

As Introduced

136th General Assembly
Regular Session
2025-2026

H. B. No. 167

Representative White, A.

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 (G) <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