(123rd General Assembly)
(Amended Senate Bill Number 4)

AN ACT

To amend section 5747.98 and to enact section 5747.37 of the Revised Code to grant a nonrefundable credit against the personal income tax to persons who adopt children.

Be it enacted by the General Assembly of the State of Ohio:

SECTION 1. That section 5747.98 be amended and section 5747.37 of the Revised Code be enacted to read as follows:

Sec. 5747.37. As used in this section:

(A) "Minor child" means a person under eighteen years of age.

(B) "Legally adopt" means to adopt a minor child pursuant to Chapter 3107. of the Revised Code, or pursuant to the laws of any other state or nation if such an adoption is recognizable under section 3107.18 of the Revised Code. For the purposes of this section, a minor child is legally adopted when the final decree or order of adoption is issued by the proper court under the laws of the state or nation under which the child is adopted, or, in the case of an interlocutory order of adoption, when the order becomes final under the laws of the state or nation. "legally adopt" does not include the adoption of a minor child by the child's stepparent.

There is hereby granted a credit against the tax imposed by section 5747.02 of the Revised Code for the legal adoption by a taxpayer of a minor child. The amount of the credit shall be five hundred dollars for each minor child legally adopted by the taxpayer during the taxable year. the credit shall be claimed in the order required under section 5747.98 of the Revised Code. For the purposes of making tax payments under this chapter, taxes equal to the amount of the credit shall be considered to be paid to this state on the first day of the taxable year.

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

~~(2)~~(1) The retirement income credit under division (B) of section 5747.055 of the Revised Code;

~~(3)~~(2) The senior citizen credit under division (C) of section 5747.05 of

the Revised Code;

~~(4)~~(3) The lump sum distribution credit under division (D) of section 5747.05 of the Revised Code;

~~(5)~~(4) The dependent care credit under section 5747.054 of the Revised Code;

~~(6)~~(5) The lump sum retirement income credit under division (C) of section 5747.055 of the Revised Code;

~~(7)~~(6) The lump sum retirement income credit under division (D) of section 5747.055 of the Revised Code;

~~(8)~~(7) The lump sum retirement income credit under division (E) of section 5747.055 of the Revised Code;

~~(9)~~(8) The credit for displaced workers who pay for job training under section 5747.27 of the Revised Code;

~~(10)~~(9) The campaign contribution credit under section 5747.29 of the Revised Code;

~~(11)~~(10) The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;

~~(12)~~(11) The joint filing credit under division (G) of section 5747.05 of the Revised Code;

~~(13)~~(12) The nonresident credit under division (A) of section 5747.05 of the Revised Code;

~~(14)~~(13) The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;

~~(15)~~(14) The credit for employers that enter into agreements with child day-care centers under section 5747.34 of the Revised Code;

~~(16)~~(15) The credit for employers that reimburse employee child day-care expenses under section 5747.36 of the Revised Code;

(16) The credit for adoption of a minor child under section 5747.37 of the Revised Code;

(17) The credit for manufacturing investments under section 5747.051 of the Revised Code;

(18) The credit for purchases of new manufacturing machinery and equipment under section 5747.26 or section 5747.261 of the Revised Code;

(19) The second credit for purchases of new manufacturing machinery and equipment under section 5747.31 of the Revised Code;

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

(21) The credit for the eligible costs associated with a voluntary action under section 5747.32 of the Revised Code;

(22) The credit for employers that establish on-site child day-care

s under section 5747.35 of the Revised Code;

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

(24) The export sales credit under section 5747.057 of the Revised Code;

(25) The credit for research and development and technology transfer investors under section 5747.33 of the Revised Code;

(26) The enterprise zone credits under section 5709.65 of the Revised Code;

(27) The refundable jobs creation credit under section 5747.058 of the Revised Code;

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

(29) The refundable credits for taxes paid by a qualifying pass-through entity granted under division (J) of section 5747.08 of the Revised Code.

(B) For any credit, except the refundable credits enumerated in divisions (A)(27), (28), and (29) of this section and the credit granted under division (I) of section 5747.08 of the Revised Code, the amount of the credit for a taxable year shall not exceed the tax due after allowing for any other credit that precedes it in the order required under this section. Any excess amount of a particular credit may be carried forward if authorized under the section creating that credit. Nothing in this chapter shall be construed to allow a taxpayer to claim, directly or indirectly, a credit more than once for a taxable year.

SECTION 2. That existing section 5747.98 of the Revised Code is hereby repealed.

SECTION 3. Section 5747.37 of the Revised Code, as enacted by this act, applies to adoptions of minor children under final decrees or orders of adoption duly issued, or interlocutory orders of adoption that become final, during taxable years beginning on or after January 1, 1999.

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Speaker _____ of the House of Representatives.

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President _____ of the Senate.

Passed _____, 20____

Approved _____, 20____

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Governor.

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

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Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the ____ day of _____, A. D. 20____.

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Secretary of State.

File No. _____ Effective Date _____