

As Introduced

136th General Assembly

Regular Session

2025-2026

H. B. No. 167

Representative White, A.

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A BILL

To amend sections 5725.98, 5726.98, 5729.98, 1  
5747.98, and 5751.98 and to enact sections 2  
5725.39, 5726.62, 5727.242, 5727.301, 5729.22, 3  
5736.51, 5747.87, and 5751.56 of the Revised 4  
Code to authorize nonrefundable tax credits for 5  
certain employer-provided child care 6  
expenditures. 7

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

**Section 1.** That sections 5725.98, 5726.98, 5729.98, 8  
5747.98, and 5751.98 be amended and sections 5725.39, 5726.62, 9  
5727.242, 5727.301, 5729.22, 5736.51, 5747.87, and 5751.56 of 10  
the Revised Code be enacted to read as follows: 11

**Sec. 5725.39.** (A) As used in this section, "tax credit 12  
certificate" has the same meaning as in section 5751.56 of the 13  
Revised Code. 14

(B) A domestic insurance company issued a tax credit 15  
certificate authorizing the company to claim a credit against 16  
the tax levied under section 5725.18 of the Revised Code may 17  
claim a credit against that tax equal to the amount stated in 18  
the certificate. The credit shall be claimed for the calendar 19

year preceding the year the certificate was issued and in the 20  
order required by section 5725.98 of the Revised Code. Any 21  
credit amount in excess of the company's tax liability, after 22  
allowing for any other credits preceding the credit in that 23  
order, may be carried forward for not more than five ensuing 24  
years, but the amount of the excess credit claimed against the 25  
tax for any year shall be deducted from the balance carried 26  
forward to the next year. 27

**Sec. 5725.98.** (A) To provide a uniform procedure for 28  
calculating the amount of tax imposed by section 5725.18 of the 29  
Revised Code that is due under this chapter, a taxpayer shall 30  
claim any credits and offsets against tax liability to which it 31  
is entitled in the following order: 32

The credit for an insurance company or insurance company 33  
group under section 5729.031 of the Revised Code; 34

The credit for eligible employee training costs under 35  
section 5725.31 of the Revised Code; 36

The credit for purchasers of qualified low-income 37  
community investments under section 5725.33 of the Revised Code; 38

The nonrefundable job retention credit under division (B) 39  
of section 122.171 of the Revised Code; 40

The nonrefundable credit for investments in rural business 41  
growth funds under section 122.152 of the Revised Code; 42

The nonrefundable Ohio low-income housing tax credit under 43  
section 5725.36 of the Revised Code; 44

The nonrefundable affordable single-family home credit 45  
under section 5725.37 of the Revised Code; 46

The nonrefundable credit for contributing capital to a 47

transformational mixed use development project under section 48  
5725.35 of the Revised Code; 49

The nonrefundable credit for employer-provided child care 50  
expenses under section 5725.39 of the Revised Code; 51

The offset of assessments by the Ohio life and health 52  
insurance guaranty association permitted by section 3956.20 of 53  
the Revised Code; 54

The refundable credit for rehabilitating a historic 55  
building under section 5725.34 of the Revised Code; 56

The refundable credit for Ohio job retention under former 57  
division (B) (2) or (3) of section 122.171 of the Revised Code as 58  
those divisions existed before September 29, 2015, the effective 59  
date of the amendment of this section by H.B. 64 of the 131st 60  
general assembly; 61

The refundable credit for Ohio job creation under section 62  
5725.32 of the Revised Code; 63

The refundable credit under section 5725.19 of the Revised 64  
Code for losses on loans made under the Ohio venture capital 65  
program under sections 150.01 to 150.10 of the Revised Code. 66

(B) For any credit except the refundable credits 67  
enumerated in this section, the amount of the credit for a 68  
taxable year shall not exceed the tax due after allowing for any 69  
other credit that precedes it in the order required under this 70  
section. Any excess amount of a particular credit may be carried 71  
forward if authorized under the section creating that credit. 72  
Nothing in this chapter shall be construed to allow a taxpayer 73  
to claim, directly or indirectly, a credit more than once for a 74  
taxable year. 75

**Sec. 5726.62.** (A) As used in this section, "tax credit 76  
certificate" has the same meaning as in section 5751.56 of the 77  
Revised Code. 78

(B) A taxpayer issued a tax credit certificate authorizing 79  
the taxpayer to claim a credit against the tax levied under 80  
section 5726.02 of the Revised Code may claim a credit against 81  
that tax equal to the amount stated in the certificate. The 82  
credit shall be claimed for the taxable year preceding the year 83  
in which the certificate is issued and in the order required by 84  
section 5726.98 of the Revised Code. Any credit amount in excess 85  
of the taxpayer's tax liability, after allowing for any other 86  
credits preceding the credit in that order, may be carried 87  
forward for not more than five ensuing years, but the amount of 88  
the excess credit claimed against the tax for any year shall be 89  
deducted from the balance carried forward to the next year. 90

**Sec. 5726.98.** (A) To provide a uniform procedure for 91  
calculating the amount of tax due under section 5726.02 of the 92  
Revised Code, a taxpayer shall claim any credits to which the 93  
taxpayer is entitled under this chapter in the following order: 94

The nonrefundable job retention credit under division (B) 95  
of section 5726.50 of the Revised Code; 96

The nonrefundable credit for purchases of qualified low- 97  
income community investments under section 5726.54 of the 98  
Revised Code; 99

The nonrefundable credit for qualified research expenses 100  
under section 5726.56 of the Revised Code; 101

The nonrefundable credit for qualifying dealer in 102  
intangibles taxes under section 5726.57 of the Revised Code; 103

The nonrefundable Ohio low-income housing tax credit under 104

section 5726.58 of the Revised Code;	105
The nonrefundable affordable single-family home credit	106
under section 5726.60 of the Revised Code;	107
The nonrefundable welcome home Ohio (WHO) program credit	108
under section 122.633 of the Revised Code;	109
<u>The nonrefundable credit for employer-provided child care</u>	110
<u>expenses under section 5726.62 of the Revised Code;</u>	111
The refundable credit for rehabilitating an historic	112
building under section 5726.52 of the Revised Code;	113
The refundable job retention or job creation credit under	114
division (A) of section 5726.50 of the Revised Code;	115
The refundable credit under section 5726.53 of the Revised	116
Code for losses on loans made under the Ohio venture capital	117
program under sections 150.01 to 150.10 of the Revised Code;	118
The refundable motion picture and Broadway theatrical	119
production credit under section 5726.55 of the Revised Code;	120
The refundable credit for film and theater capital	121
improvement projects under section 5726.59 of the Revised Code.	122
(B) For any credit except the refundable credits	123
enumerated in this section, the amount of the credit for a	124
taxable year shall not exceed the tax due after allowing for any	125
other credit that precedes it in the order required under this	126
section. Any excess amount of a particular credit may be carried	127
forward if authorized under the section creating that credit.	128
Nothing in this chapter shall be construed to allow a taxpayer	129
to claim, directly or indirectly, a credit more than once for a	130
taxable year.	131

Sec. 5727.242. (A) As used in this section:

(1) "Tax credit certificate" has the same meaning as in  
section 5751.56 of the Revised Code.

(2) "Taxpayer" means any person subject to the tax levied  
under section 5727.24 of the Revised Code.

(B) A taxpayer issued a tax credit certificate authorizing  
the taxpayer to claim a credit against the tax levied under  
section 5727.24 of the Revised Code may claim a credit against  
that tax equal to the amount stated in the certificate. The  
credit shall be claimed on the first return due under section  
5727.25 of the Revised Code after the certificate is issued and  
after the credits authorized in sections 5727.241 and 5727.29 of  
the Revised Code. Any credit amount in excess of the taxpayer's  
tax liability, after allowing for any other credits preceding  
the credit in that order, may be carried forward for not more  
than five ensuing years, but the amount of the excess credit  
claimed against the tax for any year shall be deducted from the  
balance carried forward to the next year.

Sec. 5727.301. (A) As used in this section:

(1) "Tax credit certificate" has the same meaning as in  
section 5751.56 of the Revised Code.

(2) "Taxpayer" means any person subject to the tax levied  
under section 5727.30 of the Revised Code.

(B) A taxpayer issued a tax credit certificate authorizing  
the taxpayer to claim a credit against the tax levied under  
section 5727.30 of the Revised Code may claim a credit against  
that tax equal to the amount stated in the certificate. The  
credit shall be claimed on the first report due under section  
5727.31 of the Revised Code after the certificate is issued and

after the credit authorized in section 5727.29 of the Revised 161  
Code. Any credit amount in excess of the taxpayer's tax 162  
liability, after allowing for the preceding credit, may be 163  
carried forward for not more than five ensuing years, but the 164  
amount of the excess credit claimed against the tax for any year 165  
shall be deducted from the balance carried forward to the next 166  
year. 167

**Sec. 5729.22.** (A) As used in this section, "tax credit 168  
certificate" has the same meaning as in section 5751.56 of the 169  
Revised Code. 170

(B) A foreign insurance company issued a tax credit 171  
certificate authorizing the company to claim a credit against 172  
the tax levied under section 5729.03 of the Revised Code may 173  
claim a credit against that tax equal to the amount stated in 174  
the certificate. The credit shall be claimed for the calendar 175  
year preceding the year in which the certificate is issued and 176  
in the order required by section 5729.98 of the Revised Code. 177  
Any credit amount in excess of the company's tax liability, 178  
after allowing for any other credits preceding the credit in 179  
that order, may be carried forward for not more than five 180  
ensuing years, but the amount of the excess credit claimed 181  
against the tax for any year shall be deducted from the balance 182  
carried forward to the next year. 183

(C) A foreign insurance company shall not be required to 184  
pay any additional tax levied under section 5729.06 of the 185  
Revised Code as a result of claiming the tax credit authorized 186  
under this section. 187

**Sec. 5729.98.** (A) To provide a uniform procedure for 188  
calculating the amount of tax due under this chapter, a taxpayer 189  
shall claim any credits and offsets against tax liability to 190

which it is entitled in the following order:	191
The credit for an insurance company or insurance company	192
group under section 5729.031 of the Revised Code;	193
The credit for eligible employee training costs under	194
section 5729.07 of the Revised Code;	195
The credit for purchases of qualified low-income community	196
investments under section 5729.16 of the Revised Code;	197
The nonrefundable job retention credit under division (B)	198
of section 122.171 of the Revised Code;	199
The nonrefundable credit for investments in rural business	200
growth funds under section 122.152 of the Revised Code;	201
The nonrefundable Ohio low-income housing tax credit under	202
section 5729.19 of the Revised Code;	203
The nonrefundable affordable single-family home credit	204
under section 5729.20 of the Revised Code;	205
The nonrefundable credit for contributing capital to a	206
transformational mixed use development project under section	207
5729.18 of the Revised Code;	208
<u>The nonrefundable credit for employer-provided child care</u>	209
<u>expenses under section 5729.22 of the Revised Code;</u>	210
The offset of assessments by the Ohio life and health	211
insurance guaranty association against tax liability permitted	212
by section 3956.20 of the Revised Code;	213
The refundable credit for rehabilitating a historic	214
building under section 5729.17 of the Revised Code;	215
The refundable credit for Ohio job retention under former	216
division (B) (2) or (3) of section 122.171 of the Revised Code as	217



those divisions existed before September 29, 2015, the effective 218  
date of the amendment of this section by H.B. 64 of the 131st 219  
general assembly; 220

The refundable credit for Ohio job creation under section 221  
5729.032 of the Revised Code; 222

The refundable credit under section 5729.08 of the Revised 223  
Code for losses on loans made under the Ohio venture capital 224  
program under sections 150.01 to 150.10 of the Revised Code. 225

(B) For any credit except the refundable credits 226  
enumerated in this section, the amount of the credit for a 227  
taxable year shall not exceed the tax due after allowing for any 228  
other credit that precedes it in the order required under this 229  
section. Any excess amount of a particular credit may be carried 230  
forward if authorized under the section creating that credit. 231  
Nothing in this chapter shall be construed to allow a taxpayer 232  
to claim, directly or indirectly, a credit more than once for a 233  
taxable year. 234

Sec. 5736.51. (A) As used in this section, "tax credit 235  
certificate" has the same meaning as in section 5751.56 of the 236  
Revised Code. 237

(B) A taxpayer issued a tax credit certificate authorizing 238  
the taxpayer to claim a credit against the tax levied under 239  
section 5736.02 of the Revised Code may claim a credit against 240  
that tax equal to the amount stated in the certificate. The 241  
credit shall be claimed for the tax period preceding the tax 242  
period in which the certificate is issued and after any credit 243  
authorized in section 5736.50 of the Revised Code. Any credit 244  
amount in excess of the taxpayer's tax liability may be carried 245  
forward for not more than five ensuing years, but the amount of 246

the excess credit claimed against the tax for any year shall be 247  
deducted from the balance carried forward to the next year. 248

**Sec. 5747.87.** (A) As used in this section, "tax credit 249  
certificate" has the same meaning as in section 5751.56 of the 250  
Revised Code. 251

(B) There is allowed a refundable credit against a 252  
taxpayer's aggregate tax liability under section 5747.02 of the 253  
Revised Code equal to the amount stated in a tax credit 254  
certificate, to the extent the certificate authorizes the credit 255  
to be claimed against that tax liability. The credit shall be 256  
claimed for the taxable year preceding the taxable year in which 257  
the certificate is issued and in the order required by section 258  
5747.98 of the Revised Code. Any credit amount in excess of the 259  
taxpayer's tax liability, after allowing for any other credits 260  
preceding the credit in that order, may be carried forward for 261  
not more than five ensuing years, but the amount of the excess 262  
credit claimed against the tax for any year shall be deducted 263  
from the balance carried forward to the next year. 264

Nothing in this section limits or disallows pass-through 265  
treatment of the credit if the person to which the certificate 266  
is issued is a pass-through entity. 267

**Sec. 5747.98.** (A) To provide a uniform procedure for 268  
calculating a taxpayer's aggregate tax liability under section 269  
5747.02 of the Revised Code, a taxpayer shall claim any credits 270  
to which the taxpayer is entitled in the following order: 271

Either the retirement income credit under division (B) of 272  
section 5747.055 of the Revised Code or the lump sum retirement 273  
income credits under divisions (C), (D), and (E) of that 274  
section; 275

Either the senior citizen credit under division (F) of	276
section 5747.055 of the Revised Code or the lump sum	277
distribution credit under division (G) of that section;	278
 The dependent care credit under section 5747.054 of the	279
Revised Code;	280
 The credit for displaced workers who pay for job training	281
under section 5747.27 of the Revised Code;	282
 The campaign contribution credit under section 5747.29 of	283
the Revised Code;	284
 The twenty-dollar personal exemption credit under section	285
5747.022 of the Revised Code;	286
 The joint filing credit under division <del>(G)</del> <u>(E)</u> of section	287
5747.05 of the Revised Code;	288
 The earned income credit under section 5747.71 of the	289
Revised Code;	290
 The nonrefundable credit for education expenses under	291
section 5747.72 of the Revised Code;	292
 The nonrefundable credit for donations to scholarship	293
granting organizations under section 5747.73 of the Revised	294
Code;	295
 The nonrefundable credit for tuition paid to a	296
nonchartered nonpublic school under section 5747.75 of the	297
Revised Code;	298
 The nonrefundable vocational job credit under section	299
5747.057 of the Revised Code;	300
 The nonrefundable job retention credit under division (B)	301
of section 5747.058 of the Revised Code;	302

The enterprise zone credit under section 5709.66 of the Revised Code;	303 304
The credit for beginning farmers who participate in a financial management program under division (B) of section 5747.77 of the Revised Code;	305 306 307
The credit for commercial vehicle operator training expenses under section 5747.82 of the Revised Code;	308 309
The nonrefundable welcome home Ohio (WHO) program credit under section 122.633 of the Revised Code;	310 311
<u>The nonrefundable credit for employer-provided child care expenses under section 5747.87 of the Revised Code;</u>	312 313
The credit for selling or renting agricultural assets to beginning farmers under division (A) of section 5747.77 of the Revised Code;	314 315 316
The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	317 318
The small business investment credit under section 5747.81 of the Revised Code;	319 320
The nonrefundable lead abatement credit under section 5747.26 of the Revised Code;	321 322
The opportunity zone investment credit under section 122.84 of the Revised Code;	323 324
The enterprise zone credits under section 5709.65 of the Revised Code;	325 326
The research and development credit under section 5747.331 of the Revised Code;	327 328
The credit for rehabilitating a historic building under	329

section 5747.76 of the Revised Code;	330
The nonrefundable Ohio low-income housing tax credit under	331
section 5747.83 of the Revised Code;	332
The nonrefundable affordable single-family home credit	333
under section 5747.84 of the Revised Code;	334
The nonresident credit under division (A) of section	335
5747.05 of the Revised Code;	336
The credit for a resident's out-of-state income under	337
division (B) of section 5747.05 of the Revised Code;	338
The refundable motion picture and Broadway theatrical	339
production credit under section 5747.66 of the Revised Code;	340
The refundable credit for film and theater capital	341
improvement projects under section 5747.67 of the Revised Code;	342
The refundable jobs creation credit or job retention	343
credit under division (A) of section 5747.058 of the Revised	344
Code;	345
The refundable credit for taxes paid by a qualifying	346
entity granted under section 5747.059 of the Revised Code;	347
The refundable credits for taxes paid by a qualifying	348
pass-through entity granted under division (I) of section	349
5747.08 of the Revised Code;	350
The refundable credit under section 5747.80 of the Revised	351
Code for losses on loans made to the Ohio venture capital	352
program under sections 150.01 to 150.10 of the Revised Code;	353
The refundable credit for rehabilitating a historic	354
building under section 5747.76 of the Revised Code;	355
The refundable credit under section 5747.39 of the Revised	356

Code for taxes levied under section 5747.38 of the Revised Code 357  
paid by an electing pass-through entity. 358

(B) For any credit, except the refundable credits 359  
enumerated in this section and the credit granted under division 360  
(H) of section 5747.08 of the Revised Code, the amount of the 361  
credit for a taxable year shall not exceed the taxpayer's 362  
aggregate amount of tax due under section 5747.02 of the Revised 363  
Code, after allowing for any other credit that precedes it in 364  
the order required under this section. Any excess amount of a 365  
particular credit may be carried forward if authorized under the 366  
section creating that credit. Nothing in this chapter shall be 367  
construed to allow a taxpayer to claim, directly or indirectly, 368  
a credit more than once for a taxable year. 369

**Sec. 5751.56.** (A) As used in this section: 370

(1) "Eligible expenses" means both of the following: 371

(a) Any amount that would qualify as a qualified child 372  
care expenditure under section 45F of the Internal Revenue Code, 373  
without regard to any limitation under that section on the 374  
amount of expenses allowable; 375

(b) Any amount paid by an employer to an employee for the 376  
provision of child care at a licensed child care program, as 377  
that term is defined in section 5104.01 of the Revised Code, for 378  
children of the employee. 379

(2) "Tax credit certificate" means a certificate issued by 380  
the tax commissioner under division (B) of this section. 381

(B) An employer that incurs eligible expenses during the 382  
preceding calendar year may submit an application to the tax 383  
commissioner for a credit authorized by this section. The 384  
application shall be made on a form and in a manner that the 385

commissioner shall prescribe. The application shall state the 386  
amount of such eligible expenses, the tax against which the 387  
credit will be claimed, and any other information the 388  
commissioner may require. An employer shall submit the 389  
application on or before the fifteenth day of January. 390

The commissioner shall evaluate applications in the order 391  
in which they are received and issue a determination. If the 392  
commissioner denies an application, the determination shall 393  
state the reason for the denial. If the commissioner approves an 394  
application, the determination shall include a certificate 395  
listing the amount of credit that the applicant may claim and 396  
the tax against which it may be claimed. The amount of a credit 397  
authorized by this section shall equal the lesser of five 398  
hundred thousand dollars or the amount of eligible expenses the 399  
employer incurred in the preceding calendar year. 400

(C) An employer may claim a nonrefundable credit against 401  
the tax imposed under section 5725.18, 5726.02, 5727.24, 402  
5727.30, 5729.03, 5736.02, 5747.02, or 5751.02 of the Revised 403  
Code, as authorized by the tax credit certificate, equal to the 404  
amount listed on that certificate. The credit shall be claimed 405  
in the manner prescribed by division (D) of this section or by 406  
section 5725.39, 5726.62, 5727.242, 5727.301, 5729.22, 5736.51, 407  
or 5747.87 of the Revised Code, as applicable. 408

(D) A taxpayer issued a tax credit certificate authorizing 409  
the taxpayer to claim a credit against the tax levied under 410  
section 5751.02 of the Revised Code may claim a credit against 411  
that tax equal to the amount stated in the certificate. The 412  
credit shall be claimed for the tax period preceding the tax 413  
period in which the certificate is issued and in the order 414  
required by section 5751.98 of the Revised Code. Any credit 415

amount in excess of the taxpayer's tax liability, after allowing 416  
for any other credits preceding the credit in that order, may be 417  
carried forward for not more than the nineteen ensuing tax 418  
periods, but the amount of the excess credit claimed against the 419  
tax for any tax period shall be deducted from the balance 420  
carried forward to the next tax period. 421

**Sec. 5751.98.** (A) To provide a uniform procedure for 422  
calculating the amount of tax due under this chapter, a taxpayer 423  
shall claim any credits to which it is entitled in the following 424  
order: 425

The nonrefundable jobs retention credit under division (B) 426  
of section 5751.50 of the Revised Code; 427

The nonrefundable credit for employer-provided child care 428  
expenses under section 5751.56 of the Revised Code; 429

The nonrefundable credit for qualified research expenses 430  
under division (B) of section 5751.51 of the Revised Code; 431

The nonrefundable credit for a borrower's qualified 432  
research and development loan payments under division (B) of 433  
section 5751.52 of the Revised Code; 434

The nonrefundable credit for calendar years 2010 to 2029 435  
for unused net operating losses under division (B) of section 436  
5751.53 of the Revised Code; 437

The refundable motion picture and Broadway theatrical 438  
production credit under section 5751.54 of the Revised Code; 439

The refundable credit for film and theater capital 440  
improvement projects under section 5751.55 of the Revised Code; 441

The refundable jobs creation credit or job retention 442  
credit under division (A) of section 5751.50 of the Revised 443



Code; 444

The refundable credit for calendar year 2030 for unused 445  
net operating losses under division (C) of section 5751.53 of 446  
the Revised Code. 447

(B) For any credit except the refundable credits 448  
enumerated in this section, the amount of the credit for a tax 449  
period shall not exceed the tax due after allowing for any other 450  
credit that precedes it in the order required under this 451  
section. Any excess amount of a particular credit may be carried 452  
forward if authorized under the section creating the credit. 453

**Section 2.** That existing sections 5725.98, 5726.98, 454  
5729.98, 5747.98, and 5751.98 of the Revised Code are hereby 455  
repealed. 456

**Section 3.** The enactment by this act of sections 5725.39, 457  
5726.62, 5727.242, 5727.301, 5729.22, 5736.51, 5747.87, and 458  
5751.56 of the Revised Code applies to applications submitted as 459  
described in section 5751.56 of the Revised Code on or after the 460  
first day of the first January following the effective date of 461  
this section. 462