

As Introduced

136th General Assembly

Regular Session

2025-2026

H. B. No. 140

Representatives McNally, Lett

Cosponsors: Representatives Piccolantonio, Upchurch, Brennan, Brewer, Grim, Brownlee, Jarrells, Sims, Lawson-Rowe, Abdullahi, Hall, D., Synenberg, Baker, Cockley, Somani, White, E., Miller, J., Isaacsohn, Mohamed, Thomas, C., Robinson, Rader, Russo

A BILL

To amend sections 5747.01, 5747.08, and 5747.98 and 1
to enact section 5747.36 of the Revised Code to 2
authorize the refundable thriving families tax 3
credit for certain income taxpayers with 4
dependents who are minor children. 5

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

Section 1. That sections 5747.01, 5747.08, and 5747.98 be 6
amended and section 5747.36 of the Revised Code be enacted to 7
read as follows: 8

Sec. 5747.01. Except as otherwise expressly provided or 9
clearly appearing from the context, any term used in this 10
chapter that is not otherwise defined in this section has the 11
same meaning as when used in a comparable context in the laws of 12
the United States relating to federal income taxes or if not 13
used in a comparable context in those laws, has the same meaning 14
as in section 5733.40 of the Revised Code. Any reference in this 15
chapter to the Internal Revenue Code includes other laws of the 16

United States relating to federal income taxes.	17
As used in this chapter:	18
(A) "Adjusted gross income" or "Ohio adjusted gross income" means federal adjusted gross income, as defined and used in the Internal Revenue Code, adjusted as provided in this section:	19 20 21 22
(1) Add interest or dividends on obligations or securities of any state or of any political subdivision or authority of any state, other than this state and its subdivisions and authorities.	23 24 25 26
(2) Add interest or dividends on obligations of any authority, commission, instrumentality, territory, or possession of the United States to the extent that the interest or dividends are exempt from federal income taxes but not from state income taxes.	27 28 29 30 31
(3) Deduct interest or dividends on obligations of the United States and its territories and possessions or of any authority, commission, or instrumentality of the United States to the extent that the interest or dividends are included in federal adjusted gross income but exempt from state income taxes under the laws of the United States.	32 33 34 35 36 37
(4) Deduct disability and survivor's benefits to the extent included in federal adjusted gross income.	38 39
(5) Deduct the following, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income:	40 41 42
(a) Benefits under Title II of the Social Security Act and tier 1 railroad retirement;	43 44

(b) Railroad retirement benefits, other than tier 1 45
railroad retirement benefits, to the extent such amounts are 46
exempt from state taxation under federal law. 47

(6) Deduct the amount of wages and salaries, if any, not 48
otherwise allowable as a deduction but that would have been 49
allowable as a deduction in computing federal adjusted gross 50
income for the taxable year, had the work opportunity tax credit 51
allowed and determined under sections 38, 51, and 52 of the 52
Internal Revenue Code not been in effect. 53

(7) Deduct any interest or interest equivalent on public 54
obligations and purchase obligations to the extent that the 55
interest or interest equivalent is included in federal adjusted 56
gross income. 57

(8) Add any loss or deduct any gain resulting from the 58
sale, exchange, or other disposition of public obligations to 59
the extent that the loss has been deducted or the gain has been 60
included in computing federal adjusted gross income. 61

(9) Deduct or add amounts, as provided under section 62
5747.70 of the Revised Code, related to contributions made to or 63
tuition units purchased under a qualified tuition program 64
established pursuant to section 529 of the Internal Revenue 65
Code. 66

(10) (a) Deduct, to the extent not otherwise allowable as a 67
deduction or exclusion in computing federal or Ohio adjusted 68
gross income for the taxable year, the amount the taxpayer paid 69
during the taxable year for medical care insurance and qualified 70
long-term care insurance for the taxpayer, the taxpayer's 71
spouse, and dependents. No deduction for medical care insurance 72
under division (A) (10) (a) of this section shall be allowed 73

either to any taxpayer who is eligible to participate in any 74
subsidized health plan maintained by any employer of the 75
taxpayer or of the taxpayer's spouse, or to any taxpayer who is 76
entitled to, or on application would be entitled to, benefits 77
under part A of Title XVIII of the "Social Security Act," 49 78
Stat. 620 (1935), 42 U.S.C. 301, as amended. For the purposes of 79
division (A)(10)(a) of this section, "subsidized health plan" 80
means a health plan for which the employer pays any portion of 81
the plan's cost. The deduction allowed under division (A)(10)(a) 82
of this section shall be the net of any related premium refunds, 83
related premium reimbursements, or related insurance premium 84
dividends received during the taxable year. 85

(b) Deduct, to the extent not otherwise deducted or 86
excluded in computing federal or Ohio adjusted gross income 87
during the taxable year, the amount the taxpayer paid during the 88
taxable year, not compensated for by any insurance or otherwise, 89
for medical care of the taxpayer, the taxpayer's spouse, and 90
dependents, to the extent the expenses exceed seven and one-half 91
per cent of the taxpayer's federal adjusted gross income. 92

(c) For purposes of division (A)(10) of this section, 93
"medical care" has the meaning given in section 213 of the 94
Internal Revenue Code, subject to the special rules, 95
limitations, and exclusions set forth therein, and "qualified 96
long-term care" has the same meaning given in section 7702B(c) 97
of the Internal Revenue Code. Solely for purposes of division 98
(A)(10)(a) of this section, "dependent" includes a person who 99
otherwise would be a "qualifying relative" and thus a 100
"dependent" under section 152 of the Internal Revenue Code but 101
for the fact that the person fails to meet the income and 102
support limitations under section 152(d)(1)(B) and (C) of the 103
Internal Revenue Code. 104

(11) (a) Deduct any amount included in federal adjusted 105
gross income solely because the amount represents a 106
reimbursement or refund of expenses that in any year the 107
taxpayer had deducted as an itemized deduction pursuant to 108
section 63 of the Internal Revenue Code and applicable United 109
States department of the treasury regulations. The deduction 110
otherwise allowed under division (A) (11) (a) of this section 111
shall be reduced to the extent the reimbursement is attributable 112
to an amount the taxpayer deducted under this section in any 113
taxable year. 114

(b) Add any amount not otherwise included in Ohio adjusted 115
gross income for any taxable year to the extent that the amount 116
is attributable to the recovery during the taxable year of any 117
amount deducted or excluded in computing federal or Ohio 118
adjusted gross income in any taxable year. 119

(12) Deduct any portion of the deduction described in 120
section 1341(a) (2) of the Internal Revenue Code, for repaying 121
previously reported income received under a claim of right, that 122
meets both of the following requirements: 123

(a) It is allowable for repayment of an item that was 124
included in the taxpayer's adjusted gross income for a prior 125
taxable year and did not qualify for a credit under division (A) 126
or (B) of section 5747.05 of the Revised Code for that year; 127

(b) It does not otherwise reduce the taxpayer's adjusted 128
gross income for the current or any other taxable year. 129

(13) Deduct an amount equal to the deposits made to, and 130
net investment earnings of, a medical savings account during the 131
taxable year, in accordance with section 3924.66 of the Revised 132
Code. The deduction allowed by division (A) (13) of this section 133

does not apply to medical savings account deposits and earnings 134
otherwise deducted or excluded for the current or any other 135
taxable year from the taxpayer's federal adjusted gross income. 136

(14) (a) Add an amount equal to the funds withdrawn from a 137
medical savings account during the taxable year, and the net 138
investment earnings on those funds, when the funds withdrawn 139
were used for any purpose other than to reimburse an account 140
holder for, or to pay, eligible medical expenses, in accordance 141
with section 3924.66 of the Revised Code; 142

(b) Add the amounts distributed from a medical savings 143
account under division (A) (2) of section 3924.68 of the Revised 144
Code during the taxable year. 145

(15) Add any amount claimed as a credit under section 146
5747.059 of the Revised Code to the extent that such amount 147
satisfies either of the following: 148

(a) The amount was deducted or excluded from the 149
computation of the taxpayer's federal adjusted gross income as 150
required to be reported for the taxpayer's taxable year under 151
the Internal Revenue Code; 152

(b) The amount resulted in a reduction of the taxpayer's 153
federal adjusted gross income as required to be reported for any 154
of the taxpayer's taxable years under the Internal Revenue Code. 155

(16) Deduct the amount contributed by the taxpayer to an 156
individual development account program established by a county 157
department of job and family services pursuant to sections 158
329.11 to 329.14 of the Revised Code for the purpose of matching 159
funds deposited by program participants. On request of the tax 160
commissioner, the taxpayer shall provide any information that, 161
in the tax commissioner's opinion, is necessary to establish the 162

amount deducted under division (A) (16) of this section. 163

(17) (a) (i) Subject to divisions (A) (17) (a) (iii), (iv), and 164
(v) of this section, add five-sixths of the amount of 165
depreciation expense allowed by subsection (k) of section 168 of 166
the Internal Revenue Code, including the taxpayer's 167
proportionate or distributive share of the amount of 168
depreciation expense allowed by that subsection to a pass- 169
through entity in which the taxpayer has a direct or indirect 170
ownership interest. 171

(ii) Subject to divisions (A) (17) (a) (iii), (iv), and (v) 172
of this section, add five-sixths of the amount of qualifying 173
section 179 depreciation expense, including the taxpayer's 174
proportionate or distributive share of the amount of qualifying 175
section 179 depreciation expense allowed to any pass-through 176
entity in which the taxpayer has a direct or indirect ownership 177
interest. 178

(iii) Subject to division (A) (17) (a) (v) of this section, 179
for taxable years beginning in 2012 or thereafter, if the 180
increase in income taxes withheld by the taxpayer is equal to or 181
greater than ten per cent of income taxes withheld by the 182
taxpayer during the taxpayer's immediately preceding taxable 183
year, "two-thirds" shall be substituted for "five-sixths" for 184
the purpose of divisions (A) (17) (a) (i) and (ii) of this section. 185

(iv) Subject to division (A) (17) (a) (v) of this section, 186
for taxable years beginning in 2012 or thereafter, a taxpayer is 187
not required to add an amount under division (A) (17) of this 188
section if the increase in income taxes withheld by the taxpayer 189
and by any pass-through entity in which the taxpayer has a 190
direct or indirect ownership interest is equal to or greater 191
than the sum of (I) the amount of qualifying section 179 192

depreciation expense and (II) the amount of depreciation expense 193
allowed to the taxpayer by subsection (k) of section 168 of the 194
Internal Revenue Code, and including the taxpayer's 195
proportionate or distributive shares of such amounts allowed to 196
any such pass-through entities. 197

(v) If a taxpayer directly or indirectly incurs a net 198
operating loss for the taxable year for federal income tax 199
purposes, to the extent such loss resulted from depreciation 200
expense allowed by subsection (k) of section 168 of the Internal 201
Revenue Code and by qualifying section 179 depreciation expense, 202
"the entire" shall be substituted for "five-sixths of the" for 203
the purpose of divisions (A) (17) (a) (i) and (ii) of this section. 204

The tax commissioner, under procedures established by the 205
commissioner, may waive the add-backs related to a pass-through 206
entity if the taxpayer owns, directly or indirectly, less than 207
five per cent of the pass-through entity. 208

(b) Nothing in division (A) (17) of this section shall be 209
construed to adjust or modify the adjusted basis of any asset. 210

(c) To the extent the add-back required under division (A) 211
(17) (a) of this section is attributable to property generating 212
nonbusiness income or loss allocated under section 5747.20 of 213
the Revised Code, the add-back shall be situated to the same 214
location as the nonbusiness income or loss generated by the 215
property for the purpose of determining the credit under 216
division (A) of section 5747.05 of the Revised Code. Otherwise, 217
the add-back shall be apportioned, subject to one or more of the 218
four alternative methods of apportionment enumerated in section 219
5747.21 of the Revised Code. 220

(d) For the purposes of division (A) (17) (a) (v) of this 221

section, net operating loss carryback and carryforward shall not 222
include the allowance of any net operating loss deduction 223
carryback or carryforward to the taxable year to the extent such 224
loss resulted from depreciation allowed by section 168(k) of the 225
Internal Revenue Code and by the qualifying section 179 226
depreciation expense amount. 227

(e) For the purposes of divisions (A) (17) and (18) of this 228
section: 229

(i) "Income taxes withheld" means the total amount 230
withheld and remitted under sections 5747.06 and 5747.07 of the 231
Revised Code by an employer during the employer's taxable year. 232

(ii) "Increase in income taxes withheld" means the amount 233
by which the amount of income taxes withheld by an employer 234
during the employer's current taxable year exceeds the amount of 235
income taxes withheld by that employer during the employer's 236
immediately preceding taxable year. 237

(iii) "Qualifying section 179 depreciation expense" means 238
the difference between (I) the amount of depreciation expense 239
directly or indirectly allowed to a taxpayer under section 179 240
of the Internal Revised Code, and (II) the amount of 241
depreciation expense directly or indirectly allowed to the 242
taxpayer under section 179 of the Internal Revenue Code as that 243
section existed on December 31, 2002. 244

(18) (a) If the taxpayer was required to add an amount 245
under division (A) (17) (a) of this section for a taxable year, 246
deduct one of the following: 247

(i) One-fifth of the amount so added for each of the five 248
succeeding taxable years if the amount so added was five-sixths 249
of qualifying section 179 depreciation expense or depreciation 250

expense allowed by subsection (k) of section 168 of the Internal Revenue Code; 251
252

(ii) One-half of the amount so added for each of the two succeeding taxable years if the amount so added was two-thirds of such depreciation expense; 253
254
255

(iii) One-sixth of the amount so added for each of the six succeeding taxable years if the entire amount of such depreciation expense was so added. 256
257
258

(b) If the amount deducted under division (A) (18) (a) of this section is attributable to an add-back allocated under division (A) (17) (c) of this section, the amount deducted shall be situated to the same location. Otherwise, the add-back shall be apportioned using the apportionment factors for the taxable year in which the deduction is taken, subject to one or more of the four alternative methods of apportionment enumerated in section 5747.21 of the Revised Code. 259
260
261
262
263
264
265
266

(c) No deduction is available under division (A) (18) (a) of this section with regard to any depreciation allowed by section 168(k) of the Internal Revenue Code and by the qualifying section 179 depreciation expense amount to the extent that such depreciation results in or increases a federal net operating loss carryback or carryforward. If no such deduction is available for a taxable year, the taxpayer may carry forward the amount not deducted in such taxable year to the next taxable year and add that amount to any deduction otherwise available under division (A) (18) (a) of this section for that next taxable year. The carryforward of amounts not so deducted shall continue until the entire addition required by division (A) (17) (a) of this section has been deducted. 267
268
269
270
271
272
273
274
275
276
277
278
279

(19) Deduct, to the extent not otherwise deducted or 280
excluded in computing federal or Ohio adjusted gross income for 281
the taxable year, the amount the taxpayer received during the 282
taxable year as reimbursement for life insurance premiums under 283
section 5919.31 of the Revised Code. 284

(20) Deduct, to the extent not otherwise deducted or 285
excluded in computing federal or Ohio adjusted gross income for 286
the taxable year, the amount the taxpayer received during the 287
taxable year as a death benefit paid by the adjutant general 288
under section 5919.33 of the Revised Code. 289

(21) Deduct, to the extent included in federal adjusted 290
gross income and not otherwise allowable as a deduction or 291
exclusion in computing federal or Ohio adjusted gross income for 292
the taxable year, military pay and allowances received by the 293
taxpayer during the taxable year for active duty service in the 294
United States army, air force, navy, marine corps, or coast 295
guard or reserve components thereof or the national guard. The 296
deduction may not be claimed for military pay and allowances 297
received by the taxpayer while the taxpayer is stationed in this 298
state. 299

(22) Deduct, to the extent not otherwise allowable as a 300
deduction or exclusion in computing federal or Ohio adjusted 301
gross income for the taxable year and not otherwise compensated 302
for by any other source, the amount of qualified organ donation 303
expenses incurred by the taxpayer during the taxable year, not 304
to exceed ten thousand dollars. A taxpayer may deduct qualified 305
organ donation expenses only once for all taxable years 306
beginning with taxable years beginning in 2007. 307

For the purposes of division (A) (22) of this section: 308

(a) "Human organ" means all or any portion of a human 309
liver, pancreas, kidney, intestine, or lung, and any portion of 310
human bone marrow. 311

(b) "Qualified organ donation expenses" means travel 312
expenses, lodging expenses, and wages and salary forgone by a 313
taxpayer in connection with the taxpayer's donation, while 314
living, of one or more of the taxpayer's human organs to another 315
human being. 316

(23) Deduct, to the extent not otherwise deducted or 317
excluded in computing federal or Ohio adjusted gross income for 318
the taxable year, amounts received by the taxpayer as retired 319
personnel pay for service in the uniformed services or reserve 320
components thereof, or the national guard, or received by the 321
surviving spouse or former spouse of such a taxpayer under the 322
survivor benefit plan on account of such a taxpayer's death. If 323
the taxpayer receives income on account of retirement paid under 324
the federal civil service retirement system or federal employees 325
retirement system, or under any successor retirement program 326
enacted by the congress of the United States that is established 327
and maintained for retired employees of the United States 328
government, and such retirement income is based, in whole or in 329
part, on credit for the taxpayer's uniformed service, the 330
deduction allowed under this division shall include only that 331
portion of such retirement income that is attributable to the 332
taxpayer's uniformed service, to the extent that portion of such 333
retirement income is otherwise included in federal adjusted 334
gross income and is not otherwise deducted under this section. 335
Any amount deducted under division (A) (23) of this section is 336
not included in a taxpayer's adjusted gross income for the 337
purposes of section 5747.055 of the Revised Code. No amount may 338
be deducted under division (A) (23) of this section on the basis 339

of which a credit was claimed under section 5747.055 of the Revised Code.

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

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

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

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

(28) Deduct from the portion of an individual's federal	370
adjusted gross income that is business income, to the extent not	371
otherwise deducted or excluded in computing federal adjusted	372
gross income for the taxable year, one hundred twenty-five	373
thousand dollars for each spouse if spouses file separate	374
returns under section 5747.08 of the Revised Code or two hundred	375
fifty thousand dollars for all other individuals.	376
(29) Deduct, as provided under section 5747.78 of the	377
Revised Code, contributions to ABLE savings accounts made in	378
accordance with sections 113.50 to 113.56 of the Revised Code.	379
(30) (a) Deduct, to the extent not otherwise deducted or	380
excluded in computing federal or Ohio adjusted gross income	381
during the taxable year, all of the following:	382
(i) Compensation paid to a qualifying employee described	383
in division (A) (14) (a) of section 5703.94 of the Revised Code to	384
the extent such compensation is for disaster work conducted in	385
this state during a disaster response period pursuant to a	386
qualifying solicitation received by the employee's employer;	387
(ii) Compensation paid to a qualifying employee described	388
in division (A) (14) (b) of section 5703.94 of the Revised Code to	389
the extent such compensation is for disaster work conducted in	390
this state by the employee during the disaster response period	391
on critical infrastructure owned or used by the employee's	392
employer;	393
(iii) Income received by an out-of-state disaster business	394
for disaster work conducted in this state during a disaster	395
response period, or, if the out-of-state disaster business is a	396
pass-through entity, a taxpayer's distributive share of the	397
pass-through entity's income from the business conducting	398

disaster work in this state during a disaster response period, 399
if, in either case, the disaster work is conducted pursuant to a 400
qualifying solicitation received by the business. 401

(b) All terms used in division (A) (30) of this section 402
have the same meanings as in section 5703.94 of the Revised 403
Code. 404

(31) For a taxpayer who is a qualifying Ohio educator, 405
deduct, to the extent not otherwise deducted or excluded in 406
computing federal or Ohio adjusted gross income for the taxable 407
year, the lesser of two hundred fifty dollars or the amount of 408
expenses described in subsections (a) (2) (D) (i) and (ii) of 409
section 62 of the Internal Revenue Code paid or incurred by the 410
taxpayer during the taxpayer's taxable year in excess of the 411
amount the taxpayer is authorized to deduct for that taxable 412
year under subsection (a) (2) (D) of that section. 413

(32) Deduct, to the extent not otherwise deducted or 414
excluded in computing federal or Ohio adjusted gross income for 415
the taxable year, amounts received by the taxpayer as a 416
disability severance payment, computed under 10 U.S.C. 1212, 417
following discharge or release under honorable conditions from 418
the armed forces of the United States, as defined in section 419
5907.01 of the Revised Code. 420

(33) Deduct, to the extent not otherwise deducted or 421
excluded in computing federal adjusted gross income or Ohio 422
adjusted gross income, amounts not subject to tax due to an 423
agreement entered into under division (A) (2) of section 5747.05 424
of the Revised Code. 425

(34) Deduct amounts as provided under section 5747.79 of 426
the Revised Code related to the taxpayer's qualifying capital 427

gains and deductible payroll. 428

To the extent a qualifying capital gain described under 429
division (A) (34) of this section is business income, the 430
taxpayer shall deduct those gains under this division before 431
deducting any such gains under division (A) (28) of this section. 432

(35) (a) For taxable years beginning in or after 2026, 433
deduct, to the extent not otherwise deducted or excluded in 434
computing federal or Ohio adjusted gross income for the taxable 435
year: 436

(i) One hundred per cent of the capital gain received by 437
the taxpayer in the taxable year from a qualifying interest in 438
an Ohio venture capital operating company attributable to the 439
company's investments in Ohio businesses during the period for 440
which the company was an Ohio venture operating company; and 441

(ii) Fifty per cent of the capital gain received by the 442
taxpayer in the taxable year from a qualifying interest in an 443
Ohio venture capital operating company attributable to the 444
company's investments in all other businesses during the period 445
for which the company was an Ohio venture operating company. 446

(b) Add amounts previously deducted by the taxpayer under 447
division (A) (35) (a) of this section if the director of 448
development certifies to the tax commissioner that the 449
requirements for the deduction were not met. 450

(c) All terms used in division (A) (35) of this section 451
have the same meanings as in section 122.851 of the Revised 452
Code. 453

(d) To the extent a capital gain described in division (A) 454
(35) (a) of this section is business income, the taxpayer shall 455
apply that division before applying division (A) (28) of this 456

section. 457

(36) Add, to the extent not otherwise included in 458
computing federal or Ohio adjusted gross income for any taxable 459
year, the taxpayer's proportionate share of the amount of the 460
tax levied under section 5747.38 of the Revised Code and paid by 461
an electing pass-through entity for the taxable year. 462

Notwithstanding any provision of the Revised Code to the 463
contrary, the portion of the addition required by division (A) 464
(36) of this section related to the apportioned business income 465
of the pass-through entity shall be considered business income 466
under division (B) of this section. Such addition is eligible 467
for the deduction in division (A) (28) of this section, subject 468
to the applicable dollar limitations, and the tax rate 469
prescribed by division (A) (4) (a) of section 5747.02 of the 470
Revised Code. The taxpayer shall provide, upon request of the 471
tax commissioner, any documentation necessary to verify the 472
portion of the addition that is business income under this 473
division. 474

(37) Deduct, to the extent not otherwise deducted or 475
excluded in computing federal or Ohio adjusted gross income for 476
the taxable year, amounts delivered to a qualifying institution 477
pursuant to section 3333.128 of the Revised Code for the benefit 478
of the taxpayer or the taxpayer's spouse or dependent. 479

(38) Deduct, to the extent not otherwise deducted or 480
excluded in computing federal or Ohio adjusted gross income for 481
the taxable year, amounts received under the Ohio adoption grant 482
program pursuant to section 5101.191 of the Revised Code. 483

(39) Deduct, to the extent included in federal adjusted 484
gross income, income attributable to amounts provided to a 485

taxpayer for any of the purposes for which an exclusion would 486
have been authorized under section 139 of the Internal Revenue 487
Code if the train derailment near the city of East Palestine on 488
February 3, 2023, had been a qualified disaster pursuant to that 489
section, or to compensate for lost business resulting from that 490
derailment, if such amounts are provided by any of the 491
following: 492

(a) A federal, state, or local government agency; 493

(b) A railroad company, as that term is defined in section 494
5727.01 of the Revised Code; 495

(c) Any subsidiary, insurer, or agent of a railroad 496
company or any related person. 497

Notwithstanding any provision to the contrary, the 498
derailment is not required to meet the definition of a 499
"qualified disaster" pursuant to section 139 of the Internal 500
Revenue Code to qualify for the deduction under this section. 501

(40) Deduct, to the extent included in federal adjusted 502
gross income, income attributable to loan repayments on behalf 503
of the taxpayer under the rural practice incentive program under 504
section 3333.135 of the Revised Code. 505

(41) Add any income taxes deducted in computing federal or 506
Ohio adjusted gross income to the extent the income taxes were 507
derived from income subject to a tax levied in another state or 508
the District of Columbia when such tax was enacted for purposes 509
of complying with internal revenue service notice 2020-75. 510

Notwithstanding any provision of the Revised Code to the 511
contrary, the portion of the addition required by division (A) 512
(41) of this section related to the apportioned business income 513
of the pass-through entity shall be considered business income 514

under division (B) of this section. Such addition is eligible 515
for the deduction in division (A) (28) of this section, subject 516
to the applicable dollar limitations, and the tax rate 517
prescribed by division (A) (4) (a) of section 5747.02 of the 518
Revised Code. The taxpayer shall provide, upon request of the 519
tax commissioner, any documentation necessary to verify the 520
portion of the addition that is business income under this 521
division. 522

(42) Deduct amounts contributed to a homeownership savings 523
account and calculated pursuant to divisions (B) and (C) of 524
section 5747.85 of the Revised Code. 525

(43) If the taxpayer is the account owner, add the amount 526
of funds withdrawn from a homeownership savings account not used 527
for eligible expenses, regardless of who deposited those funds. 528
As used in division (A) (43) of this section, "homeownership 529
savings account," "account owner," and "eligible expenses" have 530
the same meanings as in section 5747.85 of the Revised Code. 531

(44) Deduct, to the extent not otherwise deducted or 532
excluded in computing federal adjusted gross income or Ohio 533
adjusted gross income, refund amounts received from the thriving 534
families tax credit authorized under section 5747.36 of the 535
Revised Code. 536

(B) "Business income" means income, including gain or 537
loss, arising from transactions, activities, and sources in the 538
regular course of a trade or business and includes income, gain, 539
or loss from real property, tangible property, and intangible 540
property if the acquisition, rental, management, and disposition 541
of the property constitute integral parts of the regular course 542
of a trade or business operation. "Business income" includes 543
income, including gain or loss, from a partial or complete 544

liquidation of a business, including, but not limited to, gain 545
or loss from the sale or other disposition of goodwill or the 546
sale of an equity or ownership interest in a business. 547

As used in this division, the "sale of an equity or 548
ownership interest in a business" means sales to which either or 549
both of the following apply: 550

(1) The sale is treated for federal income tax purposes as 551
the sale of assets. 552

(2) The seller materially participated, as described in 26 553
C.F.R. 1.469-5T, in the activities of the business during the 554
taxable year in which the sale occurs or during any of the five 555
preceding taxable years. 556

(C) "Nonbusiness income" means all income other than 557
business income and may include, but is not limited to, 558
compensation, rents and royalties from real or tangible personal 559
property, capital gains, interest, dividends and distributions, 560
patent or copyright royalties, or lottery winnings, prizes, and 561
awards. 562

(D) "Compensation" means any form of remuneration paid to 563
an employee for personal services. 564

(E) "Fiduciary" means a guardian, trustee, executor, 565
administrator, receiver, conservator, or any other person acting 566
in any fiduciary capacity for any individual, trust, or estate. 567

(F) "Fiscal year" means an accounting period of twelve 568
months ending on the last day of any month other than December. 569

(G) "Individual" means any natural person. 570

(H) "Internal Revenue Code" means the "Internal Revenue 571
Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended. 572

(I) "Resident" means any of the following:	573
(1) An individual who is domiciled in this state, subject to section 5747.24 of the Revised Code;	574 575
(2) The estate of a decedent who at the time of death was domiciled in this state. The domicile tests of section 5747.24 of the Revised Code are not controlling for purposes of division (I) (2) of this section.	576 577 578 579
(3) A trust that, in whole or part, resides in this state. If only part of a trust resides in this state, the trust is a resident only with respect to that part.	580 581 582
For the purposes of division (I) (3) of this section:	583
(a) A trust resides in this state for the trust's current taxable year to the extent, as described in division (I) (3) (d) of this section, that the trust consists directly or indirectly, in whole or in part, of assets, net of any related liabilities, that were transferred, or caused to be transferred, directly or indirectly, to the trust by any of the following:	584 585 586 587 588 589
(i) A person, a court, or a governmental entity or instrumentality on account of the death of a decedent, but only if the trust is described in division (I) (3) (e) (i) or (ii) of this section;	590 591 592 593
(ii) A person who was domiciled in this state for the purposes of this chapter when the person directly or indirectly transferred assets to an irrevocable trust, but only if at least one of the trust's qualifying beneficiaries is domiciled in this state for the purposes of this chapter during all or some portion of the trust's current taxable year;	594 595 596 597 598 599
(iii) A person who was domiciled in this state for the	600

purposes of this chapter when the trust document or instrument 601
or part of the trust document or instrument became irrevocable, 602
but only if at least one of the trust's qualifying beneficiaries 603
is a resident domiciled in this state for the purposes of this 604
chapter during all or some portion of the trust's current 605
taxable year. If a trust document or instrument became 606
irrevocable upon the death of a person who at the time of death 607
was domiciled in this state for purposes of this chapter, that 608
person is a person described in division (I) (3) (a) (iii) of this 609
section. 610

(b) A trust is irrevocable to the extent that the 611
transferor is not considered to be the owner of the net assets 612
of the trust under sections 671 to 678 of the Internal Revenue 613
Code. 614

(c) With respect to a trust other than a charitable lead 615
trust, "qualifying beneficiary" has the same meaning as 616
"potential current beneficiary" as defined in section 1361(e) (2) 617
of the Internal Revenue Code, and with respect to a charitable 618
lead trust "qualifying beneficiary" is any current, future, or 619
contingent beneficiary, but with respect to any trust 620
"qualifying beneficiary" excludes a person or a governmental 621
entity or instrumentality to any of which a contribution would 622
qualify for the charitable deduction under section 170 of the 623
Internal Revenue Code. 624

(d) For the purposes of division (I) (3) (a) of this 625
section, the extent to which a trust consists directly or 626
indirectly, in whole or in part, of assets, net of any related 627
liabilities, that were transferred directly or indirectly, in 628
whole or part, to the trust by any of the sources enumerated in 629
that division shall be ascertained by multiplying the fair 630

market value of the trust's assets, net of related liabilities, 631
by the qualifying ratio, which shall be computed as follows: 632

(i) The first time the trust receives assets, the 633
numerator of the qualifying ratio is the fair market value of 634
those assets at that time, net of any related liabilities, from 635
sources enumerated in division (I) (3) (a) of this section. The 636
denominator of the qualifying ratio is the fair market value of 637
all the trust's assets at that time, net of any related 638
liabilities. 639

(ii) Each subsequent time the trust receives assets, a 640
revised qualifying ratio shall be computed. The numerator of the 641
revised qualifying ratio is the sum of (1) the fair market value 642
of the trust's assets immediately prior to the subsequent 643
transfer, net of any related liabilities, multiplied by the 644
qualifying ratio last computed without regard to the subsequent 645
transfer, and (2) the fair market value of the subsequently 646
transferred assets at the time transferred, net of any related 647
liabilities, from sources enumerated in division (I) (3) (a) of 648
this section. The denominator of the revised qualifying ratio is 649
the fair market value of all the trust's assets immediately 650
after the subsequent transfer, net of any related liabilities. 651

(iii) Whether a transfer to the trust is by or from any of 652
the sources enumerated in division (I) (3) (a) of this section 653
shall be ascertained without regard to the domicile of the 654
trust's beneficiaries. 655

(e) For the purposes of division (I) (3) (a) (i) of this 656
section: 657

(i) A trust is described in division (I) (3) (e) (i) of this 658
section if the trust is a testamentary trust and the testator of 659

that testamentary trust was domiciled in this state at the time 660
of the testator's death for purposes of the taxes levied under 661
Chapter 5731. of the Revised Code. 662

(ii) A trust is described in division (I)(3)(e)(ii) of 663
this section if the transfer is a qualifying transfer described 664
in any of divisions (I)(3)(f)(i) to (vi) of this section, the 665
trust is an irrevocable inter vivos trust, and at least one of 666
the trust's qualifying beneficiaries is domiciled in this state 667
for purposes of this chapter during all or some portion of the 668
trust's current taxable year. 669

(f) For the purposes of division (I)(3)(e)(ii) of this 670
section, a "qualifying transfer" is a transfer of assets, net of 671
any related liabilities, directly or indirectly to a trust, if 672
the transfer is described in any of the following: 673

(i) The transfer is made to a trust, created by the 674
decedent before the decedent's death and while the decedent was 675
domiciled in this state for the purposes of this chapter, and, 676
prior to the death of the decedent, the trust became irrevocable 677
while the decedent was domiciled in this state for the purposes 678
of this chapter. 679

(ii) The transfer is made to a trust to which the 680
decedent, prior to the decedent's death, had directly or 681
indirectly transferred assets, net of any related liabilities, 682
while the decedent was domiciled in this state for the purposes 683
of this chapter, and prior to the death of the decedent the 684
trust became irrevocable while the decedent was domiciled in 685
this state for the purposes of this chapter. 686

(iii) The transfer is made on account of a contractual 687
relationship existing directly or indirectly between the 688

transferor and either the decedent or the estate of the decedent 689
at any time prior to the date of the decedent's death, and the 690
decedent was domiciled in this state at the time of death for 691
purposes of the taxes levied under Chapter 5731. of the Revised 692
Code. 693

(iv) The transfer is made to a trust on account of a 694
contractual relationship existing directly or indirectly between 695
the transferor and another person who at the time of the 696
decedent's death was domiciled in this state for purposes of 697
this chapter. 698

(v) The transfer is made to a trust on account of the will 699
of a testator who was domiciled in this state at the time of the 700
testator's death for purposes of the taxes levied under Chapter 701
5731. of the Revised Code. 702

(vi) The transfer is made to a trust created by or caused 703
to be created by a court, and the trust was directly or 704
indirectly created in connection with or as a result of the 705
death of an individual who, for purposes of the taxes levied 706
under Chapter 5731. of the Revised Code, was domiciled in this 707
state at the time of the individual's death. 708

(g) The tax commissioner may adopt rules to ascertain the 709
part of a trust residing in this state. 710

(J) "Nonresident" means an individual or estate that is 711
not a resident. An individual who is a resident for only part of 712
a taxable year is a nonresident for the remainder of that 713
taxable year. 714

(K) "Pass-through entity" has the same meaning as in 715
section 5733.04 of the Revised Code. 716

(L) "Return" means the notifications and reports required 717

to be filed pursuant to this chapter for the purpose of 718
reporting the tax due and includes declarations of estimated tax 719
when so required. 720

(M) "Taxable year" means the calendar year or the 721
taxpayer's fiscal year ending during the calendar year, or 722
fractional part thereof, upon which the adjusted gross income is 723
calculated pursuant to this chapter. 724

(N) "Taxpayer" means any person subject to the tax imposed 725
by section 5747.02 of the Revised Code or any pass-through 726
entity that makes the election under division (D) of section 727
5747.08 of the Revised Code. 728

(O) "Dependents" means one of the following: 729

(1) For taxable years beginning on or after January 1, 730
2018, and before January 1, 2026, dependents as defined in the 731
Internal Revenue Code; 732

(2) For all other taxable years, dependents as defined in 733
the Internal Revenue Code and as claimed in the taxpayer's 734
federal income tax return for the taxable year or which the 735
taxpayer would have been permitted to claim had the taxpayer 736
filed a federal income tax return. 737

(P) "Principal county of employment" means, in the case of 738
a nonresident, the county within the state in which a taxpayer 739
performs services for an employer or, if those services are 740
performed in more than one county, the county in which the major 741
portion of the services are performed. 742

(Q) As used in sections 5747.50 to 5747.55 of the Revised 743
Code: 744

(1) "Subdivision" means any county, municipal corporation, 745

park district, or township. 746

(2) "Essential local government purposes" includes all 747
functions that any subdivision is required by general law to 748
exercise, including like functions that are exercised under a 749
charter adopted pursuant to the Ohio Constitution. 750

(R) "Overpayment" means any amount already paid that 751
exceeds the figure determined to be the correct amount of the 752
tax. 753

(S) "Taxable income" or "Ohio taxable income" applies only 754
to estates and trusts, and means federal taxable income, as 755
defined and used in the Internal Revenue Code, adjusted as 756
follows: 757

(1) Add interest or dividends, net of ordinary, necessary, 758
and reasonable expenses not deducted in computing federal 759
taxable income, on obligations or securities of any state or of 760
any political subdivision or authority of any state, other than 761
this state and its subdivisions and authorities, but only to the 762
extent that such net amount is not otherwise includible in Ohio 763
taxable income and is described in either division (S) (1) (a) or 764
(b) of this section: 765

(a) The net amount is not attributable to the S portion of 766
an electing small business trust and has not been distributed to 767
beneficiaries for the taxable year; 768

(b) The net amount is attributable to the S portion of an 769
electing small business trust for the taxable year. 770

(2) Add interest or dividends, net of ordinary, necessary, 771
and reasonable expenses not deducted in computing federal 772
taxable income, on obligations of any authority, commission, 773
instrumentality, territory, or possession of the United States 774

to the extent that the interest or dividends are exempt from 775
federal income taxes but not from state income taxes, but only 776
to the extent that such net amount is not otherwise includible 777
in Ohio taxable income and is described in either division (S) 778
(1) (a) or (b) of this section; 779

(3) Add the amount of personal exemption allowed to the 780
estate pursuant to section 642(b) of the Internal Revenue Code; 781

(4) Deduct interest or dividends, net of related expenses 782
deducted in computing federal taxable income, on obligations of 783
the United States and its territories and possessions or of any 784
authority, commission, or instrumentality of the United States 785
to the extent that the interest or dividends are exempt from 786
state taxes under the laws of the United States, but only to the 787
extent that such amount is included in federal taxable income 788
and is described in either division (S) (1) (a) or (b) of this 789
section; 790

(5) Deduct the amount of wages and salaries, if any, not 791
otherwise allowable as a deduction but that would have been 792
allowable as a deduction in computing federal taxable income for 793
the taxable year, had the work opportunity tax credit allowed 794
under sections 38, 51, and 52 of the Internal Revenue Code not 795
been in effect, but only to the extent such amount relates 796
either to income included in federal taxable income for the 797
taxable year or to income of the S portion of an electing small 798
business trust for the taxable year; 799

(6) Deduct any interest or interest equivalent, net of 800
related expenses deducted in computing federal taxable income, 801
on public obligations and purchase obligations, but only to the 802
extent that such net amount relates either to income included in 803
federal taxable income for the taxable year or to income of the 804

S portion of an electing small business trust for the taxable 805
year; 806

(7) Add any loss or deduct any gain resulting from sale, 807
exchange, or other disposition of public obligations to the 808
extent that such loss has been deducted or such gain has been 809
included in computing either federal taxable income or income of 810
the S portion of an electing small business trust for the 811
taxable year; 812

(8) Except in the case of the final return of an estate, 813
add any amount deducted by the taxpayer on both its Ohio estate 814
tax return pursuant to section 5731.14 of the Revised Code, and 815
on its federal income tax return in determining federal taxable 816
income; 817

(9) (a) Deduct any amount included in federal taxable 818
income solely because the amount represents a reimbursement or 819
refund of expenses that in a previous year the decedent had 820
deducted as an itemized deduction pursuant to section 63 of the 821
Internal Revenue Code and applicable treasury regulations. The 822
deduction otherwise allowed under division (S) (9) (a) of this 823
section shall be reduced to the extent the reimbursement is 824
attributable to an amount the taxpayer or decedent deducted 825
under this section in any taxable year. 826

(b) Add any amount not otherwise included in Ohio taxable 827
income for any taxable year to the extent that the amount is 828
attributable to the recovery during the taxable year of any 829
amount deducted or excluded in computing federal or Ohio taxable 830
income in any taxable year, but only to the extent such amount 831
has not been distributed to beneficiaries for the taxable year. 832

(10) Deduct any portion of the deduction described in 833

section 1341(a)(2) of the Internal Revenue Code, for repaying 834
previously reported income received under a claim of right, that 835
meets both of the following requirements: 836

(a) It is allowable for repayment of an item that was 837
included in the taxpayer's taxable income or the decedent's 838
adjusted gross income for a prior taxable year and did not 839
qualify for a credit under division (A) or (B) of section 840
5747.05 of the Revised Code for that year. 841

(b) It does not otherwise reduce the taxpayer's taxable 842
income or the decedent's adjusted gross income for the current 843
or any other taxable year. 844

(11) Add any amount claimed as a credit under section 845
5747.059 of the Revised Code to the extent that the amount 846
satisfies either of the following: 847

(a) The amount was deducted or excluded from the 848
computation of the taxpayer's federal taxable income as required 849
to be reported for the taxpayer's taxable year under the 850
Internal Revenue Code; 851

(b) The amount resulted in a reduction in the taxpayer's 852
federal taxable income as required to be reported for any of the 853
taxpayer's taxable years under the Internal Revenue Code. 854

(12) Deduct any amount, net of related expenses deducted 855
in computing federal taxable income, that a trust is required to 856
report as farm income on its federal income tax return, but only 857
if the assets of the trust include at least ten acres of land 858
satisfying the definition of "land devoted exclusively to 859
agricultural use" under section 5713.30 of the Revised Code, 860
regardless of whether the land is valued for tax purposes as 861
such land under sections 5713.30 to 5713.38 of the Revised Code. 862

If the trust is a pass-through entity investor, section 5747.231 863
of the Revised Code applies in ascertaining if the trust is 864
eligible to claim the deduction provided by division (S) (12) of 865
this section in connection with the pass-through entity's farm 866
income. 867

Except for farm income attributable to the S portion of an 868
electing small business trust, the deduction provided by 869
division (S) (12) of this section is allowed only to the extent 870
that the trust has not distributed such farm income. 871

(13) Add the net amount of income described in section 872
641(c) of the Internal Revenue Code to the extent that amount is 873
not included in federal taxable income. 874

(14) Deduct the amount the taxpayer would be required to 875
deduct under division (A) (18) of this section if the taxpayer's 876
Ohio taxable income ~~were~~was computed in the same manner as an 877
individual's Ohio adjusted gross income is computed under this 878
section. 879

(15) Add, to the extent not otherwise included in 880
computing taxable income or Ohio taxable income for any taxable 881
year, the taxpayer's proportionate share of the amount of the 882
tax levied under section 5747.38 of the Revised Code and paid by 883
an electing pass-through entity for the taxable year. 884

(16) Add any income taxes deducted in computing federal 885
taxable income or Ohio taxable income to the extent the income 886
taxes were derived from income subject to a tax levied in 887
another state or the District of Columbia when such tax was 888
enacted for purposes of complying with internal revenue service 889
notice 2020-75. 890

(T) "School district income" and "school district income 891

tax" have the same meanings as in section 5748.01 of the Revised Code. 892
893

(U) As used in divisions (A) (7), (A) (8), (S) (6), and (S) (7) of this section, "public obligations," "purchase obligations," and "interest or interest equivalent" have the same meanings as in section 5709.76 of the Revised Code. 894
895
896
897

(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. 898
899
900
901
902

(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. 903
904
905
906

(X) "Banking day" has the same meaning as in section 1304.01 of the Revised Code. 907
908

(Y) "Month" means a calendar month. 909

(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. 910
911
912

(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. 913
914
915
916

(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 917
918
919

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.

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

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

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

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

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

(i) The trust's modified business income;

(ii) The trust's qualifying investment income, as defined

in section 5747.012 of the Revised Code, but only to the extent 948
the qualifying investment income does not otherwise constitute 949
modified business income and does not otherwise constitute a 950
qualifying trust amount. 951

(b) The qualifying trust amount multiplied by a fraction, 952
the numerator of which is the sum of the book value of the 953
qualifying investee's physical assets in this state on the last 954
day of the qualifying investee's fiscal or calendar year ending 955
immediately prior to the day on which the trust recognizes the 956
qualifying trust amount, and the denominator of which is the sum 957
of the book value of the qualifying investee's total physical 958
assets everywhere on the last day of the qualifying investee's 959
fiscal or calendar year ending immediately prior to the day on 960
which the trust recognizes the qualifying trust amount. If, for 961
a taxable year, the trust recognizes a qualifying trust amount 962
with respect to more than one qualifying investee, the amount 963
described in division (AA) (4) (b) of this section shall equal the 964
sum of the products so computed for each such qualifying 965
investee. 966

(c) (i) With respect to a trust or portion of a trust that 967
is a resident as ascertained in accordance with division (I) (3) 968
(d) of this section, its modified nonbusiness income. 969

(ii) With respect to a trust or portion of a trust that is 970
not a resident as ascertained in accordance with division (I) (3) 971
(d) of this section, the amount of its modified nonbusiness 972
income satisfying the descriptions in divisions (B) (2) to (5) of 973
section 5747.20 of the Revised Code, except as otherwise 974
provided in division (AA) (4) (c) (ii) of this section. With 975
respect to a trust or portion of a trust that is not a resident 976
as ascertained in accordance with division (I) (3) (d) of this 977

section, the trust's portion of modified nonbusiness income 978
recognized from the sale, exchange, or other disposition of a 979
debt interest in or equity interest in a section 5747.212 980
entity, as defined in section 5747.212 of the Revised Code, 981
without regard to division (A) of that section, shall not be 982
allocated to this state in accordance with section 5747.20 of 983
the Revised Code but shall be apportioned to this state in 984
accordance with division (B) of section 5747.212 of the Revised 985
Code without regard to division (A) of that section. 986

If the allocation and apportionment of a trust's income 987
under divisions (AA) (4) (a) and (c) of this section do not fairly 988
represent the modified Ohio taxable income of the trust in this 989
state, the alternative methods described in division (C) of 990
section 5747.21 of the Revised Code may be applied in the manner 991
and to the same extent provided in that section. 992

(5) (a) Except as set forth in division (AA) (5) (b) of this 993
section, "qualifying investee" means a person in which a trust 994
has an equity or ownership interest, or a person or unit of 995
government the debt obligations of either of which are owned by 996
a trust. For the purposes of division (AA) (2) (a) of this section 997
and for the purpose of computing the fraction described in 998
division (AA) (4) (b) of this section, all of the following apply: 999

(i) If the qualifying investee is a member of a qualifying 1000
controlled group on the last day of the qualifying investee's 1001
fiscal or calendar year ending immediately prior to the date on 1002
which the trust recognizes the gain or loss, then "qualifying 1003
investee" includes all persons in the qualifying controlled 1004
group on such last day. 1005

(ii) If the qualifying investee, or if the qualifying 1006
investee and any members of the qualifying controlled group of 1007

which the qualifying investee is a member on the last day of the 1008
qualifying investee's fiscal or calendar year ending immediately 1009
prior to the date on which the trust recognizes the gain or 1010
loss, separately or cumulatively own, directly or indirectly, on 1011
the last day of the qualifying investee's fiscal or calendar 1012
year ending immediately prior to the date on which the trust 1013
recognizes the qualifying trust amount, more than fifty per cent 1014
of the equity of a pass-through entity, then the qualifying 1015
investee and the other members are deemed to own the 1016
proportionate share of the pass-through entity's physical assets 1017
which the pass-through entity directly or indirectly owns on the 1018
last day of the pass-through entity's calendar or fiscal year 1019
ending within or with the last day of the qualifying investee's 1020
fiscal or calendar year ending immediately prior to the date on 1021
which the trust recognizes the qualifying trust amount. 1022

(iii) For the purposes of division (AA) (5) (a) (iii) of this 1023
section, "upper level pass-through entity" means a pass-through 1024
entity directly or indirectly owning any equity of another pass- 1025
through entity, and "lower level pass-through entity" means that 1026
other pass-through entity. 1027

An upper level pass-through entity, whether or not it is 1028
also a qualifying investee, is deemed to own, on the last day of 1029
the upper level pass-through entity's calendar or fiscal year, 1030
the proportionate share of the lower level pass-through entity's 1031
physical assets that the lower level pass-through entity 1032
directly or indirectly owns on the last day of the lower level 1033
pass-through entity's calendar or fiscal year ending within or 1034
with the last day of the upper level pass-through entity's 1035
fiscal or calendar year. If the upper level pass-through entity 1036
directly and indirectly owns less than fifty per cent of the 1037
equity of the lower level pass-through entity on each day of the 1038

upper level pass-through entity's calendar or fiscal year in 1039
which or with which ends the calendar or fiscal year of the 1040
lower level pass-through entity and if, based upon clear and 1041
convincing evidence, complete information about the location and 1042
cost of the physical assets of the lower pass-through entity is 1043
not available to the upper level pass-through entity, then 1044
solely for purposes of ascertaining if a gain or loss 1045
constitutes a qualifying trust amount, the upper level pass- 1046
through entity shall be deemed as owning no equity of the lower 1047
level pass-through entity for each day during the upper level 1048
pass-through entity's calendar or fiscal year in which or with 1049
which ends the lower level pass-through entity's calendar or 1050
fiscal year. Nothing in division (AA) (5) (a) (iii) of this section 1051
shall be construed to provide for any deduction or exclusion in 1052
computing any trust's Ohio taxable income. 1053

(b) With respect to a trust that is not a resident for the 1054
taxable year and with respect to a part of a trust that is not a 1055
resident for the taxable year, "qualifying investee" for that 1056
taxable year does not include a C corporation if both of the 1057
following apply: 1058

(i) During the taxable year the trust or part of the trust 1059
recognizes a gain or loss from the sale, exchange, or other 1060
disposition of equity or ownership interests in, or debt 1061
obligations of, the C corporation. 1062

(ii) Such gain or loss constitutes nonbusiness income. 1063

(6) "Available" means information is such that a person is 1064
able to learn of the information by the due date plus 1065
extensions, if any, for filing the return for the taxable year 1066
in which the trust recognizes the gain or loss. 1067

(BB) "Qualifying controlled group" has the same meaning as	1068
in section 5733.04 of the Revised Code.	1069
(CC) "Related member" has the same meaning as in section	1070
5733.042 of the Revised Code.	1071
(DD) (1) For the purposes of division (DD) of this section:	1072
(a) "Qualifying person" means any person other than a	1073
qualifying corporation.	1074
(b) "Qualifying corporation" means any person classified	1075
for federal income tax purposes as an association taxable as a	1076
corporation, except either of the following:	1077
(i) A corporation that has made an election under	1078
subchapter S, chapter one, subtitle A, of the Internal Revenue	1079
Code for its taxable year ending within, or on the last day of,	1080
the investor's taxable year;	1081
(ii) A subsidiary that is wholly owned by any corporation	1082
that has made an election under subchapter S, chapter one,	1083
subtitle A of the Internal Revenue Code for its taxable year	1084
ending within, or on the last day of, the investor's taxable	1085
year.	1086
(2) For the purposes of this chapter, unless expressly	1087
stated otherwise, no qualifying person indirectly owns any asset	1088
directly or indirectly owned by any qualifying corporation.	1089
(EE) For purposes of this chapter and Chapter 5751. of the	1090
Revised Code:	1091
(1) "Trust" does not include a qualified pre-income tax	1092
trust.	1093
(2) A "qualified pre-income tax trust" is any pre-income	1094

tax trust that makes a qualifying pre-income tax trust election 1095
as described in division (EE) (3) of this section. 1096

(3) A "qualifying pre-income tax trust election" is an 1097
election by a pre-income tax trust to subject to the tax imposed 1098
by section 5751.02 of the Revised Code the pre-income tax trust 1099
and all pass-through entities of which the trust owns or 1100
controls, directly, indirectly, or constructively through 1101
related interests, five per cent or more of the ownership or 1102
equity interests. The trustee shall notify the tax commissioner 1103
in writing of the election on or before April 15, 2006. The 1104
election, if timely made, shall be effective on and after 1105
January 1, 2006, and shall apply for all tax periods and tax 1106
years until revoked by the trustee of the trust. 1107

(4) A "pre-income tax trust" is a trust that satisfies all 1108
of the following requirements: 1109

(a) The document or instrument creating the trust was 1110
executed by the grantor before January 1, 1972; 1111

(b) The trust became irrevocable upon the creation of the 1112
trust; and 1113

(c) The grantor was domiciled in this state at the time 1114
the trust was created. 1115

(FF) "Uniformed services" means all of the following: 1116

(1) "Armed forces of the United States" as defined in 1117
section 5907.01 of the Revised Code; 1118

(2) The commissioned corps of the national oceanic and 1119
atmospheric administration; 1120

(3) The commissioned corps of the public health service. 1121

(GG) "Taxable business income" means the amount by which 1122
an individual's business income that is included in federal 1123
adjusted gross income exceeds the amount of business income the 1124
individual is authorized to deduct under division (A) (28) of 1125
this section for the taxable year. 1126

(HH) "Employer" does not include a franchisor with respect 1127
to the franchisor's relationship with a franchisee or an 1128
employee of a franchisee, unless the franchisor agrees to assume 1129
that role in writing or a court of competent jurisdiction 1130
determines that the franchisor exercises a type or degree of 1131
control over the franchisee or the franchisee's employees that 1132
is not customarily exercised by a franchisor for the purpose of 1133
protecting the franchisor's trademark, brand, or both. For 1134
purposes of this division, "franchisor" and "franchisee" have 1135
the same meanings as in 16 C.F.R. 436.1. 1136

(II) "Modified adjusted gross income" means Ohio adjusted 1137
gross income plus any amount deducted under divisions (A) (28) 1138
and (34) of this section for the taxable year. 1139

(JJ) "Qualifying Ohio educator" means an individual who, 1140
for a taxable year, qualifies as an eligible educator, as that 1141
term is defined in section 62 of the Internal Revenue Code, and 1142
who holds a certificate, license, or permit described in Chapter 1143
3319. or section 3301.071 of the Revised Code. 1144

Sec. 5747.08. An annual return with respect to the tax 1145
imposed by section 5747.02 of the Revised Code and each tax 1146
imposed under Chapter 5748. of the Revised Code shall be made by 1147
every taxpayer for any taxable year for which the taxpayer is 1148
liable for the tax imposed by that section or under that 1149
chapter, unless the total credits allowed under division (E) of 1150
section 5747.05 and divisions (F) and (G) of section 5747.055 of 1151

the Revised Code for the year are equal to or exceed the tax 1152
imposed by section 5747.02 of the Revised Code, in which case no 1153
return shall be required unless the taxpayer is liable for a tax 1154
imposed pursuant to Chapter 5748. of the Revised Code. 1155

(A) If an individual is deceased, any return or notice 1156
required of that individual under this chapter shall be made and 1157
filed by that decedent's executor, administrator, or other 1158
person charged with the property of that decedent. 1159

(B) If an individual is unable to make a return or notice 1160
required by this chapter, the return or notice required of that 1161
individual shall be made and filed by the individual's duly 1162
authorized agent, guardian, conservator, fiduciary, or other 1163
person charged with the care of the person or property of that 1164
individual. 1165

(C) Returns or notices required of an estate or a trust 1166
shall be made and filed by the fiduciary of the estate or trust. 1167

(D) (1) (a) Except as otherwise provided in division (D) (1) 1168
(b) of this section, any pass-through entity may file a single 1169
return on behalf of one or more of the entity's investors other 1170
than an investor that is a person subject to the tax imposed 1171
under section 5733.06 of the Revised Code. The single return 1172
shall set forth the name, address, and social security number or 1173
other identifying number of each of those pass-through entity 1174
investors and shall indicate the distributive share of each of 1175
those pass-through entity investor's income taxable in this 1176
state in accordance with sections 5747.20 to 5747.231 of the 1177
Revised Code. Such pass-through entity investors for whom the 1178
pass-through entity elects to file a single return are not 1179
entitled to the exemption or credit provided for by sections 1180
5747.02 and 5747.022 of the Revised Code; shall calculate the 1181

tax before business credits at the highest rate of tax set forth 1182
in section 5747.02 of the Revised Code for the taxable year for 1183
which the return is filed; and are entitled to only their 1184
distributive share of the business credits as defined in 1185
division (D) (2) of this section. A single check drawn by the 1186
pass-through entity shall accompany the return in full payment 1187
of the tax due, as shown on the single return, for such 1188
investors, other than investors who are persons subject to the 1189
tax imposed under section 5733.06 of the Revised Code. 1190

(b) (i) A pass-through entity shall not include in such a 1191
single return any investor that is a trust to the extent that 1192
any direct or indirect current, future, or contingent 1193
beneficiary of the trust is a person subject to the tax imposed 1194
under section 5733.06 of the Revised Code. 1195

(ii) A pass-through entity shall not include in such a 1196
single return any investor that is itself a pass-through entity 1197
to the extent that any direct or indirect investor in the second 1198
pass-through entity is a person subject to the tax imposed under 1199
section 5733.06 of the Revised Code. 1200

(c) Except as provided by division (L) of this section, 1201
nothing in division (D) of this section precludes the tax 1202
commissioner from requiring such investors to file the return 1203
and make the payment of taxes and related interest, penalty, and 1204
interest penalty required by this section or section 5747.02, 1205
5747.09, or 5747.15 of the Revised Code. Nothing in division (D) 1206
of this section precludes such an investor from filing the 1207
annual return under this section, utilizing the refundable 1208
credit equal to the investor's proportionate share of the tax 1209
paid by the pass-through entity on behalf of the investor under 1210
division (I) of this section, and making the payment of taxes 1211

imposed under section 5747.02 of the Revised Code. Nothing in 1212
division (D) of this section shall be construed to provide to 1213
such an investor or pass-through entity any additional deduction 1214
or credit, other than the credit provided by division (I) of 1215
this section, solely on account of the entity's filing a return 1216
in accordance with this section. Such a pass-through entity also 1217
shall make the filing and payment of estimated taxes on behalf 1218
of the pass-through entity investors other than an investor that 1219
is a person subject to the tax imposed under section 5733.06 of 1220
the Revised Code. 1221

(2) For the purposes of this section, "business credits" 1222
means the credits listed in section 5747.98 of the Revised Code 1223
excluding the following credits: 1224

(a) The retirement income credit under division (B) of 1225
section 5747.055 of the Revised Code; 1226

(b) The senior citizen credit under division (F) of 1227
section 5747.055 of the Revised Code; 1228

(c) The lump sum distribution credit under division (G) of 1229
section 5747.055 of the Revised Code; 1230

(d) The dependent care credit under section 5747.054 of 1231
the Revised Code; 1232

(e) The lump sum retirement income credit under division 1233
(C) of section 5747.055 of the Revised Code; 1234

(f) The lump sum retirement income credit under division 1235
(D) of section 5747.055 of the Revised Code; 1236

(g) The lump sum retirement income credit under division 1237
(E) of section 5747.055 of the Revised Code; 1238

(h) The credit for displaced workers who pay for job 1239

training under section 5747.27 of the Revised Code;	1240
(i) The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;	1241 1242
(j) The joint filing credit under division (E) of section 5747.05 of the Revised Code;	1243 1244
(k) The nonresident credit under division (A) of section 5747.05 of the Revised Code;	1245 1246
(l) The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	1247 1248
(m) The earned income tax credit under section 5747.71 of the Revised Code;	1249 1250
(n) The lead abatement credit under section 5747.26 of the Revised Code;	1251 1252
(o) The credit for education expenses under section 5747.72 of the Revised Code;	1253 1254
(p) The credit for tuition paid to a nonchartered nonpublic school under section 5747.75 of the Revised Code;	1255 1256
<u>(q) The thriving families tax credit under section 5747.36 of the Revised Code.</u>	1257 1258
(3) The election provided for under division (D) of this section applies only to the taxable year for which the election is made by the pass-through entity. Unless the tax commissioner provides otherwise, this election, once made, is binding and irrevocable for the taxable year for which the election is made. Nothing in this division shall be construed to provide for any deduction or credit that would not be allowable if a nonresident pass-through entity investor were to file an annual return.	1259 1260 1261 1262 1263 1264 1265 1266

(4) If a pass-through entity makes the election provided 1267
for under division (D) of this section, the pass-through entity 1268
shall be liable for any additional taxes, interest, interest 1269
penalty, or penalties imposed by this chapter if the tax 1270
commissioner finds that the single return does not reflect the 1271
correct tax due by the pass-through entity investors covered by 1272
that return. Nothing in this division shall be construed to 1273
limit or alter the liability, if any, imposed on pass-through 1274
entity investors for unpaid or underpaid taxes, interest, 1275
interest penalty, or penalties as a result of the pass-through 1276
entity's making the election provided for under division (D) of 1277
this section. For the purposes of division (D) of this section, 1278
"correct tax due" means the tax that would have been paid by the 1279
pass-through entity had the single return been filed in a manner 1280
reflecting the commissioner's findings. Nothing in division (D) 1281
of this section shall be construed to make or hold a pass- 1282
through entity liable for tax attributable to a pass-through 1283
entity investor's income from a source other than the pass- 1284
through entity electing to file the single return. 1285

(E) If a husband and wife file a joint federal income tax 1286
return for a taxable year, they shall file a joint return under 1287
this section for that taxable year, and their liabilities are 1288
joint and several, but, if the federal income tax liability of 1289
either spouse is determined on a separate federal income tax 1290
return, they shall file separate returns under this section. 1291

If either spouse is not required to file a federal income 1292
tax return and either or both are required to file a return 1293
pursuant to this chapter, they may elect to file separate or 1294
joint returns, and, pursuant to that election, their liabilities 1295
are separate or joint and several. If a husband and wife file 1296
separate returns pursuant to this chapter, each must claim the 1297

taxpayer's own exemption, but not both, as authorized under 1298
section 5747.02 of the Revised Code on the taxpayer's own 1299
return. 1300

(F) Each return or notice required to be filed under this 1301
section shall contain the signature of the taxpayer or the 1302
taxpayer's duly authorized agent and of the person who prepared 1303
the return for the taxpayer, and shall include the taxpayer's 1304
social security number. Each return shall be verified by a 1305
declaration under the penalties of perjury. The tax commissioner 1306
shall prescribe the form that the signature and declaration 1307
shall take. 1308

(G) Each return or notice required to be filed under this 1309
section shall be made and filed as required by section 5747.04 1310
of the Revised Code, on or before the fifteenth day of April of 1311
each year, on forms that the tax commissioner shall prescribe, 1312
together with remittance made payable to the treasurer of state 1313
in the combined amount of the state and all school district 1314
income taxes shown to be due on the form. 1315

Upon good cause shown, the commissioner may extend the 1316
period for filing any notice or return required to be filed 1317
under this section and may adopt rules relating to extensions. 1318
If the extension results in an extension of time for the payment 1319
of any state or school district income tax liability with 1320
respect to which the return is filed, the taxpayer shall pay at 1321
the time the tax liability is paid an amount of interest 1322
computed at the rate per annum prescribed by section 5703.47 of 1323
the Revised Code on that liability from the time that payment is 1324
due without extension to the time of actual payment. Except as 1325
provided in section 5747.132 of the Revised Code, in addition to 1326
all other interest charges and penalties, all taxes imposed 1327

under this chapter or Chapter 5748. of the Revised Code and 1328
remaining unpaid after they become due, except combined amounts 1329
due of one dollar or less, bear interest at the rate per annum 1330
prescribed by section 5703.47 of the Revised Code until paid or 1331
until the day an assessment is issued under section 5747.13 of 1332
the Revised Code, whichever occurs first. 1333

If the commissioner considers it necessary in order to 1334
ensure the payment of the tax imposed by section 5747.02 of the 1335
Revised Code or any tax imposed under Chapter 5748. of the 1336
Revised Code, the commissioner may require returns and payments 1337
to be made otherwise than as provided in this section. 1338

To the extent that any provision in this division 1339
conflicts with any provision in section 5747.026 of the Revised 1340
Code, the provision in that section prevails. 1341

(H) The amounts withheld pursuant to section 5747.06, 1342
5747.062, 5747.063, 5747.064, 5747.065, or 5747.071 of the 1343
Revised Code shall be allowed to the ultimate recipient of the 1344
income as credits against payment of the appropriate taxes 1345
imposed on the ultimate recipient by section 5747.02 and under 1346
Chapter 5748. of the Revised Code. As used in this division, 1347
"ultimate recipient" means the person who is required to report 1348
income from which amounts are withheld pursuant to section 1349
5747.06, 5747.062, 5747.063, 5747.064, 5747.065, or 5747.071 of 1350
the Revised Code on the annual return required to be filed under 1351
this section. 1352

(I) If a pass-through entity elects to file a single 1353
return under division (D) of this section and if any investor is 1354
required to file the annual return and make the payment of taxes 1355
required by this chapter on account of the investor's other 1356
income that is not included in a single return filed by a pass- 1357

through entity or any other investor elects to file the annual 1358
return, the investor is entitled to a refundable credit equal to 1359
the investor's proportionate share of the tax paid by the pass- 1360
through entity on behalf of the investor. The investor shall 1361
claim the credit for the investor's taxable year in which or 1362
with which ends the taxable year of the pass-through entity. 1363
Nothing in this chapter shall be construed to allow any credit 1364
provided in this chapter to be claimed more than once. For the 1365
purpose of computing any interest, penalty, or interest penalty, 1366
the investor shall be deemed to have paid the refundable credit 1367
provided by this division on the day that the pass-through 1368
entity paid the estimated tax or the tax giving rise to the 1369
credit. 1370

(J) The tax commissioner shall ensure that each return 1371
required to be filed under this section includes a box that the 1372
taxpayer may check to authorize a paid tax preparer who prepared 1373
the return to communicate with the department of taxation about 1374
matters pertaining to the return. The return or instructions 1375
accompanying the return shall indicate that by checking the box 1376
the taxpayer authorizes the department of taxation to contact 1377
the preparer concerning questions that arise during the 1378
processing of the return and authorizes the preparer only to 1379
provide the department with information that is missing from the 1380
return, to contact the department for information about the 1381
processing of the return or the status of the taxpayer's refund 1382
or payments, and to respond to notices about mathematical 1383
errors, offsets, or return preparation that the taxpayer has 1384
received from the department and has shown to the preparer. 1385

(K) The tax commissioner shall permit individual taxpayers 1386
to instruct the department of taxation to cause any refund of 1387
overpaid taxes to be deposited directly into a checking account, 1388

savings account, or an individual retirement account or 1389
individual retirement annuity, or preexisting college savings 1390
plan or program account offered by the Ohio tuition trust 1391
authority under Chapter 3334. of the Revised Code, as designated 1392
by the taxpayer, when the taxpayer files the annual return 1393
required by this section electronically. 1394

(L) If, for the taxable year, a nonresident or trust that 1395
is the owner of an electing pass-through entity, as defined in 1396
section 5747.38 of the Revised Code, does not have Ohio adjusted 1397
gross income or, in the case of a trust, modified Ohio taxable 1398
income other than from one or more electing pass-through 1399
entities, the nonresident or trust shall not be required to file 1400
an annual return under this section. Nothing in this division 1401
precludes such an owner from filing the annual return under this 1402
section, utilizing the refundable credit under section 5747.39 1403
of the Revised Code equal to the owner's proportionate share of 1404
the tax levied under section 5747.38 of the Revised Code and 1405
paid by the electing pass-through entity, and making the payment 1406
of taxes imposed under section 5747.02 of the Revised Code. 1407

(M) The tax commissioner may adopt rules to administer 1408
this section. 1409

Sec. 5747.36. (A) As used in this section: 1410

(1) "Qualifying child" means an individual who is a 1411
dependent of the taxpayer and who is less than eighteen years of 1412
age on the last day of the taxpayer's taxable year. 1413

(2) "Household" means any dwelling unit, including a unit 1414
in a multiple unit dwelling, a manufactured home, or a mobile 1415
home. 1416

(3) "Household income" means the sum of the federal 1417

adjusted gross income of a taxpayer and all other occupants of 1418
the taxpayer's household other than qualifying children or any 1419
other individuals eligible to be claimed as a dependent for 1420
federal income tax purposes for the taxable year. 1421

(B) (1) There is hereby granted a refundable credit, to be 1422
known as the thriving families tax credit, against the aggregate 1423
tax liability, under section 5747.02 of the Revised Code, of a 1424
taxpayer who is an individual with one or more qualifying 1425
children and who has a household income for the taxable year 1426
that does not exceed eighty-five thousand dollars. Except as 1427
provided in division (B) (2) of this section, the amount of the 1428
credit shall equal one thousand dollars for each of the 1429
taxpayer's qualifying children who is less than six years of age 1430
on the last day of the taxpayer's taxable year or five hundred 1431
dollars for each other qualifying child. 1432

(2) The credit amounts described in division (B) (1) of 1433
this section shall be reduced by one-twentieth of that amount 1434
for each one thousand dollars of a taxpayer's annual household 1435
income in excess of sixty-five thousand dollars. 1436

(3) The tax commissioner may request that a taxpayer 1437
claiming a credit under this section furnish information as is 1438
necessary to support the claim for the credit under this 1439
section, and no credit shall be allowed unless the requested 1440
information is provided. 1441

(C) The taxpayer shall claim the credit in the order 1442
required under section 5747.98 of the Revised Code. If the 1443
credit allowed for any taxable year exceeds the aggregate amount 1444
of tax otherwise due under section 5747.02 of the Revised Code, 1445
after allowing for any other credits preceding the credit in 1446
that order, the excess shall be refunded to the taxpayer in 1447

twelve equal payments to be paid on or before the last day of 1448
each calendar month beginning after the filing date. 1449

Sec. 5747.98. (A) To provide a uniform procedure for 1450
calculating a taxpayer's aggregate tax liability under section 1451
5747.02 of the Revised Code, a taxpayer shall claim any credits 1452
to which the taxpayer is entitled in the following order: 1453

Either the retirement income credit under division (B) of 1454
section 5747.055 of the Revised Code or the lump sum retirement 1455
income credits under divisions (C), (D), and (E) of that 1456
section; 1457

Either the senior citizen credit under division (F) of 1458
section 5747.055 of the Revised Code or the lump sum 1459
distribution credit under division (G) of that section; 1460

The dependent care credit under section 5747.054 of the 1461
Revised Code; 1462

The credit for displaced workers who pay for job training 1463
under section 5747.27 of the Revised Code; 1464

The campaign contribution credit under section 5747.29 of 1465
the Revised Code; 1466

The twenty-dollar personal exemption credit under section 1467
5747.022 of the Revised Code; 1468

The joint filing credit under division ~~(G)~~(E) of section 1469
5747.05 of the Revised Code; 1470

The earned income credit under section 5747.71 of the 1471
Revised Code; 1472

The nonrefundable credit for education expenses under 1473
section 5747.72 of the Revised Code; 1474

The nonrefundable credit for donations to scholarship granting organizations under section 5747.73 of the Revised Code;	1475 1476 1477
The nonrefundable credit for tuition paid to a nonchartered nonpublic school under section 5747.75 of the Revised Code;	1478 1479 1480
The nonrefundable vocational job credit under section 5747.057 of the Revised Code;	1481 1482
The nonrefundable job retention credit under division (B) of section 5747.058 of the Revised Code;	1483 1484
The enterprise zone credit under section 5709.66 of the Revised Code;	1485 1486
The credit for beginning farmers who participate in a financial management program under division (B) of section 5747.77 of the Revised Code;	1487 1488 1489
The credit for commercial vehicle operator training expenses under section 5747.82 of the Revised Code;	1490 1491
The nonrefundable welcome home Ohio (WHO) program credit under section 122.633 of the Revised Code;	1492 1493
The credit for selling or renting agricultural assets to beginning farmers under division (A) of section 5747.77 of the Revised Code;	1494 1495 1496
The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	1497 1498
The small business investment credit under section 5747.81 of the Revised Code;	1499 1500
The nonrefundable lead abatement credit under section	1501

5747.26 of the Revised Code;	1502
The opportunity zone investment credit under section	1503
5747.86 of the Revised Code;	1504
The enterprise zone credits under section 5709.65 of the	1505
Revised Code;	1506
The research and development credit under section 5747.331	1507
of the Revised Code;	1508
The credit for rehabilitating a historic building under	1509
section 5747.76 of the Revised Code;	1510
The nonrefundable Ohio low-income housing tax credit under	1511
section 5747.83 of the Revised Code;	1512
The nonrefundable affordable single-family home credit	1513
under section 5747.84 of the Revised Code;	1514
The nonresident credit under division (A) of section	1515
5747.05 of the Revised Code;	1516
The credit for a resident's out-of-state income under	1517
division (B) of section 5747.05 of the Revised Code;	1518
The refundable motion picture and Broadway theatrical	1519
production credit under section 5747.66 of the Revised Code;	1520
The refundable credit for film and theater capital	1521
improvement projects under section 5747.67 of the Revised Code;	1522
The refundable jobs creation credit or job retention	1523
credit under division (A) of section 5747.058 of the Revised	1524
Code;	1525
The refundable credit for taxes paid by a qualifying	1526
entity granted under section 5747.059 of the Revised Code;	1527

The refundable credits for taxes paid by a qualifying
pass-through entity granted under division (I) of section
5747.08 of the Revised Code;

The refundable credit under section 5747.80 of the Revised
Code for losses on loans made to the Ohio venture capital
program under sections 150.01 to 150.10 of the Revised Code;

The refundable credit for rehabilitating a historic
building under section 5747.76 of the Revised Code;

The refundable credit under section 5747.39 of the Revised
Code for taxes levied under section 5747.38 of the Revised Code
paid by an electing pass-through entity;

The refundable thriving families tax credit under section
5747.36 of the Revised Code.

(B) For any credit, except the refundable credits
enumerated in this section and the credit granted under division
(H) of section 5747.08 of the Revised Code, the amount of the
credit for a taxable year shall not exceed the taxpayer's
aggregate amount of tax due under section 5747.02 of the Revised
Code, after allowing for any other credit that precedes it in
the order required under this section. Any excess amount of a
particular credit may be carried forward if authorized under the
section creating that credit. Nothing in this chapter shall be
construed to allow a taxpayer to claim, directly or indirectly,
a credit more than once for a taxable year.

Section 2. That existing sections 5747.01, 5747.08, and
5747.98 of the Revised Code are hereby repealed.

Section 3. The amendment or enactment by this act of
sections 5747.01 and 5747.36 of the Revised Code applies to
taxable years ending on or after the effective date of this

section. 1557

Section 4. Section 5747.01 of the Revised Code is 1558
presented in this act as a composite of the section as amended 1559
by both H.B. 101 and S.B. 154 of the 135th General Assembly. The 1560
General Assembly, applying the principle stated in division (B) 1561
of section 1.52 of the Revised Code that amendments are to be 1562
harmonized if reasonably capable of simultaneous operation, 1563
finds that the composite is the resulting version of the section 1564
in effect prior to the effective date of the section as 1565
presented in this act. 1566