

As Introduced

135th General Assembly

Regular Session

2023-2024

H. B. No. 675

Representatives Whitted, Baker

Cosponsors: Representatives Piccolantonio, Denson, Miller, A., Dell'Aquila, Liston, Brennan, Russo, Upchurch, Grim, Isaacsohn, Weinstein, Somani, Miller, J., Jarrells

A BILL

To amend sections 718.01 and 5747.01 and to enact 1
section 3333.1210 of the Revised Code to 2
establish the Social Work Internship Grant 3
Program, to exempt grants received under the 4
program from state and local income taxes, and 5
to make an appropriation. 6

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

Section 1. That sections 718.01 and 5747.01 be amended and 7
section 3333.1210 of the Revised Code be enacted to read as 8
follows: 9

Sec. 718.01. Any term used in this chapter that is not 10
otherwise defined in this chapter has the same meaning as when 11
used in a comparable context in laws of the United States 12
relating to federal income taxation or in Title LVIII of the 13
Revised Code, unless a different meaning is clearly required. 14
Except as provided in section 718.81 of the Revised Code, if a 15
term used in this chapter that is not otherwise defined in this 16
chapter is used in a comparable context in both the laws of the 17

United States relating to federal income tax and in Title LVII 18
of the Revised Code and the use is not consistent, then the use 19
of the term in the laws of the United States relating to federal 20
income tax shall control over the use of the term in Title LVII 21
of the Revised Code. 22

Except as otherwise provided in section 718.81 of the 23
Revised Code, as used in this chapter: 24

(A) (1) "Municipal taxable income" means the following: 25

(a) For a person other than an individual, income 26
apportioned or situated to the municipal corporation under 27
section 718.02 of the Revised Code, as applicable, reduced by 28
any pre-2017 net operating loss carryforward available to the 29
person for the municipal corporation. 30

(b) (i) For an individual who is a resident of a municipal 31
corporation other than a qualified municipal corporation, income 32
reduced by exempt income to the extent otherwise included in 33
income, then reduced as provided in division (A) (2) of this 34
section, and further reduced by any pre-2017 net operating loss 35
carryforward available to the individual for the municipal 36
corporation. 37

(ii) For an individual who is a resident of a qualified 38
municipal corporation, Ohio adjusted gross income reduced by 39
income exempted, and increased by deductions excluded, by the 40
qualified municipal corporation from the qualified municipal 41
corporation's tax. If a qualified municipal corporation, on or 42
before December 31, 2013, exempts income earned by individuals 43
who are not residents of the qualified municipal corporation and 44
net profit of persons that are not wholly located within the 45
qualified municipal corporation, such individual or person shall 46

have no municipal taxable income for the purposes of the tax 47
levied by the qualified municipal corporation and may be 48
exempted by the qualified municipal corporation from the 49
requirements of section 718.03 of the Revised Code. 50

(c) For an individual who is a nonresident of a municipal 51
corporation, income reduced by exempt income to the extent 52
otherwise included in income and then, as applicable, 53
apportioned or situated to the municipal corporation under 54
section 718.02 of the Revised Code, then reduced as provided in 55
division (A) (2) of this section, and further reduced by any pre- 56
2017 net operating loss carryforward available to the individual 57
for the municipal corporation. 58

(2) In computing the municipal taxable income of a 59
taxpayer who is an individual, the taxpayer may subtract, as 60
provided in division (A) (1) (b) (i) or (c) of this section, the 61
amount of the individual's employee business expenses reported 62
on the individual's form 2106 that the individual deducted for 63
federal income tax purposes for the taxable year, subject to the 64
limitation imposed by section 67 of the Internal Revenue Code. 65
For the municipal corporation in which the taxpayer is a 66
resident, the taxpayer may deduct all such expenses allowed for 67
federal income tax purposes. For a municipal corporation in 68
which the taxpayer is not a resident, the taxpayer may deduct 69
such expenses only to the extent the expenses are related to the 70
taxpayer's performance of personal services in that nonresident 71
municipal corporation. 72

(B) "Income" means the following: 73

(1) (a) For residents, all income, salaries, qualifying 74
wages, commissions, and other compensation from whatever source 75
earned or received by the resident, including the resident's 76

distributive share of the net profit of pass-through entities 77
owned directly or indirectly by the resident and any net profit 78
of the resident, except as provided in division (D) (5) of this 79
section. 80

(b) For the purposes of division (B) (1) (a) of this 81
section: 82

(i) Any net operating loss of the resident incurred in the 83
taxable year and the resident's distributive share of any net 84
operating loss generated in the same taxable year and 85
attributable to the resident's ownership interest in a pass- 86
through entity shall be allowed as a deduction, for that taxable 87
year and the following five taxable years, against any other net 88
profit of the resident or the resident's distributive share of 89
any net profit attributable to the resident's ownership interest 90
in a pass-through entity until fully utilized, subject to 91
division (B) (1) (d) of this section; 92

(ii) The resident's distributive share of the net profit 93
of each pass-through entity owned directly or indirectly by the 94
resident shall be calculated without regard to any net operating 95
loss that is carried forward by that entity from a prior taxable 96
year and applied to reduce the entity's net profit for the 97
current taxable year. 98

(c) Division (B) (1) (b) of this section does not apply with 99
respect to any net profit or net operating loss attributable to 100
an ownership interest in an S corporation unless shareholders' 101
distributive shares of net profits from S corporations are 102
subject to tax in the municipal corporation as provided in 103
division (C) (14) (b) or (c) of this section. 104

(d) Any amount of a net operating loss used to reduce a 105

taxpayer's net profit for a taxable year shall reduce the amount 106
of net operating loss that may be carried forward to any 107
subsequent year for use by that taxpayer. In no event shall the 108
cumulative deductions for all taxable years with respect to a 109
taxpayer's net operating loss exceed the original amount of that 110
net operating loss available to that taxpayer. 111

(2) In the case of nonresidents, all income, salaries, 112
qualifying wages, commissions, and other compensation from 113
whatever source earned or received by the nonresident for work 114
done, services performed or rendered, or activities conducted in 115
the municipal corporation, including any net profit of the 116
nonresident, but excluding the nonresident's distributive share 117
of the net profit or loss of only pass-through entities owned 118
directly or indirectly by the nonresident. 119

(3) For taxpayers that are not individuals, net profit of 120
the taxpayer; 121

(4) Lottery, sweepstakes, gambling and sports winnings, 122
winnings from games of chance, and prizes and awards. If the 123
taxpayer is a professional gambler for federal income tax 124
purposes, the taxpayer may deduct related wagering losses and 125
expenses to the extent authorized under the Internal Revenue 126
Code and claimed against such winnings. 127

(C) "Exempt income" means all of the following: 128

(1) The military pay or allowances of members of the armed 129
forces of the United States or members of their reserve 130
components, including the national guard of any state; 131

(2) (a) Except as provided in division (C) (2) (b) of this 132
section, intangible income; 133

(b) A municipal corporation that taxed any type of 134

intangible income on March 29, 1988, pursuant to Section 3 of 135
S.B. 238 of the 116th general assembly, may continue to tax that 136
type of income if a majority of the electors of the municipal 137
corporation voting on the question of whether to permit the 138
taxation of that type of intangible income after 1988 voted in 139
favor thereof at an election held on November 8, 1988. 140

(3) Social security benefits, railroad retirement 141
benefits, unemployment compensation, pensions, retirement 142
benefit payments, payments from annuities, and similar payments 143
made to an employee or to the beneficiary of an employee under a 144
retirement program or plan, disability payments received from 145
private industry or local, state, or federal governments or from 146
charitable, religious or educational organizations, and the 147
proceeds of sickness, accident, or liability insurance policies. 148
As used in division (C) (3) of this section, "unemployment 149
compensation" does not include supplemental unemployment 150
compensation described in section 3402(o) (2) of the Internal 151
Revenue Code. 152

(4) The income of religious, fraternal, charitable, 153
scientific, literary, or educational institutions to the extent 154
such income is derived from tax-exempt real estate, tax-exempt 155
tangible or intangible property, or tax-exempt activities. 156

(5) Compensation paid under section 3501.28 or 3501.36 of 157
the Revised Code to a person serving as a precinct election 158
official to the extent that such compensation does not exceed 159
one thousand dollars for the taxable year. Such compensation in 160
excess of one thousand dollars for the taxable year may be 161
subject to taxation by a municipal corporation. A municipal 162
corporation shall not require the payer of such compensation to 163
withhold any tax from that compensation. 164

(6) Dues, contributions, and similar payments received by	165
charitable, religious, educational, or literary organizations or	166
labor unions, lodges, and similar organizations;	167
(7) Alimony and child support received;	168
(8) Compensation for personal injuries or for damages to	169
property from insurance proceeds or otherwise, excluding	170
compensation paid for lost salaries or wages or compensation	171
from punitive damages;	172
(9) Income of a public utility when that public utility is	173
subject to the tax levied under section 5727.24 or 5727.30 of	174
the Revised Code. Division (C) (9) of this section does not apply	175
for purposes of Chapter 5745. of the Revised Code.	176
(10) Gains from involuntary conversions, interest on	177
federal obligations, items of income subject to a tax levied by	178
the state and that a municipal corporation is specifically	179
prohibited by law from taxing, and income of a decedent's estate	180
during the period of administration except such income from the	181
operation of a trade or business;	182
(11) Compensation or allowances excluded from federal	183
gross income under section 107 of the Internal Revenue Code;	184
(12) Employee compensation that is not qualifying wages as	185
defined in division (R) of this section;	186
(13) Compensation paid to a person employed within the	187
boundaries of a United States air force base under the	188
jurisdiction of the United States air force that is used for the	189
housing of members of the United States air force and is a	190
center for air force operations, unless the person is subject to	191
taxation because of residence or domicile. If the compensation	192
is subject to taxation because of residence or domicile, tax on	193

such income shall be payable only to the municipal corporation 194
of residence or domicile. 195

(14) (a) Except as provided in division (C) (14) (b) or (c) 196
of this section, an S corporation shareholder's distributive 197
share of net profits of the S corporation, other than any part 198
of the distributive share of net profits that represents wages 199
as defined in section 3121(a) of the Internal Revenue Code or 200
net earnings from self-employment as defined in section 1402(a) 201
of the Internal Revenue Code. 202

(b) If, pursuant to division (H) of former section 718.01 203
of the Revised Code as it existed before March 11, 2004, a 204
majority of the electors of a municipal corporation voted in 205
favor of the question at an election held on November 4, 2003, 206
the municipal corporation may continue after 2002 to tax an S 207
corporation shareholder's distributive share of net profits of 208
an S corporation. 209

(c) If, on December 6, 2002, a municipal corporation was 210
imposing, assessing, and collecting a tax on an S corporation 211
shareholder's distributive share of net profits of the S 212
corporation to the extent the distributive share would be 213
allocated or apportioned to this state under divisions (B) (1) 214
and (2) of section 5733.05 of the Revised Code if the S 215
corporation were a corporation subject to taxes imposed under 216
Chapter 5733. of the Revised Code, the municipal corporation may 217
continue to impose the tax on such distributive shares to the 218
extent such shares would be so allocated or apportioned to this 219
state only until December 31, 2004, unless a majority of the 220
electors of the municipal corporation voting on the question of 221
continuing to tax such shares after that date voted in favor of 222
that question at an election held November 2, 2004. If a 223

majority of those electors voted in favor of the question, the 224
municipal corporation may continue after December 31, 2004, to 225
impose the tax on such distributive shares only to the extent 226
such shares would be so allocated or apportioned to this state. 227

(d) A municipal corporation shall be deemed to have 228
elected to tax S corporation shareholders' distributive shares 229
of net profits of the S corporation in the hands of the 230
shareholders if a majority of the electors of a municipal 231
corporation voted in favor of a question at an election held 232
under division (C) (14) (b) or (c) of this section. The municipal 233
corporation shall specify by resolution or ordinance that the 234
tax applies to the distributive share of a shareholder of an S 235
corporation in the hands of the shareholder of the S 236
corporation. 237

(15) The income of individuals under eighteen years of 238
age. 239

(16) (a) Except as provided in divisions (C) (16) (b), (c), 240
and (d) of this section, qualifying wages described in division 241
(B) (1) or (E) of section 718.011 of the Revised Code to the 242
extent the qualifying wages are not subject to withholding for 243
the municipal corporation under either of those divisions. 244

(b) The exemption provided in division (C) (16) (a) of this 245
section does not apply with respect to the municipal corporation 246
in which the employee resided at the time the employee earned 247
the qualifying wages. 248

(c) The exemption provided in division (C) (16) (a) of this 249
section does not apply to qualifying wages that an employer 250
elects to withhold under division (D) (2) of section 718.011 of 251
the Revised Code. 252

(d) The exemption provided in division (C) (16) (a) of this section does not apply to qualifying wages if both of the following conditions apply:

(i) For qualifying wages described in division (B) (1) of section 718.011 of the Revised Code, the employee's employer withholds and remits tax on the qualifying wages to the municipal corporation in which the employee's principal place of work is situated, or, for qualifying wages described in division (E) of section 718.011 of the Revised Code, the employee's employer withholds and remits tax on the qualifying wages to the municipal corporation in which the employer's fixed location is located;

(ii) The employee receives a refund of the tax described in division (C) (16) (d) (i) of this section on the basis of the employee not performing services in that municipal corporation.

(17) (a) Except as provided in division (C) (17) (b) or (c) of this section, compensation that is not qualifying wages paid to a nonresident individual for personal services performed in the municipal corporation on not more than twenty days in a taxable year.

(b) The exemption provided in division (C) (17) (a) of this section does not apply under either of the following circumstances:

(i) The individual's base of operation is located in the municipal corporation.

(ii) The individual is a professional athlete, professional entertainer, or public figure, and the compensation is paid for the performance of services in the individual's capacity as a professional athlete, professional entertainer, or

public figure. For purposes of division (C) (17) (b) (ii) of this section, "professional athlete," "professional entertainer," and "public figure" have the same meanings as in section 718.011 of the Revised Code.

(c) Compensation to which division (C) (17) of this section applies shall be treated as earned or received at the individual's base of operation. If the individual does not have a base of operation, the compensation shall be treated as earned or received where the individual is domiciled.

(d) For purposes of division (C) (17) of this section, "base of operation" means the location where an individual owns or rents an office, storefront, or similar facility to which the individual regularly reports and at which the individual regularly performs personal services for compensation.

(18) Compensation paid to a person for personal services performed for a political subdivision on property owned by the political subdivision, regardless of whether the compensation is received by an employee of the subdivision or another person performing services for the subdivision under a contract with the subdivision, if the property on which services are performed is annexed to a municipal corporation pursuant to section 709.023 of the Revised Code on or after March 27, 2013, unless the person is subject to such taxation because of residence. If the compensation is subject to taxation because of residence, municipal income tax shall be payable only to the municipal corporation of residence.

(19) In the case of a tax administered, collected, and enforced by a municipal corporation pursuant to an agreement with the board of directors of a joint economic development district under section 715.72 of the Revised Code, the net

profits of a business, and the income of the employees of that 312
business, exempted from the tax under division (Q) of that 313
section. 314

(20) All of the following: 315

(a) Income derived from disaster work conducted in this 316
state by an out-of-state disaster business during a disaster 317
response period pursuant to a qualifying solicitation received 318
by the business; 319

(b) Income of a qualifying employee described in division 320
(A) (14) (a) of section 5703.94 of the Revised Code, to the extent 321
such income is derived from disaster work conducted in this 322
state by the employee during a disaster response period pursuant 323
to a qualifying solicitation received by the employee's 324
employer; 325

(c) Income of a qualifying employee described in division 326
(A) (14) (b) of section 5703.94 of the Revised Code, to the extent 327
such income is derived from disaster work conducted in this 328
state by the employee during a disaster response period on 329
critical infrastructure owned or used by the employee's 330
employer. 331

(21) Amounts received by a person under the social work 332
internship grant program pursuant to section 3333.1210 of the 333
Revised Code; 334

(22) Income the taxation of which is prohibited by the 335
constitution or laws of the United States. 336

Any item of income that is exempt income of a pass-through 337
entity under division (C) of this section is exempt income of 338
each owner of the pass-through entity to the extent of that 339
owner's distributive or proportionate share of that item of the 340

entity's income. 341

(D) (1) "Net profit" for a person who is an individual 342
means the individual's net profit required to be reported on 343
schedule C, schedule E, or schedule F reduced by any net 344
operating loss carried forward. For the purposes of division (D) 345
(1) of this section, the net operating loss carried forward 346
shall be calculated and deducted in the same manner as provided 347
in division (D) (3) of this section. 348

(2) "Net profit" for a person other than an individual 349
means adjusted federal taxable income reduced by any net 350
operating loss incurred by the person in a taxable year 351
beginning on or after January 1, 2017, subject to the 352
limitations of division (D) (3) of this section. 353

(3) (a) The amount of such net operating loss shall be 354
deducted from net profit to the extent necessary to reduce 355
municipal taxable income to zero, with any remaining unused 356
portion of the net operating loss carried forward to not more 357
than five consecutive taxable years following the taxable year 358
in which the loss was incurred, but in no case for more years 359
than necessary for the deduction to be fully utilized. 360

(b) No person shall use the deduction allowed by division 361
(D) (3) of this section to offset qualifying wages. 362

(c) (i) For taxable years beginning in 2018, 2019, 2020, 363
2021, or 2022, a person may not deduct, for purposes of an 364
income tax levied by a municipal corporation that levies an 365
income tax before January 1, 2016, more than fifty per cent of 366
the amount of the deduction otherwise allowed by division (D) (3) 367
of this section. 368

(ii) For taxable years beginning in 2023 or thereafter, a 369

person may deduct, for purposes of an income tax levied by a 370
municipal corporation that levies an income tax before January 371
1, 2016, the full amount allowed by division (D) (3) of this 372
section without regard to the limitation of division (D) (3) (c) 373
(i) of this section. 374

(d) Any pre-2017 net operating loss carryforward deduction 375
that is available may be utilized before a taxpayer may deduct 376
any amount pursuant to division (D) (3) of this section. 377

(e) Nothing in division (D) (3) (c) (i) of this section 378
precludes a person from carrying forward, for use with respect 379
to any return filed for a taxable year beginning after 2018, any 380
amount of net operating loss that was not fully utilized by 381
operation of division (D) (3) (c) (i) of this section. To the 382
extent that an amount of net operating loss that was not fully 383
utilized in one or more taxable years by operation of division 384
(D) (3) (c) (i) of this section is carried forward for use with 385
respect to a return filed for a taxable year beginning in 2019, 386
2020, 2021, or 2022, the limitation described in division (D) (3) 387
(c) (i) of this section shall apply to the amount carried 388
forward. 389

(4) For the purposes of this chapter, and notwithstanding 390
division (D) (2) of this section, net profit of a disregarded 391
entity shall not be taxable as against that disregarded entity, 392
but shall instead be included in the net profit of the owner of 393
the disregarded entity. 394

(5) For the purposes of this chapter, and notwithstanding 395
any other provision of this chapter, the net profit of a 396
publicly traded partnership that makes the election described in 397
division (D) (5) of this section shall be taxed as if the 398
partnership were a C corporation, and shall not be treated as 399

the net profit or income of any owner of the partnership. 400

A publicly traded partnership that is treated as a 401
partnership for federal income tax purposes and that is subject 402
to tax on its net profits in one or more municipal corporations 403
in this state may elect to be treated as a C corporation for 404
municipal income tax purposes. The publicly traded partnership 405
shall make the election in every municipal corporation in which 406
the partnership is subject to taxation on its net profits. The 407
election shall be made on the annual tax return filed in each 408
such municipal corporation. The publicly traded partnership 409
shall not be required to file the election with any municipal 410
corporation in which the partnership is not subject to taxation 411
on its net profits, but division (D) (5) of this section applies 412
to all municipal corporations in which an individual owner of 413
the partnership resides. 414

(E) "Adjusted federal taxable income," for a person 415
required to file as a C corporation, or for a person that has 416
elected to be taxed as a C corporation under division (D) (5) of 417
this section, means a C corporation's federal taxable income 418
before net operating losses and special deductions as determined 419
under the Internal Revenue Code, adjusted as follows: 420

(1) Deduct intangible income to the extent included in 421
federal taxable income. The deduction shall be allowed 422
regardless of whether the intangible income relates to assets 423
used in a trade or business or assets held for the production of 424
income. 425

(2) Add an amount equal to five per cent of intangible 426
income deducted under division (E) (1) of this section, but 427
excluding that portion of intangible income directly related to 428
the sale, exchange, or other disposition of property described 429

in section 1221 of the Internal Revenue Code;	430
(3) Add any losses allowed as a deduction in the	431
computation of federal taxable income if the losses directly	432
relate to the sale, exchange, or other disposition of an asset	433
described in section 1221 or 1231 of the Internal Revenue Code;	434
(4) (a) Except as provided in division (E) (4) (b) of this	435
section, deduct income and gain included in federal taxable	436
income to the extent the income and gain directly relate to the	437
sale, exchange, or other disposition of an asset described in	438
section 1221 or 1231 of the Internal Revenue Code;	439
(b) Division (E) (4) (a) of this section does not apply to	440
the extent the income or gain is income or gain described in	441
section 1245 or 1250 of the Internal Revenue Code.	442
(5) Add taxes on or measured by net income allowed as a	443
deduction in the computation of federal taxable income;	444
(6) In the case of a real estate investment trust or	445
regulated investment company, add all amounts with respect to	446
dividends to, distributions to, or amounts set aside for or	447
credited to the benefit of investors and allowed as a deduction	448
in the computation of federal taxable income;	449
(7) Deduct, to the extent not otherwise deducted or	450
excluded in computing federal taxable income, any income derived	451
from a transfer agreement or from the enterprise transferred	452
under that agreement under section 4313.02 of the Revised Code;	453
(8) Deduct exempt income to the extent not otherwise	454
deducted or excluded in computing adjusted federal taxable	455
income.	456
(9) Deduct any net profit of a pass-through entity owned	457

directly or indirectly by the taxpayer and included in the 458
taxpayer's federal taxable income unless an affiliated group of 459
corporations includes that net profit in the group's federal 460
taxable income in accordance with division (E) (3) (b) of section 461
718.06 of the Revised Code. 462

(10) Add any loss incurred by a pass-through entity owned 463
directly or indirectly by the taxpayer and included in the 464
taxpayer's federal taxable income unless an affiliated group of 465
corporations includes that loss in the group's federal taxable 466
income in accordance with division (E) (3) (b) of section 718.06 467
of the Revised Code. 468

If the taxpayer is not a C corporation, is not a 469
disregarded entity that has made the election described in 470
division (L) (2) of this section, is not a publicly traded 471
partnership that has made the election described in division (D) 472
(5) of this section, and is not an individual, the taxpayer 473
shall compute adjusted federal taxable income under this section 474
as if the taxpayer were a C corporation, except guaranteed 475
payments and other similar amounts paid or accrued to a partner, 476
former partner, shareholder, former shareholder, member, or 477
former member shall not be allowed as a deductible expense 478
unless such payments are a pension or retirement benefit payment 479
paid to a retired partner, retired shareholder, or retired 480
member or are in consideration for the use of capital and 481
treated as payment of interest under section 469 of the Internal 482
Revenue Code or United States treasury regulations. Amounts paid 483
or accrued to a qualified self-employed retirement plan with 484
respect to a partner, former partner, shareholder, former 485
shareholder, member, or former member of the taxpayer, amounts 486
paid or accrued to or for health insurance for a partner, former 487
partner, shareholder, former shareholder, member, or former 488

member, and amounts paid or accrued to or for life insurance for 489
a partner, former partner, shareholder, former shareholder, 490
member, or former member shall not be allowed as a deduction. 491

Nothing in division (E) of this section shall be construed 492
as allowing the taxpayer to add or deduct any amount more than 493
once or shall be construed as allowing any taxpayer to deduct 494
any amount paid to or accrued for purposes of federal self- 495
employment tax. 496

(F) "Schedule C" means internal revenue service schedule C 497
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 498
Code. 499

(G) "Schedule E" means internal revenue service schedule E 500
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 501
Code. 502

(H) "Schedule F" means internal revenue service schedule F 503
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 504
Code. 505

(I) "Internal Revenue Code" has the same meaning as in 506
section 5747.01 of the Revised Code. 507

(J) "Resident" means an individual who is domiciled in the 508
municipal corporation as determined under section 718.012 of the 509
Revised Code. 510

(K) "Nonresident" means an individual that is not a 511
resident. 512

(L) (1) "Taxpayer" means a person subject to a tax levied 513
on income by a municipal corporation in accordance with this 514
chapter. "Taxpayer" does not include a grantor trust or, except 515
as provided in division (L) (2) (a) of this section, a disregarded 516

entity. 517

(2) (a) A single member limited liability company that is a 518
disregarded entity for federal tax purposes may be a separate 519
taxpayer from its single member in all Ohio municipal 520
corporations in which it either filed as a separate taxpayer or 521
did not file for its taxable year ending in 2003, if all of the 522
following conditions are met: 523

(i) The limited liability company's single member is also 524
a limited liability company. 525

(ii) The limited liability company and its single member 526
were formed and doing business in one or more Ohio municipal 527
corporations for at least five years before January 1, 2004. 528

(iii) Not later than December 31, 2004, the limited 529
liability company and its single member each made an election to 530
be treated as a separate taxpayer under division (L) of this 531
section as this section existed on December 31, 2004. 532

(iv) The limited liability company was not formed for the 533
purpose of evading or reducing Ohio municipal corporation income 534
tax liability of the limited liability company or its single 535
member. 536

(v) The Ohio municipal corporation that was the primary 537
place of business of the sole member of the limited liability 538
company consented to the election. 539

(b) For purposes of division (L) (2) (a) (v) of this section, 540
a municipal corporation was the primary place of business of a 541
limited liability company if, for the limited liability 542
company's taxable year ending in 2003, its income tax liability 543
was greater in that municipal corporation than in any other 544
municipal corporation in Ohio, and that tax liability to that 545

municipal corporation for its taxable year ending in 2003 was at least four hundred thousand dollars.	546 547
(M) "Person" includes individuals, firms, companies, joint stock companies, business trusts, estates, trusts, partnerships, limited liability partnerships, limited liability companies, associations, C corporations, S corporations, governmental entities, and any other entity.	548 549 550 551 552
(N) "Pass-through entity" means a partnership not treated as an association taxable as a C corporation for federal income tax purposes, a limited liability company not treated as an association taxable as a C corporation for federal income tax purposes, an S corporation, or any other class of entity from which the income or profits of the entity are given pass-through treatment for federal income tax purposes. "Pass-through entity" does not include a trust, estate, grantor of a grantor trust, or disregarded entity.	553 554 555 556 557 558 559 560 561
(O) "S corporation" means a person that has made an election under subchapter S of Chapter 1 of Subtitle A of the Internal Revenue Code for its taxable year.	562 563 564
(P) "Single member limited liability company" means a limited liability company that has one direct member.	565 566
(Q) "Limited liability company" means a limited liability company formed under former Chapter 1705. of the Revised Code as that chapter existed prior to February 11, 2022, Chapter 1706. of the Revised Code, or the laws of another state.	567 568 569 570
(R) "Qualifying wages" means wages, as defined in section 3121(a) of the Internal Revenue Code, without regard to any wage limitations, adjusted as follows:	571 572 573
(1) Deduct the following amounts:	574

(a) Any amount included in wages if the amount constitutes 575
compensation attributable to a plan or program described in 576
section 125 of the Internal Revenue Code. 577

(b) Any amount included in wages if the amount constitutes 578
payment on account of a disability related to sickness or an 579
accident paid by a party unrelated to the employer, agent of an 580
employer, or other payer. 581

(c) Any amount attributable to a nonqualified deferred 582
compensation plan or program described in section 3121(v) (2) (C) 583
of the Internal Revenue Code if the compensation is included in 584
wages and the municipal corporation has, by resolution or 585
ordinance adopted before January 1, 2016, exempted the amount 586
from withholding and tax. 587

(d) Any amount included in wages if the amount arises from 588
the sale, exchange, or other disposition of a stock option, the 589
exercise of a stock option, or the sale, exchange, or other 590
disposition of stock purchased under a stock option and the 591
municipal corporation has, by resolution or ordinance adopted 592
before January 1, 2016, exempted the amount from withholding and 593
tax. 594

(e) Any amount included in wages that is exempt income. 595

(2) Add the following amounts: 596

(a) Any amount not included in wages solely because the 597
employee was employed by the employer before April 1, 1986. 598

(b) Any amount not included in wages because the amount 599
arises from the sale, exchange, or other disposition of a stock 600
option, the exercise of a stock option, or the sale, exchange, 601
or other disposition of stock purchased under a stock option and 602
the municipal corporation has not, by resolution or ordinance, 603

exempted the amount from withholding and tax adopted before 604
January 1, 2016. Division (R) (2) (b) of this section applies only 605
to those amounts constituting ordinary income. 606

(c) Any amount not included in wages if the amount is an 607
amount described in section 401(k), 403(b), or 457 of the 608
Internal Revenue Code. Division (R) (2) (c) of this section 609
applies only to employee contributions and employee deferrals. 610

(d) Any amount that is supplemental unemployment 611
compensation benefits described in section 3402(o) (2) of the 612
Internal Revenue Code and not included in wages. 613

(e) Any amount received that is treated as self-employment 614
income for federal tax purposes in accordance with section 615
1402(a) (8) of the Internal Revenue Code. 616

(f) Any amount not included in wages if all of the 617
following apply: 618

(i) For the taxable year the amount is employee 619
compensation that is earned outside of the United States and 620
that either is included in the taxpayer's gross income for 621
federal income tax purposes or would have been included in the 622
taxpayer's gross income for such purposes if the taxpayer did 623
not elect to exclude the income under section 911 of the 624
Internal Revenue Code; 625

(ii) For no preceding taxable year did the amount 626
constitute wages as defined in section 3121(a) of the Internal 627
Revenue Code; 628

(iii) For no succeeding taxable year will the amount 629
constitute wages; and 630

(iv) For any taxable year the amount has not otherwise 631

been added to wages pursuant to either division (R) (2) of this 632
section or section 718.03 of the Revised Code, as that section 633
existed before the effective date of H.B. 5 of the 130th general 634
assembly, March 23, 2015. 635

(S) "Intangible income" means income of any of the 636
following types: income yield, interest, capital gains, 637
dividends, or other income arising from the ownership, sale, 638
exchange, or other disposition of intangible property including, 639
but not limited to, investments, deposits, money, or credits as 640
those terms are defined in Chapter 5701. of the Revised Code, 641
and patents, copyrights, trademarks, tradenames, investments in 642
real estate investment trusts, investments in regulated 643
investment companies, and appreciation on deferred compensation. 644
"Intangible income" does not include prizes, awards, or other 645
income associated with any lottery winnings, gambling winnings, 646
or other similar games of chance. 647

(T) "Taxable year" means the corresponding tax reporting 648
period as prescribed for the taxpayer under the Internal Revenue 649
Code. 650

(U) (1) "Tax administrator" means, subject to division (U) 651
(2) of this section, the individual charged with direct 652
responsibility for administration of an income tax levied by a 653
municipal corporation in accordance with this chapter, and also 654
includes the following: 655

(a) A municipal corporation acting as the agent of another 656
municipal corporation; 657

(b) A person retained by a municipal corporation to 658
administer a tax levied by the municipal corporation, but only 659
if the municipal corporation does not compensate the person in 660

whole or in part on a contingency basis; 661

(c) The central collection agency or the regional income 662
tax agency or their successors in interest, or another entity 663
organized to perform functions similar to those performed by the 664
central collection agency and the regional income tax agency. 665

(2) "Tax administrator" does not include the tax 666
commissioner. 667

(3) A private individual or entity serving in any position 668
described in division (U) (1) (b) or (c) of this section shall 669
have no access to criminal history record information. 670

(V) "Employer" means a person that is an employer for 671
federal income tax purposes. 672

(W) "Employee" means an individual who is an employee for 673
federal income tax purposes. 674

(X) "Other payer" means any person, other than an 675
individual's employer or the employer's agent, that pays an 676
individual any amount included in the federal gross income of 677
the individual. "Other payer" includes casino operators and 678
video lottery terminal sales agents. 679

(Y) "Calendar quarter" means the three-month period ending 680
on the last day of March, June, September, or December. 681

(Z) "Form 2106" means internal revenue service form 2106 682
filed by a taxpayer pursuant to the Internal Revenue Code. 683

(AA) "Municipal corporation" includes a joint economic 684
development district or joint economic development zone that 685
levies an income tax under section 715.691, 715.70, 715.71, or 686
715.72 of the Revised Code. 687

(BB) "Disregarded entity" means a single member limited liability company, a qualifying subchapter S subsidiary, or another entity if the company, subsidiary, or entity is a disregarded entity for federal income tax purposes.

(CC) "Generic form" means an electronic or paper form that is not prescribed by a particular municipal corporation and that is designed for reporting taxes withheld by an employer, agent of an employer, or other payer, estimated municipal income taxes, or annual municipal income tax liability or for filing a refund claim.

(DD) "Tax return preparer" means any individual described in section 7701(a)(36) of the Internal Revenue Code and 26 C.F.R. 301.7701-15.

(EE) "Ohio business gateway" means the online computer network system created under section 125.30 of the Revised Code or any successor electronic filing and payment system.

(FF) "Local board of tax review" and "board of tax review" mean the entity created under section 718.11 of the Revised Code.

(GG) "Net operating loss" means a loss incurred by a person in the operation of a trade or business. "Net operating loss" does not include unutilized losses resulting from basis limitations, at-risk limitations, or passive activity loss limitations.

(HH) "Casino operator" and "casino facility" have the same meanings as in section 3772.01 of the Revised Code.

(II) "Video lottery terminal" has the same meaning as in section 3770.21 of the Revised Code.

(JJ) "Video lottery terminal sales agent" means a lottery sales agent licensed under Chapter 3770. of the Revised Code to conduct video lottery terminals on behalf of the state pursuant to section 3770.21 of the Revised Code.

(KK) "Postal service" means the United States postal service.

(LL) "Certified mail," "express mail," "United States mail," "postal service," and similar terms include any delivery service authorized pursuant to section 5703.056 of the Revised Code.

(MM) "Postmark date," "date of postmark," and similar terms include the date recorded and marked in the manner described in division (B) (3) of section 5703.056 of the Revised Code.

(NN) "Related member" means a person that, with respect to the taxpayer during all or any portion of the taxable year, is either a related entity, a component member as defined in section 1563(b) of the Internal Revenue Code, or a person to or from whom there is attribution of stock ownership in accordance with section 1563(e) of the Internal Revenue Code except, for purposes of determining whether a person is a related member under this division, "twenty per cent" shall be substituted for "5 percent" wherever "5 percent" appears in section 1563(e) of the Internal Revenue Code.

(OO) "Related entity" means any of the following:

(1) An individual stockholder, or a member of the stockholder's family enumerated in section 318 of the Internal Revenue Code, if the stockholder and the members of the stockholder's family own directly, indirectly, beneficially, or

constructively, in the aggregate, at least fifty per cent of the 745
value of the taxpayer's outstanding stock; 746

(2) A stockholder, or a stockholder's partnership, estate, 747
trust, or corporation, if the stockholder and the stockholder's 748
partnerships, estates, trusts, or corporations own directly, 749
indirectly, beneficially, or constructively, in the aggregate, 750
at least fifty per cent of the value of the taxpayer's 751
outstanding stock; 752

(3) A corporation, or a party related to the corporation 753
in a manner that would require an attribution of stock from the 754
corporation to the party or from the party to the corporation 755
under division (00)(4) of this section, provided the taxpayer 756
owns directly, indirectly, beneficially, or constructively, at 757
least fifty per cent of the value of the corporation's 758
outstanding stock; 759

(4) The attribution rules described in section 318 of the 760
Internal Revenue Code apply for the purpose of determining 761
whether the ownership requirements in divisions (00)(1) to (3) 762
of this section have been met. 763

(PP)(1) "Assessment" means a written finding by the tax 764
administrator that a person has underpaid municipal income tax, 765
or owes penalty and interest, or any combination of tax, 766
penalty, or interest, to the municipal corporation that 767
commences the person's time limitation for making an appeal to 768
the local board of tax review pursuant to section 718.11 of the 769
Revised Code, and has "ASSESSMENT" written in all capital 770
letters at the top of such finding. 771

(2) "Assessment" does not include an informal notice 772
denying a request for refund issued under division (B)(3) of 773

section 718.19 of the Revised Code, a billing statement 774
notifying a taxpayer of current or past-due balances owed to the 775
municipal corporation, a tax administrator's request for 776
additional information, a notification to the taxpayer of 777
mathematical errors, or a tax administrator's other written 778
correspondence to a person or taxpayer that does not meet the 779
criteria prescribed by division (PP)(1) of this section. 780

(QQ) "Taxpayers' rights and responsibilities" means the 781
rights provided to taxpayers in sections 718.11, 718.12, 718.19, 782
718.23, 718.36, 718.37, 718.38, 5717.011, and 5717.03 of the 783
Revised Code and the responsibilities of taxpayers to file, 784
report, withhold, remit, and pay municipal income tax and 785
otherwise comply with Chapter 718. of the Revised Code and 786
resolutions, ordinances, and rules adopted by a municipal 787
corporation for the imposition and administration of a municipal 788
income tax. 789

(RR) "Qualified municipal corporation" means a municipal 790
corporation that, by resolution or ordinance adopted on or 791
before December 31, 2011, adopted Ohio adjusted gross income, as 792
defined by section 5747.01 of the Revised Code, as the income 793
subject to tax for the purposes of imposing a municipal income 794
tax. 795

(SS) (1) "Pre-2017 net operating loss carryforward" means 796
any net operating loss incurred in a taxable year beginning 797
before January 1, 2017, to the extent such loss was permitted, 798
by a resolution or ordinance of the municipal corporation that 799
was adopted by the municipal corporation before January 1, 2016, 800
to be carried forward and utilized to offset income or net 801
profit generated in such municipal corporation in future taxable 802
years. 803

(2) For the purpose of calculating municipal taxable 804
income, any pre-2017 net operating loss carryforward may be 805
carried forward to any taxable year, including taxable years 806
beginning in 2017 or thereafter, for the number of taxable years 807
provided in the resolution or ordinance or until fully utilized, 808
whichever is earlier. 809

(TT) "Small employer" means any employer that had total 810
revenue of less than five hundred thousand dollars during the 811
preceding taxable year. For purposes of this division, "total 812
revenue" means receipts of any type or kind, including, but not 813
limited to, sales receipts; payments; rents; profits; gains, 814
dividends, and other investment income; compensation; 815
commissions; premiums; money; property; grants; contributions; 816
donations; gifts; program service revenue; patient service 817
revenue; premiums; fees, including premium fees and service 818
fees; tuition payments; unrelated business revenue; 819
reimbursements; any type of payment from a governmental unit, 820
including grants and other allocations; and any other similar 821
receipts reported for federal income tax purposes or under 822
generally accepted accounting principles. "Small employer" does 823
not include the federal government; any state government, 824
including any state agency or instrumentality; any political 825
subdivision; or any entity treated as a government for financial 826
accounting and reporting purposes. 827

(UU) "Audit" means the examination of a person or the 828
inspection of the books, records, memoranda, or accounts of a 829
person for the purpose of determining liability for a municipal 830
income tax. 831

(VV) "Publicly traded partnership" means any partnership, 832
an interest in which is regularly traded on an established 833

securities market. A "publicly traded partnership" may have any 834
number of partners. 835

(WW) "Tax commissioner" means the tax commissioner 836
appointed under section 121.03 of the Revised Code. 837

(XX) "Out-of-state disaster business," "qualifying 838
solicitation," "qualifying employee," "disaster work," "critical 839
infrastructure," and "disaster response period" have the same 840
meanings as in section 5703.94 of the Revised Code. 841

(YY) "Pension" means a retirement benefit plan, regardless 842
of whether the plan satisfies the qualifications described under 843
section 401(a) of the Internal Revenue Code, including amounts 844
that are taxable under the "Federal Insurance Contributions 845
Act," Chapter 21 of the Internal Revenue Code, excluding 846
employee contributions and elective deferrals, and regardless of 847
whether such amounts are paid in the same taxable year in which 848
the amounts are included in the employee's wages, as defined by 849
section 3121(a) of the Internal Revenue Code. 850

(ZZ) "Retirement benefit plan" means an arrangement 851
whereby an entity provides benefits to individuals either on or 852
after their termination of service because of retirement or 853
disability. "Retirement benefit plan" does not include wage 854
continuation payments, severance payments, or payments made for 855
accrued personal or vacation time. 856

Sec. 3333.1210. (A) As used in this section, "eligible 857
student" means a student to whom both of the following apply: 858

(1) The student is enrolled in a social work degree 859
program at an accredited college or university. 860

(2) The student has qualified for an internship as part of 861
the degree program's requirements. 862

(B) The chancellor of higher education shall establish the 863
social work internship grant program and shall select the Ohio 864
chapter of a national professional organization of social 865
workers to administer the program. Under the program, the 866
selected organization shall award a grant of not more than 867
twenty thousand dollars to each eligible student approved to 868
participate in the program. The organization shall divide 869
payments of the grant over the number of semesters an eligible 870
student participates in the internship. 871

(C) Eligible students shall apply to participate in the 872
program in a form and manner prescribed by the selected 873
organization. The organization shall prioritize applicants based 874
on the following factors: 875

(1) Practice shortages; 876

(2) Geographic shortages; 877

(3) First-generation college student; 878

(4) Financial need of student. 879

If, for any academic year, the amounts available for 880
support of the program are inadequate to provide grants to all 881
applicants, the selected organization shall determine a method 882
to approve applications based on those factors. 883

(D) In each academic year, the selected organization shall 884
submit to the chancellor a report that includes all of the 885
following: 886

(1) The number of students who received funding in that 887
academic year; 888

(2) The program areas of the students who received 889
funding; 890

<u>(3) The areas of the state in which the internships were</u>	891
<u>located;</u>	892
<u>(4) The types of internships for which funding was</u>	893
<u>provided and the organizations that provided the internships.</u>	894
Sec. 5747.01. Except as otherwise expressly provided or	895
clearly appearing from the context, any term used in this	896
chapter that is not otherwise defined in this section has the	897
same meaning as when used in a comparable context in the laws of	898
the United States relating to federal income taxes or if not	899
used in a comparable context in those laws, has the same meaning	900
as in section 5733.40 of the Revised Code. Any reference in this	901
chapter to the Internal Revenue Code includes other laws of the	902
United States relating to federal income taxes.	903
As used in this chapter:	904
(A) "Adjusted gross income" or "Ohio adjusted gross	905
income" means federal adjusted gross income, as defined and used	906
in the Internal Revenue Code, adjusted as provided in this	907
section:	908
(1) Add interest or dividends on obligations or securities	909
of any state or of any political subdivision or authority of any	910
state, other than this state and its subdivisions and	911
authorities.	912
(2) Add interest or dividends on obligations of any	913
authority, commission, instrumentality, territory, or possession	914
of the United States to the extent that the interest or	915
dividends are exempt from federal income taxes but not from	916
state income taxes.	917
(3) Deduct interest or dividends on obligations of the	918
United States and its territories and possessions or of any	919

authority, commission, or instrumentality of the United States	920
to the extent that the interest or dividends are included in	921
federal adjusted gross income but exempt from state income taxes	922
under the laws of the United States.	923
(4) Deduct disability and survivor's benefits to the	924
extent included in federal adjusted gross income.	925
(5) Deduct the following, to the extent not otherwise	926
deducted or excluded in computing federal or Ohio adjusted gross	927
income:	928
(a) Benefits under Title II of the Social Security Act and	929
tier 1 railroad retirement;	930
(b) Railroad retirement benefits, other than tier 1	931
railroad retirement benefits, to the extent such amounts are	932
exempt from state taxation under federal law.	933
(6) Deduct the amount of wages and salaries, if any, not	934
otherwise allowable as a deduction but that would have been	935
allowable as a deduction in computing federal adjusted gross	936
income for the taxable year, had the work opportunity tax credit	937
allowed and determined under sections 38, 51, and 52 of the	938
Internal Revenue Code not been in effect.	939
(7) Deduct any interest or interest equivalent on public	940
obligations and purchase obligations to the extent that the	941
interest or interest equivalent is included in federal adjusted	942
gross income.	943
(8) Add any loss or deduct any gain resulting from the	944
sale, exchange, or other disposition of public obligations to	945
the extent that the loss has been deducted or the gain has been	946
included in computing federal adjusted gross income.	947

(9) Deduct or add amounts, as provided under section 948
5747.70 of the Revised Code, related to contributions made to or 949
tuition units purchased under a qualified tuition program 950
established pursuant to section 529 of the Internal Revenue 951
Code. 952

(10) (a) Deduct, to the extent not otherwise allowable as a 953
deduction or exclusion in computing federal or Ohio adjusted 954
gross income for the taxable year, the amount the taxpayer paid 955
during the taxable year for medical care insurance and qualified 956
long-term care insurance for the taxpayer, the taxpayer's 957
spouse, and dependents. No deduction for medical care insurance 958
under division (A) (10) (a) of this section shall be allowed 959
either to any taxpayer who is eligible to participate in any 960
subsidized health plan maintained by any employer of the 961
taxpayer or of the taxpayer's spouse, or to any taxpayer who is 962
entitled to, or on application would be entitled to, benefits 963
under part A of Title XVIII of the "Social Security Act," 49 964
Stat. 620 (1935), 42 U.S.C. 301, as amended. For the purposes of 965
division (A) (10) (a) of this section, "subsidized health plan" 966
means a health plan for which the employer pays any portion of 967
the plan's cost. The deduction allowed under division (A) (10) (a) 968
of this section shall be the net of any related premium refunds, 969
related premium reimbursements, or related insurance premium 970
dividends received during the taxable year. 971

(b) Deduct, to the extent not otherwise deducted or 972
excluded in computing federal or Ohio adjusted gross income 973
during the taxable year, the amount the taxpayer paid during the 974
taxable year, not compensated for by any insurance or otherwise, 975
for medical care of the taxpayer, the taxpayer's spouse, and 976
dependents, to the extent the expenses exceed seven and one-half 977
per cent of the taxpayer's federal adjusted gross income. 978

(c) For purposes of division (A)(10) of this section, 979
"medical care" has the meaning given in section 213 of the 980
Internal Revenue Code, subject to the special rules, 981
limitations, and exclusions set forth therein, and "qualified 982
long-term care" has the same meaning given in section 7702B(c) 983
of the Internal Revenue Code. Solely for purposes of division 984
(A)(10)(a) of this section, "dependent" includes a person who 985
otherwise would be a "qualifying relative" and thus a 986
"dependent" under section 152 of the Internal Revenue Code but 987
for the fact that the person fails to meet the income and 988
support limitations under section 152(d)(1)(B) and (C) of the 989
Internal Revenue Code. 990

(11)(a) Deduct any amount included in federal adjusted 991
gross income solely because the amount represents a 992
reimbursement or refund of expenses that in any year the 993
taxpayer had deducted as an itemized deduction pursuant to 994
section 63 of the Internal Revenue Code and applicable United 995
States department of the treasury regulations. The deduction 996
otherwise allowed under division (A)(11)(a) of this section 997
shall be reduced to the extent the reimbursement is attributable 998
to an amount the taxpayer deducted under this section in any 999
taxable year. 1000

(b) Add any amount not otherwise included in Ohio adjusted 1001
gross income for any taxable year to the extent that the amount 1002
is attributable to the recovery during the taxable year of any 1003
amount deducted or excluded in computing federal or Ohio 1004
adjusted gross income in any taxable year. 1005

(12) Deduct any portion of the deduction described in 1006
section 1341(a)(2) of the Internal Revenue Code, for repaying 1007
previously reported income received under a claim of right, that 1008

meets both of the following requirements: 1009

(a) It is allowable for repayment of an item that was 1010
included in the taxpayer's adjusted gross income for a prior 1011
taxable year and did not qualify for a credit under division (A) 1012
or (B) of section 5747.05 of the Revised Code for that year; 1013

(b) It does not otherwise reduce the taxpayer's adjusted 1014
gross income for the current or any other taxable year. 1015

(13) Deduct an amount equal to the deposits made to, and 1016
net investment earnings of, a medical savings account during the 1017
taxable year, in accordance with section 3924.66 of the Revised 1018
Code. The deduction allowed by division (A) (13) of this section 1019
does not apply to medical savings account deposits and earnings 1020
otherwise deducted or excluded for the current or any other 1021
taxable year from the taxpayer's federal adjusted gross income. 1022

(14) (a) Add an amount equal to the funds withdrawn from a 1023
medical savings account during the taxable year, and the net 1024
investment earnings on those funds, when the funds withdrawn 1025
were used for any purpose other than to reimburse an account 1026
holder for, or to pay, eligible medical expenses, in accordance 1027
with section 3924.66 of the Revised Code; 1028

(b) Add the amounts distributed from a medical savings 1029
account under division (A) (2) of section 3924.68 of the Revised 1030
Code during the taxable year. 1031

(15) Add any amount claimed as a credit under section 1032
5747.059 of the Revised Code to the extent that such amount 1033
satisfies either of the following: 1034

(a) The amount was deducted or excluded from the 1035
computation of the taxpayer's federal adjusted gross income as 1036
required to be reported for the taxpayer's taxable year under 1037

the Internal Revenue Code; 1038

(b) The amount resulted in a reduction of the taxpayer's 1039
federal adjusted gross income as required to be reported for any 1040
of the taxpayer's taxable years under the Internal Revenue Code. 1041

(16) Deduct the amount contributed by the taxpayer to an 1042
individual development account program established by a county 1043
department of job and family services pursuant to sections 1044
329.11 to 329.14 of the Revised Code for the purpose of matching 1045
funds deposited by program participants. On request of the tax 1046
commissioner, the taxpayer shall provide any information that, 1047
in the tax commissioner's opinion, is necessary to establish the 1048
amount deducted under division (A)(16) of this section. 1049

(17) (a) (i) Subject to divisions (A)(17)(a)(iii), (iv), and 1050
(v) of this section, add five-sixths of the amount of 1051
depreciation expense allowed by subsection (k) of section 168 of 1052
the Internal Revenue Code, including the taxpayer's 1053
proportionate or distributive share of the amount of 1054
depreciation expense allowed by that subsection to a pass- 1055
through entity in which the taxpayer has a direct or indirect 1056
ownership interest. 1057

(ii) Subject to divisions (A)(17)(a)(iii), (iv), and (v) 1058
of this section, add five-sixths of the amount of qualifying 1059
section 179 depreciation expense, including the taxpayer's 1060
proportionate or distributive share of the amount of qualifying 1061
section 179 depreciation expense allowed to any pass-through 1062
entity in which the taxpayer has a direct or indirect ownership 1063
interest. 1064

(iii) Subject to division (A)(17)(a)(v) of this section, 1065
for taxable years beginning in 2012 or thereafter, if the 1066

increase in income taxes withheld by the taxpayer is equal to or 1067
greater than ten per cent of income taxes withheld by the 1068
taxpayer during the taxpayer's immediately preceding taxable 1069
year, "two-thirds" shall be substituted for "five-sixths" for 1070
the purpose of divisions (A)(17)(a)(i) and (ii) of this section. 1071

(iv) Subject to division (A)(17)(a)(v) of this section, 1072
for taxable years beginning in 2012 or thereafter, a taxpayer is 1073
not required to add an amount under division (A)(17) of this 1074
section if the increase in income taxes withheld by the taxpayer 1075
and by any pass-through entity in which the taxpayer has a 1076
direct or indirect ownership interest is equal to or greater 1077
than the sum of (I) the amount of qualifying section 179 1078
depreciation expense and (II) the amount of depreciation expense 1079
allowed to the taxpayer by subsection (k) of section 168 of the 1080
Internal Revenue Code, and including the taxpayer's 1081
proportionate or distributive shares of such amounts allowed to 1082
any such pass-through entities. 1083

(v) If a taxpayer directly or indirectly incurs a net 1084
operating loss for the taxable year for federal income tax 1085
purposes, to the extent such loss resulted from depreciation 1086
expense allowed by subsection (k) of section 168 of the Internal 1087
Revenue Code and by qualifying section 179 depreciation expense, 1088
"the entire" shall be substituted for "five-sixths of the" for 1089
the purpose of divisions (A)(17)(a)(i) and (ii) of this section. 1090

The tax commissioner, under procedures established by the 1091
commissioner, may waive the add-backs related to a pass-through 1092
entity if the taxpayer owns, directly or indirectly, less than 1093
five per cent of the pass-through entity. 1094

(b) Nothing in division (A)(17) of this section shall be 1095
construed to adjust or modify the adjusted basis of any asset. 1096

(c) To the extent the add-back required under division (A) 1097
(17) (a) of this section is attributable to property generating 1098
nonbusiness income or loss allocated under section 5747.20 of 1099
the Revised Code, the add-back shall be situated to the same 1100
location as the nonbusiness income or loss generated by the 1101
property for the purpose of determining the credit under 1102
division (A) of section 5747.05 of the Revised Code. Otherwise, 1103
the add-back shall be apportioned, subject to one or more of the 1104
four alternative methods of apportionment enumerated in section 1105
5747.21 of the Revised Code. 1106

(d) For the purposes of division (A) (17) (a) (v) of this 1107
section, net operating loss carryback and carryforward shall not 1108
include the allowance of any net operating loss deduction 1109
carryback or carryforward to the taxable year to the extent such 1110
loss resulted from depreciation allowed by section 168(k) of the 1111
Internal Revenue Code and by the qualifying section 179 1112
depreciation expense amount. 1113

(e) For the purposes of divisions (A) (17) and (18) of this 1114
section: 1115

(i) "Income taxes withheld" means the total amount 1116
withheld and remitted under sections 5747.06 and 5747.07 of the 1117
Revised Code by an employer during the employer's taxable year. 1118

(ii) "Increase in income taxes withheld" means the amount 1119
by which the amount of income taxes withheld by an employer 1120
during the employer's current taxable year exceeds the amount of 1121
income taxes withheld by that employer during the employer's 1122
immediately preceding taxable year. 1123

(iii) "Qualifying section 179 depreciation expense" means 1124
the difference between (I) the amount of depreciation expense 1125

directly or indirectly allowed to a taxpayer under section 179 1126
of the Internal Revised Code, and (II) the amount of 1127
depreciation expense directly or indirectly allowed to the 1128
taxpayer under section 179 of the Internal Revenue Code as that 1129
section existed on December 31, 2002. 1130

(18) (a) If the taxpayer was required to add an amount 1131
under division (A) (17) (a) of this section for a taxable year, 1132
deduct one of the following: 1133

(i) One-fifth of the amount so added for each of the five 1134
succeeding taxable years if the amount so added was five-sixths 1135
of qualifying section 179 depreciation expense or depreciation 1136
expense allowed by subsection (k) of section 168 of the Internal 1137
Revenue Code; 1138

(ii) One-half of the amount so added for each of the two 1139
succeeding taxable years if the amount so added was two-thirds 1140
of such depreciation expense; 1141

(iii) One-sixth of the amount so added for each of the six 1142
succeeding taxable years if the entire amount of such 1143
depreciation expense was so added. 1144

(b) If the amount deducted under division (A) (18) (a) of 1145
this section is attributable to an add-back allocated under 1146
division (A) (17) (c) of this section, the amount deducted shall 1147
be situated to the same location. Otherwise, the add-back shall 1148
be apportioned using the apportionment factors for the taxable 1149
year in which the deduction is taken, subject to one or more of 1150
the four alternative methods of apportionment enumerated in 1151
section 5747.21 of the Revised Code. 1152

(c) No deduction is available under division (A) (18) (a) of 1153
this section with regard to any depreciation allowed by section 1154

168(k) of the Internal Revenue Code and by the qualifying 1155
section 179 depreciation expense amount to the extent that such 1156
depreciation results in or increases a federal net operating 1157
loss carryback or carryforward. If no such deduction is 1158
available for a taxable year, the taxpayer may carry forward the 1159
amount not deducted in such taxable year to the next taxable 1160
year and add that amount to any deduction otherwise available 1161
under division (A) (18) (a) of this section for that next taxable 1162
year. The carryforward of amounts not so deducted shall continue 1163
until the entire addition required by division (A) (17) (a) of 1164
this section has been deducted. 1165

(19) Deduct, to the extent not otherwise deducted or 1166
excluded in computing federal or Ohio adjusted gross income for 1167
the taxable year, the amount the taxpayer received during the 1168
taxable year as reimbursement for life insurance premiums under 1169
section 5919.31 of the Revised Code. 1170

(20) Deduct, to the extent not otherwise deducted or 1171
excluded in computing federal or Ohio adjusted gross income for 1172
the taxable year, the amount the taxpayer received during the 1173
taxable year as a death benefit paid by the adjutant general 1174
under section 5919.33 of the Revised Code. 1175

(21) Deduct, to the extent included in federal adjusted 1176
gross income and not otherwise allowable as a deduction or 1177
exclusion in computing federal or Ohio adjusted gross income for 1178
the taxable year, military pay and allowances received by the 1179
taxpayer during the taxable year for active duty service in the 1180
United States army, air force, navy, marine corps, or coast 1181
guard or reserve components thereof or the national guard. The 1182
deduction may not be claimed for military pay and allowances 1183
received by the taxpayer while the taxpayer is stationed in this 1184

state. 1185

(22) Deduct, to the extent not otherwise allowable as a 1186
deduction or exclusion in computing federal or Ohio adjusted 1187
gross income for the taxable year and not otherwise compensated 1188
for by any other source, the amount of qualified organ donation 1189
expenses incurred by the taxpayer during the taxable year, not 1190
to exceed ten thousand dollars. A taxpayer may deduct qualified 1191
organ donation expenses only once for all taxable years 1192
beginning with taxable years beginning in 2007. 1193

For the purposes of division (A) (22) of this section: 1194

(a) "Human organ" means all or any portion of a human 1195
liver, pancreas, kidney, intestine, or lung, and any portion of 1196
human bone marrow. 1197

(b) "Qualified organ donation expenses" means travel 1198
expenses, lodging expenses, and wages and salary forgone by a 1199
taxpayer in connection with the taxpayer's donation, while 1200
living, of one or more of the taxpayer's human organs to another 1201
human being. 1202

(23) Deduct, to the extent not otherwise deducted or 1203
excluded in computing federal or Ohio adjusted gross income for 1204
the taxable year, amounts received by the taxpayer as retired 1205
personnel pay for service in the uniformed services or reserve 1206
components thereof, or the national guard, or received by the 1207
surviving spouse or former spouse of such a taxpayer under the 1208
survivor benefit plan on account of such a taxpayer's death. If 1209
the taxpayer receives income on account of retirement paid under 1210
the federal civil service retirement system or federal employees 1211
retirement system, or under any successor retirement program 1212
enacted by the congress of the United States that is established 1213

and maintained for retired employees of the United States 1214
government, and such retirement income is based, in whole or in 1215
part, on credit for the taxpayer's uniformed service, the 1216
deduction allowed under this division shall include only that 1217
portion of such retirement income that is attributable to the 1218
taxpayer's uniformed service, to the extent that portion of such 1219
retirement income is otherwise included in federal adjusted 1220
gross income and is not otherwise deducted under this section. 1221
Any amount deducted under division (A) (23) of this section is 1222
not included in a taxpayer's adjusted gross income for the 1223
purposes of section 5747.055 of the Revised Code. No amount may 1224
be deducted under division (A) (23) of this section on the basis 1225
of which a credit was claimed under section 5747.055 of the 1226
Revised Code. 1227

(24) Deduct, to the extent not otherwise deducted or 1228
excluded in computing federal or Ohio adjusted gross income for 1229
the taxable year, the amount the taxpayer received during the 1230
taxable year from the military injury relief fund created in 1231
section 5902.05 of the Revised Code. 1232

(25) Deduct, to the extent not otherwise deducted or 1233
excluded in computing federal or Ohio adjusted gross income for 1234
the taxable year, the amount the taxpayer received as a veterans 1235
bonus during the taxable year from the Ohio department of 1236
veterans services as authorized by Section 2r of Article VIII, 1237
Ohio Constitution. 1238

(26) Deduct, to the extent not otherwise deducted or 1239
excluded in computing federal or Ohio adjusted gross income for 1240
the taxable year, any income derived from a transfer agreement 1241
or from the enterprise transferred under that agreement under 1242
section 4313.02 of the Revised Code. 1243

(27) Deduct, to the extent not otherwise deducted or 1244
excluded in computing federal or Ohio adjusted gross income for 1245
the taxable year, Ohio college opportunity or federal Pell grant 1246
amounts received by the taxpayer or the taxpayer's spouse or 1247
dependent pursuant to section 3333.122 of the Revised Code or 20 1248
U.S.C. 1070a, et seq., and used to pay room or board furnished 1249
by the educational institution for which the grant was awarded 1250
at the institution's facilities, including meal plans 1251
administered by the institution. For the purposes of this 1252
division, receipt of a grant includes the distribution of a 1253
grant directly to an educational institution and the crediting 1254
of the grant to the enrollee's account with the institution. 1255

(28) Deduct from the portion of an individual's federal 1256
adjusted gross income that is business income, to the extent not 1257
otherwise deducted or excluded in computing federal adjusted 1258
gross income for the taxable year, one hundred twenty-five 1259
thousand dollars for each spouse if spouses file separate 1260
returns under section 5747.08 of the Revised Code or two hundred 1261
fifty thousand dollars for all other individuals. 1262

(29) Deduct, as provided under section 5747.78 of the 1263
Revised Code, contributions to ABLE savings accounts made in 1264
accordance with sections 113.50 to 113.56 of the Revised Code. 1265

(30) (a) Deduct, to the extent not otherwise deducted or 1266
excluded in computing federal or Ohio adjusted gross income 1267
during the taxable year, all of the following: 1268

(i) Compensation paid to a qualifying employee described 1269
in division (A) (14) (a) of section 5703.94 of the Revised Code to 1270
the extent such compensation is for disaster work conducted in 1271
this state during a disaster response period pursuant to a 1272
qualifying solicitation received by the employee's employer; 1273

(ii) Compensation paid to a qualifying employee described 1274
in division (A) (14) (b) of section 5703.94 of the Revised Code to 1275
the extent such compensation is for disaster work conducted in 1276
this state by the employee during the disaster response period 1277
on critical infrastructure owned or used by the employee's 1278
employer; 1279

(iii) Income received by an out-of-state disaster business 1280
for disaster work conducted in this state during a disaster 1281
response period, or, if the out-of-state disaster business is a 1282
pass-through entity, a taxpayer's distributive share of the 1283
pass-through entity's income from the business conducting 1284
disaster work in this state during a disaster response period, 1285
if, in either case, the disaster work is conducted pursuant to a 1286
qualifying solicitation received by the business. 1287

(b) All terms used in division (A) (30) of this section 1288
have the same meanings as in section 5703.94 of the Revised 1289
Code. 1290

(31) For a taxpayer who is a qualifying Ohio educator, 1291
deduct, to the extent not otherwise deducted or excluded in 1292
computing federal or Ohio adjusted gross income for the taxable 1293
year, the lesser of two hundred fifty dollars or the amount of 1294
expenses described in subsections (a) (2) (D) (i) and (ii) of 1295
section 62 of the Internal Revenue Code paid or incurred by the 1296
taxpayer during the taxpayer's taxable year in excess of the 1297
amount the taxpayer is authorized to deduct for that taxable 1298
year under subsection (a) (2) (D) of that section. 1299

(32) Deduct, to the extent not otherwise deducted or 1300
excluded in computing federal or Ohio adjusted gross income for 1301
the taxable year, amounts received by the taxpayer as a 1302
disability severance payment, computed under 10 U.S.C. 1212, 1303

following discharge or release under honorable conditions from 1304
the armed forces, as defined by 10 U.S.C. 101. 1305

(33) Deduct, to the extent not otherwise deducted or 1306
excluded in computing federal adjusted gross income or Ohio 1307
adjusted gross income, amounts not subject to tax due to an 1308
agreement entered into under division (A) (2) of section 5747.05 1309
of the Revised Code. 1310

(34) Deduct amounts as provided under section 5747.79 of 1311
the Revised Code related to the taxpayer's qualifying capital 1312
gains and deductible payroll. 1313

To the extent a qualifying capital gain described under 1314
division (A) (34) of this section is business income, the 1315
taxpayer shall deduct those gains under this division before 1316
deducting any such gains under division (A) (28) of this section. 1317

(35) (a) For taxable years beginning in or after 2026, 1318
deduct, to the extent not otherwise deducted or excluded in 1319
computing federal or Ohio adjusted gross income for the taxable 1320
year: 1321

(i) One hundred per cent of the capital gain received by 1322
the taxpayer in the taxable year from a qualifying interest in 1323
an Ohio venture capital operating company attributable to the 1324
company's investments in Ohio businesses during the period for 1325
which the company was an Ohio venture operating company; and 1326

(ii) Fifty per cent of the capital gain received by the 1327
taxpayer in the taxable year from a qualifying interest in an 1328
Ohio venture capital operating company attributable to the 1329
company's investments in all other businesses during the period 1330
for which the company was an Ohio venture operating company. 1331

(b) Add amounts previously deducted by the taxpayer under 1332

division (A) (35) (a) of this section if the director of 1333
development certifies to the tax commissioner that the 1334
requirements for the deduction were not met. 1335

(c) All terms used in division (A) (35) of this section 1336
have the same meanings as in section 122.851 of the Revised 1337
Code. 1338

(d) To the extent a capital gain described in division (A) 1339
(35) (a) of this section is business income, the taxpayer shall 1340
apply that division before applying division (A) (28) of this 1341
section. 1342

(36) Add, to the extent not otherwise included in 1343
computing federal or Ohio adjusted gross income for any taxable 1344
year, the taxpayer's proportionate share of the amount of the 1345
tax levied under section 5747.38 of the Revised Code and paid by 1346
an electing pass-through entity for the taxable year. 1347

Notwithstanding any provision of the Revised Code to the 1348
contrary, the portion of the addition required by division (A) 1349
(36) of this section related to the apportioned business income 1350
of the pass-through entity shall be considered business income 1351
under division (B) of this section. Such addition is eligible 1352
for the deduction in division (A) (28) of this section, subject 1353
to the applicable dollar limitations, and the tax rate 1354
prescribed by division (A) (4) (a) of section 5747.02 of the 1355
Revised Code. The taxpayer shall provide, upon request of the 1356
tax commissioner, any documentation necessary to verify the 1357
portion of the addition that is business income under this 1358
division. 1359

(37) Deduct, to the extent not otherwise deducted or 1360
excluded in computing federal or Ohio adjusted gross income for 1361

the taxable year, amounts delivered to a qualifying institution 1362
pursuant to section 3333.128 of the Revised Code for the benefit 1363
of the taxpayer or the taxpayer's spouse or dependent. 1364

(38) Deduct, to the extent not otherwise deducted or 1365
excluded in computing federal or Ohio adjusted gross income for 1366
the taxable year, amounts received under the Ohio adoption grant 1367
program pursuant to section 5101.191 of the Revised Code. 1368

(39) Deduct, to the extent included in federal adjusted 1369
gross income, income attributable to amounts provided to a 1370
taxpayer for any of the purposes for which an exclusion would 1371
have been authorized under section 139 of the Internal Revenue 1372
Code if the train derailment near the city of East Palestine on 1373
February 3, 2023, had been a qualified disaster pursuant to that 1374
section, or to compensate for lost business resulting from that 1375
derailment, if such amounts are provided by any of the 1376
following: 1377

(a) A federal, state, or local government agency; 1378

(b) A railroad company, as that term is defined in section 1379
5727.01 of the Revised Code; 1380

(c) Any subsidiary, insurer, or agent of a railroad 1381
company or any related person. 1382

Notwithstanding any provision to the contrary, the 1383
derailment is not required to meet the definition of a 1384
"qualified disaster" pursuant to section 139 of the Internal 1385
Revenue Code to qualify for the deduction under this section. 1386

(40) Deduct, to the extent included in federal adjusted 1387
gross income, income attributable to loan repayments on behalf 1388
of the taxpayer under the rural practice incentive program under 1389
section 3333.135 of the Revised Code. 1390

(41) Add any income taxes deducted in computing federal or 1391
Ohio adjusted gross income to the extent the income taxes were 1392
derived from income subject to a tax levied in another state or 1393
the District of Columbia when such tax was enacted for purposes 1394
of complying with internal revenue service notice 2020-75. 1395

Notwithstanding any provision of the Revised Code to the 1396
contrary, the portion of the addition required by division (A) 1397
(41) of this section related to the apportioned business income 1398
of the pass-through entity shall be considered business income 1399
under division (B) of this section. Such addition is eligible 1400
for the deduction in division (A) (28) of this section, subject 1401
to the applicable dollar limitations, and the tax rate 1402
prescribed by division (A) (4) (a) of section 5747.02 of the 1403
Revised Code. The taxpayer shall provide, upon request of the 1404
tax commissioner, any documentation necessary to verify the 1405
portion of the addition that is business income under this 1406
division. 1407

(42) Deduct amounts contributed to a homeownership savings 1408
account and calculated pursuant to divisions (B) and (C) of 1409
section 5747.85 of the Revised Code. 1410

(43) If the taxpayer is the account owner, add the amount 1411
of funds withdrawn from a homeownership savings account not used 1412
for eligible expenses, regardless of who deposited those funds. 1413
As used in division (A) (43) of this section, "homeownership 1414
savings account," "account owner," and "eligible expenses" have 1415
the same meanings as in section 5747.85 of the Revised Code. 1416

(44) Deduct, to the extent not otherwise deducted or 1417
excluded in computing federal or Ohio adjusted gross income for 1418
the taxable year, amounts received under the social work 1419
internship grant program pursuant to section 3333.1210 of the 1420

<u>Revised Code.</u>	1421
(B) "Business income" means income, including gain or loss, arising from transactions, activities, and sources in the regular course of a trade or business and includes income, gain, or loss from real property, tangible property, and intangible property if the acquisition, rental, management, and disposition of the property constitute integral parts of the regular course of a trade or business operation. "Business income" includes income, including gain or loss, from a partial or complete liquidation of a business, including, but not limited to, gain or loss from the sale or other disposition of goodwill or the sale of an equity or ownership interest in a business.	1422 1423 1424 1425 1426 1427 1428 1429 1430 1431 1432
As used in this division, the "sale of an equity or ownership interest in a business" means sales to which either or both of the following apply:	1433 1434 1435
(1) The sale is treated for federal income tax purposes as the sale of assets.	1436 1437
(2) The seller materially participated, as described in 26 C.F.R. 1.469-5T, in the activities of the business during the taxable year in which the sale occurs or during any of the five preceding taxable years.	1438 1439 1440 1441
(C) "Nonbusiness income" means all income other than business income and may include, but is not limited to, compensation, rents and royalties from real or tangible personal property, capital gains, interest, dividends and distributions, patent or copyright royalties, or lottery winnings, prizes, and awards.	1442 1443 1444 1445 1446 1447
(D) "Compensation" means any form of remuneration paid to an employee for personal services.	1448 1449

(E) "Fiduciary" means a guardian, trustee, executor, administrator, receiver, conservator, or any other person acting in any fiduciary capacity for any individual, trust, or estate.

(F) "Fiscal year" means an accounting period of twelve months ending on the last day of any month other than December.

(G) "Individual" means any natural person.

(H) "Internal Revenue Code" means the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended.

(I) "Resident" means any of the following:

(1) An individual who is domiciled in this state, subject to section 5747.24 of the Revised Code;

(2) The estate of a decedent who at the time of death was domiciled in this state. The domicile tests of section 5747.24 of the Revised Code are not controlling for purposes of division (I)(2) of this section.

(3) A trust that, in whole or part, resides in this state. If only part of a trust resides in this state, the trust is a resident only with respect to that part.

For the purposes of division (I)(3) of this section:

(a) A trust resides in this state for the trust's current taxable year to the extent, as described in division (I)(3)(d) of this section, that the trust consists directly or indirectly, in whole or in part, of assets, net of any related liabilities, that were transferred, or caused to be transferred, directly or indirectly, to the trust by any of the following:

(i) A person, a court, or a governmental entity or instrumentality on account of the death of a decedent, but only

if the trust is described in division (I) (3) (e) (i) or (ii) of 1477
this section; 1478

(ii) A person who was domiciled in this state for the 1479
purposes of this chapter when the person directly or indirectly 1480
transferred assets to an irrevocable trust, but only if at least 1481
one of the trust's qualifying beneficiaries is domiciled in this 1482
state for the purposes of this chapter during all or some 1483
portion of the trust's current taxable year; 1484

(iii) A person who was domiciled in this state for the 1485
purposes of this chapter when the trust document or instrument 1486
or part of the trust document or instrument became irrevocable, 1487
but only if at least one of the trust's qualifying beneficiaries 1488
is a resident domiciled in this state for the purposes of this 1489
chapter during all or some portion of the trust's current 1490
taxable year. If a trust document or instrument became 1491
irrevocable upon the death of a person who at the time of death 1492
was domiciled in this state for purposes of this chapter, that 1493
person is a person described in division (I) (3) (a) (iii) of this 1494
section. 1495

(b) A trust is irrevocable to the extent that the 1496
transferor is not considered to be the owner of the net assets 1497
of the trust under sections 671 to 678 of the Internal Revenue 1498
Code. 1499

(c) With respect to a trust other than a charitable lead 1500
trust, "qualifying beneficiary" has the same meaning as 1501
"potential current beneficiary" as defined in section 1361(e) (2) 1502
of the Internal Revenue Code, and with respect to a charitable 1503
lead trust "qualifying beneficiary" is any current, future, or 1504
contingent beneficiary, but with respect to any trust 1505
"qualifying beneficiary" excludes a person or a governmental 1506

entity or instrumentality to any of which a contribution would 1507
qualify for the charitable deduction under section 170 of the 1508
Internal Revenue Code. 1509

(d) For the purposes of division (I) (3) (a) of this 1510
section, the extent to which a trust consists directly or 1511
indirectly, in whole or in part, of assets, net of any related 1512
liabilities, that were transferred directly or indirectly, in 1513
whole or part, to the trust by any of the sources enumerated in 1514
that division shall be ascertained by multiplying the fair 1515
market value of the trust's assets, net of related liabilities, 1516
by the qualifying ratio, which shall be computed as follows: 1517

(i) The first time the trust receives assets, the 1518
numerator of the qualifying ratio is the fair market value of 1519
those assets at that time, net of any related liabilities, from 1520
sources enumerated in division (I) (3) (a) of this section. The 1521
denominator of the qualifying ratio is the fair market value of 1522
all the trust's assets at that time, net of any related 1523
liabilities. 1524

(ii) Each subsequent time the trust receives assets, a 1525
revised qualifying ratio shall be computed. The numerator of the 1526
revised qualifying ratio is the sum of (1) the fair market value 1527
of the trust's assets immediately prior to the subsequent 1528
transfer, net of any related liabilities, multiplied by the 1529
qualifying ratio last computed without regard to the subsequent 1530
transfer, and (2) the fair market value of the subsequently 1531
transferred assets at the time transferred, net of any related 1532
liabilities, from sources enumerated in division (I) (3) (a) of 1533
this section. The denominator of the revised qualifying ratio is 1534
the fair market value of all the trust's assets immediately 1535
after the subsequent transfer, net of any related liabilities. 1536

(iii) Whether a transfer to the trust is by or from any of 1537
the sources enumerated in division (I) (3) (a) of this section 1538
shall be ascertained without regard to the domicile of the 1539
trust's beneficiaries. 1540

(e) For the purposes of division (I) (3) (a) (i) of this 1541
section: 1542

(i) A trust is described in division (I) (3) (e) (i) of this 1543
section if the trust is a testamentary trust and the testator of 1544
that testamentary trust was domiciled in this state at the time 1545
of the testator's death for purposes of the taxes levied under 1546
Chapter 5731. of the Revised Code. 1547

(ii) A trust is described in division (I) (3) (e) (ii) of 1548
this section if the transfer is a qualifying transfer described 1549
in any of divisions (I) (3) (f) (i) to (vi) of this section, the 1550
trust is an irrevocable inter vivos trust, and at least one of 1551
the trust's qualifying beneficiaries is domiciled in this state 1552
for purposes of this chapter during all or some portion of the 1553
trust's current taxable year. 1554

(f) For the purposes of division (I) (3) (e) (ii) of this 1555
section, a "qualifying transfer" is a transfer of assets, net of 1556
any related liabilities, directly or indirectly to a trust, if 1557
the transfer is described in any of the following: 1558

(i) The transfer is made to a trust, created by the 1559
decedent before the decedent's death and while the decedent was 1560
domiciled in this state for the purposes of this chapter, and, 1561
prior to the death of the decedent, the trust became irrevocable 1562
while the decedent was domiciled in this state for the purposes 1563
of this chapter. 1564

(ii) The transfer is made to a trust to which the 1565

decedent, prior to the decedent's death, had directly or 1566
indirectly transferred assets, net of any related liabilities, 1567
while the decedent was domiciled in this state for the purposes 1568
of this chapter, and prior to the death of the decedent the 1569
trust became irrevocable while the decedent was domiciled in 1570
this state for the purposes of this chapter. 1571

(iii) The transfer is made on account of a contractual 1572
relationship existing directly or indirectly between the 1573
transferor and either the decedent or the estate of the decedent 1574
at any time prior to the date of the decedent's death, and the 1575
decedent was domiciled in this state at the time of death for 1576
purposes of the taxes levied under Chapter 5731. of the Revised 1577
Code. 1578

(iv) The transfer is made to a trust on account of a 1579
contractual relationship existing directly or indirectly between 1580
the transferor and another person who at the time of the 1581
decedent's death was domiciled in this state for purposes of 1582
this chapter. 1583

(v) The transfer is made to a trust on account of the will 1584
of a testator who was domiciled in this state at the time of the 1585
testator's death for purposes of the taxes levied under Chapter 1586
5731. of the Revised Code. 1587

(vi) The transfer is made to a trust created by or caused 1588
to be created by a court, and the trust was directly or 1589
indirectly created in connection with or as a result of the 1590
death of an individual who, for purposes of the taxes levied 1591
under Chapter 5731. of the Revised Code, was domiciled in this 1592
state at the time of the individual's death. 1593

(g) The tax commissioner may adopt rules to ascertain the 1594

part of a trust residing in this state. 1595

(J) "Nonresident" means an individual or estate that is 1596
not a resident. An individual who is a resident for only part of 1597
a taxable year is a nonresident for the remainder of that 1598
taxable year. 1599

(K) "Pass-through entity" has the same meaning as in 1600
section 5733.04 of the Revised Code. 1601

(L) "Return" means the notifications and reports required 1602
to be filed pursuant to this chapter for the purpose of 1603
reporting the tax due and includes declarations of estimated tax 1604
when so required. 1605

(M) "Taxable year" means the calendar year or the 1606
taxpayer's fiscal year ending during the calendar year, or 1607
fractional part thereof, upon which the adjusted gross income is 1608
calculated pursuant to this chapter. 1609

(N) "Taxpayer" means any person subject to the tax imposed 1610
by section 5747.02 of the Revised Code or any pass-through 1611
entity that makes the election under division (D) of section 1612
5747.08 of the Revised Code. 1613

(O) "Dependents" means one of the following: 1614

(1) For taxable years beginning on or after January 1, 1615
2018, and before January 1, 2026, dependents as defined in the 1616
Internal Revenue Code; 1617

(2) For all other taxable years, dependents as defined in 1618
the Internal Revenue Code and as claimed in the taxpayer's 1619
federal income tax return for the taxable year or which the 1620
taxpayer would have been permitted to claim had the taxpayer 1621
filed a federal income tax return. 1622

(P) "Principal county of employment" means, in the case of a nonresident, the county within the state in which a taxpayer performs services for an employer or, if those services are performed in more than one county, the county in which the major portion of the services are performed.

(Q) As used in sections 5747.50 to 5747.55 of the Revised Code:

(1) "Subdivision" means any county, municipal corporation, park district, or township.

(2) "Essential local government purposes" includes all functions that any subdivision is required by general law to exercise, including like functions that are exercised under a charter adopted pursuant to the Ohio Constitution.

(R) "Overpayment" means any amount already paid that exceeds the figure determined to be the correct amount of the tax.

(S) "Taxable income" or "Ohio taxable income" applies only to estates and trusts, and means federal taxable income, as defined and used in the Internal Revenue Code, adjusted as follows:

(1) Add interest or dividends, net of ordinary, necessary, and reasonable expenses not deducted in computing federal taxable income, on obligations or securities of any state or of any political subdivision or authority of any state, other than this state and its subdivisions and authorities, but only to the extent that such net amount is not otherwise includible in Ohio taxable income and is described in either division (S) (1) (a) or (b) of this section:

(a) The net amount is not attributable to the S portion of

an electing small business trust and has not been distributed to 1652
beneficiaries for the taxable year; 1653

(b) The net amount is attributable to the S portion of an 1654
electing small business trust for the taxable year. 1655

(2) Add interest or dividends, net of ordinary, necessary, 1656
and reasonable expenses not deducted in computing federal 1657
taxable income, on obligations of any authority, commission, 1658
instrumentality, territory, or possession of the United States 1659
to the extent that the interest or dividends are exempt from 1660
federal income taxes but not from state income taxes, but only 1661
to the extent that such net amount is not otherwise includible 1662
in Ohio taxable income and is described in either division (S) 1663
(1) (a) or (b) of this section; 1664

(3) Add the amount of personal exemption allowed to the 1665
estate pursuant to section 642(b) of the Internal Revenue Code; 1666

(4) Deduct interest or dividends, net of related expenses 1667
deducted in computing federal taxable income, on obligations of 1668
the United States and its territories and possessions or of any 1669
authority, commission, or instrumentality of the United States 1670
to the extent that the interest or dividends are exempt from 1671
state taxes under the laws of the United States, but only to the 1672
extent that such amount is included in federal taxable income 1673
and is described in either division (S) (1) (a) or (b) of this 1674
section; 1675

(5) Deduct the amount of wages and salaries, if any, not 1676
otherwise allowable as a deduction but that would have been 1677
allowable as a deduction in computing federal taxable income for 1678
the taxable year, had the work opportunity tax credit allowed 1679
under sections 38, 51, and 52 of the Internal Revenue Code not 1680

been in effect, but only to the extent such amount relates 1681
either to income included in federal taxable income for the 1682
taxable year or to income of the S portion of an electing small 1683
business trust for the taxable year; 1684

(6) Deduct any interest or interest equivalent, net of 1685
related expenses deducted in computing federal taxable income, 1686
on public obligations and purchase obligations, but only to the 1687
extent that such net amount relates either to income included in 1688
federal taxable income for the taxable year or to income of the 1689
S portion of an electing small business trust for the taxable 1690
year; 1691

(7) Add any loss or deduct any gain resulting from sale, 1692
exchange, or other disposition of public obligations to the 1693
extent that such loss has been deducted or such gain has been 1694
included in computing either federal taxable income or income of 1695
the S portion of an electing small business trust for the 1696
taxable year; 1697

(8) Except in the case of the final return of an estate, 1698
add any amount deducted by the taxpayer on both its Ohio estate 1699
tax return pursuant to section 5731.14 of the Revised Code, and 1700
on its federal income tax return in determining federal taxable 1701
income; 1702

(9) (a) Deduct any amount included in federal taxable 1703
income solely because the amount represents a reimbursement or 1704
refund of expenses that in a previous year the decedent had 1705
deducted as an itemized deduction pursuant to section 63 of the 1706
Internal Revenue Code and applicable treasury regulations. The 1707
deduction otherwise allowed under division (S) (9) (a) of this 1708
section shall be reduced to the extent the reimbursement is 1709
attributable to an amount the taxpayer or decedent deducted 1710

under this section in any taxable year.	1711
(b) Add any amount not otherwise included in Ohio taxable income for any taxable year to the extent that the amount is attributable to the recovery during the taxable year of any amount deducted or excluded in computing federal or Ohio taxable income in any taxable year, but only to the extent such amount has not been distributed to beneficiaries for the taxable year.	1712 1713 1714 1715 1716 1717
(10) Deduct any portion of the deduction described in section 1341(a)(2) of the Internal Revenue Code, for repaying previously reported income received under a claim of right, that meets both of the following requirements:	1718 1719 1720 1721
(a) It is allowable for repayment of an item that was included in the taxpayer's taxable income or the decedent's adjusted gross income for a prior taxable year and did not qualify for a credit under division (A) or (B) of section 5747.05 of the Revised Code for that year.	1722 1723 1724 1725 1726
(b) It does not otherwise reduce the taxpayer's taxable income or the decedent's adjusted gross income for the current or any other taxable year.	1727 1728 1729
(11) Add any amount claimed as a credit under section 5747.059 of the Revised Code to the extent that the amount satisfies either of the following:	1730 1731 1732
(a) The amount was deducted or excluded from the computation of the taxpayer's federal taxable income as required to be reported for the taxpayer's taxable year under the Internal Revenue Code;	1733 1734 1735 1736
(b) The amount resulted in a reduction in the taxpayer's federal taxable income as required to be reported for any of the taxpayer's taxable years under the Internal Revenue Code.	1737 1738 1739

(12) Deduct any amount, net of related expenses deducted 1740
in computing federal taxable income, that a trust is required to 1741
report as farm income on its federal income tax return, but only 1742
if the assets of the trust include at least ten acres of land 1743
satisfying the definition of "land devoted exclusively to 1744
agricultural use" under section 5713.30 of the Revised Code, 1745
regardless of whether the land is valued for tax purposes as 1746
such land under sections 5713.30 to 5713.38 of the Revised Code. 1747
If the trust is a pass-through entity investor, section 5747.231 1748
of the Revised Code applies in ascertaining if the trust is 1749
eligible to claim the deduction provided by division (S) (12) of 1750
this section in connection with the pass-through entity's farm 1751
income. 1752

Except for farm income attributable to the S portion of an 1753
electing small business trust, the deduction provided by 1754
division (S) (12) of this section is allowed only to the extent 1755
that the trust has not distributed such farm income. 1756

(13) Add the net amount of income described in section 1757
641(c) of the Internal Revenue Code to the extent that amount is 1758
not included in federal taxable income. 1759

(14) Deduct the amount the taxpayer would be required to 1760
deduct under division (A) (18) of this section if the taxpayer's 1761
Ohio taxable income ~~were~~was computed in the same manner as an 1762
individual's Ohio adjusted gross income is computed under this 1763
section. 1764

(15) Add, to the extent not otherwise included in 1765
computing taxable income or Ohio taxable income for any taxable 1766
year, the taxpayer's proportionate share of the amount of the 1767
tax levied under section 5747.38 of the Revised Code and paid by 1768
an electing pass-through entity for the taxable year. 1769

(16) Add any income taxes deducted in computing federal 1770
taxable income or Ohio taxable income to the extent the income 1771
taxes were derived from income subject to a tax levied in 1772
another state or the District of Columbia when such tax was 1773
enacted for purposes of complying with internal revenue service 1774
notice 2020-75. 1775

(T) "School district income" and "school district income 1776
tax" have the same meanings as in section 5748.01 of the Revised 1777
Code. 1778

(U) As used in divisions (A) (7), (A) (8), (S) (6), and (S) 1779
(7) of this section, "public obligations," "purchase 1780
obligations," and "interest or interest equivalent" have the 1781
same meanings as in section 5709.76 of the Revised Code. 1782

(V) "Limited liability company" means any limited 1783
liability company formed under former Chapter 1705. of the 1784
Revised Code as that chapter existed prior to February 11, 2022, 1785
Chapter 1706. of the Revised Code, or the laws of any other 1786
state. 1787

(W) "Pass-through entity investor" means any person who, 1788
during any portion of a taxable year of a pass-through entity, 1789
is a partner, member, shareholder, or equity investor in that 1790
pass-through entity. 1791

(X) "Banking day" has the same meaning as in section 1792
1304.01 of the Revised Code. 1793

(Y) "Month" means a calendar month. 1794

(Z) "Quarter" means the first three months, the second 1795
three months, the third three months, or the last three months 1796
of the taxpayer's taxable year. 1797

(AA) (1) "Modified business income" means the business 1798
income included in a trust's Ohio taxable income after such 1799
taxable income is first reduced by the qualifying trust amount, 1800
if any. 1801

(2) "Qualifying trust amount" of a trust means capital 1802
gains and losses from the sale, exchange, or other disposition 1803
of equity or ownership interests in, or debt obligations of, a 1804
qualifying investee to the extent included in the trust's Ohio 1805
taxable income, but only if the following requirements are 1806
satisfied: 1807

(a) The book value of the qualifying investee's physical 1808
assets in this state and everywhere, as of the last day of the 1809
qualifying investee's fiscal or calendar year ending immediately 1810
prior to the date on which the trust recognizes the gain or 1811
loss, is available to the trust. 1812

(b) The requirements of section 5747.011 of the Revised 1813
Code are satisfied for the trust's taxable year in which the 1814
trust recognizes the gain or loss. 1815

Any gain or loss that is not a qualifying trust amount is 1816
modified business income, qualifying investment income, or 1817
modified nonbusiness income, as the case may be. 1818

(3) "Modified nonbusiness income" means a trust's Ohio 1819
taxable income other than modified business income, other than 1820
the qualifying trust amount, and other than qualifying 1821
investment income, as defined in section 5747.012 of the Revised 1822
Code, to the extent such qualifying investment income is not 1823
otherwise part of modified business income. 1824

(4) "Modified Ohio taxable income" applies only to trusts, 1825
and means the sum of the amounts described in divisions (AA) (4) 1826

- (a) to (c) of this section: 1827
- (a) The fraction, calculated under section 5747.013, and 1828
applying section 5747.231 of the Revised Code, multiplied by the 1829
sum of the following amounts: 1830
- (i) The trust's modified business income; 1831
- (ii) The trust's qualifying investment income, as defined 1832
in section 5747.012 of the Revised Code, but only to the extent 1833
the qualifying investment income does not otherwise constitute 1834
modified business income and does not otherwise constitute a 1835
qualifying trust amount. 1836
- (b) The qualifying trust amount multiplied by a fraction, 1837
the numerator of which is the sum of the book value of the 1838
qualifying investee's physical assets in this state on the last 1839
day of the qualifying investee's fiscal or calendar year ending 1840
immediately prior to the day on which the trust recognizes the 1841
qualifying trust amount, and the denominator of which is the sum 1842
of the book value of the qualifying investee's total physical 1843
assets everywhere on the last day of the qualifying investee's 1844
fiscal or calendar year ending immediately prior to the day on 1845
which the trust recognizes the qualifying trust amount. If, for 1846
a taxable year, the trust recognizes a qualifying trust amount 1847
with respect to more than one qualifying investee, the amount 1848
described in division (AA) (4) (b) of this section shall equal the 1849
sum of the products so computed for each such qualifying 1850
investee. 1851
- (c) (i) With respect to a trust or portion of a trust that 1852
is a resident as ascertained in accordance with division (I) (3) 1853
(d) of this section, its modified nonbusiness income. 1854
- (ii) With respect to a trust or portion of a trust that is 1855

not a resident as ascertained in accordance with division (I) (3) 1856
(d) of this section, the amount of its modified nonbusiness 1857
income satisfying the descriptions in divisions (B) (2) to (5) of 1858
section 5747.20 of the Revised Code, except as otherwise 1859
provided in division (AA) (4) (c) (ii) of this section. With 1860
respect to a trust or portion of a trust that is not a resident 1861
as ascertained in accordance with division (I) (3) (d) of this 1862
section, the trust's portion of modified nonbusiness income 1863
recognized from the sale, exchange, or other disposition of a 1864
debt interest in or equity interest in a section 5747.212 1865
entity, as defined in section 5747.212 of the Revised Code, 1866
without regard to division (A) of that section, shall not be 1867
allocated to this state in accordance with section 5747.20 of 1868
the Revised Code but shall be apportioned to this state in 1869
accordance with division (B) of section 5747.212 of the Revised 1870
Code without regard to division (A) of that section. 1871

If the allocation and apportionment of a trust's income 1872
under divisions (AA) (4) (a) and (c) of this section do not fairly 1873
represent the modified Ohio taxable income of the trust in this 1874
state, the alternative methods described in division (C) of 1875
section 5747.21 of the Revised Code may be applied in the manner 1876
and to the same extent provided in that section. 1877

(5) (a) Except as set forth in division (AA) (5) (b) of this 1878
section, "qualifying investee" means a person in which a trust 1879
has an equity or ownership interest, or a person or unit of 1880
government the debt obligations of either of which are owned by 1881
a trust. For the purposes of division (AA) (2) (a) of this section 1882
and for the purpose of computing the fraction described in 1883
division (AA) (4) (b) of this section, all of the following apply: 1884

(i) If the qualifying investee is a member of a qualifying 1885

controlled group on the last day of the qualifying investee's 1886
fiscal or calendar year ending immediately prior to the date on 1887
which the trust recognizes the gain or loss, then "qualifying 1888
investee" includes all persons in the qualifying controlled 1889
group on such last day. 1890

(ii) If the qualifying investee, or if the qualifying 1891
investee and any members of the qualifying controlled group of 1892
which the qualifying investee is a member on the last day of the 1893
qualifying investee's fiscal or calendar year ending immediately 1894
prior to the date on which the trust recognizes the gain or 1895
loss, separately or cumulatively own, directly or indirectly, on 1896
the last day of the qualifying investee's fiscal or calendar 1897
year ending immediately prior to the date on which the trust 1898
recognizes the qualifying trust amount, more than fifty per cent 1899
of the equity of a pass-through entity, then the qualifying 1900
investee and the other members are deemed to own the 1901
proportionate share of the pass-through entity's physical assets 1902
which the pass-through entity directly or indirectly owns on the 1903
last day of the pass-through entity's calendar or fiscal year 1904
ending within or with the last day of the qualifying investee's 1905
fiscal or calendar year ending immediately prior to the date on 1906
which the trust recognizes the qualifying trust amount. 1907

(iii) For the purposes of division (AA) (5) (a) (iii) of this 1908
section, "upper level pass-through entity" means a pass-through 1909
entity directly or indirectly owning any equity of another pass- 1910
through entity, and "lower level pass-through entity" means that 1911
other pass-through entity. 1912

An upper level pass-through entity, whether or not it is 1913
also a qualifying investee, is deemed to own, on the last day of 1914
the upper level pass-through entity's calendar or fiscal year, 1915

the proportionate share of the lower level pass-through entity's 1916
physical assets that the lower level pass-through entity 1917
directly or indirectly owns on the last day of the lower level 1918
pass-through entity's calendar or fiscal year ending within or 1919
with the last day of the upper level pass-through entity's 1920
fiscal or calendar year. If the upper level pass-through entity 1921
directly and indirectly owns less than fifty per cent of the 1922
equity of the lower level pass-through entity on each day of the 1923
upper level pass-through entity's calendar or fiscal year in 1924
which or with which ends the calendar or fiscal year of the 1925
lower level pass-through entity and if, based upon clear and 1926
convincing evidence, complete information about the location and 1927
cost of the physical assets of the lower pass-through entity is 1928
not available to the upper level pass-through entity, then 1929
solely for purposes of ascertaining if a gain or loss 1930
constitutes a qualifying trust amount, the upper level pass- 1931
through entity shall be deemed as owning no equity of the lower 1932
level pass-through entity for each day during the upper level 1933
pass-through entity's calendar or fiscal year in which or with 1934
which ends the lower level pass-through entity's calendar or 1935
fiscal year. Nothing in division (AA) (5) (a) (iii) of this section 1936
shall be construed to provide for any deduction or exclusion in 1937
computing any trust's Ohio taxable income. 1938

(b) With respect to a trust that is not a resident for the 1939
taxable year and with respect to a part of a trust that is not a 1940
resident for the taxable year, "qualifying investee" for that 1941
taxable year does not include a C corporation if both of the 1942
following apply: 1943

(i) During the taxable year the trust or part of the trust 1944
recognizes a gain or loss from the sale, exchange, or other 1945
disposition of equity or ownership interests in, or debt 1946

obligations of, the C corporation.	1947
(ii) Such gain or loss constitutes nonbusiness income.	1948
(6) "Available" means information is such that a person is	1949
able to learn of the information by the due date plus	1950
extensions, if any, for filing the return for the taxable year	1951
in which the trust recognizes the gain or loss.	1952
(BB) "Qualifying controlled group" has the same meaning as	1953
in section 5733.04 of the Revised Code.	1954
(CC) "Related member" has the same meaning as in section	1955
5733.042 of the Revised Code.	1956
(DD) (1) For the purposes of division (DD) of this section:	1957
(a) "Qualifying person" means any person other than a	1958
qualifying corporation.	1959
(b) "Qualifying corporation" means any person classified	1960
for federal income tax purposes as an association taxable as a	1961
corporation, except either of the following:	1962
(i) A corporation that has made an election under	1963
subchapter S, chapter one, subtitle A, of the Internal Revenue	1964
Code for its taxable year ending within, or on the last day of,	1965
the investor's taxable year;	1966
(ii) A subsidiary that is wholly owned by any corporation	1967
that has made an election under subchapter S, chapter one,	1968
subtitle A of the Internal Revenue Code for its taxable year	1969
ending within, or on the last day of, the investor's taxable	1970
year.	1971
(2) For the purposes of this chapter, unless expressly	1972
stated otherwise, no qualifying person indirectly owns any asset	1973

directly or indirectly owned by any qualifying corporation.	1974
(EE) For purposes of this chapter and Chapter 5751. of the Revised Code:	1975
	1976
(1) "Trust" does not include a qualified pre-income tax trust.	1977
	1978
(2) A "qualified pre-income tax trust" is any pre-income tax trust that makes a qualifying pre-income tax trust election as described in division (EE)(3) of this section.	1979
	1980
	1981
(3) A "qualifying pre-income tax trust election" is an election by a pre-income tax trust to subject to the tax imposed by section 5751.02 of the Revised Code the pre-income tax trust and all pass-through entities of which the trust owns or controls, directly, indirectly, or constructively through related interests, five per cent or more of the ownership or equity interests. The trustee shall notify the tax commissioner in writing of the election on or before April 15, 2006. The election, if timely made, shall be effective on and after January 1, 2006, and shall apply for all tax periods and tax years until revoked by the trustee of the trust.	1982
	1983
	1984
	1985
	1986
	1987
	1988
	1989
	1990
	1991
	1992
(4) A "pre-income tax trust" is a trust that satisfies all of the following requirements:	1993
	1994
(a) The document or instrument creating the trust was executed by the grantor before January 1, 1972;	1995
	1996
(b) The trust became irrevocable upon the creation of the trust; and	1997
	1998
(c) The grantor was domiciled in this state at the time the trust was created.	1999
	2000
(FF) "Uniformed services" has the same meaning as in 10	2001

U.S.C. 101.	2002
(GG) "Taxable business income" means the amount by which an individual's business income that is included in federal adjusted gross income exceeds the amount of business income the individual is authorized to deduct under division (A) (28) of this section for the taxable year.	2003 2004 2005 2006 2007
(HH) "Employer" does not include a franchisor with respect to the franchisor's relationship with a franchisee or an employee of a franchisee, unless the franchisor agrees to assume that role in writing or a court of competent jurisdiction determines that the franchisor exercises a type or degree of control over the franchisee or the franchisee's employees that is not customarily exercised by a franchisor for the purpose of protecting the franchisor's trademark, brand, or both. For purposes of this division, "franchisor" and "franchisee" have the same meanings as in 16 C.F.R. 436.1.	2008 2009 2010 2011 2012 2013 2014 2015 2016 2017
(II) "Modified adjusted gross income" means Ohio adjusted gross income plus any amount deducted under divisions (A) (28) and (34) of this section for the taxable year.	2018 2019 2020
(JJ) "Qualifying Ohio educator" means an individual who, for a taxable year, qualifies as an eligible educator, as that term is defined in section 62 of the Internal Revenue Code, and who holds a certificate, license, or permit described in Chapter 3319. or section 3301.071 of the Revised Code.	2021 2022 2023 2024 2025
Section 2. That existing sections 718.01 and 5747.01 of the Revised Code are hereby repealed.	2026 2027
Section 3. All items in this act are hereby appropriated as designated out of any moneys in the state treasury to the credit of the designated fund. For all operating appropriations	2028 2029 2030

made in this act, those in the first column are for fiscal year 2031
2026 and those in the second column are for fiscal year 2027. 2032
The operating appropriations made in this act are in addition to 2033
any other operating appropriations made for these fiscal years. 2034

Section 4.

2035

2036

1	2	3	4	5
A	BOR DEPARTMENT OF HIGHER EDUCATION			
B	General Revenue Fund			
C	GRF 235452	Social Work Internship Grant Program	\$4,000,000	\$0
D	TOTAL GRF General Revenue Fund		\$4,000,000	\$0
E	TOTAL ALL BUDGET FUND GROUPS		\$4,000,000	\$0

SOCIAL WORK INTERNSHIP GRANT PROGRAM 2037

The foregoing appropriation item 235452, Social Work 2038
Internship Grant Program, shall be used to support the Social 2039
Work Internship Grant Program established in section 3333.1210 2040
of the Revised Code. 2041

Of the foregoing appropriation item 235452, Social Work 2042
Internship Grant Program, up to \$120,000 in fiscal year 2026 2043
shall be distributed by the Chancellor of the Higher Education 2044
to the organization selected under division (B) of section 2045
3333.1210 of the Revised Code to support the organization's 2046
administrative costs for the Social Work Internship Grant 2047

Program.	2048
Section 5. Within the limits set forth in this act, the	2049
Director of Budget and Management shall establish accounts	2050
indicating the source and amount of funds for each appropriation	2051
made in this act, and shall determine the manner in which	2052
appropriation accounts shall be maintained. Expenditures from	2053
operating appropriations contained in this act shall be	2054
accounted for as though made in, and are subject to all	2055
applicable provisions of, the main operating appropriations act	2056
of the 136th General Assembly.	2057