

As Introduced

**133rd General Assembly
Regular Session
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S. B. No. 257

Senators O'Brien, Rulli

Cosponsors: Senators Yuko, Antonio, Craig, Maharath, Sykes, Lehner

A BILL

To amend sections 5739.025, 5747.98, and 5751.98 1
and to enact sections 5747.79 and 5751.55 of the 2
Revised Code to authorize tax incentives for the 3
purchase of plug-in electric motor vehicles and 4
charging stations. 5

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

Section 1. That sections 5739.025, 5747.98, and 5751.98 be 6
amended and sections 5747.79 and 5751.55 of the Revised Code be 7
enacted to read as follows: 8

Sec. 5739.025. (A) A vendor shall compute the tax on each 9
sale by multiplying the price by the aggregate rate of taxes in 10
effect under sections 5739.02 and 5741.02, and sections 11
5739.021, 5739.023, 5739.026, 5741.021, 5741.022, and 5741.023 12
of the Revised Code. The computation shall be carried out to 13
three decimal places. If the result is a fractional amount of a 14
cent, the calculated tax shall be rounded to a whole cent using 15
a method that rounds up to the next cent whenever the third 16
decimal place is greater than four. A vendor may elect to 17
compute the tax due on a transaction on an item or an invoice 18

basis. 19

(B) In auditing a vendor, the tax commissioner shall 20
consider the method prescribed by this section that was used by 21
the vendor in determining and collecting the tax due under this 22
chapter on taxable transactions. If the vendor correctly 23
collects and remits the tax due under this chapter in accordance 24
with the computation prescribed in division (A) of this section, 25
the commissioner shall not assess any additional tax on those 26
transactions. 27

(C) (1) With respect to a sale of a fractional ownership 28
program aircraft used primarily in a fractional aircraft 29
ownership program, including all accessories attached to such 30
aircraft, the tax shall be calculated pursuant to division (A) 31
of this section, provided that the tax commissioner shall modify 32
those calculations so that the maximum tax on each program 33
aircraft is eight hundred dollars. In the case of a sale of a 34
fractional interest that is less than one hundred per cent of 35
the program aircraft, the tax charged on the transaction shall 36
be eight hundred dollars multiplied by a fraction, the numerator 37
of which is the percentage of ownership or possession in the 38
aircraft being purchased in the transaction, and the denominator 39
of which is one hundred per cent. 40

(2) Notwithstanding any other provision of law to the 41
contrary, the tax calculated under division (C) (1) of this 42
section and paid with respect to the sale of a fractional 43
ownership program aircraft used primarily in a fractional 44
aircraft ownership program shall be credited to the general 45
revenue fund. 46

(D) (1) As used in division (D) of this section, "qualified 47
plug-in electric vehicle" means a four-wheeled vehicle that 48

meets all of the following requirements: 49

(a) The manufacturer made the vehicle primarily for use on 50
public streets, roads, and highways, and the vehicle has not 51
been modified from original manufacturer specifications. 52

(b) The vehicle has a maximum speed capability equal to or 53
greater than fifty-five miles per hour. 54

(c) The vehicle is propelled wholly by an electric motor 55
that draws electricity from a battery that has a capacity of at 56
least four kilowatt-hours and that is capable of being recharged 57
from an external source of electricity. 58

(d) The vehicle is required to be registered in this state 59
for operation on public highways. 60

(e) The consumer purchased or leased the vehicle for 61
personal use or for use in business, and not for resale, on or 62
after the first day of the first month that begins after the 63
effective date of ___B___ the 133rd general assembly and before 64
the first day of the sixty-first month that begins after that 65
day. 66

(f) The consumer purchased or leased the vehicle in 67
accordance with any laws or regulations governing the purchase 68
or lease of electric vehicles applicable at the time of sale or 69
lease. 70

(2) (a) With respect to the sale or lease of a qualified 71
plug-in electric vehicle where the consumer is an individual 72
purchasing or leasing the vehicle primarily for personal use, 73
the amount of tax due under this section shall equal the amount 74
of tax calculated pursuant to division (A) of this section 75
subtracted by five hundred dollars, provided that if the result 76
of that calculation is less than or equal to zero, no tax is 77

due. The partial exemption under division (D) (2) (a) of this 78
section applies to the purchase or lease of only one qualified 79
plug-in electric vehicle by that individual in a calendar year. 80

(b) With respect to the sale or lease of a qualified plug- 81
in electric vehicle where the consumer is a business purchasing 82
or leasing the vehicle primarily for use in the business, the 83
amount of tax due under this section shall equal the amount of 84
tax calculated pursuant to division (A) of this section 85
subtracted by one thousand dollars, provided that if the result 86
of that calculation is less than or equal to zero, no tax is 87
due. The partial exemption under division (D) (2) (b) of this 88
section applies to the purchase or lease of no more than ten 89
qualified plug-in electric vehicles by that business in a 90
calendar year. 91

Sec. 5747.79. (A) As used in this section: 92

(1) "Electric plug-in vehicle" means a a four-wheeled 93
vehicle that meets all of the qualifications described in 94
divisions (D) (1) (b) to (d) of section 5739.025 of the Revised 95
Code. 96

(2) "Qualifying charging station" means an electric 97
component assembly or cluster of component assemblies designed 98
specifically to charge batteries within electric plug-in 99
vehicles by permitting the transfer of electricity to a battery 100
or other storage device in an electric vehicle, provided such 101
assemblies are both (a) purchased on or after the effective date 102
of this section and before the first day of the sixty-second 103
month beginning after that effective date and (b) installed 104
before the first day of that month. 105

(B) There is hereby allowed a nonrefundable credit against 106

the taxpayer's aggregate tax liability under section 5747.02 of 107
the Revised Code for a taxpayer that purchases and, during the 108
taxable year, installs a qualifying charging station for use on 109
the taxpayer's premises. The amount of the credit, for each such 110
station, shall equal the lesser of one thousand five hundred 111
dollars or the cost of purchasing and installing the station. 112

A taxpayer shall claim a credit authorized under this 113
section in the order required by section 5747.98 of the Revised 114
Code. The credit, to the extent it exceeds the taxpayer's tax 115
liability for a taxable year after allowing for any other 116
credits that precede the credit in that order, may be carried 117
forward to the next succeeding taxable year or years, but the 118
amount of the excess credit claimed for any taxable year shall 119
be deducted from the balance carried forward to the next taxable 120
year. 121

A taxpayer that is an equity investor in a pass-through 122
entity that purchases and installs a qualifying charging station 123
for use on the entity's premises may claim the taxpayer's 124
distributive or proportionate share of the credit for the 125
taxpayer's taxable year that includes the last day of the 126
entity's taxable year in which the station is so installed. 127

Sec. 5747.98. (A) To provide a uniform procedure for 128
calculating a taxpayer's aggregate tax liability under section 129
5747.02 of the Revised Code, a taxpayer shall claim any credits 130
to which the taxpayer is entitled in the following order: 131

(1) Either the retirement income credit under division (B) 132
of section 5747.055 of the Revised Code or the lump sum 133
retirement income credits under divisions (C), (D), and (E) of 134
that section; 135

(2) Either the senior citizen credit under division (F) of section 5747.055 of the Revised Code or the lump sum distribution credit under division (G) of that section;	136 137 138
(3) The dependent care credit under section 5747.054 of the Revised Code;	139 140
(4) The credit for displaced workers who pay for job training under section 5747.27 of the Revised Code;	141 142
(5) The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;	143 144
(6) The joint filing credit under division (G) of section 5747.05 of the Revised Code;	145 146
(7) The earned income credit under section 5747.71 of the Revised Code;	147 148
(8) The credit for adoption of a minor child under section 5747.37 of the Revised Code;	149 150
(9) The nonrefundable job retention credit under division (B) of section 5747.058 of the Revised Code;	151 152
(10) The enterprise zone credit under section 5709.66 of the Revised Code;	153 154
(11) The ethanol plant investment credit under section 5747.75 of the Revised Code;	155 156
(12) The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	157 158
(13) The small business investment credit under section 5747.81 of the Revised Code;	159 160
(14) The nonrefundable lead abatement credit under section 5747.26 of the Revised Code;	161 162

(15) The opportunity zone investment credit under section 122.84 of the Revised Code;	163 164
(16) The enterprise zone credits under section 5709.65 of the Revised Code;	165 166
(17) The research and development credit under section 5747.331 of the Revised Code;	167 168
(18) The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	169 170
(19) The nonresident credit under division (A) of section 5747.05 of the Revised Code;	171 172
(20) The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	173 174
(21) <u>The nonrefundable credit for the purchase and installation of electric vehicle charging stations under section 5747.79 of the Revised Code;</u>	175 176 177
<u>(22)</u> The refundable motion picture and Broadway theatrical production credit under section 5747.66 of the Revised Code;	178 179
(22) <u>(23)</u> The refundable jobs creation credit or job retention credit under division (A) of section 5747.058 of the Revised Code;	180 181 182
(23) <u>(24)</u> The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	183 184 185
(24) <u>(25)</u> The refundable credits for taxes paid by a qualifying pass-through entity granted under division (I) of section 5747.08 of the Revised Code;	186 187 188
(25) <u>(26)</u> The refundable credit under section 5747.80 of	189

the Revised Code for losses on loans made to the Ohio venture 190
capital program under sections 150.01 to 150.10 of the Revised 191
Code; 192

~~(26)~~ (27) The refundable credit for rehabilitating a 193
historic building under section 5747.76 of the Revised Code. 194

(B) For any credit, except the refundable credits 195
enumerated in this section and the credit granted under division 196
(H) of section 5747.08 of the Revised Code, the amount of the 197
credit for a taxable year shall not exceed the taxpayer's 198
aggregate amount of tax due under section 5747.02 of the Revised 199
Code, after allowing for any other credit that precedes it in 200
the order required under this section. Any excess amount of a 201
particular credit may be carried forward if authorized under the 202
section creating that credit. Nothing in this chapter shall be 203
construed to allow a taxpayer to claim, directly or indirectly, 204
a credit more than once for a taxable year. 205

Sec. 5751.55. (A) As used in this section, "qualifying 206
charging station" has the same meaning as in section 5747.79 of 207
the Revised Code. 208

(B) There is hereby allowed a nonrefundable credit against 209
the tax levied under section 5751.02 of the Revised Code for a 210
taxpayer that purchases and, during the tax period, installs a 211
qualifying charging station for use on the taxpayer's premises. 212
The amount of the credit, for each such station, shall equal the 213
lesser of one thousand five hundred dollars or the cost of 214
purchasing and installing the station. 215

A taxpayer shall claim a credit authorized under this 216
section in the order required by section 5751.98 of the Revised 217
Code. The credit, to the extent it exceeds the taxpayer's tax 218

liability for a tax period after allowing for any other credits 219
that precede the credit in that order, may be carried forward to 220
the next succeeding tax period or periods, but the amount of the 221
excess credit claimed for any tax period shall be deducted from 222
the balance carried forward to the next tax period. 223

No credit may be claimed under this section on the basis 224
of a qualifying charging station for which a credit is claimed 225
under section 5747.79 of the Revised Code. 226

Sec. 5751.98. (A) To provide a uniform procedure for 227
calculating the amount of tax due under this chapter, a taxpayer 228
shall claim any credits to which it is entitled in the following 229
order: 230

(1) The nonrefundable jobs retention credit under division 231
(B) of section 5751.50 of the Revised Code; 232

(2) The nonrefundable credit for qualified research 233
expenses under division (B) of section 5751.51 of the Revised 234
Code; 235

(3) The nonrefundable credit for a borrower's qualified 236
research and development loan payments under division (B) of 237
section 5751.52 of the Revised Code; 238

(4) The nonrefundable credit for calendar years 2010 to 239
2029 for unused net operating losses under division (B) of 240
section 5751.53 of the Revised Code; 241

(5) The nonrefundable credit for the purchase and 242
installation of electric vehicle charging stations under section 243
5751.55 of the Revised Code; 244

(6) The refundable motion picture and Broadway theatrical 245
production credit under section 5751.54 of the Revised Code; 246

(6) (7) The refundable jobs creation credit or job retention credit under division (A) of section 5751.50 of the Revised Code;	247 248 249
(7) (8) The refundable credit for calendar year 2030 for unused net operating losses under division (C) of section 5751.53 of the Revised Code.	250 251 252
(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.	253 254 255 256 257 258
Section 2. That existing sections 5739.025, 5747.98, and 5751.98 of the Revised Code are hereby repealed.	259 260
Section 3. Pursuant to division (G) of section 5703.95 of the Revised Code, which states that any bill introduced in the House of Representatives or the Senate that proposes to enact or modify one or more tax expenditures should include a statement explaining the objectives of the tax expenditure or its modification and the sponsor's intent in proposing the tax expenditure or its modification:	261 262 263 264 265 266 267
The purpose of the tax expenditures enacted by this act is to encourage the purchase and personal and commercial use of electric vehicles in Ohio.	268 269 270