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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

H.B. 400  
133<sup>rd</sup> General Assembly

## Bill Analysis

**Version:** As Introduced

**Primary Sponsor:** Rep. McClain

Michael Hinel, Attorney

### SUMMARY

- Authorizes a nonrefundable income tax credit for the retail sale of high-ethanol blend motor fuel.
- Limits the tax credit to four years.

### DETAILED ANALYSIS

#### High-ethanol blend motor fuel tax credit

The bill authorizes a personal income tax credit of 5¢ per gallon for the retail sale of high-ethanol blend motor fuel, which contains between 15% and 85% ethanol, that is sold and dispensed through metered pumps at a retail dealer's retail service station.<sup>1</sup> As a credit against the income tax, it may be claimed by retail dealers that are sole proprietors or organized as a pass-through entity such as a partnership, limited liability company, or S corporation owned at least in part by an individual, estate, or trust; it would not be available to corporations other than those electing S corporation status

#### Carry forward

The credit is nonrefundable, which means that the credit may not exceed a taxpayer's tax liability in any year. However, if the credit does exceed a taxpayer's liability for a particular year, the taxpayer may carry forward and apply the difference to a future tax liability. There is no limit on the number of carryforward years.

<sup>1</sup> R.C. 5747.74 and 5747.98.

## Term of credit

The credit is available for retail sales made in the calendar year the bill becomes effective and the subsequent three years. No credit is available for retail sales made after four calendar years. For example, if the bill becomes effective in 2019, the credit may be claimed for retail sales occurring in years 2019, 2020, 2021, and 2022.<sup>2</sup> A taxpayer would claim the credit for the taxpayer's taxable year that includes the last day of the calendar year.

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## HISTORY

Action	Date
Introduced	11-06-19

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H0400-I-133/ar

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<sup>2</sup> R.C. 5747.74.