

**As Reported by the House Ways and Means Committee**

**134th General Assembly**

**Regular Session**

**2021-2022**

**Sub. H. B. No. 197**

**Representatives Stoltzfus, Creech**

**Cosponsors: Representatives Cross, Riedel, Kick, Miller, J., Fowler Arthur, Ray**

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**A BILL**

To amend section 5747.98 and to enact sections 1  
122.91 and 5747.82 of the Revised Code to 2  
authorize a temporary income tax credit for an 3  
employer's expenses to train a commercial 4  
vehicle operator. 5

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

**Section 1.** That section 5747.98 be amended and sections 6  
122.91 and 5747.82 of the Revised Code be enacted to read as 7  
follows: 8

**Sec. 122.91.** (A) As used in this section: 9

(1) "Qualifying individual" means an individual who holds 10  
a valid commercial driver's license or who is eligible to obtain 11  
such a license. 12

(2) "Commercial driver's license" and "commercial motor 13  
vehicle" have the same meanings as in section 4506.01 of the 14  
Revised Code. 15

(3) "Training expense" means any cost customarily incurred 16  
by an employer to train an employee who is a qualifying 17

individual to obtain a commercial driver's license or to operate 18  
a commercial motor vehicle. "Training expense" shall not include 19  
such an employee's wages. 20

(4) "Tax credit-eligible training expense" means any 21  
training expense certified under division (B) of this section. 22

(5) "Director" means the director of development services. 23

(B)(1) For calendar years 2021 through 2024, an employer 24  
may apply to the director, on or before the first day of 25  
December of each year and on a form prescribed by the director, 26  
to certify training expenses that an employer estimates the 27  
employer will incur during the following calendar year as tax 28  
credit-eligible training expenses. Within thirty days after 29  
receiving such an application, the director shall certify to 30  
each applicant the amount of the applicant's submitted expenses 31  
the director finds to be tax credit-eligible training expenses. 32  
The director shall not certify more than fifty thousand dollars 33  
of training expenses per year as tax credit-eligible training 34  
expenses for any employer. 35

(2) The director shall not certify more than three million 36  
dollars in tax credit-eligible training expenses for each 37  
calendar year, increased by the sum of tax credit-eligible 38  
expenses the director was authorized to certify within the limit 39  
described in division (B)(2) of this section for preceding years 40  
that were not the basis of a tax credit certificate issued under 41  
division (C)(2) of this section in the current year or any 42  
preceding year. 43

(C)(1) An employer that incurs tax credit-eligible 44  
training expenses in a calendar year that were certified for 45  
that year under division (B) of this section may apply to the 46

director for a nonrefundable credit against the tax imposed by 47  
section 5747.02 of the Revised Code. The credit shall equal one- 48  
half of the tax credit-eligible training expenses actually 49  
incurred by the employer in, and certified for, the preceding 50  
calendar year. The application may be submitted after the first 51  
day and before the twenty-first day of January of the year 52  
following the year for which the director certified the 53  
expenses. The application shall be submitted on a form 54  
prescribed by the director and shall, at a minimum, include an 55  
itemized list of tax credit-eligible training expenses incurred 56  
by the employer for each employee and the identities of those 57  
employees. 58

(2) If the director approves an application described in 59  
division (C) (1) of this section, the director, within fifteen 60  
days after receipt of the application, shall issue a tax credit 61  
certificate to the applicant. The director in consultation with 62  
the tax commissioner shall prescribe the form and manner of 63  
issuing certificates. The director shall assign a unique 64  
identifying number to each tax credit certificate and shall 65  
record the certificate in a register devised and maintained by 66  
the director for that purpose. The certificate shall state the 67  
amount of the tax credit-eligible training expenses on which the 68  
credit is based, the amount of the credit, and the date the 69  
certificate is issued. Upon issuance of a certificate, the 70  
director shall certify to the tax commissioner the name of the 71  
applicant, the amount of tax credit-eligible training expenses 72  
stated on the certificate, and any other information required by 73  
the rules adopted under this section. 74

(D) (1) An employer that has been issued a tax credit 75  
certificate under division (C) (2) of this section during the 76  
preceding calendar year shall file a form with the director 77

identifying all employees, the training of which is the basis of 78  
that tax credit, whose employment with the employer was 79  
terminated during the preceding calendar year, the amount of the 80  
tax credit that is attributable to those employees, and any 81  
other information requested by the director. The form shall be 82  
prescribed by the director, and shall be filed on or before the 83  
twenty-first day of January of the year following the issuance 84  
year stated on the certificate. 85

(2) The director shall annually submit to the general 86  
assembly a report in accordance with division (B) of section 87  
101.68 of the Revised Code that includes the total number of 88  
employees described in division (C) (2) of this section and 89  
reported to the director for the preceding calendar year, the 90  
total amount of tax credits attributable to those employees, and 91  
any other information the director finds pertinent. 92

(E) The director in consultation with the tax commissioner 93  
shall adopt rules under Chapter 119. of the Revised Code for the 94  
administration of this section. Such rules shall set forth the 95  
types of expenses that qualify as training expenses for purposes 96  
of this section. 97

**Sec. 5747.82.** There is allowed a nonrefundable credit 98  
against a taxpayer's aggregate tax liability under section 99  
5747.02 of the Revised Code for a taxpayer that has been issued 100  
a tax credit certificate under section 122.91 of the Revised 101  
Code. The amount of the credit shall equal the credit amount 102  
stated on the certificate. The credit shall be claimed for the 103  
taxpayer's most recently concluded taxable year that ended 104  
before the issuance date stated on the certificate. 105

The credit shall be claimed in the order required under 106  
section 5747.98 of the Revised Code. Any credit amount in excess 107

of the aggregate amount of tax due under section 5747.02 of the 108  
Revised Code, after allowing for any other credits preceding the 109  
credit in that order, may be carried forward for five taxable 110  
years, but the amount of the excess credit allowed in any such 111  
year shall be deducted from the balance carried forward to the 112  
next year. 113

Nothing in this section limits or disallows pass-through 114  
treatment of the credit if the credit certificate has been 115  
issued to a pass-through entity. 116

**Sec. 5747.98.** (A) To provide a uniform procedure for 117  
calculating a taxpayer's aggregate tax liability under section 118  
5747.02 of the Revised Code, a taxpayer shall claim any credits 119  
to which the taxpayer is entitled in the following order: 120

Either the retirement income credit under division (B) of 121  
section 5747.055 of the Revised Code or the lump sum retirement 122  
income credits under divisions (C), (D), and (E) of that 123  
section; 124

Either the senior citizen credit under division (F) of 125  
section 5747.055 of the Revised Code or the lump sum 126  
distribution credit under division (G) of that section; 127

The dependent care credit under section 5747.054 of the 128  
Revised Code; 129

The credit for displaced workers who pay for job training 130  
under section 5747.27 of the Revised Code; 131

The campaign contribution credit under section 5747.29 of 132  
the Revised Code; 133

The twenty-dollar personal exemption credit under section 134  
5747.022 of the Revised Code; 135

The joint filing credit under division (G) of section 5747.05 of the Revised Code;	136 137
The earned income credit under section 5747.71 of the Revised Code;	138 139
The credit for adoption of a minor child under section 5747.37 of the Revised Code;	140 141
The nonrefundable job retention credit under division (B) of section 5747.058 of the Revised Code;	142 143
The enterprise zone credit under section 5709.66 of the Revised Code;	144 145
<u>The credit for commercial vehicle operator training expenses under section 5747.82 of the Revised Code;</u>	146 147
The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	148 149
The small business investment credit under section 5747.81 of the Revised Code;	150 151
The nonrefundable lead abatement credit under section 5747.26 of the Revised Code;	152 153
The opportunity zone investment credit under section 122.84 of the Revised Code;	154 155
The enterprise zone credits under section 5709.65 of the Revised Code;	156 157
The research and development credit under section 5747.331 of the Revised Code;	158 159
The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	160 161

The nonresident credit under division (A) of section 5747.05 of the Revised Code;	162 163
The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	164 165
The refundable motion picture and Broadway theatrical production credit under section 5747.66 of the Revised Code;	166 167
The refundable jobs creation credit or job retention credit under division (A) of section 5747.058 of the Revised Code;	168 169 170
The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	171 172
The refundable credits for taxes paid by a qualifying pass-through entity granted under division (I) of section 5747.08 of the Revised Code;	173 174 175
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;	176 177 178
The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code.	179 180
(B) For any credit, except the refundable credits enumerated in this section and the credit granted under division (H) of section 5747.08 of the Revised Code, the amount of the credit for a taxable year shall not exceed the taxpayer's aggregate amount of tax due under section 5747.02 of the Revised Code, 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	181 182 183 184 185 186 187 188 189

construed to allow a taxpayer to claim, directly or indirectly, 190  
a credit more than once for a taxable year. 191

**Section 2.** That existing section 5747.98 of the Revised 192  
Code is hereby repealed. 193

**Section 3.** In adopting the rules required under division 194  
(D) of section 122.91 of the Revised Code, as enacted by this 195  
act, the Director of Development Services shall file the notice 196  
and text of the proposed rules as required by division (B) of 197  
section 119.03 of the Revised Code not later than one hundred 198  
fifty days after the effective date of this section. 199