

**As Introduced**

**133rd General Assembly  
Regular Session  
2019-2020**

**S. B. No. 264**

**Senator Williams**

**Cosponsors: Senators Craig, Thomas, Sykes**

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**A BILL**

To amend sections 5725.98, 5726.98, 5729.98, 1  
5747.98, and 5751.98 and to enact section 2  
3333.93 of the Revised Code to authorize a 3  
nonrefundable tax credit for a business that 4  
assists an employee with the repayment of 5  
education loans. 6

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

**Section 1.** That sections 5725.98, 5726.98, 5729.98, 7  
5747.98, and 5751.98 be amended and section 3333.93 of the 8  
Revised Code be enacted to read as follows: 9

**Sec. 3333.93.** (A) As used in this section: 10

(1) "Application period" means a biannual application 11  
period conducted by the chancellor of higher education under 12  
division (E) of this section. 13

(2) "Education loan" means a loan used by an individual to 14  
pay the tuition and related expenses required to earn a degree, 15  
certification, or license from an institution of higher 16  
education. "Education loan" does not include education debt that 17  
is consolidated into one loan with debt that was incurred for 18

other, noneducation purposes. 19

(3) "Institution of higher education" has the same meaning 20  
as in section 3334.01 of the Revised Code. 21

(B) A business that employs a resident of this state for 22  
whom the business is required to withhold income tax under 23  
section 5747.06 of the Revised Code may apply to the chancellor 24  
of higher education for a tax credit based on the payments made 25  
by the business during the preceding application period directly 26  
to one or more lenders on the outstanding principal and interest 27  
of one or more of the employee's education loans. The amount of 28  
the credit equals twenty-five per cent of the total amount of 29  
such payments, except that the credit shall not exceed one 30  
thousand five hundred dollars per employee per calendar year. 31

(C) The application shall be submitted in the form and 32  
manner prescribed by the chancellor for such purpose and shall 33  
include the following information: 34

(1) The name, address, and taxpayer identification number 35  
of the applicant; 36

(2) The name and address of the employee; 37

(3) The name and address of the institution of higher 38  
education from which the employee earned the degree, 39  
certification, or license for which the education loan was used 40  
and the date on which it was completed; 41

(4) The amount of each payment made by the applicant to 42  
the employee's lender during the application period and the date 43  
on which each payment was made; 44

(5) The tax against which the applicant intends to claim 45  
the credit, which shall be a tax imposed under section 5725.18, 46

5726.02, 5729.03, 5736.02, 5747.02, or 5751.02 of the Revised 47  
Code; 48

(6) Other information the chancellor considers necessary 49  
to evaluate the application or administer the credit. 50

(D) A business may include payments made on the education 51  
loans of more than one employee in the same credit application 52  
as long as the criteria prescribed by this section are met with 53  
respect to each employee. An application that includes more than 54  
one employee shall be structured in a way that allows the 55  
chancellor to determine which payment was made on behalf of 56  
which employee. A business may apply for and receive a credit 57  
for payments made on the education loans of an individual who is 58  
no longer employed by the business as long as the individual was 59  
employed by the business at the time the payments were made. No 60  
business shall apply for or receive a credit for payments made 61  
on the education loans of an employee who owns a controlling 62  
interest in the business or who is related by consanguinity or 63  
affinity to an individual who owns a controlling interest in the 64  
business. 65

(E) The chancellor shall conduct two application periods 66  
each year as follows: 67

(1) One application period shall cover education loan 68  
payments made in the months of January through June. 69  
Applications for this period shall be submitted on or before the 70  
fifteenth day of the following August. 71

(2) One application period shall cover education loan 72  
payments made in the months of July through December. 73  
Applications for this period shall be submitted on or before the 74  
fifteenth day of the following February. 75

(F) The chancellor shall approve or deny each application 76  
and notify the applicant of the chancellor's determination 77  
within ninety days after the application deadline. If the 78  
application is approved, the chancellor shall issue a tax credit 79  
certificate to the applicant showing the amount of the credit 80  
the applicant is authorized to claim and the tax against which 81  
the credit applies, which shall be the tax identified in the 82  
application. The chancellor shall send a copy of the approved 83  
application and the tax credit certificate to the tax 84  
commissioner or, if the credit applies against the tax imposed 85  
under section 5725.18 or 5729.03 of the Revised Code, to the 86  
superintendent of insurance. 87

(G) A tax credit awarded under this section shall be 88  
claimed against only the tax identified on the tax credit 89  
certificate. The credit shall be claimed in the order required 90  
under section 5725.98, 5726.98, 5729.98, 5747.98, or 5751.98 of 91  
the Revised Code, as applicable. A credit against the tax 92  
imposed under section 5736.02 of the Revised Code shall be 93  
claimed before any other credit authorized against that tax. The 94  
credit shall be claimed for the taxable year or tax period in 95  
which the tax credit certificate is issued by the chancellor. If 96  
the business to which a tax credit certificate is issued is a 97  
pass-through entity and the credit is to be claimed against the 98  
tax imposed under section 5747.02 of the Revised Code, each 99  
equity owner of the entity that is subject to that tax may claim 100  
the distributive or proportionate share of the credit for the 101  
owner's taxable year that includes the last day of the entity's 102  
taxable year in which the certificate is issued. If any equity 103  
owner of a pass-through entity claims a distributive or 104  
proportionate share of a credit on the basis of a certificate, 105  
the entity may not claim the credit against any of the taxes 106

levied under section 5725.18, 5726.02, 5729.03, 5736.02, or 107  
5751.98 of the Revised Code on the basis of the same 108  
certificate. 109

(H) The tax commissioner or the superintendent of 110  
insurance may require a business or taxpayer to maintain records 111  
of loan payments and to provide any information necessary to 112  
support a claim for a credit authorized under this section. The 113  
taxpayer shall retain a copy of a tax credit certificate issued 114  
under this section for at least four years following the date of 115  
its issuance. 116

**Sec. 5725.98.** (A) To provide a uniform procedure for 117  
calculating the amount of tax imposed by section 5725.18 of the 118  
Revised Code that is due under this chapter, a taxpayer shall 119  
claim any credits and offsets against tax liability to which it 120  
is entitled in the following order: 121

(1) The credit for an insurance company or insurance 122  
company group under section 5729.031 of the Revised Code; 123

(2) The credit for assisting an employee with the 124  
repayment of one or more education loans under section 3333.93 125  
of the Revised Code; 126

(3) The credit for eligible employee training costs under 127  
section 5725.31 of the Revised Code; 128

~~(3)~~ (4) The credit for purchasers of qualified low-income 129  
community investments under section 5725.33 of the Revised Code; 130

~~(4)~~ (5) The nonrefundable job retention credit under 131  
division (B) of section 122.171 of the Revised Code; 132

~~(5)~~ (6) The nonrefundable credit for investments in rural 133  
business growth funds under section 122.152 of the Revised Code; 134

<del>(6)</del> <u>(7)</u> The offset of assessments by the Ohio life and health insurance guaranty association permitted by section 3956.20 of the Revised Code;	135 136 137
<del>(7)</del> <u>(8)</u> The refundable credit for rehabilitating a historic building under section 5725.34 of the Revised Code;	138 139
<del>(8)</del> <u>(9)</u> The refundable credit for Ohio job retention under former division (B) (2) or (3) of section 122.171 of the Revised Code as those divisions existed before September 29, 2015, the effective date of the amendment of this section by H.B. 64 of the 131st general assembly;	140 141 142 143 144
<del>(9)</del> <u>(10)</u> The refundable credit for Ohio job creation under section 5725.32 of the Revised Code;	145 146
<del>(10)</del> <u>(11)</u> The refundable credit under section 5725.19 of the Revised Code for losses on loans made under the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code.	147 148 149 150
(B) For any credit except the refundable credits enumerated in this section, 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.	151 152 153 154 155 156 157 158 159
<b>Sec. 5726.98.</b> (A) To provide a uniform procedure for calculating the amount of tax due under section 5726.02 of the Revised Code, a taxpayer shall claim any credits to which the taxpayer is entitled under this chapter in the following order:	160 161 162 163

(1) <u>The nonrefundable credit for assisting an employee</u>	164
<u>with the repayment of one or more education loans under section</u>	165
<u>3333.93 of the Revised Code;</u>	166
<u>(2) The nonrefundable job retention credit under division</u>	167
(B) of section 5726.50 of the Revised Code;	168
<del>(2)</del> <u>(3) The nonrefundable credit for purchases of</u>	169
qualified low-income community investments under section 5726.54	170
of the Revised Code;	171
<del>(3)</del> <u>(4) The nonrefundable credit for qualified research</u>	172
expenses under section 5726.56 of the Revised Code;	173
<del>(4)</del> <u>(5) The nonrefundable credit for qualifying dealer in</u>	174
intangibles taxes under section 5726.57 of the Revised Code;	175
<del>(5)</del> <u>(6) The refundable credit for rehabilitating an</u>	176
historic building under section 5726.52 of the Revised Code;	177
<del>(6)</del> <u>(7) The refundable job retention or job creation</u>	178
credit under division (A) of section 5726.50 of the Revised	179
Code;	180
<del>(7)</del> <u>(8) The refundable credit under section 5726.53 of the</u>	181
Revised Code for losses on loans made under the Ohio venture	182
capital program under sections 150.01 to 150.10 of the Revised	183
Code;	184
<del>(8)</del> <u>(9) The refundable motion picture and Broadway</u>	185
theatrical production credit under section 5726.55 of the	186
Revised Code.	187
(B) For any credit except the refundable credits	188
enumerated in this section, the amount of the credit for a	189
taxable year shall not exceed the tax due after allowing for any	190
other credit that precedes it in the order required under this	191

section. Any excess amount of a particular credit may be carried 192  
forward if authorized under the section creating that credit. 193  
Nothing in this chapter shall be construed to allow a taxpayer 194  
to claim, directly or indirectly, a credit more than once for a 195  
taxable year. 196

**Sec. 5729.98.** (A) To provide a uniform procedure for 197  
calculating the amount of tax due under this chapter, a taxpayer 198  
shall claim any credits and offsets against tax liability to 199  
which it is entitled in the following order: 200

(1) The credit for an insurance company or insurance 201  
company group under section 5729.031 of the Revised Code; 202

(2) The credit for assisting an employee with the 203  
repayment of one or more education loans under section 3333.93 204  
of the Revised Code; 205

(3) The credit for eligible employee training costs under 206  
section 5729.07 of the Revised Code; 207

~~(3)~~ (4) The credit for purchases of qualified low-income 208  
community investments under section 5729.16 of the Revised Code; 209

~~(4)~~ (5) The nonrefundable job retention credit under 210  
division (B) of section 122.171 of the Revised Code; 211

~~(5)~~ (6) The nonrefundable credit for investments in rural 212  
business growth funds under section 122.152 of the Revised Code; 213

~~(6)~~ (7) The offset of assessments by the Ohio life and 214  
health insurance guaranty association against tax liability 215  
permitted by section 3956.20 of the Revised Code; 216

~~(7)~~ (8) The refundable credit for rehabilitating a 217  
historic building under section 5729.17 of the Revised Code; 218

~~(8)~~ (9) The refundable credit for Ohio job retention under former division (B) (2) or (3) of section 122.171 of the Revised Code as those divisions existed before September 29, 2015, the effective date of the amendment of this section by H.B. 64 of the 131st general assembly;

~~(9)~~ (10) The refundable credit for Ohio job creation under section 5729.032 of the Revised Code;

~~(10)~~ (11) The refundable credit under section 5729.08 of the Revised Code for losses on loans made under the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code.

(B) For any credit except the refundable credits enumerated in this section, 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.

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

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

(2) Either the senior citizen credit under division (F) of

section 5747.055 of the Revised Code or the lump sum	248
distribution credit under division (G) of that section;	249
(3) The dependent care credit under section 5747.054 of	250
the Revised Code;	251
(4) The credit for displaced workers who pay for job	252
training under section 5747.27 of the Revised Code;	253
(5) The twenty-dollar personal exemption credit under	254
section 5747.022 of the Revised Code;	255
(6) The joint filing credit under division (G) of section	256
5747.05 of the Revised Code;	257
(7) The earned income credit under section 5747.71 of the	258
Revised Code;	259
(8) <u>The nonrefundable credit for assisting an employee</u>	260
<u>with the repayment of one or more education loans under section</u>	261
<u>3333.93 of the Revised Code;</u>	262
<u>(9)</u> The credit for adoption of a minor child under section	263
5747.37 of the Revised Code;	264
<del>(9)</del> <u>(10)</u> The nonrefundable job retention credit under	265
division (B) of section 5747.058 of the Revised Code;	266
<del>(10)</del> <u>(11)</u> The enterprise zone credit under section 5709.66	267
of the Revised Code;	268
<del>(11)</del> <u>(12)</u> The ethanol plant investment credit under	269
section 5747.75 of the Revised Code;	270
<del>(12)</del> <u>(13)</u> The credit for purchases of qualifying grape	271
production property under section 5747.28 of the Revised Code;	272
<del>(13)</del> <u>(14)</u> The small business investment credit under	273
section 5747.81 of the Revised Code;	274

<del>(14)</del> <u>(15)</u> The nonrefundable lead abatement credit under section 5747.26 of the Revised Code;	275 276
<del>(15)</del> <u>(16)</u> The opportunity zone investment credit under section 122.84 of the Revised Code;	277 278
<del>(16)</del> <u>(17)</u> The enterprise zone credits under section 5709.65 of the Revised Code;	279 280
<del>(17)</del> <u>(18)</u> The research and development credit under section 5747.331 of the Revised Code;	281 282
<del>(18)</del> <u>(19)</u> The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	283 284
<del>(19)</del> <u>(20)</u> The nonresident credit under division (A) of section 5747.05 of the Revised Code;	285 286
<del>(20)</del> <u>(21)</u> The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	287 288
<del>(21)</del> <u>(22)</u> The refundable motion picture and Broadway theatrical production credit under section 5747.66 of the Revised Code;	289 290 291
<del>(22)</del> <u>(23)</u> The refundable jobs creation credit or job retention credit under division (A) of section 5747.058 of the Revised Code;	292 293 294
<del>(23)</del> <u>(24)</u> The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	295 296 297
<del>(24)</del> <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;	298 299 300
<del>(25)</del> <u>(26)</u> The refundable credit under section 5747.80 of	301

the Revised Code for losses on loans made to the Ohio venture 302  
capital program under sections 150.01 to 150.10 of the Revised 303  
Code; 304

~~(26)~~ (27) The refundable credit for rehabilitating a 305  
historic building under section 5747.76 of the Revised Code. 306

(B) For any credit, except the refundable credits 307  
enumerated in this section and the credit granted under division 308  
(H) of section 5747.08 of the Revised Code, the amount of the 309  
credit for a taxable year shall not exceed the taxpayer's 310  
aggregate amount of tax due under section 5747.02 of the Revised 311  
Code, after allowing for any other credit that precedes it in 312  
the order required under this section. Any excess amount of a 313  
particular credit may be carried forward if authorized under the 314  
section creating that credit. Nothing in this chapter shall be 315  
construed to allow a taxpayer to claim, directly or indirectly, 316  
a credit more than once for a taxable year. 317

**Sec. 5751.98.** (A) To provide a uniform procedure for 318  
calculating the amount of tax due under this chapter, a taxpayer 319  
shall claim any credits to which it is entitled in the following 320  
order: 321

(1) The nonrefundable credit for assisting an employee 322  
with the repayment of one or more education loans under section 323  
3333.93 of the Revised Code; 324

(2) The nonrefundable jobs retention credit under division 325  
(B) of section 5751.50 of the Revised Code; 326

~~(2)~~ (3) The nonrefundable credit for qualified research 327  
expenses under division (B) of section 5751.51 of the Revised 328  
Code; 329

~~(3)~~ (4) The nonrefundable credit for a borrower's 330

qualified research and development loan payments under division	331
(B) of section 5751.52 of the Revised Code;	332
<del>(4)</del> <u>(5)</u> The nonrefundable credit for calendar years 2010	333
to 2029 for unused net operating losses under division (B) of	334
section 5751.53 of the Revised Code;	335
<del>(5)</del> <u>(6)</u> The refundable motion picture and Broadway	336
theatrical production credit under section 5751.54 of the	337
Revised Code;	338
<del>(6)</del> <u>(7)</u> The refundable jobs creation credit or job	339
retention credit under division (A) of section 5751.50 of the	340
Revised Code;	341
<del>(7)</del> <u>(8)</u> The refundable credit for calendar year 2030 for	342
unused net operating losses under division (C) of section	343
5751.53 of the Revised Code.	344
(B) For any credit except the refundable credits	345
enumerated in this section, the amount of the credit for a tax	346
period shall not exceed the tax due after allowing for any other	347
credit that precedes it in the order required under this	348
section. Any excess amount of a particular credit may be carried	349
forward if authorized under the section creating the credit.	350
<b>Section 2.</b> That existing sections 5725.98, 5726.98,	351
5729.98, 5747.98, and 5751.98 of the Revised Code are hereby	352
repealed.	353
<b>Section 3.</b> No business may claim the credit authorized by	354
section 3333.93 of the Revised Code for education loan payments	355
made before the effective date of this section.	356
<b>Section 4.</b> Pursuant to division (G) of section 5703.95 of	357
the Revised Code, which states that any bill introduced in the	358

House of Representatives or the Senate that proposes to enact or 359  
modify one or more tax expenditures should include a statement 360  
explaining the objectives of the tax expenditure or its 361  
modification and the sponsor's intent in proposing the tax 362  
expenditure or its modification: 363

    The purpose of this bill is to help relieve student loan 364  
debt for Ohioans. 365