

Am. S. B. No. 166
As Passed by the Senate

_____ moved to amend as follows:

In line 2 of the title, delete "5747.07" and insert "5747.98" 1

In line 4 of the title, delete "5747.073" and insert "5747.057" 2

In line 9, delete "5747.07" and insert "5747.98" 3

In line 10, delete "5747.073" and insert "5747.057" 4

After line 597, insert: 5

"Sec. 5747.057. (A) As used in this section: 6

(1) "Eligible employee" means an employee who is nineteen 7
years of age or younger and enrolled in a career-technical 8
education program approved under section 3317.161 of the Revised 9
Code. 10

(2) "Eligible compensation" means compensation paid on and 11
after the effective date of this section from which the employer 12
is required to deduct and withhold income tax under section 13
5747.06 of the Revised Code. 14

(B) A nonrefundable credit is allowed against a taxpayer's 15



aggregate tax liability under section 5747.02 of the Revised Code for a taxpayer that holds a tax credit certificate issued under this section. The credit equals the amount listed on the certificate and shall be claimed for the taxable year that includes the last day of the calendar year for which the certificate was issued. The credit shall be claimed in the order required under section 5747.98 of the Revised Code.

(C) An employer that is a taxpayer or a pass-through entity and that employs an eligible employee in fulfillment of a work-based learning experience, internship, or cooperative education program associated with the career-technical education program in which the eligible employee is enrolled may apply to the department of education for a tax credit certificate. The application shall be made on forms prescribed by the department, in consultation with the tax commissioner, on or after the first day of January and on or before the first day of February of each year. The application shall include all of the following information for the calendar year preceding the year in which the application is made:

(1) The amount of eligible compensation paid by the applicant to each of its eligible employees;

(2) The name, birth date, and social security number of each eligible employee employed by the applicant;

(3) The career-technical education program in which each eligible employee is enrolled;

(4) A description of each eligible employee's duties as part of the employee's work-based learning experience, internship, or cooperative education program;

(5) Any other information requested by the department.

(D) (1) After determining that the applicant satisfies the 45
conditions described in division (C) of this section, the 46
department of education shall issue, within sixty days after the 47
receipt of a complete application under that division, a tax 48
credit certificate to the applicant equal to the lesser of (a) 49
fifteen per cent of the eligible compensation paid by the 50
applicant to all eligible employees during the calendar year or 51
(b) five thousand dollars per eligible employee, in either case 52
subject to the limitations in division (D) (2) of this section. 53

(2) If the applicant pays eligible compensation to an 54
employee who ceases to qualify as an eligible employee during 55
the calendar year, only the eligible compensation paid to the 56
employee while the employee qualified as an eligible employee 57
may used to calculate the credit amount on a tax credit 58
certificate issued under this section. The department shall not 59
issue certificates in a total amount that would cause the tax 60
credits claimed in any fiscal biennium to exceed five million 61
dollars. 62

(3) Each tax credit certificate issued under this section 63
shall include a unique identification number and shall state the 64
amount of tax credit that may be claimed. A taxpayer claiming 65
the credit allowed under this section shall submit a copy of the 66
certificate with the taxpayer's return or report. 67

(E) If a tax credit certificate is issued to a pass- 68
through entity under this section, any taxpayer that is a direct 69
or indirect investor in the pass-through entity on the last day 70
of the entity's taxable year ending in the calendar year for 71
which the certificate was issued may claim the taxpayer's 72
distributive or proportionate share of the credit against the 73
taxpayer's aggregate tax liability under section 5747.02 of the 74

<u>Revised Code.</u> "	75
Delete lines 598 through 917	76
After line 917, insert:	77
"Sec. 5747.98. (A) To provide a uniform procedure for	78
calculating a taxpayer's aggregate tax liability under section	79
5747.02 of the Revised Code, a taxpayer shall claim any credits	80
to which the taxpayer is entitled in the following order:	81
Either the retirement income credit under division (B) of	82
section 5747.055 of the Revised Code or the lump sum retirement	83
income credits under divisions (C), (D), and (E) of that	84
section;	85
Either the senior citizen credit under division (F) of	86
section 5747.055 of the Revised Code or the lump sum	87
distribution credit under division (G) of that section;	88
The dependent care credit under section 5747.054 of the	89
Revised Code;	90
The credit for displaced workers who pay for job training	91
under section 5747.27 of the Revised Code;	92
The campaign contribution credit under section 5747.29 of	93
the Revised Code;	94
The twenty-dollar personal exemption credit under section	95
5747.022 of the Revised Code;	96
The joint filing credit under division (G) of section	97
5747.05 of the Revised Code;	98
The earned income credit under section 5747.71 of the	99
Revised Code;	100

The nonrefundable credit for education expenses under section 5747.72 of the Revised Code;	101 102
The nonrefundable credit for donations to scholarship granting organizations under section 5747.73 of the Revised Code;	103 104 105
The nonrefundable credit for tuition paid to a nonchartered nonpublic school under section 5747.75 of the Revised Code;	106 107 108
<u>The nonrefundable vocational job credit under section 5747.057 of the Revised Code;</u>	109 110
The credit for adoption of a minor child under section 5747.37 of the Revised Code;	111 112
The nonrefundable job retention credit under division (B) of section 5747.058 of the Revised Code;	113 114
The enterprise zone credit under section 5709.66 of the Revised Code;	115 116
The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	117 118
The small business investment credit under section 5747.81 of the Revised Code;	119 120
The nonrefundable lead abatement credit under section 5747.26 of the Revised Code;	121 122
The opportunity zone investment credit under section 122.84 of the Revised Code;	123 124
The enterprise zone credits under section 5709.65 of the Revised Code;	125 126

The research and development credit under section 5747.331 of the Revised Code;	127 128
The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	129 130
The nonresident credit under division (A) of section 5747.05 of the Revised Code;	131 132
The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	133 134
The refundable motion picture and Broadway theatrical production credit under section 5747.66 of the Revised Code;	135 136
The refundable jobs creation credit or job retention credit under division (A) of section 5747.058 of the Revised Code;	137 138 139
The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	140 141
The refundable credits for taxes paid by a qualifying pass-through entity granted under division (I) of section 5747.08 of the Revised Code;	142 143 144
The refundable credit under section 5747.80 of the Revised Code for losses on loans made to the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code;	145 146 147
The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code.	148 149
(B) For any credit, except the refundable credits enumerated in this section and the credit granted under division (H) of section 5747.08 of the Revised Code, the amount of the credit for a taxable year shall not exceed the taxpayer's	150 151 152 153

aggregate amount of tax due under section 5747.02 of the Revised Code, after allowing for any other credit that precedes it in the order required under this section. Any excess amount of a particular credit may be carried forward if authorized under the section creating that credit. Nothing in this chapter shall be construed to allow a taxpayer to claim, directly or indirectly, a credit more than once for a taxable year." In line 919, delete "5747.07" and insert "5747.98"

The motion was _____ agreed to.

SYNOPSIS

Tax credit for career-technical program employers

R.C. 5747.07 and 5747.073 (removed from the bill) and 5747.057 and 5747.98

Makes the following changes to the bill's tax credit program for employers of career-technical program participants:

-- Allows a nonrefundable income tax credit equal to 15% of the total wages paid to participants, whereas the current bill allows a credit equal to 15% of the income tax withheld from those wages.

-- Allows an employer to claim the credit directly against its own tax liability, whereas the current bill requires employers to claim a withholding tax credit (i.e., a credit against the taxes the employer withholds from a participant's wages).

-- Caps the tax credit allowed per participant at \$5,000	177
per year.	178
-- Caps the total credits that may be claimed by all	179
employers per biennium at \$5 million.	180
-- Requires employers to apply for a tax credit	181
certificate from the Department of Education before claiming the	182
credit.	183