As Passed by the House

133rd General Assembly
Regular Session
2019-2020

Representatives Stoltzfus, Howse


A BILL

To amend sections 4506.09 and 5747.98 and to enact sections 122.91 and 5747.82 of the Revised Code to authorize a temporary income tax credit for an employer's expenses to train a commercial vehicle operator and increases the commercial driver's license skills test fee charged by the Department of Public Safety.

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

Section 1. That sections 4506.09 and 5747.98 be amended and sections 122.91 and 5747.82 of the Revised Code be enacted to read as follows:

Sec. 122.91. (A) As used in this section:

(1) "Qualifying individual" means an individual who holds a valid commercial driver's license or who is eligible to obtain
such a license.

(2) "Commercial driver's license" and "commercial motor vehicle" have the same meanings as in section 4506.01 of the Revised Code.

(3) "Training expense" means any cost customarily incurred by an employer to train a qualifying individual to obtain a commercial driver's license or to operate a commercial motor vehicle. "Training expense" shall not include an employee's wages.

(4) "Tax credit-eligible training expense" means any training expense certified under division (B) of this section.

(5) "Director" means the director of development services.

(B)(1) On or before the first day of December beginning in 2020 and ending in 2022, an employer may apply to the director, on a form prescribed by the director, to certify training expenses that an employer estimates the employer will incur during the following calendar year as tax credit-eligible training expenses. Within thirty days after receiving such an application, the director shall certify to each applicant the amount of the applicant's submitted expenses the director finds to be tax credit-eligible training expenses. The director shall not certify more than fifty thousand dollars of training expenses per year as tax credit-eligible training expenses for any employer.

(2) The director shall not certify more than three million dollars in tax credit-eligible training expenses for each calendar year, increased by the sum of tax credit-eligible expenses the director was authorized to certify within the limit described in division (B)(2) of this section for preceding years.
that were not the basis of a tax credit certificate issued under division (C)(2) of this section in the current year or any preceding year.

(C)(1) An employer that incurs tax credit-eligible training expenses in a calendar year that were certified for that year under division (B) of this section may apply to the director for a nonrefundable credit against the tax imposed by section 5747.02 of the Revised Code. The credit shall equal one-half of the tax credit-eligible training expenses actually incurred by the employer in, and certified for, the preceding calendar year. The application may be submitted after the first day and before the twenty-first day of January of the year following the year for which the director certified the expenses. The application shall be submitted on a form prescribed by the director.

(2) If the director approves an application described in division (C)(1) of this section, the director, within fifteen days after receipt of the application, shall issue a tax credit certificate to the applicant. The director in consultation with the tax commissioner shall prescribe the form and manner of issuing certificates. The director shall assign a unique identifying number to each tax credit certificate and shall record the certificate in a register devised and maintained by the director for that purpose. The certificate shall state the amount of the tax credit-eligible training expenses on which the credit is based, the amount of the credit, and the date the certificate is issued. Upon issuance of a certificate, the director shall certify to the tax commissioner the name of the applicant, the amount of tax credit-eligible training expenses stated on the certificate, and any other information required by the rules adopted under this section.
(D) The director in consultation with the tax commissioner shall adopt rules under Chapter 119. of the Revised Code for the administration of this section. Such rules shall set forth the types of expenses that qualify as training expenses for purposes of this section.

Sec. 4506.09. (A) The registrar of motor vehicles, subject to approval by the director of public safety, shall adopt rules conforming with applicable standards adopted by the federal motor carrier safety administration as regulations under Pub. L. No. 103-272, 108 Stat. 1014 to 1029 (1994), 49 U.S.C.A. 31301 to 31317. The rules shall establish requirements for the qualification and testing of persons applying for a commercial driver's license, which are in addition to other requirements established by this chapter. Except as provided in division (B) of this section, the highway patrol or any other employee of the department of public safety the registrar authorizes shall supervise and conduct the testing of persons applying for a commercial driver's license.

(B) The director may adopt rules, in accordance with Chapter 119. of the Revised Code and applicable requirements of the federal motor carrier safety administration, authorizing the skills test specified in this section to be administered by any person, by an agency of this or another state, or by an agency, department, or instrumentality of local government. Each party authorized under this division to administer the skills test may charge a maximum divisible fee of one hundred fifteen dollars for each skills test given as part of a commercial driver's license examination. The fee shall consist of not more than twenty-seven dollars for the pre-trip inspection portion of the test, not more than twenty-seven dollars for the off-road maneuvering portion of the test, and not more than sixty-one
dollars for the on-road portion of the test. Each such party may require an appointment fee in the same manner provided in division (E)(2) of this section, except that the maximum amount such a party may require as an appointment fee is one hundred fifteen dollars. The skills test administered by another party under this division shall be the same as otherwise would be administered by this state. The other party shall enter into an agreement with the director that, without limitation, does all of the following:

(1) Allows the director or the director's representative and the federal motor carrier safety administration or its representative to conduct random examinations, inspections, and audits of the other party, whether covert or overt, without prior notice;

(2) Requires the director or the director's representative to conduct on-site inspections of the other party at least annually;

(3) Requires that all examiners of the other party meet the same qualification and training standards as examiners of the department of public safety, including criminal background checks, to the extent necessary to conduct skills tests in the manner required by 49 C.F.R. 383.110 through 383.135. In accordance with federal guidelines, any examiner employed on July 1, 2017, shall have a criminal background check conducted at least once, and any examiner hired after July 1, 2015, shall have a criminal background check conducted after the examiner is initially hired.

(4) Requires either that state employees take, at least annually and as though the employees were test applicants, the tests actually administered by the other party, that the
director test a sample of drivers who were examined by the other party to compare the test results, or that state employees accompany a test applicant during an actual test;

(5) Unless the other party is a governmental entity, requires the other party to initiate and maintain a bond in an amount determined by the director to sufficiently pay for the retesting of drivers in the event that the other party or its skills test examiners are involved in fraudulent activities related to skills testing;

(6) Requires the other party to use only skills test examiners who have successfully completed a commercial driver's license examiner training course as prescribed by the director, and have been certified by the state as a commercial driver's license skills test examiner qualified to administer skills tests;

(7) Requires the other party to use designated road test routes that have been approved by the director;

(8) Requires the other party to submit a schedule of skills test appointments to the director not later than two business days prior to each skills test;

(9) Requires the other party to maintain copies of the following records at its principal place of business:

(a) The other party's commercial driver's license skills testing program certificate;

(b) Each skills test examiner's certificate of authorization to administer skills tests for the classes and types of commercial motor vehicles listed in the certificate;

(c) Each completed skills test scoring sheet for the
current calendar year as well as the prior two calendar years;

(d) A complete list of the test routes that have been approved by the director;

(e) A complete and accurate copy of each examiner's training record.

(10) If the other party also is a driver training school, prohibits its skills test examiners from administering skills tests to applicants that the examiner personally trained;

(11) Requires each skills test examiner to administer a complete skills test to a minimum of thirty-two different individuals per calendar year;

(12) Reserves to this state the right to take prompt and appropriate remedial action against the other party and its skills test examiners if the other party or its skills test examiners fail to comply with standards of this state or federal standards for the testing program or with any other terms of the contract.

(C) The director shall enter into an agreement with the department of education authorizing the skills test specified in this section to be administered by the department at any location operated by the department for purposes of training and testing school bus drivers, provided that the agreement between the director and the department complies with the requirements of division (B) of this section. Skills tests administered by the department shall be limited to persons applying for a commercial driver's license with a school bus endorsement.

(D)(1) The director shall adopt rules, in accordance with Chapter 119. of the Revised Code, authorizing waiver of the skills test specified in this section for any applicant for a
commercial driver's license who meets all of the following requirements:

(a) As authorized under 49 C.F.R. 383.3(c), the applicant operates a commercial motor vehicle for military purposes and is one of the following:

(i) Active duty military personnel;

(ii) A member of the military reserves;

(iii) A member of the national guard on active duty, including full-time national guard duty, part-time national guard training, and national guard military technicians;

(iv) Active duty U.S. coast guard personnel.

(b) The applicant certifies that, during the two-year period immediately preceding application for a commercial driver's license, all of the following apply:

(i) The applicant has not had more than one license, excluding any military license.

(ii) The applicant has not had any license suspended, revoked, or canceled.

(iii) The applicant has not had any convictions for any type of motor vehicle for the offenses for which disqualification is prescribed in section 4506.16 of the Revised Code.

(iv) The applicant has not had more than one conviction for any type of motor vehicle for a serious traffic violation.

(v) The applicant has not had any violation of a state or local law relating to motor vehicle traffic control other than a parking violation arising in connection with any traffic
accident and has no record of an accident in which the applicant was at fault.

(c) In accordance with rules adopted by the director, the applicant certifies and also provides evidence of all of the following:

(i) That the applicant is or was regularly employed in a military position requiring operation of a commercial motor vehicle;

(ii) That the applicant was exempt from the requirements of this chapter under division (B)(6) of section 4506.03 of the Revised Code;

(iii) That, for at least two years immediately preceding the date of application or at least two years immediately preceding the date the applicant separated from military service or employment, the applicant regularly operated a vehicle representative of the commercial motor vehicle type that the applicant operates or expects to operate.

(2) The waiver established under division (D)(1) of this section does not apply to United States reserve technicians.

(E)(1) The department of public safety may charge and collect a divisible fee of fifty-one hundred fifteen dollars for each skills test given as part of a commercial driver's license examination. The fee shall consist of ten-twenty-seven dollars for the pre-trip inspection portion of the test, ten-twenty-seven dollars for the off-road maneuvering portion of the test, and thirty-sixty-one dollars for the on-road portion of the test.

(2) No applicant is eligible to take the skills test until a minimum of fourteen days have elapsed since the initial
issuance of a commercial driver's license temporary instruction permit to the applicant. The director may require an applicant for a commercial driver's license who schedules an appointment with the highway patrol or other authorized employee of the department of public safety to take all portions of the skills test and to pay an appointment fee of fifty-one hundred fifteen dollars at the time of scheduling the appointment. If the applicant appears at the time and location specified for the appointment and takes all portions of the skills test during that appointment, the appointment fee serves as the skills test fee. If the applicant schedules an appointment to take all portions of the skills test and fails to appear at the time and location specified for the appointment, the director shall not refund any portion of the appointment fee. If the applicant schedules an appointment to take all portions of the skills test and appears at the time and location specified for the appointment, but declines or is unable to take all portions of the skills test, the director shall not refund any portion of the appointment fee. If the applicant cancels a scheduled appointment forty-eight hours or more prior to the time of the appointment time, the applicant shall not forfeit the appointment fee.

An applicant for a commercial driver's license who schedules an appointment to take one or more, but not all, portions of the skills test is required to pay an appointment fee equal to the costs of each test scheduled, as prescribed in division (E)(1) of this section, when scheduling such an appointment. If the applicant appears at the time and location specified for the appointment and takes all the portions of the skills test during that appointment that the applicant was scheduled to take, the appointment fee serves as the skills test
fee. If the applicant schedules an appointment to take one or more, but not all, portions of the skills test and fails to appear at the time and location specified for the appointment, the director shall not refund any portion of the appointment fee. If the applicant schedules an appointment to take one or more, but not all, portions of the skills test and appears at the time and location specified for the appointment, but declines or is unable to take all portions of the skills test that the applicant was scheduled to take, the director shall not refund any portion of the appointment fee. If the applicant cancels a scheduled appointment forty-eight hours or more prior to the time of the appointment time, the applicant shall not forfeit the appointment fee.

(3) The department of public safety shall deposit all fees it collects under division (E) of this section in the public safety - highway purposes fund established in section 4501.06 of the Revised Code.

(F) A person who has successfully completed commercial driver's license training in this state but seeks a commercial driver's license in another state where the person is domiciled may schedule an appointment to take the skills test in this state and shall pay the appropriate appointment fee. Upon the person's completion of the skills test, this state shall electronically transmit the applicant's results to the state where the person is domiciled. If a person who is domiciled in this state takes a skills test in another state, this state shall accept the results of the skills test from the other state. If the person passed the other state's skills test and meets all of the other licensing requirements set forth in this chapter and rules adopted under this chapter, the registrar of motor vehicles or a deputy registrar shall issue a commercial
driver's license to that person.

(G) Unless otherwise specified, the director or the director's representative shall conduct the examinations, inspections, audits, and test monitoring set forth in divisions (B)(2), (3), and (4) of this section at least annually. If the other party or any of its skills test examiners fail to comply with state or federal standards for the skills testing program, the director or the director's representative shall take prompt and appropriate remedial action against the party and its skills test examiners. Remedial action may include termination of the agreement or revocation of a skills test examiner's certification.

(H) As used in this section, "skills test" means a test of an applicant's ability to drive the type of commercial motor vehicle for which the applicant seeks a commercial driver's license by having the applicant drive such a motor vehicle while under the supervision of an authorized state driver's license examiner or tester.

Sec. 5747.82. There is allowed a nonrefundable credit against a taxpayer's aggregate tax liability under section 5747.02 of the Revised Code for a taxpayer that has been issued a tax credit certificate under section 122.91 of the Revised Code. The amount of the credit shall equal the credit amount stated on the certificate. The credit shall be claimed for the taxpayer's most recently concluded taxable year that ended before the issuance date stated on the certificate.

The credit shall be claimed in the order required under section 5747.98 of the Revised Code. Any credit amount in excess of the aggregate amount of tax due under section 5747.02 of the Revised Code, after allowing for any other credits preceding the
credit in that order, may be carried forward for five taxable years, but the amount of the excess credit allowed in any such year shall be deducted from the balance carried forward to the next year.

Nothing in this section limits or disallows pass-through treatment of the credit if the credit certificate has been issued to a pass-through entity.

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

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

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

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

(4) The credit for displaced workers who pay for job training under section 5747.27 of the Revised Code;

(5) The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;

(6) The joint filing credit under division (G) of section 5747.05 of the Revised Code;

(7) The earned income credit under section 5747.71 of the Revised Code;
(8) The credit for adoption of a minor child under section 5747.37 of the Revised Code;

(9) The nonrefundable job retention credit under division (B) of section 5747.058 of the Revised Code;

(10) The enterprise zone credit under section 5709.66 of the Revised Code;

(11) The ethanol plant investment credit under section 5747.75 of the Revised Code;

(12) The credit for commercial vehicle operator training expenses under section 5747.82 of the Revised Code;

(13) The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;

(13)–(14) The small business investment credit under section 5747.81 of the Revised Code;

(14)–(15) The nonrefundable lead abatement credit under section 5747.26 of the Revised Code;

(15)–(16) The opportunity zone investment credit under section 122.84 of the Revised Code;

(16)–(17) The enterprise zone credits under section 5709.65 of the Revised Code;

(17)–(18) The research and development credit under section 5747.331 of the Revised Code;

(18)–(19) The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;

(19)–(20) The nonresident credit under division (A) of section 5747.05 of the Revised Code;
(20) (21) The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;

(21) (22) The refundable motion picture and broadway theatrical production credit under section 5747.66 of the Revised Code;

(22) (23) The refundable jobs creation credit or job retention credit under division (A) of section 5747.058 of the Revised Code;

(23) (24) The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;

(24) (25) The refundable credits for taxes paid by a qualifying pass-through entity granted under division (I) of section 5747.08 of the Revised Code;

(25) (26) 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;

(26) (27) The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code.

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

Section 2. That existing sections 4506.09 and 5747.98 of the Revised Code are hereby repealed.

Section 3. In adopting the rules required under division (D) of section 122.91 of the Revised Code, as enacted by this act, the Director of Development Services shall file the notice and text of the proposed rules as required by division (B) of section 119.03 of the Revised Code not later than one hundred fifty days after the effective date of this section.