

As Introduced

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Representatives Russo, Boyd

**Cosponsors: Representatives Miranda, Howse, Boggs, Brown, Liston, Sweeney,
Brent, Crawley, Carfagna, Crossman, Lipps, Miller, J., Sobecki, Lepore-Hagan,
West, Ginter**

A BILL

To amend sections 5747.08 and 5747.98 and to enact 1
section 5747.053 of the Revised Code to 2
authorize a refundable tax credit for certain 3
expenses incurred by caregivers. 4

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

Section 1. That sections 5747.08 and 5747.98 be amended 5
and section 5747.053 of the Revised Code be enacted to read as 6
follows: 7

Sec. 5747.053. (A) As used in this section: 8

(1) "Activity of daily living" has the meaning as in 9
section 7702B of the Internal Revenue Code. 10

(2) "Eligible family member" means an individual that 11
meets all of the following requirements: 12

(a) The individual is at least eighteen years of age on 13
the last day of the taxable year. 14

(b) The individual possesses documentation from a licensed 15

health care provider certifying that the individual requires 16
assistance with at least one activity of daily living. 17

(c) The individual is either (i) the spouse of the 18
caregiver, (ii) related by blood or marriage to the caregiver 19
and qualifies as a dependent of either the caregiver or the 20
caregiver's spouse, or (iii) cohabits with the caregiver. 21

(3) "Caregiver" means an individual who is a resident of 22
this state and who meets all of the following requirements: 23

(a) If the individual files a joint return, the modified 24
adjusted gross income of the individual and the individual's 25
spouse is less than one hundred fifty thousand dollars. If the 26
individual does not file a joint return, the individual's 27
modified adjusted gross income is less than seventy-five 28
thousand dollars. 29

(b) The individual incurs eligible expenses to provide 30
care for one or more eligible family members during the taxable 31
year. 32

(c) The individual is not reimbursed or otherwise 33
compensated for those eligible expenses. 34

(4) "Eligible expenses" means any necessary expenses 35
directly related to providing care for an eligible family 36
member. "Eligible expenses" include the following: 37

(a) Expenses incurred to improve or alter a caregiver's 38
primary residence as necessary to allow the eligible family 39
member to remain mobile, safe, and independent; 40

(b) The purchase or lease of equipment that is necessary 41
to assist an eligible family member in performing one or more 42
activities of daily living; 43

(c) Expenses related to respite care, adult day care, hiring a home care aide or personal care attendant, transportation, legal and financial services, or assistive technology necessary for the care of the eligible family member. 44
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"Eligible expenses" does not include general household maintenance expenses, such as expenses related to painting, plumbing, electrical repairs, or exterior maintenance. 48
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(5) "Licensed health care professional" means any of the following: 51
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(a) A physician authorized under Chapter 4731. of the Revised Code to practice medicine or osteopathic medicine; 53
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(b) A registered nurse, advanced practice registered nurse, or licensed practical nurse licensed under Chapter 4723. of the Revised Code; 55
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(c) A physician assistant licensed under Chapter 4730. of the Revised Code. 58
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(B) A refundable credit shall be allowed against a taxpayer's aggregate tax liability under section 5747.02 of the Revised Code for a caregiver who incurs eligible expenses to provide care for an eligible family member. The amount of the credit shall equal fifty per cent of the eligible expenses incurred by the caregiver during the taxable year, provided that the credit allowed to a caregiver for any taxable year shall not exceed one thousand dollars. 60
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The credit shall be claimed in the order required under section 5747.98 of the Revised Code. If the amount of the credit exceeds the aggregate amount of tax otherwise due under section 5747.02 of the Revised Code after deducting any other credits that precede the credit allowed under this section in that 68
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order, the excess shall be refunded to the taxpayer. 73

(C) If two or more caregivers incur eligible expenses to 74
provide care for an eligible family member during a taxable 75
year, both are eligible to claim the credit allowed under this 76
section, provided that no two caregivers may claim the credit on 77
the basis of the same eligible expenses. 78

(D) The tax commissioner shall adopt any rules necessary 79
to administer this chapter. 80

Sec. 5747.08. An annual return with respect to the tax 81
imposed by section 5747.02 of the Revised Code and each tax 82
imposed under Chapter 5748. of the Revised Code shall be made by 83
every taxpayer for any taxable year for which the taxpayer is 84
liable for the tax imposed by that section or under that 85
chapter, unless the total credits allowed under division (E) of 86
section 5747.05 and divisions (F) and (G) of section 5747.055 of 87
the Revised Code for the year are equal to or exceed the tax 88
imposed by section 5747.02 of the Revised Code, in which case no 89
return shall be required unless the taxpayer is liable for a tax 90
imposed pursuant to Chapter 5748. of the Revised Code. 91

(A) If an individual is deceased, any return or notice 92
required of that individual under this chapter shall be made and 93
filed by that decedent's executor, administrator, or other 94
person charged with the property of that decedent. 95

(B) If an individual is unable to make a return or notice 96
required by this chapter, the return or notice required of that 97
individual shall be made and filed by the individual's duly 98
authorized agent, guardian, conservator, fiduciary, or other 99
person charged with the care of the person or property of that 100
individual. 101

(C) Returns or notices required of an estate or a trust 102
shall be made and filed by the fiduciary of the estate or trust. 103

(D) (1) (a) Except as otherwise provided in division (D) (1) 104
(b) of this section, any pass-through entity may file a single 105
return on behalf of one or more of the entity's investors other 106
than an investor that is a person subject to the tax imposed 107
under section 5733.06 of the Revised Code. The single return 108
shall set forth the name, address, and social security number or 109
other identifying number of each of those pass-through entity 110
investors and shall indicate the distributive share of each of 111
those pass-through entity investor's income taxable in this 112
state in accordance with sections 5747.20 to 5747.231 of the 113
Revised Code. Such pass-through entity investors for whom the 114
pass-through entity elects to file a single return are not 115
entitled to the exemption or credit provided for by sections 116
5747.02 and 5747.022 of the Revised Code; shall calculate the 117
tax before business credits at the highest rate of tax set forth 118
in section 5747.02 of the Revised Code for the taxable year for 119
which the return is filed; and are entitled to only their 120
distributive share of the business credits as defined in 121
division (D) (2) of this section. A single check drawn by the 122
pass-through entity shall accompany the return in full payment 123
of the tax due, as shown on the single return, for such 124
investors, other than investors who are persons subject to the 125
tax imposed under section 5733.06 of the Revised Code. 126

(b) (i) A pass-through entity shall not include in such a 127
single return any investor that is a trust to the extent that 128
any direct or indirect current, future, or contingent 129
beneficiary of the trust is a person subject to the tax imposed 130
under section 5733.06 of the Revised Code. 131

(ii) A pass-through entity shall not include in such a 132
single return any investor that is itself a pass-through entity 133
to the extent that any direct or indirect investor in the second 134
pass-through entity is a person subject to the tax imposed under 135
section 5733.06 of the Revised Code. 136

(c) Nothing in division (D) of this section precludes the 137
tax commissioner from requiring such investors to file the 138
return and make the payment of taxes and related interest, 139
penalty, and interest penalty required by this section or 140
section 5747.02, 5747.09, or 5747.15 of the Revised Code. 141
Nothing in division (D) of this section precludes such an 142
investor from filing the annual return under this section, 143
utilizing the refundable credit equal to the investor's 144
proportionate share of the tax paid by the pass-through entity 145
on behalf of the investor under division (I) of this section, 146
and making the payment of taxes imposed under section 5747.02 of 147
the Revised Code. Nothing in division (D) of this section shall 148
be construed to provide to such an investor or pass-through 149
entity any additional deduction or credit, other than the credit 150
provided by division (I) of this section, solely on account of 151
the entity's filing a return in accordance with this section. 152
Such a pass-through entity also shall make the filing and 153
payment of estimated taxes on behalf of the pass-through entity 154
investors other than an investor that is a person subject to the 155
tax imposed under section 5733.06 of the Revised Code. 156

(2) For the purposes of this section, "business credits" 157
means the credits listed in section 5747.98 of the Revised Code 158
excluding the following credits: 159

(a) The retirement income credit under division (B) of 160
section 5747.055 of the Revised Code; 161

(b) The senior citizen credit under division (F) of section 5747.055 of the Revised Code;	162 163
(c) The lump sum distribution credit under division (G) of section 5747.055 of the Revised Code;	164 165
(d) The dependent care credit under section 5747.054 of the Revised Code;	166 167
(e) The lump sum retirement income credit under division (C) of section 5747.055 of the Revised Code;	168 169
(f) The lump sum retirement income credit under division (D) of section 5747.055 of the Revised Code;	170 171
(g) The lump sum retirement income credit under division (E) of section 5747.055 of the Revised Code;	172 173
(h) The credit for displaced workers who pay for job training under section 5747.27 of the Revised Code;	174 175
(i) The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;	176 177
(j) The joint filing credit under division (E) of section 5747.05 of the Revised Code;	178 179
(k) The nonresident credit under division (A) of section 5747.05 of the Revised Code;	180 181
(l) The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	182 183
(m) The earned income tax credit under section 5747.71 of the Revised Code;	184 185
(n) The lead abatement credit under section 5747.26 of the Revised Code;	186 187

(o) The caregiver credit under section 5747.053 of the 188
Revised Code. 189

(3) The election provided for under division (D) of this 190
section applies only to the taxable year for which the election 191
is made by the pass-through entity. Unless the tax commissioner 192
provides otherwise, this election, once made, is binding and 193
irrevocable for the taxable year for which the election is made. 194
Nothing in this division shall be construed to provide for any 195
deduction or credit that would not be allowable if a nonresident 196
pass-through entity investor were to file an annual return. 197

(4) If a pass-through entity makes the election provided 198
for under division (D) of this section, the pass-through entity 199
shall be liable for any additional taxes, interest, interest 200
penalty, or penalties imposed by this chapter if the tax 201
commissioner finds that the single return does not reflect the 202
correct tax due by the pass-through entity investors covered by 203
that return. Nothing in this division shall be construed to 204
limit or alter the liability, if any, imposed on pass-through 205
entity investors for unpaid or underpaid taxes, interest, 206
interest penalty, or penalties as a result of the pass-through 207
entity's making the election provided for under division (D) of 208
this section. For the purposes of division (D) of this section, 209
"correct tax due" means the tax that would have been paid by the 210
pass-through entity had the single return been filed in a manner 211
reflecting the commissioner's findings. Nothing in division (D) 212
of this section shall be construed to make or hold a pass- 213
through entity liable for tax attributable to a pass-through 214
entity investor's income from a source other than the pass- 215
through entity electing to file the single return. 216

(E) If a husband and wife file a joint federal income tax 217

return for a taxable year, they shall file a joint return under 218
this section for that taxable year, and their liabilities are 219
joint and several, but, if the federal income tax liability of 220
either spouse is determined on a separate federal income tax 221
return, they shall file separate returns under this section. 222

If either spouse is not required to file a federal income 223
tax return and either or both are required to file a return 224
pursuant to this chapter, they may elect to file separate or 225
joint returns, and, pursuant to that election, their liabilities 226
are separate or joint and several. If a husband and wife file 227
separate returns pursuant to this chapter, each must claim the 228
taxpayer's own exemption, but not both, as authorized under 229
section 5747.02 of the Revised Code on the taxpayer's own 230
return. 231

(F) Each return or notice required to be filed under this 232
section shall contain the signature of the taxpayer or the 233
taxpayer's duly authorized agent and of the person who prepared 234
the return for the taxpayer, and shall include the taxpayer's 235
social security number. Each return shall be verified by a 236
declaration under the penalties of perjury. The tax commissioner 237
shall prescribe the form that the signature and declaration 238
shall take. 239

(G) Each return or notice required to be filed under this 240
section shall be made and filed as required by section 5747.04 241
of the Revised Code, on or before the fifteenth day of April of 242
each year, on forms that the tax commissioner shall prescribe, 243
together with remittance made payable to the treasurer of state 244
in the combined amount of the state and all school district 245
income taxes shown to be due on the form. 246

Upon good cause shown, the commissioner may extend the 247

period for filing any notice or return required to be filed 248
under this section and may adopt rules relating to extensions. 249
If the extension results in an extension of time for the payment 250
of any state or school district income tax liability with 251
respect to which the return is filed, the taxpayer shall pay at 252
the time the tax liability is paid an amount of interest 253
computed at the rate per annum prescribed by section 5703.47 of 254
the Revised Code on that liability from the time that payment is 255
due without extension to the time of actual payment. Except as 256
provided in section 5747.132 of the Revised Code, in addition to 257
all other interest charges and penalties, all taxes imposed 258
under this chapter or Chapter 5748. of the Revised Code and 259
remaining unpaid after they become due, except combined amounts 260
due of one dollar or less, bear interest at the rate per annum 261
prescribed by section 5703.47 of the Revised Code until paid or 262
until the day an assessment is issued under section 5747.13 of 263
the Revised Code, whichever occurs first. 264

If the commissioner considers it necessary in order to 265
ensure the payment of the tax imposed by section 5747.02 of the 266
Revised Code or any tax imposed under Chapter 5748. of the 267
Revised Code, the commissioner may require returns and payments 268
to be made otherwise than as provided in this section. 269

To the extent that any provision in this division 270
conflicts with any provision in section 5747.026 of the Revised 271
Code, the provision in that section prevails. 272

(H) The amounts withheld by an employer pursuant to 273
section 5747.06 of the Revised Code, a casino operator pursuant 274
to section 5747.063 of the Revised Code, or a lottery sales 275
agent pursuant to section 5747.064 of the Revised Code shall be 276
allowed to the recipient of the compensation casino winnings, or 277

lottery prize award as credits against payment of the 278
appropriate taxes imposed on the recipient by section 5747.02 279
and under Chapter 5748. of the Revised Code. 280

(I) If a pass-through entity elects to file a single 281
return under division (D) of this section and if any investor is 282
required to file the annual return and make the payment of taxes 283
required by this chapter on account of the investor's other 284
income that is not included in a single return filed by a pass- 285
through entity or any other investor elects to file the annual 286
return, the investor is entitled to a refundable credit equal to 287
the investor's proportionate share of the tax paid by the pass- 288
through entity on behalf of the investor. The investor shall 289
claim the credit for the investor's taxable year in which or 290
with which ends the taxable year of the pass-through entity. 291
Nothing in this chapter shall be construed to allow any credit 292
provided in this chapter to be claimed more than once. For the 293
purpose of computing any interest, penalty, or interest penalty, 294
the investor shall be deemed to have paid the refundable credit 295
provided by this division on the day that the pass-through 296
entity paid the estimated tax or the tax giving rise to the 297
credit. 298

(J) The tax commissioner shall ensure that each return 299
required to be filed under this section includes a box that the 300
taxpayer may check to authorize a paid tax preparer who prepared 301
the return to communicate with the department of taxation about 302
matters pertaining to the return. The return or instructions 303
accompanying the return shall indicate that by checking the box 304
the taxpayer authorizes the department of taxation to contact 305
the preparer concerning questions that arise during the 306
processing of the return and authorizes the preparer only to 307
provide the department with information that is missing from the 308

return, to contact the department for information about the 309
processing of the return or the status of the taxpayer's refund 310
or payments, and to respond to notices about mathematical 311
errors, offsets, or return preparation that the taxpayer has 312
received from the department and has shown to the preparer. 313

(K) The tax commissioner shall permit individual taxpayers 314
to instruct the department of taxation to cause any refund of 315
overpaid taxes to be deposited directly into a checking account, 316
savings account, or an individual retirement account or 317
individual retirement annuity, or preexisting college savings 318
plan or program account offered by the Ohio tuition trust 319
authority under Chapter 3334. of the Revised Code, as designated 320
by the taxpayer, when the taxpayer files the annual return 321
required by this section electronically. 322

(L) The tax commissioner may adopt rules to administer 323
this section. 324

Sec. 5747.98. (A) To provide a uniform procedure for 325
calculating a taxpayer's aggregate tax liability under section 326
5747.02 of the Revised Code, a taxpayer shall claim any credits 327
to which the taxpayer is entitled in the following order: 328

(1) Either the retirement income credit under division (B) 329
of section 5747.055 of the Revised Code or the lump sum 330
retirement income credits under divisions (C), (D), and (E) of 331
that section; 332

(2) Either the senior citizen credit under division (F) of 333
section 5747.055 of the Revised Code or the lump sum 334
distribution credit under division (G) of that section; 335

(3) The dependent care credit under section 5747.054 of 336
the Revised Code; 337

(4) The credit for displaced workers who pay for job training under section 5747.27 of the Revised Code;	338 339
(5) The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;	340 341
(6) The joint filing credit under division (G) of section 5747.05 of the Revised Code;	342 343
(7) The earned income credit under section 5747.71 of the Revised Code;	344 345
(8) The credit for adoption of a minor child under section 5747.37 of the Revised Code;	346 347
(9) The nonrefundable job retention credit under division (B) of section 5747.058 of the Revised Code;	348 349
(10) The enterprise zone credit under section 5709.66 of the Revised Code;	350 351
(11) The ethanol plant investment credit under section 5747.75 of the Revised Code;	352 353
(12) The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	354 355
(13) The small business investment credit under section 5747.81 of the Revised Code;	356 357
(14) The nonrefundable lead abatement credit under section 5747.26 of the Revised Code;	358 359
(15) The opportunity zone investment credit under section 122.84 of the Revised Code;	360 361
(16) The enterprise zone credits under section 5709.65 of the Revised Code;	362 363

(17) The research and development credit under section 5747.331 of the Revised Code;	364 365
(18) The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	366 367
(19) The nonresident credit under division (A) of section 5747.05 of the Revised Code;	368 369
(20) The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	370 371
(21) The refundable motion picture and Broadway theatrical production credit under section 5747.66 of the Revised Code;	372 373
(22) The refundable jobs creation credit or job retention credit under division (A) of section 5747.058 of the Revised Code;	374 375 376
(23) The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	377 378
(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;	379 380 381
(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;	382 383 384 385
(26) The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	386 387
<u>(27) The caregiver credit under section 5747.053 of the Revised Code.</u>	388 389
(B) For any credit, except the refundable credits	390

enumerated in this section and the credit granted under division 391
(H) of section 5747.08 of the Revised Code, the amount of the 392
credit for a taxable year shall not exceed the taxpayer's 393
aggregate amount of tax due under section 5747.02 of the Revised 394
Code, after allowing for any other credit that precedes it in 395
the order required under this section. Any excess amount of a 396
particular credit may be carried forward if authorized under the 397
section creating that credit. Nothing in this chapter shall be 398
construed to allow a taxpayer to claim, directly or indirectly, 399
a credit more than once for a taxable year. 400

Section 2. That existing sections 5747.08 and 5747.98 of 401
the Revised Code are hereby repealed. 402

Section 3. The amendment or enactment by this act of 403
sections 5747.053, 5747.08, and 5747.98 of the Revised Code 404
applies to taxable years beginning on or after the first day of 405
January following the effective date of this section. 406

Section 4. Pursuant to division (G) of section 5703.95 of 407
the Revised Code, which states that any bill introduced in the 408
House of Representatives or the Senate that proposes to enact or 409
modify one or more tax expenditures should include a statement 410
explaining the objectives of the tax expenditure or its 411
modification and the sponsor's intent in proposing the tax 412
expenditure or its modification: 413

The purpose of this bill is to help alleviate the 414
financial burdens of caregivers by providing a tax credit. 415