

As Introduced

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

S. B. No. 462

Senator Timken

To amend section 5751.98 and to enact sections 1
3333.46 and 5751.55 of the Revised Code to enact 2
the Joining-Opportunities Business and Schools 3
(JOBS) Act to authorize and offer tax incentives 4
for qualified education partnerships between 5
institutions of higher education and private 6
employers. 7

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

Section 1. That section 5751.98 be amended and sections 8
3333.46 and 5751.55 of the Revised Code be enacted to read as 9
follows: 10

Sec. 3333.46. (A) As used in this section: 11

(1) "Institution of higher education" means an institution 12
of higher education as defined in section 3345.12 of the Revised 13
Code or a nonprofit institution holding a certificate of 14
authorization pursuant to Chapter 1713. of the Revised Code. 15

(2) "Private sector partner" means a private employer 16
within this state that chooses to participate in a qualified 17
education partnership under this section. 18

(B) (1) The chancellor of higher education, in conjunction 19
with the director of development, shall establish the qualified 20

education partnership program. Under the program, an institution 21
of higher education may enter into an agreement with a private 22
sector partner to support the development of a degree or 23
certificate program that directly meets local workforce needs. 24

(2) A qualified education partnership established under 25
this section shall meet all of the following conditions: 26

(a) The private sector partner shall significantly 27
contribute to the curriculum of the degree or certificate 28
program to ensure alignment with current industry standards. 29

(b) The private sector partner shall contribute 30
significant resources to the degree or certificate program, 31
which may include proprietary software, specialized equipment, 32
or subject matter experts to assist in the delivery of the 33
educational content. 34

(c) The degree or certificate program shall lead to a 35
recognized post-secondary degree or a credential that is 36
valuable in the broader labor market, portable, and credit- 37
worthy. 38

(d) The institution of higher education shall maintain 39
academic control and deliver instruction in accordance with 40
state and federal laws and applicable accreditation standards. 41

(3) Each institution of higher education that enters into 42
a qualified education partnership shall notify the chancellor 43
upon entering into the agreement. The chancellor shall certify 44
the qualified education partnership to the department of 45
taxation for the purposes of section 5751.55 of the Revised 46
Code. 47

(C) Each participating institution of higher education 48
shall annually publish on its publicly accessible web site the 49

completion rates and job placement rates of the qualified 50
education partnership. 51

(D) All marketing materials, web sites, and enrollment 52
agreements for a qualified education partnership established 53
under this section shall include a concise and clear description 54
of the partnership and shall include information on the types of 55
careers for which the partnership's degree or certificate 56
program is designed to prepare students. 57

(E) Any revenue sharing agreements established under this 58
section between the institution of higher education and a 59
private sector partner shall be in accordance with United States 60
department of education regulations and guidance regarding 61
bundled services and incentive compensation. 62

(F) The chancellor of higher education, in conjunction 63
with the director of development, may adopt rules necessary to 64
administer this section. 65

Sec. 5751.55. (A) Terms used in this section have the same 66
meanings as in section 3333.46 of the Revised Code. As used in 67
this section: 68

(1) "Qualified education partnership" means a degree or 69
certificate program developed pursuant to an agreement between a 70
private sector partner and an institution of higher education, 71
as those terms are defined in section 3333.46 of the Revised 72
Code, and certified by the chancellor of higher education under 73
division (B) (3) of that section. 74

(2) "Qualifying expenses" means costs incurred by a 75
private sector partner in developing or significantly updating a 76
qualified education partnership, including those related to 77
research and development, equipment donation, and associated 78

staff costs. 79

(B) (1) A taxpayer that incurs qualifying expenses in 80
developing or significantly updating a qualified education 81
partnership that achieves a seventy per cent completion rate 82
within its first two years of beginning operation or following 83
the update may submit an application to the tax commissioner for 84
a development tax credit certificate. The application shall be 85
made on a form and in a manner that the commissioner shall 86
prescribe. The application shall state the amount of such 87
expenses, the completion rate for the qualified education 88
partnership, and any other information the commissioner may 89
require. 90

(2) The commissioner shall evaluate applications in the 91
order in which they are received and issue a determination. If 92
the commissioner denies an application, the determination shall 93
state the reason for the denial. If the commissioner approves an 94
application, the determination shall include a development tax 95
credit certificate listing the amount of credit that the 96
applicant may claim. 97

(3) The amount of a credit authorized by division (B) of 98
this section shall equal twenty per cent of qualified expenses 99
incurred, for a newly created qualified education partnership, 100
in the eighteen months preceding the last day of the subject 101
program's first year or, for a qualified education partnership 102
undergoing a significant update, in the eighteen months 103
preceding the last day of the subject program's first year after 104
such update. 105

(C) (1) A taxpayer that is the private sector partner of a 106
qualified education partnership that was awarded a tax credit 107
under division (B) of this section and that achieves a seventy 108

per cent job placement rate may submit an application to the tax commissioner for a hiring tax credit certificate. The application shall be made on a form and in a manner that the commissioner shall prescribe. The application shall state the job placement rate for the qualified education partnership and any other information the commissioner may require. 109
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(2) The commissioner shall evaluate applications in the order in which they are received and issue a determination. If the commissioner denies an application, the determination shall state the reason for the denial. If the commissioner approves an application, the determination shall include a hiring tax credit certificate listing the amount of credit that the applicant may claim. 115
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(3) Except as provided in division (D) of this section, the amount of a credit authorized by division (C) of this section shall equal one thousand dollars for each graduate hired and retained by the applicant, or placed in substantially similar employment in the same industry, for at least twelve consecutive months. 122
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(D) The combined amount of the credits awarded under divisions (B) and (C) of this section, with respect to a qualified education partnership, shall not exceed the applicant's total qualifying expenses that were the basis for computing the credit under division (B) of this section. 128
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(E) There is allowed nonrefundable credit against the tax levied by section 5751.02 of the Revised Code for a taxpayer issued a tax certificate under division (B) or (C) of this section, equal to the credit amount listed on that tax certificate. The credit may be claimed for the tax period in which the certificate is issued or for the preceding tax period. 133
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The credit shall be claimed in the order required by section 139
5751.98 of the Revised Code. Any credit amount in excess of the 140
taxpayer's tax liability, after allowing for any other credits 141
preceding the credit in that order, may be carried forward for 142
two years, but the amount of the excess credit claimed against 143
the tax for any tax period shall be deducted from the balance 144
carried forward to the next tax period. 145

Sec. 5751.98. (A) To provide a uniform procedure for 146
calculating the amount of tax due under this chapter, a taxpayer 147
shall claim any credits to which it is entitled in the following 148
order: 149

The nonrefundable jobs retention credit under division (B) 150
of section 5751.50 of the Revised Code; 151

The nonrefundable development credit under division (B) of 152
section 5751.55 of the Revised Code; 153

The nonrefundable hiring credit under division (C) of 154
section 5751.55 of the Revised Code; 155

The nonrefundable credit for qualified research expenses 156
under division (B) of section 5751.51 of the Revised Code; 157

The nonrefundable credit for a borrower's qualified 158
research and development loan payments under division (B) of 159
section 5751.52 of the Revised Code; 160

The nonrefundable credit for unused net operating losses 161
under section 5751.53 of the Revised Code; 162

The refundable motion picture and Broadway theatrical 163
production credit under section 5751.54 of the Revised Code; 164

The refundable jobs creation credit or job retention 165
credit under division (A) of section 5751.50 of the Revised 166

Code.	167
(B) For any credit except the refundable credits	168
enumerated in this section, the amount of the credit for a tax	169
period shall not exceed the tax due after allowing for any other	170
credit that precedes it in the order required under this	171
section. Any excess amount of a particular credit may be carried	172
forward if authorized under the section creating the credit.	173
Section 2. That existing section 5751.98 of the Revised	174
Code is hereby repealed.	175
Section 3. The amendment or enactment by this act of	176
sections 5751.55 and 5751.98 of the Revised Code applies to	177
qualifying expenses, as that term is defined in section 5751.55	178
of the Revised Code, incurred on and after January 1, 2027.	179
Section 4. This act shall be known as the Joining-	180
Opportunities Businesses and Schools (JOBS) Act.	181