

As Introduced

131st General Assembly

Regular Session

2015-2016

S. B. No. 40

Senator Beagle

Cosponsors: Senators Schiavoni, Eklund, Patton

A BILL

To amend sections 5725.98, 5726.98, 5729.98, and 1
5747.98 and to enact sections 122.155, 122.156, 2
122.157, 122.158, 122.159, 5725.191, 5726.58, 3
5727.242, 5727.43, 5727.812, 5729.081, and 4
5747.052 of the Revised Code to authorize tax 5
credits for contributions of money to economic 6
and infrastructure development projects 7
undertaken by local governments and nonprofit 8
corporations. 9

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

Section 1. That sections 5725.98, 5726.98, 5729.98, and 10
5747.98 be amended and sections 122.155, 122.156, 122.157, 11
122.158, 122.159, 5725.191, 5726.58, 5727.242, 5727.43, 12
5727.812, 5729.081, and 5747.052 of the Revised Code be enacted 13
to read as follows: 14

Sec. 122.155. As used in sections 122.155 to 122.159 of 15
the Revised Code: 16

(A) "Approval date" means the date on which the 17
development services agency issues notice of approval to a 18

community development organization and a contributor for a 19
catalytic project contribution proposal submitted under section 20
122.156 of the Revised Code. 21

(B) "Catalytic project" means an economic development 22
project or activity undertaken by a community development 23
organization that the community economic development 24
organization predicts will induce sustainable private investment 25
in one or more local units of government. "Catalytic project" 26
includes construction of buildings, infrastructure improvements, 27
central business district redevelopment, land reutilization, 28
production of housing, and microenterprise development. 29
"Catalytic project" does not include any project or activity in 30
which a director, officer, public official, or employee of the 31
community development organization has a financial or personal 32
interest. 33

(C) "Catalytic project contribution" means a transfer of 34
money by a contributor to a community development organization 35
for the purpose of funding a catalytic project with no 36
expectation of repayment or other compensation. Taxes, fees, 37
dues, campaign contributions, and payments made for lobbying 38
purposes do not qualify as catalytic project contributions. 39

(D) "Catalytic project contribution proposal" means a 40
written document submitted by a community development 41
organization under section 122.156 of the Revised Code proposing 42
a catalytic project. 43

(E) "Community development organization" means an entity 44
that meets any of the following sets of criteria on the approval 45
date: 46

(1) The entity is a local unit of government or an 47

economic development corporation designated by such an entity 48
under section 1724.10 of the Revised Code, undertaking or 49
planning to undertake a catalytic project. If a local unit of 50
government is in fiscal emergency as determined by the auditor 51
of state under section 118.04 of the Revised Code, it or any 52
economic development corporation designated by it does not 53
qualify as a community development organization. 54

(2) The entity is a private corporation established as a 55
nonprofit corporation under the laws of this state that is 56
exempt from federal income taxation under section 501(c)(3) of 57
the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C. 58
501(c)(3), the primary purpose of which is to administer a 59
catalytic project. After January 1, 2017, no private corporation 60
shall qualify as a community development organization unless the 61
corporation is first certified by the development services 62
agency under section 122.159 of the Revised Code. 63

(F) "Contributor" means an individual, a corporation for 64
profit, or a pass-through entity as defined in section 5733.04 65
of the Revised Code. 66

(G) "Microenterprise development" means providing funds to 67
assist the development of local for-profit businesses with fewer 68
than five employees, at least one of whom owns the entire 69
business. 70

(H) "Money" means United States currency, or a check, 71
draft, or cashier's check for United States currency, payable on 72
demand and drawn on a financial institution. 73

(I) "Rural catalytic project" means a catalytic project in 74
which more than fifty per cent of the total expenditures for the 75
entire project are utilized to benefit one or more counties each 76

of which has a population of less than one hundred twenty-five 77
thousand according to the most recent decennial census. 78

(J) "Urban catalytic project" means any catalytic project 79
that is not a rural catalytic project. 80

Sec. 122.156. (A) (1) A community development organization 81
may apply for a tax credit certificate under this section on 82
behalf of a contributor that proposes to make a catalytic 83
project contribution of at least five thousand dollars by 84
submitting a catalytic project contribution proposal to the 85
development services agency. The proposal shall include the 86
following: 87

(a) The name, address, and telephone number of each 88
contributor and a statement signed by the contributor or an 89
officer, agent, or other person legally authorized to bind the 90
contributor indicating the amount of the proposed catalytic 91
project contribution; 92

(b) The name, address, and telephone number of the 93
community development organization undertaking the catalytic 94
project; 95

(c) A catalytic project plan describing the purpose of and 96
the procedure for implementing the catalytic project. The plan 97
shall include a description of the catalytic project, an 98
estimate of the total cost of the project, a list of the local 99
units of government that will benefit from the project, 100
designation of the project as either a rural catalytic project 101
or an urban catalytic project, and the predicted economic impact 102
of the catalytic project on each benefiting local unit of 103
government. 104

(2) The agency shall make one of the following 105

determinations within thirty days after receiving the proposal: 106

(a) Approve the entire proposed contribution; 107

(b) Approve a contribution of less than the proposed 108
contribution but not less than five thousand dollars; 109

(c) Disapprove the entire proposed contribution. 110

(3) The agency's determination shall be based on the 111
potential of the catalytic project to induce further sustainable 112
private investment in the benefiting local units of government, 113
the need for economic development in the benefiting local units 114
of government, and any other factor prescribed by the agency. 115

(4) The agency's determination is final and may not be 116
appealed for any reason. A community development organization 117
may submit a new or amended catalytic project contribution 118
proposal at any time after receiving notice under division (B) 119
of this section, and may submit multiple proposals. 120

(B) The development services agency shall send written 121
notice of its determination under division (A) of this section 122
to the community development organization that submitted the 123
catalytic project contribution proposal and each contributor 124
proposing the catalytic project contribution. A contributor may 125
make an approved catalytic project contribution at any time on 126
or after the approval date. 127

(1) If the agency approves the entire proposed catalytic 128
project contribution, the notice shall include confirmation of 129
the amount of the approved contribution, an estimate of the 130
amount of the tax credit, and instructions for submitting 131
application fees due under division (D) of this section. 132

(2) If the agency approves a contribution less than the 133

proposed contribution, the notice shall include the amount of 134
the approved contribution, the reason the approved contribution 135
is less than the proposed contribution, an estimate of the 136
amount of the tax credit, and instructions for submitting 137
application fees due under division (D) of this section. 138

(3) If the agency disapproves the entire proposed 139
contribution, the notice shall include the reasons the proposed 140
contribution was not approved and may incorporate suggestions 141
for changes to the catalytic project contribution proposal. 142

(C) The estimate of the tax credit amount required in 143
divisions (B) (1) and (2) of this section shall be calculated as 144
follows: 145

(1) If the catalytic project contribution proposal 146
indicates that the catalytic project contribution will fund a 147
rural catalytic project, the estimate shall equal sixty per cent 148
of the approved catalytic project contribution. 149

(2) If the catalytic project contribution proposal 150
indicates that the catalytic project contribution will fund an 151
urban catalytic project, the estimate shall equal fifty per cent 152
of the approved catalytic project contribution. 153

(D) (1) The development services agency shall require 154
payment of an application fee not to exceed ten per cent of the 155
amount of the tax credit estimate calculated under division (C) 156
of this section for each approved catalytic project contribution 157
proposal. The application fee may be paid by the community 158
development organization, the contributor, or any other person. 159
No portion of a catalytic project contribution may be utilized 160
to pay an application fee under this section. Payment of the 161
application fee shall not be the basis of a tax credit granted 162

under any other section of the Revised Code. If the application 163
fee is not paid on or before the thirtieth day following the 164
approval date, approval of the catalytic project contribution 165
proposal shall be revoked. The agency shall not be required to 166
send notice of revocation except under the circumstance 167
described in division (D)(2) of this section. 168

(2) If the agency receives an application fee more than 169
thirty days after the approval date, the agency shall return the 170
application fee and notify the community development 171
organization and the contributor that approval has been revoked. 172

(3) The agency shall not issue a tax credit certificate 173
under section 122.157 of the Revised Code before receiving full 174
payment of the application fee due under this section. An 175
application fee received by the agency shall not be refunded 176
except under the circumstance described in division (D)(2) of 177
this section. 178

(4) All money collected from the fee required by this 179
section shall be credited to the catalytic project tax credit 180
administration fund, which is hereby created in the state 181
treasury. Money in the fund shall be used to pay the agency's 182
costs of administering sections 122.155 to 122.159 of the 183
Revised Code. 184

(E) The development services agency shall not approve a 185
catalytic project contribution of less than five thousand 186
dollars. The amount of a catalytic project contribution for 187
which a tax credit may be allowed shall not exceed five hundred 188
thousand dollars. The sum of all tax credit estimates issued 189
under division (B) of this section for contributions to any 190
single catalytic project shall not exceed five hundred thousand 191
dollars. The development services agency shall not approve any 192

catalytic project contribution before the first day of January 193
of the calendar year immediately following the effective date of 194
...B... of the 130th general assembly or after the thirty-first 195
day of December of the fifth calendar year following such 196
effective date. 197

The sum of all tax credit estimates issued in a calendar 198
year under division (B) of this section shall not exceed the sum 199
of five million dollars plus the residual credit amount for the 200
preceding calendar year calculated under division (E) of section 201
122.157 of the Revised Code. The sum of all tax credit estimates 202
issued before the first day of July in any calendar year under 203
division (B) of this section for contributions funding urban 204
catalytic projects shall not exceed the sum of three million 205
five hundred thousand dollars plus seventy per cent of the 206
residual credit amount for the preceding calendar year 207
calculated under division (E) of section 122.157 of the Revised 208
Code. 209

Sec. 122.157. (A) (1) The development services agency shall 210
not issue a tax credit certificate under this section unless, 211
within two years after the approval date, the agency receives a 212
written project completion report prepared by the community 213
development organization that received a catalytic project 214
contribution approved under section 122.156 of the Revised Code. 215
The report shall certify all of the following: 216

(a) That the catalytic project is fully completed; 217

(b) The total amount expended by the community development 218
organization on the catalytic project; 219

(c) The sum of all catalytic project contributions 220
received by the community development organization to fund the 221

<u>catalytic project;</u>	222
<u>(d) A comprehensive list of any differences between the</u>	223
<u>completed catalytic project and the catalytic project plan</u>	224
<u>submitted with the catalytic project contribution proposal;</u>	225
<u>(e) A monetary estimate of how the differences described</u>	226
<u>in division (A) (1) (d) of this section affect the economic impact</u>	227
<u>of the catalytic project projected in the catalytic project</u>	228
<u>contribution proposal.</u>	229
<u>(2) After the agency receives a project completion report</u>	230
<u>that meets the requirements of division (A) (1) of this section,</u>	231
<u>the agency shall issue a tax credit certificate to the</u>	232
<u>contributor that made the approved catalytic project</u>	233
<u>contribution. The tax credit certificate shall indicate that the</u>	234
<u>contributor is allowed a tax credit equal to an amount</u>	235
<u>calculated as follows:</u>	236
<u>(a) If the project completion report indicates that the</u>	237
<u>contribution funded a rural catalytic project, the tax credit</u>	238
<u>equals sixty per cent of the adjusted catalytic project</u>	239
<u>contribution determined under division (B) of this section.</u>	240
<u>(b) If the project completion report indicates that the</u>	241
<u>contribution funded an urban catalytic project the tax credit</u>	242
<u>equals fifty per cent of the adjusted catalytic project</u>	243
<u>contribution determined under division (B) of this section.</u>	244
<u>(B) The adjusted catalytic project contribution equals the</u>	245
<u>catalytic project contribution approved by the development</u>	246
<u>services agency, adjusted by the agency as follows:</u>	247
<u>(1) Subtract any amount reimbursed to the contributor by</u>	248
<u>the community development organization;</u>	249

(2) Subtract the value of any nonmonetary compensation 250
provided to the contributor by the community development 251
organization; 252

(3) If the total expenditures of the community development 253
organization on the catalytic project were less than the sum of 254
all catalytic project contributions approved by the development 255
services agency and received by the organization to fund the 256
catalytic project, determine the difference and subtract an 257
amount equal to the difference multiplied by a fraction, the 258
numerator of which is the contributor's approved catalytic 259
project contribution and the denominator of which is the sum of 260
all approved catalytic project contributions received by the 261
community development organization to fund the catalytic 262
project; 263

(4) If the project completion report indicates there are 264
differences between the completed catalytic project and the 265
catalytic project plan that result in a reduction in the 266
predicted economic impact, subtract an amount commensurate with 267
such reduction as determined by the agency. 268

(C) A contributor that is issued a tax credit certificate 269
under this section may claim one of the nonrefundable tax 270
credits authorized under section 5725.191, 5726.58, 5727.242, 271
5727.43, 5727.812, 5729.081, or 5747.052 of the Revised Code. A 272
tax credit certificate issued to a contributor under this 273
section may not be transferred by that contributor to any other 274
person. 275

(D) The director of development services shall develop the 276
form of the tax credit certificate and shall report to the tax 277
commissioner any information requested by the commissioner 278
concerning tax credit certificates issued under this section. A 279

contributor shall present the certificate to the tax 280
commissioner upon the commissioner's request. 281

(E) Annually, before the seventh day of January, the 282
development services agency shall calculate the residual credit 283
amount for the preceding calendar year. The residual credit 284
amount equals the sum of the following: 285

(1) All tax credit estimates for which approval is revoked 286
for failure to timely pay the application fee required under 287
division (D) (1) of section 122.156 of the Revised Code; 288

(2) All tax credit estimates for which more than two years 289
has passed since the approval date and no project completion 290
report has been submitted to the development services agency 291
under section 122.157 of the Revised Code; 292

(3) The difference between the amount issued in tax credit 293
certificates under this section and the corresponding tax credit 294
estimates. 295

(F) Annually, before the seventh day of January, the 296
development services agency shall conduct a cost-benefit 297
analysis of each catalytic project to which a catalytic project 298
contribution approved by the agency was made and of the tax 299
credit as a whole considering all catalytic project contribution 300
proposals approved under section 122.156 of the Revised Code. 301
The agency shall provide copies of the cost-benefit analysis to 302
the governor, the speaker and minority leader of the house of 303
representatives, and the president and minority leader of the 304
senate. Copies of the cost-benefit analysis shall be made 305
available to contributors, community development organizations, 306
and other members of the public upon request. 307

Sec. 122.158. If the development services agency receives 308

information alleging that a community development organization 309
or a contributor that was issued a tax credit certificate under 310
section 122.157 of the Revised Code presented or contributed to 311
the presentation of false information to the agency in 312
connection with obtaining the certificate, the agency shall send 313
written notice to the community development organization or the 314
contributor that if the allegation is found to be true the 315
community development organization or the contributor may be 316
penalized as provided in this section. After giving the 317
community development organization or the contributor an 318
opportunity to be heard on the allegation, the agency shall 319
determine if the community development organization or the 320
contributor presented or contributed to the presentation of 321
false information in connection with obtaining a tax credit 322
certificate. 323

If the agency determines a contributor submitted or 324
contributed to the submission of false information, it may 325
revoke any remaining tax credit available to the contributor. 326
The agency shall send written notice of the revocation to the 327
contributor and the tax commissioner. The tax commissioner may 328
make an assessment against the contributor to recapture any 329
amount of tax credit that the contributor already has claimed. 330
The time limitations on assessments under the laws of the 331
particular tax against which the contributor claimed the credit 332
do not apply to an assessment under this section. 333

If the agency determines a community development 334
organization submitted or contributed to the submission of false 335
information, the agency shall not approve any catalytic project 336
contribution proposal submitted by the community development 337
organization following the date of the agency's determination. 338

Sec. 122.159. (A) A nonprofit corporation seeking 339
certification as a community development organization may apply 340
to the development services agency in the form and manner 341
prescribed by the agency. The application shall include a 342
description of the catalytic project being administered or 343
proposed, the local units of government that will benefit from 344
the project, the estimated economic impact of the project on the 345
benefiting local units of government, the estimated date of 346
completion of the project, and any other information required by 347
the agency. 348

(B) The development services agency shall determine 349
whether to certify the nonprofit corporation as a community 350
development organization and notify the corporation of the 351
agency's determination within thirty days after receiving an 352
application under division (A) of this section. If the agency 353
determines that an applicant does not qualify as a community 354
development organization, the notice shall include the reasons 355
for such determination. 356

(C) Certification under this section remains valid for two 357
years after the date the notice of the determination is issued. 358
A certified community development organization may apply to the 359
development services agency to renew certification for one 360
additional two-year period by submitting a new application under 361
division (A) of this section at least thirty days before the 362
first certification expires. 363

(D) The development services agency shall maintain a list 364
of the nonprofit corporations that have been certified as 365
community development organizations. The agency shall furnish 366
copies of the list to members of the public upon request. 367

(E) The development services agency does not assume any 368

responsibility for the accuracy or truthfulness of information 369
furnished by a community development organization or its agents. 370
A contributor proposing to make a catalytic project contribution 371
to such an organization is solely responsible for due diligence 372
in verifying information submitted by the organization. The 373
agency is not liable for any action resulting from its provision 374
of such information to contributors in accordance with sections 375
122.155 to 122.159 of the Revised Code. 376

Sec. 5725.191. Upon the issuance of a tax credit 377
certificate by the development services agency under section 378
122.157 of the Revised Code, a nonrefundable credit may be 379
claimed against the tax imposed on a domestic insurance company 380
under section 5725.18 of the Revised Code. The credit shall be 381
claimed for the calendar year in which the certificate was 382
issued by the agency and in the order required under section 383
5725.98 of the Revised Code. 384

If the credit exceeds the tax otherwise due under section 385
5725.18 of the Revised Code, the excess shall be allowed as a 386
credit in each of the ensuing five years, but the amount of any 387
excess credit allowed in an ensuing year shall be deducted from 388
the balance carried forward to the next year. 389

Sec. 5725.98. (A) To provide a uniform procedure for 390
calculating the amount of tax imposed by section 5725.18 of the 391
Revised Code that is due under this chapter, a taxpayer shall 392
claim any credits and offsets against tax liability to which it 393
is entitled in the following order: 394

(1) The credit for an insurance company or insurance 395
company group under section 5729.031 of the Revised Code; 396

(2) The credit for eligible employee training costs under 397

section 5725.31 of the Revised Code;	398
(3) The credit for purchasers of qualified low-income community investments under section 5725.33 of the Revised Code;	399 400
(4) The nonrefundable job retention credit under division (B) (1) of section 122.171 of the Revised Code;	401 402
(5) <u>The credit for contributions to catalytic projects under section 5725.191 of the Revised Code;</u>	403 404
<u>(6)</u> The offset of assessments by the Ohio life and health insurance guaranty association permitted by section 3956.20 of the Revised Code;	405 406 407
(6) <u>(7)</u> The refundable credit for rehabilitating a historic building under section 5725.34 of the Revised Code.	408 409
(7) <u>(8)</u> The refundable credit for Ohio job retention under division (B) (2) or (3) of section 122.171 of the Revised Code;	410 411
(8) <u>(9)</u> The refundable credit for Ohio job creation under section 5725.32 of the Revised Code;	412 413
(9) <u>(10)</u> The refundable credit under section 5725.19 of the Revised Code for losses on loans made under the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code.	414 415 416 417
(B) For any credit except the refundable credits enumerated in this section, the amount of the credit for a taxable year shall not exceed the tax due 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	418 419 420 421 422 423 424 425

taxable year. 426

Sec. 5726.58. Upon the issuance of a tax credit 427
certificate by the development services agency under section 428
122.157 of the Revised Code, a nonrefundable tax credit may be 429
claimed against the tax imposed by section 5726.02 of the 430
Revised Code. The credit shall be claimed for the taxable year 431
in which the certificate is issued by the agency and in the 432
order required under section 5726.98 of the Revised Code. If the 433
credit exceeds the tax otherwise due under section 5726.02 of 434
the Revised Code after deducting all other credits in that 435
order, the excess shall be allowed as a credit in each of the 436
ensuing five tax years, but the amount of any excess credit 437
allowed in an ensuing tax year shall be deducted from the 438
balance carried forward to the next tax year. 439

Sec. 5726.98. (A) To provide a uniform procedure for 440
calculating the amount of tax due under section 5726.02 of the 441
Revised Code, a taxpayer shall claim any credits to which the 442
taxpayer is entitled under this chapter in the following order: 443

(1) The bank organization assessment credit under section 444
5726.51 of the Revised Code; 445

(2) The nonrefundable job retention credit under division 446
(B) of section 5726.50 of the Revised Code; 447

(3) The nonrefundable credit for purchases of qualified 448
low-income community investments under section 5726.54 of the 449
Revised Code; 450

(4) The credit for contributions to catalytic projects 451
under section 5726.58 of the Revised Code; 452

(5) The nonrefundable credit for qualified research 453
expenses under section 5726.56 of the Revised Code; 454

~~(5)~~(6) The nonrefundable credit for qualifying dealer in intangibles taxes under section 5726.57 of the Revised Code;
~~(6)~~(7) The refundable credit for rehabilitating an historic building under section 5726.52 of the Revised Code;
~~(7)~~(8) The refundable job retention or job creation credit under division (A) of section 5726.50 of the Revised Code;
~~(8)~~(9) The refundable credit under section 5726.53 of the Revised Code for losses on loans made under the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code;
~~(9)~~(10) The refundable motion picture production credit under section 5726.55 of the Revised Code.

(B) For any credit except the refundable credits enumerated in this section, the amount of the credit for a taxable year shall not exceed the tax due 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.

Sec. 5727.242. Upon the issuance of a tax credit certificate by the development services agency under section 122.157 of the Revised Code, a nonrefundable tax credit may be claimed against the tax imposed on a taxpayer under section 5727.24 of the Revised Code. The credit shall be claimed on a return due under section 5727.25 of the Revised Code after the certificate is issued by the agency.

If the credit exceeds the tax otherwise due under section 5727.24 of the Revised Code, the excess shall be allowed as a credit against the tax due for each return period in the ensuing five years, but the amount of any excess credit allowed for an ensuing return period shall be deducted from the balance carried forward to the next return period. 484
485
486
487
488
489

Sec. 5727.43. Upon the issuance of a tax credit certificate by the development services agency under section 122.157 of the Revised Code, a nonrefundable tax credit may be claimed against the tax imposed by section 5727.30 of the Revised Code. The credit shall be claimed in the calendar year following the year in which the certificate is issued by the agency. 490
491
492
493
494
495
496

If the credit exceeds the tax otherwise due under section 5727.30 of the Revised Code, the excess shall be allowed as a credit in each of the ensuing five years, but the amount of any excess credit allowed in an ensuing year shall be deducted from the balance carried forward to the next year. 497
498
499
500
501

Sec. 5727.812. Upon the issuance of a tax credit certificate by the development services agency under section 122.157 of the Revised Code, a nonrefundable tax credit may be claimed against the tax imposed under section 5727.81 or 5727.811 of the Revised Code. The credit shall be claimed in the calendar year following the year in which the certificate is issued by the agency. 502
503
504
505
506
507
508

If the credit exceeds the tax otherwise due under section 5727.81 or 5727.811 of the Revised Code, the excess shall be allowed as a credit against the tax due for each monthly or quarterly return period in the ensuing five years, but the amount of any excess credit allowed for an ensuing return period 509
510
511
512
513

shall be deducted from the balance carried forward to the next 514
return period. 515

Sec. 5729.081. Upon the issuance of a tax credit 516
certificate by the development services agency under section 517
122.157 of the Revised Code, a nonrefundable tax credit may be 518
claimed against the tax imposed on a foreign insurance company 519
under section 5729.03 of the Revised Code. The credit shall be 520
claimed against the tax due for the calendar year in which the 521
certificate is issued by the agency. 522

If the credit exceeds the tax otherwise due under section 523
5729.03 of the Revised Code, the excess shall be allowed as a 524
credit in each of the ensuing five years, but the amount of any 525
excess credit allowed in an ensuing year shall be deducted from 526
the balance carried forward to the next year. 527

Sec. 5729.98. (A) To provide a uniform procedure for 528
calculating the amount of tax due under this chapter, a taxpayer 529
shall claim any credits and offsets against tax liability to 530
which it is entitled in the following order: 531

(1) The credit for an insurance company or insurance 532
company group under section 5729.031 of the Revised Code; 533

(2) The credit for eligible employee training costs under 534
section 5729.07 of the Revised Code; 535

(3) The credit for purchases of qualified low-income 536
community investments under section 5729.16 of the Revised Code; 537

(4) The nonrefundable job retention credit under division 538
(B) (1) of section 122.171 of the Revised Code; 539

(5) The nonrefundable credit for contributions to 540
catalytic projects under section 5729.081 of the Revised Code; 541

(6) The offset of assessments by the Ohio life and health insurance guaranty association against tax liability permitted by section 3956.20 of the Revised Code;

~~(6)~~ (7) The refundable credit for rehabilitating a historic building under section 5729.17 of the Revised Code.

~~(7)~~ (8) The refundable credit for Ohio job retention under division (B) (2) or (3) of section 122.171 of the Revised Code;

~~(8)~~ (9) The refundable credit for Ohio job creation under section 5729.032 of the Revised Code;

~~(9)~~ (10) The refundable credit under section 5729.08 of the Revised Code for losses on loans made under the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code.

(B) For any credit except the refundable credits enumerated in this section, the amount of the credit for a taxable year shall not exceed the tax due 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.

Sec. 5747.052. There is hereby allowed a nonrefundable credit against the tax imposed by section 5747.02 of the Revised Code for a taxpayer that is the certificate owner of a tax credit certificate issued under section 122.157 of the Revised Code. The amount of the credit shall equal the amount stated on the certificate. The credit shall be claimed for the taxable year in which the certificate was issued and in the order

required under section 5747.98 of the Revised Code. If the 571
certificate was issued to a pass-through entity, a taxpayer that 572
holds a direct or indirect equity interest in the pass-through 573
entity on the last day of the entity's taxable year that 574
includes the date the certificate was issued may claim the 575
taxpayer's distributive or proportionate share of the credit for 576
the taxpayer's taxable year that includes the last day of the 577
entity's taxable year. 578

If the amount of the credit under this section exceeds the 579
amount of tax otherwise due under section 5747.02 of the Revised 580
Code after deduction of all other credits in that order, the 581
excess shall be allowed as a credit in each of the ensuing five 582
taxable years, but the amount of any excess credit allowed in an 583
ensuing year shall be deducted from the balance carried forward 584
to the next year. 585

Sec. 5747.98. (A) To provide a uniform procedure for 586
calculating the amount of tax due under section 5747.02 of the 587
Revised Code, a taxpayer shall claim any credits to which the 588
taxpayer is entitled in the following order: 589

(1) The retirement income credit under division (B) of 590
section 5747.055 of the Revised Code; 591

(2) The senior citizen credit under division (C) of 592
section 5747.05 of the Revised Code; 593

(3) The lump sum distribution credit under division (D) of 594
section 5747.05 of the Revised Code; 595

(4) The dependent care credit under section 5747.054 of 596
the Revised Code; 597

(5) The lump sum retirement income credit under division 598
(C) of section 5747.055 of the Revised Code; 599

(6) The lump sum retirement income credit under division (D) of section 5747.055 of the Revised Code;	600 601
(7) The lump sum retirement income credit under division (E) of section 5747.055 of the Revised Code;	602 603
(8) The low-income credit under section 5747.056 of the Revised Code;	604 605
(9) The credit for displaced workers who pay for job training under section 5747.27 of the Revised Code;	606 607
(10) The campaign contribution credit under section 5747.29 of the Revised Code;	608 609
(11) The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;	610 611
(12) The joint filing credit under division (G) of section 5747.05 of the Revised Code;	612 613
(13) The nonresident credit under division (A) of section 5747.05 of the Revised Code;	614 615
(14) The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	616 617
(15) The earned income credit under section 5747.71 of the Revised Code;	618 619
(16) The credit for employers that reimburse employee child care expenses under section 5747.36 of the Revised Code;	620 621
(17) The credit for adoption of a minor child under section 5747.37 of the Revised Code;	622 623
(18) The credit for purchases of lights and reflectors under section 5747.38 of the Revised Code;	624 625

(19) The nonrefundable job retention credit under division (B) of section 5747.058 of the Revised Code;	626 627
(20) <u>The nonrefundable credit for contributions to catalytic projects under section 5747.052 of the Revised Code;</u>	628 629
<u>(21)</u> The credit for selling alternative fuel under section 5747.77 of the Revised Code;	630 631
(21) <u>(22)</u> 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;	632 633 634
(22) <u>(23)</u> The job training credit under section 5747.39 of the Revised Code;	635 636
(23) <u>(24)</u> The enterprise zone credit under section 5709.66 of the Revised Code;	637 638
(24) <u>(25)</u> The credit for the eligible costs associated with a voluntary action under section 5747.32 of the Revised Code;	639 640 641
(25) <u>(26)</u> The credit for employers that establish on-site child day-care centers under section 5747.35 of the Revised Code;	642 643 644
(26) <u>(27)</u> The ethanol plant investment credit under section 5747.75 of the Revised Code;	645 646
(27) <u>(28)</u> The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	647 648
(28) <u>(29)</u> The small business investment credit under section 5747.81 of the Revised Code;	649 650
(29) <u>(30)</u> The enterprise zone credits under section 5709.65 of the Revised Code;	651 652

(30) <u>(31)</u> The research and development credit under section 5747.331 of the Revised Code;	653 654
(31) <u>(32)</u> The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	655 656
(32) <u>(33)</u> The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	657 658
(33) <u>(34)</u> The refundable jobs creation credit or job retention credit under division (A) of section 5747.058 of the Revised Code;	659 660 661
(34) <u>(35)</u> The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	662 663 664
(35) <u>(36)</u> The refundable credits for taxes paid by a qualifying pass-through entity granted under division (I) of section 5747.08 of the Revised Code;	665 666 667
(36) <u>(37)</u> 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;	668 669 670 671
(37) <u>(38)</u> The refundable motion picture production credit under section 5747.66 of the Revised Code;	672 673
(38) <u>(39)</u> The refundable credit for financial institution taxes paid by a pass-through entity granted under section 5747.65 of the Revised Code.	674 675 676
(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 tax due after	677 678 679 680

allowing for any other credit that precedes it in the order 681
required under this section. Any excess amount of a particular 682
credit may be carried forward if authorized under the section 683
creating that credit. Nothing in this chapter shall be construed 684
to allow a taxpayer to claim, directly or indirectly, a credit 685
more than once for a taxable year. 686

Section 2. That existing sections 5725.98, 5726.98, 687
5729.98, and 5747.98 of the Revised Code are hereby repealed. 688