As Introduced

136th General Assembly
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H. B. No. 340

Representative Williams

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

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

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

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

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

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

(B)(1) There is hereby allowed a nonrefundable credit against a taxpayer's aggregate tax liability for a taxpayer who is an employer, or who owns a direct or indirect interest in an employer, that pays a childbirth bonus to an employee pursuant to a qualifying childbirth bonus policy. The total credit available with respect to an employee shall equal one thousand dollars.

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

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

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

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

(E) The commissioner may adopt any rules necessary to administer this section.

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

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

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

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

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

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

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

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

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

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

The nonrefundable credit for donations to scholarship granting organizations under section 5747.73 of the Revised Code;

The nonrefundable credit for tuition paid to a nonchartered nonpublic school under section 5747.75 of the Revised Code;

The nonrefundable vocational job credit under section 5747.057 of the Revised Code;

The nonrefundable job retention credit under division (B) of section 5747.058 of the Revised Code;

The enterprise zone credit under section 5709.66 of the Revised Code;

The credit for beginning farmers who participate in a financial management program under division (B) of section 5747.77 of the Revised Code;

The credit for commercial vehicle operator training expenses under section 5747.82 of the Revised Code;

The nonrefundable welcome home Ohio (WHO) program credit under section 122.633 of the Revised Code;

The nonrefundable credit for paying childbirth bonuses under section 5747.74 of the Revised Code;

The credit for selling or renting agricultural assets to beginning farmers under division (A) of section 5747.77 of the Revised Code;

The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;

The small business investment credit under section 5747.81 of the Revised Code;

The nonrefundable lead abatement credit under section 5747.26 of the Revised Code;

The opportunity zone investment credit under section 5747.86 of the Revised Code;

The enterprise zone credits under section 5709.65 of the Revised Code;

The research and development credit under section 5747.331 of the Revised Code;

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

The nonrefundable Ohio low-income housing tax credit under section 5747.83 of the Revised Code;

The nonrefundable affordable single-family home credit under section 5747.84 of the Revised Code;

The nonresident credit under division (A) of section 5747.05 of the Revised Code;

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

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

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

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

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

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.

(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 section 5747.98 of the Revised Code is hereby repealed.

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.

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