

**As Introduced**

**131st General Assembly**

**Regular Session**

**2015-2016**

**S. B. No. 18**

**Senator Gentile**

**Cosponsors: Senators Brown, Cafaro, Sawyer, Schiavoni, Skindell, Tavares,  
Thomas, Williams, Yuko**

---

**A BILL**

To amend section 5747.98 and to enact section  
5747.78 of the Revised Code to authorize a  
refundable income tax credit for employers that  
hire one or more qualified veterans or members  
of the National Guard or reserves.

1  
2  
3  
4  
5

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

**Section 1.** That section 5747.98 be amended and section  
5747.78 of the Revised Code be enacted to read as follows:

6  
7

**Sec. 5747.78.** (A) As used in this section:

8

(1) "Qualified wages" has the same meaning as in section  
51 of the Internal Revenue Code, except that "qualified wages"  
also includes wages paid or incurred by an employer during the  
taxable year to members of the national guard or other reserve  
components of the armed forces of the United States.

9  
10  
11  
12  
13

(2) "Qualified veteran" has the same meaning as in section  
51 of the Internal Revenue Code.

14  
15

(B) There is hereby allowed a refundable credit against  
the tax imposed by section 5747.02 of the Revised Code for an

16  
17

employer that employs one or more qualified veterans or members 18  
of the national guard or other reserve components of the armed 19  
forces of the United States during the taxable year. The credit 20  
shall equal the sum of the following amounts: 21

(1) The amount of the credit allowed on the taxpayer's 22  
federal income tax return under section 51 of the Internal 23  
Revenue Code for the taxable year that is attributable to the 24  
employment of one or more qualified veterans; 25

(2) Forty per cent of the qualified first-year wages paid 26  
to one or more members of the national guard or other reserve 27  
components of the armed forces of the United States during the 28  
taxable year, provided that the amount of qualified first-year 29  
wages which may be taken into account with respect to any 30  
individual per taxable year shall not exceed six thousand 31  
dollars. 32

The credit shall be claimed in the order required under 33  
section 5747.98 of the Revised Code. If the credit amount 34  
exceeds the tax otherwise due under section 5747.02 of the 35  
Revised Code after deducting all other credits preceding the 36  
credit in the order prescribed by that section, the excess shall 37  
be refunded to the taxpayer. 38

**Sec. 5747.98.** (A) To provide a uniform procedure for 39  
calculating the amount of tax due under section 5747.02 of the 40  
Revised Code, a taxpayer shall claim any credits to which the 41  
taxpayer is entitled in the following order: 42

(1) The retirement income credit under division (B) of 43  
section 5747.055 of the Revised Code; 44

(2) The senior citizen credit under division (C) of 45  
section 5747.05 of the Revised Code; 46

(3) The lump sum distribution credit under division (D) of section 5747.05 of the Revised Code;	47 48
(4) The dependent care credit under section 5747.054 of the Revised Code;	49 50
(5) The lump sum retirement income credit under division (C) of section 5747.055 of the Revised Code;	51 52
(6) The lump sum retirement income credit under division (D) of section 5747.055 of the Revised Code;	53 54
(7) The lump sum retirement income credit under division (E) of section 5747.055 of the Revised Code;	55 56
(8) The low-income credit under section 5747.056 of the Revised Code;	57 58
(9) The credit for displaced workers who pay for job training under section 5747.27 of the Revised Code;	59 60
(10) The campaign contribution credit under section 5747.29 of the Revised Code;	61 62
(11) The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;	63 64
(12) The joint filing credit under division (G) of section 5747.05 of the Revised Code;	65 66
(13) The nonresident credit under division (A) of section 5747.05 of the Revised Code;	67 68
(14) The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	69 70
(15) The earned income credit under section 5747.71 of the Revised Code;	71 72

(16) The credit for employers that reimburse employee child care expenses under section 5747.36 of the Revised Code;	73 74
(17) The credit for purchases of lights and reflectors under section 5747.38 of the Revised Code;	75 76
(18) The nonrefundable job retention credit under division (B) of section 5747.058 of the Revised Code;	77 78
(19) The credit for selling alternative fuel under section 5747.77 of the Revised Code;	79 80
(20) The second credit for purchases of new manufacturing machinery and equipment and the credit for using Ohio coal under section 5747.31 of the Revised Code;	81 82 83
(21) The job training credit under section 5747.39 of the Revised Code;	84 85
(22) The enterprise zone credit under section 5709.66 of the Revised Code;	86 87
(23) The credit for the eligible costs associated with a voluntary action under section 5747.32 of the Revised Code;	88 89
(24) The credit for adoption of a minor child under section 5747.37 of the Revised Code;	90 91
(25) The credit for employers that establish on-site child day-care centers under section 5747.35 of the Revised Code;	92 93
(26) The ethanol plant investment credit under section 5747.75 of the Revised Code;	94 95
(27) The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	96 97
(28) The small business investment credit under section 5747.81 of the Revised Code;	98 99

(29) The enterprise zone credits under section 5709.65 of the Revised Code;	100 101
(30) The research and development credit under section 5747.331 of the Revised Code;	102 103
(31) The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	104 105
(32) The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	106 107
(33) The refundable jobs creation credit or job retention credit under division (A) of section 5747.058 of the Revised Code;	108 109 110
(34) The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	111 112
(35) The refundable credits for taxes paid by a qualifying pass-through entity granted under division (I) of section 5747.08 of the Revised Code;	113 114 115
(36) 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;	116 117 118 119
(37) The refundable motion picture production credit under section 5747.66 of the Revised Code;	120 121
(38) The refundable credit for financial institution taxes paid by a pass-through entity granted under section 5747.65 of the Revised Code;	122 123 124
<u>(39) The refundable credit for hiring a qualified veteran or member of the national guard or other reserve component of</u>	125 126

<u>the armed forces of the United States.</u>	127
(B) For any credit, except the refundable credits	128
enumerated in this section and the credit granted under division	129
(H) of section 5747.08 of the Revised Code, the amount of the	130
credit for a taxable year shall not exceed the tax due after	131
allowing for any other credit that precedes it in the order	132
required under this section. Any excess amount of a particular	133
credit may be carried forward if authorized under the section	134
creating that credit. Nothing in this chapter shall be construed	135
to allow a taxpayer to claim, directly or indirectly, a credit	136
more than once for a taxable year.	137
<b>Section 2.</b> That existing section 5747.98 of the Revised	138
Code is hereby repealed.	139
<b>Section 3.</b> The amendment by this act of section 5747.98	140
and the enactment of section 5747.78 of the Revised Code applies	141
to taxable years beginning on or after January 1, 2015.	142