

**As Introduced**

**134th General Assembly  
Regular Session  
2021-2022**

**S. B. No. 257**

**Senator Hoagland**

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**A BILL**

To amend sections 2744.01 and 5747.98 and to enact 1  
section 5747.77 of the Revised Code to authorize 2  
a refundable income tax credit for donations of 3  
cash, property, or services to townships. 4

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

**Section 1.** That sections 2744.01 and 5747.98 be amended 5  
and section 5747.77 of the Revised Code be enacted to read as 6  
follows: 7

**Sec. 2744.01.** As used in this chapter: 8

(A) "Emergency call" means a call to duty, including, but 9  
not limited to, communications from citizens, police dispatches, 10  
and personal observations by peace officers of inherently 11  
dangerous situations that demand an immediate response on the 12  
part of a peace officer. 13

(B) "Employee" means an officer, agent, employee, or 14  
servant, whether or not compensated or full-time or part-time, 15  
who is authorized to act and is acting within the scope of the 16  
officer's, agent's, employee's, or servant's employment for a 17  
political subdivision. "Employee" does not include an 18  
independent contractor ~~and does not include, a taxpayer who~~ 19

donates services under section 5747.77 of the Revised Code, or 20  
any individual engaged by a school district pursuant to section 21 3319.301 of the Revised Code. "Employee" includes any elected or 22 appointed official of a political subdivision. "Employee" also 23 includes a person who has been convicted of or pleaded guilty to 24 a criminal offense and who has been sentenced to perform 25 community service work in a political subdivision whether 26 pursuant to section 2951.02 of the Revised Code or otherwise, 27 and a child who is found to be a delinquent child and who is 28 ordered by a juvenile court pursuant to section 2152.19 or 29 2152.20 of the Revised Code to perform community service or 30 community work in a political subdivision. 31

(C) (1) "Governmental function" means a function of a 32 political subdivision that is specified in division (C) (2) of 33 this section or that satisfies any of the following: 34

(a) A function that is imposed upon the state as an 35 obligation of sovereignty and that is performed by a political 36 subdivision voluntarily or pursuant to legislative requirement; 37

(b) A function that is for the common good of all citizens 38 of the state; 39

(c) A function that promotes or preserves the public 40 peace, health, safety, or welfare; that involves activities that 41 are not engaged in or not customarily engaged in by 42 nongovernmental persons; and that is not specified in division 43 (G) (2) of this section as a proprietary function. 44

(2) A "governmental function" includes, but is not limited 45 to, the following: 46

(a) The provision or nonprovision of police, fire, 47 emergency medical, ambulance, and rescue services or protection; 48

(b) The power to preserve the peace; to prevent and suppress riots, disturbances, and disorderly assemblages; to prevent, mitigate, and clean up releases of oil and hazardous and extremely hazardous substances as defined in section 3750.01 of the Revised Code; and to protect persons and property;	49 50 51 52 53
(c) The provision of a system of public education;	54
(d) The provision of a free public library system;	55
(e) The regulation of the use of, and the maintenance and repair of, roads, highways, streets, avenues, alleys, sidewalks, bridges, aqueducts, viaducts, and public grounds;	56 57 58
(f) Judicial, quasi-judicial, prosecutorial, legislative, and quasi-legislative functions;	59 60
(g) The construction, reconstruction, repair, renovation, maintenance, and operation of buildings that are used in connection with the performance of a governmental function, including, but not limited to, office buildings and courthouses;	61 62 63 64
(h) The design, construction, reconstruction, renovation, repair, maintenance, and operation of jails, places of juvenile detention, workhouses, or any other detention facility, as defined in section 2921.01 of the Revised Code;	65 66 67 68
(i) The enforcement or nonperformance of any law;	69
(j) The regulation of traffic, and the erection or nonerection of traffic signs, signals, or control devices;	70 71
(k) The collection and disposal of solid wastes, as defined in section 3734.01 of the Revised Code, including, but not limited to, the operation of solid waste disposal facilities, as "facilities" is defined in that section, and the collection and management of hazardous waste generated by	72 73 74 75 76

households. As used in division (C) (2) (k) of this section, 77  
"hazardous waste generated by households" means solid waste 78  
originally generated by individual households that is listed 79  
specifically as hazardous waste in or exhibits one or more 80  
characteristics of hazardous waste as defined by rules adopted 81  
under section 3734.12 of the Revised Code, but that is excluded 82  
from regulation as a hazardous waste by those rules. 83

(l) The provision or nonprovision, planning or design, 84  
construction, or reconstruction of a public improvement, 85  
including, but not limited to, a sewer system; 86

(m) The operation of a job and family services department 87  
or agency, including, but not limited to, the provision of 88  
assistance to aged and infirm persons and to persons who are 89  
indigent; 90

(n) The operation of a health board, department, or 91  
agency, including, but not limited to, any statutorily required 92  
or permissive program for the provision of immunizations or 93  
other inoculations to all or some members of the public, 94  
provided that a "governmental function" does not include the 95  
supply, manufacture, distribution, or development of any drug or 96  
vaccine employed in any such immunization or inoculation program 97  
by any supplier, manufacturer, distributor, or developer of the 98  
drug or vaccine; 99

(o) The operation of mental health facilities, 100  
developmental disabilities facilities, alcohol treatment and 101  
control centers, and children's homes or agencies; 102

(p) The provision or nonprovision of inspection services 103  
of all types, including, but not limited to, inspections in 104  
connection with building, zoning, sanitation, fire, plumbing, 105

and electrical codes, and the taking of actions in connection	106
with those types of codes, including, but not limited to, the	107
approval of plans for the construction of buildings or	108
structures and the issuance or revocation of building permits or	109
stop work orders in connection with buildings or structures;	110
(q) Urban renewal projects and the elimination of slum	111
conditions, including the performance of any activity that a	112
county land reutilization corporation is authorized to perform	113
under Chapter 1724. or 5722. of the Revised Code;	114
(r) Flood control measures;	115
(s) The design, construction, reconstruction, renovation,	116
operation, care, repair, and maintenance of a township cemetery;	117
(t) The issuance of revenue obligations under section	118
140.06 of the Revised Code;	119
(u) The design, construction, reconstruction, renovation,	120
repair, maintenance, and operation of any school athletic	121
facility, school auditorium, or gymnasium or any recreational	122
area or facility, including, but not limited to, any of the	123
following:	124
(i) A park, playground, or playfield;	125
(ii) An indoor recreational facility;	126
(iii) A zoo or zoological park;	127
(iv) A bath, swimming pool, pond, water park, wading pool,	128
wave pool, water slide, or other type of aquatic facility;	129
(v) A golf course;	130
(vi) A bicycle motocross facility or other type of	131
recreational area or facility in which bicycling, skating, skate	132

boarding, or scooter riding is engaged;	133
(vii) A rope course or climbing walls;	134
(viii) An all-purpose vehicle facility in which all-	135
purpose vehicles, as defined in section 4519.01 of the Revised	136
Code, are contained, maintained, or operated for recreational	137
activities.	138
(v) The provision of public defender services by a county	139
or joint county public defender's office pursuant to Chapter	140
120. of the Revised Code;	141
(w) (i) At any time before regulations prescribed pursuant	142
to 49 U.S.C.A 20153 become effective, the designation,	143
establishment, design, construction, implementation, operation,	144
repair, or maintenance of a public road rail crossing in a zone	145
within a municipal corporation in which, by ordinance, the	146
legislative authority of the municipal corporation regulates the	147
sounding of locomotive horns, whistles, or bells;	148
(ii) On and after the effective date of regulations	149
prescribed pursuant to 49 U.S.C.A. 20153, the designation,	150
establishment, design, construction, implementation, operation,	151
repair, or maintenance of a public road rail crossing in such a	152
zone or of a supplementary safety measure, as defined in 49	153
U.S.C.A 20153, at or for a public road rail crossing, if and to	154
the extent that the public road rail crossing is excepted,	155
pursuant to subsection (c) of that section, from the requirement	156
of the regulations prescribed under subsection (b) of that	157
section.	158
(x) A function that the general assembly mandates a	159
political subdivision to perform.	160
(D) "Law" means any provision of the constitution,	161

statutes, or rules of the United States or of this state; 162  
provisions of charters, ordinances, resolutions, and rules of 163  
political subdivisions; and written policies adopted by boards 164  
of education. When used in connection with the "common law," 165  
this definition does not apply. 166

(E) "Motor vehicle" has the same meaning as in section 167  
4511.01 of the Revised Code. 168

(F) "Political subdivision" or "subdivision" means a 169  
municipal corporation, township, county, school district, or 170  
other body corporate and politic responsible for governmental 171  
activities in a geographic area smaller than that of the state. 172  
"Political subdivision" includes, but is not limited to, a 173  
county hospital commission appointed under section 339.14 of the 174  
Revised Code, board of hospital commissioners appointed for a 175  
municipal hospital under section 749.04 of the Revised Code, 176  
board of hospital trustees appointed for a municipal hospital 177  
under section 749.22 of the Revised Code, regional planning 178  
commission created pursuant to section 713.21 of the Revised 179  
Code, county planning commission created pursuant to section 180  
713.22 of the Revised Code, joint planning council created 181  
pursuant to section 713.231 of the Revised Code, interstate 182  
regional planning commission created pursuant to section 713.30 183  
of the Revised Code, port authority created pursuant to section 184  
4582.02 or 4582.26 of the Revised Code or in existence on 185  
December 16, 1964, regional council established by political 186  
subdivisions pursuant to Chapter 167. of the Revised Code, 187  
emergency planning district and joint emergency planning 188  
district designated under section 3750.03 of the Revised Code, 189  
joint emergency medical services district created pursuant to 190  
section 307.052 of the Revised Code, fire and ambulance district 191  
created pursuant to section 505.375 of the Revised Code, joint 192

interstate emergency planning district established by an 193  
agreement entered into under that section, county solid waste 194  
management district and joint solid waste management district 195  
established under section 343.01 or 343.012 of the Revised Code, 196  
community school established under Chapter 3314. of the Revised 197  
Code, county land reutilization corporation organized under 198  
Chapter 1724. of the Revised Code, the county or counties served 199  
by a community-based correctional facility and program or 200  
district community-based correctional facility and program 201  
established and operated under sections 2301.51 to 2301.58 of 202  
the Revised Code, a community-based correctional facility and 203  
program or district community-based correctional facility and 204  
program that is so established and operated, and the facility 205  
governing board of a community-based correctional facility and 206  
program or district community-based correctional facility and 207  
program that is so established and operated. 208

(G) (1) "Proprietary function" means a function of a 209  
political subdivision that is specified in division (G) (2) of 210  
this section or that satisfies both of the following: 211

(a) The function is not one described in division (C) (1) 212  
(a) or (b) of this section and is not one specified in division 213  
(C) (2) of this section; 214

(b) The function is one that promotes or preserves the 215  
public peace, health, safety, or welfare and that involves 216  
activities that are customarily engaged in by nongovernmental 217  
persons. 218

(2) A "proprietary function" includes, but is not limited 219  
to, the following: 220

(a) The operation of a hospital by one or more political 221



subdivisions;	222
(b) The design, construction, reconstruction, renovation, repair, maintenance, and operation of a public cemetery other than a township cemetery;	223 224 225
(c) The establishment, maintenance, and operation of a utility, including, but not limited to, a light, gas, power, or heat plant, a railroad, a busline or other transit company, an airport, and a municipal corporation water supply system;	226 227 228 229
(d) The maintenance, destruction, operation, and upkeep of a sewer system;	230 231
(e) The operation and control of a public stadium, auditorium, civic or social center, exhibition hall, arts and crafts center, band or orchestra, or off-street parking facility.	232 233 234 235
(H) "Public roads" means public roads, highways, streets, avenues, alleys, and bridges within a political subdivision. "Public roads" does not include berms, shoulders, rights-of-way, or traffic control devices unless the traffic control devices are mandated by the Ohio manual of uniform traffic control devices.	236 237 238 239 240 241
(I) "State" means the state of Ohio, including, but not limited to, the general assembly, the supreme court, the offices of all elected state officers, and all departments, boards, offices, commissions, agencies, colleges and universities, institutions, and other instrumentalities of the state of Ohio. "State" does not include political subdivisions.	242 243 244 245 246 247
<u>Sec. 5747.77. (A) As used in this section, "qualifying     donation" means a donation of cash, real or tangible personal     property, or services to a township that has approved the</u>	248 249 250

donation pursuant to division (C) of this section. The value of 251  
a qualifying donation other than cash shall equal the fair 252  
market value of the property or services donated. 253

(B) A refundable credit is allowed against a taxpayer's 254  
aggregate liability under section 5747.02 of the Revised Code 255  
for qualifying donations to townships. The amount of the credit 256  
shall equal the lesser of five thousand dollars or the total 257  
qualifying donations made during the taxable year by the 258  
taxpayer to one or more townships. The taxpayer shall claim the 259  
credit for the taxable year in which the qualifying donations 260  
are made. 261

(C) In order for a donation to qualify for the credit 262  
allowed under this section, the taxpayer must receive the 263  
approval of the township to make the donation. A township may 264  
establish its own approval process, but shall require that the 265  
taxpayer present a plan for the donation and that the donation 266  
receive the approval of a majority of the board of township 267  
trustees. 268

(D) For any taxable year in which a taxpayer makes one or 269  
more qualifying donations to a township, the taxpayer shall 270  
request, and an officer of the township shall provide, a receipt 271  
that includes an itemized list of the qualifying donations made 272  
by the taxpayer, the value of each donation, and the date on 273  
which each donation was made. 274

The tax commissioner may request, and the taxpayer shall 275  
provide upon such request, the receipt and any other supporting 276  
documentation for the credit, including documentation relating 277  
to the fair market value of property or services. 278

(E) The credit shall be claimed in the order required 279

under section 5747.98 of the Revised Code. If the credit allowed 280  
for any taxable year exceeds the aggregate amount of tax 281  
otherwise due under section 5747.02 of the Revised Code, after 282  
allowing for any other credits preceding the credit in the order 283  
prescribed by section 5747.98 of the Revised Code, the excess 284  
shall be refunded to the taxpayer. 285

**Sec. 5747.98.** (A) To provide a uniform procedure for 286  
calculating a taxpayer's aggregate tax liability under section 287  
5747.02 of the Revised Code, a taxpayer shall claim any credits 288  
to which the taxpayer is entitled in the following order: 289

Either the retirement income credit under division (B) of 290  
section 5747.055 of the Revised Code or the lump sum retirement 291  
income credits under divisions (C), (D), and (E) of that 292  
section; 293

Either the senior citizen credit under division (F) of 294  
section 5747.055 of the Revised Code or the lump sum 295  
distribution credit under division (G) of that section; 296

The dependent care credit under section 5747.054 of the 297  
Revised Code; 298

The credit for displaced workers who pay for job training 299  
under section 5747.27 of the Revised Code; 300

The campaign contribution credit under section 5747.29 of 301  
the Revised Code; 302

The twenty-dollar personal exemption credit under section 303  
5747.022 of the Revised Code; 304

The joint filing credit under division (G) of section 305  
5747.05 of the Revised Code; 306

The earned income credit under section 5747.71 of the 307

Revised Code;	308
The nonrefundable credit for education expenses under section 5747.72 of the Revised Code;	309 310
The nonrefundable credit for donations to scholarship granting organizations under section 5747.73 of the Revised Code;	311 312 313
The nonrefundable credit for tuition paid to a nonchartered nonpublic school under section 5747.75 of the Revised Code;	314 315 316
The credit for adoption of a minor child under section 5747.37 of the Revised Code;	317 318
The nonrefundable job retention credit under division (B) of section 5747.058 of the Revised Code;	319 320
The enterprise zone credit under section 5709.66 of the Revised Code;	321 322
The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	323 324
The small business investment credit under section 5747.81 of the Revised Code;	325 326
The nonrefundable lead abatement credit under section 5747.26 of the Revised Code;	327 328
The opportunity zone investment credit under section 122.84 of the Revised Code;	329 330
The enterprise zone credits under section 5709.65 of the Revised Code;	331 332
The research and development credit under section 5747.331 of the Revised Code;	333 334

The credit for rehabilitating a historic building under	335
section 5747.76 of the Revised Code;	336
The nonresident credit under division (A) of section	337
5747.05 of the Revised Code;	338
The credit for a resident's out-of-state income under	339
division (B) of section 5747.05 of the Revised Code;	340
The refundable motion picture and Broadway theatrical	341
production credit under section 5747.66 of the Revised Code;	342
The refundable jobs creation credit or job retention	343
credit under division (A) of section 5747.058 of the Revised	344
Code;	345
The refundable credit for taxes paid by a qualifying	346
entity granted under section 5747.059 of the Revised Code;	347
The refundable credits for taxes paid by a qualifying	348
pass-through entity granted under division (I) of section	349
5747.08 of the Revised Code;	350
The refundable credit under section 5747.80 of the Revised	351
Code for losses on loans made to the Ohio venture capital	352
program under sections 150.01 to 150.10 of the Revised Code;	353
The refundable credit for rehabilitating a historic	354
building under section 5747.76 of the Revised Code;	355
<u>The refundable credit for qualifying donations to</u>	356
<u>townships under section 5747.77 of the Revised Code.</u>	357
(B) For any credit, except the refundable credits	358
enumerated in this section and the credit granted under division	359
(H) of section 5747.08 of the Revised Code, the amount of the	360
credit for a taxable year shall not exceed the taxpayer's	361

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

**Section 2.** That existing sections 2744.01 and 5747.98 of the Revised Code are hereby repealed.

**Section 3.** The amendment or enactment by this act of sections 5747.77 and 5747.98 of the Revised Code applies to taxable years beginning on and after January 1, 2021.