund 100
makes the investment in the project. 101

The director shall review applications in the order in 103
which applications are received. 104

(C) (1) Subject to division (C) (2) of this section, if the 105
director of development services determines that the applicant 106
qualifies for a credit under this section, the director shall 107
issue, within twenty days after the receipt of a complete 108
application under division (B) of this section, a certificate to 109
the taxpayer identified with a unique number and listing the 110
amount of credit the director determines the taxpayer is 111
eligible to claim. 112

(2) The director of development services shall not issue 113
certificates in a total amount that would cause the tax credits 114
claimed in any fiscal biennium to exceed fifty million dollars. 115
The director shall not issue certificates to a single applicant 116
in an amount that would cause the tax credits claimed in any 117
fiscal biennium by that applicant, and any person to whom the 118
applicant transfers the certificate under division (E) of this 119
section, to exceed one million dollars. 120

The director shall not issue a certificate under this 121
section on the basis of any investment for which a small 122
business investment certificate has been issued under section 123
122.86 of the Revised Code. 124

(3) The credit may be claimed for the taxpayer's 125
qualifying taxable year or the next ensuing taxable year. The 126
taxpayer shall claim the credit in the order prescribed by 127
section 5747.98 of the Revised Code. Any unused amount may be 128
carried forward for the following five taxable years. If the 129
certificate is issued to a pass-through entity for an investment 130
by the entity, any taxpayer that is a direct or indirect 131
investor in the pass-through entity on the last day of the 132

entity's qualifying taxable year may claim the taxpayer's 133
proportionate or distributive share of the credit against the 134
taxpayer's aggregate amount of tax levied under that section. 135

(D) (1) A taxpayer claiming a credit under this section 136
shall submit a copy of the certificate with the taxpayer's 137
return or report. After the credit is claimed, the certificate 138
expires. 139

(2) The tax commissioner shall certify the amount of each 140
credit claimed on the basis of a certificate issued under 141
division (C) of this section to the director of development 142
services. Except as provided under division (E) of this section, 143
the director, before the first day of February of the following 144
year and each year thereafter until the credit may no longer be 145
claimed, shall issue a new certificate to the taxpayer 146
indicating the amount of credit the taxpayer is eligible to 147
claim for the taxpayer's immediately preceding taxable year, 148
which shall be the amount determined under division (C) of this 149
section minus any amount of the credit previously claimed by the 150
taxpayer for other taxable years. 151

(E) A taxpayer that holds an unexpired certificate under 152
division (C) or (D) of this section may notify the tax 153
commissioner, in writing, that the taxpayer is transferring the 154
right to claim the amount of unclaimed credit stated on the 155
transferred certificate. The taxpayer shall identify in that 156
notification the certificate's number and the name and the tax 157
identification number of the transferee. Pursuant to division 158
(D) (1) of this section, the transferee may claim any unclaimed 159
portion of the credit stated on the certificate subject to the 160
remainder of the five-year carryforward period to which the 161
transferor was subject. The director of development services 162

shall issue any certificates for subsequent years to the 163
transferee pursuant to division (D)(2) of this section. A 164
transferee may not transfer the right to claim the credit to any 165
other person. 166

(F) On or before the first day of August each year, the 167
director of development services shall submit a report to the 168
governor, the president of the senate, and the speaker of the 169
house of representatives on the tax credit program authorized 170
under this section. The report shall include information on the 171
certificates awarded under this section during the preceding 172
calendar year, a description of the projects funded by 173
investments for which those certificates were awarded, and a 174
list of the Ohio opportunity zones in which those projects are 175
located. 176

Sec. 122.86. (A) As used in this section and section 177
5747.81 of the Revised Code: 178

(1) "Small business enterprise" means a corporation, pass- 179
through entity, or other person satisfying all of the following: 180

(a) At the time of a qualifying investment, the enterprise 181
meets all of the following requirements: 182

(i) Has no outstanding tax or other liabilities owed to 183
the state; 184

(ii) Is in good standing with the secretary of state, if 185
the enterprise is required to be registered with the secretary; 186

(iii) Is current with any court-ordered payments; 187

(iv) Is not engaged in any illegal activity. 188

(b) At the time of a qualifying investment, the 189
enterprise's assets according to generally accepted accounting 190

principles do not exceed fifty million dollars, or its annual 191
sales do not exceed ten million dollars. When making this 192
determination, the assets and annual sales of all of the 193
enterprise's related or affiliated entities shall be included in 194
the calculation. 195

(c) The enterprise employs at least fifty full-time 196
equivalent employees in this state for whom the enterprise is 197
required to withhold income tax under section 5747.06 of the 198
Revised Code, or more than one-half the enterprise's total 199
number of full-time equivalent employees employed anywhere in 200
the United States are employed in this state and are subject to 201
that withholding requirement. 202

(d) The enterprise, within six months after an eligible 203
investor's qualifying investment is made, invests in or incurs 204
cost for one or more of the following in an amount at least 205
equal to the amount of the qualifying investment: 206

(i) Tangible personal property, other than motor vehicles 207
operated on public roads and highways, used in business and 208
physically located in this state from the time of its 209
acquisition by the enterprise until the end of the investor's 210
holding period; 211

(ii) Motor vehicles operated on public roads and highways 212
if, from the time of acquisition by the enterprise until the end 213
of the investor's holding period, the motor vehicles are 214
purchased in this state, registered in this state under Chapter 215
4503. of the Revised Code, are used primarily for business 216
purposes, and are necessary for the operation of the 217
enterprise's business; 218

(iii) Real property located in this state that is used in 219

business from the time of its acquisition by the enterprise	220
until the end of the holding period;	221
(iv) Intangible personal property, including patents,	222
copyrights, trademarks, service marks, or licenses used in	223
business primarily in this state from the time of its	224
acquisition by the enterprise until the end of the holding	225
period;	226
(v) Compensation for new employees of the enterprise for	227
whom the enterprise is required to withhold income tax under	228
section 5747.06 of the Revised Code, not including increased	229
compensation for owners, officers, or managers of the	230
enterprise. For this purpose compensation for new employees	231
includes compensation for newly hired or retained employees.	232
(2) "Qualifying investment" means an investment of money	233
made on or after July 1, 2011, to acquire capital stock or other	234
equity interest in a small business enterprise. "Qualifying	235
investment" does not include either of the following:	236
(a) Any investment of money an eligible investor derives,	237
directly or indirectly, from a grant or loan from the federal	238
government or the state or a political subdivision, including	239
the third frontier program under Chapter 184. of the Revised	240
Code;	241
(b) Any investment of money which is the basis of a tax	242
credit granted under any other section of the Revised Code.	243
(3) "Eligible investor" means an individual, estate, or	244
trust subject to the tax imposed by section 5747.02 of the	245
Revised Code, or a pass-through entity in which such an	246
individual, estate, or trust holds a direct or indirect	247
ownership or other equity interest. To qualify as an eligible	248

investor, the individual, estate, trust, or pass-through entity 249
shall not owe any outstanding tax or other liability to the 250
state at the time of a qualifying investment. 251

(4) "Holding period" means the two-year period beginning 252
on the day a qualifying investment is made. 253

(5) "Pass-through entity" has the same meaning as in 254
section 5733.04 of the Revised Code. 255

(B) Any eligible investor that makes a qualifying 256
investment in a small business enterprise on or after July 1, 257
2011, may apply to the director of development services to 258
obtain a small business investment certificate from the 259
director. Alternatively, a small business enterprise may apply 260
on behalf of eligible investors to obtain the certificates for 261
those investors. The director, in consultation with the tax 262
commissioner, shall prescribe the form or manner in which an 263
applicant shall apply for the certificate, devise the form of 264
the certificate, and prescribe any records or other information 265
an applicant shall furnish with the application to evidence the 266
qualifying investment. The applicant shall state the amount of 267
the intended investment. The applicant shall pay an application 268
fee equal to the greater of one-tenth of one per cent of the 269
amount of the intended investment or one hundred dollars. 270

A small business investment certificate entitles the 271
certificate holder to receive a tax credit under section 5747.81 272
of the Revised Code if the certificate holder qualifies for the 273
credit as otherwise provided in this section. If the certificate 274
holder is a pass-through entity, the certificate entitles the 275
entity's equity owners to receive their distributive or 276
proportionate shares of the credit. In any fiscal biennium, an 277
eligible investor may not apply for small business investment 278

certificates representing intended investment amounts in excess 279
of ten million dollars. Such certificates are not transferable. 280

The director of development services may reserve small 281
business investment certificates to qualifying applicants in the 282
order in which the director receives applications, but may issue 283
the certificates as the applications are completed. An 284
application is completed when the director has validated that an 285
eligible investor has made a qualified investment and the small 286
business enterprise has made the appropriate reinvestment of the 287
qualified investment pursuant to the requirements of division 288
(A) (1) (d) of this section. To qualify for a certificate, an 289
eligible investor must satisfy both of the following, subject to 290
the limitation on the amount of qualifying investments for which 291
certificates may be issued under division (C) of this section: 292

(1) The eligible investor makes a qualifying investment on 293
or after July 1, 2011. 294

(2) The eligible investor pledges not to sell or otherwise 295
dispose of the qualifying investment before the conclusion of 296
the applicable holding period. 297

(C) (1) The amount of any eligible investor's qualifying 298
investments for which small business investment certificates may 299
be issued for a fiscal biennium shall not exceed ten million 300
dollars. 301

(2) The director of development services shall not issue a 302
small business investment certificate to an eligible investor 303
representing an amount of qualifying investment in excess of the 304
amount of the intended investment indicated on the investor's 305
application for the certificate. 306

(3) ~~The~~ For any fiscal biennium beginning before July 1, 307

2019, the director of development services shall not issue small 308
business investment certificates in a total amount that would 309
cause the tax credits claimed in ~~any fiscal~~ that biennium to 310
exceed one hundred million dollars. For any fiscal biennium 311
beginning on or after July 1, 2019, the director shall not issue 312
small business investment certificates in a total amount that 313
would cause the tax credits claimed in that biennium to exceed 314
fifty million dollars. 315

(4) The director of development services may issue a small 316
business investment certificate only if both of the following 317
apply at the time of issuance: 318

(a) The small business enterprise meets all the 319
requirements listed in divisions (A) (1) (a) (i) to (iv) of this 320
section; 321

(b) The eligible investor does not owe any outstanding tax 322
or other liability to the state. 323

(5) The director shall not issue a certificate under this 324
section on the basis of any investment for which an Ohio 325
opportunity zone investment certificate has been issued under 326
section 122.84 of the Revised Code. 327

(D) Before the end of the applicable holding period of a 328
qualifying investment, each enterprise in which a qualifying 329
investment was made for which a small business investment 330
certificate has been issued, upon the request of the director of 331
development services, shall provide to the director records or 332
other evidence satisfactory to the director that the enterprise 333
is a small business enterprise for the purposes of this section. 334
Each enterprise shall also provide annually to the director 335
records or evidence regarding the number of jobs created or 336

retained in the state. No credit may be claimed under this 337
section and section 5747.81 of the Revised Code if the director 338
finds that an enterprise is not a small business enterprise for 339
the purposes of this section. The director shall compile and 340
maintain a register of small business enterprises qualifying 341
under this section and shall certify the register to the tax 342
commissioner. The director shall also compile and maintain a 343
record of the number of jobs created or retained as a result of 344
qualifying investments made pursuant to this section. 345

(E) After the conclusion of the applicable holding period 346
for a qualifying investment, a person to whom a small business 347
investment certificate has been issued under this section may 348
claim a credit as provided under section 5747.81 of the Revised 349
Code. 350

(F) The director of development services, in consultation 351
with the tax commissioner, may adopt rules for the 352
administration of this section, including rules governing the 353
following: 354

(1) Documents, records, or other information eligible 355
investors shall provide to the director; 356

(2) Any information a small business enterprise shall 357
provide for the purposes of this section and section 5747.81 of 358
the Revised Code; 359

(3) Determination of the number of full-time equivalent 360
employees of a small business enterprise; 361

(4) Verification of a small business enterprise's 362
investment in tangible personal property and intangible personal 363
property under division (A)(1)(d) of this section, including 364
when such investments have been made and where the property is 365

used in business;	366
(5) Circumstances under which small business enterprises	367
or eligible investors may be subverting the purposes of this	368
section and section 5747.81 of the Revised Code.	369
(G) Application fees paid under division (B) of this	370
section shall be credited to the tax incentives operating fund	371
created in section 122.174 of the Revised Code.	372
Sec. 5747.02. (A) For the purpose of providing revenue for	373
the support of schools and local government functions, to	374
provide relief to property taxpayers, to provide revenue for the	375
general revenue fund, and to meet the expenses of administering	376
the tax levied by this chapter, there is hereby levied on every	377
individual, trust, and estate residing in or earning or	378
receiving income in this state, on every individual, trust, and	379
estate earning or receiving lottery winnings, prizes, or awards	380
pursuant to Chapter 3770. of the Revised Code, on every	381
individual, trust, and estate earning or receiving winnings on	382
casino gaming, and on every individual, trust, and estate	383
otherwise having nexus with or in this state under the	384
Constitution of the United States, an annual tax measured as	385
prescribed in divisions (A) (1) to (4) of this section.	386
(1) In the case of trusts, the tax imposed by this section	387
shall be measured by modified Ohio taxable income under division	388
(D) of this section and levied in the same amount as the tax is	389
imposed on estates as prescribed in division (A) (2) of this	390
section.	391
(2) In the case of estates, the tax imposed by this	392
section shall be measured by Ohio taxable income and levied at	393
the rate of seven thousand four hundred twenty-five ten-	394

thousandths per cent for the first ten thousand five hundred 395
dollars of such income and, for income in excess of that amount, 396
at the same rates prescribed in division (A) (3) of this section 397
for individuals. 398

(3) In the case of individuals, for taxable years 399
beginning in 2017 or thereafter, the tax imposed by this section 400
on income other than taxable business income shall be measured 401
by Ohio adjusted gross income, less taxable business income and 402
less an exemption for the taxpayer, the taxpayer's spouse, and 403
each dependent as provided in section 5747.025 of the Revised 404
Code. If the balance thus obtained is equal to or less than ten 405
thousand five hundred dollars, no tax shall be imposed on that 406
balance. If the balance thus obtained is greater than ten 407
thousand five hundred dollars, the tax is hereby levied as 408
follows: 409

OHIO ADJUSTED GROSS 410
INCOME LESS TAXABLE 411
BUSINESS INCOME AND EXEMPTIONS 412
(INDIVIDUALS) 413
OR 414
MODIFIED OHIO 415
TAXABLE INCOME (TRUSTS) 416
OR 417
OHIO TAXABLE INCOME (ESTATES) TAX 418

More than \$10,500 but \$77.96 plus 1.980% of the amount 419
not more than \$15,800 in excess of \$10,500 420

More than \$15,800 but \$182.90 plus 2.476% of the amount 421
not more than \$21,100 in excess of \$15,800 422

More than \$21,100 but \$314.13 plus 2.969% of the amount 423

not more than \$42,100 in excess of \$21,100	424
More than \$42,100 but \$937.62 plus 3.465% of the amount	425
not more than \$84,200 in excess of \$42,100	426
More than \$84,200 but \$2,396.39 plus 3.960% of the amount	427
not more than \$105,300 in excess of \$84,200	428
More than \$105,300 but \$3,231.95 plus 4.597% of the amount	429
not more than \$210,600 in excess of \$105,300	430
More than \$210,600 \$8,072.59 plus 4.997% of the amount	431
in excess of \$210,600	432
(4) (a) In the case of individuals, for taxable years	433
beginning in 2016 or thereafter, the tax imposed by this section	434
on taxable business income shall equal three per cent of the	435
result obtained by subtracting any amount allowed under division	436
(A) (4) (b) of this section from the individual's taxable business	437
income.	438
(b) If the exemptions allowed to an individual under	439
division (A) (3) of this section exceed the taxpayer's Ohio	440
adjusted gross income less taxable business income, the excess	441
shall be deducted from taxable business income before computing	442
the tax under division (A) (4) (a) of this section.	443
(5) Except as otherwise provided in this division, in	444
August of each year, the tax commissioner shall make a new	445
adjustment to the income amounts prescribed in divisions (A) (2)	446
and (3) of this section by multiplying the percentage increase	447
in the gross domestic product deflator computed that year under	448
section 5747.025 of the Revised Code by each of the income	449
amounts resulting from the adjustment under this division in the	450
preceding year, adding the resulting product to the	451
corresponding income amount resulting from the adjustment in the	452

preceding year, and rounding the resulting sum to the nearest 453
multiple of fifty dollars. The tax commissioner also shall 454
recompute each of the tax dollar amounts to the extent necessary 455
to reflect the new adjustment of the income amounts. To 456
recompute the tax dollar amount corresponding to the lowest tax 457
rate in division (A) (3) of this section, the commissioner shall 458
multiply the tax rate prescribed in division (A) (2) of this 459
section by the income amount specified in that division and as 460
adjusted according to this paragraph. The rates of taxation 461
shall not be adjusted. 462

The adjusted amounts apply to taxable years beginning in 463
the calendar year in which the adjustments are made and to 464
taxable years beginning in each ensuing calendar year until a 465
calendar year in which a new adjustment is made pursuant to this 466
division. The tax commissioner shall not make a new adjustment 467
in any year in which the amount resulting from the adjustment 468
would be less than the amount resulting from the adjustment in 469
the preceding year. 470

(B) If the director of budget and management makes a 471
certification to the tax commissioner under division (B) of 472
section 131.44 of the Revised Code, the amount of tax as 473
determined under divisions (A) (1) to (3) of this section shall 474
be reduced by the percentage prescribed in that certification 475
for taxable years beginning in the calendar year in which that 476
certification is made. 477

(C) The levy of this tax on income does not prevent a 478
municipal corporation, a joint economic development zone created 479
under section 715.691, or a joint economic development district 480
created under section 715.70, 715.71, or 715.72 of the Revised 481
Code from levying a tax on income. 482

(D) This division applies only to taxable years of a trust 483
beginning in 2002 or thereafter. 484

(1) The tax imposed by this section on a trust shall be 485
computed by multiplying the Ohio modified taxable income of the 486
trust by the rates prescribed by division (A) of this section. 487

(2) A resident trust may claim a credit against the tax 488
computed under division (D) of this section equal to the lesser 489
of (a) the tax paid to another state or the District of Columbia 490
on the resident trust's modified nonbusiness income, other than 491
the portion of the resident trust's nonbusiness income that is 492
qualifying investment income as defined in section 5747.012 of 493
the Revised Code, or (b) the effective tax rate, based on 494
modified Ohio taxable income, multiplied by the resident trust's 495
modified nonbusiness income other than the portion of the 496
resident trust's nonbusiness income that is qualifying 497
investment income. The credit applies before any other 498
applicable credits. 499

(3) The credits enumerated in divisions (A)(1) to (9) and 500
(A) ~~(18)~~ ~~(19)~~ to ~~(20)~~ ~~(21)~~ of section 5747.98 of the Revised Code 501
do not apply to a trust subject to division (D) of this section. 502
Any credits enumerated in other divisions of section 5747.98 of 503
the Revised Code apply to a trust subject to division (D) of 504
this section. To the extent that the trust distributes income 505
for the taxable year for which a credit is available to the 506
trust, the credit shall be shared by the trust and its 507
beneficiaries. The tax commissioner and the trust shall be 508
guided by applicable regulations of the United States treasury 509
regarding the sharing of credits. 510

(E) For the purposes of this section, "trust" means any 511
trust described in Subchapter J of Chapter 1 of the Internal 512

Revenue Code, excluding trusts that are not irrevocable as 513
defined in division (I) (3) (b) of section 5747.01 of the Revised 514
Code and that have no modified Ohio taxable income for the 515
taxable year, charitable remainder trusts, qualified funeral 516
trusts and preneed funeral contract trusts established pursuant 517
to sections 4717.31 to 4717.38 of the Revised Code that are not 518
qualified funeral trusts, endowment and perpetual care trusts, 519
qualified settlement trusts and funds, designated settlement 520
trusts and funds, and trusts exempted from taxation under 521
section 501(a) of the Internal Revenue Code. 522

(F) Nothing in division (A) (3) of this section shall 523
prohibit an individual with an Ohio adjusted gross income, less 524
taxable business income and exemptions, of ten thousand five 525
hundred dollars or less from filing a return under this chapter 526
to receive a refund of taxes withheld or to claim any refundable 527
credit allowed under this chapter. 528

Sec. 5747.98. (A) To provide a uniform procedure for 529
calculating a taxpayer's aggregate tax liability under section 530
5747.02 of the Revised Code, a taxpayer shall claim any credits 531
to which the taxpayer is entitled in the following order: 532

(1) Either the retirement income credit under division (B) 533
of section 5747.055 of the Revised Code or the lump sum 534
retirement income credits under divisions (C), (D), and (E) of 535
that section; 536

(2) Either the senior citizen credit under division (F) of 537
section 5747.055 of the Revised Code or the lump sum 538
distribution credit under division (G) of that section; 539

(3) The dependent care credit under section 5747.054 of 540
the Revised Code; 541

(4) The credit for displaced workers who pay for job training under section 5747.27 of the Revised Code;	542 543
(5) The campaign contribution credit under section 5747.29 of the Revised Code;	544 545
(6) The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;	546 547
(7) The joint filing credit under division (G) of section 5747.05 of the Revised Code;	548 549
(8) The earned income credit under section 5747.71 of the Revised Code;	550 551
(9) The credit for adoption of a minor child under section 5747.37 of the Revised Code;	552 553
(10) The nonrefundable job retention credit under division (B) of section 5747.058 of the Revised Code;	554 555
(11) The enterprise zone credit under section 5709.66 of the Revised Code;	556 557
(12) The ethanol plant investment credit under section 5747.75 of the Revised Code;	558 559
(13) <u>The nonrefundable credit for investments in an Ohio qualified opportunity fund under section 122.84 of the Revised Code;</u>	560 561 562
<u>(14)</u> The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	563 564
(14) <u>(15)</u> The small business investment credit under section 5747.81 of the Revised Code;	565 566
(15) <u>(16)</u> The enterprise zone credits under section 5709.65 of the Revised Code;	567 568

(16) <u>(17)</u> The research and development credit under section 5747.331 of the Revised Code;	569 570
(17) <u>(18)</u> The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	571 572
(18) <u>(19)</u> The nonresident credit under division (A) of section 5747.05 of the Revised Code;	573 574
(19) <u>(20)</u> The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	575 576
(20) <u>(21)</u> The refundable motion picture production credit under section 5747.66 of the Revised Code;	577 578
(21) <u>(22)</u> The refundable jobs creation credit or job retention credit under division (A) of section 5747.058 of the Revised Code;	579 580 581
(22) <u>(23)</u> The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	582 583 584
(23) <u>(24)</u> The refundable credits for taxes paid by a qualifying pass-through entity granted under division (I) of section 5747.08 of the Revised Code;	585 586 587
(24) <u>(25)</u> 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;	588 589 590 591
(25) <u>(26)</u> The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	592 593
(26) <u>(27)</u> The refundable credit for financial institution taxes paid by a pass-through entity granted under section	594 595

5747.65 of the Revised Code. 596

(B) For any credit, except the refundable credits 597
enumerated in this section and the credit granted under division 598
(H) of section 5747.08 of the Revised Code, the amount of the 599
credit for a taxable year shall not exceed the taxpayer's 600
aggregate amount of tax due under section 5747.02 of the Revised 601
Code, after allowing for any other credit that precedes it in 602
the order required under this section. Any excess amount of a 603
particular credit may be carried forward if authorized under the 604
section creating that credit. Nothing in this chapter shall be 605
construed to allow a taxpayer to claim, directly or indirectly, 606
a credit more than once for a taxable year. 607

Section 2. That existing sections 107.036, 122.86, 608
5747.02, and 5747.98 of the Revised Code are hereby repealed. 609

Section 3. Pursuant to division (G) of section 5703.95 of 610
the Revised Code, which states that any bill introduced in the 611
House of Representatives or the Senate that proposes to enact or 612
modify one or more tax expenditures should include a statement 613
explaining the objectives of the tax expenditure or its 614
modification and the sponsor's intent in proposing the tax 615
expenditure or its modification: 616

The purpose of this bill is to foster economic development 617
and increase tax collections for state and local governments. 618