

**As Introduced**

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

**H. B. No. 765**

**Representatives White, A., Young**

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To amend sections 175.17, 5725.37, 5726.60, 1  
5729.20, and 5747.84 of the Revised Code to 2  
modify the affordable single-family home credit. 3

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

**Section 1.** That sections 175.17, 5725.37, 5726.60, 4  
5729.20, and 5747.84 of the Revised Code be amended to read as 5  
follows: 6

**Sec. 175.17.** (A) As used in this section: 7

(1) "Qualified project" means a project to develop single- 8  
family dwellings in this state that satisfies any qualifications 9  
established by the director under division ~~(I)~~(G) of this 10  
section. 11

(2) "Pass-through entity" has the same meaning as in 12  
section 5733.04 of the Revised Code. 13

(3) "Reserved credit amount" means the amount determined 14  
by the director and stipulated in the notice sent under division 15  
(B) of this section. 16

(4) ~~"Annual credit amount" means the amount computed by~~ 17  
~~the director under division (D) of this section before issuing~~ 18  
~~an eligibility certificate.~~ 19

~~(5) "Equity owner" means any person who directly or indirectly, through one or more pass-through entities, is a member, partner, or shareholder of a pass-through entity.~~ 20  
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~~(6) "Person" has the same meaning as in section 5701.01 of the Revised Code.~~ 23  
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~~(7)~~(5) "Eligibility Tax credit certificate" means a certificate issued by the director to a project development owner under division (D) of this section. 25  
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~~(8)~~(6) "Project development owner" means a unit of government or an eligible developer that owns a qualified project. 28  
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~~(9)~~(7) "Affordability period" means the period that commences on the date of sale of a single-family dwelling constructed as part of a qualified project to the initial qualified buyer and continues through subsequent qualified buyers for ~~ten~~seven years. 31  
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~~(10) "Designated reporter" means the project development owner or one of the owner's direct or indirect partners, members, or shareholders, as selected by the owner under division (B) of this section.~~ 36  
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~~(11) "Project development investor" means any person that contributes capital to a qualified project in exchange for an allocation of a tax credit under this section.~~ 40  
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~~(12) "Credit period" means the ten-year period that begins in the year the eligibility certificate is issued.~~ 43  
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~~(13)~~(8) "Director" means the executive director of the Ohio housing finance agency. 45  
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~~(14)~~(9) "Unit of government" means a county, township, 47

municipal corporation, regional planning commission, community 48  
improvement corporation, economic development corporation, or 49  
county land reutilization corporation organized under Chapter 50  
1724. of the Revised Code, or port authority. 51

~~(15)~~(10) "Project development team" means the group of 52  
entities that develops, constructs, reports, ~~appraises,~~and 53  
~~finances,~~and services the associated properties of a qualified 54  
project in partnership with the project development owner. 55

(11) "Eligible developer" means any of the following: 56

(a) A nonprofit corporation, as defined in section 1702.01 57  
of the Revised Code, based in this state, the primary activity 58  
of which is the development and preservation of affordable 59  
housing; 60

(b) A limited partnership or domestic limited partnership, 61  
as defined in section 1782.01 of the Revised Code, in which a 62  
general partner is a nonprofit corporation based in this state 63  
and a primary activity of which is the development and 64  
preservation of affordable housing; 65

(c) A limited liability company, as defined in section 66  
1706.01 of the Revised Code, in which the manager is a nonprofit 67  
corporation based in this state and a primary activity of which 68  
is the development and preservation of affordable housing. 69

(12) "Appraisal gap" means the result of subtracting the 70  
initial purchase price of a single-family dwelling from the 71  
total development cost of the dwelling. 72

(13) "Affordability gap" means the result of subtracting 73  
the purchase price of a single-family dwelling affordable to an 74  
individual or individuals who have an annual income not more 75  
than the qualifying median income from the total development 76

cost of the dwelling. 77

(14) "Qualifying median income" means one hundred twenty 78  
per cent of median income, as determined by the director of 79  
development under section 174.04 of the Revised Code, for the 80  
county in which a qualifying project is located. 81

(B) (1) A project development owner may submit an 82  
application to the director for a credit reservation under this 83  
section on a form and in a manner that the director shall 84  
prescribe. On the application, the project development owner 85  
shall provide all of the following: 86

(a) The name and address of the project development 87  
~~owner's designated reporter~~owner; 88

(b) The names and addresses of all members of the project 89  
development team; 90

(c) An estimate of the qualified project's total 91  
development costs; 92

(d) Any other information as the director may require 93  
pursuant to division ~~(I)~~(G) of this section. 94

The director shall competitively evaluate and approve 95  
applications and award tax credit reservations under this 96  
section for a qualified project in accordance with the plan 97  
adopted under division ~~(I)~~(1)(G) (1) of this section. The 98  
director shall determine the credit amount reserved for each 99  
qualified project, which shall not exceed ~~the difference between~~ 100  
thirty-five per cent of the total estimated development costs 101  
~~included with the application and the appraised market value of~~ 102  
~~all homes in the finished project, as estimated by the director.~~ 103  
The director shall not reserve a credit under this section if 104  
doing so would exceed the annual limit prescribed by division 105

(B) (3) of this section. 106

(2) The director shall send written notice of the tax 107  
credit reservation to the project development owner of an 108  
approved qualified project. The notice shall state the aggregate 109  
credit amount reserved ~~for all years of the qualified project's~~ 110  
~~credit period~~ and stipulate that receipt of the credit is 111  
contingent upon issuance of an eligibility a tax credit 112  
~~certificate and filing the information required by division (H)~~ 113  
~~of this section.~~ 114

(3) The amount of credits reserved by the director under 115  
division (B) of this section in a fiscal year shall not exceed 116  
the sum of (a) fifty million dollars, (b) the amount, if any, by 117  
which the credit allocation prescribed by this division for the 118  
preceding fiscal year exceeds the credits reserved by the 119  
director in that year, and (c) the amount of tax credits 120  
~~recaptured, assessed, and collected by the tax commissioner or~~ 121  
~~superintendent of insurance, and disallowed or subject to~~ 122  
reduction under this section in the preceding fiscal year. ~~For~~ 123  
~~the purpose of computing and determining compliance with the~~ 124  
~~credit allocation prescribed by division (B) (3) of this section,~~ 125  
~~the credit amount reserved for the project development owner is~~ 126  
~~the full amount for all years of the qualified project's credit~~ 127  
~~period.~~ 128

(4) The director shall not reserve a tax credit under this 129  
section after June 30, 2027. 130

(C) The project development owner shall maintain ownership 131  
of a qualified project and associated single-family dwellings 132  
until the dwellings are sold to qualified buyers. ~~The project~~ 133  
~~development team shall service the associated properties of a~~ 134  
~~qualified project for the duration of the applicable~~ 135

~~affordability period.~~ 136

The qualified buyer of a single-family ~~home~~ dwelling 137  
constructed as part of a qualified project for which a tax 138  
credit was reserved under this section shall occupy the ~~home~~ 139  
dwelling as the buyer's primary residence during the 140  
affordability period except as otherwise provided by rules 141  
adopted under division (G) (3) of this section. 142

~~(D)~~ (D) (1) Upon completion and sale of a single-family 143  
dwelling constructed as part of a qualified project for which a 144  
tax credit was reserved under this section, the project 145  
development owner shall notify the director, designate which tax 146  
the credit will be taken against, and provide a ~~final~~ 147  
development cost certification, the purchase price of the 148  
dwelling, and any other certifications the director may require 149  
for approval. ~~After receipt of this notice, the director shall~~ 150  
~~appraise the project's dwellings. Immediately~~ Within ninety days 151  
after approving the ~~final~~ cost certification, the director shall 152  
compute the amount of the tax credit that may be claimed ~~in each~~ 153  
~~year and issue an eligibility a tax credit certificate to the~~ 154  
project development owner. That ~~annual~~ amount, which shall be 155  
stated on the certificate, shall equal ~~one-tenth of the reserved~~ 156  
~~credit amount stated in the notice issued under division (B) of~~ 157  
~~this section, subject to any reduction or increase as the result~~ 158  
~~of the approval of the final cost certification and the~~ 159  
~~appraisal conducted under this division~~ the lesser of thirty-five 160  
per cent of the development cost for the dwelling or the amount 161  
necessary to fill either the affordability gap or appraisal gap 162  
for the dwelling as identified in the project development 163  
owner's reservation application. A certificate may aggregate the 164  
credit amounts for multiple sold single-family dwellings. 165

(2) No credit, when aggregated with all other certificates 166  
issued under a reservation, shall be issued in excess of the 167  
amount reserved under division (B) of this section, subject to 168  
any reduction or increase as the result of the approval of a 169  
development cost certification. If the number of single-family 170  
 dwellings constructed in the project is less than the number of 171  
 dwellings identified in the application and for which the 172  
 reservation under division (B) of this section was calculated, 173  
 the credit reservation shall be reduced proportionately. 174

(3) No credit shall be issued if the initial sale of a 175  
 dwelling is not made to a qualified buyer and, if addressing the 176  
 affordability gap, an affordable price. 177

(4) For any reservation made under this section before the 178  
 effective date of this amendment, the director shall compute the 179  
 amount of the tax credit and issue the certificate in accordance 180  
 with the provisions of this section as amended. 181

(E) ~~Each eligibility tax credit certificate shall state~~ 182  
~~the annual credit amount, the years that comprise the credit~~ 183  
~~period, the name, address, and the taxpayer identification~~ 184  
~~number of the project development owner, the project development~~ 185  
~~owner's designated reporter, and all members of the project~~ 186  
~~development team along with the date the certificate is issued,~~ 187  
a unique identifying number, the tax against which it may be 188  
claimed, and any additional information the director may require 189  
by rule. The director shall certify a copy of each ~~eligibility~~ 190  
~~tax credit~~ certificate to the tax commissioner and the 191  
superintendent of insurance. 192

(F) (1) ~~For each year of a qualified project's credit~~ 193  
~~period, a~~ A project development owner may claim a nonrefundable 194  
credit against the tax imposed by section 5725.18, 5726.02, 195

5729.03, 5729.06, or 5747.02 of the Revised Code equal to all or 196  
a portion of the ~~annual~~ credit amount listed on the ~~eligibility~~  
tax credit certificate. The credit shall be claimed in the 197  
manner prescribed by section 5725.37, 5726.60, 5729.20, or 198  
5747.84 of the Revised Code. 199  
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A person that claims a tax credit under this section shall 201  
submit a copy of the tax credit certificate with the person's 202  
tax return. Upon request of the tax commissioner or the 203  
superintendent of insurance, any person claiming a tax credit 204  
under this section shall provide the tax commissioner or 205  
superintendent other documentation that may be necessary to 206  
verify that the person is entitled to claim the credit. 207

(2) ~~A project development owner may or, if the owner is~~ 208  
~~not subject to any tax against which the credit authorized under~~ 209  
~~this section may be claimed, shall allocate~~ person authorized to 210  
claim a credit under this section, other than a person who may 211  
claim the credit as an equity owner of a pass-through entity, 212  
may transfer the right to claim all or a portion of the ~~annual~~  
credit amount ~~for any year of a qualified project's credit~~ 213  
~~period~~ among one or more ~~project development investors~~ persons by 214  
providing written notice to the tax commissioner and 215  
superintendent of insurance. The notice shall provide the unique 216  
identifying number stated on the tax credit certificate and 217  
state the name and tax identification number of the transferee, 218  
the amount of credit transferred to the transferee, the tax the 219  
transferred amount will be claimed against, and any amount of 220  
remaining credit retained by the transferor. ~~Such allocated~~ 221  
~~credits may be applied by those project development investors or~~ 222  
~~the equity owners of such an investor that is a pass-through~~ 223  
~~entity against more than one tax, as applicable, A transferred~~ 224  
credit may be claimed against a different tax than the tax the 225  
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transferor was authorized to claim the credit against, but a 227  
transferee may not claim the credit against more than one tax, 228  
and the total credits claimed for that year of the qualified 229  
project's credit period by all project development investors and 230  
equity owners persons shall not exceed the annual credit amount 231  
stated on the eligibility tax credit certificate. Nothing in 232  
this section authorizes a person to claim a transferred credit 233  
more than once. 234

Any person to which a credit has been transferred under 235  
division (F) (2) of this section may transfer the right to claim 236  
all or part of the transferred credit amount to any other 237  
person, in the same manner prescribed by this division for the 238  
initial transfer, including that any such transfer be reported 239  
by the transferor to the tax commissioner and superintendent of 240  
insurance as described in this division. 241

Transferring a credit under division (F) (2) of this 242  
section does not extend the taxable or calendar years for which 243  
the credit may be claimed or number of years for which any 244  
unclaimed credit amount may be carried forward. 245

~~(3) A project development investor or the equity owner of~~ 246  
~~such an investor that is a pass-through entity may claim the~~ 247  
~~credit authorized by this section after the date the director~~ 248  
~~issues an eligibility certificate under division (D) of this~~ 249  
~~section and the applicable annual report required by division~~ 250  
~~(H) of this section is filed by the designated reporter.~~ 251

~~(4) A project development investor or equity owner that~~ 252  
~~claims a tax credit under division (F) (2) of this section shall~~ 253  
~~submit a copy of the eligibility certificate with the investor's~~ 254  
~~or equity owner's tax return. Upon request of the tax~~ 255  
~~commissioner or the superintendent of insurance, any project~~ 256

~~development investor or equity owner claiming a tax credit under 257  
that division shall provide the tax commissioner or 258  
superintendent other documentation that may be necessary to 259  
verify that the project development investor or equity owner is 260  
entitled to claim the credit. 261~~

~~(G) The director may disallow or recapture any portion of 262  
a credit if the project development owner or the project 263  
development owner's qualified project does not or ceases to 264  
qualify for the credit. If the director determines to recapture 265  
such a tax credit, the director shall certify the name of the 266  
project development owner, and the amount to be recaptured to 267  
the tax commissioner and to the superintendent of insurance. The 268  
tax commissioner or superintendent shall determine the taxpayer 269  
or taxpayers that claimed the credit, the tax against which the 270  
credit was claimed, and the amount to be recaptured and make an 271  
assessment against the taxpayer or taxpayers under Chapter 272  
5725., 5726., 5729., or 5747. of the Revised Code, as 273  
applicable, for the amount to be recaptured. The time 274  
limitations on assessments under those chapters do not bar an 275  
assessment made under this division. 276~~

~~(H) For each calendar year, a designated reporter shall 277  
provide the following information to the tax commissioner on a 278  
form prescribed by the commissioner in consultation with the 279  
superintendent of insurance: 280~~

~~(1) A list of each project development investor or equity 281  
owner that has been allocated a portion of the annual credit 282  
awarded in an eligibility certificate for that year, including 283  
the investor or owner's name, address, taxpayer identification 284  
number, and the tax against which the credit will be claimed by 285  
each. 286~~

~~(2) For each project development investor or equity owner, 287  
the amount of annual credit that has been allocated for that 288  
year. 289~~

~~(3) An aggregate list of the credit amount allocated for a 290  
qualified project demonstrating that the aggregate annual amount 291  
of the credits allocated does not exceed the aggregate annual 292  
credit awarded in the eligibility certificate. 293~~

~~A designated reporter shall notify the tax commissioner of 294  
any changes to the information reported under division (H) of 295  
this section in the time and manner prescribed by the 296  
commissioner. The commissioner shall provide a copy of the 297  
report, and any subsequent changes to the report, submitted by 298  
the designated reporter under division (H) of this section to 299  
the superintendent of insurance in the time and manner agreed to 300  
by the commissioner and superintendent. 301~~

~~No credits allocated under this section may be claimed 302  
unless the credits are listed on the report required by division 303  
(H) of this section. 304~~

~~(I) (1) (G) (1) The director shall adopt a plan for 305  
competitively awarding tax credits under this section. The plan 306  
shall establish the criteria and metrics under which projects 307  
will be assessed for qualification and may allocate tax credits 308  
in a pooled manner. 309~~

(2) The director may assess application, processing, and 310  
reporting fees to cover the cost of administering this section. 311

(3) The director, in consultation with the tax 312  
commissioner and the superintendent of insurance, shall adopt 313  
any rules necessary to implement this section in accordance with 314  
Chapter 119. of the Revised Code. Such rules may include all of 315

the following:	316
(a) Supplementary definitions as may be necessary to administer this section.	317 318
(b) Underwriting criteria to assess the risk associated with any application and determine appropriate criteria to deny an application based upon risk.	319 320 321
<del>(c) Criteria by which a project development owner shall be responsible for any or all risk associated with a qualified project such as homeowner abandonment, default, foreclosure, or other such risks.</del>	322 323 324 325
<del>(d) Criteria to maintain the affordability of each of a qualified project's single-family dwellings during the affordability period, which may include a deed restriction held by the project development owner for some or all of the amount of the tax credit or any appreciated value of the property, subordinate compliance mortgage, or other filing of record and a requirement that a member of the project development team support such purposes.</del>	326 327 328 329 330 331 332 333
<del>(e)</del> (d) Requirements that the project development owner provide certain capital assets or other investments that contribute to the affordability of the project.	334 335 336
<del>(f)</del> (e) Criteria to be used in determining whether an individual is a qualified buyer.	337 338
<del>(g)</del> (f) Criteria regarding the purchase, ownership, and sale of completed qualified project single-family dwellings.	339 340
<del>(h)</del> (g) The manner of determining the project's development costs and the <del>appraised market value</del> <u>purchase price</u> of qualified project single-family dwellings.	341 342 343

~~(i)~~(h) Any other qualifications a project must meet to 344  
qualify as a qualified project. 345

**Sec. 5725.37.** (A) Terms used in this section have the same 346  
meanings as in section 175.17 of the Revised Code. 347

(B) There is allowed a nonrefundable tax credit against 348  
the tax imposed by section 5725.18 of the Revised Code for a 349  
domestic insurance company that ~~is allocated~~ has been issued, or 350  
to whom is transferred, a credit ~~issued by the executive~~ 351  
~~director of the Ohio housing finance agency~~ under section 175.17 352  
of the Revised Code. The credit shall equal the amount ~~allocated~~ 353  
issued or transferred to such company for the calendar year ~~and~~ 354  
~~reported by the designated reporter on the form prescribed by~~ 355  
~~division (H) of section 175.17 of the Revised Code.~~ 356

The credit authorized in this section shall be claimed in 357  
the order required under section 5725.98 of the Revised Code. If 358  
the amount of a credit exceeds the tax otherwise due under 359  
section 5725.18 of the Revised Code after deducting all other 360  
credits preceding the credit in the order prescribed in section 361  
5725.98 of the Revised Code, the excess may be carried forward 362  
for not more than five ensuing calendar years. The amount of the 363  
excess credit claimed in any such year shall be deducted from 364  
the balance carried forward to the next calendar year. 365

No credit shall be claimed under this section to the 366  
extent the credit was claimed under section 5726.60, 5729.20, or 367  
5747.84 of the Revised Code. 368

**Sec. 5726.60.** (A) Terms used in this section have the same 369  
meanings as in section 175.17 of the Revised Code. 370

(B) A taxpayer may claim a nonrefundable tax credit 371  
against the tax imposed under this chapter for each person 372

included in the annual report of the taxpayer that ~~is allocated~~ 373  
has been issued, or to whom is transferred, a credit ~~issued by~~ 374  
~~the executive director of the Ohio housing finance agency~~ under 375  
section 175.17 of the Revised Code. The credit equals the amount 376  
allocated issued or transferred to such person for the taxable 377  
year ~~as provided by the designated reporter on the form~~ 378  
~~prescribed by division (H) of section 175.17 of the Revised~~ 379  
~~Code.~~ 380

The credit authorized in this section shall be claimed in 381  
the order required under section 5726.98 of the Revised Code. If 382  
the amount of a credit exceeds the tax otherwise due under 383  
section 5726.02 of the Revised Code after deducting all other 384  
credits preceding the credit in the order prescribed in section 385  
5726.98 of the Revised Code, the excess may be carried forward 386  
for not more than five ensuing tax years. The amount of the 387  
excess credit claimed in any such year shall be deducted from 388  
the balance carried forward to the next tax year. 389

No credit shall be claimed under this section to the 390  
extent the credit was claimed under section 5725.37, 5729.20, or 391  
5747.84 of the Revised Code. 392

**Sec. 5729.20.** (A) Terms used in this section have the same 393  
meanings as in section 175.17 of the Revised Code. 394

(B) There is allowed a nonrefundable tax credit against 395  
the tax imposed by section 5729.03 or 5729.06 of the Revised 396  
Code for a foreign insurance company that ~~is allocated~~ has been 397  
issued, or to whom is transferred, a credit ~~issued by the~~ 398  
~~executive director of the Ohio housing finance agency~~ under 399  
section 175.17 of the Revised Code. The credit equals the amount 400  
allocated issued or transferred to such company for the calendar 401  
year ~~and reported by the designated reporter on the form~~ 402

~~prescribed by division (H) of section 175.17 of the Revised Code.~~ 403  
404

The credit authorized in this section shall be claimed in 405  
the order required under section 5729.98 of the Revised Code. If 406  
the amount of a credit exceeds the tax otherwise due under 407  
section 5729.03 or 5729.06 of the Revised Code after deducting 408  
all other credits preceding the credit in the order prescribed 409  
in section 5725.98 of the Revised Code, the excess may be 410  
carried forward for not more than five ensuing calendar years. 411  
The amount of the excess credit claimed in any such year shall 412  
be deducted from the balance carried forward to the next 413  
calendar year. 414

No credit shall be claimed under this section to the 415  
extent the credit was claimed under section 5725.37, 5726.60, or 416  
5747.84 of the Revised Code. 417

A foreign insurance company shall not be required to pay 418  
any additional tax levied under section 5729.06 of the Revised 419  
Code as a result of claiming the tax credit authorized under 420  
this section. 421

**Sec. 5747.84.** (A) Terms used in this section have the same 422  
meanings as in section 175.17 of the Revised Code. 423

(B) There is allowed a nonrefundable credit against a 424  
taxpayer's aggregate tax liability under section 5747.02 of the 425  
Revised Code for a taxpayer that is allocated has been issued, 426  
or to whom is transferred, a credit ~~issued by the executive~~ 427  
~~director of the Ohio housing finance agency~~ under section 175.17 428  
of the Revised Code. The credit equals the amount ~~allocated~~ 429  
issued or transferred to such taxpayer for the taxable year that 430  
begins in the calendar year ~~for which the designated reporter~~ 431

~~files the form prescribed by division (H) of section 175.17 of~~ 432  
~~the Revised Code that allocates the credit is issued or~~ 433  
~~transferred to the taxpayer.~~ 434

The credit shall be claimed in the order required under 435  
section 5747.98 of the Revised Code. If the credit exceeds the 436  
taxpayer's aggregate tax due under section 5747.02 of the 437  
Revised Code for that taxable year after allowing for credits 438  
that precede the credit under this section in that order, such 439  
excess shall be allowed as a credit in each of the ensuing five 440  
taxable years, but the amount of any excess credit allowed in 441  
any such taxable year shall be deducted from the balance carried 442  
forward to the ensuing taxable year. 443

If the certificate is held by a pass-through entity, a 444  
taxpayer that holds a direct or indirect equity interest in the 445  
pass-through entity on the last day of the entity's taxable year 446  
may claim the taxpayer's distributive or proportionate share of 447  
the credit for the taxpayer's taxable year that includes the 448  
last day of the entity's taxable year. 449

No credit shall be claimed under this section to the 450  
extent the credit was claimed under section 5725.37, 5726.60, or 451  
5729.20 of the Revised Code. 452

**Section 2.** That existing sections 175.17, 5725.37, 453  
5726.60, 5729.20, and 5747.84 of the Revised Code are hereby 454  
repealed. 455