

As Introduced

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

S. B. No. 159

Senators Patton, Timken

Cosponsors: Senators Lang, O'Brien, Antonio, Smith

To amend sections 122.85, 5726.98, 5747.98, and 1
5751.98 and to repeal sections 122.852, 5726.59, 2
5747.67, and 5751.55 of the Revised Code to 3
modify the film and theater production tax 4
credit and to repeal the film and theater 5
capital improvement tax credit. 6

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

Section 1. That sections 122.85, 5726.98, 5747.98, and 7
5751.98 of the Revised Code be amended to read as follows: 8

Sec. 122.85. (A) As used in this section and in sections 9
5726.55, 5733.59, 5747.66, and 5751.54 of the Revised Code: 10

(1) "Tax credit-eligible production" means a motion 11
picture or Broadway theatrical production certified by the 12
director of development under division (B) of this section as 13
qualifying the production company for a tax credit under section 14
5726.55, 5733.59, 5747.66, or 5751.54 of the Revised Code. 15

(2) "Certificate owner" means a production company to 16
which a tax credit certificate is issued. 17

(3) "Production company" means an individual, corporation, 18
partnership, limited liability company, or other form of 19

business association that is registered with the secretary of 20
state and that is producing a motion picture or Broadway 21
theatrical production. 22

(4) "Eligible expenditures" means expenditures made after 23
June 30, 2009, for goods or services purchased and consumed in 24
this state by a production company directly for the production 25
of a tax credit-eligible production, for postproduction 26
activities, or for advertising and promotion of the production. 27

~~"Eligible expenditures" do not include qualified 28
expenditures for which a production company receives a tax 29
credit under section 122.852 of the Revised Code. 30~~

"Eligible expenditures" include expenditures for cast and 31
crew wages, accommodations, costs of set construction and 32
operations, editing and related services, photography, sound 33
synchronization, lighting, wardrobe, makeup and accessories, 34
film processing, transfer, sound mixing, special and visual 35
effects, music, location fees, and the purchase or rental of 36
facilities and equipment. 37

(5) "Motion picture" means entertainment content created 38
in whole or in part within this state for distribution or 39
exhibition to the general public, including, but not limited to, 40
feature-length films; documentaries; long-form, specials, 41
miniseries, series, and interstitial television programming; 42
interactive web sites; sound recordings; videos; music videos; 43
interactive television; interactive games; video games; 44
commercials; any format of digital media; and any trailer, 45
pilot, video teaser, or demo created primarily to stimulate the 46
sale, marketing, promotion, or exploitation of future investment 47
in either a product or a motion picture by any means and media 48
in any digital media format, film, or videotape, provided the 49

motion picture qualifies as a motion picture. "Motion picture" 50
does not include any television program created primarily as 51
news, weather, or financial market reports, a production 52
featuring current events or sporting events, an awards show or 53
other gala event, a production whose sole purpose is 54
fundraising, a long-form production that primarily markets a 55
product or service or in-house corporate advertising or other 56
similar productions, a production for purposes of political 57
advocacy, or any production for which records are required to be 58
maintained under 18 U.S.C. 2257 with respect to sexually 59
explicit content. 60

(6) "Broadway theatrical production" means a prebroadway 61
production, long run production, or tour launch that is 62
directed, managed, and performed by a professional cast and crew 63
and that is directly associated with New York city's Broadway 64
theater district. 65

(7) "Prebroadway production" means a live stage production 66
that is scheduled for presentation in New York city's Broadway 67
theater district after the original or adaptive version is 68
performed in a qualified production facility. 69

(8) "Long run production" means a live stage production 70
that is scheduled to be performed at a qualified production 71
facility for more than five weeks, with an average of at least 72
six performances per week. 73

(9) "Tour launch" means a live stage production for which 74
the activities comprising the technical period are conducted at 75
a qualified production facility before a tour of the original or 76
adaptive version of the production begins. 77

(10) "Qualified production facility" means a facility 78

located in this state that is used in the development or 79
presentation to the public of theater productions. 80

(11) "Investment intent letter" means a letter that 81
satisfies all of the following: 82

(a) Is executed on official letterhead of the production 83
company, investor, or investment entity; 84

(b) Clearly states the amount of investment being 85
committed; 86

(c) Specifies the date on which the investment is to be 87
made available; 88

(d) Identifies the motion picture or Broadway theatrical 89
production to which the funds are allocated. 90

(B) For the purpose of encouraging and developing strong 91
film and theater industries in this state, the director of 92
development may certify a motion picture or Broadway theatrical 93
production produced by a production company as a tax credit- 94
eligible production. In the case of a television series, the 95
director may certify the production of each episode of the 96
series as a separate tax credit-eligible production. A 97
production company shall apply for certification of a motion 98
picture or Broadway theatrical production as a tax credit- 99
eligible production on a form and in the manner prescribed by 100
the director. Each application shall include the following 101
information: 102

(1) The name and telephone number of the production 103
company; 104

(2) The name and telephone number of the company's contact 105
person; 106

(3) A list of the first preproduction date through the last production and postproduction dates in Ohio and, in the case of a Broadway theatrical production, a list of each scheduled performance in a qualified production facility;	107 108 109 110
(4) The Ohio production office or qualified production facility address and telephone number;	111 112
(5) The total production budget;	113
(6) The total budgeted eligible expenditures and the percentage that amount is of the total production budget of the motion picture or Broadway theatrical production;	114 115 116
(7) In the case of a motion picture, the total percentage of the production being shot in Ohio;	117 118
(8) The level of employment of cast and crew who reside in Ohio;	119 120
(9) A synopsis of the script;	121
(10) In the case of a motion picture, the shooting script;	122
(11) A creative elements list that includes the names of the principal cast and crew and the producer and director;	123 124
(12) Documentation of financial ability to undertake and complete the motion picture or Broadway theatrical production, including documentation that shows that the company has secured funding equal to at least fifty per cent of the total production budget, <u>which may be in the form of an investment intent letter;</u>	125 126 127 128 129
(13) Estimated value of the tax credit based upon total budgeted eligible expenditures;	130 131
(14) Estimated amount of state and local taxes to be generated in this state from the production;	132 133

(15) Estimated economic impact of the production in this state; 134
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(16) Any other information considered necessary by the director. 136
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Within ninety days after certification of a motion picture or Broadway theatrical production as a tax credit-eligible production, and any time thereafter upon the request of the director, the production company shall present to the director sufficient evidence of reviewable progress. If the production company fails to present sufficient evidence, the director may rescind the certification. If the production of a motion picture or Broadway theatrical production does not begin within ninety days after the date it is certified as a tax credit-eligible production, the director shall rescind the certification unless the director finds that the production company shows good cause for the delay, meaning that the production was delayed due to unforeseeable circumstances beyond the production company's control or due to action or inaction by a government agency. Upon rescission, the director shall notify the applicant that the certification has been rescinded. Nothing in this section prohibits an applicant whose tax credit-eligible production certification has been rescinded from submitting a subsequent application for certification. 138
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(C) (1) A production company whose motion picture or Broadway theatrical production has been certified as a tax credit-eligible production may apply to the director of development on or after July 1, 2009, for a refundable credit against the tax imposed by section 5726.02, 5733.06, 5747.02, or 5751.02 of the Revised Code. The director in consultation with the tax commissioner shall prescribe the form and manner of the 157
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application and the information or documentation required to be 164
submitted with the application. 165

The credit is determined as follows: 166

(a) If the total budgeted eligible expenditures stated in 167
the application submitted under division (B) of this section or 168
the actual eligible expenditures as finally determined under 169
division (D) of this section, whichever is least, is less than 170
or equal to three hundred thousand dollars, no credit is 171
allowed; 172

(b) If the total budgeted eligible expenditures stated in 173
the application submitted under division (B) of this section or 174
the actual eligible expenditures as finally determined under 175
division (D) of this section, whichever is least, is greater 176
than three hundred thousand dollars, the credit equals thirty 177
per cent of the least of such budgeted or actual eligible 178
expenditure amounts. 179

(2) Except as provided in division (C) (4) of this section, 180
if the director of development approves a production company's 181
application for a credit, the director shall issue a tax credit 182
certificate to the company. The director in consultation with 183
the tax commissioner shall prescribe the form and manner of 184
issuing certificates. The director shall assign a unique 185
identifying number to each tax credit certificate and shall 186
record the certificate in a register devised and maintained by 187
the director for that purpose. The certificate shall state the 188
amount of the eligible expenditures on which the credit is based 189
and the amount of the credit. Upon the issuance of a 190
certificate, the director shall certify to the tax commissioner 191
the name of the production company to which the certificate was 192
issued, the amount of eligible expenditures shown on the 193

certificate, the amount of the credit, and any other information 194
required by the rules adopted to administer this section. 195

(3) The amount of eligible expenditures for which a tax 196
credit may be claimed is subject to inspection and examination 197
by the tax commissioner or employees of the commissioner under 198
section 5703.19 of the Revised Code and any other applicable 199
law. Once the eligible expenditures are finally determined under 200
section 5703.19 of the Revised Code and division (D) of this 201
section, the credit amount is not subject to adjustment unless 202
the director determines an error was committed in the 203
computation of the credit amount. 204

(4) No tax credit certificate may be issued before the 205
completion of the tax credit-eligible production. The amount of 206
tax credit allowed per fiscal year shall not exceed the sum of 207
~~(a) fifty one hundred million dollars, (b) the difference~~ 208
~~between the maximum credit amount for that fiscal year under~~ 209
~~section 122.852 of the Revised Code and the amount the director~~ 210
~~of development elects to allow under this section pursuant to~~ 211
~~division (D)(1) of section 122.852 of the Revised Code, and (c)~~ 212
the difference between the maximum amount of credits that could 213
have been awarded in the previous fiscal year under this section 214
and the amount actually awarded. Out of that sum, five million 215
dollars shall be reserved for Broadway theatrical productions, 216
and the balance may be allowed for any tax credit-eligible 217
production. For any fiscal year in which less than five million 218
dollars of tax credits are allowed for Broadway theatrical 219
productions, the amount of the five million dollars not allowed 220
and added to the maximum annual amount for the following fiscal 221
year shall be reserved for Broadway theatrical productions in 222
the following fiscal year. 223

(5) ~~The~~ Except as otherwise provided in this division, the 224
director shall review and approve applications for tax credits 225
~~in two rounds each fiscal year~~ on a first-come, first-served, 226
basis. ~~The first round of credits shall be awarded not later~~ 227
~~than the last day of July of the fiscal year, and the second~~ 228
~~round of credits shall be awarded not later than the last day of~~ 229
~~the ensuing January. The amount of credits awarded in the first~~ 230
~~round of applications each fiscal year shall not exceed one-half~~ 231
~~of the maximum allowance for the fiscal year calculated~~ 232

If, at any time, all complete and pending, but unapproved, 233
applications would, if all approved, result in awarded credits 234
in excess of the limit established under division (C) (4) of this 235
~~section, two million five hundred thousand dollars of which~~ 236
~~shall be reserved for Broadway theatrical productions. For each~~ 237
~~round,~~ the director shall rank the complete and pending 238
applications on the basis of the extent of positive economic 239
impact each tax credit-eligible production is likely to have in 240
this state and the effect on developing a permanent workforce in 241
motion picture or theatrical production industries in the state. 242
For the purpose of such ranking, the director shall give 243
priority to tax-credit eligible productions that are television 244
series or miniseries due to the long-term commitment typically 245
associated with such productions. The economic impact ranking 246
shall be based on the production company's total expenditures in 247
this state directly associated with the tax credit-eligible 248
production. The effect on developing a permanent workforce in 249
the motion picture or theatrical production industries shall be 250
evaluated first by the number of new jobs created and second by 251
amount of payroll added with respect to employees in this state. 252

~~The~~ When ranking is required under this division, the 253
director shall approve productions in the order of their 254

ranking, from those with the greatest positive economic impact 255
and workforce development effect to those with the least 256
positive economic impact and workforce development effect. 257

(D) A production company whose motion picture or Broadway 258
theatrical production has been certified as a tax credit- 259
eligible production shall engage, at the company's expense, an 260
independent certified public accountant to examine the company's 261
production, postproduction, and advertising and promotion 262
expenditures to identify the expenditures that qualify as 263
eligible expenditures. The certified public accountant shall 264
review and certify to the director all contract and expense 265
items greater than or equal to ten thousand dollars and review 266
and certify to the director not less than fifty per cent of the 267
contracts and expense items less than ten thousand dollars. The 268
certified public accountant shall then issue a report to the 269
company and to the director of development certifying the 270
company's eligible expenditures ~~and any other information~~ 271
~~required by the director.~~ Upon receiving and examining the 272
report, the director may disallow any expenditure the director 273
determines is not an eligible expenditure. If the director 274
disallows an expenditure, the director shall issue a written 275
notice to the production company stating that the expenditure is 276
disallowed and the reason for the disallowance. Upon examination 277
of the report and disallowance of any expenditures, the director 278
shall determine finally the lesser of the total budgeted 279
eligible expenditures stated in the application submitted under 280
division (B) of this section or the actual eligible expenditures 281
for the purpose of computing the amount of the credit. 282

(E) No credit shall be allowed under section 5726.55, 283
5733.59, 5747.66, or 5751.54 of the Revised Code unless the 284
director has reviewed the report and made the determination 285

prescribed by division (D) of this section.	286
(F) This state reserves the right to refuse the use of	287
this state's name in the credits of any tax credit-eligible	288
motion picture production or program of any Broadway theatrical	289
production.	290
(G) (1) The director of development in consultation with	291
the tax commissioner shall adopt rules for the administration of	292
this section, including rules setting forth and governing the	293
criteria for determining whether a motion picture or Broadway	294
theatrical production is a tax credit-eligible production;	295
activities that constitute the production or postproduction of a	296
motion picture or Broadway theatrical production; reporting	297
sufficient evidence of reviewable progress; expenditures that	298
qualify as eligible expenditures; a schedule and deadlines for	299
applications to be submitted and reviewed; a competitive process	300
for approving credits based on likely economic impact in this	301
state and development of a permanent workforce in motion picture	302
or theatrical production industries in this state; consideration	303
of geographic distribution of credits; and implementation of the	304
program described in division (H) of this section. The rules	305
shall be adopted under Chapter 119. of the Revised Code.	306
(2) To cover the administrative costs of the program, the	307
director shall require each applicant to pay an application fee	308
equal to the lesser of ten thousand dollars or one per cent of	309
the estimated value of the tax credit as stated in the	310
application. The fees collected shall be credited to the tax	311
incentives operating fund created in section 122.174 of the	312
Revised Code. All grants, gifts, fees, and contributions made to	313
the director for marketing and promotion of the motion picture	314
industry within this state shall also be credited to the fund.	315

(H) The director of development shall establish a program 316
for the training of Ohio residents who are or wish to be 317
employed in the film or multimedia industry. Under the program, 318
the director shall: 319

(1) Certify individuals as film and multimedia trainees. 320
In order to receive such a certification, an individual must be 321
an Ohio resident, have participated in relevant on-the-job 322
training or have completed a relevant training course approved 323
by the director, and have met any other requirements established 324
by the director. 325

(2) Accept applications from production companies that 326
intend to hire and provide on-the-job training to one or more 327
certified film and multimedia trainees who will be employed in 328
the company's tax credit-eligible production; 329

(3) Upon completion of a tax-credit eligible production, 330
and upon the receipt of any salary information and other 331
documentation required by the director, authorize a 332
reimbursement payment to each production company whose 333
application was approved under division (H) (2) of this section. 334
The payment shall equal fifty per cent of the salaries paid to 335
film and multimedia trainees employed in the production. 336

Sec. 5726.98. (A) To provide a uniform procedure for 337
calculating the amount of tax due under section 5726.02 of the 338
Revised Code, a taxpayer shall claim any credits to which the 339
taxpayer is entitled under this chapter in the following order: 340

The nonrefundable job retention credit under division (B) 341
of section 5726.50 of the Revised Code; 342

The nonrefundable credit for purchases of qualified low- 343
income community investments under section 5726.54 of the 344

Revised Code;	345
The nonrefundable credit for qualified research expenses	346
under section 5726.56 of the Revised Code;	347
The nonrefundable credit for qualifying dealer in	348
intangibles taxes under section 5726.57 of the Revised Code;	349
The nonrefundable Ohio low-income housing tax credit under	350
section 5726.58 of the Revised Code;	351
The nonrefundable affordable single-family home credit	352
under section 5726.60 of the Revised Code;	353
The nonrefundable welcome home Ohio (WHO) program credit	354
under section 122.633 of the Revised Code;	355
The nonrefundable opportunity zone investment credit under	356
section 5726.61 of the Revised Code;	357
The refundable credit for rehabilitating an historic	358
building under section 5726.52 of the Revised Code;	359
The refundable job retention or job creation credit under	360
division (A) of section 5726.50 of the Revised Code;	361
The refundable credit under section 5726.53 of the Revised	362
Code for losses on loans made under the Ohio venture capital	363
program under sections 150.01 to 150.10 of the Revised Code;	364
The refundable motion picture and Broadway theatrical	365
production credit under section 5726.55 of the Revised Code;	366
 The refundable credit for film and theater capital	367
improvement projects under section 5726.59 of the Revised Code.	368
(B) For any credit except the refundable credits	369
enumerated in this section, the amount of the credit for a	370
taxable year shall not exceed the tax due after allowing for any	371

other credit that precedes it in the order required under this 372
section. Any excess amount of a particular credit may be carried 373
forward if authorized under the section creating that credit. 374
Nothing in this chapter shall be construed to allow a taxpayer 375
to claim, directly or indirectly, a credit more than once for a 376
taxable year. 377

Sec. 5747.98. (A) To provide a uniform procedure for 378
calculating a taxpayer's aggregate tax liability under section 379
5747.02 of the Revised Code, a taxpayer shall claim any credits 380
to which the taxpayer is entitled in the following order: 381

Either the retirement income credit under division (B) of 382
section 5747.055 of the Revised Code or the lump sum retirement 383
income credits under divisions (C), (D), and (E) of that 384
section; 385

Either the senior citizen credit under division (F) of 386
section 5747.055 of the Revised Code or the lump sum 387
distribution credit under division (G) of that section; 388

The dependent care credit under section 5747.054 of the 389
Revised Code; 390

The credit for displaced workers who pay for job training 391
under section 5747.27 of the Revised Code; 392

The campaign contribution credit under section 5747.29 of 393
the Revised Code; 394

The twenty-dollar personal exemption credit under section 395
5747.022 of the Revised Code; 396

The joint filing credit under division ~~(G)~~(E) of section 397
5747.05 of the Revised Code; 398

The earned income credit under section 5747.71 of the 399

Revised Code;	400
The nonrefundable credit for education expenses under	401
section 5747.72 of the Revised Code;	402
The nonrefundable credit for donations to scholarship	403
granting organizations under section 5747.73 of the Revised	404
Code;	405
The nonrefundable credit for tuition paid to a	406
nonchartered nonpublic school under section 5747.75 of the	407
Revised Code;	408
The nonrefundable vocational job credit under section	409
5747.057 of the Revised Code;	410
The nonrefundable job retention credit under division (B)	411
of section 5747.058 of the Revised Code;	412
The enterprise zone credit under section 5709.66 of the	413
Revised Code;	414
The credit for beginning farmers who participate in a	415
financial management program under division (B) of section	416
5747.77 of the Revised Code;	417
The credit for commercial vehicle operator training	418
expenses under section 5747.82 of the Revised Code;	419
The nonrefundable welcome home Ohio (WHO) program credit	420
under section 122.633 of the Revised Code;	421
The credit for selling or renting agricultural assets to	422
beginning farmers under division (A) of section 5747.77 of the	423
Revised Code;	424
The credit for purchases of qualifying grape production	425
property under section 5747.28 of the Revised Code;	426

The small business investment credit under section 5747.81	427
of the Revised Code;	428
The nonrefundable lead abatement credit under section	429
5747.26 of the Revised Code;	430
The opportunity zone investment credit under section	431
5747.86 of the Revised Code;	432
The enterprise zone credits under section 5709.65 of the	433
Revised Code;	434
The research and development credit under section 5747.331	435
of the Revised Code;	436
The credit for rehabilitating a historic building under	437
section 5747.76 of the Revised Code;	438
The nonrefundable Ohio low-income housing tax credit under	439
section 5747.83 of the Revised Code;	440
The nonrefundable affordable single-family home credit	441
under section 5747.84 of the Revised Code;	442
The nonresident credit under division (A) of section	443
5747.05 of the Revised Code;	444
The credit for a resident's out-of-state income under	445
division (B) of section 5747.05 of the Revised Code;	446
The refundable motion picture and Broadway theatrical	447
production credit under section 5747.66 of the Revised Code;	448
The refundable credit for film and theater capital-	449
improvement projects under section 5747.67 of the Revised Code;	450
The refundable jobs creation credit or job retention	451
credit under division (A) of section 5747.058 of the Revised	452
Code;	453

The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	454 455
The refundable credits for taxes paid by a qualifying pass-through entity granted under division (I) of section 5747.08 of the Revised Code;	456 457 458
The refundable credit under section 5747.80 of the Revised Code for losses on loans made to the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code;	459 460 461
The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	462 463
The refundable credit under section 5747.39 of the Revised Code for taxes levied under section 5747.38 of the Revised Code paid by an electing pass-through entity.	464 465 466
(B) For any credit, except the refundable credits enumerated in this section and the credit granted under division (H) of section 5747.08 of the Revised Code, the amount of the credit for a taxable year shall not exceed the taxpayer's aggregate amount of tax due under section 5747.02 of the Revised Code, after allowing for any other credit that precedes it in the order required under this section. Any excess amount of a particular credit may be carried forward if authorized under the section creating that credit. Nothing in this chapter shall be construed to allow a taxpayer to claim, directly or indirectly, a credit more than once for a taxable year.	467 468 469 470 471 472 473 474 475 476 477
Sec. 5751.98. (A) To provide a uniform procedure for calculating the amount of tax due under this chapter, a taxpayer shall claim any credits to which it is entitled in the following order:	478 479 480 481
The nonrefundable jobs retention credit under division (B)	482

of section 5751.50 of the Revised Code;	483
The nonrefundable credit for qualified research expenses	484
under division (B) of section 5751.51 of the Revised Code;	485
The nonrefundable credit for a borrower's qualified	486
research and development loan payments under division (B) of	487
section 5751.52 of the Revised Code;	488
The nonrefundable credit for calendar years 2010 to 2029	489
for unused net operating losses under division (B) of section	490
5751.53 of the Revised Code;	491
The refundable motion picture and Broadway theatrical	492
production credit under section 5751.54 of the Revised Code;	493
 The refundable credit for film and theater capital	494
improvement projects under section 5751.55 of the Revised Code;	495
The refundable jobs creation credit or job retention	496
credit under division (A) of section 5751.50 of the Revised	497
Code;	498
The refundable credit for calendar year 2030 for unused	499
net operating losses under division (C) of section 5751.53 of	500
the Revised Code.	501
(B) For any credit except the refundable credits	502
enumerated in this section, the amount of the credit for a tax	503
period shall not exceed the tax due after allowing for any other	504
credit that precedes it in the order required under this	505
section. Any excess amount of a particular credit may be carried	506
forward if authorized under the section creating the credit.	507
Section 2. That existing sections 122.85, 5726.98,	508
5747.98, and 5751.98 of the Revised Code are hereby repealed.	509

Section 3. That sections 122.852, 5726.59, 5747.67, and 510
5751.55 of the Revised Code are hereby repealed. 511