As Introduced

133rd General Assembly
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Representatives Boggs, Boyd
Cosponsors: Representatives Brent, Brown, Clites, Crawley, Crossman, Galonski, Howse, Ingram, Kelly, Kent, Leland, Lepore-Hagan, Liston, Miller, A., Miranda, O'Brien, Patterson, Rogers, Russo, Sheehy, Skindell, Smith, K., Sobecki, Sykes, Sweeney, Weinstein, West

A BILL

To amend sections 4117.10 and 5747.01 and to enact sections 4143.01, 4143.02, 4143.03, 4143.04, 4143.05, 4143.06, 4143.07, 4143.08, 4143.09, 4143.10, 4143.11, 4143.12, 4143.13, 4143.14, and 4143.99 of the Revised Code to establish family and medical leave insurance benefits.

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

Section 1. That sections 4117.10 and 5747.01 be amended and sections 4143.01, 4143.02, 4143.03, 4143.04, 4143.05, 4143.06, 4143.07, 4143.08, 4143.09, 4143.10, 4143.11, 4143.12, 4143.13, 4143.14, and 4143.99 of the Revised Code be enacted to read as follows:

Sec. 4117.10. (A) An agreement between a public employer and an exclusive representative entered into pursuant to this chapter governs the wages, hours, and terms and conditions of public employment covered by the agreement. If the agreement provides for a final and binding arbitration of grievances,
public employers, employees, and employee organizations are subject solely to that grievance procedure and the state personnel board of review or civil service commissions have no jurisdiction to receive and determine any appeals relating to matters that were the subject of a final and binding grievance procedure. Where no agreement exists or where an agreement makes no specification about a matter, the public employer and public employees are subject to all applicable state or local laws or ordinances pertaining to the wages, hours, and terms and conditions of employment for public employees. All of the following prevail over conflicting provisions of agreements between employee organizations and public employers:

(1) Laws pertaining to any of the following subjects:

(a) Civil rights;

(b) Affirmative action;

(c) Unemployment compensation;

(d) Workers' compensation;

(e) The retirement of public employees;

(f) Residency requirements;

(g) The minimum educational requirements contained in the Revised Code pertaining to public education including the requirement of a certificate by the fiscal officer of a school district pursuant to section 5705.41 of the Revised Code;

(h) The provisions of division (A) of section 124.34 of the Revised Code governing the disciplining of officers and employees who have been convicted of a felony;

(i) The minimum standards promulgated by the state board
of education pursuant to division (D) of section 3301.07 of the Revised Code.

(2) The law pertaining to the leave of absence and compensation provided under section 5923.05 of the Revised Code, if the terms of the agreement contain benefits which are less than those contained in that section or the agreement contains no such terms and the public authority is the state or any agency, authority, commission, or board of the state or if the public authority is another entity listed in division (B) of section 4117.01 of the Revised Code that elects to provide leave of absence and compensation as provided in section 5923.05 of the Revised Code;

(3) The law pertaining to the leave established under section 5906.02 of the Revised Code, if the terms of the agreement contain benefits that are less than those contained in section 5906.02 of the Revised Code;

(4) The law pertaining to excess benefits prohibited under section 3345.311 of the Revised Code with respect to an agreement between an employee organization and a public employer entered into on or after the effective date of this amendment—September 29, 2015;

(5) The law pertaining to family and medical leave insurance benefits provided under Chapter 4143. of the Revised Code, if the terms of the agreement contain benefits less than those contained in that chapter.

Except for sections 306.08, 306.12, 306.35, and 4981.22 of the Revised Code and arrangements entered into thereunder, and section 4981.21 of the Revised Code as necessary to comply with section 13(c) of the "Urban Mass Transportation Act of 1964,"
Stat. 295, 49 U.S.C.A. 1609(c), as amended, and arrangements entered into thereunder, this chapter prevails over any and all other conflicting laws, resolutions, provisions, present or future, except as otherwise specified in this chapter or as otherwise specified by the general assembly. Nothing in this section prohibits or shall be construed to invalidate the provisions of an agreement establishing supplemental workers' compensation, unemployment compensation, or family and medical leave insurance benefits or exceeding minimum requirements contained in the Revised Code pertaining to public education or the minimum standards promulgated by the state board of education pursuant to division (D) of section 3301.07 of the Revised Code.

(B) The public employer shall submit a request for funds necessary to implement an agreement and for approval of any other matter requiring the approval of the appropriate legislative body to the legislative body within fourteen days of the date on which the parties finalize the agreement, unless otherwise specified, but if the appropriate legislative body is not in session at the time, then within fourteen days after it convenes. The legislative body must approve or reject the submission as a whole, and the submission is deemed approved if the legislative body fails to act within thirty days after the public employer submits the agreement. The parties may specify that those provisions of the agreement not requiring action by a legislative body are effective and operative in accordance with the terms of the agreement, provided there has been compliance with division (C) of this section. If the legislative body rejects the submission of the public employer, either party may reopen all or part of the entire agreement.

As used in this section, "legislative body" includes the
governing board of a municipal corporation, school district, college or university, village, township, or board of county commissioners or any other body that has authority to approve the budget of their public jurisdiction and, with regard to the state, "legislative body" means the controlling board.

(C) The chief executive officer, or the chief executive officer's representative, of each municipal corporation, the designated representative of the board of education of each school district, college or university, or any other body that has authority to approve the budget of their public jurisdiction, the designated representative of the board of county commissioners and of each elected officeholder of the county whose employees are covered by the collective negotiations, and the designated representative of the village or the board of township trustees of each township is responsible for negotiations in the collective bargaining process; except that the legislative body may accept or reject a proposed collective bargaining agreement. When the matters about which there is agreement are reduced to writing and approved by the employee organization and the legislative body, the agreement is binding upon the legislative body, the employer, and the employee organization and employees covered by the agreement.

(D) There is hereby established an office of collective bargaining in the department of administrative services for the purpose of negotiating with and entering into written agreements between state agencies, departments, boards, and commissions and the exclusive representative on matters of wages, hours, terms and other conditions of employment and the continuation, modification, or deletion of an existing provision of a collective bargaining agreement. Nothing in any provision of law
to the contrary shall be interpreted as excluding the bureau of workers' compensation and the industrial commission from the preceding sentence. This office shall not negotiate on behalf of other statewide elected officials or boards of trustees of state institutions of higher education who shall be considered as separate public employers for the purposes of this chapter; however, the office may negotiate on behalf of these officials or trustees where authorized by the officials or trustees. The staff of the office of collective bargaining are in the unclassified service. The director of administrative services shall fix the compensation of the staff.

The office of collective bargaining shall:

(1) Assist the director in formulating management's philosophy for public collective bargaining as well as planning bargaining strategies;

(2) Conduct negotiations with the exclusive representatives of each employee organization;

(3) Coordinate the state's resources in all mediation, fact-finding, and arbitration cases as well as in all labor disputes;

(4) Conduct systematic reviews of collective bargaining agreements for the purpose of contract negotiations;

(5) Coordinate the systematic compilation of data by all agencies that is required for negotiating purposes;

(6) Prepare and submit an annual report and other reports as requested to the governor and the general assembly on the implementation of this chapter and its impact upon state government.
Sec. 4143.01. As used in this chapter:

(A) "Average weekly wage" means the amount obtained by dividing an employee's total wages for all qualifying weeks during the employee's base period by the number of qualifying weeks in the employee's base period.

(B)(1) "Base period" means the first four of the last five completed calendar quarters immediately preceding the first day of an individual's twelve-month period, except as provided in division (B)(2) of this section.

(2) If an individual does not have sufficient qualifying weeks and wages in the base period to be eligible for family and medical leave insurance benefits, the individual's base period shall be the four most recently completed calendar quarters preceding the first day of the individual's twelve-month period. Such base period shall be known as the "alternate base period." No calendar quarter in a base period or alternate base period shall be used to establish a subsequent benefit year.

(3) For purposes of determining the weeks that comprise a completed calendar quarter under this division, only those weeks ending at midnight Saturday within the calendar quarter shall be utilized.

(C) "Child" means a biological, adopted, or foster son or daughter, a stepson or stepdaughter, a legal ward, or a son or daughter of a person standing in loco parentis.

(D) "Contributions" means the money payments to the family and medical leave insurance fund made by employers under section 4143.10 of the Revised Code.

(E) "Eligible individual" means an individual who satisfies the requirements of section 4143.03 of the Revised Code.
Code to receive family and medical leave insurance benefits.

(F) "Employee" and "employer" have the same meanings as in section 4113.51 of the Revised Code.

(G) "Family and medical leave insurance benefits" means money payments payable to an individual who has established benefit rights under this chapter.

(H) "Family member" means a person for whom an employee may take Family and Medical Leave Act leave, and includes a child, parent, or spouse.

(I) "Family and Medical Leave Act" means the "Family and Medical Leave Act of 1993," 29 U.S.C. 2601 et seq.

(J) "Family and Medical Leave Act leave" means leave taken from work and all other benefits authorized under the Family and Medical Leave Act.

(K) "Health care professional" means any of the following:

(1) A dentist or dental hygienist licensed under Chapter 4715. of the Revised Code;

(2) A registered nurse, clinical nurse specialist, certified nurse-midwife, or licensed practical nurse licensed or certified under Chapter 4723. of the Revised Code;

(3) A person licensed under Chapter 4729. of the Revised Code to practice as a pharmacist;

(4) A person authorized under Chapter 4730. of the Revised Code to practice as a physician assistant;

(5) A person authorized under Chapter 4731. of the Revised Code to practice medicine and surgery, osteopathic medicine and surgery, or podiatry;
(6) A psychologist licensed under Chapter 4732. of the Revised Code;

(7) A speech-language pathologist or audiologist licensed under Chapter 4753. of the Revised Code;

(8) An occupational therapist, physical therapist, physical therapist assistant, or athletic trainer licensed under Chapter 4755. of the Revised Code;

(9) A professional clinical counselor, professional counselor, independent social worker, or social worker licensed under Chapter 4757. of the Revised Code;

(10) A dietician licensed under Chapter 4759. of the Revised Code.

(L) "Internal Revenue Code" has the same meaning as in section 5747.01 of the Revised Code.

(M) "Parent" means a biological, foster, or adoptive parent, stepparent, legal guardian, or other person who stood in loco parentis to a person when the person was a child.

(N) "Qualifying week" means any calendar week in an individual's base period with respect to which the individual earns or is paid wages. A calendar week with respect to which an individual earns wages but for which payment was not made within the base period, when necessary to qualify for family and medical leave insurance benefits, may be considered to be a qualifying week. The number of qualifying weeks that may be established in a calendar quarter shall not exceed the number of calendar weeks in the quarter.

(O) "Serious health condition" means an illness, injury, impairment, or physical or mental condition that involves
inpatient care in a hospital, hospice, or residential health care facility, or continuing treatment or continuing supervision by a health care professional.

(P) "Statewide average weekly wage" means the amount calculated by the director of job and family services in accordance with division (B)(3) of section 4141.30 of the Revised Code.

(Q) "Twelve-month period" with respect to any individual, means the three hundred sixty-five consecutive days that begin with the first day an individual establishes a claim for family and medical leave insurance benefits.

(R) "Wages" means all remuneration payable to an employee for personal services performed for an employer, including commissions and bonuses, and the reasonable cash value of all remuneration payable to an employee in any medium other than cash.

(S) "Weekly benefit amount" means the amount provided in section 4143.05 of the Revised Code.

(T) "Yearly earnings" means the total wages an individual earns for the calendar year.

Sec. 4143.02. (A) There is hereby created the family and medical leave insurance program. The director of job and family services shall administer and enforce the program in accordance with this chapter and shall adopt rules in accordance with Chapter 119. of the Revised Code to establish all of the following with respect to the program:

(1) Procedures for an individual to follow to allow the individual to file a claim for family and medical leave insurance benefits under section 4143.03 of the Revised Code;
(2) The form an individual shall use to apply for family and medical leave insurance benefits;

(3) A sliding scale for determining the amount of the premium each employee shall contribute to the program based on the employee's yearly earnings;

(4) The manner and schedule by which an employer shall remit premiums to the director as prescribed by section 4143.10 of the Revised Code;

(5) A maximum annual premium an employee shall contribute to the family and medical leave insurance fund created in section 4143.10 of the Revised Code;

(6) Procedures to adjust the amounts of the premiums each year to ensure the actuarial soundness of the fund created in section 4143.10 of the Revised Code;

(7) Procedures for an employer to follow to allow the employer to make contributions on behalf of an employee to the family and medical leave insurance fund under section 4143.10 of the Revised Code;

(8) Procedures for an individual to follow to allow the individual to elect to opt out of participating in the program under section 4143.06 of the Revised Code;

(9) The form an individual shall use to elect to opt out of participating in the program;

(10) Procedures to recover a payment of benefits made to an individual in excess of the benefits the individual is entitled to receive under section 4143.09 of the Revised Code;

(11) The time periods during which an independent contractor who has elected coverage under section 4143.08 of the
Revised Code may withdraw from coverage.

(B) The director may adopt additional rules the director considers necessary to administer and enforce the program and this chapter.

Sec. 4143.03. (A) An individual may receive family and medical leave insurance benefits for any of the following reasons:

(1) The individual has a serious health condition that makes the individual unable to perform the functions of one or more of the individual's jobs.

(2) The individual is caring for a new child during the first year after the birth or adoption of the child or the placement of the child through foster care.

(3) The individual is caring for a family member who has a serious health condition.

(4) The individual is taking any other leave from work authorized by the Family and Medical Leave Act.

(B)(1) To be eligible to receive benefits, an individual shall do all of the following:

(a) File a claim for benefits in accordance with rules adopted by the director of job and family services under section 4143.02 of the Revised Code;

(b) Consent to the release of information that is considered confidential under section 4143.12 of the Revised Code;

(c) Demonstrate that the individual has been employed by and worked for one or more employers for at least six hundred
eighty hours during the individual's base period;

(d) Demonstrate that the individual's employer has withheld and remitted premiums or made contributions to the family and medical leave insurance program for at least one year;

(e) Attest in the claim for benefits that the individual notified the individual's employer in writing of the individual's intent to take leave for one of the reasons listed in division (A) of this section.

(2) The director shall require an individual filing a claim for benefits under this section to provide both of the following:

(a) An attestation that the individual is not receiving benefits under Chapter 4121., 4123., 4127., 4131., or 4141. of the Revised Code in an amount that would exceed the individual's wages, as determined by the director, when combined with the benefits available to the individual under this chapter;

(b) A certification from a health care professional supporting the individual's claim that the individual or a family member of the individual has a serious health condition.

(C)(1) The director shall notify an employer within five business days after an individual files a claim for benefits under this section that the claim has been filed.

(2) The director shall notify an individual within five business days after the individual files a claim for benefits under this section that the premiums or contributions due under section 4143.10 of the Revised Code have not been paid as described in division (B) of that section.
(D) An individual who meets the requirements of division (B) of this section may receive family and medical leave insurance benefits regardless of whether the individual is currently employed or is working at a different job while taking leave.

(E) No claim for benefits or an individual's eligibility to receive benefits under this section shall be invalidated for any of the following reasons:

(1) A failure to file a claim for benefits;

(2) A failure to furnish notice of the intent to take leave to an employer;

(3) A failure to submit an attestation or certification required by division (B)(2) of this section.

(F) An individual whose claim for benefits is denied by the director may appeal the decision to the director within twenty-one calendar days after the written determination was sent to the individual. Within twenty-one days after the receipt of the appeal, the director shall issue a determination. A determination made under this division is final and may be appealed pursuant to section 119.12 of the Revised Code.

Sec. 4143.04. (A)(1) An eligible individual shall serve a seven-day waiting period before family and medical leave insurance benefits become payable. The waiting period applies only once in a twelve-month period, regardless of how often the individual takes leave during the twelve-month period.

(2) An eligible individual who takes ten or more days of leave in a twelve-month period shall receive benefits for the waiting period described in division (A)(1) of this section. The amount of benefits an individual receives shall be reduced by
the amount of any compensation the individual received from the individual's employer during the waiting period.

(B)(1) An eligible individual may receive benefits for a maximum of two weeks before the date on which the individual files a claim for benefits, notifies the individual's employer of the intent to take leave, or provides the director of job and family services with the attestation and certification required in division (B) of section 4143.03 of the Revised Code.

(2) The director may grant an eligible individual benefits beyond those in division (B)(1) of this section upon the individual's demonstrating that the individual filed a claim, notified the individual's employer, or provided an attestation and certification as soon as was practicable.

Sec. 4143.05. (A)(1) The director of job and family services shall determine the weekly benefit amount an eligible individual may receive, subject to division (B) of this section, as follows:

(a) For an eligible individual whose yearly earnings are twenty per cent or less of the statewide average weekly wage, the weekly benefit amount shall be equal to ninety-five per cent of the individual's average weekly wage.

(b) For an eligible individual whose yearly earnings are more than twenty per cent but not more than thirty per cent of the statewide average weekly wage, the weekly benefit amount shall be equal to ninety per cent of the individual's average weekly wage.

(c) For an eligible individual whose yearly earnings are more than thirty per cent but not more than fifty per cent of the statewide average weekly wage, the weekly benefit amount
shall be equal to eighty-five per cent of the individual's average weekly wage.

(d) For an eligible individual whose yearly earnings are more than fifty per cent of the statewide average weekly wage, the weekly benefit amount shall be equal to sixty-six per cent of the individual's average weekly wage.

(2) The maximum weekly benefit amount an eligible individual may receive under this section is one thousand dollars per week.

(3) Beginning on January 1, 2024, and every year thereafter, the director shall adjust the maximum weekly benefit amount to reflect changes in the consumer price index or its successor index for all urban consumers in the midwest region for all items as calculated by the federal government for the previous calendar year.

(B) The director shall calculate an eligible individual's weekly benefit amount under division (A) of this section based on the individual's average weekly wage earned from the job from which the individual is taking leave. If the individual is able to continue working at a different job while taking leave, the director shall not consider the individual's average weekly wage from the other job when calculating the individual's weekly benefit amount.

(C)(1) The director shall make the first payment of family and medical leave insurance benefits to an eligible individual within fourteen calendar days after the individual files a claim for benefits under section 4143.03 of the Revised Code.

(2) The director shall make subsequent payments to an eligible individual biweekly after the first payment under
division (C)(1) of this section.

(D) An eligible individual may receive a maximum of twelve weeks of benefits payable during a twelve-month period. Benefits are not payable for a period of less than eight consecutive hours of leave taken during one work week.

Sec. 4143.06. (A)(1) A period of leave taken by an eligible individual under this chapter runs concurrently with any leave taken under the Family and Medical Leave Act.

(2) An employer may require that any leave taken under this chapter be taken concurrently with leave allowed under the terms of disability or family care leave under a collective bargaining agreement or employer policy. The employer shall provide employees with a written notice of this requirement.

(B)(1) An employer shall comply with a collective bargaining agreement or employer policy that provides employees with greater leave than that provided by the Family and Medical Leave Act.

(2) An employee who is covered by an employer policy described in division (B)(1) of this section may elect not to participate in the family and medical leave insurance program by filing an election to opt out in accordance with rules adopted by the director of job and family services under section 4143.02 of the Revised Code.

(C) No collective bargaining agreement or employer policy shall diminish an individual's rights to benefits under this chapter.

(D) Any agreement by an individual to waive the individual's rights under this chapter is void as against public policy. This division does not apply to an individual who elects
to opt out of participating in the program under division (B)(2) of this section.

Sec. 4143.07. (A) An eligible individual who serves a waiting period described in section 4143.04 of the Revised Code or takes a period of leave under this chapter shall be restored to the individual's position of employment with the individual's employer before taking leave, or to an equivalent position with equivalent benefits, pay, status, and other terms and conditions of employment.

(B) No employer shall discharge, demote, discriminate, or take an adverse employment action against an employee at any time for any of the following reasons:

(1) The employee filed a claim or received benefits under this chapter.

(2) The employee communicated to the employer the employee's intent to file a claim for benefits, a complaint, or an appeal under this chapter.

(3) The employee testified, agreed to testify, or otherwise assisted in a proceeding under this chapter.

(C) The director of job and family services, after a notice and hearing conducted under Chapter 119. of the Revised Code, may assess a civil penalty against an employer who violates this section of up to three thousand dollars per violation. If the employer fails to pay the civil penalty assessed by the director under this division, the director shall forward to the attorney general the name of the employer and the amount of the civil penalty for the purpose of collecting that civil penalty. In addition to the civil penalty assessed under this division, the employer shall pay any fee assessed by the
attorney general for collection of the civil penalty. Any civil penalty collected for a violation shall be deposited into the family and medical leave insurance fund created in section 4143.10 of the Revised Code.

(D)(1) An aggrieved employee may bring a civil action in a court of competent jurisdiction against an employer who the employee believes violated this section. If the court finds that a violation has occurred, the employer shall be liable to the aggrieved employee for any of the following:

(a) Damages in the amount of lost wages, salary, benefits, or other compensation;

(b) Damages for any actual monetary losses sustained by the employee;

(c) Interest on damages calculated at the prevailing rate;

(d) Equitable relief as may be appropriate.

(2) An employer may be liable for liquidated damages in an amount equal to those described in division (D)(1)(a) or (b) of this section if the employer cannot prove that a violation of this section was unintentional and made in good faith.

Sec. 4143.08. (A) An independent contractor may elect coverage under this chapter for an initial period of a minimum of three years. An independent contractor shall file a notice of election of coverage in writing with the director of job and family services. The election is effective on the date the notice is filed.

(B) An independent contractor may elect continuing coverage under this chapter for a period of a minimum of one year immediately following another period of coverage by filing
a notice for election of coverage as described in division (A) of this section at least thirty days before the prior election period expires.

(C) An independent contractor may withdraw from coverage by filing a written notice with the director within thirty days before the end of a period of coverage or during a period the director has designated by rule under section 4143.02 of the Revised Code. The withdrawal is effective thirty days after the notice is filed.

**Sec. 4143.09.** (A) No individual shall receive family and medical leave insurance benefits for one year after the individual willfully makes a false statement or misrepresents or willfully fails to report a material fact in connection with a claim for benefits under this chapter.

(B)(1) The director of job and family services may seek repayment of benefits that are paid to an individual in excess of the benefits the individual is entitled to receive for any of the following reasons:

(a) The individual willfully made a false statement or misrepresented or willfully failed to report a material fact in connection with a claim for benefits.

(b) The individual received benefits to which the individual is subsequently determined to not be entitled as a result of a decision of an appeal under division (F) of section 4143.03 of the Revised Code.

(c) The individual failed to demonstrate that the individual took the actions listed in division (B)(2) of section 4143.04 of the Revised Code to remain eligible for benefits granted under that division.
(d) The individual received benefits to which the individual was not entitled due to a mistake or a clerical error.

(2) The director may waive a repayment or part of a repayment in division (B)(1) of this section if the director decides the recovery is against equity and good conscience.

Sec. 4143.10. (A) There is hereby created the family and medical leave insurance fund, which shall be in the custody of the treasurer of state but shall not be a part of the state treasury. All premiums and contributions received under this section and any other moneys collected pursuant to this chapter shall be deposited into the fund. The treasurer of state shall invest any portion of the fund not needed for immediate use in the same manner as, and subject to all applicable laws regarding the investment of, state funds. Any investment earnings of the fund shall be credited to the fund. The treasurer of state shall disburse money from the fund on order of the director of job and family services or a designee of the director.

(B)(1) Except as provided in division (B)(2) of section 4143.06 of the Revised Code or division (B)(2) or (D)(2) of this section, every employer paying any wages to an employee shall deduct and withhold from such wages for each payroll period a premium computed in accordance with rules adopted by the director under section 4143.02 of the Revised Code. The employer shall deduct and withhold the premium on the date that the employer directly, indirectly, or constructively pays wages to, or credits wages to the benefit of, the employee.

(2) An employer may elect to pay contributions into the fund on behalf of an employee. The employer shall follow the procedures prescribed by the director under section 4143.02 of...
the Revised Code to establish the employer's obligation to pay contributions to the fund.

(C)(1) The failure of an employer to withhold premiums as required by this section does not relieve an employee from the liability for the premium unless the employer paid the contribution under division (B)(2) of this section. The failure of an employer to remit the premium as required by section 4143.02 of the Revised Code does not relieve an employee from liability for the premium if the director ascertains that the employee colluded with the employer with respect to the failure to remit the premium.

(2) If an employer fails to deduct and withhold premiums as required, and thereafter the premium is paid, the premium so required to be deducted and withheld shall not be collected from the employer, but the employer is not relieved from liability for penalties otherwise applicable in respect to the failure to deduct and withhold the premium.

(3) The failure of an employer to make contributions as permitted by this section does not relieve an employee for the liability for the premium that would otherwise be due if the employer had not elected to pay contributions.

(D)(1) To ensure that premiums imposed by this section are deducted and withheld as provided, each employee shall furnish the employer with sufficient and correct information to enable the employer to withhold the premium. The employee shall provide additional or corrected information whenever information previously provided to the employer becomes insufficient or incorrect.

(2) If the employee fails to comply with the requirements
of division (D)(1) of this section, the employer is not required to withhold and pay the premium and is not subject to any penalties otherwise applicable for failing to deduct and withhold such premiums.

(E) An employee who elects to opt out of participating in the family and medical leave insurance program under division (B)(2) of section 4143.06 of the Revised Code is not liable for any premium or contribution to the fund under this chapter.

(F)(1) The director may apply for and accept gifts, grants, donations, and available federal funding to pay for the costs to establish the family and medical leave insurance program created under section 4143.02 of the Revised Code. The director shall transmit any gifts, grants, donations, or federal funding the director receives to the treasurer of state for deposit in the fund.

(2) The director may request an appropriation to cover the costs to establish the program, if the director does not receive adequate funding under division (F)(1) of this section.

Sec. 4143.11. (A) If the internal revenue service determines benefits under this chapter are subject to federal income tax, the director of job and family services shall inform an individual for whom the director approved a claim for benefits under section 4143.03 of the Revised Code, before making the first benefit payment, of each of the following:

(1) That the internal revenue service has determined that benefits are subject to federal income tax;

(2) The requirement for the individual to make estimated tax payments on the basis of those benefits as required by the Internal Revenue Code:
(3) That the individual may elect to have federal income tax deducted and withheld from the individual's payment of benefits in the amount authorized under the Internal Revenue Code;

(4) That the individual may change a previously elected federal withholding status as authorized under the Internal Revenue Code.

(B) The director shall follow all procedures prescribed by the internal revenue service when deducting, withholding, and remitting federal income tax.

Sec. 4143.12. (A) Except as provided in division (B) of this section, any information contained in the files and records of an individual in the possession of the director of job and family services under this chapter is confidential and is not a public record under section 149.43 of the Revised Code.

(B) The following individuals may have access to the files and records of an individual under this chapter:

(1) A public employee in the performance of the public employee's official duties;

(2) The individual or a person authorized by the individual, with an authorization form signed by the individual;

(3) An employer or the employer's duly authorized representative, in connection with a pending claim of an individual employed by the employer;

(4) An individual who is assisting the director of job and family services on any matter regarding the administration of this chapter, at the director's request.

Sec. 4143.13. (A) Not later than March 1, 2023, and every...
year thereafter, the director of job and family services shall submit a report to the standing committees of the house of representatives and the senate that are principally responsible for commerce and labor policy and the standing committees of the house of representatives and the senate that are principally responsible for health and human services policy. The report shall contain all of the following information:

(1) Projected family and medical leave insurance program participation;

(2) Actual program participation;

(3) Demographic information of participants, including gender, race, and ethnicity;

(4) Purpose and duration of leave taken by participants;

(5) Premium rates;

(6) Fund balances;

(7) Outreach efforts.

(B) The director shall make the report available to the public by posting the report on the internet web site maintained by the department of job and family services.

Sec. 4143.14. (A) The director of job and family services shall develop and implement an outreach program to educate the public about the family and medical leave insurance program created under section 4143.02 of the Revised Code and the availability of family and medical leave insurance benefits for individuals under this chapter. The outreach program shall explain all of the following information about the program:

(1) Eligibility requirements;
(2) The claims process;

(3) Weekly benefit amounts and maximum benefits payable;

(4) Notice and medical certification requirements;

(5) Reinstatement and nondiscrimination rights;

(6) Confidentiality of records;

(7) The relationship between employment protection, leave from employment, and benefits under this chapter and other laws, collective bargaining agreements, and employer policies;

(8) Other information the director considers necessary.

(B) The director shall develop a program notice containing the information listed in division (A) of this section. Each employer shall post the program notice in a prominent location in the employer's workplace and inform employees of the program.

Sec. 4143.99. Whoever recklessly violates section 4143.10 of the Revised Code by failing to remit premiums withheld from an employee is guilty of a felony of the fifth degree.

Sec. 5747.01. Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter that is not otherwise defined in this section has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes or if not used in a comparable context in those laws, has the same meaning as in section 5733.40 of the Revised Code. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

As used in this chapter:

(A) "Adjusted gross income" or "Ohio adjusted gross
income" means federal adjusted gross income, as defined and used
in the Internal Revenue Code, adjusted as provided in this
section:

(1) Add interest or dividends on obligations or securities
of any state or of any political subdivision or authority of any
state, other than this state and its subdivisions and
authorities.

(2) Add interest or dividends on obligations of any
authority, commission, instrumentality, territory, or possession
of the United States to the extent that the interest or
dividends are exempt from federal income taxes but not from
state income taxes.

(3) Deduct interest or dividends on obligations of the
United States and its territories and possessions or of any
authority, commission, or instrumentality of the United States
to the extent that the interest or dividends are included in
federal adjusted gross income but exempt from state income taxes
under the laws of the United States.

(4) Deduct disability and survivor's benefits to the
extent included in federal adjusted gross income.

(5) Deduct benefits under Title II of the Social Security
Act and tier 1 railroad retirement benefits to the extent
included in federal adjusted gross income under section 86 of
the Internal Revenue Code.

(6) In the case of a taxpayer who is a beneficiary of a
trust that makes an accumulation distribution as defined in
section 665 of the Internal Revenue Code, add, for the
beneficiary's taxable years beginning before 2002, the portion,
if any, of such distribution that does not exceed the
undistributed net income of the trust for the three taxable
years preceding the taxable year in which the distribution is
made to the extent that the portion was not included in the
trust's taxable income for any of the trust's taxable years
beginning in 2002 or thereafter. "Undistributed net income of a
trust" means the taxable income of the trust increased by (a)(i)
the additions to adjusted gross income required under division
(A) of this section and (ii) the personal exemptions allowed to
the trust pursuant to section 642(b) of the Internal Revenue
Code, and decreased by (b)(i) the deductions to adjusted gross
income required under division (A) of this section, (ii) the
amount of federal income taxes attributable to such income, and
(iii) the amount of taxable income that has been included in the
adjusted gross income of a beneficiary by reason of a prior
accumulation distribution. Any undistributed net income included
in the adjusted gross income of a beneficiary shall reduce the
undistributed net income of the trust commencing with the
earliest years of the accumulation period.

(7) Deduct the amount of wages and salaries, if any, not
otherwise allowable as a deduction but that would have been
allowable as a deduction in computing federal adjusted gross
income for the taxable year, had the targeted jobs credit
allowed and determined under sections 38, 51, and 52 of the
Internal Revenue Code not been in effect.

(8) Deduct any interest or interest equivalent on public
obligations and purchase obligations to the extent that the
interest or interest equivalent is included in federal adjusted
gross income.

(9) Add any loss or deduct any gain resulting from the
sale, exchange, or other disposition of public obligations to


the extent that the loss has been deducted or the gain has been included in computing federal adjusted gross income.

(10) Deduct or add amounts, as provided under section 5747.70 of the Revised Code, related to contributions to variable college savings program accounts made or tuition units purchased pursuant to Chapter 3334. of the Revised Code.

(11)(a) Deduct, to the extent not otherwise allowable as a deduction or exclusion in computing federal or Ohio adjusted gross income for the taxable year, the amount the taxpayer paid during the taxable year for medical care insurance and qualified long-term care insurance for the taxpayer, the taxpayer's spouse, and dependents. No deduction for medical care insurance under division (A)(11) of this section shall be allowed either to any taxpayer who is eligible to participate in any subsidized health plan maintained by any employer of the taxpayer or of the taxpayer's spouse, or to any taxpayer who is entitled to, or on application would be entitled to, benefits under part A of Title XVIII of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C. 301, as amended. For the purposes of division (A)(11)(a) of this section, "subsidized health plan" means a health plan for which the employer pays any portion of the plan's cost. The deduction allowed under division (A)(11)(a) of this section shall be the net of any related premium refunds, related premium reimbursements, or related insurance premium dividends received during the taxable year.

(b) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income during the taxable year, the amount the taxpayer paid during the taxable year, not compensated for by any insurance or otherwise, for medical care of the taxpayer, the taxpayer's spouse, and
dependents, to the extent the expenses exceed seven and one-half per cent of the taxpayer's federal adjusted gross income.

(c) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income, any amount included in federal adjusted gross income under section 105 or not excluded under section 106 of the Internal Revenue Code solely because it relates to an accident and health plan for a person who otherwise would be a "qualifying relative" and thus a "dependent" under section 152 of the Internal Revenue Code but for the fact that the person fails to meet the income and support limitations under section 152(d)(1)(B) and (C) of the Internal Revenue Code.

(d) For purposes of division (A)(11) of this section, "medical care" has the meaning given in section 213 of the Internal Revenue Code, subject to the special rules, limitations, and exclusions set forth therein, and "qualified long-term care" has the same meaning given in section 7702B(c) of the Internal Revenue Code. Solely for purposes of divisions (A)(11)(a) and (c) of this section, "dependent" includes a person who otherwise would be a "qualifying relative" and thus a "dependent" under section 152 of the Internal Revenue Code but for the fact that the person fails to meet the income and support limitations under section 152(d)(1)(B) and (C) of the Internal Revenue Code.

(12)(a) Deduct any amount included in federal adjusted gross income solely because the amount represents a reimbursement or refund of expenses that in any year the taxpayer had deducted as an itemized deduction pursuant to section 63 of the Internal Revenue Code and applicable United States department of the treasury regulations. The deduction
otherwise allowed under division (A)(12)(a) of this section shall be reduced to the extent the reimbursement is attributable to an amount the taxpayer deducted under this section in any taxable year.

(b) Add any amount not otherwise included in Ohio adjusted gross income for any taxable year to the extent that the amount is attributable to the recovery during the taxable year of any amount deducted or excluded in computing federal or Ohio adjusted gross income in any taxable year.

(13) Deduct any portion of the deduction described in section 1341(a)(2) of the Internal Revenue Code, for repaying previously reported income received under a claim of right, that meets both of the following requirements:

(a) It is allowable for repayment of an item that was included in the taxpayer's adjusted gross income for a prior taxable year and did not qualify for a credit under division (A) or (B) of section 5747.05 of the Revised Code for that year;

(b) It does not otherwise reduce the taxpayer's adjusted gross income for the current or any other taxable year.

(14) Deduct an amount equal to the deposits made to, and net investment earnings of, a medical savings account during the taxable year, in accordance with section 3924.66 of the Revised Code. The deduction allowed by division (A)(14) of this section does not apply to medical savings account deposits and earnings otherwise deducted or excluded for the current or any other taxable year from the taxpayer's federal adjusted gross income.

(15)(a) Add an amount equal to the funds withdrawn from a medical savings account during the taxable year, and the net investment earnings on those funds, when the funds withdrawn
were used for any purpose other than to reimburse an account holder for, or to pay, eligible medical expenses, in accordance with section 3924.66 of the Revised Code;

(b) Add the amounts distributed from a medical savings account under division (A)(2) of section 3924.68 of the Revised Code during the taxable year.

(16) Add any amount claimed as a credit under section 5747.059 or 5747.65 of the Revised Code to the extent that such amount satisfies either of the following:

(a) The amount was deducted or excluded from the computation of the taxpayer's federal adjusted gross income as required to be reported for the taxpayer's taxable year under the Internal Revenue Code;

(b) The amount resulted in a reduction of the taxpayer's federal adjusted gross income as required to be reported for any of the taxpayer's taxable years under the Internal Revenue Code.

(17) Deduct the amount contributed by the taxpayer to an individual development account program established by a county department of job and family services pursuant to sections 329.11 to 329.14 of the Revised Code for the purpose of matching funds deposited by program participants. On request of the tax commissioner, the taxpayer shall provide any information that, in the tax commissioner's opinion, is necessary to establish the amount deducted under division (A)(17) of this section.

(18) Beginning in taxable year 2001 but not for any taxable year beginning after December 31, 2005, if the taxpayer is married and files a joint return and the combined federal adjusted gross income of the taxpayer and the taxpayer's spouse for the taxable year does not exceed one hundred thousand
dollars, or if the taxpayer is single and has a federal adjusted
gross income for the taxable year not exceeding fifty thousand
dollars, deduct amounts paid during the taxable year for
qualified tuition and fees paid to an eligible institution for
the taxpayer, the taxpayer's spouse, or any dependent of the
taxpayer, who is a resident of this state and is enrolled in or
attending a program that culminates in a degree or diploma at an
eligible institution. The deduction may be claimed only to the
extent that qualified tuition and fees are not otherwise
deducted or excluded for any taxable year from federal or Ohio
adjusted gross income. The deduction may not be claimed for
educational expenses for which the taxpayer claims a credit
under section 5747.27 of the Revised Code.

(19) Add any reimbursement received during the taxable
year of any amount the taxpayer deducted under division (A)(18)
of this section in any previous taxable year to the extent the
amount is not otherwise included in Ohio adjusted gross income.

(20)(a)(i) Subject to divisions (A)(20)(a)(iii), (iv), and
(v) of this section, add five-sixths of the amount of
depreciation expense allowed by subsection (k) of section 168 of
the Internal Revenue Code, including the taxpayer's
proportionate or distributive share of the amount of
depreciation expense allowed by that subsection to a pass-
through entity in which the taxpayer has a direct or indirect
ownership interest.

(ii) Subject to divisions (A)(20)(a)(iii), (iv), and (v)
of this section, add five-sixths of the amount of qualifying
section 179 depreciation expense, including the taxpayer's
proportionate or distributive share of the amount of qualifying
section 179 depreciation expense allowed to any pass-through
entity in which the taxpayer has a direct or indirect ownership
interest.

(iii) Subject to division (A)(20)(a)(v) of this section, for taxable years beginning in 2012 or thereafter, if the increase in income taxes withheld by the taxpayer is equal to or greater than ten per cent of income taxes withheld by the taxpayer during the taxpayer's immediately preceding taxable year, "two-thirds" shall be substituted for "five-sixths" for the purpose of divisions (A)(20)(a)(i) and (ii) of this section.

(iv) Subject to division (A)(20)(a)(v) of this section, for taxable years beginning in 2012 or thereafter, a taxpayer is not required to add an amount under division (A)(20) of this section if the increase in income taxes withheld by the taxpayer and by any pass-through entity in which the taxpayer has a direct or indirect ownership interest is equal to or greater than the sum of (I) the amount of qualifying section 179 depreciation expense and (II) the amount of depreciation expense allowed to the taxpayer by subsection (k) of section 168 of the Internal Revenue Code, and including the taxpayer's proportionate or distributive shares of such amounts allowed to any such pass-through entities.

(v) If a taxpayer directly or indirectly incurs a net operating loss for the taxable year for federal income tax purposes, to the extent such loss resulted from depreciation expense allowed by subsection (k) of section 168 of the Internal Revenue Code and by qualifying section 179 depreciation expense, "the entire" shall be substituted for "five-sixths of the" for the purpose of divisions (A)(20)(a)(i) and (ii) of this section.

The tax commissioner, under procedures established by the commissioner, may waive the add-backs related to a pass-through
entity if the taxpayer owns, directly or indirectly, less than five per cent of the pass-through entity.

(b) Nothing in division (A)(20) of this section shall be construed to adjust or modify the adjusted basis of any asset.

(c) To the extent the add-back required under division (A)(20)(a) of this section is attributable to property generating nonbusiness income or loss allocated under section 5747.20 of the Revised Code, the add-back shall be sitused to the same location as the nonbusiness income or loss generated by the property for the purpose of determining the credit under division (A) of section 5747.05 of the Revised Code. Otherwise, the add-back shall be apportioned, subject to one or more of the four alternative methods of apportionment enumerated in section 5747.21 of the Revised Code.

(d) For the purposes of division (A)(20)(a)(v) of this section, net operating loss carryback and carryforward shall not include the allowance of any net operating loss deduction carryback or carryforward to the taxable year to the extent such loss resulted from depreciation allowed by section 168(k) of the Internal Revenue Code and by the qualifying section 179 depreciation expense amount.

(e) For the purposes of divisions (A)(20) and (21) of this section:

(i) "Income taxes withheld" means the total amount withheld and remitted under sections 5747.06 and 5747.07 of the Revised Code by an employer during the employer's taxable year.

(ii) "Increase in income taxes withheld" means the amount by which the amount of income taxes withheld by an employer during the employer's current taxable year exceeds the amount of
income taxes withheld by that employer during the employer's immediately preceding taxable year.

(iii) "Qualifying section 179 depreciation expense" means the difference between (I) the amount of depreciation expense directly or indirectly allowed to a taxpayer under section 179 of the Internal Revised Code, and (II) the amount of depreciation expense directly or indirectly allowed to the taxpayer under section 179 of the Internal Revenue Code as that section existed on December 31, 2002.

(21)(a) If the taxpayer was required to add an amount under division (A)(20)(a) of this section for a taxable year, deduct one of the following:

(i) One-fifth of the amount so added for each of the five succeeding taxable years if the amount so added was five-sixths of qualifying section 179 depreciation expense or depreciation expense allowed by subsection (k) of section 168 of the Internal Revenue Code;

(ii) One-half of the amount so added for each of the two succeeding taxable years if the amount so added was two-thirds of such depreciation expense;

(iii) One-sixth of the amount so added for each of the six succeeding taxable years if the entire amount of such depreciation expense was so added.

(b) If the amount deducted under division (A)(21)(a) of this section is attributable to an add-back allocated under division (A)(20)(c) of this section, the amount deducted shall be sitused to the same location. Otherwise, the add-back shall be apportioned using the apportionment factors for the taxable year in which the deduction is taken, subject to one or more of
the four alternative methods of apportionment enumerated in section 5747.21 of the Revised Code.

(c) No deduction is available under division (A)(21)(a) of this section with regard to any depreciation allowed by section 168(k) of the Internal Revenue Code and by the qualifying section 179 depreciation expense amount to the extent that such depreciation results in or increases a federal net operating loss carryback or carryforward. If no such deduction is available for a taxable year, the taxpayer may carry forward the amount not deducted in such taxable year to the next taxable year and add that amount to any deduction otherwise available under division (A)(21)(a) of this section for that next taxable year. The carryforward of amounts not so deducted shall continue until the entire addition required by division (A)(20)(a) of this section has been deducted.

(d) No refund shall be allowed as a result of adjustments made by division (A)(21) of this section.

(22) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, the amount the taxpayer received during the taxable year as reimbursement for life insurance premiums under section 5919.31 of the Revised Code.

(23) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, the amount the taxpayer received during the taxable year as a death benefit paid by the adjutant general under section 5919.33 of the Revised Code.

(24) Deduct, to the extent included in federal adjusted gross income and not otherwise allowable as a deduction or
exclusion in computing federal or Ohio adjusted gross income for the taxable year, military pay and allowances received by the taxpayer during the taxable year for active duty service in the United States army, air force, navy, marine corps, or coast guard or reserve components thereof or the national guard. The deduction may not be claimed for military pay and allowances received by the taxpayer while the taxpayer is stationed in this state.

(25) Deduct, to the extent not otherwise allowable as a deduction or exclusion in computing federal or Ohio adjusted gross income for the taxable year and not otherwise compensated for by any other source, the amount of qualified organ donation expenses incurred by the taxpayer during the taxable year, not to exceed ten thousand dollars. A taxpayer may deduct qualified organ donation expenses only once for all taxable years beginning with taxable years beginning in 2007.

For the purposes of division (A)(25) of this section:

(a) "Human organ" means all or any portion of a human liver, pancreas, kidney, intestine, or lung, and any portion of human bone marrow.

(b) "Qualified organ donation expenses" means travel expenses, lodging expenses, and wages and salary forgone by a taxpayer in connection with the taxpayer's donation, while living, of one or more of the taxpayer's human organs to another human being.

(26) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, amounts received by the taxpayer as retired personnel pay for service in the uniformed services or reserve
components thereof, or the national guard, or received by the
surviving spouse or former spouse of such a taxpayer under the
survivor benefit plan on account of such a taxpayer's death. If
the taxpayer receives income on account of retirement paid under
the federal civil service retirement system or federal employees
retirement system, or under any successor retirement program
enacted by the congress of the United States that is established
and maintained for retired employees of the United States
government, and such retirement income is based, in whole or in
part, on credit for the taxpayer's uniformed service, the
deduction allowed under this division shall include only that
portion of such retirement income that is attributable to the
taxpayer's uniformed service, to the extent that portion of such
retirement income is otherwise included in federal adjusted
gross income and is not otherwise deducted under this section.
Any amount deducted under division (A)(26) of this section is
not included in a taxpayer's adjusted gross income for the
purposes of section 5747.055 of the Revised Code. No amount may
be deducted under division (A)(26) of this section on the basis
of which a credit was claimed under section 5747.055 of the
Revised Code.

(27) Deduct, to the extent not otherwise deducted or
excluded in computing federal or Ohio adjusted gross income for
the taxable year, the amount the taxpayer received during the
taxable year from the military injury relief fund created in
section 5902.05 of the Revised Code.

(28) Deduct, to the extent not otherwise deducted or
excluded in computing federal or Ohio adjusted gross income for
the taxable year, the amount the taxpayer received as a veterans
bonus during the taxable year from the Ohio department of
veterans services as authorized by Section 2r of Article VIII,
(29) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, any income derived from a transfer agreement or from the enterprise transferred under that agreement under section 4313.02 of the Revised Code.

(30) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, Ohio college opportunity or federal Pell grant amounts received by the taxpayer or the taxpayer's spouse or dependent pursuant to section 3333.122 of the Revised Code or 20 U.S.C. 1070a, et seq., and used to pay room or board furnished by the educational institution for which the grant was awarded at the institution's facilities, including meal plans administered by the institution. For the purposes of this division, receipt of a grant includes the distribution of a grant directly to an educational institution and the crediting of the grant to the enrollee's account with the institution.

(31)(a) For taxable years beginning in 2015, deduct from the portion of an individual's adjusted gross income that is business income, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, the lesser of the following amounts:

(i) Seventy-five per cent of the individual's business income;

(ii) Ninety-three thousand seven hundred fifty dollars for each spouse if spouses file separate returns under section 5747.08 of the Revised Code or one hundred eighty-seven thousand five hundred dollars for all other individuals.
(b) For taxable years beginning in 2016 or thereafter, deduct from the portion of an individual's adjusted gross income that is business income, to the extent not otherwise deducted or excluded in computing federal adjusted gross income for the taxable year, one hundred twenty-five thousand dollars for each spouse if spouses file separate returns under section 5747.08 of the Revised Code or two hundred fifty thousand dollars for all other individuals.

(32) Deduct, as provided under section 5747.78 of the Revised Code, contributions to ABLE savings accounts made in accordance with sections 113.50 to 113.56 of the Revised Code.

(33)(a) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income during the taxable year, all of the following:

(i) Compensation paid to a qualifying employee described in division (A)(14)(a) of section 5703.94 of the Revised Code to the extent such compensation is for disaster work conducted in this state during a disaster response period pursuant to a qualifying solicitation received by the employee's employer;

(ii) Compensation paid to a qualifying employee described in division (A)(14)(b) of section 5703.94 of the Revised Code to the extent such compensation is for disaster work conducted in this state by the employee during the disaster response period on critical infrastructure owned or used by the employee's employer;

(iii) Income received by an out-of-state disaster business for disaster work conducted in this state during a disaster response period, or, if the out-of-state disaster business is a pass-through entity, a taxpayer's distributive share of the
pass-through entity's income from the business conducting disaster work in this state during a disaster response period, if, in either case, the disaster work is conducted pursuant to a qualifying solicitation received by the business.

(b) All terms used in division (A)(33) of this section have the same meanings as in section 5703.94 of the Revised Code.

(34) Deduct benefits under Chapter 4143. of the Revised Code to the extent included in federal adjusted gross income.

(B) "Business income" means income, including gain or loss, arising from transactions, activities, and sources in the regular course of a trade or business and includes income, gain, or loss from real property, tangible property, and intangible property if the acquisition, rental, management, and disposition of the property constitute integral parts of the regular course of a trade or business operation. "Business income" includes income, including gain or loss, from a partial or complete liquidation of a business, including, but not limited to, gain or loss from the sale or other disposition of goodwill.

(C) "Nonbusiness income" means all income other than business income and may include, but is not limited to, compensation, rents and royalties from real or tangible personal property, capital gains, interest, dividends and distributions, patent or copyright royalties, or lottery winnings, prizes, and awards.

(D) "Compensation" means any form of remuneration paid to an employee for personal services.

(E) "Fiduciary" means a guardian, trustee, executor, administrator, receiver, conservator, or any other person acting...
in any fiduciary capacity for any individual, trust, or estate.

(F) "Fiscal year" means an accounting period of twelve months ending on the last day of any month other than December.

(G) "Individual" means any natural person.


(I) "Resident" means any of the following, provided that division (I)(3) of this section applies only to taxable years of a trust beginning in 2002 or thereafter:

(1) An individual who is domiciled in this state, subject to section 5747.24 of the Revised Code;

(2) The estate of a decedent who at the time of death was domiciled in this state. The domicile tests of section 5747.24 of the Revised Code are not controlling for purposes of division (I)(2) of this section.

(3) A trust that, in whole or part, resides in this state. If only part of a trust resides in this state, the trust is a resident only with respect to that part.

For the purposes of division (I)(3) of this section:

(a) A trust resides in this state for the trust's current taxable year to the extent, as described in division (I)(3)(d) of this section, that the trust consists directly or indirectly, in whole or in part, of assets, net of any related liabilities, that were transferred, or caused to be transferred, directly or indirectly, to the trust by any of the following:

(i) A person, a court, or a governmental entity or instrumentality on account of the death of a decedent, but only
if the trust is described in division (I)(3)(e)(i) or (ii) of this section;

(ii) A person who was domiciled in this state for the purposes of this chapter when the person directly or indirectly transferred assets to an irrevocable trust, but only if at least one of the trust's qualifying beneficiaries is domiciled in this state for the purposes of this chapter during all or some portion of the trust's current taxable year;

(iii) A person who was domiciled in this state for the purposes of this chapter when the trust document or instrument or part of the trust document or instrument became irrevocable, but only if at least one of the trust's qualifying beneficiaries is a resident domiciled in this state for the purposes of this chapter during all or some portion of the trust's current taxable year. If a trust document or instrument became irrevocable upon the death of a person who at the time of death was domiciled in this state for purposes of this chapter, that person is a person described in division (I)(3)(a)(iii) of this section.

(b) A trust is irrevocable to the extent that the transferor is not considered to be the owner of the net assets of the trust under sections 671 to 678 of the Internal Revenue Code.

(c) With respect to a trust other than a charitable lead trust, "qualifying beneficiary" has the same meaning as "potential current beneficiary" as defined in section 1361(e)(2) of the Internal Revenue Code, and with respect to a charitable lead trust "qualifying beneficiary" is any current, future, or contingent beneficiary, but with respect to any trust "qualifying beneficiary" excludes a person or a governmental
entity or instrumentality to any of which a contribution would qualify for the charitable deduction under section 170 of the Internal Revenue Code.

(d) For the purposes of division (I)(3)(a) of this section, the extent to which a trust consists directly or indirectly, in whole or in part, of assets, net of any related liabilities, that were transferred directly or indirectly, in whole or part, to the trust by any of the sources enumerated in that division shall be ascertained by multiplying the fair market value of the trust's assets, net of related liabilities, by the qualifying ratio, which shall be computed as follows:

(i) The first time the trust receives assets, the numerator of the qualifying ratio is the fair market value of those assets at that time, net of any related liabilities, from sources enumerated in division (I)(3)(a) of this section. The denominator of the qualifying ratio is the fair market value of all the trust's assets at that time, net of any related liabilities.

(ii) Each subsequent time the trust receives assets, a revised qualifying ratio shall be computed. The numerator of the revised qualifying ratio is the sum of (1) the fair market value of the trust's assets immediately prior to the subsequent transfer, net of any related liabilities, multiplied by the qualifying ratio last computed without regard to the subsequent transfer, and (2) the fair market value of the subsequently transferred assets at the time transferred, net of any related liabilities, from sources enumerated in division (I)(3)(a) of this section. The denominator of the revised qualifying ratio is the fair market value of all the trust's assets immediately after the subsequent transfer, net of any related liabilities.
(iii) Whether a transfer to the trust is by or from any of the sources enumerated in division (I)(3)(a) of this section shall be ascertained without regard to the domicile of the trust's beneficiaries.

(e) For the purposes of division (I)(3)(a)(i) of this section:

(i) A trust is described in division (I)(3)(e)(i) of this section if the trust is a testamentary trust and the testator of that testamentary trust was domiciled in this state at the time of the testator's death for purposes of the taxes levied under Chapter 5731. of the Revised Code.

(ii) A trust is described in division (I)(3)(e)(ii) of this section if the transfer is a qualifying transfer described in any of divisions (I)(3)(f)(i) to (vi) of this section, the trust is an irrevocable inter vivos trust, and at least one of the trust's qualifying beneficiaries is domiciled in this state for purposes of this chapter during all or some portion of the trust's current taxable year.

(f) For the purposes of division (I)(3)(e)(ii) of this section, a "qualifying transfer" is a transfer of assets, net of any related liabilities, directly or indirectly to a trust, if the transfer is described in any of the following:

(i) The transfer is made to a trust, created by the decedent before the decedent's death and while the decedent was domiciled in this state for the purposes of this chapter, and, prior to the death of the decedent, the trust became irrevocable while the decedent was domiciled in this state for the purposes of this chapter.

(ii) The transfer is made to a trust to which the
decedent, prior to the decedent's death, had directly or indirectly transferred assets, net of any related liabilities, while the decedent was domiciled in this state for the purposes of this chapter, and prior to the death of the decedent the trust became irrevocable while the decedent was domiciled in this state for the purposes of this chapter.

(iii) The transfer is made on account of a contractual relationship existing directly or indirectly between the transferor and either the decedent or the estate of the decedent at any time prior to the date of the decedent's death, and the decedent was domiciled in this state at the time of death for purposes of the taxes levied under Chapter 5731. of the Revised Code.

(iv) The transfer is made to a trust on account of a contractual relationship existing directly or indirectly between the transferor and another person who at the time of the decedent's death was domiciled in this state for purposes of this chapter.

(v) The transfer is made to a trust on account of the will of a testator who was domiciled in this state at the time of the testator's death for purposes of the taxes levied under Chapter 5731. of the Revised Code.

(vi) The transfer is made to a trust created by or caused to be created by a court, and the trust was directly or indirectly created in connection with or as a result of the death of an individual who, for purposes of the taxes levied under Chapter 5731. of the Revised Code, was domiciled in this state at the time of the individual's death.

(g) The tax commissioner may adopt rules to ascertain the
part of a trust residing in this state.

(J) "Nonresident" means an individual or estate that is not a resident. An individual who is a resident for only part of a taxable year is a nonresident for the remainder of that taxable year.

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

(L) "Return" means the notifications and reports required to be filed pursuant to this chapter for the purpose of reporting the tax due and includes declarations of estimated tax when so required.

(M) "Taxable year" means the calendar year or the taxpayer's fiscal year ending during the calendar year, or fractional part thereof, upon which the adjusted gross income is calculated pursuant to this chapter.

(N) "Taxpayer" means any person subject to the tax imposed by section 5747.02 of the Revised Code or any pass-through entity that makes the election under division (D) of section 5747.08 of the Revised Code.

(O) "Dependents" means dependents as defined in the Internal Revenue Code and as claimed in the taxpayer's federal income tax return for the taxable year or which the taxpayer would have been permitted to claim had the taxpayer filed a federal income tax return.

(P) "Principal county of employment" means, in the case of a nonresident, the county within the state in which a taxpayer performs services for an employer or, if those services are performed in more than one county, the county in which the major portion of the services are performed.
(Q) As used in sections 5747.50 to 5747.55 of the Revised Code:

(1) "Subdivision" means any county, municipal corporation, park district, or township.

(2) "Essential local government purposes" includes all functions that any subdivision is required by general law to exercise, including like functions that are exercised under a charter adopted pursuant to the Ohio Constitution.

(R) "Overpayment" means any amount already paid that exceeds the figure determined to be the correct amount of the tax.

(S) "Taxable income" or "Ohio taxable income" applies only to estates and trusts, and means federal taxable income, as defined and used in the Internal Revenue Code, adjusted as follows:

(1) Add interest or dividends, net of ordinary, necessary, and reasonable expenses not deducted in computing federal taxable income, on obligations or securities of any state or of any political subdivision or authority of any state, other than this state and its subdivisions and authorities, but only to the extent that such net amount is not otherwise includible in Ohio taxable income and is described in either division (S)(1)(a) or (b) of this section:

(a) The net amount is not attributable to the S portion of an electing small business trust and has not been distributed to beneficiaries for the taxable year;

(b) The net amount is attributable to the S portion of an electing small business trust for the taxable year.
(2) Add interest or dividends, net of ordinary, necessary, and reasonable expenses not deducted in computing federal taxable income, on obligations of any authority, commission, instrumentality, territory, or possession of the United States to the extent that the interest or dividends are exempt from federal income taxes but not from state income taxes, but only to the extent that such net amount is not otherwise includible in Ohio taxable income and is described in either division (S)(1)(a) or (b) of this section;

(3) Add the amount of personal exemption allowed to the estate pursuant to section 642(b) of the Internal Revenue Code;

(4) Deduct interest or dividends, net of related expenses deducted in computing federal taxable income, on obligations of the United States and its territories and possessions or of any authority, commission, or instrumentality of the United States to the extent that the interest or dividends are exempt from state taxes under the laws of the United States, but only to the extent that such amount is included in federal taxable income and is described in either division (S)(1)(a) or (b) of this section;

(5) Deduct the amount of wages and salaries, if any, not otherwise allowable as a deduction but that would have been allowable as a deduction in computing federal taxable income for the taxable year, had the targeted jobs credit allowed under sections 38, 51, and 52 of the Internal Revenue Code not been in effect, but only to the extent such amount relates either to income included in federal taxable income for the taxable year or to income of the S portion of an electing small business trust for the taxable year;

(6) Deduct any interest or interest equivalent, net of
related expenses deducted in computing federal taxable income,
on public obligations and purchase obligations, but only to theextent that such net amount relates either to income included infederal taxable income for the taxable year or to income of theS portion of an electing small business trust for the taxableyear;

(7) Add any loss or deduct any gain resulting from sale,exchange, or other disposition of public obligations to theextent that such loss has been deducted or such gain has beenincluded in computing either federal taxable income or income ofthe S portion of an electing small business trust for thetaxable year;

(8) Except in the case of the final return of an estate,add any amount deducted by the taxpayer on both its Ohio estate
tax return pursuant to section 5731.14 of the Revised Code, andon its federal income tax return in determining federal taxableincome;

(9)(a) Deduct any amount included in federal taxableincome solely because the amount represents a reimbursement orrefund of expenses that in a previous year the decedent haddeducted as an itemized deduction pursuant to section 63 of theInternal Revenue Code and applicable treasury regulations. The deduction otherwise allowed under division (S)(9)(a) of thissection shall be reduced to the extent the reimbursement isattributable to an amount the taxpayer or decedent deductedunder this section in any taxable year.

(b) Add any amount not otherwise included in Ohio taxableincome for any taxable year to the extent that the amount isattributable to the recovery during the taxable year of anyamount deducted or excluded in computing federal or Ohio taxable
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income in any taxable year, but only to the extent such amount has not been distributed to beneficiaries for the taxable year.

(10) Deduct any portion of the deduction described in section 1341(a)(2) of the Internal Revenue Code, for repaying previously reported income received under a claim of right, that meets both of the following requirements:

(a) It is allowable for repayment of an item that was included in the taxpayer's taxable income or the decedent's adjusted gross income for a prior taxable year and did not qualify for a credit under division (A) or (B) of section 5747.05 of the Revised Code for that year.

(b) It does not otherwise reduce the taxpayer's taxable income or the decedent's adjusted gross income for the current or any other taxable year.

(11) Add any amount claimed as a credit under section 5747.059 or 5747.65 of the Revised Code to the extent that the amount satisfies either of the following:

(a) The amount was deducted or excluded from the computation of the taxpayer's federal taxable income as required to be reported for the taxpayer's taxable year under the Internal Revenue Code;

(b) The amount resulted in a reduction in the taxpayer's federal taxable income as required to be reported for any of the taxpayer's taxable years under the Internal Revenue Code.

(12) Deduct any amount, net of related expenses deducted in computing federal taxable income, that a trust is required to report as farm income on its federal income tax return, but only if the assets of the trust include at least ten acres of land satisfying the definition of "land devoted exclusively to
agricultural use" under section 5713.30 of the Revised Code, 1493
regardless of whether the land is valued for tax purposes as 1494
such land under sections 5713.30 to 5713.38 of the Revised Code. 1495
If the trust is a pass-through entity investor, section 5747.231 1496
of the Revised Code applies in ascertaining if the trust is 1497
eligible to claim the deduction provided by division (S)(12) of 1498
this section in connection with the pass-through entity's farm 1499
income.

Except for farm income attributable to the S portion of an 1500
electing small business trust, the deduction provided by 1501
division (S)(12) of this section is allowed only to the extent 1502
that the trust has not distributed such farm income. Division 1503
(S)(12) of this section applies only to taxable years of a trust 1504
beginning in 2002 or thereafter.

(13) Add the net amount of income described in section 1505
641(c) of the Internal Revenue Code to the extent that amount is 1506
not included in federal taxable income.

(14) Add or deduct the amount the taxpayer would be 1507
required to add or deduct under division (A)(20) or (21) of this 1508
section if the taxpayer's Ohio taxable income were computed in 1509
the same manner as an individual's Ohio adjusted gross income is 1510
computed under this section. In the case of a trust, division 1511
(S)(14) of this section applies only to any of the trust's 1512
taxable years beginning in 2002 or thereafter.

(T) "School district income" and "school district income 1513
tax" have the same meanings as in section 5748.01 of the Revised 1514
Code.

(U) As used in divisions (A)(8), (A)(9), (S)(6), and (S) 1515
(7) of this section, "public obligations," "purchase
obligations," and "interest or interest equivalent" have the same meanings as in section 5709.76 of the Revised Code.

(V) "Limited liability company" means any limited liability company formed under Chapter 1705. of the Revised Code or under the laws of any other state.

(W) "Pass-through entity investor" means any person who, during any portion of a taxable year of a pass-through entity, is a partner, member, shareholder, or equity investor in that pass-through entity.

(X) "Banking day" has the same meaning as in section 1304.01 of the Revised Code.

(Y) "Month" means a calendar month.

(Z) "Quarter" means the first three months, the second three months, the third three months, or the last three months of the taxpayer's taxable year.

(AA)(1) "Eligible institution" means a state university or state institution of higher education as defined in section 3345.011 of the Revised Code, or a private, nonprofit college, university, or other post-secondary institution located in this state that possesses a certificate of authorization issued by the chancellor of higher education pursuant to Chapter 1713. of the Revised Code or a certificate of registration issued by the state board of career colleges and schools under Chapter 3332. of the Revised Code.

(2) "Qualified tuition and fees" means tuition and fees imposed by an eligible institution as a condition of enrollment or attendance, not exceeding two thousand five hundred dollars in each of the individual's first two years of post-secondary education. If the individual is a part-time student, "qualified
tuition and fees" includes tuition and fees paid for the academic equivalent of the first two years of post-secondary education during a maximum of five taxable years, not exceeding a total of five thousand dollars. "Qualified tuition and fees" does not include:

(a) Expenses for any course or activity involving sports, games, or hobbies unless the course or activity is part of the individual's degree or diploma program;

(b) The cost of books, room and board, student activity fees, athletic fees, insurance expenses, or other expenses unrelated to the individual's academic course of instruction;

(c) Tuition, fees, or other expenses paid or reimbursed through an employer, scholarship, grant in aid, or other educational benefit program.

(BB)(1) "Modified business income" means the business income included in a trust's Ohio taxable income after such taxable income is first reduced by the qualifying trust amount, if any.

(2) "Qualifying trust amount" of a trust means capital gains and losses from the sale, exchange, or other disposition of equity or ownership interests in, or debt obligations of, a qualifying investee to the extent included in the trust's Ohio taxable income, but only if the following requirements are satisfied:

(a) The book value of the qualifying investee's physical assets in this state and everywhere, as of the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the gain or loss, is available to the trust.
(b) The requirements of section 5747.011 of the Revised Code are satisfied for the trust's taxable year in which the trust recognizes the gain or loss.

Any gain or loss that is not a qualifying trust amount is modified business income, qualifying investment income, or modified nonbusiness income, as the case may be.

(3) "Modified nonbusiness income" means a trust's Ohio taxable income other than modified business income, other than the qualifying trust amount, and other than qualifying investment income, as defined in section 5747.012 of the Revised Code, to the extent such qualifying investment income is not otherwise part of modified business income.

(4) "Modified Ohio taxable income" applies only to trusts, and means the sum of the amounts described in divisions (BB)(4)(a) to (c) of this section:

(a) The fraction, calculated under section 5747.013, and applying section 5747.231 of the Revised Code, multiplied by the sum of the following amounts:

(i) The trust's modified business income;

(ii) The trust's qualifying investment income, as defined in section 5747.012 of the Revised Code, but only to the extent the qualifying investment income does not otherwise constitute modified business income and does not otherwise constitute a qualifying trust amount.

(b) The qualifying trust amount multiplied by a fraction, the numerator of which is the sum of the book value of the qualifying investee's physical assets in this state on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the day on which the trust recognizes the
qualifying trust amount, and the denominator of which is the sum of the book value of the qualifying investee's total physical assets everywhere on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the day on which the trust recognizes the qualifying trust amount. If, for a taxable year, the trust recognizes a qualifying trust amount with respect to more than one qualifying investee, the amount described in division (BB)(4)(b) of this section shall equal the sum of the products so computed for each such qualifying investee.

(c)(i) With respect to a trust or portion of a trust that is a resident as ascertained in accordance with division (I)(3)(d) of this section, its modified nonbusiness income.

(ii) With respect to a trust or portion of a trust that is not a resident as ascertained in accordance with division (I)(3)(d) of this section, the amount of its modified nonbusiness income satisfying the descriptions in divisions (B)(2) to (5) of section 5747.20 of the Revised Code, except as otherwise provided in division (BB)(4)(c)(ii) of this section. With respect to a trust or portion of a trust that is not a resident as ascertained in accordance with division (I)(3)(d) of this section, the trust's portion of modified nonbusiness income recognized from the sale, exchange, or other disposition of a debt interest in or equity interest in a section 5747.212 entity, as defined in section 5747.212 of the Revised Code, without regard to division (A) of that section, shall not be allocated to this state in accordance with section 5747.20 of the Revised Code but shall be apportioned to this state in accordance with division (B) of section 5747.212 of the Revised Code without regard to division (A) of that section.
If the allocation and apportionment of a trust's income under divisions (BB)(4)(a) and (c) of this section do not fairly represent the modified Ohio taxable income of the trust in this state, the alternative methods described in division (C) of section 5747.21 of the Revised Code may be applied in the manner and to the same extent provided in that section.

(5)(a) Except as set forth in division (BB)(5)(b) of this section, "qualifying investee" means a person in which a trust has an equity or ownership interest, or a person or unit of government the debt obligations of either of which are owned by a trust. For the purposes of division (BB)(2)(a) of this section and for the purpose of computing the fraction described in division (BB)(4)(b) of this section, all of the following apply:

(i) If the qualifying investee is a member of a qualifying controlled group on the last day of the qualifying investee’s fiscal or calendar year ending immediately prior to the date on which the trust recognizes the gain or loss, then "qualifying investee" includes all persons in the qualifying controlled group on such last day.

(ii) If the qualifying investee, or if the qualifying investee and any members of the qualifying controlled group of which the qualifying investee is a member on the last day of the qualifying investee’s fiscal or calendar year ending immediately prior to the date on which the trust recognizes the gain or loss, separately or cumulatively own, directly or indirectly, on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the qualifying trust amount, more than fifty per cent of the equity of a pass-through entity, then the qualifying investee and the other members are deemed to own the
proportionate share of the pass-through entity's physical assets which the pass-through entity directly or indirectly owns on the last day of the pass-through entity's calendar or fiscal year ending within or with the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the qualifying trust amount.

(iii) For the purposes of division (BB)(5)(a)(iii) of this section, "upper level pass-through entity" means a pass-through entity directly or indirectly owning any equity of another pass-through entity, and "lower level pass-through entity" means that other pass-through entity.

An upper level pass-through entity, whether or not it is also a qualifying investee, is deemed to own, on the last day of the upper level pass-through entity's calendar or fiscal year, the proportionate share of the lower level pass-through entity's physical assets that the lower level pass-through entity directly or indirectly owns on the last day of the lower level pass-through entity's calendar or fiscal year ending within or with the last day of the upper level pass-through entity's fiscal or calendar year. If the upper level pass-through entity directly and indirectly owns less than fifty per cent of the equity of the lower level pass-through entity on each day of the upper level pass-through entity's calendar or fiscal year in which or with which ends the calendar or fiscal year of the lower level pass-through entity and if, based upon clear and convincing evidence, complete information about the location and cost of the physical assets of the lower pass-through entity is not available to the upper level pass-through entity, then solely for purposes of ascertaining if a gain or loss constitutes a qualifying trust amount, the upper level pass-through entity shall be deemed as owning no equity of the lower
level pass-through entity for each day during the upper level
pass-through entity's calendar or fiscal year in which or with
which ends the lower level pass-through entity's calendar or
fiscal year. Nothing in division (BB)(5)(a)(iii) of this section
shall be construed to provide for any deduction or exclusion in
computing any trust's Ohio taxable income.

(b) With respect to a trust that is not a resident for the
taxable year and with respect to a part of a trust that is not a
resident for the taxable year, "qualifying investee" for that
taxable year does not include a C corporation if both of the
following apply:

(i) During the taxable year the trust or part of the trust
recognizes a gain or loss from the sale, exchange, or other
disposition of equity or ownership interests in, or debt
obligations of, the C corporation.

(ii) Such gain or loss constitutes nonbusiness income.

(6) "Available" means information is such that a person is
able to learn of the information by the due date plus
extensions, if any, for filing the return for the taxable year
in which the trust recognizes the gain or loss.

(CC) "Qualifying controlled group" has the same meaning as
in section 5733.04 of the Revised Code.

(DD) "Related member" has the same meaning as in section
5733.042 of the Revised Code.

(EE)(1) For the purposes of division (EE) of this section:

(a) "Qualifying person" means any person other than a
qualifying corporation.

(b) "Qualifying corporation" means any person classified
for federal income tax purposes as an association taxable as a corporation, except either of the following:

(i) A corporation that has made an election under subchapter S, chapter one, subtitle A, of the Internal Revenue Code for its taxable year ending within, or on the last day of, the investor's taxable year;

(ii) A subsidiary that is wholly owned by any corporation that has made an election under subchapter S, chapter one, subtitle A of the Internal Revenue Code for its taxable year ending within, or on the last day of, the investor's taxable year.

(2) For the purposes of this chapter, unless expressly stated otherwise, no qualifying person indirectly owns any asset directly or indirectly owned by any qualifying corporation.

(FF) For purposes of this chapter and Chapter 5751. of the Revised Code:

(1) "Trust" does not include a qualified pre-income tax trust.

(2) A "qualified pre-income tax trust" is any pre-income tax trust that makes a qualifying pre-income tax trust election as described in division (FF)(3) of this section.

(3) A "qualifying pre-income tax trust election" is an election by a pre-income tax trust to subject to the tax imposed by section 5751.02 of the Revised Code the pre-income tax trust and all pass-through entities of which the trust owns or controls, directly, indirectly, or constructively through related interests, five per cent or more of the ownership or equity interests. The trustee shall notify the tax commissioner in writing of the election on or before April 15, 2006. The
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election, if timely made, shall be effective on and after January 1, 2006, and shall apply for all tax periods and tax years until revoked by the trustee of the trust.

(4) A "pre-income tax trust" is a trust that satisfies all of the following requirements:

(a) The document or instrument creating the trust was executed by the grantor before January 1, 1972;

(b) The trust became irrevocable upon the creation of the trust; and

(c) The grantor was domiciled in this state at the time the trust was created.

(GG) "Uniformed services" has the same meaning as in 10 U.S.C. 101.

(HH) "Taxable business income" means the amount by which an individual's business income that is included in federal adjusted gross income exceeds the amount of business income the individual is authorized to deduct under division (A)(31) of this section for the taxable year.

(II) "Employer" does not include a franchisor with respect to the franchisor's relationship with a franchisee or an employee of a franchisee, unless the franchisor agrees to assume that role in writing or a court of competent jurisdiction determines that the franchisor exercises a type or degree of control over the franchisee or the franchisee's employees that is not customarily exercised by a franchisor for the purpose of protecting the franchisor's trademark, brand, or both. For purposes of this division, "franchisor" and "franchisee" have the same meanings as in 16 C.F.R. 436.1.
Section 2. That existing sections 4117.10 and 5747.01 of the Revised Code are hereby repealed.

Section 3. Section 1 of this act, except for section 4143.03 and division (A) of section 4143.10 of the Revised Code, shall take effect July 1, 2020. Section 4143.03 of the Revised Code, as enacted by this act, shall take effect July 1, 2023. Division (A) of section 4143.10 of the Revised Code, as enacted by this act, shall take effect on the effective date of this section.

Section 4. Employers shall begin to deduct and withhold premiums from the wages of employees or pay contributions as described in divisions (B), (C), and (D) of section 4143.10 of the Revised Code, as enacted by this act, on July 1, 2022.

Section 5. Section 4143.06 of the Revised Code, as enacted by this act, applies to collective bargaining agreements that are entered into or renewed, or employer policies that are adopted or revised, on or after the effective date of this act.

Section 6. (A) Not later then July 1, 2020, the Director of Job and Family Services shall complete an actuarial evaluation before establishing the Family and Medical Leave Insurance Program under Chapter 4143 of the Revised Code, as enacted by this act. The actuarial evaluation shall determine all of the following:

(1) The premium amounts required under section 4143.10 of the Revised Code, as enacted by this act, necessary to sufficiently fund the Program;

(2) The balance necessary to ensure the actuarial soundness of the Family and Medical Leave Insurance Fund created by section 4143.10 of the Revised Code, as enacted by this act;
(3) The administrative and technology costs necessary to establish and operate the Program;

(4) The financial feasibility and cost-effectiveness of contracting with one or more external vendors to provide benefit eligibility determinations and claims management for the Program.

(B) The Director may apply for and accept gifts, grants, donations, and any available federal funding to conduct the actuarial evaluation in division (A) of this section. The Director shall transmit any gifts, grants, donations, or federal funding to the Treasurer of State for deposit in the Family and Medical Leave Insurance Fund created by section 4143.10 of the Revised Code, as enacted by this act.

(C) Notwithstanding the deadline in division (A) of this section, the Director shall not conduct the actuarial evaluation unless the Director receives sufficient funds to cover the costs to perform the evaluation.