

**As Introduced**

**136th General Assembly  
Regular Session  
2025-2026**

**H. B. No. 340**

**Representative Williams**

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To amend section 5747.98 and to enact section 1  
5747.74 of the Revised Code to create an income 2  
tax credit for employers that provide a 3  
childbirth bonus and to name this act the Baby 4  
Bonus Act. 5

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

**Section 1.** That section 5747.98 be amended and section 6  
5747.74 of the Revised Code be enacted to read as follows: 7

**Sec. 5747.74.** (A) As used in this section: 8

(1) "Childbirth bonus" means additional compensation paid 9  
to an employee in the calendar year that the employee or the 10  
employee's spouse gives birth to or adopts a child upon the 11  
employee's submission of a copy of a birth or adoption record to 12  
the employer. 13

(2) "Qualifying childbirth bonus policy" means a policy 14  
adopted by an employer that entitles each of the employer's 15  
employees to a childbirth bonus of at least one thousand 16  
dollars. 17

(B) (1) There is hereby allowed a nonrefundable credit 18  
against a taxpayer's aggregate tax liability for a taxpayer who 19  
is an employer, or who owns a direct or indirect interest in an 20

employer, that pays a childbirth bonus to an employee pursuant 21  
to a qualifying childbirth bonus policy. The total credit 22  
available with respect to an employee shall equal one thousand 23  
dollars. 24

In the case of a taxpayer who is an employer, the credit 25  
shall be claimed for the taxable year in which the bonus was 26  
paid. If a taxpayer holds a direct or indirect equity interest 27  
in an employer that paid a childbirth bonus, the taxpayer shall 28  
claim the taxpayer's distributive or proportionate share of the 29  
credit for the taxpayer's taxable year that includes the last 30  
day of the entity's taxable year. 31

(2) The total amount of childbirth bonuses paid by an 32  
employer and eligible for the credit allowed under this section 33  
per taxable year shall not exceed fifty thousand dollars. 34

(C) The credit shall be claimed in the order required 35  
under section 5747.98 of the Revised Code. Any credit amount in 36  
excess of the aggregate amount of tax due under section 5747.02 37  
of the Revised Code, after allowing for any other credits 38  
preceding the credit in that order, may be carried forward for 39  
five taxable years, but the amount of the excess credit allowed 40  
in any such year shall be deducted from the balance carried 41  
forward to the next year. 42

(D) The tax commissioner may require a taxpayer to furnish 43  
any information necessary to support a claim for a credit under 44  
this section, including the taxpayer's qualifying childbirth 45  
bonus policy and pay stubs for the compensated employee. An 46  
employer shall maintain for at least five years the records 47  
described in division (A) of this section. 48

(E) The commissioner may adopt any rules necessary to 49

<u>administer this section.</u>	50
<b>Sec. 5747.98.</b> (A) To provide a uniform procedure for	51
calculating a taxpayer's aggregate tax liability under section	52
5747.02 of the Revised Code, a taxpayer shall claim any credits	53
to which the taxpayer is entitled in the following order:	54
Either the retirement income credit under division (B) of	55
section 5747.055 of the Revised Code or the lump sum retirement	56
income credits under divisions (C), (D), and (E) of that	57
section;	58
Either the senior citizen credit under division (F) of	59
section 5747.055 of the Revised Code or the lump sum	60
distribution credit under division (G) of that section;	61
The dependent care credit under section 5747.054 of the	62
Revised Code;	63
The credit for displaced workers who pay for job training	64
under section 5747.27 of the Revised Code;	65
The campaign contribution credit under section 5747.29 of	66
the Revised Code;	67
The twenty-dollar personal exemption credit under section	68
5747.022 of the Revised Code;	69
The joint filing credit under division <del>(G)</del> <u>(E)</u> of section	70
5747.05 of the Revised Code;	71
The earned income credit under section 5747.71 of the	72
Revised Code;	73
The nonrefundable credit for education expenses under	74
section 5747.72 of the Revised Code;	75
The nonrefundable credit for donations to scholarship	76

granting organizations under section 5747.73 of the Revised Code;	77 78
The nonrefundable credit for tuition paid to a nonchartered nonpublic school under section 5747.75 of the Revised Code;	79 80 81
The nonrefundable vocational job credit under section 5747.057 of the Revised Code;	82 83
The nonrefundable job retention credit under division (B) of section 5747.058 of the Revised Code;	84 85
The enterprise zone credit under section 5709.66 of the Revised Code;	86 87
The credit for beginning farmers who participate in a financial management program under division (B) of section 5747.77 of the Revised Code;	88 89 90
The credit for commercial vehicle operator training expenses under section 5747.82 of the Revised Code;	91 92
The nonrefundable welcome home Ohio (WHO) program credit under section 122.633 of the Revised Code;	93 94
<u>The nonrefundable credit for paying childbirth bonuses under section 5747.74 of the Revised Code;</u>	95 96
The credit for selling or renting agricultural assets to beginning farmers under division (A) of section 5747.77 of the Revised Code;	97 98 99
The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	100 101
The small business investment credit under section 5747.81 of the Revised Code;	102 103

The nonrefundable lead abatement credit under section 5747.26 of the Revised Code;	104 105
The opportunity zone investment credit under section 5747.86 of the Revised Code;	106 107
The enterprise zone credits under section 5709.65 of the Revised Code;	108 109
The research and development credit under section 5747.331 of the Revised Code;	110 111
The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	112 113
The nonrefundable Ohio low-income housing tax credit under section 5747.83 of the Revised Code;	114 115
The nonrefundable affordable single-family home credit under section 5747.84 of the Revised Code;	116 117
The nonresident credit under division (A) of section 5747.05 of the Revised Code;	118 119
The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	120 121
The refundable motion picture and Broadway theatrical production credit under section 5747.66 of the Revised Code;	122 123
The refundable credit for film and theater capital improvement projects under section 5747.67 of the Revised Code;	124 125
The refundable jobs creation credit or job retention credit under division (A) of section 5747.058 of the Revised Code;	126 127 128
The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	129 130

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

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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;

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

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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.

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(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.

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**Section 2.** That existing section 5747.98 of the Revised  
Code is hereby repealed.

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**Section 3.** The enactment by this act of section 5747.74 of  
the Revised Code applies to taxable years ending on or after the  
effective date of this section.

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**Section 4.** This act shall be known as the Baby Bonus Act.

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