

As Introduced

136th General Assembly

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2025-2026

S. B. No. 110

Senators Cirino, Chavez

To amend sections 122.15, 122.151, 122.152, 1
122.153, 122.154, 122.155, 5725.98, and 5729.98 2
of the Revised Code to modify the availability 3
of and eligibility for tax credits awarded under 4
the rural business growth program. 5

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

Section 1. That sections 122.15, 122.151, 122.152, 6
122.153, 122.154, 122.155, 5725.98, and 5729.98 of the Revised 7
Code be amended to read as follows: 8

Sec. 122.15. As used in this section and sections 122.151 9
to 122.156 of the Revised Code: 10

(A) "Affiliate" means a person that directly, or 11
indirectly through one or more intermediaries, controls, is 12
controlled by, or is under common control with another person. 13
For the purposes of this division, a person is "controlled by" 14
another person if the controlling person holds, directly or 15
indirectly, the majority voting or ownership interest in the 16
controlled person or has control over the day-to-day operations 17
of the controlled person by contract or by law. 18

(B) "Border county" means a county in this state that 19
borders another state. 20

(C) "Closing date" means the date on which a rural 21
business growth fund has collected all of the amounts specified 22
by divisions (G) (1) and (2) of section 122.151 of the Revised 23
Code. 24

(D) "Credit-eligible capital contribution" means an 25
investment of cash by a person subject to the tax imposed by 26
section 3901.86, 5725.18, 5729.03, or 5729.06 of the Revised 27
Code in a rural business growth fund that equals the amount 28
specified on a notice of tax credit allocation issued by the 29
department of development under division (I) (1) of section 30
122.151 of the Revised Code. The investment shall purchase an 31
equity interest in the fund or purchase, at par value or 32
premium, a debt instrument issued by the fund that meets all of 33
the following criteria: 34

(1) The debt instrument has an original maturity date of 35
at least five years after the date of issuance. 36

(2) The debt instrument has a repayment schedule that is 37
not faster than a level principal amortization over five years. 38

(3) The debt instrument has no interest, distribution, or 39
payment features dependent on the fund's profitability or the 40
success of the fund's growth investments. 41

(E) "Eligible investment authority" means the amount 42
stated on the notice issued under division (F) of section 43
122.151 of the Revised Code certifying the rural business growth 44
fund. Sixty per cent of a fund's eligible investment authority 45
shall be comprised of credit-eligible capital contributions. 46

(F) "Full-time equivalent employee" means the quotient 47
obtained by dividing the total number of hours for which 48
employees were compensated for employment over the preceding 49

twelve-month period by two thousand eighty. 50

(G) "Growth investment" means any capital or equity 51
investment in a rural business concern or any loan to a rural 52
business concern with a stated maturity of at least one year, 53
excluding any investment used by a rural business concern or its 54
affiliates to refinance or buy out a prior growth investment. A 55
secured loan or the provision of a revolving line of credit to a 56
rural business concern is a growth investment only if the rural 57
business growth fund obtains an affidavit from the president or 58
chief executive officer of the rural business concern attesting 59
that the rural business concern sought and was denied similar 60
financing from a commercial bank. 61

(H) "Operating company" means any business that has its 62
principal business operations in this state, for program one and 63
program two has fewer than two hundred fifty employees ~~and or~~ 64
for program three has fewer than two hundred ninety-nine 65
employees, has not more than fifteen million dollars in net 66
income for the preceding taxable year, and that is none of the 67
following: 68

- (1) A country club; 69
- (2) A racetrack or other facility used for gambling; 70
- (3) A store the principal purpose of which is the sale of 71
alcoholic beverages for consumption off premises; 72
- (4) A massage parlor; 73
- (5) A hot tub facility; 74
- (6) A suntan facility; 75
- (7) A business engaged in the development or holding of 76
intangibles for sale; 77

(8) A private or commercial golf course;	78
(9) A business that derives or projects to derive fifteen per cent or more of its net income from the rental or sale of real property, except any business that is a special purpose entity principally owned by a principal user of that property formed solely for the purpose of renting, either directly or indirectly, or selling real property back to such principal user if such principal user does not derive fifteen per cent or more of its gross annual revenue from the rental or sale of real property;	79 80 81 82 83 84 85 86 87
(10) A publicly traded business.	88
For the purposes of this division, "net income" means federal gross income as required to be reported under the Internal Revenue Code less federal and state taxes imposed on or measured by income.	89 90 91 92
(I) "Population" means that shown by the most recent decennial census or the most recent annual population estimate published or released by the United States census bureau, whichever is more recent.	93 94 95 96
(J) A business's "principal business operations" are in this state if at least eighty per cent of the business's employees reside in this state, the individuals who receive eighty per cent of the business's payroll reside in this state, or the business has agreed to use the proceeds of a growth investment to relocate at least eighty per cent of its employees to this state or pay at least eighty per cent of its payroll to individuals residing in this state. For the purpose of growth investments by a program two <u>or program three</u> rural business growth fund, a business's "principal business operations" are	97 98 99 100 101 102 103 104 105 106

also in this state if it is headquartered in a border county and 107
at least sixty-five per cent of the business's employees reside 108
in this state, the individuals who receive sixty-five per cent 109
of the business's payroll reside in this state, or the business 110
has agreed to use the proceeds of a growth investment to 111
relocate at least sixty-five per cent of its employees to this 112
state or pay at least sixty-five per cent of its payroll to 113
individuals residing in this state. 114

(K) "Program one" refers to rural business growth funds 115
certified by the department of development under section 122.151 116
of the Revised Code before ~~the effective date of this amendment~~ 117
September 30, 2021. 118

(L) "Program two" refers to rural business growth funds 119
certified by the department of development under section 122.151 120
of the Revised Code on or after ~~the effective date of this~~ 121
~~amendment~~ September 30, 2021, but before the effective date of 122
this amendment. 123

(M) "Program three" refers to rural business growth funds 124
certified by the department of development under section 122.151 125
of the Revised Code on or after the effective date of this 126
amendment. 127

(N) "Rural area" means any county in this state having a 128
population less than two hundred thousand. 129

~~(N)~~ (O) "Rural business concern" means an operating 130
company that has its principal business operations located in a 131
rural area. 132

~~(O)~~ (P) "Rural business growth fund" and "fund" mean an 133
entity certified by the department of development under section 134
122.151 of the Revised Code. 135

~~(P)~~ (Q) "Taxable year" means the calendar year ending on 136
the thirty-first day of December next preceding the day the 137
annual statement is required to be returned under section 138
5725.18 or 5729.02 of the Revised Code. 139

~~(Q)~~ (R) "Tier one rural area" means any county in this 140
state having a population less than two hundred thousand and 141
more than one hundred fifty thousand. 142

~~(R)~~ (S) "Tier two rural area" means any county in this 143
state having a population of more than seventy-five thousand but 144
not more than one hundred fifty thousand. 145

~~(S)~~ (T) "Tier three rural area" means any county in this 146
state having a population of not more than seventy-five 147
thousand. 148

(U) "Tier four rural area" means any county in the 149
Appalachian region, as that term is defined in section 107.21 of 150
the Revised Code. 151

Sec. 122.151. (A) A person that has developed a business 152
plan to invest in rural business concerns in this state and has 153
successfully solicited private investors to make credit-eligible 154
capital contributions in support of the plan may apply to the 155
department of development for certification as a rural business 156
growth fund. The application shall include all of the following: 157

(1) The total eligible investment authority sought by the 158
applicant under the business plan; 159

(2) Documents and other evidence sufficient to prove, to 160
the satisfaction of the agency, that the applicant meets all of 161
the following criteria: 162

(a) The applicant or an affiliate of the applicant is 163

licensed as a rural business investment company under 7 U.S.C. 164
2009cc, or as a small business investment company under 15 165
U.S.C. 681. 166

(b) As of the date the application is submitted, the 167
applicant has invested more than one hundred million dollars in 168
operating companies, including at least fifty million dollars in 169
operating companies located in rural areas. In computing 170
investments under this division, the applicant may include 171
investments made by affiliates of the applicant and investments 172
made in businesses that are not operating companies but would 173
qualify as operating companies if the principal business 174
operations were located in this state. 175

(3) The industries in which the applicant proposes to make 176
growth investments and the percentage of the growth investments 177
that will be made in each industry. The applicant shall identify 178
each industry by using the codes utilized by the north American 179
industry classification system. 180

(4) An estimate of the number of new full-time equivalent 181
employees and retained full-time equivalent employees that will 182
result from the applicant's growth investments; 183

(5) A revenue impact assessment for the applicant's 184
proposed growth investments prepared by a nationally recognized 185
third-party independent economic forecasting firm using a 186
dynamic economic forecasting model. The revenue impact 187
assessment shall analyze the applicant's business plan over the 188
ten years following the date the application is submitted to the 189
agency. 190

(6) A signed affidavit from each investor successfully 191
solicited by the applicant to make a credit eligible capital 192

contribution in support of the business plan. Each affidavit 193
shall include information sufficient for the agency and the 194
superintendent of insurance to identify the investor and shall 195
state the amount of the investor's credit-eligible capital 196
contribution. 197

(7) A nonrefundable application fee of five thousand 198
dollars. 199

(B) (1) Except as provided in division (B) (2) of this 200
section, the agency shall review and make a determination with 201
respect to each application submitted under division (A) of this 202
section within sixty days of receipt. The agency shall review 203
and make determinations on the applications in the order in 204
which the applications are received by the agency. Applications 205
received by the agency on the same day shall be deemed to have 206
been received simultaneously. The agency shall approve not more 207
than seventy-five million dollars in eligible investment 208
authority and not more than forty-five million dollars in 209
credit-eligible capital contributions under this section for 210
program one rural business growth funds. The agency shall 211
approve not more than seventy-five million dollars in eligible 212
investment authority and not more than forty-five million 213
dollars in credit-eligible contributions under this section for 214
program two rural business growth funds. The agency shall 215
approve not more than one hundred fifty million dollars in 216
eligible investment authority and not more than ninety million 217
dollars in credit-eligible contributions under this section for 218
program three rural business growth funds. 219

(2) If the agency denies an application for certification 220
as a fund, and approving a subsequently submitted application 221
would result in exceeding the dollar limitation on eligible 222

investment authority or credit-eligible contributions prescribed 223
by division (B) (1) of this section assuming the previously 224
denied application were completed, clarified, or cured under 225
division (D) of this section, the agency shall refrain from 226
making a determination on the subsequently submitted application 227
until the previously denied application is reconsidered or the 228
fifteen-day period for submitting additional information 229
respecting that application has passed, whichever comes first. 230

(C) The agency shall deny an application submitted under 231
this section if any of the following are true: 232

(1) The application is incomplete. 233

(2) The application fee is not paid in full. 234

(3) The applicant does not satisfy all the criteria 235
described in division (A) (2) of this section. 236

(4) The revenue impact assessment submitted under division 237
(A) (5) of this section does not demonstrate that the applicant's 238
business plan will result in a positive economic impact on this 239
state over a ten-year period that exceeds the cumulative amount 240
of tax credits that would be issued under section 122.152 of the 241
Revised Code if the application were approved. 242

(5) The credit-eligible capital contributions described in 243
affidavits submitted under division (A) (6) of this section do 244
not equal sixty per cent of the total amount of eligible 245
investment authority sought under the applicant's business plan. 246

(6) The agency has already approved the maximum total 247
eligible investment authority and credit-eligible capital 248
contributions allowed under division (B) of this section. 249

(D) If the agency denies an application under division (C) 250

of this section, the agency shall send notice of its 251
determination to the applicant. The notice shall include the 252
reason or reasons that the application was denied. If the 253
application was denied for any reason other than the reason 254
specified in division (C) (6) of this section, the applicant may 255
provide additional information to the agency to complete, 256
clarify, or cure defects in the application. The additional 257
information must be submitted within fifteen days after the date 258
the notice of denial was dispatched by the agency. If the person 259
submits additional information within fifteen days, the agency 260
shall reconsider the application within thirty days after 261
receiving the additional information. The application shall be 262
reviewed and considered before any pending application submitted 263
after the original submission date of the reconsidered 264
application. If the person does not submit additional 265
information within fifteen days after dispatch of the notice of 266
denial, the person may submit a new application with a new 267
submission date at any time. 268

(E) If approving multiple simultaneously submitted 269
applications would result in exceeding the overall eligible 270
investment limit prescribed by division (B) of this section, the 271
agency shall proportionally reduce the eligible investment 272
authority and the credit-eligible capital contributions for each 273
approved application as necessary to avoid exceeding the limit. 274

(F) The agency shall not deny a rural business growth fund 275
application or reduce the requested eligible investment 276
authority for reasons other than those described in divisions 277
(C) and (E) of this section. If the agency approves such an 278
application, the agency shall issue a written notice to the 279
applicant certifying that the applicant qualifies as a rural 280
business growth fund and specifying the amount of the 281

applicant's eligible investment authority. 282

(G) A fund shall do all of the following within sixty days 283
after receiving the certification issued under division (F) of 284
this section: 285

(1) Collect the credit-eligible capital contributions from 286
each investor whose affidavit was included in the application. 287
If the rural business growth fund's requested eligible 288
investment authority is proportionally reduced under division 289
(E) of this section, the investor's required credit-eligible 290
capital contribution shall be reduced by the same proportion. 291

(2) Collect one or more investments of cash that, when 292
added to the contributions collected under division (G) (1) of 293
this section, equal the fund's eligible investment authority. At 294
least ten per cent of the fund's eligible investment authority 295
shall be comprised of equity investments contributed directly or 296
indirectly by affiliates of the fund, including employees, 297
officers, and directors of such affiliates. 298

(H) Within sixty-five days after receiving the 299
certification issued under division (F) (1) of this section, the 300
fund shall send to the agency documentation sufficient to prove 301
that the amounts described in divisions (G) (1) and (2) of this 302
section have been collected. The fund shall identify any 303
affiliate of an investor described in division (G) (1) of this 304
section that will seek to claim the credit allowed by section 305
122.152 of the Revised Code. If the fund fails to fully comply 306
with division (G) of this section, the fund's certification 307
shall lapse. 308

Eligible investment authority and corresponding credit- 309
eligible capital contributions that lapse under this division do 310

not count toward limits on total eligible investment authority 311
and credit-eligible capital contributions prescribed by division 312
(B) of this section. Once eligible investment authority has 313
lapsed, the agency shall first award lapsed authority pro rata 314
to each fund that was awarded less than the requested eligible 315
investment authority because of the operation of division (E) of 316
this section. Any remaining eligible investment authority may be 317
awarded by the agency to new applicants. 318

(I) After receiving documentation sufficient to prove that 319
the amounts described in divisions (G) (1) and (2) of this 320
section have been collected, the agency shall issue the 321
following notices: 322

(1) To each investor or affiliate identified in division 323
(H) of this section, a notice of the amount and utilization 324
schedule of the tax credits allocated to that investor or 325
affiliate as a result of its credit-eligible capital 326
contribution; 327

(2) To the superintendent of insurance, a notice of the 328
amount and utilization schedule of the tax credits allocated to 329
each investor described in division (G) (1) of this section and 330
any affiliate of such investor who will seek to claim the credit 331
allowed by section 122.152 of the Revised Code. 332

(J) Application fees submitted to the agency pursuant to 333
division (A) (7) of this section shall be credited to the tax 334
incentives operating fund created under section 122.174 of the 335
Revised Code, and shall be used by the agency to administer 336
sections 122.15 to 122.156 of the Revised Code. 337

Sec. 122.152. (A) There is hereby allowed a nonrefundable 338
tax credit for owners of tax credit certificates issued by the 339

development services agency under division (B) of this section. 340
The credit may be claimed against the tax imposed by section 341
3901.86, 5725.18, 5729.03, or 5729.06 of the Revised Code. 342

(B) On the closing date, a taxpayer that made a credit- 343
eligible capital contribution to a rural business growth fund 344
shall be eligible for a credit equal to the amount specified in 345
the notice issued under division (I)(1) of section 122.151 of 346
the Revised Code. On or before the third, fourth, fifth, and 347
sixth anniversary dates of the closing date, the agency shall 348
issue a tax credit certificate to the taxpayer specifying the 349
corresponding anniversary date and a credit amount equal to one- 350
fourth of the total credit authorized under this section. The 351
taxpayer or its identified affiliate may claim the credit amount 352
for the taxable year that includes the date specified on the 353
certificate. The taxpayer making a credit-eligible capital 354
contribution and the issuance of a tax credit certificate by the 355
agency does not represent a verification or certification by the 356
agency of compliance with the recapture provisions of section 357
122.153 of the Revised Code. The tax credit issued under this 358
division is subject to recapture under section 122.153 of the 359
Revised Code. 360

(C) The credit shall be claimed in the order required 361
under section 5725.98 or 5729.98 of the Revised Code as 362
applicable. If the amount of the credit for a taxable year 363
exceeds the tax otherwise due for that year, the excess may be 364
carried forward for not more than four ensuing taxable years for 365
tax credits issued under program one and program two, and not 366
more than two ensuing taxable years for tax credits issued under 367
program three. A taxpayer claiming a credit under this section 368
shall submit a copy of the tax credit certificate with the 369
taxpayer's annual statement for each taxable year in which the 370

credit is claimed. 371

Sec. 122.153. (A) The department of development shall not 372
be required to issue a tax credit certificate under section 373
122.152 of the Revised Code if ~~either~~any of the following 374
applies: 375

(1) The credit-eligible capital contribution was made in a 376
program one rural business growth fund that fails to: 377

(a) Invest fifty per cent of its eligible investment 378
authority in growth investments within one year of the closing 379
date; and 380

(b) Invest one hundred per cent of its eligible investment 381
authority in growth investments in this state within two years 382
of the closing date. 383

(2) The credit eligible contribution was made in a program 384
two rural business growth fund that fails to: 385

(a) Invest twenty-five per cent of its eligible investment 386
authority in growth investments within one year of the closing 387
date; 388

(b) Invest fifty per cent of its eligible investment 389
authority in growth investments within two years of the closing 390
date; and 391

(c) Invest one hundred per cent of its eligible investment 392
authority in growth investments within three years of the 393
closing date, including seventy-five per cent of its eligible 394
investment authority in rural business concerns that have their 395
principal business operations in tier two or tier three rural 396
areas, and twenty-five per cent of its eligible investment 397
authority in rural business concerns that have their principal 398

business operations in tier three rural areas. The amount by 399
which a rural business growth fund's growth investments in rural 400
business concerns that have their principal business operations 401
in tier one rural areas exceeds twenty-five per cent of the 402
fund's eligible investment authority shall not count towards the 403
satisfaction of the requirements prescribed by division (A) (2) 404
(c) of this section. 405

(3) The credit eligible contribution was made in a program 406
three rural business growth fund that fails to: 407

(a) Invest twenty-five per cent of its eligible investment 408
authority in growth investments within one year of the closing 409
date; 410

(b) Invest fifty per cent of its eligible investment 411
authority in growth investments within two years of the closing 412
date; and 413

(c) Invest one hundred per cent of its eligible investment 414
authority in growth investments within three years of the 415
closing date, including not less than fifty per cent of its 416
eligible investment authority in rural business concerns that 417
have their principal business operations in tier four rural 418
areas, and not less than seventy-five per cent of its eligible 419
investment authority in rural business concerns that have their 420
principal business operations in tier two, tier three, or tier 421
four rural areas. The amount by which a rural business growth 422
fund's growth investments in rural business concerns that have 423
their principal business operations in tier one rural areas 424
exceeds twenty-five per cent of the fund's eligible investment 425
authority shall not count towards the satisfaction of the 426
requirements prescribed by division (A) (3) (c) of this section. 427

(B) The agency shall recapture tax credits claimed under 428
section 122.152 of the Revised Code if any of the following 429
occur with respect to the rural business growth fund: 430

(1) The fund, after investing one hundred per cent of its 431
eligible investment authority in growth investments in this 432
state, fails to maintain that investment until the sixth 433
anniversary of the closing date. For the purposes of this 434
division, an investment is maintained even if the investment is 435
sold or repaid so long as the fund reinvests an amount equal to 436
the capital returned or recovered by the fund from the original 437
investment, exclusive of any profits realized, in other growth 438
investments in this state within one year of the receipt of such 439
capital. 440

(2) The fund makes a distribution or payment after the 441
fund complies with division (G) of section 122.151 of the 442
Revised Code and before the fund decertifies under division ~~(D)~~ 443
(E) of this section that results in the fund having less than 444
one hundred per cent of its eligible investment authority 445
invested in growth investments in this state. 446

(3) The fund makes a growth investment in a rural business 447
concern that directly or indirectly through an affiliate owns, 448
has the right to acquire an ownership interest, makes a loan to, 449
or makes an investment in the fund, an affiliate of the fund, or 450
an investor in the fund. Division ~~(A)(3)~~ (B)(3) of this section 451
does not apply to investments in publicly traded securities by a 452
rural business concern or an owner or affiliate of a rural 453
business concern. 454

Before recapturing one or more tax credits under this 455
division, the agency shall notify the fund of the reasons for 456
the pending recapture. If the fund corrects the violations 457

outlined in the notice to the satisfaction of the agency within 458
thirty days of the date the notice was dispatched, the agency 459
shall not recapture the tax credits. 460

(C) (1) The amount by which one or more growth investments 461
by a program one rural business growth fund in the same rural 462
business concern exceeds twenty per cent of the fund's eligible 463
investment authority shall not be counted as a growth investment 464
for the purposes of this section. The amount by which one or 465
more growth investments by a program two rural business growth 466
fund in the same business concern exceeds five million dollars 467
shall not be counted as a growth investment for the purposes of 468
this section. The amount by which one or more growth investments 469
by a program three rural business growth fund in the same 470
business concern exceeds seven million five hundred thousand 471
dollars shall not be counted as a growth investment for purposes 472
of this section. A growth investment returned or repaid by a 473
rural business concern to a program one~~or~~, program two, or 474
program three rural business growth fund and then reinvested by 475
the fund in the same rural business concern does not count as an 476
investment in the same rural business concern for the purposes 477
of the limitations prescribed by division (C) (1) of this 478
section. 479

(2) The aggregate amount of growth investments by all 480
rural business growth funds in the same rural business concern, 481
including amounts reinvested in a rural business concern 482
following a returned or repayment of a growth investment, shall 483
not exceed fifteen million dollars. 484

(3) A growth investment in an affiliate of a rural 485
business concern shall be treated as a growth investment in that 486
rural business concern for the purposes of division (C) of this 487

section. 488

(D) If the agency recaptures a tax credit under this 489
section, the agency shall notify the superintendent of insurance 490
of the recapture. The superintendent shall make an assessment 491
under Chapter 5725. or 5729. of the Revised Code for the amount 492
of the credit claimed by each certificate owner associated with 493
the fund before the recapture was finalized. The time 494
limitations on assessments under those chapters do not apply to 495
an assessment under this division, but the superintendent shall 496
make the assessment within one year after the date the agency 497
notifies the superintendent of the recapture. Following the 498
recapture of a tax credit under this section, no tax credit 499
certificate associated with the fund may be utilized. 500
Notwithstanding division (B) of section 122.152 of the Revised 501
Code, if a tax credit is recaptured under this section the 502
agency shall not issue future tax credit certificates to 503
taxpayers that made credit-eligible capital contributions to the 504
fund. 505

(E) (1) On or after the sixth anniversary of the closing 506
date, a fund that has not committed any of the acts described in 507
division (B) of this section may apply to the agency to 508
decertify as a rural business growth fund. The agency shall 509
respond to the application within sixty days after receiving the 510
application. In evaluating the application, the fact that no tax 511
credit has been recaptured with respect to the fund shall be 512
sufficient evidence to prove that the fund is eligible for 513
decertification. The agency shall not unreasonably deny an 514
application submitted under this division. 515

(2) The agency shall send notice of its determination with 516
respect to an application submitted under division (E) (1) of 517

this section to the fund. If the application is denied, the 518
notice shall include the reason or reasons for the 519
determination. 520

(3) The agency shall not recapture a tax credit due to any 521
actions of a fund that occur after the date the fund's 522
application for decertification is approved. Division (E) (3) of 523
this section does not prohibit the agency from recapturing a tax 524
credit due to the actions of a fund that occur before the date 525
the fund's application for decertification is approved, even if 526
those actions are discovered after that date. 527

Sec. 122.154. (A) Each rural business growth fund shall 528
submit a report to the department of development on or before 529
the first day of each March following the end of the calendar 530
year that includes the closing date until the calendar year 531
after the fund has decertified. The report shall provide an 532
itemization of the fund's growth investments and shall include 533
the following documents and information: 534

(1) A bank statement evidencing each growth investment; 535

(2) The name, location, and industry class of each 536
business that received a growth investment from the fund and 537
evidence that the business qualified as a rural business concern 538
at the time the investment was made. If the fund obtained a 539
written opinion from the agency on the business's status as a 540
rural business concern under section 122.156 of the Revised 541
Code, or if the fund makes a written request for such an opinion 542
and the agency failed to respond within thirty days as required 543
by that section, a copy of the agency's favorable opinion or a 544
dated copy of the fund's unanswered request, as applicable, 545
shall be sufficient evidence that the business qualified as a 546
rural business concern at the time the investment was made. 547

(3) The number of employment positions that existed at 548
each business described in division (A) (2) of this section on 549
the date the business received the growth investment; 550

(4) The number of new full-time equivalent employees 551
resulting from each of the fund's growth investments made or 552
maintained in the preceding calendar year; 553

(5) Any other information required by the agency. 554

(B) Each fund shall submit a report to the agency on or 555
before the fifth business day after the first, second, and for 556
program two and program three funds, third anniversaries of the 557
closing date that provides documentation sufficient to prove 558
that the fund has met the investment thresholds described in 559
division (A) of section 122.153 of the Revised Code and has not 560
implicated any of the other recapture provisions described in 561
division (B) of that section. 562

(C) Each certified rural business growth fund shall pay 563
the agency an annual fee of twenty thousand dollars. The initial 564
annual fee required of a fund shall be due and payable to the 565
agency along with the submission of documentation required under 566
division (H) of section 122.151 of the Revised Code. Each 567
subsequent annual fee is due and payable on the last day of 568
February following the first and each ensuing anniversary of the 569
closing date. If the fund is required to submit an annual report 570
under division (A) of this section, the annual fee shall be 571
submitted along with the report. No fund shall be required to 572
pay an annual fee after the fund has decertified under section 573
122.153 of the Revised Code. Annual fees paid to the agency 574
under this section shall be credited to the tax incentives 575
operating fund created under section 122.174 of the Revised 576
Code. 577

(D) The director of development, after consultation with 578
the superintendent of insurance and in accordance with Chapter 579
119. of the Revised Code, may adopt rules necessary to implement 580
sections 122.15 to 122.156 of the Revised Code. 581

Sec. 122.155. (A) (1) For each calendar year in which a 582
rural business growth fund makes or maintains a growth 583
investment in a rural business concern in this state, the fund 584
shall determine the number of new full-time equivalent employees 585
produced at the business concern as a result of the investment. 586
New full-time equivalent employees shall be computed by 587
subtracting the number of full-time equivalent employees at the 588
rural business concern on the date of the fund's initial growth 589
investment in the rural business concern from the number of 590
full-time equivalent employees at the rural business concern on 591
the last day of the calendar year. If the computation results in 592
a number less than zero, the number of new full-time equivalent 593
employees, produced by the fund's growth investment for that 594
calendar year period shall be zero. Only employees with an 595
hourly wage rate of at least one hundred fifty per cent of the 596
federal minimum wage may be considered in computing the number 597
of new full-time equivalent employees for the purposes of this 598
section. 599

(2) A fund may determine and include, for the purposes of 600
this section and section 122.154 of the Revised Code, the number 601
of new full-time equivalent employees produced at a rural 602
business concern after the year in which the fund's growth 603
investment is repaid or redeemed. The new full-time equivalent 604
employees shall be computed in the same manner as in division 605
(A) (1) of this section based on reporting information provided 606
by the rural business concern to the fund. 607

(B) After a fund's application for decertification is 608
approved under section 122.153 of the Revised Code, the fund 609
shall determine the state reimbursement amount. The state 610
reimbursement amount for program one and program two shall equal 611
the amount by which the fund's credit-eligible capital 612
contributions exceed the product obtained by multiplying thirty 613
thousand dollars by the aggregate number of new full-time 614
equivalent employees for the fund. The state reimbursement 615
amount for program three shall equal the amount by which the 616
fund's credit-eligible capital contributions exceed the product 617
obtained by multiplying thirty thousand dollars by the aggregate 618
number of new full-time equivalent employees for the fund for 619
investments located in tier one or tier two rural areas and by 620
multiplying sixty thousand dollars by the aggregate number of 621
new full-time equivalent employees for the fund for investments 622
located in tier three or tier four rural areas. If that product 623
is greater than the fund's credit-eligible capital 624
contributions, the state reimbursement amount shall equal zero. 625
In the absence of additional information provided by the fund or 626
discovered by the agency, the number of new full-time equivalent 627
employees for the purposes of this division equals the sum of 628
all new full-time equivalent employees reported by the fund on 629
the annual reports required under section 122.154 of the Revised 630
Code. 631

(C) After the state reimbursement amount is computed under 632
division (B) of this section, the fund shall not be permitted to 633
make ~~further any~~ distributions to equity holders of the fund, 634
including investors that are equity holders of the funds ~~without~~ 635
~~first remitting~~, in excess of the fund's net earnings or cause 636
the total amount of all distributions to exceed sixty per cent 637
of the fund's eligible investment authority, until the fund 638

remits the state reimbursement amount to the agency. All amounts 639
received by the agency under this division shall be credited to 640
the general revenue fund. 641

(D) The director of development services, upon the request 642
of a fund, may waive all or a portion of the remission required 643
under division (C) of this section if the director determines, 644
based on an affidavit of the chief executive officer or 645
president of a rural business concern, that the growth 646
investments of the fund resulted in the retention of employment 647
positions that would have otherwise been eliminated at rural 648
business concerns in this state. The amount waived shall not 649
exceed the product of thirty thousand dollars multiplied by the 650
number of retained employment positions multiplied by the number 651
of years in which the fund made or maintained a growth 652
investment in the rural business concern that retained the 653
employment positions. 654

Sec. 5725.98. (A) To provide a uniform procedure for 655
calculating the amount of tax imposed by section 5725.18 of the 656
Revised Code that is due under this chapter, a taxpayer shall 657
claim any credits and offsets against tax liability to which it 658
is entitled in the following order: 659

The credit for an insurance company or insurance company 660
group under section 5729.031 of the Revised Code; 661

The nonrefundable credit for investments in rural business 662
growth funds issued under program three under section 122.152 of 663
the Revised Code; 664

The credit for eligible employee training costs under 665
section 5725.31 of the Revised Code; 666

The credit for purchasers of qualified low-income 667

community investments under section 5725.33 of the Revised Code; 668

The nonrefundable job retention credit under division (B) 669
of section 122.171 of the Revised Code; 670

The nonrefundable credit for investments in rural business 671
growth funds issued under program one or two under section 672
122.152 of the Revised Code; 673

The nonrefundable Ohio low-income housing tax credit under 674
section 5725.36 of the Revised Code; 675

The nonrefundable affordable single-family home credit 676
under section 5725.37 of the Revised Code; 677

The nonrefundable credit for contributing capital to a 678
transformational mixed use development project under section 679
5725.35 of the Revised Code; 680

The offset of assessments by the Ohio life and health 681
insurance guaranty association permitted by section 3956.20 of 682
the Revised Code; 683

The refundable credit for rehabilitating a historic 684
building under section 5725.34 of the Revised Code; 685

The refundable credit for Ohio job retention under former 686
division (B) (2) or (3) of section 122.171 of the Revised Code as 687
those divisions existed before September 29, 2015, the effective 688
date of the amendment of this section by H.B. 64 of the 131st 689
general assembly; 690

The refundable credit for Ohio job creation under section 691
5725.32 of the Revised Code; 692

The refundable credit under section 5725.19 of the Revised 693
Code for losses on loans made under the Ohio venture capital 694

program under sections 150.01 to 150.10 of the Revised Code. 695

(B) For any credit except the refundable credits 696
enumerated in this section, the amount of the credit for a 697
taxable year shall not exceed the tax due after allowing for any 698
other credit that precedes it in the order required under this 699
section. Any excess amount of a particular credit may be carried 700
forward if authorized under the section creating that credit. 701
Nothing in this chapter shall be construed to allow a taxpayer 702
to claim, directly or indirectly, a credit more than once for a 703
taxable year. 704

Sec. 5729.98. (A) To provide a uniform procedure for 705
calculating the amount of tax due under this chapter, a taxpayer 706
shall claim any credits and offsets against tax liability to 707
which it is entitled in the following order: 708

The credit for an insurance company or insurance company 709
group under section 5729.031 of the Revised Code; 710

The nonrefundable credit for investments in rural business 711
growth funds issued under program three under section 122.152 of 712
the Revised Code; 713

The credit for eligible employee training costs under 714
section 5729.07 of the Revised Code; 715

The credit for purchases of qualified low-income community 716
investments under section 5729.16 of the Revised Code; 717

The nonrefundable job retention credit under division (B) 718
of section 122.171 of the Revised Code; 719

The nonrefundable credit for investments in rural business 720
growth funds issued under program one or two under section 721
122.152 of the Revised Code; 722

The nonrefundable Ohio low-income housing tax credit under	723
section 5729.19 of the Revised Code;	724
The nonrefundable affordable single-family home credit	725
under section 5729.20 of the Revised Code;	726
The nonrefundable credit for contributing capital to a	727
transformational mixed use development project under section	728
5729.18 of the Revised Code;	729
The offset of assessments by the Ohio life and health	730
insurance guaranty association against tax liability permitted	731
by section 3956.20 of the Revised Code;	732
The refundable credit for rehabilitating a historic	733
building under section 5729.17 of the Revised Code;	734
The refundable credit for Ohio job retention under former	735
division (B) (2) or (3) of section 122.171 of the Revised Code as	736
those divisions existed before September 29, 2015, the effective	737
date of the amendment of this section by H.B. 64 of the 131st	738
general assembly;	739
The refundable credit for Ohio job creation under section	740
5729.032 of the Revised Code;	741
The refundable credit under section 5729.08 of the Revised	742
Code for losses on loans made under the Ohio venture capital	743
program under sections 150.01 to 150.10 of the Revised Code.	744
(B) For any credit except the refundable credits	745
enumerated in this section, the amount of the credit for a	746
taxable year shall not exceed the tax due after allowing for any	747
other credit that precedes it in the order required under this	748
section. Any excess amount of a particular credit may be carried	749
forward if authorized under the section creating that credit.	750

Nothing in this chapter shall be construed to allow a taxpayer 751
to claim, directly or indirectly, a credit more than once for a 752
taxable year. 753

Section 2. That existing sections 122.15, 122.151, 754
122.152, 122.153, 122.154, 122.155, 5725.98, and 5729.98 of the 755
Revised Code are hereby repealed. 756