

**As Introduced**

**135th General Assembly  
Regular Session  
2023-2024**

**H. B. No. 578**

**Representative White**

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**A BILL**

To amend section 5747.98 and to enact section 1  
5747.86 of the Revised Code to authorize a 2  
nonrefundable income tax credit for 3  
contributions to certain child care programs. 4

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

**Section 1.** That section 5747.98 be amended and section 5  
5747.86 of the Revised Code be enacted to read as follows: 6

**Sec. 5747.86.** (A) As used in this section, "qualifying  
child care program" means all of the following: 7 8

(1) A "licensed child care program" as that term is  
defined in section 5104.01 of the Revised Code; 9 10

(2) A "child day camp" as that term is defined in section  
5104.01 of the Revised Code; 11 12

(3) Any other provider that is engaged in "child care" as  
that term is defined in section 5104.01 of the Revised Code. 13 14

(B) There is allowed a nonrefundable credit against a  
taxpayer's aggregate tax liability under section 5747.02 of the  
Revised Code for a taxpayer that contributes cash to a  
qualifying child care program, except as provided in division 15 16 17 18

(C) of this section. The amount of the credit shall equal fifty 19  
per cent of the sum of the taxpayer's contributions for the 20  
taxable year, except that the credit shall not exceed, for any 21  
taxable year, one hundred thousand dollars. The taxpayer shall 22  
claim the credit in the order required by section 5747.98 of the 23  
Revised Code. 24

If the taxpayer is a direct or indirect investor in a 25  
pass-through entity that contributes cash to qualifying child 26  
care programs during the taxable year, the taxpayer may claim 27  
its proportionate or distributive share of the credit allowed 28  
under this section, but the aggregate amount of credits that may 29  
be allocated or apportioned to all such investors shall not 30  
exceed one hundred thousand dollars for the pass-through 31  
entity's taxable year. 32

(C) A taxpayer may not claim a credit under this section 33  
for contributions to a qualifying child care program that the 34  
taxpayer also receives services from. This exclusion does not 35  
apply to a taxpayer or pass-through entity that is an employer 36  
and that receives a discount for services for employees from the 37  
qualifying child care program, whether or not the contribution 38  
is in exchange for such a discount. 39

(D) The credit authorized by this section is not allowed 40  
unless the taxpayer claiming the credit provides to the tax 41  
commissioner, in the form and manner required by the 42  
commissioner, a copy of a receipt or other document issued by 43  
the qualifying child care program acknowledging the taxpayer's 44  
or pass-through entity's contribution to the program, the amount 45  
of the contribution, a statement that the taxpayer or entity 46  
does not receive services from the qualifying child care program 47  
except as provided in division (C) of this section, and a 48

statement that the contribution shall be used for current 49  
operating and capital expenses of the qualifying child care 50  
program. 51

**Sec. 5747.98.** (A) To provide a uniform procedure for 52  
calculating a taxpayer's aggregate tax liability under section 53  
5747.02 of the Revised Code, a taxpayer shall claim any credits 54  
to which the taxpayer is entitled in the following order: 55

Either the retirement income credit under division (B) of 56  
section 5747.055 of the Revised Code or the lump sum retirement 57  
income credits under divisions (C), (D), and (E) of that 58  
section; 59

Either the senior citizen credit under division (F) of 60  
section 5747.055 of the Revised Code or the lump sum 61  
distribution credit under division (G) of that section; 62

The dependent care credit under section 5747.054 of the 63  
Revised Code; 64

The credit for displaced workers who pay for job training 65  
under section 5747.27 of the Revised Code; 66

The campaign contribution credit under section 5747.29 of 67  
the Revised Code; 68

The twenty-dollar personal exemption credit under section 69  
5747.022 of the Revised Code; 70

The joint filing credit under division ~~(G)~~(E) of section 71  
5747.05 of the Revised Code; 72

The earned income credit under section 5747.71 of the 73  
Revised Code; 74

The nonrefundable credit for education expenses under 75

section 5747.72 of the Revised Code;	76
The nonrefundable credit for donations to scholarship granting organizations under section 5747.73 of the Revised Code;	77 78 79
The nonrefundable credit for tuition paid to a nonchartered nonpublic school under section 5747.75 of the Revised Code;	80 81 82
<u>The nonrefundable credit for contributions to certain child care programs under section 5747.86 of the Revised Code;</u>	83 84
The nonrefundable vocational job credit under section 5747.057 of the Revised Code;	85 86
The nonrefundable job retention credit under division (B) of section 5747.058 of the Revised Code;	87 88
The enterprise zone credit under section 5709.66 of the Revised Code;	89 90
The credit for beginning farmers who participate in a financial management program under division (B) of section 5747.77 of the Revised Code;	91 92 93
The credit for commercial vehicle operator training expenses under section 5747.82 of the Revised Code;	94 95
The nonrefundable welcome home Ohio (WHO) program credit under section 122.633 of the Revised Code;	96 97
The credit for selling or renting agricultural assets to beginning farmers under division (A) of section 5747.77 of the Revised Code;	98 99 100
The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	101 102

The small business investment credit under section 5747.81	103
of the Revised Code;	104
The nonrefundable lead abatement credit under section	105
5747.26 of the Revised Code;	106
The opportunity zone investment credit under section	107
122.84 of the Revised Code;	108
The enterprise zone credits under section 5709.65 of the	109
Revised Code;	110
The research and development credit under section 5747.331	111
of the Revised Code;	112
The credit for rehabilitating a historic building under	113
section 5747.76 of the Revised Code;	114
The nonrefundable Ohio low-income housing tax credit under	115
section 5747.83 of the Revised Code;	116
The nonrefundable affordable single-family home credit	117
under section 5747.84 of the Revised Code;	118
The nonresident credit under division (A) of section	119
5747.05 of the Revised Code;	120
The credit for a resident's out-of-state income under	121
division (B) of section 5747.05 of the Revised Code;	122
The refundable motion picture and Broadway theatrical	123
production credit under section 5747.66 of the Revised Code;	124
The refundable credit for film and theater capital	125
improvement projects under section 5747.67 of the Revised Code;	126
The refundable jobs creation credit or job retention	127
credit under division (A) of section 5747.058 of the Revised	128
Code;	129

The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	130 131
The refundable credits for taxes paid by a qualifying pass-through entity granted under division (I) of section 5747.08 of the Revised Code;	132 133 134
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;	135 136 137
The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	138 139
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.	140 141 142
(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 construed to allow a taxpayer to claim, directly or indirectly, a credit more than once for a taxable year.	143 144 145 146 147 148 149 150 151 152 153
<b>Section 2.</b> That existing section 5747.98 of the Revised Code is hereby repealed.	154 155
<b>Section 3.</b> The enactment by this act of section 5747.86 of the Revised Code applies to cash contributions to a qualifying child care program, as defined in that section, on or after the	156 157 158

effective date of this section.

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