

**As Passed by the Senate**

**135th General Assembly**

**Regular Session**

**2023-2024**

**Sub. S. B. No. 154**

**Senator Roegner**

**Cosponsors: Senators Johnson, Antonio, Brenner, Chavez, Cirino, Craig, DeMora, Dolan, Gavarone, Hackett, Hicks-Hudson, Kunze, Landis, O'Brien, Reineke, Romanchuk, Schaffer, Schuring, Smith, Sykes, Wilkin**

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**A BILL**

To amend sections 122.925, 124.23, 145.30, 742.52, 1  
742.521, 2151.4210, 3307.75, 3309.02, 3313.471, 2  
3319.085, 3511.01, 4731.36, 4743.041, 5505.16, 3  
5747.01, 5903.01, 5903.02, 5907.01, 5907.04, and 4  
5910.01 of the Revised Code to include Space 5  
Force in the definition of the armed forces, 6  
armed services, and uniformed services of the 7  
United States. 8

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

**Section 1.** That sections 122.925, 124.23, 145.30, 742.52, 9  
742.521, 2151.4210, 3307.75, 3309.02, 3313.471, 3319.085, 10  
3511.01, 4731.36, 4743.041, 5505.16, 5747.01, 5903.01, 5903.02, 11  
5907.01, 5907.04, and 5910.01 of the Revised Code be amended to 12  
read as follows: 13

**Sec. 122.925.** (A) As used in this section: 14

"Armed forces" means the armed forces of the United 15  
States, including the army, navy, air force, marine corps, space 16

force, coast guard, or any reserve component of those forces; 17  
the national guard of any state; the commissioned corps of the 18  
United States public health service; the merchant marine service 19  
during wartime; such other service as may be designated by 20  
congress; and the Ohio organized militia when engaged in full- 21  
time national guard duty for a period of more than thirty days. 22

"State agency" has the meaning defined in section 1.60 of 23  
the Revised Code. 24

"Veteran" means any person who has completed service in 25  
the armed forces, including the national guard of any state, or 26  
a reserve component of the armed forces, who has been honorably 27  
discharged or discharged under honorable conditions from the 28  
armed forces or who has been transferred to the reserve with 29  
evidence of satisfactory service. 30

"Veteran-friendly business enterprise" means a sole 31  
proprietorship, association, partnership, corporation, limited 32  
liability company, or joint venture that meets veteran 33  
employment standards established by the director of development 34  
and the director of transportation under this section. 35

(B) The director of development and the director of 36  
transportation shall establish and maintain the veteran-friendly 37  
business procurement program. The director of development shall 38  
adopt rules to administer the program for all state agencies 39  
except the department of transportation, and the director of 40  
transportation shall adopt rules to administer the program for 41  
the department of transportation. The rules shall be adopted 42  
under Chapter 119. of the Revised Code. The rules, as adopted 43  
separately by but with the greatest degree of consistency 44  
possible between the two directors, shall do all of the 45  
following: 46

- (1) Establish criteria, based on the percentage of an applicant's employees who are veterans, that qualifies an applicant for certification as a veteran-friendly business enterprise; 47  
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- (2) Establish procedures by which a sole proprietorship, association, partnership, corporation, limited liability company, or joint venture may apply for certification as a veteran-friendly business enterprise; 51  
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- (3) Establish procedures for certifying a sole proprietorship, association, partnership, corporation, limited liability company, or joint venture as a veteran-friendly business enterprise; 55  
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- (4) Establish standards for determining when a veteran-friendly business enterprise no longer qualifies for certification as a veteran-friendly business enterprise; 59  
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- (5) Establish procedures, to be used by state agencies or the department of transportation, for the evaluation and ranking of proposals, which provide preference or bonus points to each certified veteran-friendly business enterprise that submits a bid or other proposal for a contract with the state or an agency of the state other than the department of transportation, or with the department of transportation, for the rendering of services, or the supplying of materials, or for the construction, demolition, alteration, repair, or reconstruction of any public building, structure, highway, or other improvement; 62  
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- (6) Implement an outreach program to educate potential participants about the veteran-friendly business procurement program; and 73  
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(7) Establish a process for monitoring overall performance 76  
of the veteran-friendly business procurement program. 77

(C) (1) Any person who has been certified as a veteran- 78  
friendly business enterprise under this section may present the 79  
person's certification to a political subdivision as evidence 80  
that the person is eligible to participate in any public 81  
initiatives or strategies that the political subdivision has 82  
established to reward veteran-friendly businesses or to increase 83  
the participation, representation, or inclusion of veteran- 84  
friendly businesses in business opportunities, and in any 85  
programs the political subdivision may have that set aside a 86  
certain amount of public contracts to award to veteran-friendly 87  
business enterprises. 88

(2) When considering this evidence, a political 89  
subdivision shall defer to the department's determination that 90  
the person meets the criteria established under division (B) (1) 91  
of this section. 92

**Sec. 124.23.** (A) All applicants for positions and places 93  
in the classified service shall be subject to examination, 94  
except for applicants for positions as professional or certified 95  
service and paraprofessional employees of county boards of 96  
developmental disabilities, who shall be hired in the manner 97  
provided in section 124.241 of the Revised Code. 98

(B) Any examination administered under this section shall 99  
be public and be open to all citizens of the United States and 100  
those persons who have legally declared their intentions of 101  
becoming United States citizens. For examinations administered 102  
for positions in the service of the state, the director of 103  
administrative services or the director's designee may determine 104  
certain limitations as to citizenship, age, experience, 105

education, health, habit, and moral character. 106

(C) (1) Any person who has completed service in the 107  
uniformed services, who has been honorably discharged from the 108  
uniformed services or transferred to the reserve with evidence 109  
of satisfactory service, and who is a resident of this state and 110  
any member of a reserve component of the armed forces of the 111  
United States, including the Ohio national guard, who has 112  
completed more than one hundred eighty days of active duty 113  
service pursuant to an executive order of the president of the 114  
United States or an act of the congress of the United States may 115  
file with the director a certificate of service or honorable 116  
discharge, and, upon this filing, the person shall receive 117  
additional credit of twenty per cent of the person's total grade 118  
given in the examination in which the person receives a passing 119  
grade. A person who receives an additional credit under division 120  
(C) (1) of this section shall not receive an additional credit 121  
under division (C) (2) of this section. 122

(2) A member in good standing of a reserve component of 123  
the armed forces of the United States, including the Ohio 124  
national guard, who successfully completes the member's initial 125  
entry-level training shall receive a credit of fifteen per cent 126  
of the person's total grade given in the examination in which 127  
the person receives a passing grade. 128

(3) As used in this division, "service in the uniformed 129  
services" and "~~uniformed services~~" have the same meanings as in 130  
the "~~Uniformed Services Employment and Reemployment Rights Act~~ 131  
~~of 1994,~~" 108 Stat. 3149, 38 U.S.C.A. 4303means the performance 132  
of duty on a voluntary or involuntary basis in a uniformed 133  
service under competent authority and includes active duty, 134  
active duty for training, initial active duty for training, 135

inactive duty training, full-time national guard duty, and a 136  
period for which a person is absent from a position of 137  
employment for the purpose of an examination to determine the 138  
fitness of the person to perform any such duty. 139

(4) As used in this section, "uniformed services" means 140  
all of the following: 141

(a) "Armed forces of the United States" as defined in 142  
section 5907.01 of the Revised Code; 143

(b) The army national guard and air national guard when 144  
engaged in active duty for training, inactive duty training, or 145  
full-time national guard duty; 146

(c) The commissioned corps of the public health service; 147

(d) Any other category of persons designated by the 148  
president in time of war or emergency. 149

(D) An examination may include an evaluation of such 150  
factors as education, training, capacity, knowledge, manual 151  
dexterity, and physical or psychological fitness. An examination 152  
shall consist of one or more tests in any combination. Tests may 153  
be written, oral, physical, demonstration of skill, or an 154  
evaluation of training and experiences and shall be designed to 155  
fairly test the relative capacity of the persons examined to 156  
discharge the particular duties of the position for which 157  
appointment is sought. Tests may include structured interviews, 158  
assessment centers, work simulations, examinations of knowledge, 159  
skills, and abilities, and any other acceptable testing methods. 160  
If minimum or maximum requirements are established for any 161  
examination, they shall be specified in the examination 162  
announcement. 163

(E) Except as otherwise provided in sections 124.01 to 164

124.64 of the Revised Code, when a position in the classified 165  
service of the state is to be filled, an examination shall be 166  
administered. The director of administrative services shall have 167  
control of all examinations administered for positions in the 168  
service of the state and all other examinations the director 169  
administers as provided in section 124.07 of the Revised Code, 170  
except as otherwise provided in sections 124.01 to 124.64 of the 171  
Revised Code. The director shall, by rule adopted under Chapter 172  
119. of the Revised Code, prescribe the notification method that 173  
is to be used by an appointing authority to notify the director 174  
that a position in the classified service of the state is to be 175  
filled. In addition to the positions described in section 124.30 176  
of the Revised Code, the director may, with sufficient 177  
justification from the appointing authority, allow the 178  
appointing authority to fill the position by noncompetitive 179  
examination. The director shall establish, by rule adopted under 180  
Chapter 119. of the Revised Code, standards that the director 181  
shall use to determine what serves as sufficient justification 182  
from an appointing authority to fill a position by 183  
noncompetitive examination. 184

(F) No questions in any examination shall relate to 185  
political or religious opinions or affiliations. No credit for 186  
seniority, efficiency, or any other reason shall be added to an 187  
applicant's examination grade unless the applicant achieves at 188  
least the minimum passing grade on the examination without 189  
counting that extra credit. 190

(G) Except as otherwise provided in sections 124.01 to 191  
124.64 of the Revised Code, the director of administrative 192  
services or the director's designee shall give reasonable notice 193  
of the time, place, and general scope of every competitive 194  
examination for appointment that the director or the director's 195

designee administers for positions in the classified service of 196  
the state. The director or the director's designee shall post 197  
notices via electronic media of every examination to be 198  
conducted for positions in the classified civil service of the 199  
state. The electronic notice shall be posted on the director's 200  
internet site on the world wide web for a minimum of one week 201  
preceding any examination involved. 202

**Sec. 145.30.** (A) (1) As used in this section and section 203  
145.301 of the Revised Code: 204

(a) "Armed forces" of the United States includes the 205  
following: 206

(i) Army, navy, air force, marine corps, space force, 207  
coast guard, auxiliary corps as established by congress, red 208  
cross nurse serving with the army, navy, air force, or hospital 209  
service of the United States, army nurse corps, navy nurse 210  
corps, full-time service with the American red cross in a combat 211  
zone, and such other service as may be designated by congress as 212  
included therein; 213

(ii) Personnel of the Ohio national guard and the reserve 214  
components of any of the armed forces enumerated in division (A) 215  
(1) of this section who are called to active duty pursuant to an 216  
executive order issued by the president of the United States or 217  
an act of congress; 218

(iii) Persons on whom United States merchant marine 219  
veteran status has been conferred for service aboard oceangoing 220  
merchant ships in service to the United States during World War 221  
II. 222

(b) "State retirement system" means any of the following: 223  
the Ohio police and fire pension fund, public employees 224



retirement system, school employees retirement system, state 225  
highway patrol retirement system, or the state teachers 226  
retirement system. 227

(2) This section applies only to service in the armed 228  
forces that occurred prior to October 13, 1994, the date on 229  
which the "Uniformed Services Employment and Reemployment Rights 230  
Act of 1994," 108 Stat. 3149, 38 U.S.C. 101, became a public 231  
law. 232

(B) Except as otherwise provided in this division, upon 233  
reemployment in the public service and completion of one year of 234  
service credit as covered by a state retirement system or the 235  
Cincinnati retirement system, within two years after service in 236  
the armed forces that is terminated in a manner other than as 237  
described in section 4304 of Title 38 of the United States Code, 238  
"Uniformed Services Employment and Reemployment Rights Act of 239  
1994," 108 Stat. 3149, 38 U.S.C.A. 4304, and presentation of 240  
documentation of the service and subject to rules adopted by the 241  
retirement board, any member of the public employees retirement 242  
system who was a member with not less than one year of payroll 243  
deductions before entering active duty with the armed forces and 244  
maintained membership in the public employees retirement system 245  
as provided by section 145.41 of the Revised Code, and who was 246  
or is out of active service as a public employee by reason of 247  
having become a member of the armed forces of the United States 248  
on active duty or service shall have such service, not in excess 249  
of ten years, included as prior military service. Except as 250  
otherwise provided in this division, service in the armed forces 251  
as established by documentation of the service, not in excess of 252  
ten years, shall also be included as prior military service for 253  
a person who was a public employee and who has acquired service 254  
credit for five years prior to, and within the one year 255

preceding, the date of entering on active duty in the armed 256  
forces of the United States if such person was reemployed in the 257  
public service within one year after service in the armed forces 258  
that is terminated in a manner other than as described in 259  
section 4304 of Title 38 of the United States Code, "Uniformed 260  
Services Employment and Reemployment Rights Act of 1994," 38 261  
U.S.C.A. 4304, and established total service credit as defined 262  
in section 145.01 of the Revised Code of twenty years exclusive 263  
of credit for service in the uniformed services, as defined in 264  
section 145.302 of the Revised Code. This division shall not 265  
serve to cancel any military service credit earned or granted 266  
prior to November 1, 1965. 267

If the public employees retirement board adopts a rule 268  
requiring payment for service credit granted under this section, 269  
the credit shall be granted only if payment is made. The rule 270  
shall not require payment of more than the additional liability 271  
to the retirement system resulting from granting the credit. A 272  
member may choose to purchase only part of the credit in any one 273  
payment. 274

(C) A member of the public employees retirement system is 275  
ineligible to receive service credit under this section for any 276  
year of military service credit used to obtain service credit 277  
pursuant to section 145.301 or 145.302 of the Revised Code. At 278  
the time such credit is requested, the member shall certify on a 279  
form supplied by the retirement board that the member does and 280  
will conform to this requirement. This division does not cancel 281  
any military service credit earned prior to March 15, 1979. 282

**Sec. 742.52.** (A) A member of the Ohio police and fire 283  
pension fund who is not receiving a disability benefit or 284  
pension from the fund and is not a participant in the deferred 285

retirement option plan established under section 742.43 of the Revised Code may purchase service credit, which shall be used in computing the member's years of service, for each year of service incurred by reason of having been on active duty, active duty for training, initial active duty for training, inactive duty training, full-time national guard duty, and a period for which a member is absent from a position of employment for the purpose of an examination to determine the fitness of the member to perform a duty, as a member of the armed forces of the United States if the member is honorably discharged. Credits which are not authorized under former sections 742.18, 742.19, 742.20, and 742.21 or section 742.521 of the Revised Code may be purchased at any time. The number of years purchased under this division shall not exceed five.

(B) For the purposes of this division, "prisoner of war" means any regularly appointed, enrolled, enlisted, or inducted member of the armed forces of the United States who was captured, separated, and incarcerated by an enemy of the United States.

A member who is not a participant in the deferred retirement option plan established under section 742.43 of the Revised Code may purchase service credit which shall be considered as the equivalent of Ohio service for each year of service the member was a prisoner of war. The number of years purchased under this division shall not exceed five. Service credit may be purchased under this division for the same years of service used to purchase service credit under division (A) of this section. The member may choose to purchase only part of such credit in any one payment, subject to board rules.

(C) The total number of years purchased under this section

shall not exceed the member's total accumulated number of years 316  
of Ohio service. 317

(D) For each year of service purchased under division (A) 318  
or (B) of this section, the member shall pay to the fund for 319  
credit to the member's accumulated account an amount determined 320  
by the member rate of contribution in effect at the time the 321  
military service began or four per cent, whichever is greater, 322  
multiplied by the annual compensation for full-time employment 323  
during the first year of full-time service in Ohio covered by 324  
any state or municipal retirement system of this state following 325  
termination of military service. To this amount shall be added 326  
an amount equal to compound interest at a rate established by 327  
the board of trustees of the Ohio police and fire pension fund 328  
from the date active military service terminated to date of 329  
payment. For the purpose of this section, the board may define 330  
full-time service in Ohio covered by any state or municipal 331  
retirement system of this state. 332

(E) A member is ineligible to purchase service credit 333  
under this section for any year of military service that was: 334

(1) Used in the calculation of any retirement benefit 335  
currently being paid to the member or payable in the future 336  
under any other retirement program, except for retired pay for 337  
non-regular service under Chapter 1223. of Section 1662 of Title 338  
XVI of the "National Defense Authorization Act for Fiscal Year 339  
1995," 108 Stat. 2998 (1994), 10 U.S.C.A. 12731 to 12739, or 340  
social security; 341

(2) Used to obtain service credit under former section 342  
742.18, 742.19, 742.20, or 742.21 or section 742.521 of the 343  
Revised Code. At the time the credit is purchased the member 344  
shall certify on a form furnished by the trustees that the 345

member does and will conform to this requirement. Any benefit 346  
paid under this section to which the member is not entitled 347  
shall be recovered by any recovery procedures available under 348  
this chapter. 349

~~"Armed-~~(F) As used in this section and section 742.521 of 350  
the Revised Code, "armed forces" of the United States includes 351  
army, navy, air force, marine corps, space force, coast guard, 352  
or any reserve component of such forces; national guard; the 353  
commissioned corps of the United States public health service; 354  
the merchant marine service during wartime; auxiliary corps as 355  
established by congress; service as a red cross nurse with the 356  
army, navy, air force, hospital service of the United States, 357  
army nurse corps, navy nurse corps, or serving full-time with 358  
the American red cross in a combat zone; and such other service 359  
as may be designated by congress as included therein. 360

(G) A member of the fund who has purchased service credit 361  
under this section, or the member's estate, is entitled to be 362  
refunded the amount paid to purchase such credit, or a pro rata 363  
portion thereof, provided that the purchased service credit, or 364  
a portion of the purchased service credit, does not serve to 365  
increase a pension or benefit paid under section 742.37 or 366  
742.39 or calculated under section 742.442 of the Revised Code. 367  
The refund of any amount paid to purchase credit under this 368  
section, or a pro rata portion thereof, shall cancel an 369  
equivalent amount of service credit. 370

**Sec. 742.521.** (A) ~~As used in this section, "armed forces"~~ 371  
~~of the United States means the army, navy, air force, marine~~ 372  
~~corps, coast guard, or any reserve components of such forces;~~ 373  
~~the national guard; the commissioned corps of the United States~~ 374  
~~public health service; the merchant marine service during~~ 375

~~wartime; auxiliary corps as established by congress; service as— 376  
a red cross nurse with the army, navy, air force, hospital— 377  
service of the United States, army nurse corps, navy nurse— 378  
corps, or serving full time with the American red cross in a— 379  
combat zone; and such other service as may be designated by— 380  
congress. 381~~

~~(B)—~~A member of the fund who is an employee of a police or 382  
fire department and who enlisted or enlists, was inducted or is 383  
inducted, was or is called into active duty, or accepted or 384  
accepts a commission in the armed forces, in computing years of 385  
service in such police or fire department, shall be given full 386  
credit for such time served in the armed forces, provided the 387  
person has been honorably discharged from the armed forces or 388  
from active duty therein, has made application for reinstatement 389  
in the active service of the police or fire department within 390  
ninety days from the date of discharge, and employer 391  
contributions have been paid pursuant to this section. Service 392  
credit given under this section for time served in the armed 393  
forces shall not exceed five years. 394

~~(C)—~~(B) A member of the fund is ineligible to receive 395  
service credit under this section for any time served in the 396  
armed forces that is used to obtain service credit under former 397  
section 742.18, 742.19, 742.20, or 742.21 or section 742.52 of 398  
the Revised Code. 399

At the time such credit is requested, the member shall 400  
certify on a form supplied by the retirement board that the 401  
member does and will conform to this requirement. Any benefit 402  
paid under this section to which the member is not entitled 403  
shall be recovered by any recovery procedures available under 404  
this chapter. This section does not cancel any military service 405

credit earned under this chapter prior to October 29, 1996. 406

~~(D)~~ (C) An employer of a member entitled to service credit 407  
under this section shall pay the Ohio police and fire pension 408  
fund an amount equal to that which would have been paid under 409  
section 742.33 or 742.34 of the Revised Code had the member 410  
continued police or fire employment during the period of 411  
military service. The board of trustees may adopt rules setting 412  
the manner in which the employer contribution is calculated and 413  
paid. 414

**Sec. 2151.4210.** (A) A public children services agency 415  
shall determine as soon as practicable if a parent, guardian, or 416  
custodian of a child who is subject to an investigation under 417  
section 2151.421 or 2151.422 of the Revised Code is in the armed 418  
forces. 419

(B) If the agency determines that the parent, guardian, or 420  
custodian is in the armed forces, the agency shall notify the 421  
appropriate authority of that armed force in which the parent, 422  
guardian, or custodian serves, in accordance with the memorandum 423  
of understanding established by that authority, that an 424  
investigation is being made of a report of child abuse or 425  
neglect that relates to the parent, guardian, or custodian. 426

(C) As used in this section, "armed forces" has the same 427  
meaning as "armed forces of the United States" in ~~10 U.S.C.~~ 428  
~~101~~ section 5907.01 of the Revised Code. 429

**Sec. 3307.75.** (A) As used in this section, "armed forces" 430  
~~of the United States~~ includes both: 431

(1) Army, navy, air force, marine corps, space force, 432  
coast guard, auxiliary corps as established by congress, army 433  
nurse corps, navy nurse corps, red cross nurse serving with the 434

army, navy, air force, or hospital service of the United States, 435  
full-time service with the American red cross in a combat zone, 436  
and such other service as is designated by the congress as 437  
included therein; 438

(2) Personnel of the Ohio national guard, the Ohio 439  
military reserve, the Ohio naval militia, and the reserve 440  
components of the armed forces enumerated in division (A) (1) of 441  
this section who are called to active duty pursuant to an 442  
executive order issued by the president of the United States or 443  
an act of congress. 444

(B) Upon presentation of an honorable discharge or 445  
certificate of service, and subject to rules adopted by the 446  
state teachers retirement board, any member of the state 447  
teachers retirement system participating in the STRS defined 448  
benefit plan who was or is out of active service as a teacher by 449  
reason of having become a member of the armed forces ~~of the~~ 450  
~~United States~~ on active duty or service shall be considered as 451  
on indefinite leave of absence and shall have such service not 452  
in excess of ten years considered as the equivalent of prior 453  
service, provided the member returns to service as a teacher 454  
within two years after the effective date of discharge and 455  
establishes one year of service credit, or becomes a member of 456  
either the public employees retirement system or the school 457  
employees retirement system within such two-year period and 458  
establishes at least one year of service credit. The retirement 459  
board shall extend such two-year period an additional year if 460  
failure to return is due to continuous professional training as 461  
determined by said board. If such member, otherwise qualified 462  
for such credit, canceled membership by the withdrawal of the 463  
member's accumulated account, such military service credit shall 464  
be granted following the restoration of the member's canceled 465



service credit as provided by section 3307.71 of the Revised 466  
Code. Any member of the state teachers retirement system or 467  
anyone who becomes a new entrant who is assigned or called to 468  
take charge of special training for essential national defense 469  
work or veterans' training courses in any of the public schools 470  
or universities of the state may make regular contributions to 471  
the state teachers retirement system even though the member's or 472  
new entrant's salary is paid from federal funds, provided the 473  
member's or new entrant's salary is disbursed by an employer. 474

(C) A member of the state teachers retirement system is 475  
ineligible to receive service credit under this section for any 476  
year of military service credit used in the calculation of any 477  
retirement benefit currently being paid to the member or payable 478  
in the future under any other retirement program, except social 479  
security, or used to obtain service credit pursuant to section 480  
3307.751 or 3307.752 of the Revised Code. At the time such 481  
credit is requested, the member shall certify on a form supplied 482  
by the board that the member does and will conform to this 483  
requirement. This division does not cancel any military service 484  
credit earned prior to March 15, 1979. 485

**Sec. 3309.02.** (A) As used in this section, "armed forces" 486  
~~of the United States~~ includes both: 487

(1) Army, navy, air force, marine corps, space force, 488  
coast guard, auxiliary corps as established by congress, army 489  
nurse corps, navy nurse corps, red cross nurse serving with the 490  
army, navy, air force, or hospital service of the United States, 491  
full-time service with the American red cross in a combat zone, 492  
and such other service as is designated by congress as included 493  
therein; 494

(2) Personnel of the Ohio national guard, the Ohio 495

military reserve, the Ohio naval militia, and the reserve 496  
components of the armed forces enumerated in division (A) (1) of 497  
this section who are called to active duty pursuant to an 498  
executive order issued by the president of the United States or 499  
an act of congress. 500

(B) Upon presentation of an honorable discharge or 501  
certificate of service, and subject to rules adopted by the 502  
school employees retirement board, any member of the school 503  
employees retirement system who was a member with not less than 504  
one year of unadjusted service credit prior to active service in 505  
the armed forces ~~of the United States~~ subsequent to October 31, 506  
1965, and who returns to service as an employee or as an 507  
employee in a capacity covered by either the public employees 508  
retirement system or the state teachers retirement system within 509  
two years after receiving such discharge or release, and 510  
establishes one year of service credit, shall have such service 511  
considered as prior service, provided that the total amount of 512  
such service granted by the board shall not exceed ten years. 513  
This section shall not serve to cancel any military service 514  
credit earned or granted prior to November 1, 1965. 515

(C) A member of the school employees retirement system is 516  
ineligible to receive service credit under this section for any 517  
year of military service credit used in the calculation of any 518  
retirement benefit currently being paid to the member or payable 519  
in the future under any other retirement program, except social 520  
security, or used to obtain service credit pursuant to section 521  
3309.021 or 3309.022 of the Revised Code. At the time such 522  
credit is requested, the member shall certify on a form supplied 523  
by the retirement board that the member does and will conform to 524  
this requirement. This division does not cancel any military 525  
service credit earned prior to March 15, 1979. 526

**Sec. 3313.471.** (A) As used in this section, "armed forces" 527  
means the Ohio national guard, the Ohio naval militia, the Ohio 528  
military reserve, and the active and reserve components of the 529  
United States army, navy, air force, marine corps, space force, 530  
and coast guard. 531

(B) No school district board of education shall impose any 532  
restriction on the presentation of career information to 533  
students that is not uniformly imposed on representatives of the 534  
armed forces, skilled trades, institutions of higher education, 535  
career-technical education providers, business, industry, 536  
charitable institutions, and other employers or prohibit the 537  
presentation of information or recruitment of students by those 538  
representatives for employment, employment training, or 539  
education on the district's campus. The board shall provide 540  
equal access to any of the district's employment or placement 541  
services to all of the entities described in this division. 542

(C) The district board shall provide any entity described 543  
in division (B) of this section with at least two opportunities 544  
per school year to present information in person to all students 545  
in grades nine through twelve individually or in a group setting 546  
and shall provide students with the opportunity to speak in 547  
person with the entities that participate in those 548  
opportunities. This requirement may be satisfied by providing 549  
common area access for presentation of information materials or 550  
by providing a scheduled educational or career fair. 551

(D) To the extent permitted by federal law and in 552  
accordance with this section, the district board may develop an 553  
application process for entities that wish to access school 554  
property for the purpose of presenting information to students. 555  
The board may develop standards of conduct and require entities 556

to adhere to those standards as a condition of continued access 557  
and presentation of information materials. 558

**Sec. 3319.085.** Any nonteaching school employee who 559  
performs service in the uniformed services or service under 560  
section 5923.12 of the Revised Code and who has returned, or 561  
returns, from that service with a discharge under honorable 562  
conditions or is released from service under section 5923.12 of 563  
the Revised Code shall be re-employed by the board of education 564  
of the district in which the nonteaching school employee held 565  
the nonteaching school employee position as required by the 566  
"Uniformed Services Employment and Reemployment Rights Act of 567  
1994," 108 Stat. 3149, 38 U.S.C. 4303. 568

The board of education of the district in which the 569  
nonteaching school employee was employed and is re-employed 570  
under this section may suspend the contract of the nonteaching 571  
school employee whose services become unnecessary by reason of 572  
the return of a nonteaching school employee from service in the 573  
uniformed services. 574

As used in this section, "service in the uniformed 575  
services" and "uniformed services" have the same meanings as in 576  
the ~~"Uniformed Services Employment and Reemployment Rights Act~~ 577  
~~of 1994," 108 Stat. 3149, 38 U.S.C. 4303~~ section 124.23 of the 578  
Revised Code. 579

**Sec. 3511.01.** As used in this chapter: 580

(A) "Dependent" means a person who is recognized as a 581  
dependent by one of the uniformed services. 582

(B) "Overseas voter" means any of the following: 583

(1) A person who is outside of the United States and who, 584  
before leaving the United States, was last eligible to vote in 585

this state, who may be considered a state resident using the standards for residency established in sections 3503.02 and 3511.011 of the Revised Code, and who otherwise satisfies the requirements to vote in this state;

(2) A person who is outside of the United States and who, before leaving the United States, would have been eligible to vote in this state had the person then been eighteen years of age or older, who may be considered a state resident using the standards for residency established in sections 3503.02 and 3511.011 of the Revised Code, and who otherwise satisfies the requirements to vote in this state;

(3) A person who was born outside of the United States, who may be considered a state resident using the standards for residency established in sections 3503.02 and 3511.011 of the Revised Code, and who otherwise satisfies the requirements to vote in this state, if both of the following apply:

(a) The last place where the person's parent or legal guardian was, or would have been, eligible to vote before leaving the United States is within this state; and

(b) The person has not previously registered to vote in any other state.

(C) "Uniformed services" means:

(1) Active and reserve components of the army, navy, air force, marine corps, space force, or coast guard of the United States;

(2) The merchant marine, the commissioned corps of the public health service, or the commissioned corps of the national oceanic and atmospheric administration of the United States;

(3) The national guard and the organized militia.	614
(D) "Uniformed services voter" means an individual who is	615
qualified to vote in this state and who is:	616
(1) A member of one of the uniformed services described in	617
division (C) (1) or (2) of this section;	618
(2) A member of one of the uniformed services described in	619
division (C) (3) of this section who is on activated status.	620
(3) A spouse or dependent of a uniformed services voter.	621
<b>Sec. 4731.36.</b> (A) Sections 4731.01 to 4731.47 of the	622
Revised Code shall not prohibit service in case of emergency,	623
domestic administration of family remedies, or provision of	624
assistance to another individual who is self-administering	625
drugs.	626
Sections 4731.01 to 4731.47 of the Revised Code shall not	627
apply to any of the following:	628
(1) A commissioned medical officer of the armed forces of	629
the United States or an employee of the veterans administration	630
of the United States or the United States public health service	631
in the discharge of the officer's or employee's professional	632
duties;	633
(2) A dentist authorized under Chapter 4715. of the	634
Revised Code to practice dentistry when engaged exclusively in	635
the practice of dentistry or when administering anesthetics in	636
the practice of dentistry;	637
(3) A physician or surgeon in another state or territory	638
who is a legal practitioner of medicine or surgery therein when	639
providing consultation to an individual holding a license to	640
practice issued under this chapter who has an established	641

physician-patient relationship with the patient who is the 642  
subject of the consultation, if one of the following applies: 643

(a) The physician or surgeon does not provide consultation 644  
in this state on a regular or frequent basis. 645

(b) The physician or surgeon provides the consultation 646  
without compensation of any kind, direct or indirect, for the 647  
consultation. 648

(c) The consultation is part of the curriculum of a 649  
medical school or osteopathic medical school of this state or a 650  
program described in division (A) (2) of section 4731.291 of the 651  
Revised Code. 652

(4) A physician or surgeon in another state or territory 653  
who is a legal practitioner of medicine or surgery therein and 654  
provided services to a patient in that state or territory, when 655  
providing, not later than one year after the last date services 656  
were provided in another state or territory, follow-up services 657  
in person or through the use of any communication, including 658  
oral, written, or electronic communication, in this state to the 659  
patient for the same condition; 660

(5) A physician or surgeon residing on the border of a 661  
contiguous state and authorized under the laws thereof to 662  
practice medicine and surgery therein, whose practice extends 663  
within the limits of this state. Such practitioner shall not 664  
either in person or through the use of any communication, 665  
including oral, written, or electronic communication, open an 666  
office or appoint a place to see patients or receive calls 667  
within the limits of this state. 668

(6) A board, committee, or corporation engaged in the 669  
conduct described in division (A) of section 2305.251 of the 670

Revised Code when acting within the scope of the functions of 671  
the board, committee, or corporation; 672

(7) The conduct of an independent review organization 673  
accredited by the superintendent of insurance under section 674  
3922.13 of the Revised Code for the purpose of external reviews 675  
conducted under Chapter 3922. of the Revised Code. 676

As used in division (A) (1) of this section, "armed forces 677  
of the United States" ~~means the army, air force, navy, marine-~~ 678  
~~corps, coast guard, and any other military service branch that~~ 679  
~~is designated by congress as a part of the armed forces of the~~ 680  
~~United States~~has the same meaning as in section 5907.01 of the 681  
Revised Code. 682

(B) (1) Subject to division (B) (2) of this section, this 683  
chapter does not apply to a person who holds a current, 684  
unrestricted license to practice medicine and surgery or 685  
osteopathic medicine and surgery in another state when the 686  
person, pursuant to a written agreement with an athletic team 687  
located in the state in which the person holds the license, 688  
provides medical services to any of the following while the team 689  
is traveling to or from or participating in a sporting event in 690  
this state: 691

(a) A member of the athletic team; 692

(b) A member of the athletic team's coaching, 693  
communications, equipment, or sports medicine staff; 694

(c) A member of a band or cheerleading squad accompanying 695  
the athletic team; 696

(d) The athletic team's mascot. 697

(2) In providing medical services pursuant to division (B) 698



(1) of this section, the person shall not provide medical 699  
services at a health care facility, including a hospital, an 700  
ambulatory surgical facility, or any other facility in which 701  
medical care, diagnosis, or treatment is provided on an 702  
inpatient or outpatient basis. 703

(C) Sections 4731.51 to 4731.61 of the Revised Code do not 704  
apply to any graduate of a podiatric school or college while 705  
performing those acts that may be prescribed by or incidental to 706  
participation in an accredited podiatric internship, residency, 707  
or fellowship program situated in this state approved by the 708  
state medical board. 709

(D) This chapter does not apply to an individual engaged 710  
in the practice of oriental medicine, or to an acupuncturist who 711  
complies with Chapter 4762. of the Revised Code. 712

(E) This chapter does not prohibit the administration of 713  
drugs by any of the following: 714

(1) An individual who is licensed or otherwise 715  
specifically authorized by the Revised Code to administer drugs; 716

(2) An individual who is not licensed or otherwise 717  
specifically authorized by the Revised Code to administer drugs, 718  
but is acting pursuant to the rules for delegation of medical 719  
tasks adopted under section 4731.053 of the Revised Code; 720

(3) An individual specifically authorized to administer 721  
drugs pursuant to a rule adopted under the Revised Code that is 722  
in effect on April 10, 2001, as long as the rule remains in 723  
effect, specifically authorizing an individual to administer 724  
drugs. 725

(F) The exemptions described in divisions (A) (3), (4), and 726  
(5) of this section do not apply to a physician or surgeon whose 727

license to practice issued under this chapter is under 728  
suspension or has been revoked or permanently revoked by action 729  
of the state medical board. 730

**Sec. 4743.041.** (A) As used in this section: 731

"Active guard and reserve" has the meaning defined in 10 732  
U.S.C. 101. 733

"Military duty" includes service in the uniformed services 734  
on active duty, in the active guard and reserve, and as a 735  
military technician dual status under 10 U.S.C. 10216. 736

"Uniformed services" has the meaning defined in ~~10 U.S.C.~~ 737  
section 5747.01 of the Revised Code. 738

(B) Pursuant to division (C) of section 4743.04 of the 739  
Revised Code, a department, agency, or office of this state 740  
shall issue a temporary license or certificate to practice a 741  
trade or profession to an individual, provided that all of the 742  
following qualifications are met: 743

(1) The individual holds a valid license or certificate to 744  
practice the trade or profession issued by any other state or 745  
jurisdiction; 746

(2) The individual is in good standing in the state or 747  
jurisdiction of licensure or certification; 748

(3) The individual presents adequate proof to the 749  
department, agency, or office of this state that the individual 750  
or the individual's spouse is on military duty in this state; 751  
and 752

(4) The individual complies with sections 4776.01 to 753  
4776.04 of the Revised Code if a department, agency, or office 754  
of this state requires an applicant under the law governing the 755

applicable trade or profession to submit to a criminal records 756  
check to receive a license or certificate. 757

(C) A department, agency, or office of this state may, 758  
under this section, issue a regular license or certificate in 759  
lieu of issuing a temporary license or certificate, provided 760  
that the applicant meets the requirements of this section, and 761  
provided that the regular license is issued by the deadline 762  
specified in division (D) of this section. 763

(D) If the department, agency, or office of this state 764  
requires an individual under the law governing the applicable 765  
trade or profession to submit to a criminal records check to 766  
receive a license or certificate, and the individual applies for 767  
a license or certificate under this section, the department, 768  
agency, or office of this state shall, within twenty-four hours 769  
after receiving the report under division (A) of section 4776.04 770  
of the Revised Code, notify the applicant that the department, 771  
agency, or office of this state has received the results of a 772  
criminal records check. A department, agency, or office of this 773  
state shall issue a temporary license or certificate or a 774  
regular license under this section, provided that the applicant 775  
meets the requirements of this section, within thirty days of 776  
having received an application, or, if the applicant is subject 777  
to a criminal records check, within fourteen days of having 778  
received the results of a criminal records check. If the 779  
department, agency, or office of this state finds that the 780  
individual is under investigation by the licensing agency of any 781  
other state or jurisdiction, the department, agency, or office 782  
of this state may postpone issuing the license or certificate 783  
until the investigation is complete and the licensing agency of 784  
the other state or jurisdiction confirms that the individual is 785  
in good standing. The department, agency, or office of this 786

state shall verify the standing of the license or certificate 787  
issued by another state or jurisdiction when the temporary 788  
license is up for renewal. No temporary license shall be valid 789  
for a period of more than six years. 790

(E) A department, agency, or office of this state shall, 791  
in accordance with Chapter 119. of the Revised Code, deny an 792  
individual a temporary license or certificate issued under this 793  
section or revoke an individual's temporary license or 794  
certificate issued under this section if any of the following 795  
circumstances occur: 796

(1) The individual's license or certificate issued by 797  
another state or jurisdiction expires or is revoked, or the 798  
individual is not in good standing; 799

(2) With respect to an individual who was eligible for a 800  
temporary license under this section as the spouse of an 801  
individual on military duty, six months have elapsed since the 802  
divorce, dissolution, or annulment of the marriage; 803

(3) The individual is disqualified from obtaining a 804  
license in the trade or profession because of a conviction, 805  
judicial finding of guilt, or plea of guilty to a disqualifying 806  
criminal offense specified on the list the department, agency, 807  
or office of this state makes available pursuant to division (C) 808  
of section 9.78 of the Revised Code. 809

(F) An individual with a temporary license or certificate 810  
or a regular license issued under this section may practice the 811  
trade or profession in this state only within the scope and 812  
practice that is permitted under Ohio law and that does not 813  
exceed the individual's training. 814

(G) Notwithstanding any other provision of the Revised 815

Code, a department, agency, or office of this state shall waive 816  
all fees associated with the issuance of a temporary license or 817  
certificate issued under this section. 818

(H) Each department, agency, or office of this state that 819  
issues a license or certificate to practice a trade or 820  
profession shall adopt rules under Chapter 119. of the Revised 821  
Code as necessary to implement this section. 822

(I) Each department, agency, or office of this state that 823  
issues a license or certificate to practice a trade or 824  
profession, shall, upon the conclusion of the state fiscal year, 825  
prepare a report on the number and type of temporary licenses or 826  
certificates that were issued during the fiscal year under this 827  
section. The report shall be provided to the director of 828  
veterans services not later than thirty days after the end of 829  
the fiscal year. The director shall compile the reports and make 830  
them available to the public. 831

(J) A license or certificate issued under this section 832  
shall be considered a license issued under the laws regulating 833  
the practice of the applicable occupation or profession in this 834  
state. Provisions of law applicable to a license issued to an 835  
applicant who does not obtain a license under this section apply 836  
in the same manner to licenses issued under this section. 837

(K) Chapter 4796. of the Revised Code does not apply to a 838  
license or certificate issued under this section. 839

(L) A department, agency, or office of this state shall 840  
not require an individual who meets the requirements of this 841  
section to apply for the license or certificate under Chapter 842  
4796. of the Revised Code. However, the individual may elect to 843  
apply for the license or certificate under Chapter 4796. of the 844

Revised Code. 845

**Sec. 5505.16.** (A) As used in this section, "member" has 846  
the same meaning as in section 5505.01 of the Revised Code, 847  
except that it also includes a former member who has earned 848  
service credit and has not received a refund of accumulated 849  
contributions under section 5505.19 of the Revised Code. 850

A member who became a member of the state highway patrol 851  
before January 1, 2020, may be granted retirement under this 852  
division if the member has twenty-five years of service credit 853  
according to the rules adopted by the state highway patrol 854  
retirement board and has attained age forty-eight. If the member 855  
is under age forty-eight, retirement under this division shall 856  
be deferred until age forty-eight. 857

(B) A member who has twenty years of service credit 858  
according to the rules adopted by the retirement board, may be 859  
granted retirement under this division if the member has 860  
attained age fifty-two. If the member is under age fifty-two, 861  
retirement under this division shall be deferred until age 862  
fifty-two, except that any such member who has twenty years of 863  
service credit may, on or after attaining age forty-eight but 864  
before attaining age fifty-two, elect to retire and receive a 865  
reduced pension under this division of the greater of nine 866  
hundred dollars or an amount computed as follows: 867

868

1

2

A Attained Age

Reduced Pension

B 48

75% of normal service pension

C	49	80% of normal service pension
D	50	86% of normal service pension
E	51	93% of normal service pension

The reduced pension is payable from the later of the date 869  
of the member's most recent birthday or the date the member 870  
becomes eligible to receive the reduced pension. 871

A member who has elected to receive a reduced pension in 872  
accordance with the schedule provided in this division and has 873  
received a payment in connection therewith may not change the 874  
election. 875

(C) Any member who attains the age of sixty years and has 876  
twenty years of service credit according to the rules adopted by 877  
the board, shall file application for retirement with the board, 878  
and if the member refuses or neglects to do so, the board may 879  
deem the member's application to have been filed on the member's 880  
sixtieth birthday. The member may, upon written application 881  
approved by the superintendent of the state highway patrol, be 882  
continued in service after attaining the age of sixty years, but 883  
only until the member has accumulated twenty years of service 884  
credit in accordance with rules adopted by the board. 885

(D) (1) As used in this division: 886

(a) "Service in the uniformed services" means the 887  
performance of duty on a voluntary or involuntary basis in a 888  
uniformed service under competent authority and includes active 889  
duty, active duty for training, initial active duty for 890  
training, inactive duty training, full-time national guard duty, 891  
and a period for which a person is absent from a position of 892

employment for the purpose of an examination to determine the 893  
fitness of the person to perform any such duty. 894

(b) "Uniformed services" of the United States includes 895  
both: 896

(i) Army, navy, air force, marine corps, coast guard, 897  
space force, or any reserve components of these services; 898  
auxiliary corps as established by congress; army nurse corps; 899  
navy nurse corps; service as red cross nurse with the army, 900  
navy, air force, or hospital service of the United States, or 901  
serving full-time with the American red cross in a combat zone; 902  
and such other service as is designated by congress as included 903  
therein; 904

(ii) Personnel of the Ohio national guard, the Ohio 905  
military reserve, the Ohio naval militia, and the reserve 906  
components of the armed forces enumerated in division (D) (1) of 907  
this section who are called to active duty pursuant to an 908  
executive order issued by the president of the United States or 909  
an act of congress. 910

(2) A member's total service credit may include periods 911  
not to exceed a total of seven years, while the member's 912  
employment with the state highway patrol is or was interrupted 913  
due to service in the uniformed services of the United States. 914  
Such military service shall be credited to the member towards 915  
total service as provided by this chapter and to the extent 916  
approved by the board, provided that: 917

(a) The member is or was honorably discharged from service 918  
in the uniformed services; 919

(b) The member is or was re-employed by the state highway 920  
patrol within ninety days immediately following termination of 921



service in the uniformed services; 922

(c) The member, subject to board rules, pays into the 923  
retirement system to the member's credit in the employees' 924  
savings fund an amount equal to the total contributions the 925  
member would have paid had state highway patrol employment not 926  
been so interrupted. Such payment may be made at any time prior 927  
to receipt of a pension. 928

(3) If the member meets the requirements of division (D) 929  
(2) of this section, on receipt of contributions from the 930  
member, the state highway patrol shall be billed for the 931  
employer contribution that would have been paid pursuant to 932  
section 5505.15 of the Revised Code if the member had not 933  
rendered service in the uniformed services, subject to board 934  
rules. 935

(4) If under division (D) (2) (c) of this section a member 936  
pays all or any portion of the contributions later than the 937  
lesser of five years or a period that is three times the 938  
member's period of service in the uniformed services beginning 939  
from the member's date of re-employment, an amount equal to 940  
compound interest at a rate established by the board from the 941  
member's date of re-employment to the date of payment shall be 942  
added to the remaining amount to be paid by the member to 943  
purchase service credit under this section. 944

(5) Credit purchased by a member under division (D) (2) of 945  
this section shall be used to determine the member's eligibility 946  
for retirement under this section and section 5505.17 of the 947  
Revised Code. 948

**Sec. 5747.01.** Except as otherwise expressly provided or 949  
clearly appearing from the context, any term used in this 950

chapter that is not otherwise defined in this section has the 951  
same meaning as when used in a comparable context in the laws of 952  
the United States relating to federal income taxes or if not 953  
used in a comparable context in those laws, has the same meaning 954  
as in section 5733.40 of the Revised Code. Any reference in this 955  
chapter to the Internal Revenue Code includes other laws of the 956  
United States relating to federal income taxes. 957

As used in this chapter: 958

(A) "Adjusted gross income" or "Ohio adjusted gross 959  
income" means federal adjusted gross income, as defined and used 960  
in the Internal Revenue Code, adjusted as provided in this 961  
section: 962

(1) Add interest or dividends on obligations or securities 963  
of any state or of any political subdivision or authority of any 964  
state, other than this state and its subdivisions and 965  
authorities. 966

(2) Add interest or dividends on obligations of any 967  
authority, commission, instrumentality, territory, or possession 968  
of the United States to the extent that the interest or 969  
dividends are exempt from federal income taxes but not from 970  
state income taxes. 971

(3) Deduct interest or dividends on obligations of the 972  
United States and its territories and possessions or of any 973  
authority, commission, or instrumentality of the United States 974  
to the extent that the interest or dividends are included in 975  
federal adjusted gross income but exempt from state income taxes 976  
under the laws of the United States. 977

(4) Deduct disability and survivor's benefits to the 978  
extent included in federal adjusted gross income. 979

(5) Deduct the following, to the extent not otherwise	980
deducted or excluded in computing federal or Ohio adjusted gross	981
income:	982
(a) Benefits under Title II of the Social Security Act and	983
tier 1 railroad retirement;	984
(b) Railroad retirement benefits, other than tier 1	985
railroad retirement benefits, to the extent such amounts are	986
exempt from state taxation under federal law.	987
(6) Deduct the amount of wages and salaries, if any, not	988
otherwise allowable as a deduction but that would have been	989
allowable as a deduction in computing federal adjusted gross	990
income for the taxable year, had the work opportunity tax credit	991
allowed and determined under sections 38, 51, and 52 of the	992
Internal Revenue Code not been in effect.	993
(7) Deduct any interest or interest equivalent on public	994
obligations and purchase obligations to the extent that the	995
interest or interest equivalent is included in federal adjusted	996
gross income.	997
(8) Add any loss or deduct any gain resulting from the	998
sale, exchange, or other disposition of public obligations to	999
the extent that the loss has been deducted or the gain has been	1000
included in computing federal adjusted gross income.	1001
(9) Deduct or add amounts, as provided under section	1002
5747.70 of the Revised Code, related to contributions made to or	1003
tuition units purchased under a qualified tuition program	1004
established pursuant to section 529 of the Internal Revenue	1005
Code.	1006
(10) (a) Deduct, to the extent not otherwise allowable as a	1007
deduction or exclusion in computing federal or Ohio adjusted	1008

gross income for the taxable year, the amount the taxpayer paid 1009  
during the taxable year for medical care insurance and qualified 1010  
long-term care insurance for the taxpayer, the taxpayer's 1011  
spouse, and dependents. No deduction for medical care insurance 1012  
under division (A)(10)(a) of this section shall be allowed 1013  
either to any taxpayer who is eligible to participate in any 1014  
subsidized health plan maintained by any employer of the 1015  
taxpayer or of the taxpayer's spouse, or to any taxpayer who is 1016  
entitled to, or on application would be entitled to, benefits 1017  
under part A of Title XVIII of the "Social Security Act," 49 1018  
Stat. 620 (1935), 42 U.S.C. 301, as amended. For the purposes of 1019  
division (A)(10)(a) of this section, "subsidized health plan" 1020  
means a health plan for which the employer pays any portion of 1021  
the plan's cost. The deduction allowed under division (A)(10)(a) 1022  
of this section shall be the net of any related premium refunds, 1023  
related premium reimbursements, or related insurance premium 1024  
dividends received during the taxable year. 1025

(b) Deduct, to the extent not otherwise deducted or 1026  
excluded in computing federal or Ohio adjusted gross income 1027  
during the taxable year, the amount the taxpayer paid during the 1028  
taxable year, not compensated for by any insurance or otherwise, 1029  
for medical care of the taxpayer, the taxpayer's spouse, and 1030  
dependents, to the extent the expenses exceed seven and one-half 1031  
per cent of the taxpayer's federal adjusted gross income. 1032

(c) For purposes of division (A)(10) of this section, 1033  
"medical care" has the meaning given in section 213 of the 1034  
Internal Revenue Code, subject to the special rules, 1035  
limitations, and exclusions set forth therein, and "qualified 1036  
long-term care" has the same meaning given in section 7702B(c) 1037  
of the Internal Revenue Code. Solely for purposes of division 1038  
(A)(10)(a) of this section, "dependent" includes a person who 1039

otherwise would be a "qualifying relative" and thus a 1040  
"dependent" under section 152 of the Internal Revenue Code but 1041  
for the fact that the person fails to meet the income and 1042  
support limitations under section 152(d)(1)(B) and (C) of the 1043  
Internal Revenue Code. 1044

(11) (a) Deduct any amount included in federal adjusted 1045  
gross income solely because the amount represents a 1046  
reimbursement or refund of expenses that in any year the 1047  
taxpayer had deducted as an itemized deduction pursuant to 1048  
section 63 of the Internal Revenue Code and applicable United 1049  
States department of the treasury regulations. The deduction 1050  
otherwise allowed under division (A)(11)(a) of this section 1051  
shall be reduced to the extent the reimbursement is attributable 1052  
to an amount the taxpayer deducted under this section in any 1053  
taxable year. 1054

(b) Add any amount not otherwise included in Ohio adjusted 1055  
gross income for any taxable year to the extent that the amount 1056  
is attributable to the recovery during the taxable year of any 1057  
amount deducted or excluded in computing federal or Ohio 1058  
adjusted gross income in any taxable year. 1059

(12) Deduct any portion of the deduction described in 1060  
section 1341(a)(2) of the Internal Revenue Code, for repaying 1061  
previously reported income received under a claim of right, that 1062  
meets both of the following requirements: 1063

(a) It is allowable for repayment of an item that was 1064  
included in the taxpayer's adjusted gross income for a prior 1065  
taxable year and did not qualify for a credit under division (A) 1066  
or (B) of section 5747.05 of the Revised Code for that year; 1067

(b) It does not otherwise reduce the taxpayer's adjusted 1068

gross income for the current or any other taxable year. 1069

(13) Deduct an amount equal to the deposits made to, and 1070  
net investment earnings of, a medical savings account during the 1071  
taxable year, in accordance with section 3924.66 of the Revised 1072  
Code. The deduction allowed by division (A) (13) of this section 1073  
does not apply to medical savings account deposits and earnings 1074  
otherwise deducted or excluded for the current or any other 1075  
taxable year from the taxpayer's federal adjusted gross income. 1076

(14) (a) Add an amount equal to the funds withdrawn from a 1077  
medical savings account during the taxable year, and the net 1078  
investment earnings on those funds, when the funds withdrawn 1079  
were used for any purpose other than to reimburse an account 1080  
holder for, or to pay, eligible medical expenses, in accordance 1081  
with section 3924.66 of the Revised Code; 1082

(b) Add the amounts distributed from a medical savings 1083  
account under division (A) (2) of section 3924.68 of the Revised 1084  
Code during the taxable year. 1085

(15) Add any amount claimed as a credit under section 1086  
5747.059 of the Revised Code to the extent that such amount 1087  
satisfies either of the following: 1088

(a) The amount was deducted or excluded from the 1089  
computation of the taxpayer's federal adjusted gross income as 1090  
required to be reported for the taxpayer's taxable year under 1091  
the Internal Revenue Code; 1092

(b) The amount resulted in a reduction of the taxpayer's 1093  
federal adjusted gross income as required to be reported for any 1094  
of the taxpayer's taxable years under the Internal Revenue Code. 1095

(16) Deduct the amount contributed by the taxpayer to an 1096  
individual development account program established by a county 1097

department of job and family services pursuant to sections 1098  
329.11 to 329.14 of the Revised Code for the purpose of matching 1099  
funds deposited by program participants. On request of the tax 1100  
commissioner, the taxpayer shall provide any information that, 1101  
in the tax commissioner's opinion, is necessary to establish the 1102  
amount deducted under division (A) (16) of this section. 1103

(17) (a) (i) Subject to divisions (A) (17) (a) (iii), (iv), and 1104  
(v) of this section, add five-sixths of the amount of 1105  
depreciation expense allowed by subsection (k) of section 168 of 1106  
the Internal Revenue Code, including the taxpayer's 1107  
proportionate or distributive share of the amount of 1108  
depreciation expense allowed by that subsection to a pass- 1109  
through entity in which the taxpayer has a direct or indirect 1110  
ownership interest. 1111

(ii) Subject to divisions (A) (17) (a) (iii), (iv), and (v) 1112  
of this section, add five-sixths of the amount of qualifying 1113  
section 179 depreciation expense, including the taxpayer's 1114  
proportionate or distributive share of the amount of qualifying 1115  
section 179 depreciation expense allowed to any pass-through 1116  
entity in which the taxpayer has a direct or indirect ownership 1117  
interest. 1118

(iii) Subject to division (A) (17) (a) (v) of this section, 1119  
for taxable years beginning in 2012 or thereafter, if the 1120  
increase in income taxes withheld by the taxpayer is equal to or 1121  
greater than ten per cent of income taxes withheld by the 1122  
taxpayer during the taxpayer's immediately preceding taxable 1123  
year, "two-thirds" shall be substituted for "five-sixths" for 1124  
the purpose of divisions (A) (17) (a) (i) and (ii) of this section. 1125

(iv) Subject to division (A) (17) (a) (v) of this section, 1126  
for taxable years beginning in 2012 or thereafter, a taxpayer is 1127

not required to add an amount under division (A) (17) of this 1128  
section if the increase in income taxes withheld by the taxpayer 1129  
and by any pass-through entity in which the taxpayer has a 1130  
direct or indirect ownership interest is equal to or greater 1131  
than the sum of (I) the amount of qualifying section 179 1132  
depreciation expense and (II) the amount of depreciation expense 1133  
allowed to the taxpayer by subsection (k) of section 168 of the 1134  
Internal Revenue Code, and including the taxpayer's 1135  
proportionate or distributive shares of such amounts allowed to 1136  
any such pass-through entities. 1137

(v) If a taxpayer directly or indirectly incurs a net 1138  
operating loss for the taxable year for federal income tax 1139  
purposes, to the extent such loss resulted from depreciation 1140  
expense allowed by subsection (k) of section 168 of the Internal 1141  
Revenue Code and by qualifying section 179 depreciation expense, 1142  
"the entire" shall be substituted for "five-sixths of the" for 1143  
the purpose of divisions (A) (17) (a) (i) and (ii) of this section. 1144

The tax commissioner, under procedures established by the 1145  
commissioner, may waive the add-backs related to a pass-through 1146  
entity if the taxpayer owns, directly or indirectly, less than 1147  
five per cent of the pass-through entity. 1148

(b) Nothing in division (A) (17) of this section shall be 1149  
construed to adjust or modify the adjusted basis of any asset. 1150

(c) To the extent the add-back required under division (A) 1151  
(17) (a) of this section is attributable to property generating 1152  
nonbusiness income or loss allocated under section 5747.20 of 1153  
the Revised Code, the add-back shall be situated to the same 1154  
location as the nonbusiness income or loss generated by the 1155  
property for the purpose of determining the credit under 1156  
division (A) of section 5747.05 of the Revised Code. Otherwise, 1157



the add-back shall be apportioned, subject to one or more of the 1158  
four alternative methods of apportionment enumerated in section 1159  
5747.21 of the Revised Code. 1160

(d) For the purposes of division (A)(17)(a)(v) of this 1161  
section, net operating loss carryback and carryforward shall not 1162  
include the allowance of any net operating loss deduction 1163  
carryback or carryforward to the taxable year to the extent such 1164  
loss resulted from depreciation allowed by section 168(k) of the 1165  
Internal Revenue Code and by the qualifying section 179 1166  
depreciation expense amount. 1167

(e) For the purposes of divisions (A)(17) and (18) of this 1168  
section: 1169

(i) "Income taxes withheld" means the total amount 1170  
withheld and remitted under sections 5747.06 and 5747.07 of the 1171  
Revised Code by an employer during the employer's taxable year. 1172

(ii) "Increase in income taxes withheld" means the amount 1173  
by which the amount of income taxes withheld by an employer 1174  
during the employer's current taxable year exceeds the amount of 1175  
income taxes withheld by that employer during the employer's 1176  
immediately preceding taxable year. 1177

(iii) "Qualifying section 179 depreciation expense" means 1178  
the difference between (I) the amount of depreciation expense 1179  
directly or indirectly allowed to a taxpayer under section 179 1180  
of the Internal Revised Code, and (II) the amount of 1181  
depreciation expense directly or indirectly allowed to the 1182  
taxpayer under section 179 of the Internal Revenue Code as that 1183  
section existed on December 31, 2002. 1184

(18)(a) If the taxpayer was required to add an amount 1185  
under division (A)(17)(a) of this section for a taxable year, 1186

deduct one of the following: 1187

(i) One-fifth of the amount so added for each of the five 1188  
succeeding taxable years if the amount so added was five-sixths 1189  
of qualifying section 179 depreciation expense or depreciation 1190  
expense allowed by subsection (k) of section 168 of the Internal 1191  
Revenue Code; 1192

(ii) One-half of the amount so added for each of the two 1193  
succeeding taxable years if the amount so added was two-thirds 1194  
of such depreciation expense; 1195

(iii) One-sixth of the amount so added for each of the six 1196  
succeeding taxable years if the entire amount of such 1197  
depreciation expense was so added. 1198

(b) If the amount deducted under division (A) (18) (a) of 1199  
this section is attributable to an add-back allocated under 1200  
division (A) (17) (c) of this section, the amount deducted shall 1201  
be situated to the same location. Otherwise, the add-back shall 1202  
be apportioned using the apportionment factors for the taxable 1203  
year in which the deduction is taken, subject to one or more of 1204  
the four alternative methods of apportionment enumerated in 1205  
section 5747.21 of the Revised Code. 1206

(c) No deduction is available under division (A) (18) (a) of 1207  
this section with regard to any depreciation allowed by section 1208  
168(k) of the Internal Revenue Code and by the qualifying 1209  
section 179 depreciation expense amount to the extent that such 1210  
depreciation results in or increases a federal net operating 1211  
loss carryback or carryforward. If no such deduction is 1212  
available for a taxable year, the taxpayer may carry forward the 1213  
amount not deducted in such taxable year to the next taxable 1214  
year and add that amount to any deduction otherwise available 1215

under division (A) (18) (a) of this section for that next taxable 1216  
year. The carryforward of amounts not so deducted shall continue 1217  
until the entire addition required by division (A) (17) (a) of 1218  
this section has been deducted. 1219

(19) Deduct, to the extent not otherwise deducted or 1220  
excluded in computing federal or Ohio adjusted gross income for 1221  
the taxable year, the amount the taxpayer received during the 1222  
taxable year as reimbursement for life insurance premiums under 1223  
section 5919.31 of the Revised Code. 1224

(20) Deduct, to the extent not otherwise deducted or 1225  
excluded in computing federal or Ohio adjusted gross income for 1226  
the taxable year, the amount the taxpayer received during the 1227  
taxable year as a death benefit paid by the adjutant general 1228  
under section 5919.33 of the Revised Code. 1229

(21) Deduct, to the extent included in federal adjusted 1230  
gross income and not otherwise allowable as a deduction or 1231  
exclusion in computing federal or Ohio adjusted gross income for 1232  
the taxable year, military pay and allowances received by the 1233  
taxpayer during the taxable year for active duty service in the 1234  
United States army, air force, navy, marine corps, or coast 1235  
guard or reserve components thereof or the national guard. The 1236  
deduction may not be claimed for military pay and allowances 1237  
received by the taxpayer while the taxpayer is stationed in this 1238  
state. 1239

(22) Deduct, to the extent not otherwise allowable as a 1240  
deduction or exclusion in computing federal or Ohio adjusted 1241  
gross income for the taxable year and not otherwise compensated 1242  
for by any other source, the amount of qualified organ donation 1243  
expenses incurred by the taxpayer during the taxable year, not 1244  
to exceed ten thousand dollars. A taxpayer may deduct qualified 1245

organ donation expenses only once for all taxable years	1246
beginning with taxable years beginning in 2007.	1247
For the purposes of division (A) (22) of this section:	1248
(a) "Human organ" means all or any portion of a human	1249
liver, pancreas, kidney, intestine, or lung, and any portion of	1250
human bone marrow.	1251
(b) "Qualified organ donation expenses" means travel	1252
expenses, lodging expenses, and wages and salary forgone by a	1253
taxpayer in connection with the taxpayer's donation, while	1254
living, of one or more of the taxpayer's human organs to another	1255
human being.	1256
(23) Deduct, to the extent not otherwise deducted or	1257
excluded in computing federal or Ohio adjusted gross income for	1258
the taxable year, amounts received by the taxpayer as retired	1259
personnel pay for service in the uniformed services or reserve	1260
components thereof, or the national guard, or received by the	1261
surviving spouse or former spouse of such a taxpayer under the	1262
survivor benefit plan on account of such a taxpayer's death. If	1263
the taxpayer receives income on account of retirement paid under	1264
the federal civil service retirement system or federal employees	1265
retirement system, or under any successor retirement program	1266
enacted by the congress of the United States that is established	1267
and maintained for retired employees of the United States	1268
government, and such retirement income is based, in whole or in	1269
part, on credit for the taxpayer's uniformed service, the	1270
deduction allowed under this division shall include only that	1271
portion of such retirement income that is attributable to the	1272
taxpayer's uniformed service, to the extent that portion of such	1273
retirement income is otherwise included in federal adjusted	1274
gross income and is not otherwise deducted under this section.	1275

Any amount deducted under division (A) (23) of this section is 1276  
not included in a taxpayer's adjusted gross income for the 1277  
purposes of section 5747.055 of the Revised Code. No amount may 1278  
be deducted under division (A) (23) of this section on the basis 1279  
of which a credit was claimed under section 5747.055 of the 1280  
Revised Code. 1281

(24) Deduct, to the extent not otherwise deducted or 1282  
excluded in computing federal or Ohio adjusted gross income for 1283  
the taxable year, the amount the taxpayer received during the 1284  
taxable year from the military injury relief fund created in 1285  
section 5902.05 of the Revised Code. 1286

(25) Deduct, to the extent not otherwise deducted or 1287  
excluded in computing federal or Ohio adjusted gross income for 1288  
the taxable year, the amount the taxpayer received as a veterans 1289  
bonus during the taxable year from the Ohio department of 1290  
veterans services as authorized by Section 2r of Article VIII, 1291  
Ohio Constitution. 1292

(26) Deduct, to the extent not otherwise deducted or 1293  
excluded in computing federal or Ohio adjusted gross income for 1294  
the taxable year, any income derived from a transfer agreement 1295  
or from the enterprise transferred under that agreement under 1296  
section 4313.02 of the Revised Code. 1297

(27) Deduct, to the extent not otherwise deducted or 1298  
excluded in computing federal or Ohio adjusted gross income for 1299  
the taxable year, Ohio college opportunity or federal Pell grant 1300  
amounts received by the taxpayer or the taxpayer's spouse or 1301  
dependent pursuant to section 3333.122 of the Revised Code or 20 1302  
U.S.C. 1070a, et seq., and used to pay room or board furnished 1303  
by the educational institution for which the grant was awarded 1304  
at the institution's facilities, including meal plans 1305

administered by the institution. For the purposes of this 1306  
division, receipt of a grant includes the distribution of a 1307  
grant directly to an educational institution and the crediting 1308  
of the grant to the enrollee's account with the institution. 1309

(28) Deduct from the portion of an individual's federal 1310  
adjusted gross income that is business income, to the extent not 1311  
otherwise deducted or excluded in computing federal adjusted 1312  
gross income for the taxable year, one hundred twenty-five 1313  
thousand dollars for each spouse if spouses file separate 1314  
returns under section 5747.08 of the Revised Code or two hundred 1315  
fifty thousand dollars for all other individuals. 1316

(29) Deduct, as provided under section 5747.78 of the 1317  
Revised Code, contributions to ABLE savings accounts made in 1318  
accordance with sections 113.50 to 113.56 of the Revised Code. 1319

(30) (a) Deduct, to the extent not otherwise deducted or 1320  
excluded in computing federal or Ohio adjusted gross income 1321  
during the taxable year, all of the following: 1322

(i) Compensation paid to a qualifying employee described 1323  
in division (A) (14) (a) of section 5703.94 of the Revised Code to 1324  
the extent such compensation is for disaster work conducted in 1325  
this state during a disaster response period pursuant to a 1326  
qualifying solicitation received by the employee's employer; 1327

(ii) Compensation paid to a qualifying employee described 1328  
in division (A) (14) (b) of section 5703.94 of the Revised Code to 1329  
the extent such compensation is for disaster work conducted in 1330  
this state by the employee during the disaster response period 1331  
on critical infrastructure owned or used by the employee's 1332  
employer; 1333

(iii) Income received by an out-of-state disaster business 1334

for disaster work conducted in this state during a disaster 1335  
response period, or, if the out-of-state disaster business is a 1336  
pass-through entity, a taxpayer's distributive share of the 1337  
pass-through entity's income from the business conducting 1338  
disaster work in this state during a disaster response period, 1339  
if, in either case, the disaster work is conducted pursuant to a 1340  
qualifying solicitation received by the business. 1341

(b) All terms used in division (A) (30) of this section 1342  
have the same meanings as in section 5703.94 of the Revised 1343  
Code. 1344

(31) For a taxpayer who is a qualifying Ohio educator, 1345  
deduct, to the extent not otherwise deducted or excluded in 1346  
computing federal or Ohio adjusted gross income for the taxable 1347  
year, the lesser of two hundred fifty dollars or the amount of 1348  
expenses described in subsections (a) (2) (D) (i) and (ii) of 1349  
section 62 of the Internal Revenue Code paid or incurred by the 1350  
taxpayer during the taxpayer's taxable year in excess of the 1351  
amount the taxpayer is authorized to deduct for that taxable 1352  
year under subsection (a) (2) (D) of that section. 1353

(32) Deduct, to the extent not otherwise deducted or 1354  
excluded in computing federal or Ohio adjusted gross income for 1355  
the taxable year, amounts received by the taxpayer as a 1356  
disability severance payment, computed under 10 U.S.C. 1212, 1357  
following discharge or release under honorable conditions from 1358  
the armed forces of the United States, as defined by ~~10 U.S.C.~~ 1359  
~~101~~ in section 5907.01 of the Revised Code. 1360

(33) Deduct, to the extent not otherwise deducted or 1361  
excluded in computing federal adjusted gross income or Ohio 1362  
adjusted gross income, amounts not subject to tax due to an 1363  
agreement entered into under division (A) (2) of section 5747.05 1364

of the Revised Code. 1365

(34) Deduct amounts as provided under section 5747.79 of 1366  
the Revised Code related to the taxpayer's qualifying capital 1367  
gains and deductible payroll. 1368

To the extent a qualifying capital gain described under 1369  
division (A) (34) of this section is business income, the 1370  
taxpayer shall deduct those gains under this division before 1371  
deducting any such gains under division (A) (28) of this section. 1372

(35) (a) For taxable years beginning in or after 2026, 1373  
deduct, to the extent not otherwise deducted or excluded in 1374  
computing federal or Ohio adjusted gross income for the taxable 1375  
year: 1376

(i) One hundred per cent of the capital gain received by 1377  
the taxpayer in the taxable year from a qualifying interest in 1378  
an Ohio venture capital operating company attributable to the 1379  
company's investments in Ohio businesses during the period for 1380  
which the company was an Ohio venture operating company; and 1381

(ii) Fifty per cent of the capital gain received by the 1382  
taxpayer in the taxable year from a qualifying interest in an 1383  
Ohio venture capital operating company attributable to the 1384  
company's investments in all other businesses during the period 1385  
for which the company was an Ohio venture operating company. 1386

(b) Add amounts previously deducted by the taxpayer under 1387  
division (A) (35) (a) of this section if the director of 1388  
development certifies to the tax commissioner that the 1389  
requirements for the deduction were not met. 1390

(c) All terms used in division (A) (35) of this section 1391  
have the same meanings as in section 122.851 of the Revised 1392  
Code. 1393



(d) To the extent a capital gain described in division (A) 1394  
(35)(a) of this section is business income, the taxpayer shall 1395  
apply that division before applying division (A)(28) of this 1396  
section. 1397

(36) Add, to the extent not otherwise included in 1398  
computing federal or Ohio adjusted gross income for any taxable 1399  
year, the taxpayer's proportionate share of the amount of the 1400  
tax levied under section 5747.38 of the Revised Code and paid by 1401  
an electing pass-through entity for the taxable year. 1402

Notwithstanding any provision of the Revised Code to the 1403  
contrary, the portion of the addition required by division (A) 1404  
(36) of this section related to the apportioned business income 1405  
of the pass-through entity shall be considered business income 1406  
under division (B) of this section. Such addition is eligible 1407  
for the deduction in division (A)(28) of this section, subject 1408  
to the applicable dollar limitations, and the tax rate 1409  
prescribed by division (A)(4)(a) of section 5747.02 of the 1410  
Revised Code. The taxpayer shall provide, upon request of the 1411  
tax commissioner, any documentation necessary to verify the 1412  
portion of the addition that is business income under this 1413  
division. 1414

(37) Deduct, to the extent not otherwise deducted or 1415  
excluded in computing federal or Ohio adjusted gross income for 1416  
the taxable year, amounts delivered to a qualifying institution 1417  
pursuant to section 3333.128 of the Revised Code for the benefit 1418  
of the taxpayer or the taxpayer's spouse or dependent. 1419

(38) Deduct, to the extent not otherwise deducted or 1420  
excluded in computing federal or Ohio adjusted gross income for 1421  
the taxable year, amounts received under the Ohio adoption grant 1422  
program pursuant to section 5101.191 of the Revised Code. 1423

(39) Deduct, to the extent included in federal adjusted gross income, income attributable to amounts provided to a taxpayer for any of the purposes for which a deduction is authorized under section 139 of the Internal Revenue Code, assuming that the train derailment near the city of East Palestine on February 3, 2023, is a qualified disaster pursuant to that section, or to compensate for lost business resulting from that derailment, if such amounts are provided by any of the following:

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

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

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

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

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

Notwithstanding any provision of the Revised Code to the contrary, the portion of the addition required by division (A) (41) of this section related to the apportioned business income of the pass-through entity shall be considered business income under division (B) of this section. Such addition is eligible for the deduction in division (A) (28) of this section, subject

to the applicable dollar limitations, and the tax rate 1453  
prescribed by division (A) (4) (a) of section 5747.02 of the 1454  
Revised Code. The taxpayer shall provide, upon request of the 1455  
tax commissioner, any documentation necessary to verify the 1456  
portion of the addition that is business income under this 1457  
division. 1458

(42) Deduct amounts contributed to a homeownership savings 1459  
account and calculated pursuant to divisions (B) and (C) of 1460  
section 5747.85 of the Revised Code. 1461

(43) If the taxpayer is the account owner, add the amount 1462  
of funds withdrawn from a homeownership savings account not used 1463  
for eligible expenses, regardless of who deposited those funds. 1464  
As used in division (A) (43) of this section, "homeownership 1465  
savings account," "account owner," and "eligible expenses" have 1466  
the same meanings as in section 5747.85 of the Revised Code. 1467

(B) "Business income" means income, including gain or 1468  
loss, arising from transactions, activities, and sources in the 1469  
regular course of a trade or business and includes income, gain, 1470  
or loss from real property, tangible property, and intangible 1471  
property if the acquisition, rental, management, and disposition 1472  
of the property constitute integral parts of the regular course 1473  
of a trade or business operation. "Business income" includes 1474  
income, including gain or loss, from a partial or complete 1475  
liquidation of a business, including, but not limited to, gain 1476  
or loss from the sale or other disposition of goodwill or the 1477  
sale of an equity or ownership interest in a business. 1478

As used in this division, the "sale of an equity or 1479  
ownership interest in a business" means sales to which either or 1480  
both of the following apply: 1481

(1) The sale is treated for federal income tax purposes as	1482
the sale of assets.	1483
(2) The seller materially participated, as described in 26	1484
C.F.R. 1.469-5T, in the activities of the business during the	1485
taxable year in which the sale occurs or during any of the five	1486
preceding taxable years.	1487
(C) "Nonbusiness income" means all income other than	1488
business income and may include, but is not limited to,	1489
compensation, rents and royalties from real or tangible personal	1490
property, capital gains, interest, dividends and distributions,	1491
patent or copyright royalties, or lottery winnings, prizes, and	1492
awards.	1493
(D) "Compensation" means any form of remuneration paid to	1494
an employee for personal services.	1495
(E) "Fiduciary" means a guardian, trustee, executor,	1496
administrator, receiver, conservator, or any other person acting	1497
in any fiduciary capacity for any individual, trust, or estate.	1498
(F) "Fiscal year" means an accounting period of twelve	1499
months ending on the last day of any month other than December.	1500
(G) "Individual" means any natural person.	1501
(H) "Internal Revenue Code" means the "Internal Revenue	1502
Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended.	1503
(I) "Resident" means any of the following:	1504
(1) An individual who is domiciled in this state, subject	1505
to section 5747.24 of the Revised Code;	1506
(2) The estate of a decedent who at the time of death was	1507
domiciled in this state. The domicile tests of section 5747.24	1508

of the Revised Code are not controlling for purposes of division 1509  
(I) (2) of this section. 1510

(3) A trust that, in whole or part, resides in this state. 1511  
If only part of a trust resides in this state, the trust is a 1512  
resident only with respect to that part. 1513

For the purposes of division (I) (3) of this section: 1514

(a) A trust resides in this state for the trust's current 1515  
taxable year to the extent, as described in division (I) (3) (d) 1516  
of this section, that the trust consists directly or indirectly, 1517  
in whole or in part, of assets, net of any related liabilities, 1518  
that were transferred, or caused to be transferred, directly or 1519  
indirectly, to the trust by any of the following: 1520

(i) A person, a court, or a governmental entity or 1521  
instrumentality on account of the death of a decedent, but only 1522  
if the trust is described in division (I) (3) (e) (i) or (ii) of 1523  
this section; 1524

(ii) A person who was domiciled in this state for the 1525  
purposes of this chapter when the person directly or indirectly 1526  
transferred assets to an irrevocable trust, but only if at least 1527  
one of the trust's qualifying beneficiaries is domiciled in this 1528  
state for the purposes of this chapter during all or some 1529  
portion of the trust's current taxable year; 1530

(iii) A person who was domiciled in this state for the 1531  
purposes of this chapter when the trust document or instrument 1532  
or part of the trust document or instrument became irrevocable, 1533  
but only if at least one of the trust's qualifying beneficiaries 1534  
is a resident domiciled in this state for the purposes of this 1535  
chapter during all or some portion of the trust's current 1536  
taxable year. If a trust document or instrument became 1537

irrevocable upon the death of a person who at the time of death 1538  
was domiciled in this state for purposes of this chapter, that 1539  
person is a person described in division (I) (3) (a) (iii) of this 1540  
section. 1541

(b) A trust is irrevocable to the extent that the 1542  
transferor is not considered to be the owner of the net assets 1543  
of the trust under sections 671 to 678 of the Internal Revenue 1544  
Code. 1545

(c) With respect to a trust other than a charitable lead 1546  
trust, "qualifying beneficiary" has the same meaning as 1547  
"potential current beneficiary" as defined in section 1361(e) (2) 1548  
of the Internal Revenue Code, and with respect to a charitable 1549  
lead trust "qualifying beneficiary" is any current, future, or 1550  
contingent beneficiary, but with respect to any trust 1551  
"qualifying beneficiary" excludes a person or a governmental 1552  
entity or instrumentality to any of which a contribution would 1553  
qualify for the charitable deduction under section 170 of the 1554  
Internal Revenue Code. 1555

(d) For the purposes of division (I) (3) (a) of this 1556  
section, the extent to which a trust consists directly or 1557  
indirectly, in whole or in part, of assets, net of any related 1558  
liabilities, that were transferred directly or indirectly, in 1559  
whole or part, to the trust by any of the sources enumerated in 1560  
that division shall be ascertained by multiplying the fair 1561  
market value of the trust's assets, net of related liabilities, 1562  
by the qualifying ratio, which shall be computed as follows: 1563

(i) The first time the trust receives assets, the 1564  
numerator of the qualifying ratio is the fair market value of 1565  
those assets at that time, net of any related liabilities, from 1566  
sources enumerated in division (I) (3) (a) of this section. The 1567

denominator of the qualifying ratio is the fair market value of 1568  
all the trust's assets at that time, net of any related 1569  
liabilities. 1570

(ii) Each subsequent time the trust receives assets, a 1571  
revised qualifying ratio shall be computed. The numerator of the 1572  
revised qualifying ratio is the sum of (1) the fair market value 1573  
of the trust's assets immediately prior to the subsequent 1574  
transfer, net of any related liabilities, multiplied by the 1575  
qualifying ratio last computed without regard to the subsequent 1576  
transfer, and (2) the fair market value of the subsequently 1577  
transferred assets at the time transferred, net of any related 1578  
liabilities, from sources enumerated in division (I) (3) (a) of 1579  
this section. The denominator of the revised qualifying ratio is 1580  
the fair market value of all the trust's assets immediately 1581  
after the subsequent transfer, net of any related liabilities. 1582

(iii) Whether a transfer to the trust is by or from any of 1583  
the sources enumerated in division (I) (3) (a) of this section 1584  
shall be ascertained without regard to the domicile of the 1585  
trust's beneficiaries. 1586

(e) For the purposes of division (I) (3) (a) (i) of this 1587  
section: 1588

(i) A trust is described in division (I) (3) (e) (i) of this 1589  
section if the trust is a testamentary trust and the testator of 1590  
that testamentary trust was domiciled in this state at the time 1591  
of the testator's death for purposes of the taxes levied under 1592  
Chapter 5731. of the Revised Code. 1593

(ii) A trust is described in division (I) (3) (e) (ii) of 1594  
this section if the transfer is a qualifying transfer described 1595  
in any of divisions (I) (3) (f) (i) to (vi) of this section, the 1596

trust is an irrevocable inter vivos trust, and at least one of 1597  
the trust's qualifying beneficiaries is domiciled in this state 1598  
for purposes of this chapter during all or some portion of the 1599  
trust's current taxable year. 1600

(f) For the purposes of division (I)(3)(e)(ii) of this 1601  
section, a "qualifying transfer" is a transfer of assets, net of 1602  
any related liabilities, directly or indirectly to a trust, if 1603  
the transfer is described in any of the following: 1604

(i) The transfer is made to a trust, created by the 1605  
decedent before the decedent's death and while the decedent was 1606  
domiciled in this state for the purposes of this chapter, and, 1607  
prior to the death of the decedent, the trust became irrevocable 1608  
while the decedent was domiciled in this state for the purposes 1609  
of this chapter. 1610

(ii) The transfer is made to a trust to which the 1611  
decedent, prior to the decedent's death, had directly or 1612  
indirectly transferred assets, net of any related liabilities, 1613  
while the decedent was domiciled in this state for the purposes 1614  
of this chapter, and prior to the death of the decedent the 1615  
trust became irrevocable while the decedent was domiciled in 1616  
this state for the purposes of this chapter. 1617

(iii) The transfer is made on account of a contractual 1618  
relationship existing directly or indirectly between the 1619  
transferor and either the decedent or the estate of the decedent 1620  
at any time prior to the date of the decedent's death, and the 1621  
decedent was domiciled in this state at the time of death for 1622  
purposes of the taxes levied under Chapter 5731. of the Revised 1623  
Code. 1624

(iv) The transfer is made to a trust on account of a 1625



contractual relationship existing directly or indirectly between 1626  
the transferor and another person who at the time of the 1627  
decedent's death was domiciled in this state for purposes of 1628  
this chapter. 1629

(v) The transfer is made to a trust on account of the will 1630  
of a testator who was domiciled in this state at the time of the 1631  
testator's death for purposes of the taxes levied under Chapter 1632  
5731. of the Revised Code. 1633

(vi) The transfer is made to a trust created by or caused 1634  
to be created by a court, and the trust was directly or 1635  
indirectly created in connection with or as a result of the 1636  
death of an individual who, for purposes of the taxes levied 1637  
under Chapter 5731. of the Revised Code, was domiciled in this 1638  
state at the time of the individual's death. 1639

(g) The tax commissioner may adopt rules to ascertain the 1640  
part of a trust residing in this state. 1641

(J) "Nonresident" means an individual or estate that is 1642  
not a resident. An individual who is a resident for only part of 1643  
a taxable year is a nonresident for the remainder of that 1644  
taxable year. 1645

(K) "Pass-through entity" has the same meaning as in 1646  
section 5733.04 of the Revised Code. 1647

(L) "Return" means the notifications and reports required 1648  
to be filed pursuant to this chapter for the purpose of 1649  
reporting the tax due and includes declarations of estimated tax 1650  
when so required. 1651

(M) "Taxable year" means the calendar year or the 1652  
taxpayer's fiscal year ending during the calendar year, or 1653  
fractional part thereof, upon which the adjusted gross income is 1654

calculated pursuant to this chapter. 1655

(N) "Taxpayer" means any person subject to the tax imposed 1656  
by section 5747.02 of the Revised Code or any pass-through 1657  
entity that makes the election under division (D) of section 1658  
5747.08 of the Revised Code. 1659

(O) "Dependents" means one of the following: 1660

(1) For taxable years beginning on or after January 1, 1661  
2018, and before January 1, 2026, dependents as defined in the 1662  
Internal Revenue Code; 1663

(2) For all other taxable years, dependents as defined in 1664  
the Internal Revenue Code and as claimed in the taxpayer's 1665  
federal income tax return for the taxable year or which the 1666  
taxpayer would have been permitted to claim had the taxpayer 1667  
filed a federal income tax return. 1668

(P) "Principal county of employment" means, in the case of 1669  
a nonresident, the county within the state in which a taxpayer 1670  
performs services for an employer or, if those services are 1671  
performed in more than one county, the county in which the major 1672  
portion of the services are performed. 1673

(Q) As used in sections 5747.50 to 5747.55 of the Revised 1674  
Code: 1675

(1) "Subdivision" means any county, municipal corporation, 1676  
park district, or township. 1677

(2) "Essential local government purposes" includes all 1678  
functions that any subdivision is required by general law to 1679  
exercise, including like functions that are exercised under a 1680  
charter adopted pursuant to the Ohio Constitution. 1681

(R) "Overpayment" means any amount already paid that 1682

exceeds the figure determined to be the correct amount of the 1683  
tax. 1684

(S) "Taxable income" or "Ohio taxable income" applies only 1685  
to estates and trusts, and means federal taxable income, as 1686  
defined and used in the Internal Revenue Code, adjusted as 1687  
follows: 1688

(1) Add interest or dividends, net of ordinary, necessary, 1689  
and reasonable expenses not deducted in computing federal 1690  
taxable income, on obligations or securities of any state or of 1691  
any political subdivision or authority of any state, other than 1692  
this state and its subdivisions and authorities, but only to the 1693  
extent that such net amount is not otherwise includible in Ohio 1694  
taxable income and is described in either division (S) (1) (a) or 1695  
(b) of this section: 1696

(a) The net amount is not attributable to the S portion of 1697  
an electing small business trust and has not been distributed to 1698  
beneficiaries for the taxable year; 1699

(b) The net amount is attributable to the S portion of an 1700  
electing small business trust for the taxable year. 1701

(2) Add interest or dividends, net of ordinary, necessary, 1702  
and reasonable expenses not deducted in computing federal 1703  
taxable income, on obligations of any authority, commission, 1704  
instrumentality, territory, or possession of the United States 1705  
to the extent that the interest or dividends are exempt from 1706  
federal income taxes but not from state income taxes, but only 1707  
to the extent that such net amount is not otherwise includible 1708  
in Ohio taxable income and is described in either division (S) 1709  
(1) (a) or (b) of this section; 1710

(3) Add the amount of personal exemption allowed to the 1711

estate pursuant to section 642(b) of the Internal Revenue Code; 1712

(4) Deduct interest or dividends, net of related expenses 1713  
deducted in computing federal taxable income, on obligations of 1714  
the United States and its territories and possessions or of any 1715  
authority, commission, or instrumentality of the United States 1716  
to the extent that the interest or dividends are exempt from 1717  
state taxes under the laws of the United States, but only to the 1718  
extent that such amount is included in federal taxable income 1719  
and is described in either division (S)(1)(a) or (b) of this 1720  
section; 1721

(5) Deduct the amount of wages and salaries, if any, not 1722  
otherwise allowable as a deduction but that would have been 1723  
allowable as a deduction in computing federal taxable income for 1724  
the taxable year, had the work opportunity tax credit allowed 1725  
under sections 38, 51, and 52 of the Internal Revenue Code not 1726  
been in effect, but only to the extent such amount relates 1727  
either to income included in federal taxable income for the 1728  
taxable year or to income of the S portion of an electing small 1729  
business trust for the taxable year; 1730

(6) Deduct any interest or interest equivalent, net of 1731  
related expenses deducted in computing federal taxable income, 1732  
on public obligations and purchase obligations, but only to the 1733  
extent that such net amount relates either to income included in 1734  
federal taxable income for the taxable year or to income of the 1735  
S portion of an electing small business trust for the taxable 1736  
year; 1737

(7) Add any loss or deduct any gain resulting from sale, 1738  
exchange, or other disposition of public obligations to the 1739  
extent that such loss has been deducted or such gain has been 1740  
included in computing either federal taxable income or income of 1741

the S portion of an electing small business trust for the 1742  
taxable year; 1743

(8) Except in the case of the final return of an estate, 1744  
add any amount deducted by the taxpayer on both its Ohio estate 1745  
tax return pursuant to section 5731.14 of the Revised Code, and 1746  
on its federal income tax return in determining federal taxable 1747  
income; 1748

(9) (a) Deduct any amount included in federal taxable 1749  
income solely because the amount represents a reimbursement or 1750  
refund of expenses that in a previous year the decedent had 1751  
deducted as an itemized deduction pursuant to section 63 of the 1752  
Internal Revenue Code and applicable treasury regulations. The 1753  
deduction otherwise allowed under division (S) (9) (a) of this 1754  
section shall be reduced to the extent the reimbursement is 1755  
attributable to an amount the taxpayer or decedent deducted 1756  
under this section in any taxable year. 1757

(b) Add any amount not otherwise included in Ohio taxable 1758  
income for any taxable year to the extent that the amount is 1759  
attributable to the recovery during the taxable year of any 1760  
amount deducted or excluded in computing federal or Ohio taxable 1761  
income in any taxable year, but only to the extent such amount 1762  
has not been distributed to beneficiaries for the taxable year. 1763

(10) Deduct any portion of the deduction described in 1764  
section 1341(a) (2) of the Internal Revenue Code, for repaying 1765  
previously reported income received under a claim of right, that 1766  
meets both of the following requirements: 1767

(a) It is allowable for repayment of an item that was 1768  
included in the taxpayer's taxable income or the decedent's 1769  
adjusted gross income for a prior taxable year and did not 1770

qualify for a credit under division (A) or (B) of section 1771  
5747.05 of the Revised Code for that year. 1772

(b) It does not otherwise reduce the taxpayer's taxable 1773  
income or the decedent's adjusted gross income for the current 1774  
or any other taxable year. 1775

(11) Add any amount claimed as a credit under section 1776  
5747.059 of the Revised Code to the extent that the amount 1777  
satisfies either of the following: 1778

(a) The amount was deducted or excluded from the 1779  
computation of the taxpayer's federal taxable income as required 1780  
to be reported for the taxpayer's taxable year under the 1781  
Internal Revenue Code; 1782

(b) The amount resulted in a reduction in the taxpayer's 1783  
federal taxable income as required to be reported for any of the 1784  
taxpayer's taxable years under the Internal Revenue Code. 1785

(12) Deduct any amount, net of related expenses deducted 1786  
in computing federal taxable income, that a trust is required to 1787  
report as farm income on its federal income tax return, but only 1788  
if the assets of the trust include at least ten acres of land 1789  
satisfying the definition of "land devoted exclusively to 1790  
agricultural use" under section 5713.30 of the Revised Code, 1791  
regardless of whether the land is valued for tax purposes as 1792  
such land under sections 5713.30 to 5713.38 of the Revised Code. 1793  
If the trust is a pass-through entity investor, section 5747.231 1794  
of the Revised Code applies in ascertaining if the trust is 1795  
eligible to claim the deduction provided by division (S)(12) of 1796  
this section in connection with the pass-through entity's farm 1797  
income. 1798

Except for farm income attributable to the S portion of an 1799

electing small business trust, the deduction provided by 1800  
division (S)(12) of this section is allowed only to the extent 1801  
that the trust has not distributed such farm income. 1802

(13) Add the net amount of income described in section 1803  
641(c) of the Internal Revenue Code to the extent that amount is 1804  
not included in federal taxable income. 1805

(14) Deduct the amount the taxpayer would be required to 1806  
deduct under division (A)(18) of this section if the taxpayer's 1807  
Ohio taxable income were computed in the same manner as an 1808  
individual's Ohio adjusted gross income is computed under this 1809  
section. 1810

(15) Add, to the extent not otherwise included in 1811  
computing taxable income or Ohio taxable income for any taxable 1812  
year, the taxpayer's proportionate share of the amount of the 1813  
tax levied under section 5747.38 of the Revised Code and paid by 1814  
an electing pass-through entity for the taxable year. 1815

(16) Add any income taxes deducted in computing federal 1816  
taxable income or Ohio taxable income to the extent the income 1817  
taxes were derived from income subject to a tax levied in 1818  
another state or the District of Columbia when such tax was 1819  
enacted for purposes of complying with internal revenue service 1820  
notice 2020-75. 1821

(T) "School district income" and "school district income 1822  
tax" have the same meanings as in section 5748.01 of the Revised 1823  
Code. 1824

(U) As used in divisions (A)(7), (A)(8), (S)(6), and (S) 1825  
(7) of this section, "public obligations," "purchase 1826  
obligations," and "interest or interest equivalent" have the 1827  
same meanings as in section 5709.76 of the Revised Code. 1828

(V) "Limited liability company" means any 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 any other state.

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

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

(Y) "Month" means a calendar month.

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

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

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

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



loss, is available to the trust. 1858

(b) The requirements of section 5747.011 of the Revised 1859  
Code are satisfied for the trust's taxable year in which the 1860  
trust recognizes the gain or loss. 1861

Any gain or loss that is not a qualifying trust amount is 1862  
modified business income, qualifying investment income, or 1863  
modified nonbusiness income, as the case may be. 1864

(3) "Modified nonbusiness income" means a trust's Ohio 1865  
taxable income other than modified business income, other than 1866  
the qualifying trust amount, and other than qualifying 1867  
investment income, as defined in section 5747.012 of the Revised 1868  
Code, to the extent such qualifying investment income is not 1869  
otherwise part of modified business income. 1870

(4) "Modified Ohio taxable income" applies only to trusts, 1871  
and means the sum of the amounts described in divisions (AA) (4) 1872  
(a) to (c) of this section: 1873

(a) The fraction, calculated under section 5747.013, and 1874  
applying section 5747.231 of the Revised Code, multiplied by the 1875  
sum of the following amounts: 1876

(i) The trust's modified business income; 1877

(ii) The trust's qualifying investment income, as defined 1878  
in section 5747.012 of the Revised Code, but only to the extent 1879  
the qualifying investment income does not otherwise constitute 1880  
modified business income and does not otherwise constitute a 1881  
qualifying trust amount. 1882

(b) The qualifying trust amount multiplied by a fraction, 1883  
the numerator of which is the sum of the book value of the 1884  
qualifying investee's physical assets in this state on the last 1885

day of the qualifying investee's fiscal or calendar year ending 1886  
immediately prior to the day on which the trust recognizes the 1887  
qualifying trust amount, and the denominator of which is the sum 1888  
of the book value of the qualifying investee's total physical 1889  
assets everywhere on the last day of the qualifying investee's 1890  
fiscal or calendar year ending immediately prior to the day on 1891  
which the trust recognizes the qualifying trust amount. If, for 1892  
a taxable year, the trust recognizes a qualifying trust amount 1893  
with respect to more than one qualifying investee, the amount 1894  
described in division (AA) (4) (b) of this section shall equal the 1895  
sum of the products so computed for each such qualifying 1896  
investee. 1897

(c) (i) With respect to a trust or portion of a trust that 1898  
is a resident as ascertained in accordance with division (I) (3) 1899  
(d) of this section, its modified nonbusiness income. 1900

(ii) With respect to a trust or portion of a trust that is 1901  
not a resident as ascertained in accordance with division (I) (3) 1902  
(d) of this section, the amount of its modified nonbusiness 1903  
income satisfying the descriptions in divisions (B) (2) to (5) of 1904  
section 5747.20 of the Revised Code, except as otherwise 1905  
provided in division (AA) (4) (c) (ii) of this section. With 1906  
respect to a trust or portion of a trust that is not a resident 1907  
as ascertained in accordance with division (I) (3) (d) of this 1908  
section, the trust's portion of modified nonbusiness income 1909  
recognized from the sale, exchange, or other disposition of a 1910  
debt interest in or equity interest in a section 5747.212 1911  
entity, as defined in section 5747.212 of the Revised Code, 1912  
without regard to division (A) of that section, shall not be 1913  
allocated to this state in accordance with section 5747.20 of 1914  
the Revised Code but shall be apportioned to this state in 1915  
accordance with division (B) of section 5747.212 of the Revised 1916

Code without regard to division (A) of that section. 1917

If the allocation and apportionment of a trust's income 1918  
under divisions (AA) (4) (a) and (c) of this section do not fairly 1919  
represent the modified Ohio taxable income of the trust in this 1920  
state, the alternative methods described in division (C) of 1921  
section 5747.21 of the Revised Code may be applied in the manner 1922  
and to the same extent provided in that section. 1923

(5) (a) Except as set forth in division (AA) (5) (b) of this 1924  
section, "qualifying investee" means a person in which a trust 1925  
has an equity or ownership interest, or a person or unit of 1926  
government the debt obligations of either of which are owned by 1927  
a trust. For the purposes of division (AA) (2) (a) of this section 1928  
and for the purpose of computing the fraction described in 1929  
division (AA) (4) (b) of this section, all of the following apply: 1930

(i) If the qualifying investee is a member of a qualifying 1931  
controlled group on the last day of the qualifying investee's 1932  
fiscal or calendar year ending immediately prior to the date on 1933  
which the trust recognizes the gain or loss, then "qualifying 1934  
investee" includes all persons in the qualifying controlled 1935  
group on such last day. 1936

(ii) If the qualifying investee, or if the qualifying 1937  
investee and any members of the qualifying controlled group of 1938  
which the qualifying investee is a member on the last day of the 1939  
qualifying investee's fiscal or calendar year ending immediately 1940  
prior to the date on which the trust recognizes the gain or 1941  
loss, separately or cumulatively own, directly or indirectly, on 1942  
the last day of the qualifying investee's fiscal or calendar 1943  
year ending immediately prior to the date on which the trust 1944  
recognizes the qualifying trust amount, more than fifty per cent 1945  
of the equity of a pass-through entity, then the qualifying 1946

investee and the other members are deemed to own the 1947  
proportionate share of the pass-through entity's physical assets 1948  
which the pass-through entity directly or indirectly owns on the 1949  
last day of the pass-through entity's calendar or fiscal year 1950  
ending within or with the last day of the qualifying investee's 1951  
fiscal or calendar year ending immediately prior to the date on 1952  
which the trust recognizes the qualifying trust amount. 1953

(iii) For the purposes of division (AA) (5) (a) (iii) of this 1954  
section, "upper level pass-through entity" means a pass-through 1955  
entity directly or indirectly owning any equity of another pass- 1956  
through entity, and "lower level pass-through entity" means that 1957  
other pass-through entity. 1958

An upper level pass-through entity, whether or not it is 1959  
also a qualifying investee, is deemed to own, on the last day of 1960  
the upper level pass-through entity's calendar or fiscal year, 1961  
the proportionate share of the lower level pass-through entity's 1962  
physical assets that the lower level pass-through entity 1963  
directly or indirectly owns on the last day of the lower level 1964  
pass-through entity's calendar or fiscal year ending within or 1965  
with the last day of the upper level pass-through entity's 1966  
fiscal or calendar year. If the upper level pass-through entity 1967  
directly and indirectly owns less than fifty per cent of the 1968  
equity of the lower level pass-through entity on each day of the 1969  
upper level pass-through entity's calendar or fiscal year in 1970  
which or with which ends the calendar or fiscal year of the 1971  
lower level pass-through entity and if, based upon clear and 1972  
convincing evidence, complete information about the location and 1973  
cost of the physical assets of the lower pass-through entity is 1974  
not available to the upper level pass-through entity, then 1975  
solely for purposes of ascertaining if a gain or loss 1976  
constitutes a qualifying trust amount, the upper level pass- 1977

through entity shall be deemed as owning no equity of the lower 1978  
level pass-through entity for each day during the upper level 1979  
pass-through entity's calendar or fiscal year in which or with 1980  
which ends the lower level pass-through entity's calendar or 1981  
fiscal year. Nothing in division (AA) (5) (a) (iii) of this section 1982  
shall be construed to provide for any deduction or exclusion in 1983  
computing any trust's Ohio taxable income. 1984

(b) With respect to a trust that is not a resident for the 1985  
taxable year and with respect to a part of a trust that is not a 1986  
resident for the taxable year, "qualifying investee" for that 1987  
taxable year does not include a C corporation if both of the 1988  
following apply: 1989

(i) During the taxable year the trust or part of the trust 1990  
recognizes a gain or loss from the sale, exchange, or other 1991  
disposition of equity or ownership interests in, or debt 1992  
obligations of, the C corporation. 1993

(ii) Such gain or loss constitutes nonbusiness income. 1994

(6) "Available" means information is such that a person is 1995  
able to learn of the information by the due date plus 1996  
extensions, if any, for filing the return for the taxable year 1997  
in which the trust recognizes the gain or loss. 1998

(BB) "Qualifying controlled group" has the same meaning as 1999  
in section 5733.04 of the Revised Code. 2000

(CC) "Related member" has the same meaning as in section 2001  
5733.042 of the Revised Code. 2002

(DD) (1) For the purposes of division (DD) of this section: 2003

(a) "Qualifying person" means any person other than a 2004  
qualifying corporation. 2005

(b) "Qualifying corporation" means any person classified for federal income tax purposes as an association taxable as a corporation, except either of the following:

(i) A corporation that has made an election under subchapter S, chapter one, subtitle A, of the Internal Revenue Code for its taxable year ending within, or on the last day of, the investor's taxable year;

(ii) A subsidiary that is wholly owned by any corporation that has made an election under subchapter S, chapter one, subtitle A of the Internal Revenue Code for its taxable year ending within, or on the last day of, the investor's taxable year.

(2) For the purposes of this chapter, unless expressly stated otherwise, no qualifying person indirectly owns any asset directly or indirectly owned by any qualifying corporation.

(EE) For purposes of this chapter and Chapter 5751. of the Revised Code:

(1) "Trust" does not include a qualified pre-income tax trust.

(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.

(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 2035  
election, if timely made, shall be effective on and after 2036  
January 1, 2006, and shall apply for all tax periods and tax 2037  
years until revoked by the trustee of the trust. 2038

(4) A "pre-income tax trust" is a trust that satisfies all 2039  
of the following requirements: 2040

(a) The document or instrument creating the trust was 2041  
executed by the grantor before January 1, 1972; 2042

(b) The trust became irrevocable upon the creation of the 2043  
trust; and 2044

(c) The grantor was domiciled in this state at the time 2045  
the trust was created. 2046

(FF) "~~Uniformed services" has the same meaning as in 10-~~ 2047  
U.S.C. 101 means all of the following: 2048

(1) "Armed forces of the United States" as defined in 2049  
section 5907.01 of the Revised Code; 2050

(2) The commissioned corps of the national oceanic and 2051  
atmospheric administration; 2052

(3) The commissioned corps of the public health service. 2053

(GG) "Taxable business income" means the amount by which 2054  
an individual's business income that is included in federal 2055  
adjusted gross income exceeds the amount of business income the 2056  
individual is authorized to deduct under division (A) (28) of 2057  
this section for the taxable year. 2058

(HH) "Employer" does not include a franchisor with respect 2059  
to the franchisor's relationship with a franchisee or an 2060  
employee of a franchisee, unless the franchisor agrees to assume 2061

that role in writing or a court of competent jurisdiction 2062  
determines that the franchisor exercises a type or degree of 2063  
control over the franchisee or the franchisee's employees that 2064  
is not customarily exercised by a franchisor for the purpose of 2065  
protecting the franchisor's trademark, brand, or both. For 2066  
purposes of this division, "franchisor" and "franchisee" have 2067  
the same meanings as in 16 C.F.R. 436.1. 2068

(II) "Modified adjusted gross income" means Ohio adjusted 2069  
gross income plus any amount deducted under divisions (A) (28) 2070  
and (34) of this section for the taxable year. 2071

(JJ) "Qualifying Ohio educator" means an individual who, 2072  
for a taxable year, qualifies as an eligible educator, as that 2073  
term is defined in section 62 of the Internal Revenue Code, and 2074  
who holds a certificate, license, or permit described in Chapter 2075  
3319. or section 3301.071 of the Revised Code. 2076

**Sec. 5903.01.** As used in this chapter: 2077

"Armed forces" means the armed forces of the United 2078  
States, including the army, navy, air force, marine corps, space 2079  
force, coast guard, or any reserve components of those forces; 2080  
the national guard of any state; the commissioned corps of the 2081  
United States public healthservice; the merchant marine service 2082  
during wartime; such other service as may be designated by 2083  
congress; or the Ohio organized militia when engaged in full- 2084  
time national guard duty for a period of more than thirty days. 2085

"License" means a license, certificate, permit, or other 2086  
authorization issued or conferred by a licensing agency under 2087  
which a licensee may engage in a profession, occupation, or 2088  
occupational activity. 2089

"Licensee" means a person to whom all of the following 2090



apply:	2091
(A) The person has been issued a license by a licensing agency.	2092 2093
(B) The person has been a member of the armed forces.	2094
(C) The person has served on active duty, whether inside or outside the United States, for a period in excess of thirty-one days.	2095 2096 2097
"Licensing agency" means any state department, division, board, commission, agency, or other state governmental unit authorized by the Revised Code to issue a license.	2098 2099 2100
"Service member" means any person who is serving in the armed forces.	2101 2102
"Merchant marine" includes the United States army transport service and the United States naval transport service.	2103 2104
"Veteran" means any person who has completed service in the armed forces, including the national guard of any state, or a reserve component of the armed forces, who has been discharged under honorable conditions from the armed forces or who has been transferred to the reserve with evidence of satisfactory service.	2105 2106 2107 2108 2109 2110
<b>Sec. 5903.02.</b> (A) As used in this section:	2111
(1) "Uniformed services" and "service in the uniformed services" have the same meanings as in <del>the "Uniformed Services Employment and Reemployment Rights Act of 1994," 108 Stat. 3149,</del> <u>38 U.S.C.A. 4303</u> <del>section 124.23 of the Revised Code.</del>	2112 2113 2114 2115
(2) "Organized militia of another state" means the national guard of any state, territory, or district other than	2116 2117

Ohio or any military or naval force recognized under the laws of 2118  
a state, district, or territory other than Ohio. 2119

(B) Any person whose absence from a position of employment 2120  
is necessitated by reason of service in the uniformed services, 2121  
in the Ohio organized militia, or in the organized militia of 2122  
another state has the same reinstatement and reemployment rights 2123  
in this state that a person has under the "Uniformed Services 2124  
Employment and Reemployment Rights Act of 1994." A person who is 2125  
denied a reinstatement or reemployment right pursuant to this 2126  
section has a cause of action for the same remedies as a person 2127  
has under the "Uniformed Services Employment and Reemployment 2128  
Rights Act of 1994." The court of common pleas, notwithstanding 2129  
any sum limitation established by decision of a board of county 2130  
commissioners pursuant to section 2305.01 of the Revised Code, 2131  
shall have exclusive original jurisdiction for such actions, 2132  
unless the defendant is the state, in which case the court of 2133  
claims shall have exclusive original jurisdiction pursuant to 2134  
division (C) of this section. 2135

(C) A person who seeks reinstatement or reemployment 2136  
rights with the state, pursuant to this section, may bring an 2137  
action in the court of claims pursuant to this section or 2138  
section 4323 of the "Uniformed Services Employment and 2139  
Reemployment Rights Act of 1994." 2140

(D) In any action or proceeding to enforce a provision of 2141  
this section, the court shall require the defendant to pay the 2142  
court costs if the plaintiff is the prevailing party in the 2143  
action or proceeding. If the plaintiff is not the prevailing 2144  
party, the court may use its discretion in allocating court 2145  
costs among the parties to the action. 2146

(E) In any action or proceeding to enforce a provision of 2147

this section the court may award to a plaintiff who prevails in 2148  
such action or proceeding reasonable attorney's fees, expert 2149  
witness fees, and other litigation expenses. If the plaintiff 2150  
does not receive a favorable judgment from the court in that 2151  
action, the court shall not require the plaintiff to reimburse 2152  
the state or the defendant for attorney's fees. 2153

(F) The director of administrative services shall adopt 2154  
rules in accordance with Chapter 119. of the Revised Code for 2155  
the implementation of this chapter with respect to persons in 2156  
public service. 2157

(G) A person is not entitled to a remedy in a state action 2158  
under division (B) or (C) of this section if the person has 2159  
received a remedy based on the same facts under the "Uniformed 2160  
Services Employment and Reemployment Rights Act of 1994." If a 2161  
person has received a remedy in a state action under division 2162  
(B) or (C) of this section and then receives a remedy based on 2163  
the same facts under the "Uniformed Services Employment and 2164  
Reemployment Rights Act of 1994," the person shall reimburse the 2165  
judgment debtor the value of the federal remedy or the state 2166  
remedy whichever is less. 2167

**Sec. 5907.01.** (A) As used in this chapter: 2168

(1) "Armed forces of the United States" means the army, 2169  
air force, navy, marine corps, space force, coast guard, and any 2170  
other military service branch that is designated by congress as 2171  
a part of the armed forces of the United States. 2172

(2) "Domiciliary" means a separate area within the Ohio 2173  
veterans' home providing domiciliary care. 2174

(3) "Domiciliary care" means providing shelter, food, and 2175  
necessary medical care on an ambulatory self-care basis to 2176

eligible veterans who do not need the nursing services provided 2177  
in nursing homes. 2178

(4) "Nursing home" has the same meaning as in section 2179  
3721.01 of the Revised Code. 2180

(5) "Veteran" has the same meaning as in section 5901.01 2181  
of the Revised Code. 2182

(B) There are hereby established the Ohio veterans' homes 2183  
within the department of veterans services. The department shall 2184  
maintain and operate state veterans' homes as administered under 2185  
the state veterans' home programs defined in Title 38 of the 2186  
United States Code. 2187

**Sec. 5907.04.** As used in this section, "armed forces of 2188  
the United States" ~~means the army, air force, navy, marine-~~ 2189  
~~corps, coast guard, and any other military service branch that-~~ 2190  
~~is designated by congress as a part of the armed forces of the~~ 2191  
~~United States~~has the same meaning as in section 5907.01 of the 2192  
Revised Code. 2193

Subject to the following paragraph, all veterans, who 2194  
served during a period of conflict as determined by the United 2195  
States department of veterans affairs or any person who is 2196  
awarded either the armed forces expeditionary medal established 2197  
by presidential executive order 10977 dated December 4, 1961, or 2198  
the Vietnam service medal established by presidential executive 2199  
order 11231 dated July 8, 1965, who have been honorably 2200  
discharged or separated under honorable conditions therefrom, or 2201  
any discharged members of the Polish and Czechoslovakian armed 2202  
forces who served in armed conflict with an enemy of the United 2203  
States in World War II who have been citizens of the United 2204  
States for at least ten years, provided that the above-mentioned 2205

persons have been citizens of this state for one year or more at 2206  
the date of making application for admission, are disabled by 2207  
disease, wounds, or otherwise, and are by reason of such 2208  
disability incapable of earning their living, and all members of 2209  
the Ohio national guard or naval militia who have lost an arm or 2210  
leg, or their sight, or become permanently disabled from any 2211  
cause, while in the line and discharge of duty, and are not able 2212  
to support themselves, may be admitted to a veterans' home under 2213  
such rules as the director of veterans services adopts. 2214

A veteran who served in the armed forces of the United 2215  
States is eligible for admission to a veterans' home under the 2216  
preceding paragraph only if the person has the characteristics 2217  
defined in division (B)(1) of section 5901.01 of the Revised 2218  
Code. 2219

Veterans' homes may reserve a bed during the temporary 2220  
absence of a resident or patient from the home, including a 2221  
nursing home within it, under conditions prescribed by the 2222  
director, to include hospitalization for an acute condition, 2223  
visits with relatives and friends, and participation in 2224  
therapeutic programs outside the home. A home shall not reserve 2225  
a bed for more than thirty days, except that absences for more 2226  
than thirty days due to hospitalization may be authorized. 2227

**Sec. 5910.01.** As used in this chapter and section 5919.34 2228  
of the Revised Code: 2229

(A) "Child" includes natural and adopted children and 2230  
stepchildren who have not been legally adopted by the veteran 2231  
parent provided that the relationship between the stepchild and 2232  
the veteran parent meets the following criteria: 2233

(1) The veteran parent is married to the child's natural 2234

or adoptive parent at the time application for a scholarship 2235  
granted under this chapter is made; or if the veteran parent is 2236  
deceased, the child's natural or adoptive parent was married to 2237  
the veteran parent at the time of the veteran parent's death; 2238

(2) The child resided with the veteran parent for a period 2239  
of not less than ten consecutive years immediately prior to 2240  
making application for the scholarship; or if the veteran parent 2241  
is deceased, the child resided with the veteran parent for a 2242  
period of not less than ten consecutive years immediately prior 2243  
to the veteran parent's death; 2244

(3) The child received financial support from the veteran 2245  
parent for a period of not less than ten consecutive years 2246  
immediately prior to making application for the scholarship; or 2247  
if the veteran parent is deceased, the child received financial 2248  
support from the veteran parent for a period of not less than 2249  
ten consecutive years immediately prior to the veteran parent's 2250  
death. 2251

(B) "Veteran" includes any of the following: 2252

(1) Any person who was a member of the armed services of 2253  
the United States for a period of ninety days or more, or who 2254  
was discharged from the armed services due to a disability 2255  
incurred while a member with less than ninety days' service, or 2256  
who died while a member of the armed services; provided that 2257  
such service, disability, or death occurred during one of the 2258  
following periods: December 7, 1941, to December 31, 1946; June 2259  
25, 1950, to January 31, 1955; January 1, 1960, to May 7, 1975; 2260  
August 2, 1990, to the end of operations conducted as a result 2261  
of the invasion of Kuwait by Iraq, including support for 2262  
operation desert shield and operation desert storm, as declared 2263  
by the president of the United States or the congress; October 2264

7, 2001, to the end of operation enduring freedom as declared by 2265  
the president of the United States or the congress; March 20, 2266  
2003, to the end of operation Iraqi freedom as declared by the 2267  
president of the United States or the congress; or any other 2268  
period of conflict established by the United States department 2269  
of veterans affairs for pension purposes; 2270

(2) Any person who was a member of the armed services of 2271  
the United States and participated in an operation for which the 2272  
armed forces expeditionary medal was awarded; 2273

(3) Any person who served as a member of the United States 2274  
merchant marine and to whom either of the following applies: 2275

(a) The person has an honorable report of separation from 2276  
the active duty military service, form DD214 or DD215. 2277

(b) The person served in the United States merchant marine 2278  
between December 7, 1941, and December 31, 1946, and died on 2279  
active duty while serving in a war zone during that period of 2280  
service. 2281

(C) "Armed services of the United States" or "United 2282  
States armed forces" includes the army, air force, navy, marine 2283  
corps, coast guard, space force, and such other military service 2284  
branch as may be designated by congress as a part of the armed 2285  
forces of the United States. 2286

(D) "Board" means the Ohio war orphans and severely 2287  
disabled veterans' children scholarship board created by section 2288  
5910.02 of the Revised Code. 2289

(E) "Disabled" means having a sixty per cent or greater 2290  
service-connected disability or receiving benefits for permanent 2291  
and total nonservice-connected disability, as determined by the 2292  
United States department of veterans affairs. 2293

(F) "United States merchant marine" includes the United States army transport service and the United States naval transport service.

**Section 2.** That existing sections 122.925, 124.23, 145.30, 742.52, 742.521, 2151.4210, 3307.75, 3309.02, 3313.471, 3319.085, 3511.01, 4731.36, 4743.041, 5505.16, 5747.01, 5903.01, 5903.02, 5907.01, 5907.04, and 5910.01 of the Revised Code are hereby repealed.

**Section 3.** Section 5505.16 of the Revised Code is presented in this act as a composite of the section as amended by both H.B. 49 and H.B. 362 of the 132nd General Assembly. The General Assembly, applying the principle stated in division (B) of section 1.52 of the Revised Code that amendments are to be harmonized if reasonably capable of simultaneous operation, finds that the composite is the resulting version of the section in effect prior to the effective date of the section as presented in this act.