

I_135_1603-3

135th General Assembly
Regular Session
2023-2024

Sub. H. B. No. 277

A BILL

To amend sections 5726.98, 5747.98, and 5751.98 and
to enact sections 5726.61, 5747.86, and 5751.56
of the Revised Code to authorize a tax credit
for landlords with policies that allow companion
animals in rental dwellings.

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

Section 1. That sections 5726.98, 5747.98, and 5751.98 be
amended and sections 5726.61, 5747.86, and 5751.56 of the
Revised Code be enacted to read as follows:

Sec. 5726.61. There is allowed a nonrefundable credit
against section 5726.02 of the Revised Code for a financial
institution that is issued a tax credit certificate under
section 5747.86 of the Revised Code. The amount of the credit
shall equal the amount indicated on the certificate, less any
amounts claimed from the same certificate under sections 5747.86
and 5751.56 of the Revised Code.

The credit shall be claimed for the taxable year ending
before the date that certificate is issued and in the order



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<u>required under section 5726.98 of the Revised Code.</u>	18
Sec. 5726.98. (A) To provide a uniform procedure for	19
calculating the amount of tax due under section 5726.02 of the	20
Revised Code, a taxpayer shall claim any credits to which the	21
taxpayer is entitled under this chapter in the following order:	22
<u>The nonrefundable credit for landlords that allow</u>	23
<u>companion animals under section 5726.61 of the Revised Code;</u>	24
The nonrefundable job retention credit under division (B)	25
of section 5726.50 of the Revised Code;	26
The nonrefundable credit for purchases of qualified low-	27
income community investments under section 5726.54 of the	28
Revised Code;	29
The nonrefundable credit for qualified research expenses	30
under section 5726.56 of the Revised Code;	31
The nonrefundable credit for qualifying dealer in	32
intangibles taxes under section 5726.57 of the Revised Code;	33
The nonrefundable Ohio low-income housing tax credit under	34
section 5726.58 of the Revised Code;	35
The nonrefundable affordable single-family home credit	36
under section 5726.60 of the Revised Code;	37
The nonrefundable welcome home Ohio (WHO) program credit	38
under section 122.633 of the Revised Code;	39
The refundable credit for rehabilitating an historic	40
building under section 5726.52 of the Revised Code;	41
The refundable job retention or job creation credit under	42
division (A) of section 5726.50 of the Revised Code;	43
The refundable credit under section 5726.53 of the Revised	44

Code for losses on loans made under the Ohio venture capital 45
program under sections 150.01 to 150.10 of the Revised Code; 46

The refundable motion picture and Broadway theatrical 47
production credit under section 5726.55 of the Revised Code; 48

The refundable credit for film and theater capital 49
improvement projects under section 5726.59 of the Revised Code. 50

(B) For any credit except the refundable credits 51
enumerated in this section, the amount of the credit for a 52
taxable year shall not exceed the tax due after allowing for any 53
other credit that precedes it in the order required under this 54
section. Any excess amount of a particular credit may be carried 55
forward if authorized under the section creating that credit. 56
Nothing in this chapter shall be construed to allow a taxpayer 57
to claim, directly or indirectly, a credit more than once for a 58
taxable year. 59

Sec. 5747.86. (A) As used in this section: 60

(1) "Companion animal" means a registered dog or a cat. 61

(2) "Dwelling unit," "landlord," "tenant," and 62
"residential premises" have the same meanings as in section 63
5321.01 of the Revised Code. 64

(3) "Dangerous dog" and "vicious dog" have the same 65
meanings as in section 955.11 of the Revised Code. 66

(4) "Registered dog" means a dog that has been registered 67
with the county auditor under section 955.01 of the Revised 68
Code. 69

(B) A landlord with policies that allow, subject to 70
division (D) of this section, tenants to reside with companion 71
animals at residential premises owned or managed by the landlord 72

may apply to the tax commissioner for a tax credit certificate. 73
The application may be submitted after the first day and before 74
the twenty-first day of January of the year following the 75
calendar year in which the policies were in place. The 76
application shall be made on a form and in the manner prescribed 77
by the commissioner and shall include all of the following: 78

(1) The address of each dwelling unit at which the 79
landlord allows tenants to reside with companion animals that is 80
the basis of a credit authorized under this section; 81

(2) A copy of the landlord's policies governing companion 82
animals at those dwelling units and the residential premises of 83
which they are a part; 84

(3) Evidence of the number of months during the preceding 85
calendar year in which a companion animal was residing in each 86
dwelling unit; 87

(4) If the companion animal is a dog, evidence that it is 88
a registered dog; 89

(5) Any other information and documentation sufficient to 90
establish that the applicant meets the eligibility criteria 91
prescribed by this section. 92

If the commissioner determines that the applicant 93
qualifies for a credit under this section, the commissioner 94
shall issue, within fifteen days after the receipt of a complete 95
application, a tax credit certificate to the applicant. The tax 96
credit certificate shall be identified with a unique number and 97
shall list the amount of credit the commissioner determines the 98
applicant is eligible to claim under this section or section 99
5726.61 or 5751.56 of the Revised Code. The amount of the credit 100
indicated on the certificate shall equal, subject to the 101

limitations of division (E) of this section, the lesser of seven 102
thousand five hundred dollars or the sum of the products 103
obtained by multiplying seven hundred fifty dollars for each 104
dwelling unit covered by such a policy by a fraction, the 105
numerator of which shall be the number of months of the 106
preceding calendar year during which a companion animal was 107
residing in the dwelling unit covered by such a policy on the 108
first day of the month and the denominator of which shall be 109
twelve. 110

(C) There is allowed a nonrefundable credit against a 111
taxpayer's aggregate tax liability under section 5747.02 of the 112
Revised Code for a taxpayer issued a tax credit certificate 113
under this section. The credit shall equal the dollar amount 114
indicated on the certificate, less any amounts claimed from the 115
same certificate under sections 5726.61 and 5751.56 of the 116
Revised Code. The credit shall be claimed either for the 117
taxpayer's taxable year that ended in the calendar year 118
preceding the year in which the certificate is issued or the 119
following taxable year, but not both. The credit shall be 120
claimed in the order required under section 5747.98 of the 121
Revised Code. 122

(D) A landlord may not impose either of the following 123
respecting the dwelling unit upon which a credit is claimed 124
under this section, or the residential premises of which it is a 125
part, during the taxable year for which the credit is claimed: 126

(1) A nonrefundable fee or additional rent related to 127
companion animals residing there; 128

(2) Breed or size restrictions on companion animals 129
allowed to reside there, except that a landlord may prohibit a 130
companion animal that has been determined to be a dangerous or 131

vicious dog under Chapter 955. of the Revised Code or impose a 132
limitation on the total number of companion animals with which a 133
tenant may reside. 134

(E) The tax commissioner shall not award more than ten 135
million dollars in tax credits under this section in a calendar 136
year. 137

(F) The tax commissioner shall compile and publish on the 138
tax department's web site a list of landlords who are awarded a 139
tax credit certificate under this section and the addresses of 140
the dwelling units at which each such landlord allows tenants to 141
reside with companion animals. 142

Sec. 5747.98. (A) To provide a uniform procedure for 143
calculating a taxpayer's aggregate tax liability under section 144
5747.02 of the Revised Code, a taxpayer shall claim any credits 145
to which the taxpayer is entitled in the following order: 146

Either the retirement income credit under division (B) of 147
section 5747.055 of the Revised Code or the lump sum retirement 148
income credits under divisions (C), (D), and (E) of that 149
section; 150

Either the senior citizen credit under division (F) of 151
section 5747.055 of the Revised Code or the lump sum 152
distribution credit under division (G) of that section; 153

The dependent care credit under section 5747.054 of the 154
Revised Code; 155

The credit for displaced workers who pay for job training 156
under section 5747.27 of the Revised Code; 157

The campaign contribution credit under section 5747.29 of 158
the Revised Code; 159

The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;	160 161
The joint filing credit under division (G) of section 5747.05 of the Revised Code;	162 163
The earned income credit under section 5747.71 of the Revised Code;	164 165
The nonrefundable credit for education expenses under section 5747.72 of the Revised Code;	166 167
The nonrefundable credit for donations to scholarship granting organizations under section 5747.73 of the Revised Code;	168 169 170
The nonrefundable credit for tuition paid to a nonchartered nonpublic school under section 5747.75 of the Revised Code;	171 172 173
The nonrefundable vocational job credit under section 5747.057 of the Revised Code;	174 175
<u>The nonrefundable credit for landlords that allow companion animals under section 5747.86 of the Revised Code;</u>	176 177
The nonrefundable job retention credit under division (B) of section 5747.058 of the Revised Code;	178 179
The enterprise zone credit under section 5709.66 of the Revised Code;	180 181
The credit for beginning farmers who participate in a financial management program under division (B) of section 5747.77 of the Revised Code;	182 183 184
The credit for commercial vehicle operator training expenses under section 5747.82 of the Revised Code;	185 186

The nonrefundable welcome home Ohio (WHO) program credit	187
under section 122.633 of the Revised Code;	188
The credit for selling or renting agricultural assets to	189
beginning farmers under division (A) of section 5747.77 of the	190
Revised Code;	191
The credit for purchases of qualifying grape production	192
property under section 5747.28 of the Revised Code;	193
The small business investment credit under section 5747.81	194
of the Revised Code;	195
The nonrefundable lead abatement credit under section	196
5747.26 of the Revised Code;	197
The opportunity zone investment credit under section	198
122.84 of the Revised Code;	199
The enterprise zone credits under section 5709.65 of the	200
Revised Code;	201
The research and development credit under section 5747.331	202
of the Revised Code;	203
The credit for rehabilitating a historic building under	204
section 5747.76 of the Revised Code;	205
The nonrefundable Ohio low-income housing tax credit under	206
section 5747.83 of the Revised Code;	207
The nonrefundable affordable single-family home credit	208
under section 5747.84 of the Revised Code;	209
The nonresident credit under division (A) of section	210
5747.05 of the Revised Code;	211
The credit for a resident's out-of-state income under	212
division (B) of section 5747.05 of the Revised Code;	213

The refundable motion picture and Broadway theatrical production credit under section 5747.66 of the Revised Code;	214 215
The refundable credit for film and theater capital improvement projects under section 5747.67 of the Revised Code;	216 217
The refundable jobs creation credit or job retention credit under division (A) of section 5747.058 of the Revised Code;	218 219 220
The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	221 222
The refundable credits for taxes paid by a qualifying pass-through entity granted under division (I) of section 5747.08 of the Revised Code;	223 224 225
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;	226 227 228
The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	229 230
The refundable credit under section 5747.39 of the Revised Code for taxes levied under section 5747.38 of the Revised Code paid by an electing pass-through entity.	231 232 233
(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	234 235 236 237 238 239 240 241

section creating that credit. Nothing in this chapter shall be 242
construed to allow a taxpayer to claim, directly or indirectly, 243
a credit more than once for a taxable year. 244

Sec. 5751.56. There is allowed a nonrefundable credit 245
against the tax imposed by section 5751.02 of the Revised Code 246
for a taxpayer that is issued a tax credit certificate under 247
section 5747.86 of the Revised Code. The amount of the credit 248
shall equal the amount indicated on the certificate, less any 249
amounts claimed from the same certificate under sections 5726.61 250
and 5747.86 of the Revised Code. 251

The credit shall be claimed for the tax period that 252
includes the last day of the calendar year that precedes the 253
date the certificate is issued and in the order required by 254
section 5751.98 of the Revised Code. 255

Sec. 5751.98. (A) To provide a uniform procedure for 256
calculating the amount of tax due under this chapter, a taxpayer 257
shall claim any credits to which it is entitled in the following 258
order: 259

The nonrefundable credit for landlords that allow 260
companion animals under section 5751.56 of the Revised Code; 261

The nonrefundable jobs retention credit under division (B) 262
of section 5751.50 of the Revised Code; 263

The nonrefundable credit for qualified research expenses 264
under division (B) of section 5751.51 of the Revised Code; 265

The nonrefundable credit for a borrower's qualified 266
research and development loan payments under division (B) of 267
section 5751.52 of the Revised Code; 268

The nonrefundable credit for calendar years 2010 to 2029 269

for unused net operating losses under division (B) of section 5751.53 of the Revised Code;	270 271
The refundable motion picture and Broadway theatrical production credit under section 5751.54 of the Revised Code;	272 273
The refundable credit for film and theater capital improvement projects under section 5751.55 of the Revised Code;	274 275
The refundable jobs creation credit or job retention credit under division (A) of section 5751.50 of the Revised Code;	276 277 278
The refundable credit for calendar year 2030 for unused net operating losses under division (C) of section 5751.53 of the Revised Code.	279 280 281
(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.	282 283 284 285 286 287
Section 2. That existing sections 5726.98, 5747.98, and 5751.98 of the Revised Code are hereby repealed.	288 289
Section 3. Applications for the tax credit authorized under sections 5726.61, 5747.86, and 5751.56 of the Revised Code, as enacted by this act, may be submitted to the Tax Commissioner on or after the first day of the first January beginning after the effective date of this section.	290 291 292 293 294