

**As Introduced**

**132nd General Assembly**

**Regular Session**

**2017-2018**

**S. B. No. 114**

**Senator Hite**

**Cosponsors: Senators Beagle, Gardner, Yuko**

---

**A BILL**

To amend sections 5747.98 and 5751.98 and to enact 1  
sections 122.91, 5747.82, and 5751.55 of the 2  
Revised Code to authorize a tax credit for 3  
expenses incurred by an employer to train a 4  
commercial vehicle operator. 5

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

**Section 1.** That sections 5747.98 and 5751.98 be amended 6  
and sections 122.91, 5747.82, and 5751.55 of the Revised Code be 7  
enacted to read as follows: 8

**Sec. 122.91.** (A) As used in this section: 9

(1) "Qualifying individual" means an individual who holds 10  
a valid commercial driver's license or who is eligible to obtain 11  
such a license. 12

(2) "Commercial driver's license" and "commercial motor 13  
vehicle" have the same meanings as in section 4506.01 of the 14  
Revised Code. 15

(3) "Training expense" means any cost customarily incurred 16  
by an employer to train an employee who is a qualifying 17

individual to obtain a commercial driver's license or to operate 18  
a commercial motor vehicle. "Training expense" shall not include 19  
such an employee's wages. 20

(4) "Tax credit-eligible training expense" means any 21  
training expense certified under division (B) of this section. 22

(5) "Director" means the director of development services. 23

(B) (1) On or before the first day of December, an employer 24  
may apply to the director, on a form prescribed by the director, 25  
to certify training expenses that an employer estimates the 26  
employer will incur during the following calendar year as tax 27  
credit-eligible training expenses. Within thirty days after 28  
receiving such an application, the director shall certify to 29  
each applicant the amount of the applicant's submitted expenses 30  
the director finds to be tax credit-eligible training expenses. 31  
The director shall not certify more than fifty thousand dollars 32  
of training expenses per year as tax credit-eligible training 33  
expenses for any employer. 34

(2) The director shall not certify more than three million 35  
dollars in tax credit-eligible training expenses for each 36  
calendar year, increased by the sum of tax credit-eligible 37  
expenses the director was authorized to certify within the limit 38  
described in division (B) (2) of this section for preceding years 39  
that were not the basis of a tax credit certificate issued under 40  
division (C) (2) of this section in the current year or any 41  
preceding year. 42

(C) (1) An employer that incurs tax credit-eligible 43  
training expenses in a calendar year that were certified for 44  
that year under division (B) of this section may apply to the 45  
director for a nonrefundable credit against the tax imposed by 46

section 5747.02 or 5751.02 of the Revised Code. The credit shall 47  
equal one-half of the tax credit-eligible training expenses 48  
actually incurred by the employer in, and certified for, the 49  
preceding calendar year. The application may be submitted after 50  
the first day and before the twenty-first day of January of the 51  
year following the year for which the director certified the 52  
expenses. The application shall be submitted on a form 53  
prescribed by the director. 54

(2) If the director approves an application described in 55  
division (C)(1) of this section, the director, within fifteen 56  
days after receipt of the application, shall issue a tax credit 57  
certificate to the applicant. The director in consultation with 58  
the tax commissioner shall prescribe the form and manner of 59  
issuing certificates. The director shall assign a unique 60  
identifying number to each tax credit certificate and shall 61  
record the certificate in a register devised and maintained by 62  
the director for that purpose. The certificate shall state the 63  
amount of the tax credit-eligible training expenses on which the 64  
credit is based, the amount of the credit, and the date the 65  
certificate is issued. Upon issuance of a certificate, the 66  
director shall certify to the tax commissioner the name of the 67  
applicant, the amount of tax credit-eligible training expenses 68  
stated on the certificate, and any other information required by 69  
the rules adopted under this section. 70

(D) The director in consultation with the tax commissioner 71  
shall adopt rules under Chapter 119. of the Revised Code for the 72  
administration of this section. Such rules shall set forth the 73  
types of expenses that qualify as training expenses for purposes 74  
of this section. 75

**Sec. 5747.82.** There is allowed a nonrefundable credit 76

against a taxpayer's aggregate tax liability under section 77  
5747.02 of the Revised Code for a taxpayer that has been issued 78  
a tax credit certificate under section 122.91 of the Revised 79  
Code. The amount of the credit shall equal the credit amount 80  
stated on the certificate, less any amount of that credit the 81  
taxpayer claims under section 5751.55 of the Revised Code. The 82  
credit shall be claimed for the taxpayer's most recently 83  
concluded taxable year that ended before the issuance date 84  
stated on the certificate. 85

The credit shall be claimed in the order required under 86  
section 5747.98 of the Revised Code. Any credit amount in excess 87  
of the aggregate amount of tax due under section 5747.02 of the 88  
Revised Code, after allowing for any other credits preceding the 89  
credit in that order, may be carried forward for five taxable 90  
years, but the amount of the excess credit allowed in any such 91  
year shall be deducted from the balance carried forward to the 92  
next year. 93

Nothing in this section limits or disallows pass-through 94  
treatment of the credit if the credit certificate has been 95  
issued to a pass-through entity. 96

**Sec. 5747.98.** (A) To provide a uniform procedure for 97  
calculating a taxpayer's aggregate tax liability under section 98  
5747.02 of the Revised Code, a taxpayer shall claim any credits 99  
to which the taxpayer is entitled in the following order: 100

(1) Either the retirement income credit under division (B) 101  
of section 5747.055 of the Revised Code or the lump sum 102  
retirement income credits under divisions (C), (D), and (E) of 103  
that section; 104

(2) Either the senior citizen credit under division (F) of 105

section 5747.055 of the Revised Code or the lump sum	106
distribution credit under division (G) of that section;	107
(3) The dependent care credit under section 5747.054 of	108
the Revised Code;	109
(4) The low-income credit under section 5747.056 of the	110
Revised Code;	111
(5) The credit for displaced workers who pay for job	112
training under section 5747.27 of the Revised Code;	113
(6) The campaign contribution credit under section 5747.29	114
of the Revised Code;	115
(7) The twenty-dollar personal exemption credit under	116
section 5747.022 of the Revised Code;	117
(8) The joint filing credit under division (G) of section	118
5747.05 of the Revised Code;	119
(9) The earned income credit under section 5747.71 of the	120
Revised Code;	121
(10) The credit for adoption of a minor child under	122
section 5747.37 of the Revised Code;	123
(11) The nonrefundable job retention credit under division	124
(B) of section 5747.058 of the Revised Code;	125
(12) The enterprise zone credit under section 5709.66 of	126
the Revised Code;	127
(13) The ethanol plant investment credit under section	128
5747.75 of the Revised Code;	129
(14) <u>The credit for commercial vehicle operator training</u>	130
<u>expenses under section 5747.82 of the Revised Code;</u>	131

<del>(15)</del> <u>(15)</u> The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	132 133
<del>(15)</del> <del>(16)</del> <u>(16)</u> The small business investment credit under section 5747.81 of the Revised Code;	134 135
<del>(16)</del> <del>(17)</del> <u>(17)</u> The enterprise zone credits under section 5709.65 of the Revised Code;	136 137
<del>(17)</del> <del>(18)</del> <u>(18)</u> The research and development credit under section 5747.331 of the Revised Code;	138 139
<del>(18)</del> <del>(19)</del> <u>(19)</u> The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	140 141
<del>(19)</del> <del>(20)</del> <u>(20)</u> The nonresident credit under division (A) of section 5747.05 of the Revised Code;	142 143
<del>(20)</del> <del>(21)</del> <u>(21)</u> The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	144 145
<del>(21)</del> <del>(22)</del> <u>(22)</u> The refundable motion picture production credit under section 5747.66 of the Revised Code;	146 147
<del>(22)</del> <del>(23)</del> <u>(23)</u> The refundable jobs creation credit or job retention credit under division (A) of section 5747.058 of the Revised Code;	148 149 150
<del>(23)</del> <del>(24)</del> <u>(24)</u> The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	151 152 153
<del>(24)</del> <del>(25)</del> <u>(25)</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;	154 155 156
<del>(25)</del> <del>(26)</del> <u>(26)</u> The refundable credit under section 5747.80 of the Revised Code for losses on loans made to the Ohio venture	157 158

capital program under sections 150.01 to 150.10 of the Revised Code; 159  
160

~~(26)~~ (27) The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code; 161  
162

~~(27)~~ (28) The refundable credit for financial institution taxes paid by a pass-through entity granted under section 5747.65 of the Revised Code. 163  
164  
165

(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 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. 166  
167  
168  
169  
170  
171  
172  
173  
174  
175  
176

Sec. 5751.55. There is allowed a nonrefundable credit against the tax imposed by section 5751.02 of the Revised Code for a taxpayer that has been issued a tax credit certificate under section 122.91 of the Revised Code. The credit shall equal the credit amount stated on the certificate, less any amount of that credit the taxpayer claims under section 5747.82 of the Revised Code. A calendar quarter taxpayer shall claim the credit for the most recently concluded tax period that ended before the issuance date stated on the certificate. A calendar year taxpayer shall claim the credit for the tax period in which the issuance date of the certificate occurs. 177  
178  
179  
180  
181  
182  
183  
184  
185  
186  
187

The credit shall be claimed in the order required under 188  
section 5751.98 of the Revised Code. Any credit amount in excess 189  
of the tax due under section 5751.02 of the Revised Code, after 190  
allowing for any other credits preceding the credit in that 191  
order, may be carried forward for five calendar years, but the 192  
amount of the excess credit allowed in any such year shall be 193  
deducted from the balance carried forward to the next year. 194

**Sec. 5751.98.** (A) To provide a uniform procedure for 195  
calculating the amount of tax due under this chapter, a taxpayer 196  
shall claim any credits to which it is entitled in the following 197  
order: 198

(1) The nonrefundable jobs retention credit under division 199  
(B) of section 5751.50 of the Revised Code; 200

(2) The credit for commercial vehicle operator training 201  
expenses under section 5751.55 of the Revised Code; 202

(3) The nonrefundable credit for qualified research 203  
expenses under division (B) of section 5751.51 of the Revised 204  
Code; 205

~~(3)~~(4) The nonrefundable credit for a borrower's 206  
qualified research and development loan payments under division 207  
(B) of section 5751.52 of the Revised Code; 208

~~(4)~~(5) The nonrefundable credit for calendar years 2010 209  
to 2029 for unused net operating losses under division (B) of 210  
section 5751.53 of the Revised Code; 211

~~(5)~~(6) The refundable motion picture production credit 212  
under section 5751.54 of the Revised Code; 213

~~(6)~~(7) The refundable jobs creation credit or job 214  
retention credit under division (A) of section 5751.50 of the 215



Revised Code;	216
<del>(7)</del> <u>(8)</u> The refundable credit for calendar year 2030 for	217
unused net operating losses under division (C) of section	218
5751.53 of the Revised Code.	219
(B) For any credit except the refundable credits	220
enumerated in this section, the amount of the credit for a tax	221
period shall not exceed the tax due after allowing for any other	222
credit that precedes it in the order required under this	223
section. Any excess amount of a particular credit may be carried	224
forward if authorized under the section creating the credit.	225
<b>Section 2.</b> That existing sections 5747.98 and 5751.98 of	226
the Revised Code are hereby repealed.	227
<b>Section 3.</b> (A) The amendment or enactment by this act of	228
sections 122.91, 5747.82, 5747.98, 5751.55, and 5751.98 of the	229
Revised Code applies to training expenses, as that term is	230
defined under section 122.91 of the Revised Code, estimated to	231
be incurred on or after January 1, 2018.	232
(B) In adopting the rules required under division (D) of	233
section 122.91 of the Revised Code, as enacted by this act, the	234
Director of Development Services shall file the notice and text	235
of the proposed rules as required by division (B) of section	236
119.03 of the Revised Code not later than one hundred fifty days	237
after the effective date of this section.	238