

As Introduced

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

S. B. No. 396

Senators Blessing, Liston

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

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

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

Sec. 4143.01. As used in this chapter: 13

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

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

(C) "Average weekly wage" means the sum of an employee's wages for all qualifying weeks during the calendar quarter with the highest wages in the employee's base period, divided by thirteen. 21
22
23
24

(D) (1) "Base period" means the first four of the last five completed calendar quarters immediately preceding the first day of an individual's application year, except as provided in division (D) (2) of this section. 25
26
27
28

(2) If an individual does not have sufficient qualifying weeks and wages in the base period to be eligible for family and medical leave insurance benefits, the individual's base period shall be the four most recently completed calendar quarters preceding the first day of the individual's application year. Such base period shall be known as the "alternate base period." No calendar quarter in a base period or alternate base period shall be used to establish a subsequent benefit year. 29
30
31
32
33
34
35
36

(3) For purposes of determining the weeks that comprise a completed calendar quarter under this division, only those weeks ending at midnight Saturday within the calendar quarter shall be utilized. 37
38
39
40

(E) "Child" means any of the following: 41

(1) A biological, adopted, or foster child, a stepchild, or a legal ward of an employee; 42
43

(2) A child of an employee's domestic partner; 44

(3) A minor child to whom an employee stands in loco parentis; 45
46

(4) An individual to whom the employee stood in loco parentis when the individual was a minor child. 47
48

<u>(F) "Covered active duty" means both of the following:</u>	49
<u>(1) For a regular member of the armed forces, duty during deployment to a foreign country;</u>	50 51
<u>(2) For a member of a reserve component of the armed forces, duty during deployment to a foreign country under a call or order to active duty in support of a contingency operation during a war or national emergency declared by the president of the United States or congress of the United States.</u>	52 53 54 55 56
<u>(G) "Domestic partner" means an individual, regardless of sex, who is in a committed personal relationship, including a marriage, civil union, or other committed relationship that is granted legal recognition, with one other individual to whom the first individual can demonstrate financial interdependence and that both individuals share responsibility for a significant measure of the other individual's welfare.</u>	57 58 59 60 61 62 63
<u>(H) "Eligible individual" means an individual who satisfies the requirements of section 4143.03 of the Revised Code to receive family and medical leave insurance benefits.</u>	64 65 66
<u>(I) "Employee" means any person who performs a service for wages or other remuneration for an employer. "Employee" does not include a person performing services in or about the property of an employer on a casual basis or for a family business if the person is a family member of an owner of the business.</u>	67 68 69 70 71
<u>(J) "Employer" means any person who has one or more employees, and includes an agent of an employer, the state or any agency or instrumentality of the state, and any municipal corporation, county, township, school district, or other political subdivision or any agency or instrumentality thereof.</u>	72 73 74 75 76
<u>(K) "Family and medical leave insurance benefits" means</u>	77

<u>money payments payable to an individual who has established</u>	78
<u>benefit rights under this chapter.</u>	79
<u>(L) "Family member" means any of the following:</u>	80
<u>(1) A child;</u>	81
<u>(2) A parent;</u>	82
<u>(3) A domestic partner;</u>	83
<u>(4) A biological, foster, or adoptive grandparent or a</u>	84
<u>step-grandparent of the employee or the employee's domestic</u>	85
<u>partner;</u>	86
<u>(5) A biological, foster, or adoptive grandchild or a</u>	87
<u>step-grandchild of the employee or the employee's domestic</u>	88
<u>partner;</u>	89
<u>(6) A biological, foster, or adoptive sibling or a</u>	90
<u>stepsibling of the employee or the employee's domestic partner;</u>	91
<u>(7) Any other individual, regardless of blood or legal</u>	92
<u>relationship, with whom the employee has a significant personal</u>	93
<u>bond that is or is like a family relationship.</u>	94
<u>(M) "Family and Medical Leave Act" means the "Family and</u>	95
<u>Medical Leave Act of 1993," 29 U.S.C. 2601, et seq.</u>	96
<u>(N) "Health care professional" means any of the following:</u>	97
<u>(1) A dentist or dental hygienist licensed under Chapter</u>	98
<u>4715. of the Revised Code or in another state;</u>	99
<u>(2) A registered nurse, clinical nurse specialist,</u>	100
<u>certified nurse-midwife, or licensed practical nurse licensed or</u>	101
<u>certified under Chapter 4723. of the Revised Code or in another</u>	102
<u>state;</u>	103

<u>(3) An individual licensed under Chapter 4729. of the</u>	104
<u>Revised Code or in another state to practice as a pharmacist;</u>	105
<u>(4) An individual authorized under Chapter 4730. of the</u>	106
<u>Revised Code or in another state to practice as a physician</u>	107
<u>assistant;</u>	108
<u>(5) An individual authorized under Chapter 4731. of the</u>	109
<u>Revised Code or in another state to practice medicine and</u>	110
<u>surgery, osteopathic medicine and surgery, or podiatry;</u>	111
<u>(6) A psychologist licensed under Chapter 4732. of the</u>	112
<u>Revised Code or in another state;</u>	113
<u>(7) A speech-language pathologist or audiologist licensed</u>	114
<u>under Chapter 4753. of the Revised Code or in another state;</u>	115
<u>(8) An occupational therapist, physical therapist,</u>	116
<u>physical therapist assistant, or athletic trainer licensed under</u>	117
<u>Chapter 4755. of the Revised Code or in another state;</u>	118
<u>(9) A professional clinical counselor, professional</u>	119
<u>counselor, independent social worker, or social worker licensed</u>	120
<u>under Chapter 4757. of the Revised Code or in another state;</u>	121
<u>(10) A dietitian licensed under Chapter 4759. of the</u>	122
<u>Revised Code or in another state.</u>	123
<u>(O) "Internal Revenue Code" has the same meaning as in</u>	124
<u>section 5747.01 of the Revised Code.</u>	125
<u>(P) "Military member" means an individual's family member</u>	126
<u>who is on covered active duty or has been notified of an</u>	127
<u>impending call or order to covered active duty and for whom the</u>	128
<u>individual may take leave to address a qualifying exigency.</u>	129
<u>(Q) "Parent" means both of the following:</u>	130

(1) A biological, foster, or adoptive parent, a stepparent, or a legal guardian of an employee or the employee's domestic partner; 131
132
133

(2) A person who stood in loco parentis to an employee or the employee's domestic partner when the employee or domestic partner was a minor child. 134
135
136

(R) "Qualifying exigency" means a financial, legal, logistical, or other issue that arises when a military member is on covered active duty or has been notified of an impending call or order to covered active duty. 137
138
139
140

(S) "Qualifying week" means any calendar week in an individual's base period with respect to which the individual earns or is paid wages. A calendar week with respect to which an individual earns wages but for which payment was not made within the base period, when necessary to qualify for family and medical leave insurance benefits, may be considered to be a qualifying week. The number of qualifying weeks that may be established in a calendar quarter shall not exceed the number of calendar weeks in the quarter. 141
142
143
144
145
146
147
148
149

(T) "Serious health condition" means an illness, injury, impairment, or physical or mental condition that involves inpatient care in a hospital, hospice, or residential health care facility, or continuing treatment or continuing supervision by a health care professional. 150
151
152
153
154

(U) "Statewide average weekly wage" means the amount calculated by the director of job and family services in accordance with division (B) of section 4141.30 of the Revised Code. 155
156
157
158

(V) "Wages" means all remuneration payable to an employee 159

for personal services performed for an employer, including 160
commissions and bonuses, and the reasonable cash value of all 161
remuneration payable to an employee in any medium other than 162
cash. 163

(W) "Weekly benefit amount" means the amount provided in 164
section 4143.06 of the Revised Code. 165

(X) "Yearly earnings" means the total wages an individual 166
earns for the calendar year. 167

Sec. 4143.02. (A) The family and medical leave insurance 168
program is created. The director of job and family services 169
shall administer and enforce the program in accordance with this 170
chapter and shall adopt rules in accordance with Chapter 119. of 171
the Revised Code to establish all of the following with respect 172
to the program: 173

(1) Procedures for an individual to follow to allow the 174
individual to file a claim for family and medical leave 175
insurance benefits under section 4143.03 of the Revised Code; 176

(2) The form an individual shall use to apply for family 177
and medical leave insurance benefits in English, Spanish, and 178
any other language spoken by three per cent or more of the 179
state's population; 180

(3) The manner and schedule by which an employer shall 181
remit premiums to the director as prescribed by section 4143.14 182
of the Revised Code; 183

(4) Procedures for an individual to request a modification 184
of an approved claim for family and medical leave insurance 185
benefits; 186

(5) Procedures for an individual to follow to submit a 187

<u>weekly claim to demonstrate the individual's eligibility to</u>	188
<u>continue receiving family and medical leave insurance benefits;</u>	189
<u>(6) Requirements for the coordination of an eligible</u>	190
<u>individual's family and medical leave insurance benefits with</u>	191
<u>any benefits the individual receives under section 4123.56 or</u>	192
<u>4123.58 of the Revised Code for the purpose of calculating the</u>	193
<u>individual's weekly benefit amount under section 4143.06 of the</u>	194
<u>Revised Code;</u>	195
<u>(7) Procedures for an employer to follow to receive a</u>	196
<u>reimbursement of an advance payment made to an employee of</u>	197
<u>family and medical leave insurance benefits under section</u>	198
<u>4143.07 of the Revised Code;</u>	199
<u>(8) The time periods during which an independent</u>	200
<u>contractor, sole proprietor, partner, or joint venturer who has</u>	201
<u>elected coverage under section 4143.10 of the Revised Code may</u>	202
<u>withdraw from coverage;</u>	203
<u>(9) Requirements for an employer to provide or post the</u>	204
<u>program notice for employees that are in addition to the</u>	205
<u>requirements specified in section 4143.18 of the Revised Code.</u>	206
<u>(B) The director may adopt additional rules the director</u>	207
<u>considers necessary to administer and enforce the program and</u>	208
<u>this chapter.</u>	209
Sec. 4143.03. <u>(A) An individual may receive family and</u>	210
<u>medical leave insurance benefits for any of the following</u>	211
<u>reasons:</u>	212
<u>(1) The individual has a serious health condition that</u>	213
<u>makes the individual unable to perform the functions of one or</u>	214
<u>more of the individual's jobs.</u>	215

(2) The individual is caring for a new child during the first year after the birth or adoption of the child or the placement of the child through foster care, or is preparing for the adoption of the child or placement of the child through foster care. 216
217
218
219
220

(3) The individual is caring for a family member who has a serious health condition. 221
222

(4) The individual is addressing a qualifying exigency described in section 4143.04 of the Revised Code. 223
224

(B) To be eligible to receive benefits, an individual shall do all of the following: 225
226

(1) File a claim for benefits in accordance with rules adopted by the director of job and family services under section 4143.02 of the Revised Code; 227
228
229

(2) Consent to the release of information that is considered confidential under section 4143.16 of the Revised Code; 230
231
232

(3) Demonstrate that the individual has been employed by and worked for one or more employers and earned wages of at least two thousand five hundred dollars during the individual's base period; 233
234
235
236

(4) Demonstrate that the individual's employer withheld and remitted premiums to the family and medical leave insurance program while the individual was employed by the employer; 237
238
239

(5) Attest in the claim for benefits that the individual notified the individual's employer in writing of the individual's intent to take leave for one of the reasons listed in division (A) of this section as soon as practicable and the 240
241
242
243

<u>individual's proposed schedule for taking leave;</u>	244
<u>(6) If the individual is unemployed at the time the</u>	245
<u>individual files a claim for benefits, demonstrate that the</u>	246
<u>individual has been separated from employment for not more than</u>	247
<u>twenty-six weeks at the time the individual files the claim;</u>	248
<u>(7) Provide a certification under section 4143.05 of the</u>	249
<u>Revised Code as applicable.</u>	250
<u>(C) An employer shall not require the individual to</u>	251
<u>provide more than thirty days of notice under division (B) (5) of</u>	252
<u>this section before the individual's leave begins if the need</u>	253
<u>for leave is foreseeable.</u>	254
<u>(D) (1) An individual shall file a claim for benefits under</u>	255
<u>this section not more than sixty days before the date the</u>	256
<u>individual anticipates beginning the period of leave or within</u>	257
<u>ninety days of the date the individual's period of leave began.</u>	258
<u>The director may waive the ninety-day filing period for good</u>	259
<u>cause.</u>	260
<u>(2) The director shall notify an employer within five</u>	261
<u>business days after an individual files a claim for benefits</u>	262
<u>under this section that the claim has been filed.</u>	263
<u>(E) An individual who meets the requirements of division</u>	264
<u>(B) of this section may receive family and medical leave</u>	265
<u>insurance benefits regardless of whether the individual is</u>	266
<u>currently employed or is working at a different job while taking</u>	267
<u>leave.</u>	268
<u>(F) No claim for benefits or an individual's eligibility</u>	269
<u>to receive benefits under this section shall be invalidated for</u>	270
<u>any of the following reasons:</u>	271

<u>(1) A failure to file a claim for benefits;</u>	272
<u>(2) A failure to furnish notice of the intent to take leave to an employer;</u>	273 274
<u>(3) A failure to submit an attestation or certification required by division (B) (5) and (7) of this section;</u>	275 276
<u>(4) The employer's failure to withhold and remit premiums as required under section 4143.14 of the Revised Code.</u>	277 278
<u>(G) (1) An individual whose claim for benefits is denied by the director may appeal the decision to the director within ninety calendar days after the written determination is sent to the individual. Within twenty-one days after the receipt of the appeal, the director shall issue a determination. A determination made under this division is final and may be appealed pursuant to section 119.12 of the Revised Code.</u>	279 280 281 282 283 284 285
<u>(2) An employer shall not be a party to an appeal under division (G) (1) of this section.</u>	286 287
<u>Sec. 4143.04.</u> <u>An individual who has filed a claim for family and medical leave insurance benefits under section 4143.03 of the Revised Code to address a qualifying exigency may take leave for any of the following reasons:</u>	288 289 290 291
<u>(A) To attend any official ceremony, program, or event sponsored by the military that is related to the military member's covered active duty or call to covered active duty status;</u>	292 293 294 295
<u>(B) To provide or arrange for child care for the military member's child, including enrolling or transferring the child to a new school or daycare facility and attending meetings with staff at the school or daycare facility, if the military</u>	296 297 298 299

<u>member's covered active duty or call to covered active duty</u>	300
<u>status requires a change in the child's care arrangement;</u>	301
<u>(C) To provide or arrange for care for the military</u>	302
<u>member's family member who is incapable of self-care, including</u>	303
<u>admitting or transferring the family member to a new care</u>	304
<u>facility and attending meetings with staff at the care facility,</u>	305
<u>if the military member's covered active duty or call to covered</u>	306
<u>active duty status requires a change in the family member's care</u>	307
<u>arrangement;</u>	308
<u>(D) To provide care for the military member's family</u>	309
<u>member who is incapable of self-care during an emergency or</u>	310
<u>other urgent situation where the family member requires</u>	311
<u>immediate care, if the military member's covered active duty or</u>	312
<u>call to covered active duty status requires the individual to</u>	313
<u>provide care for the family member;</u>	314
<u>(E) To make or update financial and legal arrangements to</u>	315
<u>address the military member's absence while on covered active</u>	316
<u>duty or call to covered active duty status;</u>	317
<u>(F) To attend counseling provided by someone other than a</u>	318
<u>health care professional, for the individual, military member,</u>	319
<u>or military member's child, if the need for counseling arises</u>	320
<u>from the military member's covered active duty or call to</u>	321
<u>covered active duty status;</u>	322
<u>(G) To spend time with the military member while the</u>	323
<u>military member is on short-term, temporary, rest and</u>	324
<u>recuperation leave during the military member's deployment;</u>	325
<u>(H) To attend arrival ceremonies, reintegration briefings</u>	326
<u>and events, and any other official ceremony or program sponsored</u>	327
<u>by the military following the termination of the military</u>	328

<u>member's covered active duty status;</u>	329
<u>(I) To address issues that arise from the death of the</u>	330
<u>military member while on covered active duty status.</u>	331
<u>Sec. 4143.05.</u> (A) <u>The director of job and family services</u>	332
<u>shall require an individual filing a claim for benefits under</u>	333
<u>section 4143.03 of the Revised Code to provide a certification</u>	334
<u>of the individual's need for leave. The director shall accept</u>	335
<u>the following types of certification:</u>	336
<u>(1) For an individual taking leave to care for a family</u>	337
<u>member who has a serious health condition, documentation from a</u>	338
<u>health care professional that states when the serious health</u>	339
<u>condition began and its expected duration, that the individual</u>	340
<u>is needed to provide care for the family member, and appropriate</u>	341
<u>medical information supporting the individual's claim;</u>	342
<u>(2) For an individual taking leave for the individual's</u>	343
<u>own serious health condition, documentation from a health care</u>	344
<u>professional that states when the serious health condition</u>	345
<u>began, its expected duration, and appropriate medical</u>	346
<u>information supporting the individual's claim;</u>	347
<u>(3) For an individual taking leave to care for a new child</u>	348
<u>after the birth or adoption of the child or the placement of the</u>	349
<u>child through foster care or to prepare for the adoption or</u>	350
<u>placement of the child through foster care, any of the following</u>	351
<u>as applicable:</u>	352
<u>(a) A birth certificate;</u>	353
<u>(b) Documentation from a health care professional stating</u>	354
<u>the date of birth of the child;</u>	355
<u>(c) Documentation from a health care professional, agency</u>	356

as defined in section 3107.01 of the Revised Code, or other 357
individual, as determined by the director, stating the date of 358
adoption or anticipated adoption of the child; 359

(d) Documentation from a health care professional, foster 360
care agency, or other individual, as determined by the director, 361
stating the date of the placement or anticipated placement of 362
the child through foster care; 363

(e) An affidavit of the individual acknowledging 364
parentage. 365

(4) For an individual taking leave to address a qualifying 366
exigency, a copy of the military member's call or order to 367
active duty or other documentation from the applicable branch of 368
the armed forces supporting the individual's claim. 369

(B) The director shall accept any alternative 370
certification under division (A) of this section that the 371
director determines is sufficient to demonstrate the 372
individual's need for leave under this chapter. 373

(C) (1) A health care professional shall provide a 374
certification under division (A) (1) or (2) of this section at no 375
cost to an individual within seven calendar days of the 376
individual's request for the certification. 377

(2) Nothing in this section requires a health care 378
professional to issue a certification for an individual or a 379
family member of the individual who has a serious health 380
condition if the health care professional is not providing 381
treatment or supervision to the individual or family member. 382

Sec. 4143.06. (A) An eligible individual shall receive a 383
weekly benefit amount that is equal to eighty-five per cent of 384
the individual's average weekly wage, except that the maximum 385

weekly benefit amount an eligible individual may receive under 386
this section is an amount equal to ninety per cent of the 387
statewide average weekly wage. The individual's weekly benefit 388
amount shall be proportional to the number of hours the 389
individual works at the job from which the individual is taking 390
leave. 391

(B) The director of job and family services shall reduce 392
an eligible individual's weekly benefit amount by the amount of 393
either of the following: 394

(1) Any benefits the individual is receiving under Chapter 395
4141. of the Revised Code; 396

(2) Any benefits the individual is receiving under Chapter 397
4121., 4123., 4127., or 4131. of the Revised Code, other than 398
benefits payable under section 4123.57 of the Revised Code in 399
accordance with rules adopted by the director under section 400
4143.02 of the Revised Code. 401

(C) (1) The director shall calculate an eligible 402
individual's weekly benefit amount under division (A) of this 403
section based on the individual's average weekly wage earned 404
from the job from which the individual is taking leave or, if 405
the individual is unemployed at the time of the claim, the 406
individual's average weekly wage during the individual's base 407
period. If the individual is able to continue working at a 408
different job while taking leave, the director shall not 409
consider the individual's average weekly wage from the other job 410
when calculating the individual's weekly benefit amount. 411

(2) The director shall calculate an eligible individual's 412
weekly benefit amount under division (A) of this section on a 413
prorated basis if the individual is taking leave in separate 414

blocks of time on an intermittent schedule or by reducing the 415
time the individual works each work day or work week. 416

(D) (1) The director shall make the first payment of family 417
and medical leave insurance benefits to an eligible individual 418
within fourteen calendar days after the date the director 419
approves the individual's claim for benefits. 420

(2) The director shall make subsequent payments to an 421
eligible individual biweekly after the first payment under 422
division (D) (1) of this section. 423

(E) An eligible individual may receive a maximum of 424
eighteen weeks of benefits payable during an application year, 425
except that the individual may only receive fourteen weeks of 426
benefits for any one reason for which the individual may receive 427
benefits under division (A) of section 4143.03 of the Revised 428
Code. 429

(F) Benefits under division (E) of this section are not 430
payable for a period of less than four consecutive hours of 431
leave taken during one work week. 432

Sec. 4143.07. (A) An employer may make an advance payment 433
of family and medical leave insurance benefits to an eligible 434
individual. The director of job and family services shall 435
reimburse the employer for the amount of an advance payment of 436
benefits if the employer files an application with the director 437
in accordance with rules adopted by the director under section 438
4143.02 of the Revised Code. The director shall not approve an 439
application that the director receives after the date the 440
director has made a payment to the individual for which the 441
employer is seeking a reimbursement. 442

(B) The amount of a reimbursement shall not be greater 443

than the amount the individual is entitled to receive under 444
section 4143.06 of the Revised Code. 445

Sec. 4143.08. (A) (1) A period of leave taken by an 446
eligible individual under this chapter runs concurrently with 447
any leave taken under the Family and Medical Leave Act. 448

(2) An employer may require that any leave taken under 449
this chapter be taken concurrently with leave allowed under the 450
terms of disability or family care leave under a collective 451
bargaining agreement or employer policy. The employer shall 452
provide employees with a written notice of this requirement. 453

(3) An employee may utilize available sick leave, vacation 454
leave, or other paid leave in order to supplement the employee's 455
weekly benefit amount under section 4143.06 of the Revised Code 456
during the leave period, in an amount sufficient to give the 457
employee up to one hundred per cent of the employee's average 458
weekly wage for time on leave. No employer shall require an 459
employee to utilize sick leave, vacation leave, or other paid 460
leave under this division during a period of leave under this 461
chapter. 462

(B) An employer shall comply with a collective bargaining 463
agreement or employer contract entered into or renewed, or an 464
employment policy adopted or revised, on or after the effective 465
date of this section that provides employees with greater leave 466
than that provided under this chapter. 467

(C) No collective bargaining agreement or employer 468
contract entered into or renewed, or employer policy adopted or 469
revised, on or after the effective date of this section shall 470
diminish an individual's rights to benefits under this chapter. 471

(D) Notwithstanding any provision to the contrary in 472

division (A) of section 4117.10 of the Revised Code, no 473
agreement between employee organizations and public employers 474
entered into on or after the effective date of this section 475
shall diminish an individual's rights to benefits under this 476
chapter. 477

(E) Any agreement by an individual to waive the 478
individual's rights under this chapter is void as against public 479
policy. 480

Sec. 4143.09. (A) (1) An eligible individual who takes a 481
period of leave under this chapter shall be restored to the 482
individual's position of employment with the individual's 483
employer before taking leave, or to an equivalent position with 484
equivalent benefits, pay, status, and other terms and conditions 485
of employment. 486

(2) An employer shall maintain an employee's health 487
insurance benefits during the period of leave on the same 488
conditions as those benefits would have been provided if the 489
employee had been continuously employed during the entire period 490
of leave. 491

(B) No employer shall discharge, demote, discriminate, or 492
take an adverse employment action against an employee at any 493
time for any of the following reasons: 494

(1) The employee filed a claim or received benefits under 495
this chapter. 496

(2) The employee communicated to the employer the 497
employee's intent to file a claim for benefits, a complaint, or 498
an appeal under this chapter. 499

(3) The employee testified, agreed to testify, or 500
otherwise assisted in a proceeding under this chapter. 501

(C) No employer shall consider a period of leave an 502
eligible individual takes under this chapter as an absence for 503
which the employer may discipline, discharge, demote, suspend, 504
or take an adverse employment action against the employee under 505
the employer's attendance policy. 506

(D) An employee who believes that an employer has violated 507
this section may file a complaint with the director of job and 508
family services within twenty-four months after the alleged 509
violation has occurred. The director shall process and 510
investigate any complaints the director receives to determine 511
whether it is probable that an employer has violated this 512
section. If the director determines that it is probable that the 513
employer violated this section after providing notice and an 514
opportunity for a hearing under Chapter 119. of the Revised 515
Code, the director may take either of the following actions: 516

(1) Order the employer to do any of the following: 517

(a) Provide the employee with the requested leave; 518

(b) Reinstate the employee to the employee's position of 519
employment; 520

(c) Pay the employee for up to two years of back pay, 521
including interest at the prevailing rate; 522

(d) Pay the employee for liquidated damages in an amount 523
equal to the payment under division (D) (3) of this section; 524

(e) Any other action the director determines appropriate. 525

(2) Assess a penalty against the employer of up to one 526
thousand dollars per violation. Any penalty collected for a 527
violation shall be deposited into the family and medical leave 528
insurance fund created in section 4143.13 of the Revised Code. 529

(E) (1) An aggrieved employee may bring a civil action in a 530
court of competent jurisdiction against an employer who the 531
employee believes violated this section. If the employee filed a 532
complaint under division (D) of this section, the employee must 533
bring a civil action within twenty-four months after the 534
director has made a determination on the employee's complaint. 535

(2) If the court finds that a violation of this section 536
has occurred, the employer shall be liable to the aggrieved 537
employee for any of the following: 538

(a) Damages in the amount of lost wages, salary, benefits, 539
or other compensation; 540

(b) Damages for any actual monetary losses sustained by 541
the employee; 542

(c) Liquidated damages in an amount equal to those 543
described in division (E) (1) (a) or (b) of this section; 544

(d) Court costs and reasonable attorney fees; 545

(e) Equitable relief as may be appropriate. 546

Sec. 4143.10. (A) An independent contractor, sole 547
proprietor, partner, or joint venturer may elect coverage under 548
this chapter for an initial period of a minimum of three years. 549
An independent contractor, sole proprietor, partner, or joint 550
venturer shall file a notice of election of coverage in writing 551
with the director of job and family services. The election is 552
effective on the date the notice is filed. 553

(B) An independent contractor, sole proprietor, partner, 554
or joint venturer may elect continuing coverage under this 555
chapter immediately following the initial period of coverage 556
under division (A) (1) of this section by filing a notice for 557

election of coverage as described in that division at least 558
thirty days before the initial election period expires. 559

(C) An independent contractor, sole proprietor, partner, 560
or joint venturer may withdraw from coverage by filing a written 561
notice with the director within thirty days before the end of 562
the initial period of coverage or during a period the director 563
has designated by rule under section 4143.02 of the Revised 564
Code. The withdrawal is effective thirty days after the notice 565
is filed. 566

Sec. 4143.11. (A) An employer may apply to the director of 567
job and family services for approval to individually provide 568
family and medical leave insurance benefits under this chapter 569
directly to eligible employees. The director shall grant 570
approval to an employer that demonstrates, to the director's 571
satisfaction, all of the following: 572

(1) That the employer will provide benefits that are equal 573
to or greater than the benefits provided in section 4143.06 of 574
the Revised Code; 575

(2) That the employer will promptly meet all obligations 576
under this chapter; 577

(3) If the employer will provide benefits through an 578
insurer, proof that the insurer is authorized to provide 579
insurance in this state and a copy of the policy. 580

(B) An employer that submits an application under division 581
(A) of this section to provide benefits through self-insurance 582
shall file a good and sufficient surety executed by the employer 583
as principal and by a surety company as surety in the amount 584
determined by the director. 585

(C) The director shall terminate an employer's approval to 586

<u>provide benefits under this section for failing to do any of the</u>	587
<u>following:</u>	588
<u>(1) Pay benefits to an eligible individual;</u>	589
<u>(2) Pay benefits in a timely manner;</u>	590
<u>(3) If the employer is required to file a surety under</u>	591
<u>division (B) of this section, maintain the surety;</u>	592
<u>(4) Submit any report that the director requires the</u>	593
<u>employer to submit;</u>	594
<u>(5) Comply with any other requirement of this chapter or</u>	595
<u>rules adopted by the director under section 4143.02 of the</u>	596
<u>Revised Code.</u>	597
<u>(D) An individual whose claim for benefits is denied by</u>	598
<u>the individual's employer may appeal the decision to the</u>	599
<u>director as described in division (F) (1) of section 4143.03 of</u>	600
<u>the Revised Code.</u>	601
<u>(E) An employee who believes an employer approved to</u>	602
<u>provide benefits under this section has violated section 4143.09</u>	603
<u>of the Revised Code may file a complaint or bring a civil action</u>	604
<u>as described in that section.</u>	605
<u>(F) For each calendar year, the director shall determine</u>	606
<u>the costs to the family and medical leave insurance program</u>	607
<u>created under section 4143.02 of the Revised Code for employers</u>	608
<u>to provide benefits under this section. Each employer shall</u>	609
<u>reimburse the director for its share of the costs, as determined</u>	610
<u>by the director. The reimbursement shall be deposited into the</u>	611
<u>family and medical leave insurance fund.</u>	612
<u>Sec. 4143.12. (A) No individual shall receive family and</u>	613
<u>medical leave insurance benefits for one year after the</u>	614

individual willfully makes a false statement or misrepresents or 615
willfully fails to report a material fact in connection with a 616
claim for benefits under this chapter. 617

(B) (1) The director of job and family services may seek 618
repayment of benefits that are paid to an individual in excess 619
of the benefits the individual is entitled to receive for any of 620
the following reasons: 621

(a) The individual willfully made a false statement or 622
misrepresented or willfully failed to report a material fact in 623
connection with a claim for benefits. 624

(b) The individual received benefits to which the 625
individual is subsequently determined to not be entitled as a 626
result of a decision of an appeal under division (F) of section 627
4143.03 of the Revised Code. 628

(c) The individual received benefits to which the 629
individual was not entitled due to a mistake or a clerical 630
error. 631

(2) The director may waive a repayment or part of a 632
repayment in division (B) (1) of this section if the director 633
decides the recovery is against equity and good conscience. 634

Sec. 4143.13. The family and medical leave insurance fund 635
is created, which shall be in the custody of the treasurer of 636
state but shall not be a part of the state treasury. All 637
premiums and contributions received under this chapter and any 638
other money collected pursuant to this chapter shall be 639
deposited into the fund. The treasurer of state shall invest any 640
portion of the fund not needed for immediate use in the same 641
manner as, and subject to all applicable laws regarding the 642
investment of, state funds. Any investment earnings of the fund 643

shall be credited to the fund. The treasurer of state shall 644
disburse money from the fund on order of the director of job and 645
family services or a designee of the director. 646

Sec. 4143.14. (A) The director of job and family services 647
shall establish a premium rate for the purpose of determining 648
premiums under this section as follows: 649

(1) Not later than October 31, 2027, a premium rate the 650
director determines to assure the solvency of the family and 651
medical leave insurance fund created by section 4143.13 of the 652
Revised Code based on sound actuarial principles. 653

(2) Beginning with calendar year 2031, the director shall 654
annually determine the premium rate not later than the thirty- 655
first day of October for the subsequent calendar year. The 656
premium rate shall be an amount necessary to ensure the solvency 657
of the fund. The amount necessary for solvency is an amount 658
equal to the difference between the assets in the fund as of the 659
thirtieth day of June of the previous calendar year and the sum 660
of both of the following: 661

(a) An amount equal to one hundred fifty per cent of the 662
benefits paid under this chapter during the previous calendar 663
year; 664

(b) The amount of the administrative costs used to 665
administer those benefits during the previous calendar year. 666

(B) Except as provided in section 4143.11 of the Revised 667
Code, beginning January 1, 2028, every employer paying any wages 668
to an employee shall deduct and withhold from such wages for 669
each payroll period a premium determined by applying fifty per 670
cent of the premium rate calculated under division (A) of this 671
section to such wages. The employer shall deduct and withhold 672

the premium on the date that the employer directly, indirectly, 673
or constructively pays wages to, or credits wages to the benefit 674
of, the employee. The employer shall remit the premium in 675
accordance with rules adopted under section 4143.02 of the 676
Revised Code. 677

(C) In addition to the employee premium under division (B) 678
of this section, an employer with fifteen or more employees 679
shall remit a premium equal to the amount determined under that 680
division for each of the employer's employees directly to the 681
director in accordance with rules adopted under section 4143.02 682
of the Revised Code. An employer with less than fifteen 683
employees shall not be required to remit a premium under this 684
division. The number of employees an employer has for purposes 685
of this division shall be determined on the first day of January 686
of each calendar year. 687

(D) An independent contractor, sole proprietor, partner, 688
or joint venturer who elects coverage under section 4143.10 of 689
the Revised Code shall remit premiums directly to the director 690
in accordance with rules adopted under section 4143.02 of the 691
Revised Code. The premium shall be determined by applying fifty 692
per cent of the premium rate calculated under division (A) of 693
this section to the individual's wages. 694

(E) An employer that fails or refuses to remit premiums as 695
required by this section shall be assessed a penalty by the 696
director equal to the sum of one per cent of the employer's 697
annual payroll for each year the employer failed or refused to 698
remit premiums and the amount of benefits paid to any of the 699
employer's employees for whom the employer failed or refused to 700
remit premiums. Beginning with calendar year 2029, the director 701
shall adjust the amount of the penalty not later than the 702

thirty-first day of October for the subsequent calendar year. 703

Sec. 4143.15. (A) If the internal revenue service 704
determines benefits under this chapter are subject to federal 705
income tax, the director of job and family services shall inform 706
an individual for whom the director approved a claim for 707
benefits under section 4143.03 of the Revised Code, before 708
making the first benefit payment, of each of the following: 709

(1) That the internal revenue service has determined that 710
benefits are subject to federal income tax; 711

(2) The requirement for the individual to make estimated 712
tax payments on the basis of those benefits as required by the 713
Internal Revenue Code; 714

(3) That the individual may elect to have federal income 715
tax deducted and withheld from the individual's payment of 716
benefits in the amount authorized under the Internal Revenue 717
Code; 718

(4) That the individual may change a previously elected 719
federal withholding status as authorized under the Internal 720
Revenue Code. 721

(B) The director shall follow all procedures prescribed by 722
the internal revenue service when deducting, withholding, and 723
remitting federal income tax. 724

Sec. 4143.16. (A) Except as provided in division (B) of 725
this section, any information contained in the files and records 726
of an individual in the possession of the director of job and 727
family services under this chapter is confidential and is not a 728
public record under section 149.43 of the Revised Code. 729

(B) The following individuals may have access to the files 730

<u>and records of an individual under this chapter:</u>	731
<u>(1) A public employee in the performance of the public</u>	732
<u>employee's official duties;</u>	733
<u>(2) The individual or a person authorized by the</u>	734
<u>individual, with an authorization form signed by the individual;</u>	735
<u>(3) An employer or the employer's duly authorized</u>	736
<u>representative, in connection with a pending claim of an</u>	737
<u>individual employed by the employer;</u>	738
<u>(4) An individual who is assisting the director of job and</u>	739
<u>family services on any matter regarding the administration of</u>	740
<u>this chapter, at the director's request.</u>	741
<u>Sec. 4143.17.</u> (A) <u>Not later than April 1, 2030, and every</u>	742
<u>year thereafter, the director of job and family services shall</u>	743
<u>submit a report to the general assembly. The director shall</u>	744
<u>include all of the following information in the report for the</u>	745
<u>preceding calendar year:</u>	746
<u>(1) Projected family and medical leave insurance program</u>	747
<u>participation;</u>	748
<u>(2) Actual program participation;</u>	749
<u>(3) Demographic information of applicants for family and</u>	750
<u>medical leave insurance benefits, including age, gender, race,</u>	751
<u>ethnicity, sexual orientation, primary or preferred language,</u>	752
<u>residential zip code, occupation, average weekly wage, and</u>	753
<u>characteristics of the applicant's employment;</u>	754
<u>(4) Demographic information described in division (A) (3)</u>	755
<u>of this section of participants in the program;</u>	756
<u>(5) Processing time frames for the director to approve or</u>	757

<u>deny initial claims for benefits filed by individuals under</u>	758
<u>section 4143.03 of the Revised Code;</u>	759
<u>(6) For any claim denied by the director, the reason for</u>	760
<u>the denial;</u>	761
<u>(7) Total number of appeals filed by individuals under</u>	762
<u>division (F) of section 4143.03 of the Revised Code and the</u>	763
<u>decision of those appeals;</u>	764
<u>(8) Average time frame from an individual filing a claim</u>	765
<u>for benefits to the individual receiving the first payment of</u>	766
<u>benefits;</u>	767
<u>(9) Purpose and duration of leave taken by participants,</u>	768
<u>including the category of family member that a participant took</u>	769
<u>leave to care for;</u>	770
<u>(10) Average weekly benefit amount paid to participants;</u>	771
<u>(11) Premium rates;</u>	772
<u>(12) Current and projected fund balances;</u>	773
<u>(13) Outreach efforts.</u>	774
<u>(B) The director shall make the report available to the</u>	775
<u>public by posting the report on the internet web site maintained</u>	776
<u>by the department of job and family services.</u>	777
Sec. 4143.18. <u>(A) Not later than July 1, 2027, the</u>	778
<u>director of job and family services shall develop and implement</u>	779
<u>a public education program to educate employees and employers</u>	780
<u>about the family and medical leave insurance program created</u>	781
<u>under section 4143.02 of the Revised Code and the availability</u>	782
<u>of family and medical leave insurance benefits for individuals</u>	783
<u>under this chapter. The public education program shall explain</u>	784

<u>all of the following information about the program:</u>	785
<u>(1) An individual's right to benefits under this chapter</u>	786
<u>and the terms under which an individual may receive benefits;</u>	787
<u>(2) The claims process;</u>	788
<u>(3) Weekly benefit amounts and maximum benefits payable;</u>	789
<u>(4) Reinstatement and nondiscrimination rights and an</u>	790
<u>individual's right to file a complaint against an employer that</u>	791
<u>violates those rights.</u>	792
<u>(B) The director may use up to five per cent of the funds</u>	793
<u>available on the first day of January of each year in the family</u>	794
<u>and medical leave insurance fund created in section 4143.13 of</u>	795
<u>the Revised Code to implement the public education program</u>	796
<u>developed under division (A) of this section during that</u>	797
<u>calendar year.</u>	798
<u>(C) The director shall develop a program notice in</u>	799
<u>English, Spanish, and any other language spoken by more than</u>	800
<u>three per cent of the state's population, containing the</u>	801
<u>information listed in division (A) of this section.</u>	802
<u>(D) (1) Each employer shall do all of the following:</u>	803
<u>(a) Provide a copy of the program notice to each of the</u>	804
<u>employer's employees on hiring and every year thereafter;</u>	805
<u>(b) Provide a copy of the program notice to an employee</u>	806
<u>when the employee notifies the employer of the employee's intent</u>	807
<u>to take leave under this chapter or take leave for any of the</u>	808
<u>reasons in division (A) of section 4143.03 of the Revised Code;</u>	809
<u>(c) Post the program notice in a prominent location in the</u>	810
<u>employer's workplace or on the internet in a manner that is</u>	811

accessible to the employer's employees; 812

(d) Provide a copy of or post the program notice in 813
accordance with any additional requirements in rules adopted by 814
the director under section 4143.02 of the Revised Code. 815

(2) The employer shall provide the program notice in 816
English, the language the employer uses in communication with an 817
employee, or any other language spoken by at least five per cent 818
of the employer's employees. 819

(E) An employer that fails to provide the program notice 820
as required by division (D) of this section shall be assessed a 821
two hundred fifty dollar penalty per employee for each day the 822
employer fails to provide the notice. Any penalty collected 823
under this division shall be deposited into the family and 824
medical leave insurance fund created in section 4143.13 of the 825
Revised Code. 826

Sec. 5747.01. Except as otherwise expressly provided or 827
clearly appearing from the context, any term used in this 828
chapter that is not otherwise defined in this section has the 829
same meaning as when used in a comparable context in the laws of 830
the United States relating to federal income taxes or if not 831
used in a comparable context in those laws, has the same meaning 832
as in section 5733.40 of the Revised Code. Any reference in this 833
chapter to the Internal Revenue Code includes other laws of the 834
United States relating to federal income taxes. 835

As used in this chapter: 836

(A) "Adjusted gross income" or "Ohio adjusted gross 837
income" means federal adjusted gross income, as defined and used 838
in the Internal Revenue Code, adjusted as provided in this 839
section: 840

(1) Add interest or dividends on obligations or securities	841
of any state or of any political subdivision or authority of any	842
state, other than this state and its subdivisions and	843
authorities.	844
(2) Add interest or dividends on obligations of any	845
authority, commission, instrumentality, territory, or possession	846
of the United States to the extent that the interest or	847
dividends are exempt from federal income taxes but not from	848
state income taxes.	849
(3) Deduct interest or dividends on obligations of the	850
United States and its territories and possessions or of any	851
authority, commission, or instrumentality of the United States	852
to the extent that the interest or dividends are included in	853
federal adjusted gross income but exempt from state income taxes	854
under the laws of the United States.	855
(4) Deduct disability and survivor's benefits to the	856
extent included in federal adjusted gross income.	857
(5) Deduct the following, to the extent not otherwise	858
deducted or excluded in computing federal or Ohio adjusted gross	859
income:	860
(a) Benefits under Title II of the Social Security Act and	861
tier 1 railroad retirement;	862
(b) Railroad retirement benefits, other than tier 1	863
railroad retirement benefits, to the extent such amounts are	864
exempt from state taxation under federal law.	865
(6) Deduct the amount of wages and salaries, if any, not	866
otherwise allowable as a deduction but that would have been	867
allowable as a deduction in computing federal adjusted gross	868
income for the taxable year, had the work opportunity tax credit	869

allowed and determined under sections 38, 51, and 52 of the 870
Internal Revenue Code not been in effect. 871

(7) Deduct any interest or interest equivalent on public 872
obligations and purchase obligations to the extent that the 873
interest or interest equivalent is included in federal adjusted 874
gross income. 875

(8) Add any loss or deduct any gain resulting from the 876
sale, exchange, or other disposition of public obligations to 877
the extent that the loss has been deducted or the gain has been 878
included in computing federal adjusted gross income. 879

(9) Deduct or add amounts, as provided under section 880
5747.70 of the Revised Code, related to contributions made to or 881
tuition units purchased under a qualified tuition program 882
established pursuant to section 529 of the Internal Revenue 883
Code. 884

(10) (a) Deduct, to the extent not otherwise allowable as a 885
deduction or exclusion in computing federal or Ohio adjusted 886
gross income for the taxable year, the amount the taxpayer paid 887
during the taxable year for medical care insurance and qualified 888
long-term care insurance for the taxpayer, the taxpayer's 889
spouse, and dependents. No deduction for medical care insurance 890
under division (A) (10) (a) of this section shall be allowed 891
either to any taxpayer who is eligible to participate in any 892
subsidized health plan maintained by any employer of the 893
taxpayer or of the taxpayer's spouse, or to any taxpayer who is 894
entitled to, or on application would be entitled to, benefits 895
under part A of Title XVIII of the "Social Security Act," 49 896
Stat. 620 (1935), 42 U.S.C. 301, as amended. For the purposes of 897
division (A) (10) (a) of this section, "subsidized health plan" 898
means a health plan for which the employer pays any portion of 899

the plan's cost. The deduction allowed under division (A) (10) (a) 900
of this section shall be the net of any related premium refunds, 901
related premium reimbursements, or related insurance premium 902
dividends received during the taxable year. 903

(b) Deduct, to the extent not otherwise deducted or 904
excluded in computing federal or Ohio adjusted gross income 905
during the taxable year, the amount the taxpayer paid during the 906
taxable year, not compensated for by any insurance or otherwise, 907
for medical care of the taxpayer, the taxpayer's spouse, and 908
dependents, to the extent the expenses exceed seven and one-half 909
per cent of the taxpayer's federal adjusted gross income. 910

(c) For purposes of division (A) (10) of this section, 911
"medical care" has the meaning given in section 213 of the 912
Internal Revenue Code, subject to the special rules, 913
limitations, and exclusions set forth therein, and "qualified 914
long-term care" has the same meaning given in section 7702B(c) 915
of the Internal Revenue Code. Solely for purposes of division 916
(A) (10) (a) of this section, "dependent" includes a person who 917
otherwise would be a "qualifying relative" and thus a 918
"dependent" under section 152 of the Internal Revenue Code but 919
for the fact that the person fails to meet the income and 920
support limitations under section 152(d) (1) (B) and (C) of the 921
Internal Revenue Code. 922

(11) (a) Deduct any amount included in federal adjusted 923
gross income solely because the amount represents a 924
reimbursement or refund of expenses that in any year the 925
taxpayer had deducted as an itemized deduction pursuant to 926
section 63 of the Internal Revenue Code and applicable United 927
States department of the treasury regulations. The deduction 928
otherwise allowed under division (A) (11) (a) of this section 929

shall be reduced to the extent the reimbursement is attributable 930
to an amount the taxpayer deducted under this section in any 931
taxable year. 932

(b) Add any amount not otherwise included in Ohio adjusted 933
gross income for any taxable year to the extent that the amount 934
is attributable to the recovery during the taxable year of any 935
amount deducted or excluded in computing federal or Ohio 936
adjusted gross income in any taxable year. 937

(12) Deduct any portion of the deduction described in 938
section 1341(a) (2) of the Internal Revenue Code, for repaying 939
previously reported income received under a claim of right, that 940
meets both of the following requirements: 941

(a) It is allowable for repayment of an item that was 942
included in the taxpayer's adjusted gross income for a prior 943
taxable year and did not qualify for a credit under division (A) 944
or (B) of section 5747.05 of the Revised Code for that year; 945

(b) It does not otherwise reduce the taxpayer's adjusted 946
gross income for the current or any other taxable year. 947

(13) Deduct an amount equal to the deposits made to, and 948
net investment earnings of, a medical savings account during the 949
taxable year, in accordance with section 3924.66 of the Revised 950
Code. The deduction allowed by division (A) (13) of this section 951
does not apply to medical savings account deposits and earnings 952
otherwise deducted or excluded for the current or any other 953
taxable year from the taxpayer's federal adjusted gross income. 954

(14) (a) Add an amount equal to the funds withdrawn from a 955
medical savings account during the taxable year, and the net 956
investment earnings on those funds, when the funds withdrawn 957
were used for any purpose other than to reimburse an account 958

holder for, or to pay, eligible medical expenses, in accordance	959
with section 3924.66 of the Revised Code;	960
(b) Add the amounts distributed from a medical savings	961
account under division (A) (2) of section 3924.68 of the Revised	962
Code during the taxable year.	963
(15) Add any amount claimed as a credit under section	964
5747.059 of the Revised Code to the extent that such amount	965
satisfies either of the following:	966
(a) The amount was deducted or excluded from the	967
computation of the taxpayer's federal adjusted gross income as	968
required to be reported for the taxpayer's taxable year under	969
the Internal Revenue Code;	970
(b) The amount resulted in a reduction of the taxpayer's	971
federal adjusted gross income as required to be reported for any	972
of the taxpayer's taxable years under the Internal Revenue Code.	973
(16) Deduct the amount contributed by the taxpayer to an	974
individual development account program established by a county	975
department of job and family services pursuant to sections	976
329.11 to 329.14 of the Revised Code for the purpose of matching	977
funds deposited by program participants. On request of the tax	978
commissioner, the taxpayer shall provide any information that,	979
in the tax commissioner's opinion, is necessary to establish the	980
amount deducted under division (A) (16) of this section.	981
(17) (a) (i) Subject to divisions (A) (17) (a) (iii), (iv), and	982
(v) of this section, add five-sixths of the amount of	983
depreciation expense allowed by subsection (k) of section 168 of	984
the Internal Revenue Code, including the taxpayer's	985
proportionate or distributive share of the amount of	986
depreciation expense allowed by that subsection to a pass-	987

through entity in which the taxpayer has a direct or indirect ownership interest. 988
989

(ii) Subject to divisions (A) (17) (a) (iii), (iv), and (v) 990
of this section, add five-sixths of the amount of qualifying 991
section 179 depreciation expense, including the taxpayer's 992
proportionate or distributive share of the amount of qualifying 993
section 179 depreciation expense allowed to any pass-through 994
entity in which the taxpayer has a direct or indirect ownership 995
interest. 996

(iii) Subject to division (A) (17) (a) (v) of this section, 997
for taxable years beginning in 2012 or thereafter, if the 998
increase in income taxes withheld by the taxpayer is equal to or 999
greater than ten per cent of income taxes withheld by the 1000
taxpayer during the taxpayer's immediately preceding taxable 1001
year, "two-thirds" shall be substituted for "five-sixths" for 1002
the purpose of divisions (A) (17) (a) (i) and (ii) of this section. 1003

(iv) Subject to division (A) (17) (a) (v) of this section, 1004
for taxable years beginning in 2012 or thereafter, a taxpayer is 1005
not required to add an amount under division (A) (17) of this 1006
section if the increase in income taxes withheld by the taxpayer 1007
and by any pass-through entity in which the taxpayer has a 1008
direct or indirect ownership interest is equal to or greater 1009
than the sum of (I) the amount of qualifying section 179 1010
depreciation expense and (II) the amount of depreciation expense 1011
allowed to the taxpayer by subsection (k) of section 168 of the 1012
Internal Revenue Code, and including the taxpayer's 1013
proportionate or distributive shares of such amounts allowed to 1014
any such pass-through entities. 1015

(v) If a taxpayer directly or indirectly incurs a net 1016
operating loss for the taxable year for federal income tax 1017

purposes, to the extent such loss resulted from depreciation 1018
expense allowed by subsection (k) of section 168 of the Internal 1019
Revenue Code and by qualifying section 179 depreciation expense, 1020
"the entire" shall be substituted for "five-sixths of the" for 1021
the purpose of divisions (A)(17)(a)(i) and (ii) of this section. 1022

The tax commissioner, under procedures established by the 1023
commissioner, may waive the add-backs related to a pass-through 1024
entity if the taxpayer owns, directly or indirectly, less than 1025
five per cent of the pass-through entity. 1026

(b) Nothing in division (A)(17) of this section shall be 1027
construed to adjust or modify the adjusted basis of any asset. 1028

(c) To the extent the add-back required under division (A) 1029
(17)(a) of this section is attributable to property generating 1030
nonbusiness income or loss allocated under section 5747.20 of 1031
the Revised Code, the add-back shall be situated to the same 1032
location as the nonbusiness income or loss generated by the 1033
property for the purpose of determining the credit under 1034
division (A) of section 5747.05 of the Revised Code. Otherwise, 1035
the add-back shall be apportioned, subject to one or more of the 1036
four alternative methods of apportionment enumerated in section 1037
5747.21 of the Revised Code. 1038

(d) For the purposes of division (A)(17)(a)(v) of this 1039
section, net operating loss carryback and carryforward shall not 1040
include the allowance of any net operating loss deduction 1041
carryback or carryforward to the taxable year to the extent such 1042
loss resulted from depreciation allowed by section 168(k) of the 1043
Internal Revenue Code and by the qualifying section 179 1044
depreciation expense amount. 1045

(e) For the purposes of divisions (A)(17) and (18) of this 1046

section: 1047

(i) "Income taxes withheld" means the total amount 1048
withheld and remitted under sections 5747.06 and 5747.07 of the 1049
Revised Code by an employer during the employer's taxable year. 1050

(ii) "Increase in income taxes withheld" means the amount 1051
by which the amount of income taxes withheld by an employer 1052
during the employer's current taxable year exceeds the amount of 1053
income taxes withheld by that employer during the employer's 1054
immediately preceding taxable year. 1055

(iii) "Qualifying section 179 depreciation expense" means 1056
the difference between (I) the amount of depreciation expense 1057
directly or indirectly allowed to a taxpayer under section 179 1058
of the Internal Revised Code, and (II) the amount of 1059
depreciation expense directly or indirectly allowed to the 1060
taxpayer under section 179 of the Internal Revenue Code as that 1061
section existed on December 31, 2002. 1062

(18) (a) If the taxpayer was required to add an amount 1063
under division (A) (17) (a) of this section for a taxable year, 1064
deduct one of the following: 1065

(i) One-fifth of the amount so added for each of the five 1066
succeeding taxable years if the amount so added was five-sixths 1067
of qualifying section 179 depreciation expense or depreciation 1068
expense allowed by subsection (k) of section 168 of the Internal 1069
Revenue Code; 1070

(ii) One-half of the amount so added for each of the two 1071
succeeding taxable years if the amount so added was two-thirds 1072
of such depreciation expense; 1073

(iii) One-sixth of the amount so added for each of the six 1074
succeeding taxable years if the entire amount of such 1075

depreciation expense was so added. 1076

(b) If the amount deducted under division (A) (18) (a) of 1077
this section is attributable to an add-back allocated under 1078
division (A) (17) (c) of this section, the amount deducted shall 1079
be situated to the same location. Otherwise, the deduction shall 1080
be apportioned using the apportionment factors for the taxable 1081
year in which the deduction is taken, subject to one or more of 1082
the four alternative methods of apportionment enumerated in 1083
section 5747.21 of the Revised Code. 1084

(c) No deduction is available under division (A) (18) (a) of 1085
this section with regard to any depreciation allowed by section 1086
168(k) of the Internal Revenue Code and by the qualifying 1087
section 179 depreciation expense amount to the extent that such 1088
depreciation results in or increases a federal net operating 1089
loss carryback or carryforward. If no such deduction is 1090
available for a taxable year, the taxpayer may carry forward the 1091
amount not deducted in such taxable year to the next taxable 1092
year and add that amount to any deduction otherwise available 1093
under division (A) (18) (a) of this section for that next taxable 1094
year. The carryforward of amounts not so deducted shall continue 1095
until the entire addition required by division (A) (17) (a) of 1096
this section has been deducted. 1097

(19) Deduct, to the extent not otherwise deducted or 1098
excluded in computing federal or Ohio adjusted gross income for 1099
the taxable year, the amount the taxpayer received during the 1100
taxable year as reimbursement for life insurance premiums under 1101
section 5919.31 of the Revised Code. 1102

(20) Deduct, to the extent not otherwise deducted or 1103
excluded in computing federal or Ohio adjusted gross income for 1104
the taxable year, the amount the taxpayer received during the 1105

taxable year as a death benefit paid by the adjutant general 1106
under section 5919.33 of the Revised Code. 1107

(21) Deduct, to the extent included in federal adjusted 1108
gross income and not otherwise allowable as a deduction or 1109
exclusion in computing federal or Ohio adjusted gross income for 1110
the taxable year, military pay and allowances received by the 1111
taxpayer during the taxable year for active duty service in the 1112
armed forces of the United States, as defined in section 5907.01 1113
of the Revised Code, or reserve components thereof or the 1114
national guard. The deduction may not be claimed for military 1115
pay and allowances received by the taxpayer while the taxpayer 1116
is stationed in this state. 1117

(22) Deduct, to the extent not otherwise allowable as a 1118
deduction or exclusion in computing federal or Ohio adjusted 1119
gross income for the taxable year and not otherwise compensated 1120
for by any other source, the amount of qualified organ donation 1121
expenses incurred by the taxpayer during the taxable year, not 1122
to exceed ten thousand dollars. A taxpayer may deduct qualified 1123
organ donation expenses only once for all taxable years 1124
beginning with taxable years beginning in 2007. 1125

For the purposes of division (A) (22) of this section: 1126

(a) "Human organ" means all or any portion of a human 1127
liver, pancreas, kidney, intestine, or lung, and any portion of 1128
human bone marrow. 1129

(b) "Qualified organ donation expenses" means travel 1130
expenses, lodging expenses, and wages and salary forgone by a 1131
taxpayer in connection with the taxpayer's donation, while 1132
living, of one or more of the taxpayer's human organs to another 1133
human being. 1134

(23) Deduct, to the extent not otherwise deducted or 1135
excluded in computing federal or Ohio adjusted gross income for 1136
the taxable year, amounts received by the taxpayer as retired 1137
personnel pay for service in the uniformed services or reserve 1138
components thereof, or the national guard, or received by the 1139
surviving spouse or former spouse of such a taxpayer under the 1140
survivor benefit plan on account of such a taxpayer's death. If 1141
the taxpayer receives income on account of retirement paid under 1142
the federal civil service retirement system or federal employees 1143
retirement system, or under any successor retirement program 1144
enacted by the congress of the United States that is established 1145
and maintained for retired employees of the United States 1146
government, and such retirement income is based, in whole or in 1147
part, on credit for the taxpayer's uniformed service, the 1148
deduction allowed under this division shall include only that 1149
portion of such retirement income that is attributable to the 1150
taxpayer's uniformed service, to the extent that portion of such 1151
retirement income is otherwise included in federal adjusted 1152
gross income and is not otherwise deducted under this section. 1153
Any amount deducted under division (A) (23) of this section is 1154
not included in a taxpayer's adjusted gross income for the 1155
purposes of section 5747.055 of the Revised Code. No amount may 1156
be deducted under division (A) (23) of this section on the basis 1157
of which a credit was claimed under section 5747.055 of the 1158
Revised Code. 1159

(24) Deduct, to the extent not otherwise deducted or 1160
excluded in computing federal or Ohio adjusted gross income for 1161
the taxable year, the amount the taxpayer received during the 1162
taxable year from the military injury relief fund created in 1163
section 5902.05 of the Revised Code. 1164

(25) Deduct, to the extent not otherwise deducted or 1165

excluded in computing federal or Ohio adjusted gross income for 1166
the taxable year, the amount the taxpayer received as a veterans 1167
bonus during the taxable year from the Ohio department of 1168
veterans services as authorized by Section 2r of Article VIII, 1169
Ohio Constitution. 1170

(26) Deduct, to the extent not otherwise deducted or 1171
excluded in computing federal or Ohio adjusted gross income for 1172
the taxable year, any income derived from a transfer agreement 1173
or from the enterprise transferred under that agreement under 1174
section 4313.02 of the Revised Code. 1175

(27) Deduct, to the extent not otherwise deducted or 1176
excluded in computing federal or Ohio adjusted gross income for 1177
the taxable year, Ohio college opportunity or federal Pell grant 1178
amounts received by the taxpayer or the taxpayer's spouse or 1179
dependent pursuant to section 3333.122 of the Revised Code or 20 1180
U.S.C. 1070a, et seq., and used to pay room or board furnished 1181
by the educational institution for which the grant was awarded 1182
at the institution's facilities, including meal plans 1183
administered by the institution. For the purposes of this 1184
division, receipt of a grant includes the distribution of a 1185
grant directly to an educational institution and the crediting 1186
of the grant to the enrollee's account with the institution. 1187

(28) Deduct from the portion of an individual's federal 1188
adjusted gross income that is business income, to the extent not 1189
otherwise deducted or excluded in computing federal adjusted 1190
gross income for the taxable year, one hundred twenty-five 1191
thousand dollars for each spouse if spouses file separate 1192
returns under section 5747.08 of the Revised Code or two hundred 1193
fifty thousand dollars for all other individuals. 1194

(29) Deduct, as provided under section 5747.78 of the 1195

Revised Code, contributions to ABLE savings accounts made in	1196
accordance with sections 113.50 to 113.56 of the Revised Code.	1197
(30) (a) Deduct, to the extent not otherwise deducted or	1198
excluded in computing federal or Ohio adjusted gross income	1199
during the taxable year, all of the following:	1200
(i) Compensation paid to a qualifying employee described	1201
in division (A) (14) (a) of section 5703.94 of the Revised Code to	1202
the extent such compensation is for disaster work conducted in	1203
this state during a disaster response period pursuant to a	1204
qualifying solicitation received by the employee's employer;	1205
(ii) Compensation paid to a qualifying employee described	1206
in division (A) (14) (b) of section 5703.94 of the Revised Code to	1207
the extent such compensation is for disaster work conducted in	1208
this state by the employee during the disaster response period	1209
on critical infrastructure owned or used by the employee's	1210
employer;	1211
(iii) Income received by an out-of-state disaster business	1212
for disaster work conducted in this state during a disaster	1213
response period, or, if the out-of-state disaster business is a	1214
pass-through entity, a taxpayer's distributive share of the	1215
pass-through entity's income from the business conducting	1216
disaster work in this state during a disaster response period,	1217
if, in either case, the disaster work is conducted pursuant to a	1218
qualifying solicitation received by the business.	1219
(b) All terms used in division (A) (30) of this section	1220
have the same meanings as in section 5703.94 of the Revised	1221
Code.	1222
(31) For a taxpayer who is a qualifying Ohio educator,	1223
deduct, to the extent not otherwise deducted or excluded in	1224

computing federal or Ohio adjusted gross income for the taxable 1225
year, the lesser of three hundred dollars or the amount of 1226
expenses described in subsections (a) (2) (D) (i) and (ii) of 1227
section 62 of the Internal Revenue Code paid or incurred by the 1228
taxpayer during the taxpayer's taxable year in excess of the 1229
amount the taxpayer is authorized to deduct for that taxable 1230
year under subsection (a) (2) (D) of that section. 1231

(32) Deduct, to the extent not otherwise deducted or 1232
excluded in computing federal or Ohio adjusted gross income for 1233
the taxable year, amounts received by the taxpayer as a 1234
disability severance payment, computed under 10 U.S.C. 1212, 1235
following discharge or release under honorable conditions from 1236
the armed forces of the United States, as defined in section 1237
5907.01 of the Revised Code. 1238

(33) Deduct, to the extent not otherwise deducted or 1239
excluded in computing federal adjusted gross income or Ohio 1240
adjusted gross income, amounts not subject to tax due to an 1241
agreement entered into under division (A) (2) of section 5747.05 1242
of the Revised Code. 1243

(34) Deduct amounts as provided under section 5747.79 of 1244
the Revised Code related to the taxpayer's qualifying capital 1245
gains and deductible payroll. 1246

To the extent a qualifying capital gain described under 1247
division (A) (34) of this section is business income, the 1248
taxpayer shall deduct those gains under this division before 1249
deducting any such gains under division (A) (28) of this section. 1250

(35) (a) For taxable years beginning in or after 2026, 1251
deduct, to the extent not otherwise deducted or excluded in 1252
computing federal or Ohio adjusted gross income for the taxable 1253

year:	1254
(i) One hundred per cent of the capital gain received by the taxpayer in the taxable year from a qualifying interest in an Ohio venture capital operating company attributable to the company's investments in Ohio businesses during the period for which the company was an Ohio venture operating company; and	1255 1256 1257 1258 1259
(ii) Fifty per cent of the capital gain received by the taxpayer in the taxable year from a qualifying interest in an Ohio venture capital operating company attributable to the company's investments in all other businesses during the period for which the company was an Ohio venture operating company.	1260 1261 1262 1263 1264
(b) Add amounts previously deducted by the taxpayer under division (A) (35) (a) of this section if the director of development certifies to the tax commissioner that the requirements for the deduction were not met.	1265 1266 1267 1268
(c) All terms used in division (A) (35) of this section have the same meanings as in section 122.851 of the Revised Code.	1269 1270 1271
(d) To the extent a capital gain described in division (A) (35) (a) of this section is business income, the taxpayer shall apply that division before applying division (A) (28) of this section.	1272 1273 1274 1275
(36) Add, to the extent not otherwise included in computing federal or Ohio adjusted gross income for any taxable year, the taxpayer's proportionate share of the amount of the tax levied under section 5747.38 of the Revised Code and paid by an electing pass-through entity for the taxable year.	1276 1277 1278 1279 1280
Notwithstanding any provision of the Revised Code to the contrary, the portion of the addition required by division (A)	1281 1282

(36) of this section related to the apportioned business income 1283
of the pass-through entity shall be considered business income 1284
under division (B) of this section. Such addition is eligible 1285
for the deduction in division (A) (28) of this section, subject 1286
to the applicable dollar limitations, and the tax rate 1287
prescribed by division (A) (4) (a) of section 5747.02 of the 1288
Revised Code. The taxpayer shall provide, upon request of the 1289
tax commissioner, any documentation necessary to verify the 1290
portion of the addition that is business income under this 1291
division. 1292

(37) Deduct, to the extent not otherwise deducted or 1293
excluded in computing federal or Ohio adjusted gross income for 1294
the taxable year, amounts delivered to a qualifying institution 1295
pursuant to section 3333.128 of the Revised Code for the benefit 1296
of the taxpayer or the taxpayer's spouse or dependent. 1297

(38) Deduct, to the extent not otherwise deducted or 1298
excluded in computing federal or Ohio adjusted gross income for 1299
the taxable year, amounts received under the Ohio adoption grant 1300
program pursuant to section 5180.451 of the Revised Code. 1301

(39) Deduct, to the extent included in federal adjusted 1302
gross income, income attributable to amounts provided to a 1303
taxpayer for any of the purposes for which an exclusion would 1304
have been authorized under section 139 of the Internal Revenue 1305
Code if the train derailment near the city of East Palestine on 1306
February 3, 2023, had been a qualified disaster pursuant to that 1307
section, or to compensate for lost business resulting from that 1308
derailment, if such amounts are provided by any of the 1309
following: 1310

(a) A federal, state, or local government agency; 1311

(b) A railroad company, as that term is defined in section 1312
5727.01 of the Revised Code; 1313

(c) Any subsidiary, insurer, or agent of a railroad 1314
company or any related person. 1315

Notwithstanding any provision to the contrary, the 1316
derailment is not required to meet the definition of a 1317
"qualified disaster" pursuant to section 139 of the Internal 1318
Revenue Code to qualify for the deduction under this section. 1319

(40) Deduct, to the extent included in federal adjusted 1320
gross income, income attributable to loan repayments on behalf 1321
of the taxpayer under the rural practice incentive program under 1322
section 3333.135 of the Revised Code. 1323

(41) Add any income taxes deducted in computing federal or 1324
Ohio adjusted gross income to the extent the income taxes were 1325
derived from income subject to a tax levied in another state or 1326
the District of Columbia when such tax was enacted for purposes 1327
of complying with internal revenue service notice 2020-75. 1328

Notwithstanding any provision of the Revised Code to the 1329
contrary, the portion of the addition required by division (A) 1330
(41) of this section related to the apportioned business income 1331
of the pass-through entity shall be considered business income 1332
under division (B) of this section. Such addition is eligible 1333
for the deduction in division (A) (28) of this section, subject 1334
to the applicable dollar limitations, and the tax rate 1335
prescribed by division (A) (4) (a) of section 5747.02 of the 1336
Revised Code. The taxpayer shall provide, upon request of the 1337
tax commissioner, any documentation necessary to verify the 1338
portion of the addition that is business income under this 1339
division. 1340

(42) Deduct amounts contributed to a homeownership savings account and calculated pursuant to divisions (B) and (C) of section 5747.85 of the Revised Code. 1341
1342
1343

(43) If the taxpayer is the account owner of a homeownership savings account, upon withdrawal or transfer of funds from the account, or closure of the account containing funds that are not used for eligible expenses, add the amount of such funds not used for an eligible expense. The addition required under this division shall not exceed the sum of the amounts deducted by the taxpayer for such account under division (A) (42) of this section in any taxable year and the amount of any funds deposited in the account by a contributor other than the account owner. As used in division (A) (43) of this section, "homeownership savings account," "contributor," "account owner," and "eligible expenses" have the same meanings as in section 5747.85 of the Revised Code. 1344
1345
1346
1347
1348
1349
1350
1351
1352
1353
1354
1355
1356

(44) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income during the taxable year, up to seven hundred fifty dollars of contributions the taxpayer makes to a pregnancy resource center that meets the criteria in division (B) of section 5180.71 of the Revised Code. 1357
1358
1359
1360
1361
1362

(45) Deduct benefits under Chapter 4143. of the Revised Code to the extent included in federal adjusted gross income. 1363
1364

(B) "Business income" means income, including gain or loss, arising from transactions, activities, and sources in the regular course of a trade or business and includes income, gain, or loss from real property, tangible property, and intangible property if the acquisition, rental, management, and disposition of the property constitute integral parts of the regular course 1365
1366
1367
1368
1369
1370

of a trade or business operation. "Business income" includes 1371
income, including gain or loss, from a partial or complete 1372
liquidation of a business, including, but not limited to, gain 1373
or loss from the sale or other disposition of goodwill or the 1374
sale of an equity or ownership interest in a business. 1375

As used in this division, the "sale of an equity or 1376
ownership interest in a business" means sales to which either or 1377
both of the following apply: 1378

(1) The sale is treated for federal income tax purposes as 1379
the sale of assets. 1380

(2) The seller materially participated, as described in 26 1381
C.F.R. 1.469-5T, in the activities of the business during the 1382
taxable year in which the sale occurs or during any of the five 1383
preceding taxable years. 1384

(C) "Nonbusiness income" means all income other than 1385
business income and may include, but is not limited to, 1386
compensation, rents and royalties from real or tangible personal 1387
property, capital gains, interest, dividends and distributions, 1388
patent or copyright royalties, or lottery winnings, prizes, and 1389
awards. 1390

(D) "Compensation" means any form of remuneration paid to 1391
an employee for personal services. 1392

(E) "Fiduciary" means a guardian, trustee, executor, 1393
administrator, receiver, conservator, or any other person acting 1394
in any fiduciary capacity for any individual, trust, or estate. 1395

(F) "Fiscal year" means an accounting period of twelve 1396
months ending on the last day of any month other than December. 1397

(G) "Individual" means any natural person. 1398

(H) "Internal Revenue Code" means the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended.	1399 1400
(I) "Resident" means any of the following:	1401
(1) An individual who is domiciled in this state, subject to section 5747.24 of the Revised Code;	1402 1403
(2) The estate of a decedent who at the time of death was domiciled in this state. The domicile tests of section 5747.24 of the Revised Code are not controlling for purposes of division (I) (2) of this section.	1404 1405 1406 1407
(3) A trust that, in whole or part, resides in this state. If only part of a trust resides in this state, the trust is a resident only with respect to that part.	1408 1409 1410
For the purposes of division (I) (3) of this section:	1411
(a) A trust resides in this state for the trust's current taxable year to the extent, as described in division (I) (3) (d) of this section, that the trust consists directly or indirectly, in whole or in part, of assets, net of any related liabilities, that were transferred, or caused to be transferred, directly or indirectly, to the trust by any of the following:	1412 1413 1414 1415 1416 1417
(i) A person, a court, or a governmental entity or instrumentality on account of the death of a decedent, but only if the trust is described in division (I) (3) (e) (i) or (ii) of this section;	1418 1419 1420 1421
(ii) A person who was domiciled in this state for the purposes of this chapter when the person directly or indirectly transferred assets to an irrevocable trust, but only if at least one of the trust's qualifying beneficiaries is domiciled in this state for the purposes of this chapter during all or some	1422 1423 1424 1425 1426

portion of the trust's current taxable year; 1427

(iii) A person who was domiciled in this state for the 1428
purposes of this chapter when the trust document or instrument 1429
or part of the trust document or instrument became irrevocable, 1430
but only if at least one of the trust's qualifying beneficiaries 1431
is a resident domiciled in this state for the purposes of this 1432
chapter during all or some portion of the trust's current 1433
taxable year. If a trust document or instrument became 1434
irrevocable upon the death of a person who at the time of death 1435
was domiciled in this state for purposes of this chapter, that 1436
person is a person described in division (I) (3) (a) (iii) of this 1437
section. 1438

(b) A trust is irrevocable to the extent that the 1439
transferor is not considered to be the owner of the net assets 1440
of the trust under sections 671 to 678 of the Internal Revenue 1441
Code. 1442

(c) With respect to a trust other than a charitable lead 1443
trust, "qualifying beneficiary" has the same meaning as 1444
"potential current beneficiary" as defined in section 1361(e) (2) 1445
of the Internal Revenue Code, and with respect to a charitable 1446
lead trust "qualifying beneficiary" is any current, future, or 1447
contingent beneficiary, but with respect to any trust 1448
"qualifying beneficiary" excludes a person or a governmental 1449
entity or instrumentality to any of which a contribution would 1450
qualify for the charitable deduction under section 170 of the 1451
Internal Revenue Code. 1452

(d) For the purposes of division (I) (3) (a) of this 1453
section, the extent to which a trust consists directly or 1454
indirectly, in whole or in part, of assets, net of any related 1455
liabilities, that were transferred directly or indirectly, in 1456

whole or part, to the trust by any of the sources enumerated in 1457
that division shall be ascertained by multiplying the fair 1458
market value of the trust's assets, net of related liabilities, 1459
by the qualifying ratio, which shall be computed as follows: 1460

(i) The first time the trust receives assets, the 1461
numerator of the qualifying ratio is the fair market value of 1462
those assets at that time, net of any related liabilities, from 1463
sources enumerated in division (I) (3) (a) of this section. The 1464
denominator of the qualifying ratio is the fair market value of 1465
all the trust's assets at that time, net of any related 1466
liabilities. 1467

(ii) Each subsequent time the trust receives assets, a 1468
revised qualifying ratio shall be computed. The numerator of the 1469
revised qualifying ratio is the sum of (1) the fair market value 1470
of the trust's assets immediately prior to the subsequent 1471
transfer, net of any related liabilities, multiplied by the 1472
qualifying ratio last computed without regard to the subsequent 1473
transfer, and (2) the fair market value of the subsequently 1474
transferred assets at the time transferred, net of any related 1475
liabilities, from sources enumerated in division (I) (3) (a) of 1476
this section. The denominator of the revised qualifying ratio is 1477
the fair market value of all the trust's assets immediately 1478
after the subsequent transfer, net of any related liabilities. 1479

(iii) Whether a transfer to the trust is by or from any of 1480
the sources enumerated in division (I) (3) (a) of this section 1481
shall be ascertained without regard to the domicile of the 1482
trust's beneficiaries. 1483

(e) For the purposes of division (I) (3) (a) (i) of this 1484
section: 1485

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

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

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

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

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

(iii) The transfer is made on account of a contractual 1515
relationship existing directly or indirectly between the 1516
transferor and either the decedent or the estate of the decedent 1517
at any time prior to the date of the decedent's death, and the 1518
decedent was domiciled in this state at the time of death for 1519
purposes of the taxes levied under Chapter 5731. of the Revised 1520
Code. 1521

(iv) The transfer is made to a trust on account of a 1522
contractual relationship existing directly or indirectly between 1523
the transferor and another person who at the time of the 1524
decedent's death was domiciled in this state for purposes of 1525
this chapter. 1526

(v) The transfer is made to a trust on account of the will 1527
of a testator who was domiciled in this state at the time of the 1528
testator's death for purposes of the taxes levied under Chapter 1529
5731. of the Revised Code. 1530

(vi) The transfer is made to a trust created by or caused 1531
to be created by a court, and the trust was directly or 1532
indirectly created in connection with or as a result of the 1533
death of an individual who, for purposes of the taxes levied 1534
under Chapter 5731. of the Revised Code, was domiciled in this 1535
state at the time of the individual's death. 1536

(g) The tax commissioner may adopt rules to ascertain the 1537
part of a trust residing in this state. 1538

(J) "Nonresident" means an individual or estate that is 1539
not a resident. An individual who is a resident for only part of 1540
a taxable year is a nonresident for the remainder of that 1541
taxable year. 1542

(K) "Pass-through entity" has the same meaning as in 1543

section 5733.04 of the Revised Code. 1544

(L) "Return" means the notifications and reports required 1545
to be filed pursuant to this chapter for the purpose of 1546
reporting the tax due and includes declarations of estimated tax 1547
when so required. 1548

(M) "Taxable year" means the calendar year or the 1549
taxpayer's fiscal year ending during the calendar year, or 1550
fractional part thereof, upon which the adjusted gross income is 1551
calculated pursuant to this chapter. 1552

(N) "Taxpayer" means any person subject to the tax imposed 1553
by section 5747.02 of the Revised Code or any pass-through 1554
entity that makes the election under division (D) of section 1555
5747.08 of the Revised Code. 1556

(O) "Dependents" means one of the following: 1557

(1) For taxable years beginning on or after January 1, 1558
2018, and before January 1, 2026, dependents as defined in the 1559
Internal Revenue Code; 1560

(2) For all other taxable years, dependents as defined in 1561
the Internal Revenue Code and as claimed in the taxpayer's 1562
federal income tax return for the taxable year or which the 1563
taxpayer would have been permitted to claim had the taxpayer 1564
filed a federal income tax return. 1565

(P) "Principal county of employment" means, in the case of 1566
a nonresident, the county within the state in which a taxpayer 1567
performs services for an employer or, if those services are 1568
performed in more than one county, the county in which the major 1569
portion of the services are performed. 1570

(Q) As used in sections 5747.50 to 5747.55 of the Revised 1571

Code:	1572
(1) "Subdivision" means any county, municipal corporation, park district, or township.	1573 1574
(2) "Essential local government purposes" includes all functions that any subdivision is required by general law to exercise, including like functions that are exercised under a charter adopted pursuant to the Ohio Constitution.	1575 1576 1577 1578
(R) "Overpayment" means any amount already paid that exceeds the figure determined to be the correct amount of the tax.	1579 1580 1581
(S) "Taxable income" or "Ohio taxable income" applies only to estates and trusts, and means federal taxable income, as defined and used in the Internal Revenue Code, adjusted as follows:	1582 1583 1584 1585
(1) Add interest or dividends, net of ordinary, necessary, and reasonable expenses not deducted in computing federal taxable income, on obligations or securities of any state or of any political subdivision or authority of any state, other than this state and its subdivisions and authorities, but only to the extent that such net amount is not otherwise includible in Ohio taxable income and is described in either division (S) (1) (a) or (b) of this section:	1586 1587 1588 1589 1590 1591 1592 1593
(a) The net amount is not attributable to the S portion of an electing small business trust and has not been distributed to beneficiaries for the taxable year;	1594 1595 1596
(b) The net amount is attributable to the S portion of an electing small business trust for the taxable year.	1597 1598
(2) Add interest or dividends, net of ordinary, necessary,	1599

and reasonable expenses not deducted in computing federal 1600
taxable income, on obligations of any authority, commission, 1601
instrumentality, territory, or possession of the United States 1602
to the extent that the interest or dividends are exempt from 1603
federal income taxes but not from state income taxes, but only 1604
to the extent that such net amount is not otherwise includible 1605
in Ohio taxable income and is described in either division (S) 1606
(1) (a) or (b) of this section; 1607

(3) Add the amount of personal exemption allowed to the 1608
estate pursuant to section 642(b) of the Internal Revenue Code; 1609

(4) Deduct interest or dividends, net of related expenses 1610
deducted in computing federal taxable income, on obligations of 1611
the United States and its territories and possessions or of any 1612
authority, commission, or instrumentality of the United States 1613
to the extent that the interest or dividends are exempt from 1614
state taxes under the laws of the United States, but only to the 1615
extent that such amount is included in federal taxable income 1616
and is described in either division (S) (1) (a) or (b) of this 1617
section; 1618

(5) Deduct the amount of wages and salaries, if any, not 1619
otherwise allowable as a deduction but that would have been 1620
allowable as a deduction in computing federal taxable income for 1621
the taxable year, had the work opportunity tax credit allowed 1622
under sections 38, 51, and 52 of the Internal Revenue Code not 1623
been in effect, but only to the extent such amount relates 1624
either to income included in federal taxable income for the 1625
taxable year or to income of the S portion of an electing small 1626
business trust for the taxable year; 1627

(6) Deduct any interest or interest equivalent, net of 1628
related expenses deducted in computing federal taxable income, 1629

on public obligations and purchase obligations, but only to the 1630
extent that such net amount relates either to income included in 1631
federal taxable income for the taxable year or to income of the 1632
S portion of an electing small business trust for the taxable 1633
year; 1634

(7) Add any loss or deduct any gain resulting from sale, 1635
exchange, or other disposition of public obligations to the 1636
extent that such loss has been deducted or such gain has been 1637
included in computing either federal taxable income or income of 1638
the S portion of an electing small business trust for the 1639
taxable year; 1640

(8) Except in the case of the final return of an estate, 1641
add any amount deducted by the taxpayer on both its Ohio estate 1642
tax return pursuant to section 5731.14 of the Revised Code, and 1643
on its federal income tax return in determining federal taxable 1644
income; 1645

(9) (a) Deduct any amount included in federal taxable 1646
income solely because the amount represents a reimbursement or 1647
refund of expenses that in a previous year the decedent had 1648
deducted as an itemized deduction pursuant to section 63 of the 1649
Internal Revenue Code and applicable treasury regulations. The 1650
deduction otherwise allowed under division (S) (9) (a) of this 1651
section shall be reduced to the extent the reimbursement is 1652
attributable to an amount the taxpayer or decedent deducted 1653
under this section in any taxable year. 1654

(b) Add any amount not otherwise included in Ohio taxable 1655
income for any taxable year to the extent that the amount is 1656
attributable to the recovery during the taxable year of any 1657
amount deducted or excluded in computing federal or Ohio taxable 1658
income in any taxable year, but only to the extent such amount 1659

has not been distributed to beneficiaries for the taxable year. 1660

(10) Deduct any portion of the deduction described in 1661
section 1341(a)(2) of the Internal Revenue Code, for repaying 1662
previously reported income received under a claim of right, that 1663
meets both of the following requirements: 1664

(a) It is allowable for repayment of an item that was 1665
included in the taxpayer's taxable income or the decedent's 1666
adjusted gross income for a prior taxable year and did not 1667
qualify for a credit under division (A) or (B) of section 1668
5747.05 of the Revised Code for that year. 1669

(b) It does not otherwise reduce the taxpayer's taxable 1670
income or the decedent's adjusted gross income for the current 1671
or any other taxable year. 1672

(11) Add any amount claimed as a credit under section 1673
5747.059 of the Revised Code to the extent that the amount 1674
satisfies either of the following: 1675

(a) The amount was deducted or excluded from the 1676
computation of the taxpayer's federal taxable income as required 1677
to be reported for the taxpayer's taxable year under the 1678
Internal Revenue Code; 1679

(b) The amount resulted in a reduction in the taxpayer's 1680
federal taxable income as required to be reported for any of the 1681
taxpayer's taxable years under the Internal Revenue Code. 1682

(12) Deduct any amount, net of related expenses deducted 1683
in computing federal taxable income, that a trust is required to 1684
report as farm income on its federal income tax return, but only 1685
if the assets of the trust include at least ten acres of land 1686
satisfying the definition of "land devoted exclusively to 1687
agricultural use" under section 5713.30 of the Revised Code, 1688

regardless of whether the land is valued for tax purposes as 1689
such land under sections 5713.30 to 5713.38 of the Revised Code. 1690
If the trust is a pass-through entity investor, section 5747.231 1691
of the Revised Code applies in ascertaining if the trust is 1692
eligible to claim the deduction provided by division (S) (12) of 1693
this section in connection with the pass-through entity's farm 1694
income. 1695

Except for farm income attributable to the S portion of an 1696
electing small business trust, the deduction provided by 1697
division (S) (12) of this section is allowed only to the extent 1698
that the trust has not distributed such farm income. 1699

(13) Add the net amount of income described in section 1700
641(c) of the Internal Revenue Code to the extent that amount is 1701
not included in federal taxable income. 1702

(14) Add or deduct the amount the taxpayer would be 1703
required to add or deduct under division (A) (17) or (18) of this 1704
section if the taxpayer's Ohio taxable income was computed in 1705
the same manner as an individual's Ohio adjusted gross income is 1706
computed under this section. 1707

(15) Add, to the extent not otherwise included in 1708
computing taxable income or Ohio taxable income for any taxable 1709
year, the taxpayer's proportionate share of the amount of the 1710
tax levied under section 5747.38 of the Revised Code and paid by 1711
an electing pass-through entity for the taxable year. 1712

(16) Add any income taxes deducted in computing federal 1713
taxable income or Ohio taxable income to the extent the income 1714
taxes were derived from income subject to a tax levied in 1715
another state or the District of Columbia when such tax was 1716
enacted for purposes of complying with internal revenue service 1717

notice 2020-75.	1718
(T) "School district income" and "school district income tax" have the same meanings as in section 5748.01 of the Revised Code.	1719 1720 1721
(U) As used in divisions (A) (7), (A) (8), (S) (6), and (S) (7) of this section, "public obligations," "purchase obligations," and "interest or interest equivalent" have the same meanings as in section 5709.76 of the Revised Code.	1722 1723 1724 1725
(V) "Limited liability company" means any limited liability company formed under former Chapter 1705. of the Revised Code as that chapter existed prior to February 11, 2022, Chapter 1706. of the Revised Code, or the laws of any other state.	1726 1727 1728 1729 1730
(W) "Pass-through entity investor" means any person who, during any portion of a taxable year of a pass-through entity, is a partner, member, shareholder, or equity investor in that pass-through entity.	1731 1732 1733 1734
(X) "Banking day" has the same meaning as in section 1304.01 of the Revised Code.	1735 1736
(Y) "Month" means a calendar month.	1737
(Z) "Quarter" means the first three months, the second three months, the third three months, or the last three months of the taxpayer's taxable year.	1738 1739 1740
(AA) (1) "Modified business income" means the business income included in a trust's Ohio taxable income after such taxable income is first reduced by the qualifying trust amount, if any.	1741 1742 1743 1744
(2) "Qualifying trust amount" of a trust means capital	1745

gains and losses from the sale, exchange, or other disposition 1746
of equity or ownership interests in, or debt obligations of, a 1747
qualifying investee to the extent included in the trust's Ohio 1748
taxable income, but only if the following requirements are 1749
satisfied: 1750

(a) The book value of the qualifying investee's physical 1751
assets in this state and everywhere, as of the last day of the 1752
qualifying investee's fiscal or calendar year ending immediately 1753
prior to the date on which the trust recognizes the gain or 1754
loss, is available to the trust. 1755

(b) The requirements of section 5747.011 of the Revised 1756
Code are satisfied for the trust's taxable year in which the 1757
trust recognizes the gain or loss. 1758

Any gain or loss that is not a qualifying trust amount is 1759
modified business income, qualifying investment income, or 1760
modified nonbusiness income, as the case may be. 1761

(3) "Modified nonbusiness income" means a trust's Ohio 1762
taxable income other than modified business income, other than 1763
the qualifying trust amount, and other than qualifying 1764
investment income, as defined in section 5747.012 of the Revised 1765
Code, to the extent such qualifying investment income is not 1766
otherwise part of modified business income. 1767

(4) "Modified Ohio taxable income" applies only to trusts, 1768
and means the sum of the amounts described in divisions (AA) (4) 1769
(a) to (c) of this section: 1770

(a) The fraction, calculated under section 5747.013, and 1771
applying section 5747.231 of the Revised Code, multiplied by the 1772
sum of the following amounts: 1773

(i) The trust's modified business income; 1774

(ii) The trust's qualifying investment income, as defined 1775
in section 5747.012 of the Revised Code, but only to the extent 1776
the qualifying investment income does not otherwise constitute 1777
modified business income and does not otherwise constitute a 1778
qualifying trust amount. 1779

(b) The qualifying trust amount multiplied by a fraction, 1780
the numerator of which is the sum of the book value of the 1781
qualifying investee's physical assets in this state on the last 1782
day of the qualifying investee's fiscal or calendar year ending 1783
immediately prior to the day on which the trust recognizes the 1784
qualifying trust amount, and the denominator of which is the sum 1785
of the book value of the qualifying investee's total physical 1786
assets everywhere on the last day of the qualifying investee's 1787
fiscal or calendar year ending immediately prior to the day on 1788
which the trust recognizes the qualifying trust amount. If, for 1789
a taxable year, the trust recognizes a qualifying trust amount 1790
with respect to more than one qualifying investee, the amount 1791
described in division (AA) (4) (b) of this section shall equal the 1792
sum of the products so computed for each such qualifying 1793
investee. 1794

(c) (i) With respect to a trust or portion of a trust that 1795
is a resident as ascertained in accordance with division (I) (3) 1796
(d) of this section, its modified nonbusiness income. 1797

(ii) With respect to a trust or portion of a trust that is 1798
not a resident as ascertained in accordance with division (I) (3) 1799
(d) of this section, the amount of its modified nonbusiness 1800
income satisfying the descriptions in divisions (B) (2) to (5) of 1801
section 5747.20 of the Revised Code, except as otherwise 1802
provided in division (AA) (4) (c) (ii) of this section. With 1803
respect to a trust or portion of a trust that is not a resident 1804

as ascertained in accordance with division (I) (3) (d) of this 1805
section, the trust's portion of modified nonbusiness income 1806
recognized from the sale, exchange, or other disposition of a 1807
debt interest in or equity interest in a section 5747.212 1808
entity, as defined in section 5747.212 of the Revised Code, 1809
without regard to division (A) of that section, shall not be 1810
allocated to this state in accordance with section 5747.20 of 1811
the Revised Code but shall be apportioned to this state in 1812
accordance with division (B) of section 5747.212 of the Revised 1813
Code without regard to division (A) of that section. 1814

If the allocation and apportionment of a trust's income 1815
under divisions (AA) (4) (a) and (c) of this section do not fairly 1816
represent the modified Ohio taxable income of the trust in this 1817
state, the alternative methods described in division (C) of 1818
section 5747.21 of the Revised Code may be applied in the manner 1819
and to the same extent provided in that section. 1820

(5) (a) Except as set forth in division (AA) (5) (b) of this 1821
section, "qualifying investee" means a person in which a trust 1822
has an equity or ownership interest, or a person or unit of 1823
government the debt obligations of either of which are owned by 1824
a trust. For the purposes of division (AA) (2) (a) of this section 1825
and for the purpose of computing the fraction described in 1826
division (AA) (4) (b) of this section, all of the following apply: 1827

(i) If the qualifying investee is a member of a qualifying 1828
controlled group on the last day of the qualifying investee's 1829
fiscal or calendar year ending immediately prior to the date on 1830
which the trust recognizes the gain or loss, then "qualifying 1831
investee" includes all persons in the qualifying controlled 1832
group on such last day. 1833

(ii) If the qualifying investee, or if the qualifying 1834

investee and any members of the qualifying controlled group of 1835
which the qualifying investee is a member on the last day of the 1836
qualifying investee's fiscal or calendar year ending immediately 1837
prior to the date on which the trust recognizes the gain or 1838
loss, separately or cumulatively own, directly or indirectly, on 1839
the last day of the qualifying investee's fiscal or calendar 1840
year ending immediately prior to the date on which the trust 1841
recognizes the qualifying trust amount, more than fifty per cent 1842
of the equity of a pass-through entity, then the qualifying 1843
investee and the other members are deemed to own the 1844
proportionate share of the pass-through entity's physical assets 1845
which the pass-through entity directly or indirectly owns on the 1846
last day of the pass-through entity's calendar or fiscal year 1847
ending within or with the last day of the qualifying investee's 1848
fiscal or calendar year ending immediately prior to the date on 1849
which the trust recognizes the qualifying trust amount. 1850

(iii) For the purposes of division (AA) (5) (a) (iii) of this 1851
section, "upper level pass-through entity" means a pass-through 1852
entity directly or indirectly owning any equity of another pass- 1853
through entity, and "lower level pass-through entity" means that 1854
other pass-through entity. 1855

An upper level pass-through entity, whether or not it is 1856
also a qualifying investee, is deemed to own, on the last day of 1857
the upper level pass-through entity's calendar or fiscal year, 1858
the proportionate share of the lower level pass-through entity's 1859
physical assets that the lower level pass-through entity 1860
directly or indirectly owns on the last day of the lower level 1861
pass-through entity's calendar or fiscal year ending within or 1862
with the last day of the upper level pass-through entity's 1863
fiscal or calendar year. If the upper level pass-through entity 1864
directly and indirectly owns less than fifty per cent of the 1865

equity of the lower level pass-through entity on each day of the 1866
upper level pass-through entity's calendar or fiscal year in 1867
which or with which ends the calendar or fiscal year of the 1868
lower level pass-through entity and if, based upon clear and 1869
convincing evidence, complete information about the location and 1870
cost of the physical assets of the lower pass-through entity is 1871
not available to the upper level pass-through entity, then 1872
solely for purposes of ascertaining if a gain or loss 1873
constitutes a qualifying trust amount, the upper level pass- 1874
through entity shall be deemed as owning no equity of the lower 1875
level pass-through entity for each day during the upper level 1876
pass-through entity's calendar or fiscal year in which or with 1877
which ends the lower level pass-through entity's calendar or 1878
fiscal year. Nothing in division (AA) (5) (a) (iii) of this section 1879
shall be construed to provide for any deduction or exclusion in 1880
computing any trust's Ohio taxable income. 1881

(b) With respect to a trust that is not a resident for the 1882
taxable year and with respect to a part of a trust that is not a 1883
resident for the taxable year, "qualifying investee" for that 1884
taxable year does not include a C corporation if both of the 1885
following apply: 1886

(i) During the taxable year the trust or part of the trust 1887
recognizes a gain or loss from the sale, exchange, or other 1888
disposition of equity or ownership interests in, or debt 1889
obligations of, the C corporation. 1890

(ii) Such gain or loss constitutes nonbusiness income. 1891

(6) "Available" means information is such that a person is 1892
able to learn of the information by the due date plus 1893
extensions, if any, for filing the return for the taxable year 1894
in which the trust recognizes the gain or loss. 1895

(BB) "Qualifying controlled group" has the same meaning as in section 5733.04 of the Revised Code.	1896 1897
(CC) "Related member" has the same meaning as in section 5733.042 of the Revised Code.	1898 1899
(DD) (1) For the purposes of division (DD) of this section:	1900
(a) "Qualifying person" means any person other than a qualifying corporation.	1901 1902
(b) "Qualifying corporation" means any person classified for federal income tax purposes as an association taxable as a corporation, except either of the following:	1903 1904 1905
(i) A corporation that has made an election under subchapter S, chapter one, subtitle A, of the Internal Revenue Code for its taxable year ending within, or on the last day of, the investor's taxable year;	1906 1907 1908 1909
(ii) A subsidiary that is wholly owned by any corporation that has made an election under subchapter S, chapter one, subtitle A of the Internal Revenue Code for its taxable year ending within, or on the last day of, the investor's taxable year.	1910 1911 1912 1913 1914
(2) For the purposes of this chapter, unless expressly stated otherwise, no qualifying person indirectly owns any asset directly or indirectly owned by any qualifying corporation.	1915 1916 1917
(EE) For purposes of this chapter and Chapter 5751. of the Revised Code:	1918 1919
(1) "Trust" does not include a qualified pre-income tax trust.	1920 1921
(2) A "qualified pre-income tax trust" is any pre-income	1922

tax trust that makes a qualifying pre-income tax trust election 1923
as described in division (EE) (3) of this section. 1924

(3) A "qualifying pre-income tax trust election" is an 1925
election by a pre-income tax trust to subject to the tax imposed 1926
by section 5751.02 of the Revised Code the pre-income tax trust 1927
and all pass-through entities of which the trust owns or 1928
controls, directly, indirectly, or constructively through 1929
related interests, five per cent or more of the ownership or 1930
equity interests. The trustee shall notify the tax commissioner 1931
in writing of the election on or before April 15, 2006. The 1932
election, if timely made, shall be effective on and after 1933
January 1, 2006, and shall apply for all tax periods and tax 1934
years until revoked by the trustee of the trust. 1935

(4) A "pre-income tax trust" is a trust that satisfies all 1936
of the following requirements: 1937

(a) The document or instrument creating the trust was 1938
executed by the grantor before January 1, 1972; 1939

(b) The trust became irrevocable upon the creation of the 1940
trust; and 1941

(c) The grantor was domiciled in this state at the time 1942
the trust was created. 1943

(FF) "Uniformed services" means all of the following: 1944

(1) "Armed forces of the United States" as defined in 1945
section 5907.01 of the Revised Code; 1946

(2) The commissioned corps of the national oceanic and 1947
atmospheric administration; 1948

(3) The commissioned corps of the public health service. 1949

(GG) "Taxable business income" means the amount by which
an individual's business income that is included in federal
adjusted gross income exceeds the amount of business income the
individual is authorized to deduct under division (A) (28) of
this section for the taxable year.

(HH) "Employer" does not include a franchisor with respect
to the franchisor's relationship with a franchisee or an
employee of a franchisee, unless the franchisor agrees to assume
that role in writing or a court of competent jurisdiction
determines that the franchisor exercises a type or degree of
control over the franchisee or the franchisee's employees that
is not customarily exercised by a franchisor for the purpose of
protecting the franchisor's trademark, brand, or both. For
purposes of this division, "franchisor" and "franchisee" have
the same meanings as in 16 C.F.R. 436.1.

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

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

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

(LL) "Alternate employer organization" and "alternate
employer organization agreement" have the same meanings as in

section 4133.01 of the Revised Code. 1979

(MM) "Casino gaming" has the same meaning as in section 1980
3772.01 of the Revised Code, "lottery sports gaming" has the 1981
same meaning as in section 3770.23 of the Revised Code, "sports 1982
gaming" has the same meaning as in section 3775.01 of the 1983
Revised Code, and "video lottery terminal" has the same meaning 1984
as in section 3770.21 of the Revised Code. 1985

Section 2. That existing section 5747.01 of the Revised 1986
Code is hereby repealed. 1987

Section 3. Section 1 of this act, except for sections 1988
4143.03 and 4143.13 of the Revised Code, takes effect twelve 1989
months after the effective date of this section. 1990

Section 4143.03 of the Revised Code, as enacted by this 1991
act, takes effect January 1, 2029. 1992

Section 4143.13 of the Revised Code, as enacted by this 1993
act, takes effect on the effective date of this section. 1994