

As Introduced

136th General Assembly

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H. B. No. 869

Representatives Russo, Brennan

To amend section 5747.01 and to enact sections 1
4143.01, 4143.02, 4143.03, 4143.04, 4143.05, 2
4143.06, 4143.07, 4143.08, 4143.09, 4143.10, 3
4143.11, 4143.12, 4143.13, 4143.14, 4143.15, 4
4143.16, 4143.17, and 4143.18 of the Revised 5
Code to establish family and medical leave 6
insurance benefits. 7

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

Section 1. That section 5747.01 be amended and sections 8
4143.01, 4143.02, 4143.03, 4143.04, 4143.05, 4143.06, 4143.07, 9
4143.08, 4143.09, 4143.10, 4143.11, 4143.12, 4143.13, 4143.14, 10
4143.15, 4143.16, 4143.17, and 4143.18 of the Revised Code be 11
enacted to read as follows: 12

Sec. 4143.01. As used in this chapter: 13

(A) "Armed forces" means the armed forces of the United 14
States, including the army, navy, air force, marine corps, space 15
force, coast guard, or any reserve components of those forces. 16

(B) "Application year" with respect to any individual, 17
means the twelve-month period that begins on the Sunday of the 18
calendar week in which the individual files an application for 19
family and medical leave insurance benefits. 20

(C) "Average weekly wage" means the sum of an employee's wages for all qualifying weeks during the calendar quarter with the highest wages in the employee's base period, divided by thirteen. 21
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(D) (1) "Base period" means the first four of the last five completed calendar quarters immediately preceding the first day of an individual's application year, except as provided in division (D) (2) of this section. 25
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(2) If an individual does not have sufficient qualifying weeks and wages in the base period to be eligible for family and medical leave insurance benefits, the individual's base period shall be the four most recently completed calendar quarters preceding the first day of the individual's application year. Such base period shall be known as the "alternate base period." No calendar quarter in a base period or alternate base period shall be used to establish a subsequent benefit year. 29
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(3) For purposes of determining the weeks that comprise a completed calendar quarter under this division, only those weeks ending at midnight Saturday within the calendar quarter shall be utilized. 37
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(E) "Child" means any of the following: 41

(1) A biological, adopted, or foster child, a stepchild, or a legal ward of an employee; 42
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(2) A child of an employee's domestic partner; 44

(3) A minor child to whom an employee stands in loco parentis; 45
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(4) An individual to whom the employee stood in loco parentis when the individual was a minor child. 47
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<u>(F) "Covered active duty" means both of the following:</u>	49
<u>(1) For a regular member of the armed forces, duty during deployment to a foreign country;</u>	50 51
<u>(2) For a member of a reserve component of the armed forces, duty during deployment to a foreign country under a call or order to active duty in support of a contingency operation during a war or national emergency declared by the president of the United States or congress of the United States.</u>	52 53 54 55 56
<u>(G) "Covered service member" means a current member of the armed forces or the national guard of any state who is undergoing medical treatment, recuperation, or therapy or is on the temporary disability retired list for a serious injury or illness that the member incurred in the line of duty on active duty or that existed before the beginning of the member's active duty and was aggravated by service in the line of duty on active duty and that may render the member medically unfit to perform the member's duties.</u>	57 58 59 60 61 62 63 64 65
<u>(H) "Covered veteran" means a veteran to whom both of the following apply:</u>	66 67
<u>(1) The veteran is undergoing medical treatment, recuperation, or therapy for a serious injury or illness that the veteran incurred in the line of duty on active duty or that existed before the beginning of the veteran's active duty and was aggravated by service in the line of duty on active duty, regardless of when the injury or illness manifested itself.</u>	68 69 70 71 72 73
<u>(2) The veteran was a member of the armed forces or the national guard of any state at any time during the five-year period before the date on which the veteran begins receiving medical treatment, recuperation, or therapy under division (H)</u>	74 75 76 77

<u>(1) of this section.</u>	78
<u>(I) "Domestic partner" means an individual, regardless of sex, who is in a committed personal relationship, including a marriage, civil union, or other committed relationship that is granted legal recognition, with one other individual to whom the first individual can demonstrate financial interdependence and that both individuals share responsibility for a significant measure of the other individual's welfare.</u>	79 80 81 82 83 84 85
<u>(J) "Eligible individual" means an individual who satisfies the requirements of section 4143.03 of the Revised Code to receive family and medical leave insurance benefits.</u>	86 87 88
<u>(K) "Employee" means any person who performs a service for wages or other remuneration for an employer. "Employee" does not include a person performing services in or about the property of an employer on a casual basis or for a family business if the person is a family member of an owner of the business.</u>	89 90 91 92 93
<u>(L) "Employer" means any person who has one or more employees, and includes an agent of an employer, the state or any agency or instrumentality of the state, and any municipal corporation, county, township, school district, or other political subdivision or any agency or instrumentality thereof.</u>	94 95 96 97 98
<u>(M) "Family and medical leave insurance benefits" means money payments payable to an individual who has established benefit rights under this chapter.</u>	99 100 101
<u>(N) "Family member" means any of the following:</u>	102
<u>(1) A child;</u>	103
<u>(2) A parent;</u>	104
<u>(3) A domestic partner;</u>	105

<u>(4) A biological, foster, or adoptive grandparent or a</u>	106
<u>step-grandparent of the employee or the employee's domestic</u>	107
<u>partner;</u>	108
<u>(5) A biological, foster, or adoptive grandchild or a</u>	109
<u>step-grandchild of the employee or the employee's domestic</u>	110
<u>partner;</u>	111
<u>(6) A biological, foster, or adoptive sibling or a</u>	112
<u>stepsibling of the employee or the employee's domestic partner;</u>	113
<u>(7) Any other individual, regardless of blood or legal</u>	114
<u>relationship, with whom the employee has a significant personal</u>	115
<u>bond that is or is like a family relationship.</u>	116
<u>(O) "Family and Medical Leave Act" means the "Family and</u>	117
<u>Medical Leave Act of 1993," 29 U.S.C. 2601, et seq.</u>	118
<u>(P) "Health care professional" means any of the following:</u>	119
<u>(1) A dentist or dental hygienist licensed under Chapter</u>	120
<u>4715. of the Revised Code or in another state;</u>	121
<u>(2) A registered nurse, clinical nurse specialist,</u>	122
<u>certified nurse-midwife, or licensed practical nurse licensed or</u>	123
<u>certified under Chapter 4723. of the Revised Code or in another</u>	124
<u>state;</u>	125
<u>(3) An individual licensed under Chapter 4729. of the</u>	126
<u>Revised Code or in another state to practice as a pharmacist;</u>	127
<u>(4) An individual authorized under Chapter 4730. of the</u>	128
<u>Revised Code or in another state to practice as a physician</u>	129
<u>assistant;</u>	130
<u>(5) An individual authorized under Chapter 4731. of the</u>	131
<u>Revised Code or in another state to practice medicine and</u>	132

<u>surgery, osteopathic medicine and surgery, or podiatry;</u>	133
<u>(6) A psychologist licensed under Chapter 4732. of the</u>	134
<u>Revised Code or in another state;</u>	135
<u>(7) A speech-language pathologist or audiologist licensed</u>	136
<u>under Chapter 4753. of the Revised Code or in another state;</u>	137
<u>(8) An occupational therapist, physical therapist,</u>	138
<u>physical therapist assistant, or athletic trainer licensed under</u>	139
<u>Chapter 4755. of the Revised Code or in another state;</u>	140
<u>(9) A professional clinical counselor, professional</u>	141
<u>counselor, independent social worker, or social worker licensed</u>	142
<u>under Chapter 4757. of the Revised Code or in another state;</u>	143
<u>(10) A dietitian licensed under Chapter 4759. of the</u>	144
<u>Revised Code or in another state.</u>	145
<u>(Q) "Internal Revenue Code" has the same meaning as in</u>	146
<u>section 5747.01 of the Revised Code.</u>	147
<u>(R) "Military member" means an individual's family member</u>	148
<u>who is on covered active duty or has been notified of an</u>	149
<u>impending call or order to covered active duty and for whom the</u>	150
<u>individual may take leave to address a qualifying exigency.</u>	151
<u>(S) "Miscarriage" means the natural or accidental</u>	152
<u>termination of a pregnancy and the expulsion of the fetus.</u>	153
<u>(T) "Parent" means both of the following:</u>	154
<u>(1) A biological, foster, or adoptive parent, a</u>	155
<u>stepparent, or a legal guardian of an employee or the employee's</u>	156
<u>domestic partner;</u>	157
<u>(2) A person who stood in loco parentis to an employee or</u>	158
<u>the employee's domestic partner when the employee or domestic</u>	159

partner was a minor child. 160

(U) "Qualifying exigency" means a financial, legal, 161
logistical, or other issue that arises when a military member is 162
on covered active duty or has been notified of an impending call 163
or order to covered active duty. 164

(V) "Qualifying week" means any calendar week in an 165
individual's base period with respect to which the individual 166
earns or is paid wages. A calendar week with respect to which an 167
individual earns wages but for which payment was not made within 168
the base period, when necessary to qualify for family and 169
medical leave insurance benefits, may be considered to be a 170
qualifying week. The number of qualifying weeks that may be 171
established in a calendar quarter shall not exceed the number of 172
calendar weeks in the quarter. 173

(W) "Serious health condition" means an illness, injury, 174
impairment, or physical or mental condition that involves 175
inpatient care in a hospital, hospice, or residential health 176
care facility, or continuing treatment or continuing supervision 177
by a health care professional. 178

(X) "Serious injury or illness" means both of the 179
following: 180

(1) An injury or illness that was incurred by a member of 181
the armed forces or the national guard of any state in the line 182
of duty while the member was on active duty or that existed 183
before the beginning of the member's active duty and was 184
aggravated by service in the line of duty on active duty in the 185
armed forces and that may render the member medically unfit to 186
perform the member's duties; 187

(2) An injury or illness that was incurred by a veteran in 188

the line of duty on active duty while the veteran was a member 189
of the armed forces or the national guard of any state or that 190
existed before the beginning of the veteran's active duty and 191
was aggravated by service in the line of duty on active duty in 192
the armed forces, regardless of whether the injury or illness 193
manifested before or after the member became a veteran. 194

(Y) "Statewide average weekly wage" means the amount 195
calculated by the director of job and family services in 196
accordance with division (B) of section 4141.30 of the Revised 197
Code. 198

(Z) "Stillbirth" means death before the complete expulsion 199
or extraction from its mother of a product of human conception 200
of at least twenty weeks of gestation, which after such 201
expulsion or extraction does not breathe or show any other 202
evidence of life such as beating of the heart, pulsation of the 203
umbilical cord, or definite movement of voluntary muscles. 204

(AA) "Veteran" has the same meaning as in section 5903.01 205
of the Revised Code. 206

(BB) "Wages" means all remuneration payable to an employee 207
for personal services performed for an employer, including 208
commissions and bonuses, and the reasonable cash value of all 209
remuneration payable to an employee in any medium other than 210
cash. 211

(CC) "Weekly benefit amount" means the amount provided in 212
section 4143.06 of the Revised Code. 213

(DD) "Yearly earnings" means the total wages an individual 214
earns for the calendar year. 215

Sec. 4143.02. (A) The family and medical leave insurance 216
program is created. The director of job and family services 217

shall administer and enforce the program in accordance with this 218
chapter and shall adopt rules in accordance with Chapter 119. of 219
the Revised Code to establish all of the following with respect 220
to the program: 221

(1) Procedures for an individual to follow to allow the 222
individual to file a claim for family and medical leave 223
insurance benefits under section 4143.03 of the Revised Code; 224

(2) The form an individual shall use to apply for family 225
and medical leave insurance benefits in English, Spanish, and 226
any other language spoken by three per cent or more of the 227
state's population; 228

(3) The manner and schedule by which an employer shall 229
remit premiums to the director as prescribed by section 4143.14 230
of the Revised Code; 231

(4) Procedures for an individual to request a modification 232
of an approved claim for family and medical leave insurance 233
benefits; 234

(5) Procedures for an individual to follow to submit a 235
weekly claim to demonstrate the individual's eligibility to 236
continue receiving family and medical leave insurance benefits; 237

(6) Requirements for the coordination of an eligible 238
individual's family and medical leave insurance benefits with 239
any benefits the individual receives under section 4123.56 or 240
4123.58 of the Revised Code for the purpose of calculating the 241
individual's weekly benefit amount under section 4143.06 of the 242
Revised Code; 243

(7) Procedures for an employer to follow to receive a 244
reimbursement of an advance payment made to an employee of 245
family and medical leave insurance benefits under section 246

<u>4143.07 of the Revised Code;</u>	247
<u>(8) The time periods during which an independent</u>	248
<u>contractor, sole proprietor, partner, or joint venturer who has</u>	249
<u>elected coverage under section 4143.10 of the Revised Code may</u>	250
<u>withdraw from coverage;</u>	251
<u>(9) Requirements for an employer to provide or post the</u>	252
<u>program notice for employees that are in addition to the</u>	253
<u>requirements specified in section 4143.18 of the Revised Code.</u>	254
<u>(B) The director may adopt additional rules the director</u>	255
<u>considers necessary to administer and enforce the program and</u>	256
<u>this chapter.</u>	257
Sec. 4143.03. <u>(A) An individual may receive family and</u>	258
<u>medical leave insurance benefits for any of the following</u>	259
<u>reasons:</u>	260
<u>(1) The individual has a serious health condition that</u>	261
<u>makes the individual unable to perform the functions of one or</u>	262
<u>more of the individual's jobs.</u>	263
<u>(2) The individual is caring for a new child during the</u>	264
<u>first year after the birth or adoption of the child or the</u>	265
<u>placement of the child through foster care, or is preparing for</u>	266
<u>the adoption of the child or placement of the child through</u>	267
<u>foster care.</u>	268
<u>(3) The individual is caring for a family member who has a</u>	269
<u>serious health condition.</u>	270
<u>(4) The individual or the individual's domestic partner</u>	271
<u>has experienced a miscarriage during the third trimester of</u>	272
<u>pregnancy or the stillbirth of a child.</u>	273
<u>(5) The individual is addressing a qualifying exigency</u>	274

<u>described in section 4143.04 of the Revised Code.</u>	275
<u>(6) The individual is caring for a family member who is a covered service member or veteran.</u>	276
<u>(B) To be eligible to receive benefits, an individual shall do all of the following:</u>	279
<u>(1) File a claim for benefits in accordance with rules adopted by the director of job and family services under section 4143.02 of the Revised Code;</u>	280
<u>(2) Consent to the release of information that is considered confidential under section 4143.16 of the Revised Code;</u>	283
<u>(3) Demonstrate that the individual has been employed by and worked for one or more employers and earned wages of at least two thousand five hundred dollars during the individual's base period;</u>	287
<u>(4) Demonstrate that the individual's employer withheld and remitted premiums to the family and medical leave insurance program while the individual was employed by the employer;</u>	290
<u>(5) Attest in the claim for benefits that the individual notified the individual's employer in writing of the individual's intent to take leave for one of the reasons listed in division (A) of this section as soon as practicable and the individual's proposed schedule for taking leave;</u>	293
<u>(6) If the individual is unemployed at the time the individual files a claim for benefits, demonstrate that the individual has been separated from employment for not more than twenty-six weeks at the time the individual files the claim;</u>	298
<u>(7) Provide a certification under section 4143.05 of the</u>	302

<u>Revised Code as applicable.</u>	303
<u>(C) An employer shall not require the individual to</u>	304
<u>provide more than thirty days of notice under division (B) (5) of</u>	305
<u>this section before the individual's leave begins if the need</u>	306
<u>for leave is foreseeable.</u>	307
<u>(D) (1) An individual shall file a claim for benefits under</u>	308
<u>this section not more than sixty days before the date the</u>	309
<u>individual anticipates beginning the period of leave or within</u>	310
<u>ninety days of the date the individual's period of leave began.</u>	311
<u>The director may waive the ninety-day filing period for good</u>	312
<u>cause.</u>	313
<u>(2) The director shall notify an employer within five</u>	314
<u>business days after an individual files a claim for benefits</u>	315
<u>under this section that the claim has been filed.</u>	316
<u>(E) An individual who meets the requirements of division</u>	317
<u>(B) of this section may receive family and medical leave</u>	318
<u>insurance benefits regardless of whether the individual is</u>	319
<u>currently employed or is working at a different job while taking</u>	320
<u>leave.</u>	321
<u>(F) No claim for benefits or an individual's eligibility</u>	322
<u>to receive benefits under this section shall be invalidated for</u>	323
<u>any of the following reasons:</u>	324
<u>(1) A failure to file a claim for benefits;</u>	325
<u>(2) A failure to furnish notice of the intent to take</u>	326
<u>leave to an employer;</u>	327
<u>(3) A failure to submit an attestation or certification</u>	328
<u>required by division (B) (5) and (7) of this section;</u>	329
<u>(4) The employer's failure to withhold and remit premiums</u>	330

as required under section 4143.14 of the Revised Code. 331

(G) (1) An individual whose claim for benefits is denied by 332
the director may appeal the decision to the director within 333
ninety calendar days after the written determination is sent to 334
the individual. Within twenty-one days after the receipt of the 335
appeal, the director shall issue a determination. A 336
determination made under this division is final and may be 337
appealed pursuant to section 119.12 of the Revised Code. 338

(2) An employer shall not be a party to an appeal under 339
division (G) (1) of this section. 340

Sec. 4143.04. An individual who has filed a claim for 341
family and medical leave insurance benefits under section 342
4143.03 of the Revised Code to address a qualifying exigency may 343
take leave for any of the following reasons: 344

(A) If the military member receives an impending call or 345
order to covered active duty seven or fewer days before the date 346
of deployment, to address an issue arising from the military 347
member's deployment during that period; 348

(B) To attend any official ceremony, program, or event 349
sponsored by the military that is related to the military 350
member's covered active duty or call to covered active duty 351
status; 352

(C) To attend family support or assistance programs and 353
informational briefings sponsored or promoted by the military, 354
military service organizations, or American red cross that are 355
related to the military member's covered active duty or call to 356
covered active duty status; 357

(D) To provide or arrange for child care for the military 358
member's child, including enrolling or transferring the child to 359

a new school or daycare facility and attending meetings with 360
staff at the school or daycare facility, if the military 361
member's covered active duty or call to covered active duty 362
status requires a change in the child's care arrangement; 363

(E) To provide or arrange for care for the military 364
member's family member who is incapable of self-care, including 365
admitting or transferring the family member to a new care 366
facility and attending meetings with staff at the care facility, 367
if the military member's covered active duty or call to covered 368
active duty status requires a change in the family member's care 369
arrangement; 370

(F) To provide care for the military member's family 371
member who is incapable of self-care during an emergency or 372
other urgent situation where the family member requires 373
immediate care, if the military member's covered active duty or 374
call to covered active duty status requires the individual to 375
provide care for the family member; 376

(G) To make or update financial and legal arrangements to 377
address the military member's absence while on covered active 378
duty or call to covered active duty status; 379

(H) To act as the military member's representative before 380
a federal, state, or local agency for purposes of obtaining, 381
arranging, or appealing military service benefits while the 382
military member is on covered active duty or call to covered 383
active duty status, and for a period of ninety days following 384
the termination of the military member's covered active duty 385
status; 386

(I) To attend counseling provided by someone other than a 387
health care professional, for the individual, military member, 388

or military member's child, if the need for counseling arises 389
from the military member's covered active duty or call to 390
covered active duty status; 391

(J) To spend time with the military member while the 392
military member is on short-term, temporary, rest and 393
recuperation leave during the military member's deployment; 394

(K) To attend arrival ceremonies, reintegration briefings 395
and events, and any other official ceremony or program sponsored 396
by the military following the termination of the military 397
member's covered active duty status; 398

(L) To address issues that arise from the death of the 399
military member while on covered active duty status. 400

Sec. 4143.05. (A) The director of job and family services 401
shall require an individual filing a claim for benefits under 402
section 4143.03 of the Revised Code to provide a certification 403
of the individual's need for leave. The director shall accept 404
the following types of certification: 405

(1) For an individual taking leave to care for a family 406
member who has a serious health condition or serious injury or 407
illness, documentation from a health care professional that 408
states when the serious health condition or serious injury or 409
illness began and its expected duration, that the individual is 410
needed to provide care for the family member, and appropriate 411
medical information supporting the individual's claim; 412

(2) For an individual taking leave for the individual's 413
own serious health condition, documentation from a health care 414
professional that states when the serious health condition 415
began, its expected duration, and appropriate medical 416
information supporting the individual's claim; 417

<u>(3) For an individual taking leave to care for a new child</u>	418
<u>after the birth or adoption of the child or the placement of the</u>	419
<u>child through foster care or to prepare for the adoption or</u>	420
<u>placement of the child through foster care, any of the following</u>	421
<u>as applicable:</u>	422
<u>(a) A birth certificate;</u>	423
<u>(b) Documentation from a health care professional stating</u>	424
<u>the date of birth of the child;</u>	425
<u>(c) Documentation from a health care professional, agency</u>	426
<u>as defined in section 3107.01 of the Revised Code, or other</u>	427
<u>individual, as determined by the director, stating the date of</u>	428
<u>adoption or anticipated adoption of the child;</u>	429
<u>(d) Documentation from a health care professional, foster</u>	430
<u>care agency, or other individual, as determined by the director,</u>	431
<u>stating the date of the placement or anticipated placement of</u>	432
<u>the child through foster care;</u>	433
<u>(e) An affidavit of the individual acknowledging</u>	434
<u>parentage.</u>	435
<u>(4) For an individual taking leave to address a qualifying</u>	436
<u>exigency, a copy of the military member's call or order to</u>	437
<u>active duty or other documentation from the applicable branch of</u>	438
<u>the armed forces supporting the individual's claim.</u>	439
<u>(B) The director shall accept any alternative</u>	440
<u>certification under division (A) of this section that the</u>	441
<u>director determines is sufficient to demonstrate the</u>	442
<u>individual's need for leave under this chapter.</u>	443
<u>(C) (1) A health care professional shall provide a</u>	444
<u>certification under division (A) (1) or (2) of this section at no</u>	445

cost to an individual within seven calendar days of the 446
individual's request for the certification. 447

(2) Nothing in this section requires a health care 448
professional to issue a certification for an individual or a 449
family member of the individual who has a serious health 450
condition or serious injury or illness if the health care 451
professional is not providing treatment or supervision to the 452
individual or family member. 453

Sec. 4143.06. (A) An eligible individual shall receive a 454
weekly benefit amount that is equal to eighty-five per cent of 455
the individual's average weekly wage, except that the maximum 456
weekly benefit amount an eligible individual may receive under 457
this section is an amount equal to ninety per cent of the 458
statewide average weekly wage. The individual's weekly benefit 459
amount shall be proportional to the number of hours the 460
individual works at the job from which the individual is taking 461
leave. 462

(B) The director of job and family services shall reduce 463
an eligible individual's weekly benefit amount by the amount of 464
either of the following: 465

(1) Any benefits the individual is receiving under Chapter 466
4141. of the Revised Code; 467

(2) Any benefits the individual is receiving under Chapter 468
4121., 4123., 4127., or 4131. of the Revised Code, other than 469
benefits payable under section 4123.57 of the Revised Code in 470
accordance with rules adopted by the director under section 471
4143.02 of the Revised Code. 472

(C) (1) The director shall calculate an eligible 473
individual's weekly benefit amount under division (A) of this 474

section based on the individual's average weekly wage earned 475
from the job from which the individual is taking leave or, if 476
the individual is unemployed at the time of the claim, the 477
individual's average weekly wage during the individual's base 478
period. If the individual is able to continue working at a 479
different job while taking leave, the director shall not 480
consider the individual's average weekly wage from the other job 481
when calculating the individual's weekly benefit amount. 482

(2) The director shall calculate an eligible individual's 483
weekly benefit amount under division (A) of this section on a 484
prorated basis if the individual is taking leave in separate 485
blocks of time on an intermittent schedule or by reducing the 486
time the individual works each work day or work week. 487

(D) (1) The director shall make the first payment of family 488
and medical leave insurance benefits to an eligible individual 489
within fourteen calendar days after the date the director 490
approves the individual's claim for benefits. 491

(2) The director shall make subsequent payments to an 492
eligible individual biweekly after the first payment under 493
division (D) (1) of this section. 494

(E) (1) Except as provided in division (E) (2) of this 495
section, an eligible individual may receive a maximum of 496
eighteen weeks of benefits payable during an application year. 497
If the individual is taking leave to care for a family member 498
who is a covered service member or veteran, the individual may 499
only receive benefits for that family member during a single 500
application year but may take leave in a different application 501
year to care for a different family member or if the same family 502
member suffers a subsequent serious injury or illness. 503

(2) An eligible individual may only receive fourteen weeks 504
of benefits during an application year for any one reason for 505
which the individual may receive benefits under division (A) of 506
section 4143.03 of the Revised Code. The individual may receive 507
an additional two weeks of benefits payable during an 508
application year for the individual's serious health condition 509
related to the individual's pregnancy, stillbirth, or 510
miscarriage, for a maximum of sixteen weeks of benefits payable 511
for that reason during the application year. 512

(F) Benefits under division (E) of this section are not 513
payable for a period of less than four consecutive hours of 514
leave taken during one work week. 515

Sec. 4143.07. (A) An employer may make an advance payment 516
of family and medical leave insurance benefits to an eligible 517
individual. The director of job and family services shall 518
reimburse the employer for the amount of an advance payment of 519
benefits if the employer files an application with the director 520
in accordance with rules adopted by the director under section 521
4143.02 of the Revised Code. The director shall not approve an 522
application that the director receives after the date the 523
director has made a payment to the individual for which the 524
employer is seeking a reimbursement. 525

(B) The amount of a reimbursement shall not be greater 526
than the amount the individual is entitled to receive under 527
section 4143.06 of the Revised Code. 528

Sec. 4143.08. (A) (1) A period of leave taken by an 529
eligible individual under this chapter runs concurrently with 530
any leave taken under the Family and Medical Leave Act. 531

(2) An employer may require that any leave taken under 532

this chapter be taken concurrently with leave allowed under the 533
terms of disability or family care leave under a collective 534
bargaining agreement or employer policy. The employer shall 535
provide employees with a written notice of this requirement. 536

(3) An employee may utilize available sick leave, vacation 537
leave, or other paid leave in order to supplement the employee's 538
weekly benefit amount under section 4143.06 of the Revised Code 539
during the leave period, in an amount sufficient to give the 540
employee up to one hundred per cent of the employee's average 541
weekly wage for time on leave. No employer shall require an 542
employee to utilize sick leave, vacation leave, or other paid 543
leave under this division during a period of leave under this 544
chapter. 545

(B) An employer shall comply with a collective bargaining 546
agreement or employer contract entered into or renewed, or an 547
employment policy adopted or revised, on or after the effective 548
date of this section that provides employees with greater leave 549
than that provided under this chapter. 550

(C) No collective bargaining agreement or employer 551
contract entered into or renewed, or employer policy adopted or 552
revised, on or after the effective date of this section shall 553
diminish an individual's rights to benefits under this chapter. 554

(D) Notwithstanding any provision to the contrary in 555
division (A) of section 4117.10 of the Revised Code, no 556
agreement between employee organizations and public employers 557
entered into on or after the effective date of this section 558
shall diminish an individual's rights to benefits under this 559
chapter. 560

(E) Any agreement by an individual to waive the 561

individual's rights under this chapter is void as against public 562
policy. 563

Sec. 4143.09. (A) (1) An eligible individual who takes a 564
period of leave under this chapter shall be restored to the 565
individual's position of employment with the individual's 566
employer before taking leave, or to an equivalent position with 567
equivalent benefits, pay, status, and other terms and conditions 568
of employment. 569

(2) An employer shall maintain an employee's health 570
insurance benefits during the period of leave on the same 571
conditions as those benefits would have been provided if the 572
employee had been continuously employed during the entire period 573
of leave. 574

(B) No employer shall discharge, demote, discriminate, or 575
take an adverse employment action against an employee at any 576
time for any of the following reasons: 577

(1) The employee filed a claim or received benefits under 578
this chapter. 579

(2) The employee communicated to the employer the 580
employee's intent to file a claim for benefits, a complaint, or 581
an appeal under this chapter. 582

(3) The employee testified, agreed to testify, or 583
otherwise assisted in a proceeding under this chapter. 584

(C) No employer shall consider a period of leave an 585
eligible individual takes under this chapter as an absence for 586
which the employer may discipline, discharge, demote, suspend, 587
or take an adverse employment action against the employee under 588
the employer's attendance policy. 589

(D) An employee who believes that an employer has violated 590
this section may file a complaint with the director of job and 591
family services within twenty-four months after the alleged 592
violation has occurred. The director shall process and 593
investigate any complaints the director receives to determine 594
whether it is probable that an employer has violated this 595
section. If the director determines that it is probable that the 596
employer violated this section after providing notice and an 597
opportunity for a hearing under Chapter 119. of the Revised 598
Code, the director may take either of the following actions: 599

(1) Order the employer to do any of the following: 600

(a) Provide the employee with the requested leave; 601

(b) Reinstate the employee to the employee's position of 602
employment; 603

(c) Pay the employee for up to two years of back pay, 604
including interest at the prevailing rate; 605

(d) Pay the employee for liquidated damages in an amount 606
equal to the payment under division (D) (3) of this section; 607

(e) Any other action the director determines appropriate. 608

(2) Assess a penalty against the employer of up to one 609
thousand dollars per violation. Any penalty collected for a 610
violation shall be deposited into the family and medical leave 611
insurance fund created in section 4143.13 of the Revised Code. 612

(E) (1) An aggrieved employee may bring a civil action in a 613
court of competent jurisdiction against an employer who the 614
employee believes violated this section. If the employee filed a 615
complaint under division (D) of this section, the employee must 616
bring a civil action within twenty-four months after the 617

director has made a determination on the employee's complaint. 618

(2) If the court finds that a violation of this section 619
has occurred, the employer shall be liable to the aggrieved 620
employee for any of the following: 621

(a) Damages in the amount of lost wages, salary, benefits, 622
or other compensation; 623

(b) Damages for any actual monetary losses sustained by 624
the employee; 625

(c) Liquidated damages in an amount equal to those 626
described in division (E) (1) (a) or (b) of this section; 627

(d) Court costs and reasonable attorney fees; 628

(e) Equitable relief as may be appropriate. 629

Sec. 4143.10. (A) An independent contractor, sole 630
proprietor, partner, or joint venturer may elect coverage under 631
this chapter for an initial period of a minimum of three years. 632
An independent contractor, sole proprietor, partner, or joint 633
venturer shall file a notice of election of coverage in writing 634
with the director of job and family services. The election is 635
effective on the date the notice is filed. 636

(B) An independent contractor, sole proprietor, partner, 637
or joint venturer may elect continuing coverage under this 638
chapter immediately following the initial period of coverage 639
under division (A) of this section by filing a notice for 640
election of coverage as described in that division at least 641
thirty days before the initial election period expires. 642

(C) An independent contractor, sole proprietor, partner, 643
or joint venturer may withdraw from coverage by filing a written 644
notice with the director within thirty days before the end of 645

the initial period of coverage or during a period the director 646
has designated by rule under section 4143.02 of the Revised 647
Code. The withdrawal is effective thirty days after the notice 648
is filed. 649

Sec. 4143.11. (A) An employer may apply to the director of 650
job and family services for approval to individually provide 651
family and medical leave insurance benefits under this chapter 652
directly to eligible employees. The director shall grant 653
approval to an employer that demonstrates, to the director's 654
satisfaction, all of the following: 655

(1) That the employer will provide benefits that are equal 656
to or greater than the benefits provided in section 4143.06 of 657
the Revised Code; 658

(2) That the employer will promptly meet all obligations 659
under this chapter; 660

(3) If the employer will provide benefits through an 661
insurer, proof that the insurer is authorized to provide 662
insurance in this state and a copy of the policy. 663

(B) An employer that submits an application under division 664
(A) of this section to provide benefits through self-insurance 665
shall file a good and sufficient surety executed by the employer 666
as principal and by a surety company as surety in the amount 667
determined by the director. 668

(C) The director shall terminate an employer's approval to 669
provide benefits under this section for failing to do any of the 670
following: 671

(1) Pay benefits to an eligible individual; 672

(2) Pay benefits in a timely manner; 673

<u>(3) If the employer is required to file a surety under</u>	674
<u>division (B) of this section, maintain the surety;</u>	675
<u>(4) Submit any report that the director requires the</u>	676
<u>employer to submit;</u>	677
<u>(5) Comply with any other requirement of this chapter or</u>	678
<u>rules adopted by the director under section 4143.02 of the</u>	679
<u>Revised Code.</u>	680
<u>(D) An individual whose claim for benefits is denied by</u>	681
<u>the individual's employer may appeal the decision to the</u>	682
<u>director as described in division (F) (1) of section 4143.03 of</u>	683
<u>the Revised Code.</u>	684
<u>(E) An employee who believes an employer approved to</u>	685
<u>provide benefits under this section has violated section 4143.09</u>	686
<u>of the Revised Code may file a complaint or bring a civil action</u>	687
<u>as described in that section.</u>	688
<u>(F) For each calendar year, the director shall determine</u>	689
<u>the costs to the family and medical leave insurance program</u>	690
<u>created under section 4143.02 of the Revised Code for employers</u>	691
<u>to provide benefits under this section. Each employer shall</u>	692
<u>reimburse the director for its share of the costs, as determined</u>	693
<u>by the director. The reimbursement shall be deposited into the</u>	694
<u>family and medical leave insurance fund.</u>	695
Sec. 4143.12. <u>(A) No individual shall receive family and</u>	696
<u>medical leave insurance benefits for one year after the</u>	697
<u>individual willfully makes a false statement or misrepresents or</u>	698
<u>willfully fails to report a material fact in connection with a</u>	699
<u>claim for benefits under this chapter.</u>	700
<u>(B) (1) The director of job and family services may seek</u>	701
<u>repayment of benefits that are paid to an individual in excess</u>	702

of the benefits the individual is entitled to receive for any of 703
the following reasons: 704

(a) The individual willfully made a false statement or 705
misrepresented or willfully failed to report a material fact in 706
connection with a claim for benefits. 707

(b) The individual received benefits to which the 708
individual is subsequently determined to not be entitled as a 709
result of a decision of an appeal under division (F) of section 710
4143.03 of the Revised Code. 711

(c) The individual received benefits to which the 712
individual was not entitled due to a mistake or a clerical 713
error. 714

(2) The director may waive a repayment or part of a 715
repayment in division (B)(1) of this section if the director 716
decides the recovery is against equity and good conscience. 717

Sec. 4143.13. The family and medical leave insurance fund 718
is created, which shall be in the custody of the treasurer of 719
state but shall not be a part of the state treasury. All 720
premiums and contributions received under this chapter and any 721
other money collected pursuant to this chapter shall be 722
deposited into the fund. The treasurer of state shall invest any 723
portion of the fund not needed for immediate use in the same 724
manner as, and subject to all applicable laws regarding the 725
investment of, state funds. Any investment earnings of the fund 726
shall be credited to the fund. The treasurer of state shall 727
disburse money from the fund on order of the director of job and 728
family services or a designee of the director. 729

Sec. 4143.14. (A) The director of job and family services 730
shall establish a premium rate for the purpose of determining 731

premiums under this section as follows: 732

(1) Not later than October 31, 2027, a premium rate the 733
director determines to assure the solvency of the family and 734
medical leave insurance fund created by section 4143.13 of the 735
Revised Code based on sound actuarial principles. 736

(2) Beginning with calendar year 2031, the director shall 737
annually determine the premium rate not later than the thirty- 738
first day of October for the subsequent calendar year. The 739
premium rate shall be an amount necessary to ensure the solvency 740
of the fund. The amount necessary for solvency is an amount 741
equal to the difference between the assets in the fund as of the 742
thirtieth day of June of the previous calendar year and the sum 743
of both of the following: 744

(a) An amount equal to one hundred fifty per cent of the 745
benefits paid under this chapter during the previous calendar 746
year; 747

(b) The amount of the administrative costs used to 748
administer those benefits during the previous calendar year. 749

(B) Except as provided in section 4143.11 of the Revised 750
Code, beginning January 1, 2028, every employer paying any wages 751
to an employee shall deduct and withhold from such wages for 752
each payroll period a premium determined by applying fifty per 753
cent of the premium rate calculated under division (A) of this 754
section to such wages. The employer shall deduct and withhold 755
the premium on the date that the employer directly, indirectly, 756
or constructively pays wages to, or credits wages to the benefit 757
of, the employee. The employer shall remit the premium in 758
accordance with rules adopted under section 4143.02 of the 759
Revised Code. 760

(C) In addition to the employee premium under division (B) 761
of this section, an employer with fifteen or more employees 762
shall remit a premium equal to the amount determined under that 763
division for each of the employer's employees directly to the 764
director in accordance with rules adopted under section 4143.02 765
of the Revised Code. An employer with less than fifteen 766
employees shall not be required to remit a premium under this 767
division. The number of employees an employer has for purposes 768
of this division shall be determined on the first day of January 769
of each calendar year. 770

(D) An independent contractor, sole proprietor, partner, 771
or joint venturer who elects coverage under section 4143.10 of 772
the Revised Code shall remit premiums directly to the director 773
in accordance with rules adopted under section 4143.02 of the 774
Revised Code. The premium shall be determined by applying fifty 775
per cent of the premium rate calculated under division (A) of 776
this section to the individual's wages. 777

(E) An employer that fails or refuses to remit premiums as 778
required by this section shall be assessed a penalty by the 779
director equal to the sum of one per cent of the employer's 780
annual payroll for each year the employer failed or refused to 781
remit premiums and the amount of benefits paid to any of the 782
employer's employees for whom the employer failed or refused to 783
remit premiums. Beginning with calendar year 2029, the director 784
shall adjust the amount of the penalty not later than the 785
thirty-first day of October for the subsequent calendar year. 786

Sec. 4143.15. (A) If the internal revenue service 787
determines benefits under this chapter are subject to federal 788
income tax, the director of job and family services shall inform 789
an individual for whom the director approved a claim for 790

benefits under section 4143.03 of the Revised Code, before 791
making the first benefit payment, of each of the following: 792

(1) That the internal revenue service has determined that 793
benefits are subject to federal income tax; 794

(2) The requirement for the individual to make estimated 795
tax payments on the basis of those benefits as required by the 796
Internal Revenue Code; 797

(3) That the individual may elect to have federal income 798
tax deducted and withheld from the individual's payment of 799
benefits in the amount authorized under the Internal Revenue 800
Code; 801

(4) That the individual may change a previously elected 802
federal withholding status as authorized under the Internal 803
Revenue Code. 804

(B) The director shall follow all procedures prescribed by 805
the internal revenue service when deducting, withholding, and 806
remitting federal income tax. 807

Sec. 4143.16. (A) Except as provided in division (B) of 808
this section, any information contained in the files and records 809
of an individual in the possession of the director of job and 810
family services under this chapter is confidential and is not a 811
public record under section 149.43 of the Revised Code. 812

(B) The following individuals may have access to the files 813
and records of an individual under this chapter: 814

(1) A public employee in the performance of the public 815
employee's official duties; 816

(2) The individual or a person authorized by the 817
individual, with an authorization form signed by the individual; 818

(3) An employer or the employer's duly authorized representative, in connection with a pending claim of an individual employed by the employer; 819
820
821

(4) An individual who is assisting the director of job and family services on any matter regarding the administration of this chapter, at the director's request. 822
823
824

Sec. 4143.17. (A) Not later than April 1, 2030, and every year thereafter, the director of job and family services shall submit a report to the general assembly. The director shall include all of the following information in the report for the preceding calendar year: 825
826
827
828
829

(1) Projected family and medical leave insurance program participation; 830
831

(2) Actual program participation; 832

(3) Demographic information of applicants for family and medical leave insurance benefits, including age, gender, race, ethnicity, sexual orientation, primary or preferred language, residential zip code, occupation, average weekly wage, and characteristics of the applicant's employment; 833
834
835
836
837

(4) Demographic information described in division (A) (3) of this section of participants in the program; 838
839

(5) Processing time frames for the director to approve or deny initial claims for benefits filed by individuals under section 4143.03 of the Revised Code; 840
841
842

(6) For any claim denied by the director, the reason for the denial; 843
844

(7) Total number of appeals filed by individuals under division (F) of section 4143.03 of the Revised Code and the 845
846

<u>decision of those appeals;</u>	847
<u>(8) Average time frame from an individual filing a claim for benefits to the individual receiving the first payment of benefits;</u>	848 849 850
<u>(9) Purpose and duration of leave taken by participants, including the category of family member that a participant took leave to care for;</u>	851 852 853
<u>(10) Average weekly benefit amount paid to participants;</u>	854
<u>(11) Premium rates;</u>	855
<u>(12) Current and projected fund balances;</u>	856
<u>(13) Outreach efforts.</u>	857
<u>(B) The director shall make the report available to the public by posting the report on the internet web site maintained by the department of job and family services.</u>	858 859 860
Sec. 4143.18. <u>(A) Not later than July 1, 2027, the director of job and family services shall develop and implement a public education program to educate employees and employers about the family and medical leave insurance program created under section 4143.02 of the Revised Code and the availability of family and medical leave insurance benefits for individuals under this chapter. The public education program shall explain all of the following information about the program:</u>	861 862 863 864 865 866 867 868
<u>(1) An individual's right to benefits under this chapter and the terms under which an individual may receive benefits;</u>	869 870
<u>(2) The claims process;</u>	871
<u>(3) Weekly benefit amounts and maximum benefits payable;</u>	872
<u>(4) Reinstatement and nondiscrimination rights and an</u>	873

individual's right to file a complaint against an employer that 874
violates those rights. 875

(B) The director may use up to five per cent of the funds 876
available on the first day of January of each year in the family 877
and medical leave insurance fund created in section 4143.13 of 878
the Revised Code to implement the public education program 879
developed under division (A) of this section during that 880
calendar year. 881

(C) The director shall develop a program notice in 882
English, Spanish, and any other language spoken by more than 883
three per cent of the state's population, containing the 884
information listed in division (A) of this section. 885

(D) (1) Each employer shall do all of the following: 886

(a) Provide a copy of the program notice to each of the 887
employer's employees on hiring and every year thereafter; 888

(b) Provide a copy of the program notice to an employee 889
when the employee notifies the employer of the employee's intent 890
to take leave under this chapter or take leave for any of the 891
reasons in division (A) of section 4143.03 of the Revised Code; 892

(c) Post the program notice in a prominent location in the 893
employer's workplace or on the internet in a manner that is 894
accessible to the employer's employees; 895

(d) Provide a copy of or post the program notice in 896
accordance with any additional requirements in rules adopted by 897
the director under section 4143.02 of the Revised Code. 898

(2) The employer shall provide the program notice in 899
English, the language the employer uses in communication with an 900
employee, or any other language spoken by at least five per cent 901

of the employer's employees. 902

(E) An employer that fails to provide the program notice 903
as required by division (D) of this section shall be assessed a 904
two hundred fifty dollar penalty per employee for each day the 905
employer fails to provide the notice. Any penalty collected 906
under this division shall be deposited into the family and 907
medical leave insurance fund created in section 4143.13 of the 908
Revised Code. 909

Sec. 5747.01. Except as otherwise expressly provided or 910
clearly appearing from the context, any term used in this 911
chapter that is not otherwise defined in this section has the 912
same meaning as when used in a comparable context in the laws of 913
the United States relating to federal income taxes or if not 914
used in a comparable context in those laws, has the same meaning 915
as in section 5733.40 of the Revised Code. Any reference in this 916
chapter to the Internal Revenue Code includes other laws of the 917
United States relating to federal income taxes. 918

As used in this chapter: 919

(A) "Adjusted gross income" or "Ohio adjusted gross 920
income" means federal adjusted gross income, as defined and used 921
in the Internal Revenue Code, adjusted as provided in this 922
section: 923

(1) Add interest or dividends on obligations or securities 924
of any state or of any political subdivision or authority of any 925
state, other than this state and its subdivisions and 926
authorities. 927

(2) Add interest or dividends on obligations of any 928
authority, commission, instrumentality, territory, or possession 929
of the United States to the extent that the interest or 930

dividends are exempt from federal income taxes but not from	931
state income taxes.	932
(3) Deduct interest or dividends on obligations of the	933
United States and its territories and possessions or of any	934
authority, commission, or instrumentality of the United States	935
to the extent that the interest or dividends are included in	936
federal adjusted gross income but exempt from state income taxes	937
under the laws of the United States.	938
(4) Deduct disability and survivor's benefits to the	939
extent included in federal adjusted gross income.	940
(5) Deduct the following, to the extent not otherwise	941
deducted or excluded in computing federal or Ohio adjusted gross	942
income:	943
(a) Benefits under Title II of the Social Security Act and	944
tier 1 railroad retirement;	945
(b) Railroad retirement benefits, other than tier 1	946
railroad retirement benefits, to the extent such amounts are	947
exempt from state taxation under federal law.	948
(6) Deduct the amount of wages and salaries, if any, not	949
otherwise allowable as a deduction but that would have been	950
allowable as a deduction in computing federal adjusted gross	951
income for the taxable year, had the work opportunity tax credit	952
allowed and determined under sections 38, 51, and 52 of the	953
Internal Revenue Code not been in effect.	954
(7) Deduct any interest or interest equivalent on public	955
obligations and purchase obligations to the extent that the	956
interest or interest equivalent is included in federal adjusted	957
gross income.	958

(8) Add any loss or deduct any gain resulting from the 959
sale, exchange, or other disposition of public obligations to 960
the extent that the loss has been deducted or the gain has been 961
included in computing federal adjusted gross income. 962

(9) Deduct or add amounts, as provided under section 963
5747.70 of the Revised Code, related to contributions made to or 964
tuition units purchased under a qualified tuition program 965
established pursuant to section 529 of the Internal Revenue 966
Code. 967

(10) (a) Deduct, to the extent not otherwise allowable as a 968
deduction or exclusion in computing federal or Ohio adjusted 969
gross income for the taxable year, the amount the taxpayer paid 970
during the taxable year for medical care insurance and qualified 971
long-term care insurance for the taxpayer, the taxpayer's 972
spouse, and dependents. No deduction for medical care insurance 973
under division (A) (10) (a) of this section shall be allowed 974
either to any taxpayer who is eligible to participate in any 975
subsidized health plan maintained by any employer of the 976
taxpayer or of the taxpayer's spouse, or to any taxpayer who is 977
entitled to, or on application would be entitled to, benefits 978
under part A of Title XVIII of the "Social Security Act," 49 979
Stat. 620 (1935), 42 U.S.C. 301, as amended. For the purposes of 980
division (A) (10) (a) of this section, "subsidized health plan" 981
means a health plan for which the employer pays any portion of 982
the plan's cost. The deduction allowed under division (A) (10) (a) 983
of this section shall be the net of any related premium refunds, 984
related premium reimbursements, or related insurance premium 985
dividends received during the taxable year. 986

(b) Deduct, to the extent not otherwise deducted or 987
excluded in computing federal or Ohio adjusted gross income 988

during the taxable year, the amount the taxpayer paid during the 989
taxable year, not compensated for by any insurance or otherwise, 990
for medical care of the taxpayer, the taxpayer's spouse, and 991
dependents, to the extent the expenses exceed seven and one-half 992
per cent of the taxpayer's federal adjusted gross income. 993

(c) For purposes of division (A)(10) of this section, 994
"medical care" has the meaning given in section 213 of the 995
Internal Revenue Code, subject to the special rules, 996
limitations, and exclusions set forth therein, and "qualified 997
long-term care" has the same meaning given in section 7702B(c) 998
of the Internal Revenue Code. Solely for purposes of division 999
(A)(10)(a) of this section, "dependent" includes a person who 1000
otherwise would be a "qualifying relative" and thus a 1001
"dependent" under section 152 of the Internal Revenue Code but 1002
for the fact that the person fails to meet the income and 1003
support limitations under section 152(d)(1)(B) and (C) of the 1004
Internal Revenue Code. 1005

(11)(a) Deduct any amount included in federal adjusted 1006
gross income solely because the amount represents a 1007
reimbursement or refund of expenses that in any year the 1008
taxpayer had deducted as an itemized deduction pursuant to 1009
section 63 of the Internal Revenue Code and applicable United 1010
States department of the treasury regulations. The deduction 1011
otherwise allowed under division (A)(11)(a) of this section 1012
shall be reduced to the extent the reimbursement is attributable 1013
to an amount the taxpayer deducted under this section in any 1014
taxable year. 1015

(b) Add any amount not otherwise included in Ohio adjusted 1016
gross income for any taxable year to the extent that the amount 1017
is attributable to the recovery during the taxable year of any 1018

amount deducted or excluded in computing federal or Ohio 1019
adjusted gross income in any taxable year. 1020

(12) Deduct any portion of the deduction described in 1021
section 1341(a)(2) of the Internal Revenue Code, for repaying 1022
previously reported income received under a claim of right, that 1023
meets both of the following requirements: 1024

(a) It is allowable for repayment of an item that was 1025
included in the taxpayer's adjusted gross income for a prior 1026
taxable year and did not qualify for a credit under division (A) 1027
or (B) of section 5747.05 of the Revised Code for that year; 1028

(b) It does not otherwise reduce the taxpayer's adjusted 1029
gross income for the current or any other taxable year. 1030

(13) Deduct an amount equal to the deposits made to, and 1031
net investment earnings of, a medical savings account during the 1032
taxable year, in accordance with section 3924.66 of the Revised 1033
Code. The deduction allowed by division (A)(13) of this section 1034
does not apply to medical savings account deposits and earnings 1035
otherwise deducted or excluded for the current or any other 1036
taxable year from the taxpayer's federal adjusted gross income. 1037

(14)(a) Add an amount equal to the funds withdrawn from a 1038
medical savings account during the taxable year, and the net 1039
investment earnings on those funds, when the funds withdrawn 1040
were used for any purpose other than to reimburse an account 1041
holder for, or to pay, eligible medical expenses, in accordance 1042
with section 3924.66 of the Revised Code; 1043

(b) Add the amounts distributed from a medical savings 1044
account under division (A)(2) of section 3924.68 of the Revised 1045
Code during the taxable year. 1046

(15) Add any amount claimed as a credit under section 1047

5747.059 of the Revised Code to the extent that such amount 1048
satisfies either of the following: 1049

(a) The amount was deducted or excluded from the 1050
computation of the taxpayer's federal adjusted gross income as 1051
required to be reported for the taxpayer's taxable year under 1052
the Internal Revenue Code; 1053

(b) The amount resulted in a reduction of the taxpayer's 1054
federal adjusted gross income as required to be reported for any 1055
of the taxpayer's taxable years under the Internal Revenue Code. 1056

(16) Deduct the amount contributed by the taxpayer to an 1057
individual development account program established by a county 1058
department of job and family services pursuant to sections 1059
329.11 to 329.14 of the Revised Code for the purpose of matching 1060
funds deposited by program participants. On request of the tax 1061
commissioner, the taxpayer shall provide any information that, 1062
in the tax commissioner's opinion, is necessary to establish the 1063
amount deducted under division (A)(16) of this section. 1064

(17)(a)(i) Subject to divisions (A)(17)(a)(iii), (iv), and 1065
(v) of this section, add five-sixths of the amount of 1066
depreciation expense allowed by subsection (k) of section 168 of 1067
the Internal Revenue Code, including the taxpayer's 1068
proportionate or distributive share of the amount of 1069
depreciation expense allowed by that subsection to a pass- 1070
through entity in which the taxpayer has a direct or indirect 1071
ownership interest. 1072

(ii) Subject to divisions (A)(17)(a)(iii), (iv), and (v) 1073
of this section, add five-sixths of the amount of qualifying 1074
section 179 depreciation expense, including the taxpayer's 1075
proportionate or distributive share of the amount of qualifying 1076

section 179 depreciation expense allowed to any pass-through 1077
entity in which the taxpayer has a direct or indirect ownership 1078
interest. 1079

(iii) Subject to division (A) (17) (a) (v) of this section, 1080
for taxable years beginning in 2012 or thereafter, if the 1081
increase in income taxes withheld by the taxpayer is equal to or 1082
greater than ten per cent of income taxes withheld by the 1083
taxpayer during the taxpayer's immediately preceding taxable 1084
year, "two-thirds" shall be substituted for "five-sixths" for 1085
the purpose of divisions (A) (17) (a) (i) and (ii) of this section. 1086

(iv) Subject to division (A) (17) (a) (v) of this section, 1087
for taxable years beginning in 2012 or thereafter, a taxpayer is 1088
not required to add an amount under division (A) (17) of this 1089
section if the increase in income taxes withheld by the taxpayer 1090
and by any pass-through entity in which the taxpayer has a 1091
direct or indirect ownership interest is equal to or greater 1092
than the sum of (I) the amount of qualifying section 179 1093
depreciation expense and (II) the amount of depreciation expense 1094
allowed to the taxpayer by subsection (k) of section 168 of the 1095
Internal Revenue Code, and including the taxpayer's 1096
proportionate or distributive shares of such amounts allowed to 1097
any such pass-through entities. 1098

(v) If a taxpayer directly or indirectly incurs a net 1099
operating loss for the taxable year for federal income tax 1100
purposes, to the extent such loss resulted from depreciation 1101
expense allowed by subsection (k) of section 168 of the Internal 1102
Revenue Code and by qualifying section 179 depreciation expense, 1103
"the entire" shall be substituted for "five-sixths of the" for 1104
the purpose of divisions (A) (17) (a) (i) and (ii) of this section. 1105

The tax commissioner, under procedures established by the 1106

commissioner, may waive the add-backs related to a pass-through 1107
entity if the taxpayer owns, directly or indirectly, less than 1108
five per cent of the pass-through entity. 1109

(b) Nothing in division (A)(17) of this section shall be 1110
construed to adjust or modify the adjusted basis of any asset. 1111

(c) To the extent the add-back required under division (A) 1112
(17)(a) of this section is attributable to property generating 1113
nonbusiness income or loss allocated under section 5747.20 of 1114
the Revised Code, the add-back shall be situated to the same 1115
location as the nonbusiness income or loss generated by the 1116
property for the purpose of determining the credit under 1117
division (A) of section 5747.05 of the Revised Code. Otherwise, 1118
the add-back shall be apportioned, subject to one or more of the 1119
four alternative methods of apportionment enumerated in section 1120
5747.21 of the Revised Code. 1121

(d) For the purposes of division (A)(17)(a)(v) of this 1122
section, net operating loss carryback and carryforward shall not 1123
include the allowance of any net operating loss deduction 1124
carryback or carryforward to the taxable year to the extent such 1125
loss resulted from depreciation allowed by section 168(k) of the 1126
Internal Revenue Code and by the qualifying section 179 1127
depreciation expense amount. 1128

(e) For the purposes of divisions (A)(17) and (18) of this 1129
section: 1130

(i) "Income taxes withheld" means the total amount 1131
withheld and remitted under sections 5747.06 and 5747.07 of the 1132
Revised Code by an employer during the employer's taxable year. 1133

(ii) "Increase in income taxes withheld" means the amount 1134
by which the amount of income taxes withheld by an employer 1135

during the employer's current taxable year exceeds the amount of 1136
income taxes withheld by that employer during the employer's 1137
immediately preceding taxable year. 1138

(iii) "Qualifying section 179 depreciation expense" means 1139
the difference between (I) the amount of depreciation expense 1140
directly or indirectly allowed to a taxpayer under section 179 1141
of the Internal Revised Code, and (II) the amount of 1142
depreciation expense directly or indirectly allowed to the 1143
taxpayer under section 179 of the Internal Revenue Code as that 1144
section existed on December 31, 2002. 1145

(18) (a) If the taxpayer was required to add an amount 1146
under division (A) (17) (a) of this section for a taxable year, 1147
deduct one of the following: 1148

(i) One-fifth of the amount so added for each of the five 1149
succeeding taxable years if the amount so added was five-sixths 1150
of qualifying section 179 depreciation expense or depreciation 1151
expense allowed by subsection (k) of section 168 of the Internal 1152
Revenue Code; 1153

(ii) One-half of the amount so added for each of the two 1154
succeeding taxable years if the amount so added was two-thirds 1155
of such depreciation expense; 1156

(iii) One-sixth of the amount so added for each of the six 1157
succeeding taxable years if the entire amount of such 1158
depreciation expense was so added. 1159

(b) If the amount deducted under division (A) (18) (a) of 1160
this section is attributable to an add-back allocated under 1161
division (A) (17) (c) of this section, the amount deducted shall 1162
be situated to the same location. Otherwise, the deduction shall 1163
be apportioned using the apportionment factors for the taxable 1164

year in which the deduction is taken, subject to one or more of 1165
the four alternative methods of apportionment enumerated in 1166
section 5747.21 of the Revised Code. 1167

(c) No deduction is available under division (A) (18) (a) of 1168
this section with regard to any depreciation allowed by section 1169
168(k) of the Internal Revenue Code and by the qualifying 1170
section 179 depreciation expense amount to the extent that such 1171
depreciation results in or increases a federal net operating 1172
loss carryback or carryforward. If no such deduction is 1173
available for a taxable year, the taxpayer may carry forward the 1174
amount not deducted in such taxable year to the next taxable 1175
year and add that amount to any deduction otherwise available 1176
under division (A) (18) (a) of this section for that next taxable 1177
year. The carryforward of amounts not so deducted shall continue 1178
until the entire addition required by division (A) (17) (a) of 1179
this section has been deducted. 1180

(19) Deduct, to the extent not otherwise deducted or 1181
excluded in computing federal or Ohio adjusted gross income for 1182
the taxable year, the amount the taxpayer received during the 1183
taxable year as reimbursement for life insurance premiums under 1184
section 5919.31 of the Revised Code. 1185

(20) Deduct, to the extent not otherwise deducted or 1186
excluded in computing federal or Ohio adjusted gross income for 1187
the taxable year, the amount the taxpayer received during the 1188
taxable year as a death benefit paid by the adjutant general 1189
under section 5919.33 of the Revised Code. 1190

(21) Deduct, to the extent included in federal adjusted 1191
gross income and not otherwise allowable as a deduction or 1192
exclusion in computing federal or Ohio adjusted gross income for 1193
the taxable year, military pay and allowances received by the 1194

taxpayer during the taxable year for active duty service in the 1195
armed forces of the United States, as defined in section 5907.01 1196
of the Revised Code, or reserve components thereof or the 1197
national guard. The deduction may not be claimed for military 1198
pay and allowances received by the taxpayer while the taxpayer 1199
is stationed in this state. 1200

(22) Deduct, to the extent not otherwise allowable as a 1201
deduction or exclusion in computing federal or Ohio adjusted 1202
gross income for the taxable year and not otherwise compensated 1203
for by any other source, the amount of qualified organ donation 1204
expenses incurred by the taxpayer during the taxable year, not 1205
to exceed ten thousand dollars. A taxpayer may deduct qualified 1206
organ donation expenses only once for all taxable years 1207
beginning with taxable years beginning in 2007. 1208

For the purposes of division (A) (22) of this section: 1209

(a) "Human organ" means all or any portion of a human 1210
liver, pancreas, kidney, intestine, or lung, and any portion of 1211
human bone marrow. 1212

(b) "Qualified organ donation expenses" means travel 1213
expenses, lodging expenses, and wages and salary forgone by a 1214
taxpayer in connection with the taxpayer's donation, while 1215
living, of one or more of the taxpayer's human organs to another 1216
human being. 1217

(23) Deduct, to the extent not otherwise deducted or 1218
excluded in computing federal or Ohio adjusted gross income for 1219
the taxable year, amounts received by the taxpayer as retired 1220
personnel pay for service in the uniformed services or reserve 1221
components thereof, or the national guard, or received by the 1222
surviving spouse or former spouse of such a taxpayer under the 1223

survivor benefit plan on account of such a taxpayer's death. If 1224
the taxpayer receives income on account of retirement paid under 1225
the federal civil service retirement system or federal employees 1226
retirement system, or under any successor retirement program 1227
enacted by the congress of the United States that is established 1228
and maintained for retired employees of the United States 1229
government, and such retirement income is based, in whole or in 1230
part, on credit for the taxpayer's uniformed service, the 1231
deduction allowed under this division shall include only that 1232
portion of such retirement income that is attributable to the 1233
taxpayer's uniformed service, to the extent that portion of such 1234
retirement income is otherwise included in federal adjusted 1235
gross income and is not otherwise deducted under this section. 1236
Any amount deducted under division (A) (23) of this section is 1237
not included in a taxpayer's adjusted gross income for the 1238
purposes of section 5747.055 of the Revised Code. No amount may 1239
be deducted under division (A) (23) of this section on the basis 1240
of which a credit was claimed under section 5747.055 of the 1241
Revised Code. 1242

(24) Deduct, to the extent not otherwise deducted or 1243
excluded in computing federal or Ohio adjusted gross income for 1244
the taxable year, the amount the taxpayer received during the 1245
taxable year from the military injury relief fund created in 1246
section 5902.05 of the Revised Code. 1247

(25) Deduct, to the extent not otherwise deducted or 1248
excluded in computing federal or Ohio adjusted gross income for 1249
the taxable year, the amount the taxpayer received as a veterans 1250
bonus during the taxable year from the Ohio department of 1251
veterans services as authorized by Section 2r of Article VIII, 1252
Ohio Constitution. 1253

(26) Deduct, to the extent not otherwise deducted or 1254
excluded in computing federal or Ohio adjusted gross income for 1255
the taxable year, any income derived from a transfer agreement 1256
or from the enterprise transferred under that agreement under 1257
section 4313.02 of the Revised Code. 1258

(27) Deduct, to the extent not otherwise deducted or 1259
excluded in computing federal or Ohio adjusted gross income for 1260
the taxable year, Ohio college opportunity or federal Pell grant 1261
amounts received by the taxpayer or the taxpayer's spouse or 1262
dependent pursuant to section 3333.122 of the Revised Code or 20 1263
U.S.C. 1070a, et seq., and used to pay room or board furnished 1264
by the educational institution for which the grant was awarded 1265
at the institution's facilities, including meal plans 1266
administered by the institution. For the purposes of this 1267
division, receipt of a grant includes the distribution of a 1268
grant directly to an educational institution and the crediting 1269
of the grant to the enrollee's account with the institution. 1270

(28) Deduct from the portion of an individual's federal 1271
adjusted gross income that is business income, to the extent not 1272
otherwise deducted or excluded in computing federal adjusted 1273
gross income for the taxable year, one hundred twenty-five 1274
thousand dollars for each spouse if spouses file separate 1275
returns under section 5747.08 of the Revised Code or two hundred 1276
fifty thousand dollars for all other individuals. 1277

(29) Deduct, as provided under section 5747.78 of the 1278
Revised Code, contributions to ABLE savings accounts made in 1279
accordance with sections 113.50 to 113.56 of the Revised Code. 1280

(30) (a) Deduct, to the extent not otherwise deducted or 1281
excluded in computing federal or Ohio adjusted gross income 1282
during the taxable year, all of the following: 1283

(i) Compensation paid to a qualifying employee described 1284
in division (A) (14) (a) of section 5703.94 of the Revised Code to 1285
the extent such compensation is for disaster work conducted in 1286
this state during a disaster response period pursuant to a 1287
qualifying solicitation received by the employee's employer; 1288

(ii) Compensation paid to a qualifying employee described 1289
in division (A) (14) (b) of section 5703.94 of the Revised Code to 1290
the extent such compensation is for disaster work conducted in 1291
this state by the employee during the disaster response period 1292
on critical infrastructure owned or used by the employee's 1293
employer; 1294

(iii) Income received by an out-of-state disaster business 1295
for disaster work conducted in this state during a disaster 1296
response period, or, if the out-of-state disaster business is a 1297
pass-through entity, a taxpayer's distributive share of the 1298
pass-through entity's income from the business conducting 1299
disaster work in this state during a disaster response period, 1300
if, in either case, the disaster work is conducted pursuant to a 1301
qualifying solicitation received by the business. 1302

(b) All terms used in division (A) (30) of this section 1303
have the same meanings as in section 5703.94 of the Revised 1304
Code. 1305

(31) For a taxpayer who is a qualifying Ohio educator, 1306
deduct, to the extent not otherwise deducted or excluded in 1307
computing federal or Ohio adjusted gross income for the taxable 1308
year, the lesser of three hundred dollars or the amount of 1309
expenses described in subsections (a) (2) (D) (i) and (ii) of 1310
section 62 of the Internal Revenue Code paid or incurred by the 1311
taxpayer during the taxpayer's taxable year in excess of the 1312
amount the taxpayer is authorized to deduct for that taxable 1313

year under subsection (a) (2) (D) of that section. 1314

(32) Deduct, to the extent not otherwise deducted or 1315
excluded in computing federal or Ohio adjusted gross income for 1316
the taxable year, amounts received by the taxpayer as a 1317
disability severance payment, computed under 10 U.S.C. 1212, 1318
following discharge or release under honorable conditions from 1319
the armed forces of the United States, as defined in section 1320
5907.01 of the Revised Code. 1321

(33) Deduct, to the extent not otherwise deducted or 1322
excluded in computing federal adjusted gross income or Ohio 1323
adjusted gross income, amounts not subject to tax due to an 1324
agreement entered into under division (A) (2) of section 5747.05 1325
of the Revised Code. 1326

(34) Deduct amounts as provided under section 5747.79 of 1327
the Revised Code related to the taxpayer's qualifying capital 1328
gains and deductible payroll. 1329

To the extent a qualifying capital gain described under 1330
division (A) (34) of this section is business income, the 1331
taxpayer shall deduct those gains under this division before 1332
deducting any such gains under division (A) (28) of this section. 1333

(35) (a) For taxable years beginning in or after 2026, 1334
deduct, to the extent not otherwise deducted or excluded in 1335
computing federal or Ohio adjusted gross income for the taxable 1336
year: 1337

(i) One hundred per cent of the capital gain received by 1338
the taxpayer in the taxable year from a qualifying interest in 1339
an Ohio venture capital operating company attributable to the 1340
company's investments in Ohio businesses during the period for 1341
which the company was an Ohio venture operating company; and 1342

(ii) Fifty per cent of the capital gain received by the taxpayer in the taxable year from a qualifying interest in an Ohio venture capital operating company attributable to the company's investments in all other businesses during the period for which the company was an Ohio venture operating company.

(b) Add amounts previously deducted by the taxpayer under division (A) (35) (a) of this section if the director of development certifies to the tax commissioner that the requirements for the deduction were not met.

(c) All terms used in division (A) (35) of this section have the same meanings as in section 122.851 of the Revised Code.

(d) To the extent a capital gain described in division (A) (35) (a) of this section is business income, the taxpayer shall apply that division before applying division (A) (28) of this section.

(36) Add, to the extent not otherwise included in computing federal or Ohio adjusted gross income for any taxable year, the taxpayer's proportionate share of the amount of the tax levied under section 5747.38 of the Revised Code and paid by an electing pass-through entity for the taxable year.

Notwithstanding any provision of the Revised Code to the contrary, the portion of the addition required by division (A) (36) of this section related to the apportioned business income of the pass-through entity shall be considered business income under division (B) of this section. Such addition is eligible for the deduction in division (A) (28) of this section, subject to the applicable dollar limitations, and the tax rate prescribed by division (A) (4) (a) of section 5747.02 of the

Revised Code. The taxpayer shall provide, upon request of the tax commissioner, any documentation necessary to verify the portion of the addition that is business income under this division.

(37) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, amounts delivered to a qualifying institution pursuant to section 3333.128 of the Revised Code for the benefit of the taxpayer or the taxpayer's spouse or dependent.

(38) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, amounts received under the Ohio adoption grant program pursuant to section 5180.451 of the Revised Code.

(39) Deduct, to the extent included in federal adjusted gross income, income attributable to amounts provided to a taxpayer for any of the purposes for which an exclusion would have been authorized under section 139 of the Internal Revenue Code if the train derailment near the city of East Palestine on February 3, 2023, had been a qualified disaster pursuant to that section, or to compensate for lost business resulting from that derailment, if such amounts are provided by any of the following:

(a) A federal, state, or local government agency;

(b) A railroad company, as that term is defined in section 5727.01 of the Revised Code;

(c) Any subsidiary, insurer, or agent of a railroad company or any related person.

Notwithstanding any provision to the contrary, the derailment is not required to meet the definition of a

"qualified disaster" pursuant to section 139 of the Internal Revenue Code to qualify for the deduction under this section. 1401
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(40) Deduct, to the extent included in federal adjusted gross income, income attributable to loan repayments on behalf of the taxpayer under the rural practice incentive program under section 3333.135 of the Revised Code. 1403
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(41) Add any income taxes deducted in computing federal or Ohio adjusted gross income to the extent the income taxes were derived from income subject to a tax levied in another state or the District of Columbia when such tax was enacted for purposes of complying with internal revenue service notice 2020-75. 1407
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Notwithstanding any provision of the Revised Code to the contrary, the portion of the addition required by division (A) (41) of this section related to the apportioned business income of the pass-through entity shall be considered business income under division (B) of this section. Such addition is eligible for the deduction in division (A) (28) of this section, subject to the applicable dollar limitations, and the tax rate prescribed by division (A) (4) (a) of section 5747.02 of the Revised Code. The taxpayer shall provide, upon request of the tax commissioner, any documentation necessary to verify the portion of the addition that is business income under this division. 1412
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(42) Deduct amounts contributed to a homeownership savings account and calculated pursuant to divisions (B) and (C) of section 5747.85 of the Revised Code. 1424
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(43) If the taxpayer is the account owner of a homeownership savings account, upon withdrawal or transfer of funds from the account, or closure of the account containing 1427
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funds that are not used for eligible expenses, add the amount of 1430
such funds not used for an eligible expense. The addition 1431
required under this division shall not exceed the sum of the 1432
amounts deducted by the taxpayer for such account under division 1433
(A) (42) of this section in any taxable year and the amount of 1434
any funds deposited in the account by a contributor other than 1435
the account owner. As used in division (A) (43) of this section, 1436
"homeownership savings account," "contributor," "account owner," 1437
and "eligible expenses" have the same meanings as in section 1438
5747.85 of the Revised Code. 1439

(44) Deduct, to the extent not otherwise deducted or 1440
excluded in computing federal or Ohio adjusted gross income 1441
during the taxable year, up to seven hundred fifty dollars of 1442
contributions the taxpayer makes to a pregnancy resource center 1443
that meets the criteria in division (B) of section 5180.71 of 1444
the Revised Code. 1445

(45) Deduct benefits under Chapter 4143. of the Revised 1446
Code to the extent included in federal adjusted gross income. 1447

(B) "Business income" means income, including gain or 1448
loss, arising from transactions, activities, and sources in the 1449
regular course of a trade or business and includes income, gain, 1450
or loss from real property, tangible property, and intangible 1451
property if the acquisition, rental, management, and disposition 1452
of the property constitute integral parts of the regular course 1453
of a trade or business operation. "Business income" includes 1454
income, including gain or loss, from a partial or complete 1455
liquidation of a business, including, but not limited to, gain 1456
or loss from the sale or other disposition of goodwill or the 1457
sale of an equity or ownership interest in a business. 1458

As used in this division, the "sale of an equity or 1459

ownership interest in a business" means sales to which either or 1460
both of the following apply: 1461

(1) The sale is treated for federal income tax purposes as 1462
the sale of assets. 1463

(2) The seller materially participated, as described in 26 1464
C.F.R. 1.469-5T, in the activities of the business during the 1465
taxable year in which the sale occurs or during any of the five 1466
preceding taxable years. 1467

(C) "Nonbusiness income" means all income other than 1468
business income and may include, but is not limited to, 1469
compensation, rents and royalties from real or tangible personal 1470
property, capital gains, interest, dividends and distributions, 1471
patent or copyright royalties, or lottery winnings, prizes, and 1472
awards. 1473

(D) "Compensation" means any form of remuneration paid to 1474
an employee for personal services. 1475

(E) "Fiduciary" means a guardian, trustee, executor, 1476
administrator, receiver, conservator, or any other person acting 1477
in any fiduciary capacity for any individual, trust, or estate. 1478

(F) "Fiscal year" means an accounting period of twelve 1479
months ending on the last day of any month other than December. 1480

(G) "Individual" means any natural person. 1481

(H) "Internal Revenue Code" means the "Internal Revenue 1482
Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended. 1483

(I) "Resident" means any of the following: 1484

(1) An individual who is domiciled in this state, subject 1485
to section 5747.24 of the Revised Code; 1486

(2) The estate of a decedent who at the time of death was domiciled in this state. The domicile tests of section 5747.24 of the Revised Code are not controlling for purposes of division (I) (2) of this section.	1487 1488 1489 1490
(3) A trust that, in whole or part, resides in this state. If only part of a trust resides in this state, the trust is a resident only with respect to that part.	1491 1492 1493
For the purposes of division (I) (3) of this section:	1494
(a) A trust resides in this state for the trust's current taxable year to the extent, as described in division (I) (3) (d) of this section, that the trust consists directly or indirectly, in whole or in part, of assets, net of any related liabilities, that were transferred, or caused to be transferred, directly or indirectly, to the trust by any of the following:	1495 1496 1497 1498 1499 1500
(i) A person, a court, or a governmental entity or instrumentality on account of the death of a decedent, but only if the trust is described in division (I) (3) (e) (i) or (ii) of this section;	1501 1502 1503 1504
(ii) A person who was domiciled in this state for the purposes of this chapter when the person directly or indirectly transferred assets to an irrevocable trust, but only if at least one of the trust's qualifying beneficiaries is domiciled in this state for the purposes of this chapter during all or some portion of the trust's current taxable year;	1505 1506 1507 1508 1509 1510
(iii) A person who was domiciled in this state for the purposes of this chapter when the trust document or instrument or part of the trust document or instrument became irrevocable, but only if at least one of the trust's qualifying beneficiaries is a resident domiciled in this state for the purposes of this	1511 1512 1513 1514 1515

chapter during all or some portion of the trust's current 1516
taxable year. If a trust document or instrument became 1517
irrevocable upon the death of a person who at the time of death 1518
was domiciled in this state for purposes of this chapter, that 1519
person is a person described in division (I) (3) (a) (iii) of this 1520
section. 1521

(b) A trust is irrevocable to the extent that the 1522
transferor is not considered to be the owner of the net assets 1523
of the trust under sections 671 to 678 of the Internal Revenue 1524
Code. 1525

(c) With respect to a trust other than a charitable lead 1526
trust, "qualifying beneficiary" has the same meaning as 1527
"potential current beneficiary" as defined in section 1361(e) (2) 1528
of the Internal Revenue Code, and with respect to a charitable 1529
lead trust "qualifying beneficiary" is any current, future, or 1530
contingent beneficiary, but with respect to any trust 1531
"qualifying beneficiary" excludes a person or a governmental 1532
entity or instrumentality to any of which a contribution would 1533
qualify for the charitable deduction under section 170 of the 1534
Internal Revenue Code. 1535

(d) For the purposes of division (I) (3) (a) of this 1536
section, the extent to which a trust consists directly or 1537
indirectly, in whole or in part, of assets, net of any related 1538
liabilities, that were transferred directly or indirectly, in 1539
whole or part, to the trust by any of the sources enumerated in 1540
that division shall be ascertained by multiplying the fair 1541
market value of the trust's assets, net of related liabilities, 1542
by the qualifying ratio, which shall be computed as follows: 1543

(i) The first time the trust receives assets, the 1544
numerator of the qualifying ratio is the fair market value of 1545

those assets at that time, net of any related liabilities, from 1546
sources enumerated in division (I) (3) (a) of this section. The 1547
denominator of the qualifying ratio is the fair market value of 1548
all the trust's assets at that time, net of any related 1549
liabilities. 1550

(ii) Each subsequent time the trust receives assets, a 1551
revised qualifying ratio shall be computed. The numerator of the 1552
revised qualifying ratio is the sum of (1) the fair market value 1553
of the trust's assets immediately prior to the subsequent 1554
transfer, net of any related liabilities, multiplied by the 1555
qualifying ratio last computed without regard to the subsequent 1556
transfer, and (2) the fair market value of the subsequently 1557
transferred assets at the time transferred, net of any related 1558
liabilities, from sources enumerated in division (I) (3) (a) of 1559
this section. The denominator of the revised qualifying ratio is 1560
the fair market value of all the trust's assets immediately 1561
after the subsequent transfer, net of any related liabilities. 1562

(iii) Whether a transfer to the trust is by or from any of 1563
the sources enumerated in division (I) (3) (a) of this section 1564
shall be ascertained without regard to the domicile of the 1565
trust's beneficiaries. 1566

(e) For the purposes of division (I) (3) (a) (i) of this 1567
section: 1568

(i) A trust is described in division (I) (3) (e) (i) of this 1569
section if the trust is a testamentary trust and the testator of 1570
that testamentary trust was domiciled in this state at the time 1571
of the testator's death for purposes of the taxes levied under 1572
Chapter 5731. of the Revised Code. 1573

(ii) A trust is described in division (I) (3) (e) (ii) of 1574

this section if the transfer is a qualifying transfer described 1575
in any of divisions (I) (3) (f) (i) to (vi) of this section, the 1576
trust is an irrevocable inter vivos trust, and at least one of 1577
the trust's qualifying beneficiaries is domiciled in this state 1578
for purposes of this chapter during all or some portion of the 1579
trust's current taxable year. 1580

(f) For the purposes of division (I) (3) (e) (ii) of this 1581
section, a "qualifying transfer" is a transfer of assets, net of 1582
any related liabilities, directly or indirectly to a trust, if 1583
the transfer is described in any of the following: 1584

(i) The transfer is made to a trust, created by the 1585
decedent before the decedent's death and while the decedent was 1586
domiciled in this state for the purposes of this chapter, and, 1587
prior to the death of the decedent, the trust became irrevocable 1588
while the decedent was domiciled in this state for the purposes 1589
of this chapter. 1590

(ii) The transfer is made to a trust to which the 1591
decedent, prior to the decedent's death, had directly or 1592
indirectly transferred assets, net of any related liabilities, 1593
while the decedent was domiciled in this state for the purposes 1594
of this chapter, and prior to the death of the decedent the 1595
trust became irrevocable while the decedent was domiciled in 1596
this state for the purposes of this chapter. 1597

(iii) The transfer is made on account of a contractual 1598
relationship existing directly or indirectly between the 1599
transferor and either the decedent or the estate of the decedent 1600
at any time prior to the date of the decedent's death, and the 1601
decedent was domiciled in this state at the time of death for 1602
purposes of the taxes levied under Chapter 5731. of the Revised 1603
Code. 1604

(iv) The transfer is made to a trust on account of a 1605
contractual relationship existing directly or indirectly between 1606
the transferor and another person who at the time of the 1607
decedent's death was domiciled in this state for purposes of 1608
this chapter. 1609

(v) The transfer is made to a trust on account of the will 1610
of a testator who was domiciled in this state at the time of the 1611
testator's death for purposes of the taxes levied under Chapter 1612
5731. of the Revised Code. 1613

(vi) The transfer is made to a trust created by or caused 1614
to be created by a court, and the trust was directly or 1615
indirectly created in connection with or as a result of the 1616
death of an individual who, for purposes of the taxes levied 1617
under Chapter 5731. of the Revised Code, was domiciled in this 1618
state at the time of the individual's death. 1619

(g) The tax commissioner may adopt rules to ascertain the 1620
part of a trust residing in this state. 1621

(J) "Nonresident" means an individual or estate that is 1622
not a resident. An individual who is a resident for only part of 1623
a taxable year is a nonresident for the remainder of that 1624
taxable year. 1625

(K) "Pass-through entity" has the same meaning as in 1626
section 5733.04 of the Revised Code. 1627

(L) "Return" means the notifications and reports required 1628
to be filed pursuant to this chapter for the purpose of 1629
reporting the tax due and includes declarations of estimated tax 1630
when so required. 1631

(M) "Taxable year" means the calendar year or the 1632
taxpayer's fiscal year ending during the calendar year, or 1633

fractional part thereof, upon which the adjusted gross income is 1634
calculated pursuant to this chapter. 1635

(N) "Taxpayer" means any person subject to the tax imposed 1636
by section 5747.02 of the Revised Code or any pass-through 1637
entity that makes the election under division (D) of section 1638
5747.08 of the Revised Code. 1639

(O) "Dependents" means dependents as defined in the 1640
Internal Revenue Code. 1641

(P) "Principal county of employment" means, in the case of 1642
a nonresident, the county within the state in which a taxpayer 1643
performs services for an employer or, if those services are 1644
performed in more than one county, the county in which the major 1645
portion of the services are performed. 1646

(Q) As used in sections 5747.50 to 5747.55 of the Revised 1647
Code: 1648

(1) "Subdivision" means any county, municipal corporation, 1649
park district, or township. 1650

(2) "Essential local government purposes" includes all 1651
functions that any subdivision is required by general law to 1652
exercise, including like functions that are exercised under a 1653
charter adopted pursuant to the Ohio Constitution. 1654

(R) "Overpayment" means any amount already paid that 1655
exceeds the figure determined to be the correct amount of the 1656
tax. 1657

(S) "Taxable income" or "Ohio taxable income" applies only 1658
to estates and trusts, and means federal taxable income, as 1659
defined and used in the Internal Revenue Code, adjusted as 1660
follows: 1661

(1) Add interest or dividends, net of ordinary, necessary, and reasonable expenses not deducted in computing federal taxable income, on obligations or securities of any state or of any political subdivision or authority of any state, other than this state and its subdivisions and authorities, but only to the extent that such net amount is not otherwise includible in Ohio taxable income and is described in either division (S) (1) (a) or (b) of this section:

(a) The net amount is not attributable to the S portion of an electing small business trust and has not been distributed to beneficiaries for the taxable year;

(b) The net amount is attributable to the S portion of an electing small business trust for the taxable year.

(2) Add interest or dividends, net of ordinary, necessary, and reasonable expenses not deducted in computing federal taxable income, on obligations of any authority, commission, instrumentality, territory, or possession of the United States to the extent that the interest or dividends are exempt from federal income taxes but not from state income taxes, but only to the extent that such net amount is not otherwise includible in Ohio taxable income and is described in either division (S) (1) (a) or (b) of this section;

(3) Add the amount of personal exemption allowed to the estate pursuant to section 642(b) of the Internal Revenue Code;

(4) Deduct interest or dividends, net of related expenses deducted in computing federal taxable income, on obligations of the United States and its territories and possessions or of any authority, commission, or instrumentality of the United States to the extent that the interest or dividends are exempt from

state taxes under the laws of the United States, but only to the 1691
extent that such amount is included in federal taxable income 1692
and is described in either division (S) (1) (a) or (b) of this 1693
section; 1694

(5) Deduct the amount of wages and salaries, if any, not 1695
otherwise allowable as a deduction but that would have been 1696
allowable as a deduction in computing federal taxable income for 1697
the taxable year, had the work opportunity tax credit allowed 1698
under sections 38, 51, and 52 of the Internal Revenue Code not 1699
been in effect, but only to the extent such amount relates 1700
either to income included in federal taxable income for the 1701
taxable year or to income of the S portion of an electing small 1702
business trust for the taxable year; 1703

(6) Deduct any interest or interest equivalent, net of 1704
related expenses deducted in computing federal taxable income, 1705
on public obligations and purchase obligations, but only to the 1706
extent that such net amount relates either to income included in 1707
federal taxable income for the taxable year or to income of the 1708
S portion of an electing small business trust for the taxable 1709
year; 1710

(7) Add any loss or deduct any gain resulting from sale, 1711
exchange, or other disposition of public obligations to the 1712
extent that such loss has been deducted or such gain has been 1713
included in computing either federal taxable income or income of 1714
the S portion of an electing small business trust for the 1715
taxable year; 1716

(8) Except in the case of the final return of an estate, 1717
add any amount deducted by the taxpayer on both its Ohio estate 1718
tax return pursuant to section 5731.14 of the Revised Code, and 1719
on its federal income tax return in determining federal taxable 1720

income; 1721

(9) (a) Deduct any amount included in federal taxable 1722
income solely because the amount represents a reimbursement or 1723
refund of expenses that in a previous year the decedent had 1724
deducted as an itemized deduction pursuant to section 63 of the 1725
Internal Revenue Code and applicable treasury regulations. The 1726
deduction otherwise allowed under division (S) (9) (a) of this 1727
section shall be reduced to the extent the reimbursement is 1728
attributable to an amount the taxpayer or decedent deducted 1729
under this section in any taxable year. 1730

(b) Add any amount not otherwise included in Ohio taxable 1731
income for any taxable year to the extent that the amount is 1732
attributable to the recovery during the taxable year of any 1733
amount deducted or excluded in computing federal or Ohio taxable 1734
income in any taxable year, but only to the extent such amount 1735
has not been distributed to beneficiaries for the taxable year. 1736

(10) Deduct any portion of the deduction described in 1737
section 1341(a) (2) of the Internal Revenue Code, for repaying 1738
previously reported income received under a claim of right, that 1739
meets both of the following requirements: 1740

(a) It is allowable for repayment of an item that was 1741
included in the taxpayer's taxable income or the decedent's 1742
adjusted gross income for a prior taxable year and did not 1743
qualify for a credit under division (A) or (B) of section 1744
5747.05 of the Revised Code for that year. 1745

(b) It does not otherwise reduce the taxpayer's taxable 1746
income or the decedent's adjusted gross income for the current 1747
or any other taxable year. 1748

(11) Add any amount claimed as a credit under section 1749

5747.059 of the Revised Code to the extent that the amount 1750
satisfies either of the following: 1751

(a) The amount was deducted or excluded from the 1752
computation of the taxpayer's federal taxable income as required 1753
to be reported for the taxpayer's taxable year under the 1754
Internal Revenue Code; 1755

(b) The amount resulted in a reduction in the taxpayer's 1756
federal taxable income as required to be reported for any of the 1757
taxpayer's taxable years under the Internal Revenue Code. 1758

(12) Deduct any amount, net of related expenses deducted 1759
in computing federal taxable income, that a trust is required to 1760
report as farm income on its federal income tax return, but only 1761
if the assets of the trust include at least ten acres of land 1762
satisfying the definition of "land devoted exclusively to 1763
agricultural use" under section 5713.30 of the Revised Code, 1764
regardless of whether the land is valued for tax purposes as 1765
such land under sections 5713.30 to 5713.38 of the Revised Code. 1766
If the trust is a pass-through entity investor, section 5747.231 1767
of the Revised Code applies in ascertaining if the trust is 1768
eligible to claim the deduction provided by division (S)(12) of 1769
this section in connection with the pass-through entity's farm 1770
income. 1771

Except for farm income attributable to the S portion of an 1772
electing small business trust, the deduction provided by 1773
division (S)(12) of this section is allowed only to the extent 1774
that the trust has not distributed such farm income. 1775

(13) Add the net amount of income described in section 1776
641(c) of the Internal Revenue Code to the extent that amount is 1777
not included in federal taxable income. 1778

(14) Add or deduct the amount the taxpayer would be 1779
required to add or deduct under division (A) (17) or (18) of this 1780
section if the taxpayer's Ohio taxable income was computed in 1781
the same manner as an individual's Ohio adjusted gross income is 1782
computed under this section. 1783

(15) Add, to the extent not otherwise included in 1784
computing taxable income or Ohio taxable income for any taxable 1785
year, the taxpayer's proportionate share of the amount of the 1786
tax levied under section 5747.38 of the Revised Code and paid by 1787
an electing pass-through entity for the taxable year. 1788

(16) Add any income taxes deducted in computing federal 1789
taxable income or Ohio taxable income to the extent the income 1790
taxes were derived from income subject to a tax levied in 1791
another state or the District of Columbia when such tax was 1792
enacted for purposes of complying with internal revenue service 1793
notice 2020-75. 1794

(T) "School district income" and "school district income 1795
tax" have the same meanings as in section 5748.01 of the Revised 1796
Code. 1797

(U) As used in divisions (A) (7), (A) (8), (S) (6), and (S) 1798
(7) of this section, "public obligations," "purchase 1799
obligations," and "interest or interest equivalent" have the 1800
same meanings as in section 5709.76 of the Revised Code. 1801

(V) "Limited liability company" means any limited 1802
liability company formed under former Chapter 1705. of the 1803
Revised Code as that chapter existed prior to February 11, 2022, 1804
Chapter 1706. of the Revised Code, or the laws of any other 1805
state. 1806

(W) "Pass-through entity investor" means any person who, 1807

during any portion of a taxable year of a pass-through entity, 1808
is a partner, member, shareholder, or equity investor in that 1809
pass-through entity. 1810

(X) "Banking day" has the same meaning as in section 1811
1304.01 of the Revised Code. 1812

(Y) "Month" means a calendar month. 1813

(Z) "Quarter" means the first three months, the second 1814
three months, the third three months, or the last three months 1815
of the taxpayer's taxable year. 1816

(AA) (1) "Modified business income" means the business 1817
income included in a trust's Ohio taxable income after such 1818
taxable income is first reduced by the qualifying trust amount, 1819
if any. 1820

(2) "Qualifying trust amount" of a trust means capital 1821
gains and losses from the sale, exchange, or other disposition 1822
of equity or ownership interests in, or debt obligations of, a 1823
qualifying investee to the extent included in the trust's Ohio 1824
taxable income, but only if the following requirements are 1825
satisfied: 1826

(a) The book value of the qualifying investee's physical 1827
assets in this state and everywhere, as of the last day of the 1828
qualifying investee's fiscal or calendar year ending immediately 1829
prior to the date on which the trust recognizes the gain or 1830
loss, is available to the trust. 1831

(b) The requirements of section 5747.011 of the Revised 1832
Code are satisfied for the trust's taxable year in which the 1833
trust recognizes the gain or loss. 1834

Any gain or loss that is not a qualifying trust amount is 1835

modified business income, qualifying investment income, or 1836
modified nonbusiness income, as the case may be. 1837

(3) "Modified nonbusiness income" means a trust's Ohio 1838
taxable income other than modified business income, other than 1839
the qualifying trust amount, and other than qualifying 1840
investment income, as defined in section 5747.012 of the Revised 1841
Code, to the extent such qualifying investment income is not 1842
otherwise part of modified business income. 1843

(4) "Modified Ohio taxable income" applies only to trusts, 1844
and means the sum of the amounts described in divisions (AA) (4) 1845
(a) to (c) of this section: 1846

(a) The fraction, calculated under section 5747.013, and 1847
applying section 5747.231 of the Revised Code, multiplied by the 1848
sum of the following amounts: 1849

(i) The trust's modified business income; 1850

(ii) The trust's qualifying investment income, as defined 1851
in section 5747.012 of the Revised Code, but only to the extent 1852
the qualifying investment income does not otherwise constitute 1853
modified business income and does not otherwise constitute a 1854
qualifying trust amount. 1855

(b) The qualifying trust amount multiplied by a fraction, 1856
the numerator of which is the sum of the book value of the 1857
qualifying investee's physical assets in this state on the last 1858
day of the qualifying investee's fiscal or calendar year ending 1859
immediately prior to the day on which the trust recognizes the 1860
qualifying trust amount, and the denominator of which is the sum 1861
of the book value of the qualifying investee's total physical 1862
assets everywhere on the last day of the qualifying investee's 1863
fiscal or calendar year ending immediately prior to the day on 1864

which the trust recognizes the qualifying trust amount. If, for 1865
a taxable year, the trust recognizes a qualifying trust amount 1866
with respect to more than one qualifying investee, the amount 1867
described in division (AA) (4) (b) of this section shall equal the 1868
sum of the products so computed for each such qualifying 1869
investee. 1870

(c) (i) With respect to a trust or portion of a trust that 1871
is a resident as ascertained in accordance with division (I) (3) 1872
(d) of this section, its modified nonbusiness income. 1873

(ii) With respect to a trust or portion of a trust that is 1874
not a resident as ascertained in accordance with division (I) (3) 1875
(d) of this section, the amount of its modified nonbusiness 1876
income satisfying the descriptions in divisions (B) (2) to (5) of 1877
section 5747.20 of the Revised Code, except as otherwise 1878
provided in division (AA) (4) (c) (ii) of this section. With 1879
respect to a trust or portion of a trust that is not a resident 1880
as ascertained in accordance with division (I) (3) (d) of this 1881
section, the trust's portion of modified nonbusiness income 1882
recognized from the sale, exchange, or other disposition of a 1883
debt interest in or equity interest in a section 5747.212 1884
entity, as defined in section 5747.212 of the Revised Code, 1885
without regard to division (A) of that section, shall not be 1886
allocated to this state in accordance with section 5747.20 of 1887
the Revised Code but shall be apportioned to this state in 1888
accordance with division (B) of section 5747.212 of the Revised 1889
Code without regard to division (A) of that section. 1890

If the allocation and apportionment of a trust's income 1891
under divisions (AA) (4) (a) and (c) of this section do not fairly 1892
represent the modified Ohio taxable income of the trust in this 1893
state, the alternative methods described in division (C) of 1894

section 5747.21 of the Revised Code may be applied in the manner 1895
and to the same extent provided in that section. 1896

(5) (a) Except as set forth in division (AA) (5) (b) of this 1897
section, "qualifying investee" means a person in which a trust 1898
has an equity or ownership interest, or a person or unit of 1899
government the debt obligations of either of which are owned by 1900
a trust. For the purposes of division (AA) (2) (a) of this section 1901
and for the purpose of computing the fraction described in 1902
division (AA) (4) (b) of this section, all of the following apply: 1903

(i) If the qualifying investee is a member of a qualifying 1904
controlled group on the last day of the qualifying investee's 1905
fiscal or calendar year ending immediately prior to the date on 1906
which the trust recognizes the gain or loss, then "qualifying 1907
investee" includes all persons in the qualifying controlled 1908
group on such last day. 1909

(ii) If the qualifying investee, or if the qualifying 1910
investee and any members of the qualifying controlled group of 1911
which the qualifying investee is a member on the last day of the 1912
qualifying investee's fiscal or calendar year ending immediately 1913
prior to the date on which the trust recognizes the gain or 1914
loss, separately or cumulatively own, directly or indirectly, on 1915
the last day of the qualifying investee's fiscal or calendar 1916
year ending immediately prior to the date on which the trust 1917
recognizes the qualifying trust amount, more than fifty per cent 1918
of the equity of a pass-through entity, then the qualifying 1919
investee and the other members are deemed to own the 1920
proportionate share of the pass-through entity's physical assets 1921
which the pass-through entity directly or indirectly owns on the 1922
last day of the pass-through entity's calendar or fiscal year 1923
ending within or with the last day of the qualifying investee's 1924

fiscal or calendar year ending immediately prior to the date on 1925
which the trust recognizes the qualifying trust amount. 1926

(iii) For the purposes of division (AA) (5) (a) (iii) of this 1927
section, "upper level pass-through entity" means a pass-through 1928
entity directly or indirectly owning any equity of another pass- 1929
through entity, and "lower level pass-through entity" means that 1930
other pass-through entity. 1931

An upper level pass-through entity, whether or not it is 1932
also a qualifying investee, is deemed to own, on the last day of 1933
the upper level pass-through entity's calendar or fiscal year, 1934
the proportionate share of the lower level pass-through entity's 1935
physical assets that the lower level pass-through entity 1936
directly or indirectly owns on the last day of the lower level 1937
pass-through entity's calendar or fiscal year ending within or 1938
with the last day of the upper level pass-through entity's 1939
fiscal or calendar year. If the upper level pass-through entity 1940
directly and indirectly owns less than fifty per cent of the 1941
equity of the lower level pass-through entity on each day of the 1942
upper level pass-through entity's calendar or fiscal year in 1943
which or with which ends the calendar or fiscal year of the 1944
lower level pass-through entity and if, based upon clear and 1945
convincing evidence, complete information about the location and 1946
cost of the physical assets of the lower pass-through entity is 1947
not available to the upper level pass-through entity, then 1948
solely for purposes of ascertaining if a gain or loss 1949
constitutes a qualifying trust amount, the upper level pass- 1950
through entity shall be deemed as owning no equity of the lower 1951
level pass-through entity for each day during the upper level 1952
pass-through entity's calendar or fiscal year in which or with 1953
which ends the lower level pass-through entity's calendar or 1954
fiscal year. Nothing in division (AA) (5) (a) (iii) of this section 1955

shall be construed to provide for any deduction or exclusion in computing any trust's Ohio taxable income. 1956
1957

(b) With respect to a trust that is not a resident for the taxable year and with respect to a part of a trust that is not a resident for the taxable year, "qualifying investee" for that taxable year does not include a C corporation if both of the following apply: 1958
1959
1960
1961
1962

(i) During the taxable year the trust or part of the trust recognizes a gain or loss from the sale, exchange, or other disposition of equity or ownership interests in, or debt obligations of, the C corporation. 1963
1964
1965
1966

(ii) Such gain or loss constitutes nonbusiness income. 1967

(6) "Available" means information is such that a person is able to learn of the information by the due date plus extensions, if any, for filing the return for the taxable year in which the trust recognizes the gain or loss. 1968
1969
1970
1971

(BB) "Qualifying controlled group" has the same meaning as in section 5733.04 of the Revised Code. 1972
1973

(CC) "Related member" has the same meaning as in section 5733.042 of the Revised Code. 1974
1975

(DD) (1) For the purposes of division (DD) of this section: 1976

(a) "Qualifying person" means any person other than a qualifying corporation. 1977
1978

(b) "Qualifying corporation" means any person classified for federal income tax purposes as an association taxable as a corporation, except either of the following: 1979
1980
1981

(i) A corporation that has made an election under 1982

subchapter S, chapter one, subtitle A, of the Internal Revenue Code for its taxable year ending within, or on the last day of, the investor's taxable year; 1983
1984
1985

(ii) A subsidiary that is wholly owned by any corporation that has made an election under subchapter S, chapter one, subtitle A of the Internal Revenue Code for its taxable year ending within, or on the last day of, the investor's taxable year. 1986
1987
1988
1989
1990

(2) For the purposes of this chapter, unless expressly stated otherwise, no qualifying person indirectly owns any asset directly or indirectly owned by any qualifying corporation. 1991
1992
1993

(EE) For purposes of this chapter and Chapter 5751. of the Revised Code: 1994
1995

(1) "Trust" does not include a qualified pre-income tax trust. 1996
1997

(2) A "qualified pre-income tax trust" is any pre-income tax trust that makes a qualifying pre-income tax trust election as described in division (EE)(3) of this section. 1998
1999
2000

(3) A "qualifying pre-income tax trust election" is an election by a pre-income tax trust to subject to the tax imposed by section 5751.02 of the Revised Code the pre-income tax trust and all pass-through entities of which the trust owns or controls, directly, indirectly, or constructively through related interests, five per cent or more of the ownership or equity interests. The trustee shall notify the tax commissioner in writing of the election on or before April 15, 2006. The election, if timely made, shall be effective on and after January 1, 2006, and shall apply for all tax periods and tax years until revoked by the trustee of the trust. 2001
2002
2003
2004
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2006
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2010
2011

(4) A "pre-income tax trust" is a trust that satisfies all	2012
of the following requirements:	2013
(a) The document or instrument creating the trust was	2014
executed by the grantor before January 1, 1972;	2015
(b) The trust became irrevocable upon the creation of the	2016
trust; and	2017
(c) The grantor was domiciled in this state at the time	2018
the trust was created.	2019
(FF) "Uniformed services" means all of the following:	2020
(1) "Armed forces of the United States" as defined in	2021
section 5907.01 of the Revised Code;	2022
(2) The commissioned corps of the national oceanic and	2023
atmospheric administration;	2024
(3) The commissioned corps of the public health service.	2025
(GG) "Taxable business income" means the amount by which	2026
an individual's business income that is included in federal	2027
adjusted gross income exceeds the amount of business income the	2028
individual is authorized to deduct under division (A) (28) of	2029
this section for the taxable year.	2030
(HH) "Employer" does not include a franchisor with respect	2031
to the franchisor's relationship with a franchisee or an	2032
employee of a franchisee, unless the franchisor agrees to assume	2033
that role in writing or a court of competent jurisdiction	2034
determines that the franchisor exercises a type or degree of	2035
control over the franchisee or the franchisee's employees that	2036
is not customarily exercised by a franchisor for the purpose of	2037
protecting the franchisor's trademark, brand, or both. For	2038
purposes of this division, "franchisor" and "franchisee" have	2039

the same meanings as in 16 C.F.R. 436.1. 2040

(II) "Modified adjusted gross income" means Ohio adjusted 2041
gross income plus any amount deducted under divisions (A) (28) 2042
and (34) of this section for the taxable year. 2043

(JJ) "Qualifying Ohio educator" means an individual who, 2044
for a taxable year, qualifies as an eligible educator, as that 2045
term is defined in section 62 of the Internal Revenue Code, and 2046
who holds a certificate, license, or permit described in Chapter 2047
3319. or section 3301.071 of the Revised Code. 2048

(KK) "Professional employer organization," "professional 2049
employer organization agreement," and "professional employer 2050
organization reporting entity" have the same meanings as in 2051
section 4125.01 of the Revised Code. 2052

(LL) "Alternate employer organization" and "alternate 2053
employer organization agreement" have the same meanings as in 2054
section 4133.01 of the Revised Code. 2055

(MM) "Casino gaming" has the same meaning as in section 2056
3772.01 of the Revised Code, "lottery sports gaming" has the 2057
same meaning as in section 3770.23 of the Revised Code, "sports 2058
gaming" has the same meaning as in section 3775.01 of the 2059
Revised Code, and "video lottery terminal" has the same meaning 2060
as in section 3770.21 of the Revised Code. 2061

Section 2. That existing section 5747.01 of the Revised 2062
Code is hereby repealed. 2063

Section 3. Section 1 of this act, except for sections 2064
4143.03 and 4143.13 of the Revised Code, takes effect twelve 2065
months after the effective date of this section. 2066

Section 4143.03 of the Revised Code, as enacted by this 2067

act, takes effect January 1, 2029. 2068

Section 4143.13 of the Revised Code, as enacted by this 2069
act, takes effect on the effective date of this section. 2070