

**As Introduced**

**131st General Assembly**

**Regular Session**

**2015-2016**

**S. B. No. 21**

**Senator Skindell**

**Cosponsors: Senators Brown, Cafaro, Gentile, Sawyer, Schiavoni, Tavares,  
Thomas, Williams, Yuko**

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**A BILL**

To amend sections 5747.71 and 5747.98 of the  
Revised Code to remove the income restriction on  
the earned income tax credit and to make the  
credit refundable beginning in 2015.

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

**Section 1.** That sections 5747.71 and 5747.98 of the  
Revised Code be amended to read as follows:

**Sec. 5747.71.** There is hereby allowed a ~~nonrefundable~~  
credit against the tax imposed by section 5747.02 of the Revised  
Code for a taxpayer who is an "eligible individual" as defined  
in section 32 of the Internal Revenue Code. The credit shall  
equal five per cent of the credit allowed on the taxpayer's  
federal income tax return pursuant to section 32 of the Internal  
Revenue Code for taxable years beginning in 2013, and ten per  
cent of the federal credit allowed for taxable years beginning  
in or after 2014. ~~For taxable years beginning in 2013 or~~  
2014, if the Ohio adjusted gross income of the taxpayer, or the  
taxpayer and the taxpayer's spouse if the taxpayer and the  
taxpayer's spouse file a joint return under section 5747.08 of

the Revised Code, less applicable exemptions under section 19  
5747.025 of the Revised Code, exceeds twenty thousand dollars, 20  
the credit authorized by this section shall not exceed fifty per 21  
cent of the amount of tax otherwise due under section 5747.02 of 22  
the Revised Code after deducting any other nonrefundable credits 23  
that precede the credit allowed under this section in the order 24  
prescribed by section 5747.98 of the Revised Code except for the 25  
joint filing credit authorized under division (G) of section 26  
5747.05 of the Revised Code. ~~In all other cases, the no case~~ 27  
shall a credit authorized by this section ~~shall not for a~~ 28  
taxable year beginning in 2013 or 2014 exceed the amount of tax 29  
otherwise due under section 5747.02 of the Revised Code after 30  
deducting any other nonrefundable credits that precede the 31  
credit allowed under this section in the order prescribed by 32  
section 5747.98 of the Revised Code. For taxable years beginning 33  
in or after 2015, if the amount of the credit authorized by this 34  
section exceeds the amount of tax due after deducting all other 35  
credits that precede the credit allowed under this section in 36  
the order prescribed by section 5747.98 of the Revised Code, the 37  
taxpayer shall receive a refund of the excess. 38

The credit shall be claimed in the order prescribed by 39  
section 5747.98 of the Revised Code. 40

**Sec. 5747.98.** (A) To provide a uniform procedure for 41  
calculating the amount of tax due under section 5747.02 of the 42  
Revised Code, a taxpayer shall claim any credits to which the 43  
taxpayer is entitled in the following order: 44

(1) The retirement income credit under division (B) of 45  
section 5747.055 of the Revised Code; 46

(2) The senior citizen credit under division (C) of 47  
section 5747.05 of the Revised Code; 48

(3) The lump sum distribution credit under division (D) of section 5747.05 of the Revised Code;	49 50
(4) The dependent care credit under section 5747.054 of the Revised Code;	51 52
(5) The lump sum retirement income credit under division (C) of section 5747.055 of the Revised Code;	53 54
(6) The lump sum retirement income credit under division (D) of section 5747.055 of the Revised Code;	55 56
(7) The lump sum retirement income credit under division (E) of section 5747.055 of the Revised Code;	57 58
(8) The low-income credit under section 5747.056 of the Revised Code;	59 60
(9) The credit for displaced workers who pay for job training under section 5747.27 of the Revised Code;	61 62
(10) The campaign contribution credit under section 5747.29 of the Revised Code;	63 64
(11) The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;	65 66
(12) The joint filing credit under division (G) of section 5747.05 of the Revised Code;	67 68
(13) The nonresident credit under division (A) of section 5747.05 of the Revised Code;	69 70
(14) The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	71 72
(15) The earned income credit <u>allowed</u> under section 5747.71 of the Revised Code <u>for taxable years beginning in 2013 or 2014</u> ;	73 74 75

(16) The credit for employers that reimburse employee	76
child care expenses under section 5747.36 of the Revised Code;	77
(17) The credit for purchases of lights and reflectors	78
under section 5747.38 of the Revised Code;	79
(18) The nonrefundable job retention credit under division	80
(B) of section 5747.058 of the Revised Code;	81
(19) The credit for selling alternative fuel under section	82
5747.77 of the Revised Code;	83
(20) The second credit for purchases of new manufacturing	84
machinery and equipment and the credit for using Ohio coal under	85
section 5747.31 of the Revised Code;	86
(21) The job training credit under section 5747.39 of the	87
Revised Code;	88
(22) The enterprise zone credit under section 5709.66 of	89
the Revised Code;	90
(23) The credit for the eligible costs associated with a	91
voluntary action under section 5747.32 of the Revised Code;	92
(24) The credit for adoption of a minor child under	93
section 5747.37 of the Revised Code;	94
(25) The credit for employers that establish on-site child	95
day-care centers under section 5747.35 of the Revised Code;	96
(26) The ethanol plant investment credit under section	97
5747.75 of the Revised Code;	98
(27) The credit for purchases of qualifying grape	99
production property under section 5747.28 of the Revised Code;	100
(28) The small business investment credit under section	101
5747.81 of the Revised Code;	102

(29) The enterprise zone credits under section 5709.65 of the Revised Code;	103 104
(30) The research and development credit under section 5747.331 of the Revised Code;	105 106
(31) The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	107 108
(32) The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	109 110
(33) The refundable jobs creation credit or job retention credit under division (A) of section 5747.058 of the Revised Code;	111 112 113
(34) The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	114 115
(35) The refundable credits for taxes paid by a qualifying pass-through entity granted under division (I) of section 5747.08 of the Revised Code;	116 117 118
(36) The refundable credit under section 5747.80 of the Revised Code for losses on loans made to the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code;	119 120 121 122
(37) The refundable motion picture production credit under section 5747.66 of the Revised Code;	123 124
(38) The refundable credit for financial institution taxes paid by a pass-through entity granted under section 5747.65 of the Revised Code;	125 126 127
<u>(39) The refundable earned income credit allowed under section 5747.71 of the Revised Code for taxable years beginning</u>	128 129

<u>in or after 2015.</u>	130
(B) For any credit, except the refundable credits	131
enumerated in this section and the credit granted under division	132
(H) of section 5747.08 of the Revised Code, the amount of the	133
credit for a taxable year shall not exceed the tax due after	134
allowing for any other credit that precedes it in the order	135
required under this section. Any excess amount of a particular	136
credit may be carried forward if authorized under the section	137
creating that credit. Nothing in this chapter shall be construed	138
to allow a taxpayer to claim, directly or indirectly, a credit	139
more than once for a taxable year.	140
<b>Section 2.</b> That existing sections 5747.71 and 5747.98 of	141
the Revised Code are hereby repealed.	142