

**As Introduced**

**133rd General Assembly**

**Regular Session**

**2019-2020**

**H. B. No. 222**

**Representatives Stoltzfus, Howse**

**Cosponsors: Representatives Antani, Becker, Brent, Crawley, Cross, Jones,  
Lightbody, Manchester, Riedel, Seitz, Smith, K., Upchurch, Vitale, West**

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**A BILL**

To amend sections 5747.02 and 5747.98 and to enact 1  
sections 122.91 and 5747.82 of the Revised Code 2  
to authorize an income tax credit for an 3  
employer's expenses to train a commercial 4  
vehicle operator. 5

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

**Section 1.** That sections 5747.02 and 5747.98 be amended 6  
and sections 122.91 and 5747.82 of the Revised Code be enacted 7  
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 of the Revised Code. The credit shall equal one- 47  
half of the tax credit-eligible training expenses actually 48  
incurred by the employer in, and certified for, the preceding 49  
calendar year. The application may be submitted after the first 50  
day and before the twenty-first day of January of the year 51  
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. 5747.02.** (A) For the purpose of providing revenue for 76  
the support of schools and local government functions, to 77  
provide relief to property taxpayers, to provide revenue for the 78  
general revenue fund, and to meet the expenses of administering 79  
the tax levied by this chapter, there is hereby levied on every 80  
individual, trust, and estate residing in or earning or 81  
receiving income in this state, on every individual, trust, and 82  
estate earning or receiving lottery winnings, prizes, or awards 83  
pursuant to Chapter 3770. of the Revised Code, on every 84  
individual, trust, and estate earning or receiving winnings on 85  
casino gaming, and on every individual, trust, and estate 86  
otherwise having nexus with or in this state under the 87  
Constitution of the United States, an annual tax measured as 88  
prescribed in divisions (A) (1) to (4) of this section. 89

(1) In the case of trusts, the tax imposed by this section 90  
shall be measured by modified Ohio taxable income under division 91  
(D) of this section and levied in the same amount as the tax is 92  
imposed on estates as prescribed in division (A) (2) of this 93  
section. 94

(2) In the case of estates, the tax imposed by this 95  
section shall be measured by Ohio taxable income and levied at 96  
the rate of seven thousand four hundred twenty-five ten- 97  
thousandths per cent for the first ten thousand five hundred 98  
dollars of such income and, for income in excess of that amount, 99  
at the same rates prescribed in division (A) (3) of this section 100  
for individuals. 101

(3) In the case of individuals, for taxable years 102  
beginning in 2017 or thereafter, the tax imposed by this section 103  
on income other than taxable business income shall be measured 104  
by Ohio adjusted gross income, less taxable business income and 105

less an exemption for the taxpayer, the taxpayer's spouse, and	106
each dependent as provided in section 5747.025 of the Revised	107
Code. If the balance thus obtained is equal to or less than ten	108
thousand five hundred dollars, no tax shall be imposed on that	109
balance. If the balance thus obtained is greater than ten	110
thousand five hundred dollars, the tax is hereby levied as	111
follows:	112
OHIO ADJUSTED GROSS	113
INCOME LESS TAXABLE	114
BUSINESS INCOME AND EXEMPTIONS	115
(INDIVIDUALS)	116
OR	117
MODIFIED OHIO	118
TAXABLE INCOME (TRUSTS)	119
OR	120
OHIO TAXABLE INCOME (ESTATES)      TAX	121
More than \$10,500 but      \$77.96 plus 1.980% of the amount	122
not more than \$15,800      in excess of \$10,500	123
More than \$15,800 but      \$182.90 plus 2.476% of the amount	124
not more than \$21,100      in excess of \$15,800	125
More than \$21,100 but      \$314.13 plus 2.969% of the amount	126
not more than \$42,100      in excess of \$21,100	127
More than \$42,100 but      \$937.62 plus 3.465% of the amount	128
not more than \$84,200      in excess of \$42,100	129
More than \$84,200 but      \$2,396.39 plus 3.960% of the amount	130
not more than \$105,300      in excess of \$84,200	131
More than \$105,300 but      \$3,231.95 plus 4.597% of the amount	132
not more than \$210,600      in excess of \$105,300	133



adjusted according to this paragraph. The rates of taxation 164  
shall not be adjusted. 165

The adjusted amounts apply to taxable years beginning in 166  
the calendar year in which the adjustments are made and to 167  
taxable years beginning in each ensuing calendar year until a 168  
calendar year in which a new adjustment is made pursuant to this 169  
division. The tax commissioner shall not make a new adjustment 170  
in any year in which the amount resulting from the adjustment 171  
would be less than the amount resulting from the adjustment in 172  
the preceding year. 173

(B) If the director of budget and management makes a 174  
certification to the tax commissioner under division (B) of 175  
section 131.44 of the Revised Code, the amount of tax as 176  
determined under divisions (A) (1) to (3) of this section shall 177  
be reduced by the percentage prescribed in that certification 178  
for taxable years beginning in the calendar year in which that 179  
certification is made. 180

(C) The levy of this tax on income does not prevent a 181  
municipal corporation, a joint economic development zone created 182  
under section 715.691, or a joint economic development district 183  
created under section 715.70, 715.71, or 715.72 of the Revised 184  
Code from levying a tax on income. 185

(D) This division applies only to taxable years of a trust 186  
beginning in 2002 or thereafter. 187

(1) The tax imposed by this section on a trust shall be 188  
computed by multiplying the Ohio modified taxable income of the 189  
trust by the rates prescribed by division (A) of this section. 190

(2) A resident trust may claim a credit against the tax 191  
computed under division (D) of this section equal to the lesser 192

of (a) the tax paid to another state or the District of Columbia 193  
on the resident trust's modified nonbusiness income, other than 194  
the portion of the resident trust's nonbusiness income that is 195  
qualifying investment income as defined in section 5747.012 of 196  
the Revised Code, or (b) the effective tax rate, based on 197  
modified Ohio taxable income, multiplied by the resident trust's 198  
modified nonbusiness income other than the portion of the 199  
resident trust's nonbusiness income that is qualifying 200  
investment income. The credit applies before any other 201  
applicable credits. 202

(3) The credits enumerated in divisions (A)(1) to (9) and 203  
(A)~~(18)~~~~(19)~~ to ~~(20)~~~~(21)~~ of section 5747.98 of the Revised Code 204  
do not apply to a trust subject to division (D) of this section. 205  
Any credits enumerated in other divisions of section 5747.98 of 206  
the Revised Code apply to a trust subject to division (D) of 207  
this section. To the extent that the trust distributes income 208  
for the taxable year for which a credit is available to the 209  
trust, the credit shall be shared by the trust and its 210  
beneficiaries. The tax commissioner and the trust shall be 211  
guided by applicable regulations of the United States treasury 212  
regarding the sharing of credits. 213

(E) For the purposes of this section, "trust" means any 214  
trust described in Subchapter J of Chapter 1 of the Internal 215  
Revenue Code, excluding trusts that are not irrevocable as 216  
defined in division (I)(3)(b) of section 5747.01 of the Revised 217  
Code and that have no modified Ohio taxable income for the 218  
taxable year, charitable remainder trusts, qualified funeral 219  
trusts and preneed funeral contract trusts established pursuant 220  
to sections 4717.31 to 4717.38 of the Revised Code that are not 221  
qualified funeral trusts, endowment and perpetual care trusts, 222  
qualified settlement trusts and funds, designated settlement 223



trusts and funds, and trusts exempted from taxation under 224  
section 501(a) of the Internal Revenue Code. 225

(F) Nothing in division (A) (3) of this section shall 226  
prohibit an individual with an Ohio adjusted gross income, less 227  
taxable business income and exemptions, of ten thousand five 228  
hundred dollars or less from filing a return under this chapter 229  
to receive a refund of taxes withheld or to claim any refundable 230  
credit allowed under this chapter. 231

Sec. 5747.82. There is allowed a nonrefundable credit 232  
against a taxpayer's aggregate tax liability under section 233  
5747.02 of the Revised Code for a taxpayer that has been issued 234  
a tax credit certificate under section 122.91 of the Revised 235  
Code. The amount of the credit shall equal the credit amount 236  
stated on the certificate. The credit shall be claimed for the 237  
taxpayer's most recently concluded taxable year that ended 238  
before the issuance date stated on the certificate. 239

The credit shall be claimed in the order required under 240  
section 5747.98 of the Revised Code. Any credit amount in excess 241  
of the aggregate amount of tax due under section 5747.02 of the 242  
Revised Code, after allowing for any other credits preceding the 243  
credit in that order, may be carried forward for five taxable 244  
years, but the amount of the excess credit allowed in any such 245  
year shall be deducted from the balance carried forward to the 246  
next year. 247

Nothing in this section limits or disallows pass-through 248  
treatment of the credit if the credit certificate has been 249  
issued to a pass-through entity. 250

**Sec. 5747.98.** (A) To provide a uniform procedure for 251  
calculating a taxpayer's aggregate tax liability under section 252

5747.02 of the Revised Code, a taxpayer shall claim any credits	253
to which the taxpayer is entitled in the following order:	254
(1) Either the retirement income credit under division (B)	255
of section 5747.055 of the Revised Code or the lump sum	256
retirement income credits under divisions (C), (D), and (E) of	257
that section;	258
(2) Either the senior citizen credit under division (F) of	259
section 5747.055 of the Revised Code or the lump sum	260
distribution credit under division (G) of that section;	261
(3) The dependent care credit under section 5747.054 of	262
the Revised Code;	263
(4) The credit for displaced workers who pay for job	264
training under section 5747.27 of the Revised Code;	265
(5) The campaign contribution credit under section 5747.29	266
of the Revised Code;	267
(6) The twenty-dollar personal exemption credit under	268
section 5747.022 of the Revised Code;	269
(7) The joint filing credit under division (G) of section	270
5747.05 of the Revised Code;	271
(8) The earned income credit under section 5747.71 of the	272
Revised Code;	273
(9) The credit for adoption of a minor child under section	274
5747.37 of the Revised Code;	275
(10) The nonrefundable job retention credit under division	276
(B) of section 5747.058 of the Revised Code;	277
(11) The enterprise zone credit under section 5709.66 of	278
the Revised Code;	279

(12) The ethanol plant investment credit under section 5747.75 of the Revised Code;	280 281
(13) <u>The credit for commercial vehicle operator training expenses under section 5747.82 of the Revised Code;</u>	282 283
<u>(14)</u> The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	284 285
<del>(14)</del> <u>(15)</u> The small business investment credit under section 5747.81 of the Revised Code;	286 287
<del>(15)</del> <u>(16)</u> The enterprise zone credits under section 5709.65 of the Revised Code;	288 289
<del>(16)</del> <u>(17)</u> The research and development credit under section 5747.331 of the Revised Code;	290 291
<del>(17)</del> <u>(18)</u> The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	292 293
<del>(18)</del> <u>(19)</u> The nonresident credit under division (A) of section 5747.05 of the Revised Code;	294 295
<del>(19)</del> <u>(20)</u> The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	296 297
<del>(20)</del> <u>(21)</u> The refundable motion picture production credit under section 5747.66 of the Revised Code;	298 299
<del>(21)</del> <u>(22)</u> The refundable jobs creation credit or job retention credit under division (A) of section 5747.058 of the Revised Code;	300 301 302
<del>(22)</del> <u>(23)</u> The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	303 304 305
<del>(23)</del> <u>(24)</u> The refundable credits for taxes paid by a	306

qualifying pass-through entity granted under division (I) of 307  
section 5747.08 of the Revised Code; 308

~~(24)~~ (25) The refundable credit under section 5747.80 of 309  
the Revised Code for losses on loans made to the Ohio venture 310  
capital program under sections 150.01 to 150.10 of the Revised 311  
Code; 312

~~(25)~~ (26) The refundable credit for rehabilitating a 313  
historic building under section 5747.76 of the Revised Code; 314

~~(26)~~ (27) The refundable credit for financial institution 315  
taxes paid by a pass-through entity granted under section 316  
5747.65 of the Revised Code. 317

(B) For any credit, except the refundable credits 318  
enumerated in this section and the credit granted under division 319  
(H) of section 5747.08 of the Revised Code, the amount of the 320  
credit for a taxable year shall not exceed the taxpayer's 321  
aggregate amount of tax due under section 5747.02 of the Revised 322  
Code, after allowing for any other credit that precedes it in 323  
the order required under this section. Any excess amount of a 324  
particular credit may be carried forward if authorized under the 325  
section creating that credit. Nothing in this chapter shall be 326  
construed to allow a taxpayer to claim, directly or indirectly, 327  
a credit more than once for a taxable year. 328

**Section 2.** That existing sections 5747.02 and 5747.98 of 329  
the Revised Code are hereby repealed. 330

**Section 3.** (A) The amendment or enactment by this act of 331  
sections 122.91, 5747.82, and 5747.98 of the Revised Code 332  
applies to training expenses, as that term is defined under 333  
section 122.91 of the Revised Code, estimated to be incurred on 334  
or after January 1, 2020. 335

(B) In adopting the rules required under division (D) of 336  
section 122.91 of the Revised Code, as enacted by this act, the 337  
Director of Development Services shall file the notice and text 338  
of the proposed rules as required by division (B) of section 339  
119.03 of the Revised Code not later than one hundred fifty days 340  
after the effective date of this section. 341