

As Introduced

136th General Assembly
Regular Session
2025-2026

H. B. No. 925

Representative Williams

To amend sections 149.311 and 175.16 of the Revised Code to allow area agencies on aging to couple the state historic rehabilitation and low-income housing tax credits and require a minimum price for low-income housing tax credits transferred by area agencies on aging.

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

Section 1. That sections 149.311 and 175.16 of the Revised Code be amended to read as follows:

Sec. 149.311. (A) As used in this section:

(1) "Historic building" means a building, including its structural components, that is located in this state and that is either individually listed on the national register of historic places under 16 U.S.C. 470a, located in a registered historic district, and certified by the state historic preservation officer as being of historic significance to the district, or is individually listed as an historic landmark designated by a local government certified under 16 U.S.C. 470a(c).

(2) "Qualified rehabilitation expenditures" means expenditures paid or incurred during the rehabilitation period, and before and after that period as determined under 26 U.S.C.

47, by an owner or qualified lessee of an historic building to 21
rehabilitate the building. "Qualified rehabilitation 22
expenditures" includes architectural or engineering fees paid or 23
incurred in connection with the rehabilitation, and expenses 24
incurred in the preparation of nomination forms for listing on 25
the national register of historic places. "Qualified 26
rehabilitation expenditures" does not include any of the 27
following: 28

(a) The cost of acquiring, expanding, or enlarging an 29
historic building; 30

(b) Expenditures attributable to work done to facilities 31
related to the building, such as parking lots, sidewalks, and 32
landscaping; 33

(c) New building construction costs. 34

(3) "Owner" of an historic building means a person holding 35
the fee simple interest in the building. "Owner" does not 36
include the state or a state agency, or any political 37
subdivision as defined in section 9.23 of the Revised Code. 38

(4) "Qualified lessee" means a person subject to a lease 39
agreement for an historic building and eligible for the federal 40
rehabilitation tax credit under 26 U.S.C. 47. "Qualified lessee" 41
does not include the state or a state agency or political 42
subdivision as defined in section 9.23 of the Revised Code. 43

(5) "Certificate owner" means the owner or qualified 44
lessee of an historic building to which a rehabilitation tax 45
credit certificate was issued under this section. 46

(6) "Registered historic district" means an historic 47
district listed in the national register of historic places 48
under 16 U.S.C. 470a, an historic district designated by a local 49

government certified under 16 U.S.C. 470a(c), or a local 50
historic district certified under 36 C.F.R. 67.8 and 67.9. 51

(7) "Rehabilitation" means the process of repairing or 52
altering an historic building or buildings, making possible an 53
efficient use while preserving those portions and features of 54
the building and its site and environment that are significant 55
to its historic, architectural, and cultural values. 56

(8) "Rehabilitation period" means one of the following: 57

(a) If the rehabilitation initially was not planned to be 58
completed in stages, a period chosen by the owner or qualified 59
lessee not to exceed twenty-four months during which 60
rehabilitation occurs; 61

(b) If the rehabilitation initially was planned to be 62
completed in stages, a period chosen by the owner or qualified 63
lessee not to exceed sixty months during which rehabilitation 64
occurs. Each stage shall be reviewed as a phase of a 65
rehabilitation as determined under 26 C.F.R. 1.48-12 or a 66
successor to that section. 67

(9) "State historic preservation officer" or "officer" 68
means the state historic preservation officer appointed by the 69
governor under 16 U.S.C. 470a. 70

(10) "Catalytic project" means the rehabilitation of an 71
historic building, the rehabilitation of which will foster 72
economic development within two thousand five hundred feet of 73
the historic building. 74

(B) The owner or qualified lessee of an historic building 75
may apply to the director of development for a rehabilitation 76
tax credit certificate for qualified rehabilitation expenditures 77
paid or incurred by such owner or qualified lessee after April 78

4, 2007, for rehabilitation of an historic building. If the 79
owner of an historic building enters a pass-through agreement 80
with a qualified lessee for the purposes of the federal 81
rehabilitation tax credit under 26 U.S.C. 47, the qualified 82
rehabilitation expenditures paid or incurred by the owner after 83
April 4, 2007, may be attributed to the qualified lessee. 84

The form and manner of filing such applications shall be 85
prescribed by rule of the director. Each application shall state 86
the amount of qualified rehabilitation expenditures the 87
applicant estimates will be paid or incurred and shall indicate 88
whether the historic building was used as a theater before, and 89
is intended to be used as a theater after, the rehabilitation. 90
The director may require applicants to furnish documentation of 91
such estimates. 92

The director, after consultation with the tax commissioner 93
and in accordance with Chapter 119. of the Revised Code, shall 94
adopt rules that establish all of the following: 95

(1) Forms and procedures by which applicants may apply for 96
rehabilitation tax credit certificates; 97

(2) Criteria for reviewing, evaluating, and approving 98
applications for certificates within the limitations under 99
division (D) of this section, criteria for assuring that the 100
certificates issued encompass a mixture of high and low 101
qualified rehabilitation expenditures, and criteria for issuing 102
certificates under division (C) (3) (b) of this section; 103

(3) Eligibility requirements for obtaining a certificate 104
under this section; 105

(4) The form of rehabilitation tax credit certificates; 106

(5) Reporting requirements and monitoring procedures; 107

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| (6) Procedures and criteria for conducting cost-benefit analyses of historic buildings that are the subjects of applications filed under this section. The purpose of a cost-benefit analysis shall be to determine whether rehabilitation of the historic building will result in a net revenue gain in state and local taxes once the building is used. | 108 109 110 111 112 113 |
| (7) Any other rules necessary to implement and administer this section. | 114 115 |
| (C) The director shall review the applications with the assistance of the state historic preservation officer and determine whether all of the following criteria are met: | 116 117 118 |
| (1) That the building that is the subject of the application is an historic building and the applicant is the owner or qualified lessee of the building; | 119 120 121 |
| (2) That the rehabilitation will satisfy standards prescribed by the United States secretary of the interior under 16 U.S.C. 470, et seq., as amended, and 36 C.F.R. 67.7 or a successor to that section; | 122 123 124 125 |
| (3) That receiving a rehabilitation tax credit certificate under this section is a major factor in: | 126 127 |
| (a) The applicant's decision to rehabilitate the historic building; or | 128 129 |
| (b) To increase the level of investment in such rehabilitation. | 130 131 |
| (4) The <u>If the applicant is not an area agency on aging, as defined in section 173.14 of the Revised Code, the historic building that is the subject of the application is not, and will not upon completion of the rehabilitation project be, part of a</u> | 132 133 134 135 |

qualified low-income housing project allocated a tax credit 136
pursuant to section 42 of the Internal Revenue Code. 137

An applicant shall demonstrate to the satisfaction of the 138
state historic preservation officer and director that the 139
rehabilitation will satisfy the standards described in division 140
(C) (2) of this section before the applicant begins the physical 141
rehabilitation of the historic building. 142

(D) (1) If the director determines that an application 143
meets the criteria in division (C) of this section, the director 144
shall conduct a cost-benefit analysis for the historic building 145
that is the subject of the application to determine whether 146
rehabilitation of the historic building will result in a net 147
revenue gain in state and local taxes once the building is used. 148
The director shall consider the results of the cost-benefit 149
analysis in determining whether to approve the application. The 150
director shall also consider the potential economic impact and 151
the regional distributive balance of the credits throughout the 152
state. The director shall not consider whether the historic 153
building is located in or will benefit an economically 154
distressed area, including by weighting preference based on the 155
poverty rate in the jurisdiction or census tract in which the 156
building is located, nor shall the director consider or give 157
weighted preference based on vacancy or underutilization of the 158
building. The director may approve an application only after 159
completion of the cost-benefit analysis. 160

(2) A rehabilitation tax credit certificate shall not be 161
issued for an amount greater than the estimated amount furnished 162
by the applicant on the application for such certificate and 163
approved by the director. The director shall not approve more 164
than a total of seventy-five million dollars of rehabilitation 165

tax credits for each of fiscal years 2023 and 2024, and for each 166
fiscal year thereafter, but the director may reallocate unused 167
tax credits from a prior fiscal year for new applicants and such 168
reallocated credits shall not apply toward the dollar limit of 169
this division. 170

(3) For rehabilitations with a rehabilitation period not 171
exceeding twenty-four months as provided in division (A) (8) (a) 172
of this section, a rehabilitation tax credit certificate shall 173
not be issued before the rehabilitation of the historic building 174
is completed. 175

(4) For rehabilitations with a rehabilitation period not 176
exceeding sixty months as provided in division (A) (8) (b) of this 177
section, a rehabilitation tax credit certificate shall not be 178
issued before a stage of rehabilitation is completed. After all 179
stages of rehabilitation are completed, if the director cannot 180
determine that the criteria in division (C) of this section are 181
satisfied for all stages of rehabilitations, the director shall 182
certify this finding to the tax commissioner, and any 183
rehabilitation tax credits received by the applicant shall be 184
repaid by the applicant and may be collected by assessment as 185
unpaid tax by the commissioner. 186

(5) The director shall require the applicant to provide a 187
third-party cost certification by a certified public accountant 188
of the actual costs attributed to the rehabilitation of the 189
historic building when qualified rehabilitation expenditures 190
exceed two hundred thousand dollars. 191

If an applicant whose application is approved for receipt 192
of a rehabilitation tax credit certificate fails to provide to 193
the director sufficient evidence of reviewable progress, 194
including a viable financial plan, copies of final construction 195

drawings, and evidence that the applicant has obtained all 196
historic approvals within twelve months after the date the 197
applicant received notification of approval, and if the 198
applicant fails to provide evidence to the director that the 199
applicant has secured and closed on financing for the 200
rehabilitation within eighteen months after receiving 201
notification of approval, the director may rescind the approval 202
of the application. The director shall notify the applicant if 203
the approval has been rescinded. Credits that would have been 204
available to an applicant whose approval was rescinded shall be 205
available for other qualified applicants. Nothing in this 206
division prohibits an applicant whose approval has been 207
rescinded from submitting a new application for a rehabilitation 208
tax credit certificate. 209

(6) The director may approve the application of, and issue 210
a rehabilitation tax credit certificate to, the owner of a 211
catalytic project, provided the application otherwise meets the 212
criteria described in divisions (C) and (D) of this section. The 213
director may not approve more than one application for a 214
rehabilitation tax credit certificate under division (D) (6) of 215
this section during each state fiscal biennium. The director 216
shall not approve an application for a rehabilitation tax credit 217
certificate under division (D) (6) of this section during the 218
state fiscal biennium beginning July 1, 2017, or during any 219
state fiscal biennium thereafter. The director shall consider 220
the following criteria in determining whether to approve an 221
application for a certificate under division (D) (6) of this 222
section: 223

(a) Whether the historic building is a catalytic project; 224

(b) The effect issuance of the certificate would have on 225

the availability of credits for other applicants that qualify 226
for a credit certificate within the credit dollar limit 227
described in division (D) (2) of this section; 228

(c) The number of jobs, if any, the catalytic project will 229
create. 230

(7) (a) The owner or qualified lessee of a historic 231
building may apply for a rehabilitation tax credit certificate 232
under both divisions (B) and (D) (6) of this section. In such a 233
case, the director shall consider each application at the time 234
the application is submitted. 235

(b) The director shall not issue more than one certificate 236
under this section with respect to the same qualified 237
rehabilitation expenditures. 238

(8) The director shall give consideration for tax credits 239
awarded under this section to rehabilitations of historic 240
buildings used as a theater before, and intended to be used as a 241
theater after, the rehabilitation. In determining whether to 242
approve an application for such a rehabilitation, the director 243
shall consider the extent to which the rehabilitation will 244
increase attendance at the theater and increase the theater's 245
gross revenue. 246

(9) The director shall rescind the approval of any 247
application, other than an application from an area agency on 248
aging as defined in section 173.14 of the Revised Code, if the 249
building that is the subject of the application is part of a 250
qualified low-income housing project allocated a tax credit 251
pursuant to section 42 of the Internal Revenue Code at any time 252
before the building's rehabilitation is complete. 253

(E) Issuance of a certificate represents a finding by the 254

director of the matters described in divisions (C) (1), (2), and 255
(3) of this section only; issuance of a certificate does not 256
represent a verification or certification by the director of the 257
amount of qualified rehabilitation expenditures for which a tax 258
credit may be claimed under section 5725.151, 5725.34, 5726.52, 259
5729.17, 5733.47, or 5747.76 of the Revised Code. The amount of 260
qualified rehabilitation expenditures for which a tax credit may 261
be claimed is subject to inspection and examination by the tax 262
commissioner or employees of the commissioner under section 263
5703.19 of the Revised Code and any other applicable law. Upon 264
the issuance of a certificate, the director shall certify to the 265
tax commissioner, in the form and manner requested by the tax 266
commissioner, the name of the applicant, the amount of qualified 267
rehabilitation expenditures shown on the certificate, and any 268
other information required by the rules adopted under this 269
section. 270

(F) (1) On or before the first day of August each year, the 271
director and tax commissioner jointly shall submit to the 272
president of the senate and the speaker of the house of 273
representatives a report on the tax credit program established 274
under this section and sections 5725.151, 5725.34, 5726.52, 275
5729.17, 5733.47, and 5747.76 of the Revised Code. The report 276
shall present an overview of the program and shall include 277
information on the number of rehabilitation tax credit 278
certificates issued under this section during the preceding 279
fiscal year, an update on the status of each historic building 280
for which an application was approved under this section, the 281
dollar amount of the tax credits granted under sections 282
5725.151, 5725.34, 5726.52, 5729.17, 5733.47, and 5747.76 of the 283
Revised Code, and any other information the director and 284
commissioner consider relevant to the topics addressed in the 285

report. 286

(2) On or before December 1, 2015, the director and tax 287
commissioner jointly shall submit to the president of the senate 288
and the speaker of the house of representatives a comprehensive 289
report that includes the information required by division (F) (1) 290
of this section and a detailed analysis of the effectiveness of 291
issuing tax credits for rehabilitating historic buildings. The 292
report shall be prepared with the assistance of an economic 293
research organization jointly chosen by the director and 294
commissioner. 295

(G) There is hereby created in the state treasury the 296
historic rehabilitation tax credit operating fund. The director 297
is authorized to charge reasonable application and other fees in 298
connection with the administration of tax credits authorized by 299
this section and sections 5725.151, 5725.34, 5726.52, 5729.17, 300
5733.47, and 5747.76 of the Revised Code. Any such fees 301
collected shall be credited to the fund and used to pay 302
reasonable costs incurred by the department of development in 303
administering this section and sections 5725.151, 5725.34, 304
5726.52, 5729.17, 5733.47, and 5747.76 of the Revised Code. 305

The Ohio historic preservation office is authorized to 306
charge reasonable fees in connection with its review and 307
approval of applications under this section. Any such fees 308
collected shall be credited to the fund and used to pay 309
administrative costs incurred by the Ohio historic preservation 310
office pursuant to this section. 311

(H) Notwithstanding sections 5725.151, 5725.34, 5726.52, 312
5729.17, 5733.47, and 5747.76 of the Revised Code, the 313
certificate owner of a tax credit certificate issued under 314
division (D) (6) of this section may claim a tax credit equal to 315

twenty-five per cent of the dollar amount indicated on the 316
certificate for a total credit of not more than twenty-five 317
million dollars. The credit claimed by such a certificate owner 318
for any calendar year, tax year, or taxable year under section 319
5725.151, 5725.34, 5726.52, 5729.17, 5733.47, or 5747.76 of the 320
Revised Code shall not exceed five million dollars. If the 321
certificate owner is eligible for more than five million dollars 322
in total credits, the certificate owner may carry forward the 323
balance of the credit in excess of the amount claimed for that 324
year for not more than five ensuing calendar years, tax years, 325
or taxable years. If the credit claimed in any calendar year, 326
tax year, or taxable year exceeds the tax otherwise due, the 327
excess shall be refunded to the taxpayer. 328

(I) Notwithstanding sections 5725.151, 5725.34, 5726.52, 329
5729.17, 5733.47, and 5747.76 of the Revised Code, the following 330
apply to a tax credit approved under this section after 331
September 13, 2022, and before July 1, 2024: 332

(1) The certificate holder may claim a tax credit equal to 333
thirty-five per cent of the dollar amount indicated on the tax 334
credit certificate if any county, township, or municipal 335
corporation within which the project is located has a population 336
of less than three hundred thousand according to the 2020 337
decennial census. The tax credit equals twenty-five per cent of 338
the dollar amount indicated on the certificate if the project is 339
not located within such a county, township, or municipal 340
corporation. 341

(2) The total tax credit claimed under section 5725.151, 342
5725.34, 5726.52, 5729.17, 5733.47, or 5747.76 of the Revised 343
Code for any one project shall not exceed ten million dollars 344
for any calendar year, tax year, or taxable year. 345

(3) If the credit claimed in any calendar year, tax year, 346
or taxable year exceeds the tax otherwise due, the excess shall 347
be refunded to the taxpayer, subject to division (I) (2) of this 348
section. 349

(J) Notwithstanding sections 5725.151, 5725.34, 5726.52, 350
5729.17, 5733.47, and 5747.76 of the Revised Code, the 351
certificate owner of a tax credit certificate may claim a tax 352
credit equal to thirty-five per cent of the dollar amount of 353
qualified rehabilitation expenditures indicated on the 354
certificate if the project for which the certificate was issued 355
is located in a municipal corporation with a population of less 356
than three hundred thousand or in the unincorporated area of a 357
township. 358

(K) The director of development, in consultation with the 359
director of budget and management, shall develop and adopt a 360
system of tracking any information necessary to anticipate the 361
impact of credits issued under this section on tax revenues for 362
current and future fiscal years. Such information may include 363
the number of applications approved, the estimated 364
rehabilitation expenditures and rehabilitation period associated 365
with such applications, the number and amount of tax credit 366
certificates issued, and any other information the director of 367
budget and management requires for the purposes of this 368
division. 369

(L) For purposes of this section and Chapter 122:19-1 of 370
the Ohio Administrative Code, a tax credit certificate issued 371
under this section is effective on the date that all historic 372
buildings rehabilitated by the project are "placed in service," 373
as that term is used in section 47 of the Internal Revenue Code. 374

Sec. 175.16. (A) As used in this section: 375

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| (1) "Federal credit" means the tax credit authorized under section 42 of the Internal Revenue Code. | 376 377 |
| (2) "Credit period," "qualified low-income building," and "qualified basis" have the same meanings as in section 42 of the Internal Revenue Code. | 378 379 380 |
| (3) "Qualified project" means a qualified low-income building that is located in Ohio, is placed in service on or after July 1, 2023, and for which the director reserves a tax credit under division (B) of this section before July 1, 2027. | 381 382 383 384 |
| (4) "Pass-through entity" has the same meaning as in section 5733.04 of the Revised Code. | 385 386 |
| (5) "Project owner" means a person holding a fee simple interest or a leasehold interest pursuant to a ground lease in the land on which a qualified project sits. | 387 388 389 |
| (6) "Reserved credit amount" means the amount determined by the director and stipulated in the notice sent to each owner of a qualified project under division (B) of this section. | 390 391 392 |
| (7) "Annual credit amount" means the amount computed by the director under division (D) of this section prior to issuing an eligibility certificate. | 393 394 395 |
| (8) "Equity owner" means a direct or indirect owner of a project owner, provided the project owner is a pass-through entity, as determined under applicable state law governing such an entity. | 396 397 398 399 |
| (9) "Person" has the same meaning as in section 5701.01 of the Revised Code. | 400 401 |
| (10) "Eligibility certificate" means a certificate issued by the director to each owner of a qualified project under | 402 403 |

division (D) of this section stating the amount of credit that 404
may be claimed for each year of the credit period. 405

(11) "Qualified allocation plan" means the plan developed 406
by the Ohio housing finance agency, as required under section 407
175.06 of the Revised Code, for evaluating and selecting 408
projects for the federal credit pursuant to the mandates and 409
requirements within section 42 of the Internal Revenue Code. 410

(12) "Internal Revenue Code" has the same meaning as in 411
section 5747.01 of the Revised Code. 412

(13) "Designated reporter" means the project owner or one 413
of the project owner's equity owners designated pursuant to 414
division (I)(1) of this section. 415

(14) "Director" means the executive director of the Ohio 416
housing finance agency. 417

(B) Except as otherwise provided by this division, the 418
director, upon allocating a federal credit and issuing a binding 419
reservation or letter of eligibility, pursuant to the Ohio 420
housing finance agency's qualified allocation plan, for a 421
qualified low-income building that is located in this state and 422
placed in service on or after July 1, 2023, may reserve a tax 423
credit under this section for the project owners so long as 424
doing so will not result in exceeding the annual credit cap 425
prescribed by division (C) of this section. The director shall 426
not reserve a tax credit under this section after June 30, 2027. 427

The director shall send written notice of the reservation 428
to each project owner. The notice shall state the aggregate 429
credit amount reserved for all years of the qualified project's 430
credit period and stipulate that receipt of the credit is 431
contingent upon issuance of an eligibility certificate and 432

filing the information described in division (I) of this 433
section. Upon receipt of that notice, the owner shall provide 434
the identity of the owner's designated reporter to the director. 435

The director shall determine the credit amount reserved 436
for each qualified project. The reserved credit amount shall not 437
exceed the amount necessary, when combined with the federal 438
credit, to ensure the financial feasibility of the qualified 439
project. 440

The director shall reserve credits in a manner that 441
ensures that a qualified project is creating additional housing 442
units that would not have otherwise been created with other 443
state, federal, or private financing. The director may assess 444
application, processing, and reporting fees to cover the cost of 445
administering the tax credit authorized under this section. 446

(C) The aggregate amount of credits reserved by the 447
director under division (B) of this section in a fiscal year 448
shall not exceed the sum of (1) one hundred million dollars, (2) 449
the amount, if any, by which the credit cap prescribed by this 450
division for the preceding fiscal year exceeds the credits 451
reserved by the director in that year, and (3) the amount of tax 452
credits recaptured or otherwise disallowed under division (G) of 453
this section in the preceding fiscal year. 454

For the purpose of computing and determining compliance 455
with the credit cap prescribed by this division, the credit 456
amount reserved for the project owners of a qualified project is 457
the full amount for all years of the qualified project's credit 458
period. 459

(D) Immediately after approving the final cost 460
certification for a qualified project for which a tax credit 461

under this section is reserved, or upon otherwise determining 462
the qualified basis of the qualified project and the date it was 463
placed into service as required by section 42(m) of the Internal 464
Revenue Code, the director shall compute the annual credit 465
amount and issue an eligibility certificate to each project 466
owner. The director shall send copies of all eligibility 467
certificates issued each calendar year to the tax commissioner 468
and the superintendent of insurance. 469

The annual credit amount shall equal the lesser of the 470
following: 471

(1) The amount of the federal credit that would be awarded 472
to the project owners for the first year of the credit period if 473
not for the adjustment required under section 42(f)(2) of the 474
Internal Revenue Code; 475

(2) One-tenth of the reserved credit amount stated in the 476
notice issued under division (B) of this section. 477

(E) Each eligibility certificate shall state the annual 478
credit amount, the years that comprise the credit period, the 479
name, address, and taxpayer identification number of each 480
project owner, each owner's designated reporter, the date the 481
certificate is issued, a unique identifying number, and any 482
additional information prescribed by a rule adopted under 483
division (H) of this section. A project owner, if the project 484
owner is a pass-through entity, shall provide a copy of the 485
eligibility certificate and any information described in 486
division (I) of this section to each equity owner that has been 487
allocated a credit under division (F)(2) of this section, if 488
requested. 489

(F)(1) For each year of a qualified project's credit 490

period, the project owner or an equity owner may claim a 491
nonrefundable credit against the tax imposed by section 5725.18, 492
5726.02, 5729.03, 5729.06, or 5747.02 of the Revised Code equal 493
to all or a portion of the annual credit amount stated on the 494
eligibility certificate. The credit shall be claimed in the 495
manner prescribed by section 5725.36, 5726.58, 5729.19, or 496
5747.83 of the Revised Code, as applicable. 497

(2) If a project owner is a pass-through entity, the 498
annual credit amount for any year of a qualified project's 499
credit period may be allocated by the project owner among one or 500
more equity owners and may be applied by those equity owners 501
against more than one tax, but the total credits claimed in 502
connection with that year of the qualified project's credit 503
period by all project owners and equity owners against all taxes 504
shall not exceed the annual credit amount stated on the 505
eligibility certificate. 506

If any equity owner is an area agency on aging, as defined 507
in section 173.14 of the Revised Code, no interest in tax 508
credits may be allocated to an equity owner unless that equity 509
owner has provided consideration to the project owner in an 510
amount that is at least seventy-five per cent of the credit 511
amount allocated. 512

(3) A project owner or equity owner may claim the credit 513
authorized by this section after the date the qualified project 514
is placed into service but not before the director issues the 515
project owner an eligibility certificate under division (D) of 516
this section and the applicable report required by division (I) 517
of this section is filed by the designated reporter. 518

(4) A project owner or equity owner that claims a tax 519
credit under division (F)(1) of this section shall submit a copy 520

of the eligibility certificate with the project owner's or 521
equity owner's tax return or report. Upon request of the tax 522
commissioner or the superintendent of insurance, any project 523
owner or equity owner claiming a tax credit under this section 524
shall provide the commissioner or superintendent other 525
documentation that may be necessary to verify that the project 526
owner or equity owner is entitled to claim the credit. 527

(5) A project owner that is a pass-through entity may 528
allocate the credit authorized by this section to its equity 529
owners under division (F) (2) of this section in any manner 530
agreed to by such persons regardless of whether such equity 531
owners are eligible for an allocation of the federal credit, 532
whether the allocation of the credit under the terms of the 533
agreement has substantial economic effect within the meaning of 534
section 704(b) of the Internal Revenue Code, and whether any 535
such person is deemed a partner of the project owner or equity 536
owner for federal income tax purposes as long as the equity 537
owner acquired its ownership interest prior to claiming the 538
credit. The allocation shall be allowed without regard to any 539
provision of the Internal Revenue Code, or regulation 540
promulgated pursuant to it, that may be interpreted as contrary 541
to the allocation, including, without limitation, the treatment 542
of the allocation as a disguised sale. 543

An equity owner may assign all or any part of its interest 544
in a qualified project, including its interest in the tax 545
credits authorized by this section, to one or more other equity 546
owners, and each assignee shall be able to claim the credit so 547
long as its interest is acquired prior to the filing of its tax 548
return or report or amended tax return or report claiming the 549
credit and the assignee's ownership interest is identified in 550
the report required by division (I) of this section. 551

An equity owner that is an area agency on aging, as 552
defined in section 173.14 of the Revised Code, may not assign an 553
interest in tax credits authorized by this section unless the 554
area agency on aging has received consideration from the 555
transferee in an amount that is at least seventy-five per cent 556
of the credit amount assigned. 557

(6) Nothing in this section or section 5725.36, 5726.58, 558
5729.19, or 5747.83 of the Revised Code allows the assignment or 559
transfer of any carryforward of the credit authorized under this 560
section once the annual credit amount is claimed. 561

(G) If any portion of the federal credit allocated to a 562
qualified project is recaptured under section 42(j) of the 563
Internal Revenue Code or is otherwise disallowed, the director 564
shall recapture a proportionate amount of the tax credit claimed 565
pursuant to this section in connection with the same qualified 566
project. 567

If the director determines to recapture such a tax credit, 568
the director shall certify the name of each project owner and 569
the amount to be recaptured to the tax commissioner and to the 570
superintendent of insurance. The commissioner or superintendent 571
shall determine the taxpayer or taxpayers that claimed the 572
credit, the tax against which the credit was claimed, and the 573
amount to be recaptured and make an assessment against the 574
taxpayer or taxpayers under Chapter 5725., 5726., 5729., or 575
5747. of the Revised Code, as applicable, for the amount of the 576
tax credit to be recaptured. The time limitations on assessments 577
under those chapters do not bar an assessment made under this 578
division. 579

(H) The director, in consultation with the tax 580
commissioner and superintendent of insurance, shall adopt any 581

rules necessary to implement this section in accordance with 582
Chapter 119. of the Revised Code. 583

(I) (1) For each calendar year, a designated reporter shall 584
provide the tax commissioner, in the form prescribed by the tax 585
commissioner in consultation with the superintendent of 586
insurance, all of the following: 587

(a) The name, address, and taxpayer identification number 588
of each project owner and equity owner that has been allocated a 589
portion of the annual credit awarded on the eligibility 590
certificate for that year; 591

(b) The amount of the annual credit allocated to each such 592
project owner and equity owner for such year and the tax against 593
which the credit will be claimed; 594

(c) The total of the amounts listed for each project owner 595
and equity owner under division (I) (1) (b) of this section, 596
demonstrating that the total does not exceed the amount listed 597
on the eligibility certificate for that year. 598

(2) A designated reporter shall notify the tax 599
commissioner of any changes to the information reported in 600
division (I) (1) of this section in the time and manner 601
prescribed by the commissioner. 602

(3) No credit allocated under this section may be claimed 603
by a project owner or equity owner for a year unless that owner 604
and the amount of the credit allocated to that owner appear on 605
the report required by division (I) (1) of this section for that 606
year. 607

The tax commissioner shall provide a copy of the report, 608
and any subsequent changes to the report, submitted by the 609
designated reporter under division (I) of this section to the 610

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| superintendent of insurance in the time and manner agreed to by | 611 |
| the commissioner and superintendent. | 612 |
| Section 2. That existing sections 149.311 and 175.16 of | 613 |
| the Revised Code are hereby repealed. | 614 |