

**As Introduced**

**136th General Assembly**

**Regular Session**

**2025-2026**

**H. B. No. 242**

**Representatives Lawson-Rowe, Thomas, C.**

**Cosponsors: Representatives Brennan, Brownlee, Fischer, McNally, Mohamed,  
White, E.**

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To amend sections 5747.08 and 5747.98 and to enact  
section 5747.87 of the Revised Code to authorize  
a nonrefundable income tax credit for having a  
dog spayed or neutered or for completing a dog  
training course.

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

**Section 1.** That sections 5747.08 and 5747.98 be amended  
and section 5747.87 of the Revised Code be enacted to read as  
follows:

**Sec. 5747.08.** An annual return with respect to the tax  
imposed by section 5747.02 of the Revised Code and each tax  
imposed under Chapter 5748. of the Revised Code shall be made by  
every taxpayer for any taxable year for which the taxpayer is  
liable for the tax imposed by that section or under that  
chapter, unless the total credits allowed under division (E) of  
section 5747.05 and divisions (F) and (G) of section 5747.055 of  
the Revised Code for the year are equal to or exceed the tax  
imposed by section 5747.02 of the Revised Code, in which case no  
return shall be required unless the taxpayer is liable for a tax  
imposed pursuant to Chapter 5748. of the Revised Code.

(A) If an individual is deceased, any return or notice 20  
required of that individual under this chapter shall be made and 21  
filed by that decedent's executor, administrator, or other 22  
person charged with the property of that decedent. 23

(B) If an individual is unable to make a return or notice 24  
required by this chapter, the return or notice required of that 25  
individual shall be made and filed by the individual's duly 26  
authorized agent, guardian, conservator, fiduciary, or other 27  
person charged with the care of the person or property of that 28  
individual. 29

(C) Returns or notices required of an estate or a trust 30  
shall be made and filed by the fiduciary of the estate or trust. 31

(D) (1) (a) Except as otherwise provided in division (D) (1) 32  
(b) of this section, any pass-through entity may file a single 33  
return on behalf of one or more of the entity's investors other 34  
than an investor that is a person subject to the tax imposed 35  
under section 5733.06 of the Revised Code. The single return 36  
shall set forth the name, address, and social security number or 37  
other identifying number of each of those pass-through entity 38  
investors and shall indicate the distributive share of each of 39  
those pass-through entity investor's income taxable in this 40  
state in accordance with sections 5747.20 to 5747.231 of the 41  
Revised Code. Such pass-through entity investors for whom the 42  
pass-through entity elects to file a single return are not 43  
entitled to the exemption or credit provided for by sections 44  
5747.02 and 5747.022 of the Revised Code; shall calculate the 45  
tax before business credits at the highest rate of tax set forth 46  
in section 5747.02 of the Revised Code for the taxable year for 47  
which the return is filed; and are entitled to only their 48  
distributive share of the business credits as defined in 49

division (D) (2) of this section. A single check drawn by the 50  
pass-through entity shall accompany the return in full payment 51  
of the tax due, as shown on the single return, for such 52  
investors, other than investors who are persons subject to the 53  
tax imposed under section 5733.06 of the Revised Code. 54

(b) (i) A pass-through entity shall not include in such a 55  
single return any investor that is a trust to the extent that 56  
any direct or indirect current, future, or contingent 57  
beneficiary of the trust is a person subject to the tax imposed 58  
under section 5733.06 of the Revised Code. 59

(ii) A pass-through entity shall not include in such a 60  
single return any investor that is itself a pass-through entity 61  
to the extent that any direct or indirect investor in the second 62  
pass-through entity is a person subject to the tax imposed under 63  
section 5733.06 of the Revised Code. 64

(c) Except as provided by division (L) of this section, 65  
nothing in division (D) of this section precludes the tax 66  
commissioner from requiring such investors to file the return 67  
and make the payment of taxes and related interest, penalty, and 68  
interest penalty required by this section or section 5747.02, 69  
5747.09, or 5747.15 of the Revised Code. Nothing in division (D) 70  
of this section precludes such an investor from filing the 71  
annual return under this section, utilizing the refundable 72  
credit equal to the investor's proportionate share of the tax 73  
paid by the pass-through entity on behalf of the investor under 74  
division (I) of this section, and making the payment of taxes 75  
imposed under section 5747.02 of the Revised Code. Nothing in 76  
division (D) of this section shall be construed to provide to 77  
such an investor or pass-through entity any additional deduction 78  
or credit, other than the credit provided by division (I) of 79

this section, solely on account of the entity's filing a return 80  
in accordance with this section. Such a pass-through entity also 81  
shall make the filing and payment of estimated taxes on behalf 82  
of the pass-through entity investors other than an investor that 83  
is a person subject to the tax imposed under section 5733.06 of 84  
the Revised Code. 85

(2) For the purposes of this section, "business credits" 86  
means the credits listed in section 5747.98 of the Revised Code 87  
excluding the following credits: 88

(a) The retirement income credit under division (B) of 89  
section 5747.055 of the Revised Code; 90

(b) The senior citizen credit under division (F) of 91  
section 5747.055 of the Revised Code; 92

(c) The lump sum distribution credit under division (G) of 93  
section 5747.055 of the Revised Code; 94

(d) The dependent care credit under section 5747.054 of 95  
the Revised Code; 96

(e) The lump sum retirement income credit under division 97  
(C) of section 5747.055 of the Revised Code; 98

(f) The lump sum retirement income credit under division 99  
(D) of section 5747.055 of the Revised Code; 100

(g) The lump sum retirement income credit under division 101  
(E) of section 5747.055 of the Revised Code; 102

(h) The credit for displaced workers who pay for job 103  
training under section 5747.27 of the Revised Code; 104

(i) The twenty-dollar personal exemption credit under 105  
section 5747.022 of the Revised Code; 106

(j) The joint filing credit under division (E) of section 5747.05 of the Revised Code;	107 108
(k) The nonresident credit under division (A) of section 5747.05 of the Revised Code;	109 110
(l) The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	111 112
(m) The earned income tax credit under section 5747.71 of the Revised Code;	113 114
(n) The lead abatement credit under section 5747.26 of the Revised Code;	115 116
(o) The credit for education expenses under section 5747.72 of the Revised Code;	117 118
(p) The credit for tuition paid to a nonchartered nonpublic school under section 5747.75 of the Revised Code;	119 120
<u>(q) The credit for spaying or neutering or training a dog under section 5747.87 of the Revised Code.</u>	121 122
(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.	123 124 125 126 127 128 129 130
(4) If a pass-through entity makes the election provided for under division (D) of this section, the pass-through entity shall be liable for any additional taxes, interest, interest penalty, or penalties imposed by this chapter if the tax	131 132 133 134

commissioner finds that the single return does not reflect the 135  
correct tax due by the pass-through entity investors covered by 136  
that return. Nothing in this division shall be construed to 137  
limit or alter the liability, if any, imposed on pass-through 138  
entity investors for unpaid or underpaid taxes, interest, 139  
interest penalty, or penalties as a result of the pass-through 140  
entity's making the election provided for under division (D) of 141  
this section. For the purposes of division (D) of this section, 142  
"correct tax due" means the tax that would have been paid by the 143  
pass-through entity had the single return been filed in a manner 144  
reflecting the commissioner's findings. Nothing in division (D) 145  
of this section shall be construed to make or hold a pass- 146  
through entity liable for tax attributable to a pass-through 147  
entity investor's income from a source other than the pass- 148  
through entity electing to file the single return. 149

(E) If a husband and wife file a joint federal income tax 150  
return for a taxable year, they shall file a joint return under 151  
this section for that taxable year, and their liabilities are 152  
joint and several, but, if the federal income tax liability of 153  
either spouse is determined on a separate federal income tax 154  
return, they shall file separate returns under this section. 155

If either spouse is not required to file a federal income 156  
tax return and either or both are required to file a return 157  
pursuant to this chapter, they may elect to file separate or 158  
joint returns, and, pursuant to that election, their liabilities 159  
are separate or joint and several. If a husband and wife file 160  
separate returns pursuant to this chapter, each must claim the 161  
taxpayer's own exemption, but not both, as authorized under 162  
section 5747.02 of the Revised Code on the taxpayer's own 163  
return. 164

(F) Each return or notice required to be filed under this 165  
section shall contain the signature of the taxpayer or the 166  
taxpayer's duly authorized agent and of the person who prepared 167  
the return for the taxpayer, and shall include the taxpayer's 168  
social security number. Each return shall be verified by a 169  
declaration under the penalties of perjury. The tax commissioner 170  
shall prescribe the form that the signature and declaration 171  
shall take. 172

(G) Each return or notice required to be filed under this 173  
section shall be made and filed as required by section 5747.04 174  
of the Revised Code, on or before the fifteenth day of April of 175  
each year, on forms that the tax commissioner shall prescribe, 176  
together with remittance made payable to the treasurer of state 177  
in the combined amount of the state and all school district 178  
income taxes shown to be due on the form. 179

Upon good cause shown, the commissioner may extend the 180  
period for filing any notice or return required to be filed 181  
under this section and may adopt rules relating to extensions. 182  
If the extension results in an extension of time for the payment 183  
of any state or school district income tax liability with 184  
respect to which the return is filed, the taxpayer shall pay at 185  
the time the tax liability is paid an amount of interest 186  
computed at the rate per annum prescribed by section 5703.47 of 187  
the Revised Code on that liability from the time that payment is 188  
due without extension to the time of actual payment. Except as 189  
provided in section 5747.132 of the Revised Code, in addition to 190  
all other interest charges and penalties, all taxes imposed 191  
under this chapter or Chapter 5748. of the Revised Code and 192  
remaining unpaid after they become due, except combined amounts 193  
due of one dollar or less, bear interest at the rate per annum 194  
prescribed by section 5703.47 of the Revised Code until paid or 195

until the day an assessment is issued under section 5747.13 of 196  
the Revised Code, whichever occurs first. 197

If the commissioner considers it necessary in order to 198  
ensure the payment of the tax imposed by section 5747.02 of the 199  
Revised Code or any tax imposed under Chapter 5748. of the 200  
Revised Code, the commissioner may require returns and payments 201  
to be made otherwise than as provided in this section. 202

To the extent that any provision in this division 203  
conflicts with any provision in section 5747.026 of the Revised 204  
Code, the provision in that section prevails. 205

(H) The amounts withheld pursuant to section 5747.06, 206  
5747.062, 5747.063, 5747.064, 5747.065, or 5747.071 of the 207  
Revised Code shall be allowed to the ultimate recipient of the 208  
income as credits against payment of the appropriate taxes 209  
imposed on the ultimate recipient by section 5747.02 and under 210  
Chapter 5748. of the Revised Code. As used in this division, 211  
"ultimate recipient" means the person who is required to report 212  
income from which amounts are withheld pursuant to section 213  
5747.06, 5747.062, 5747.063, 5747.064, 5747.065, or 5747.071 of 214  
the Revised Code on the annual return required to be filed under 215  
this section. 216

(I) If a pass-through entity elects to file a single 217  
return under division (D) of this section and if any investor is 218  
required to file the annual return and make the payment of taxes 219  
required by this chapter on account of the investor's other 220  
income that is not included in a single return filed by a pass- 221  
through entity or any other investor elects to file the annual 222  
return, the investor is entitled to a refundable credit equal to 223  
the investor's proportionate share of the tax paid by the pass- 224  
through entity on behalf of the investor. The investor shall 225



claim the credit for the investor's taxable year in which or 226  
with which ends the taxable year of the pass-through entity. 227  
Nothing in this chapter shall be construed to allow any credit 228  
provided in this chapter to be claimed more than once. For the 229  
purpose of computing any interest, penalty, or interest penalty, 230  
the investor shall be deemed to have paid the refundable credit 231  
provided by this division on the day that the pass-through 232  
entity paid the estimated tax or the tax giving rise to the 233  
credit. 234

(J) The tax commissioner shall ensure that each return 235  
required to be filed under this section includes a box that the 236  
taxpayer may check to authorize a paid tax preparer who prepared 237  
the return to communicate with the department of taxation about 238  
matters pertaining to the return. The return or instructions 239  
accompanying the return shall indicate that by checking the box 240  
the taxpayer authorizes the department of taxation to contact 241  
the preparer concerning questions that arise during the 242  
processing of the return and authorizes the preparer only to 243  
provide the department with information that is missing from the 244  
return, to contact the department for information about the 245  
processing of the return or the status of the taxpayer's refund 246  
or payments, and to respond to notices about mathematical 247  
errors, offsets, or return preparation that the taxpayer has 248  
received from the department and has shown to the preparer. 249

(K) The tax commissioner shall permit individual taxpayers 250  
to instruct the department of taxation to cause any refund of 251  
overpaid taxes to be deposited directly into a checking account, 252  
savings account, or an individual retirement account or 253  
individual retirement annuity, or preexisting college savings 254  
plan or program account offered by the Ohio tuition trust 255  
authority under Chapter 3334. of the Revised Code, as designated 256

by the taxpayer, when the taxpayer files the annual return 257  
required by this section electronically. 258

(L) If, for the taxable year, a nonresident or trust that 259  
is the owner of an electing pass-through entity, as defined in 260  
section 5747.38 of the Revised Code, does not have Ohio adjusted 261  
gross income or, in the case of a trust, modified Ohio taxable 262  
income other than from one or more electing pass-through 263  
entities, the nonresident or trust shall not be required to file 264  
an annual return under this section. Nothing in this division 265  
precludes such an owner from filing the annual return under this 266  
section, utilizing the refundable credit under section 5747.39 267  
of the Revised Code equal to the owner's proportionate share of 268  
the tax levied under section 5747.38 of the Revised Code and 269  
paid by the electing pass-through entity, and making the payment 270  
of taxes imposed under section 5747.02 of the Revised Code. 271

(M) The tax commissioner may adopt rules to administer 272  
this section. 273

**Sec. 5747.87.** A nonrefundable tax credit against a 274  
taxpayer's aggregate tax liability under section 5747.02 of the 275  
Revised Code is allowed for the cost of having a dog that is 276  
owned by the taxpayer surgically spayed or neutered or for the 277  
cost of one complete dog training course for a dog owned by the 278  
taxpayer. Training courses that qualify for the credit consist 279  
of obedience training that teaches dogs appropriate social 280  
behavior with humans and animals and to respond to commands and 281  
cues. 282

The amount of the credit shall equal the cost of the 283  
surgery or course, but the amount of credit claimed by the 284  
taxpayer for any taxable year may not exceed three hundred fifty 285  
dollars. The credit shall be claimed for the taxable year in 286

which the taxpayer incurred the cost for the surgery or course, 287  
and in the order prescribed by section 5747.98 of the Revised 288  
Code. The taxpayer may claim only one credit under this section 289  
per taxable year. 290

The tax commissioner may request that a taxpayer furnish a 291  
sales receipt or any other information necessary to support a 292  
claim for credit under this section, and no credit shall be 293  
allowed unless the requested information is provided. 294

The tax commissioner shall not prepare or keep a list of 295  
taxpayers who have claimed the credit authorized by this 296  
section. 297

The credit is allowable for taxable years ending on or 298  
after the effective date of this section. 299

**Sec. 5747.98.** (A) To provide a uniform procedure for 300  
calculating a taxpayer's aggregate tax liability under section 301  
5747.02 of the Revised Code, a taxpayer shall claim any credits 302  
to which the taxpayer is entitled in the following order: 303

Either the retirement income credit under division (B) of 304  
section 5747.055 of the Revised Code or the lump sum retirement 305  
income credits under divisions (C), (D), and (E) of that 306  
section; 307

Either the senior citizen credit under division (F) of 308  
section 5747.055 of the Revised Code or the lump sum 309  
distribution credit under division (G) of that section; 310

The dependent care credit under section 5747.054 of the 311  
Revised Code; 312

The credit for displaced workers who pay for job training 313  
under section 5747.27 of the Revised Code; 314

The campaign contribution credit under section 5747.29 of	315
the Revised Code;	316
The twenty-dollar personal exemption credit under section	317
5747.022 of the Revised Code;	318
The joint filing credit under division <del>(G)</del> <u>(E)</u> of section	319
5747.05 of the Revised Code;	320
The earned income credit under section 5747.71 of the	321
Revised Code;	322
The nonrefundable credit for education expenses under	323
section 5747.72 of the Revised Code;	324
The nonrefundable credit for donations to scholarship	325
granting organizations under section 5747.73 of the Revised	326
Code;	327
The nonrefundable credit for tuition paid to a	328
nonchartered nonpublic school under section 5747.75 of the	329
Revised Code;	330
<u>The nonrefundable credit for spaying or neutering or</u>	331
<u>training a dog under section 5747.87 of the Revised Code;</u>	332
The nonrefundable vocational job credit under section	333
5747.057 of the Revised Code;	334
The nonrefundable job retention credit under division (B)	335
of section 5747.058 of the Revised Code;	336
The enterprise zone credit under section 5709.66 of the	337
Revised Code;	338
The credit for beginning farmers who participate in a	339
financial management program under division (B) of section	340
5747.77 of the Revised Code;	341

The credit for commercial vehicle operator training	342
expenses under section 5747.82 of the Revised Code;	343
The nonrefundable welcome home Ohio (WHO) program credit	344
under section 122.633 of the Revised Code;	345
The credit for selling or renting agricultural assets to	346
beginning farmers under division (A) of section 5747.77 of the	347
Revised Code;	348
The credit for purchases of qualifying grape production	349
property under section 5747.28 of the Revised Code;	350
The small business investment credit under section 5747.81	351
of the Revised Code;	352
The nonrefundable lead abatement credit under section	353
5747.26 of the Revised Code;	354
The opportunity zone investment credit under section	355
5747.86 of the Revised Code;	356
The enterprise zone credits under section 5709.65 of the	357
Revised Code;	358
The research and development credit under section 5747.331	359
of the Revised Code;	360
The credit for rehabilitating a historic building under	361
section 5747.76 of the Revised Code;	362
The nonrefundable Ohio low-income housing tax credit under	363
section 5747.83 of the Revised Code;	364
The nonrefundable affordable single-family home credit	365
under section 5747.84 of the Revised Code;	366
The nonresident credit under division (A) of section	367
5747.05 of the Revised Code;	368

The credit for a resident's out-of-state income under 369  
division (B) of section 5747.05 of the Revised Code; 370

The refundable motion picture and Broadway theatrical 371  
production credit under section 5747.66 of the Revised Code; 372

The refundable credit for film and theater capital 373  
improvement projects under section 5747.67 of the Revised Code; 374

The refundable jobs creation credit or job retention 375  
credit under division (A) of section 5747.058 of the Revised 376  
Code; 377

The refundable credit for taxes paid by a qualifying 378  
entity granted under section 5747.059 of the Revised Code; 379

The refundable credits for taxes paid by a qualifying 380  
pass-through entity granted under division (I) of section 381  
5747.08 of the Revised Code; 382

The refundable credit under section 5747.80 of the Revised 383  
Code for losses on loans made to the Ohio venture capital 384  
program under sections 150.01 to 150.10 of the Revised Code; 385

The refundable credit for rehabilitating a historic 386  
building under section 5747.76 of the Revised Code; 387

The refundable credit under section 5747.39 of the Revised 388  
Code for taxes levied under section 5747.38 of the Revised Code 389  
paid by an electing pass-through entity. 390

(B) For any credit, except the refundable credits 391  
enumerated in this section and the credit granted under division 392  
(H) of section 5747.08 of the Revised Code, the amount of the 393  
credit for a taxable year shall not exceed the taxpayer's 394  
aggregate amount of tax due under section 5747.02 of the Revised 395  
Code, after allowing for any other credit that precedes it in 396

the order required under this section. Any excess amount of a 397  
particular credit may be carried forward if authorized under the 398  
section creating that credit. Nothing in this chapter shall be 399  
construed to allow a taxpayer to claim, directly or indirectly, 400  
a credit more than once for a taxable year. 401

**Section 2.** That existing sections 5747.08 and 5747.98 of 402  
the Revised Code are hereby repealed. 403