

**As Introduced**

**132nd General Assembly**

**Regular Session**

**2017-2018**

**S. B. No. 132**

**Senator Dolan**

**Cosponsor: Senator Eklund**

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**A BILL**

To amend section 5751.98 and to enact section 1  
5751.15 of the Revised Code to establish a five- 2  
year pilot program whereby taxpayers with 3  
facilities in this state with activated foreign 4  
trade zone status may claim a nonrefundable 5  
commercial activity tax credit equal to the 6  
amount redeployed by the taxpayer to job 7  
creation and renewable energy resources. 8

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

**Section 1.** That section 5751.98 be amended and section 9  
5751.15 of the Revised Code be enacted to read as follows: 10

**Sec. 5751.15.** (A) As used in this section, "foreign trade 11  
zone" means a general purpose foreign trade zone or a special 12  
purpose subzone for which, pursuant to 19 U.S.C. 81a, as 13  
amended, a permit for foreign trade zone status has been granted 14  
and remains active, including special purpose subzones for which 15  
a permit has been granted and remains active. 16

(B) For tax periods ending on or after the effective date 17  
of this section, and before January 1, 2023, there is allowed a 18

nonrefundable credit against the tax imposed by section 5751.02 19  
of the Revised Code for taxpayers that have facilities in this 20  
state with activated foreign trade zone status and that maintain 21  
operations in the foreign trade zone for the entire tax period. 22  
The credit equals the amount paid or incurred by the taxpayer 23  
during the tax period to create additional employment positions 24  
or install, improve, or maintain renewable energy resources, as 25  
defined in section 4928.01 of the Revised Code, at the activated 26  
foreign trade zone facility in this state. 27

(C) The amount of the credit shall not exceed the amount 28  
of tax otherwise due under this chapter on the basis of gross 29  
receipts derived from the activated foreign trade zone facility 30  
in this state. A taxpayer claiming the credit shall keep records 31  
of expenditures for the purposes described under division (B) of 32  
this section and file such records with the tax commissioner 33  
along with the return required under section 5751.051 of the 34  
Revised Code. 35

(D) A taxpayer that claims the credit under this section 36  
is subject to assessment under section 5751.09 of the Revised 37  
Code for the amount of the credit if the tax commissioner and 38  
the director of development services determine that the taxpayer 39  
failed to comply with the requirements of this section. The 40  
assessment shall be proportionate to the taxpayer's failure to 41  
comply as determined by the commissioner and the director, 42  
including applicable penalty and interest as if the tax had been 43  
due on the dates due. 44

**Sec. 5751.98.** (A) To provide a uniform procedure for 45  
calculating the amount of tax due under this chapter, a taxpayer 46  
shall claim any credits to which it is entitled in the following 47  
order: 48

(1) The nonrefundable jobs retention credit under division	49
(B) of section 5751.50 of the Revised Code;	50
(2) The nonrefundable credit for qualified research	51
expenses under division (B) of section 5751.51 of the Revised	52
Code;	53
(3) The nonrefundable credit for a borrower's qualified	54
research and development loan payments under division (B) of	55
section 5751.52 of the Revised Code;	56
(4) The nonrefundable credit for calendar years 2010 to	57
2029 for unused net operating losses under division (B) of	58
section 5751.53 of the Revised Code;	59
(5) <u>The nonrefundable credit for taxpayers that have</u>	60
<u>facilities in this state with activated foreign trade zone</u>	61
<u>status under section 5751.15 of the Revised Code;</u>	62
<u>(6)</u> The refundable motion picture production credit under	63
section 5751.54 of the Revised Code;	64
<del>(6)</del> <u>(7)</u> The refundable jobs creation credit or job	65
retention credit under division (A) of section 5751.50 of the	66
Revised Code;	67
<del>(7)</del> <u>(8)</u> The refundable credit for calendar year 2030 for	68
unused net operating losses under division (C) of section	69
5751.53 of the Revised Code.	70
(B) For any credit except the refundable credits	71
enumerated in this section, the amount of the credit for a tax	72
period shall not exceed the tax due after allowing for any other	73
credit that precedes it in the order required under this	74
section. Any excess amount of a particular credit may be carried	75
forward if authorized under the section creating the credit.	76

<b>Section 2.</b> That existing section 5751.98 of the Revised	77
Code is hereby repealed.	78