

As Introduced

**131st General Assembly
Regular Session
2015-2016**

H. B. No. 491

Representative Anielski

A BILL

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

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

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

Sec. 5751.15. (A) As used in this section: 11

(1) "Foreign trade zone" means a general purpose foreign 12
trade zone or a special purpose subzone for which, pursuant to 13
19 U.S.C. 81a, as amended, a permit for foreign trade zone 14
status has been granted and remains active, including special 15
purpose subzones for which a permit has been granted and remains 16
active. 17

(2) "Qualifying training or continuing education" means 18
career enrichment lectures, activities, or self-study programs 19

that are tailored to an employee's current job, a job the 20
employee aspires to attain, or the industry in which the 21
employee works. 22

(B) For tax periods ending on or after the effective date 23
of this section, and before January 1, 2022, there is allowed a 24
nonrefundable credit against the tax imposed by section 5751.02 25
of the Revised Code for taxpayers that have facilities in this 26
state with activated foreign trade zone status and that maintain 27
operations in the foreign trade zone for the entire tax period. 28
The credit equals the amount committed by the taxpayer during 29
the tax period to one or more of the following: 30

(1) Creating additional employment positions at the 31
activated foreign trade zone facility in this state during the 32
tax period; 33

(2) Providing qualifying training or continuing education 34
during the tax period for employees employed at the activated 35
foreign trade zone facility in this state; 36

(3) Making expenditures on capital investments at the 37
activated foreign trade zone facility in this state, including 38
renewable energy resources as defined in section 4928.01 of the 39
Revised Code; 40

(4) Undertaking initiatives to increase its exports of 41
goods or services produced at the activated foreign trade zone 42
facility in this state to other nations. 43

(C) The amount of the credit shall not exceed the amount 44
of tax otherwise due under this chapter on the basis of gross 45
receipts derived from the activated foreign trade zone facility 46
in this state. A taxpayer claiming the credit shall keep records 47
of the commitments and expenditures described under division (B) 48

of this section and file such records with the tax commissioner, 49
along with the return required under section 5751.051 of the 50
Revised Code. 51

(D) A taxpayer that claims the credit under this section 52
is subject to assessment under section 5751.09 of the Revised 53
Code for the amount of the credit if the tax commissioner and 54
the director of development services determine that the taxpayer 55
failed to comply with the requirements of this section. The 56
assessment shall be proportionate to the taxpayer's failure to 57
comply as determined by the commissioner and the director, 58
including applicable penalty and interest as if the tax had been 59
due on the dates due. 60

Sec. 5751.98. (A) To provide a uniform procedure for 61
calculating the amount of tax due under this chapter, a taxpayer 62
shall claim any credits to which it is entitled in the following 63
order: 64

(1) The nonrefundable jobs retention credit under division 65
(B) of section 5751.50 of the Revised Code; 66

(2) The nonrefundable credit for qualified research 67
expenses under division (B) of section 5751.51 of the Revised 68
Code; 69

(3) The nonrefundable credit for a borrower's qualified 70
research and development loan payments under division (B) of 71
section 5751.52 of the Revised Code; 72

(4) The nonrefundable credit for calendar years 2010 to 73
2029 for unused net operating losses under division (B) of 74
section 5751.53 of the Revised Code; 75

(5) The nonrefundable credit for taxpayers that have 76
facilities in this state with activated foreign trade zone 77

<u>status under section 5751.15 of the Revised Code;</u>	78
<u>(6)</u> The refundable motion picture production credit under section 5751.54 of the Revised Code;	79 80
(6) <u>(7)</u> The refundable jobs creation credit or job retention credit under division (A) of section 5751.50 of the Revised Code;	81 82 83
(7) <u>(8)</u> The refundable credit for calendar year 2030 for unused net operating losses under division (C) of section 5751.53 of the Revised Code.	84 85 86
(B) For any credit except the refundable credits enumerated in this section, the amount of the credit for a tax period 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 the credit.	87 88 89 90 91 92
Section 2. That existing section 5751.98 of the Revised Code is hereby repealed.	93 94