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Sub. S. B. No. 8

Senator Schuring

Cosponsors: Senators Rulli, Hottinger, Terhar, Sykes, Antonio, Craig, Dolan, Eklund, Fedor, Gavarone, Hoagland, Huffman, S., Kunze, Lehner, Maharath, Manning, Obhof, O'Brien, Peterson, Thomas, Uecker, Williams, Wilson, Yuko

A BILL

To amend sections 107.036, 122.86, 5747.02, and 5747.98 and to enact section 122.84 of the Revised Code to authorize a tax credit for investments in an Ohio Opportunity Zone.

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

Section 1. That sections 107.036, 122.86, 5747.02, and 5747.98 be amended and section 122.84 of the Revised Code be enacted to read as follows:

Sec. 107.036. (A) For each business incentive tax credit, the main operating appropriations act shall contain a detailed estimate of the total amount of credits that may be authorized in each year, an estimate of the amount of credits expected to be claimed in each year, and an estimate of the amount of credits expected to remain outstanding at the end of the biennium. The governor shall include such estimates in the state budget submitted to the general assembly pursuant to section 107.03 of the Revised Code.

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| (B) As used in this section, "business incentive tax credit" means all of the following: | 17 18 |
| (1) The job creation tax credit under section 122.17 of the Revised Code; | 19 20 |
| (2) The job retention tax credit under section 122.171 of the Revised Code; | 21 22 |
| (3) The historic preservation tax credit under section 149.311 of the Revised Code; | 23 24 |
| (4) The motion picture tax credit under section 122.85 of the Revised Code; | 25 26 |
| (5) The new markets tax credit under section 5725.33 of the Revised Code; | 27 28 |
| (6) The research and development credit under section 166.21 of the Revised Code; | 29 30 |
| (7) The small business investment credit under section 122.86 of the Revised Code; | 31 32 |
| (8) The rural growth investment credit under section 122.152 of the Revised Code; | 33 34 |
| <u>(9) The Ohio opportunity zone investment credit under section 122.84 of the Revised Code.</u> | 35 36 |
| <u>Sec. 122.84.</u> (A) As used in this section: | 37 |
| <u>(1) "Ohio qualified opportunity fund" means a qualified opportunity fund that holds one hundred per cent of its invested assets in qualified opportunity zone property situated in an Ohio opportunity zone.</u> | 38 39 40 41 |
| <u>In the case of qualified opportunity zone property that is qualified opportunity zone stock or qualified opportunity zone</u> | 42 43 |

partnership interest, the stock or interest is situated in an 44
Ohio opportunity zone only if, during all of the qualified 45
opportunity fund's holding period for such stock or interest, 46
all of the use of the corporation's or partnership's tangible 47
property was in an Ohio opportunity zone. In the case of 48
qualified opportunity zone property that is qualified 49
opportunity zone business property, the property is situated in 50
an Ohio opportunity zone only if, during all of the fund's 51
holding period for such property, all of the use of the property 52
was in an Ohio opportunity zone. 53

All terms used in division (A) of this section have the 54
same meaning as in 26 U.S.C. 1400Z-2, except that "all" shall be 55
substituted for "substantially all" wherever "substantially all" 56
appears in the definition of those terms or in the definition of 57
terms used in those terms. 58

(2) "Ohio opportunity zone" means a qualified opportunity 59
zone designated in this state under 26 U.S.C. 1400Z-1 before, 60
on, or after the effective date of this section. 61

(3) "Taxpayer" and "taxable year" have the same meanings 62
as in section 5747.01 of the Revised Code. 63

(4) "Qualifying taxable year" means a taxpayer's taxable 64
year that includes the first day of a calendar year during which 65
an Ohio qualified opportunity fund in which the taxpayer invests 66
makes an investment in a project located in an Ohio opportunity 67
zone. 68

(B) A taxpayer that invests in one or more Ohio qualified 69
opportunity funds may apply to the director of development 70
services for a nonrefundable credit against the tax levied under 71
section 5747.02 of the Revised Code. The application shall be 72

made on forms prescribed by the director on or after the first 73
day of January and on or before the first day of February of 74
each year. The credit shall equal ten per cent of the amount of 75
the taxpayer's investment in the fund that the fund invested 76
during the preceding calendar year in projects located in Ohio 77
opportunity zones. 78

The taxpayer shall include the following information with 79
the taxpayer's application: 80

(1) The amount of the taxpayer's investment in Ohio 81
qualified opportunity funds during the taxpayer's qualifying 82
taxable year, arranged according to the amount invested in each 83
such fund if the taxpayer invested in more than one such fund; 84

(2) A statement from an employee or officer of each Ohio 85
qualified opportunity fund identified by the taxpayer under 86
division (B) (1) of this section certifying the amount of the 87
taxpayer's investment in the fund and the amount of that 88
investment the fund invested in projects located in Ohio 89
opportunity zones during the preceding calendar year. The 90
statement shall describe each project funded by the investment 91
and state each project's location and the portion of the 92
taxpayer's investment invested in each such project. Unless the 93
fund demonstrates otherwise to the director's satisfaction, the 94
amount of a taxpayer's investment that the fund invested in a 95
project located in an Ohio opportunity zone equals the same 96
proportion of the amount of the fund's investment in the project 97
as the taxpayer's investment in the fund bears to the total 98
investment by all investors in that fund on the date the fund 99
makes the investment in the project. 100

The director shall review applications in the order in 101
which applications are received. 102

(C) (1) Subject to division (C) (2) of this section, if the 103
director of development services determines that the applicant 104
qualifies for a credit under this section, the director shall 105
issue, within sixty days after the receipt of a complete 106
application under division (B) of this section, a certificate to 107
the taxpayer identified with a unique number and listing the 108
amount of credit the director determines the taxpayer is 109
eligible to claim. 110

(2) The director of development services shall not issue 111
certificates in a total amount that would cause the tax credits 112
allocated in any fiscal biennium to exceed fifty million 113
dollars. The director shall not issue certificates to a single 114
applicant in an amount that would cause the tax credits claimed 115
in any fiscal biennium by that applicant, and any person to whom 116
the applicant transfers the certificate under division (E) of 117
this section, to exceed one million dollars. 118

The director shall not issue a certificate under this 119
section on the basis of any investment for which a small 120
business investment certificate has been issued under section 121
122.86 of the Revised Code. 122

(3) The credit may be claimed for the taxpayer's 123
qualifying taxable year or the next ensuing taxable year. The 124
taxpayer shall claim the credit in the order prescribed by 125
section 5747.98 of the Revised Code. Any unused amount may be 126
carried forward for the following five taxable years. If the 127
certificate is issued to a pass-through entity for an investment 128
by the entity, any taxpayer that is a direct or indirect 129
investor in the pass-through entity on the last day of the 130
entity's qualifying taxable year may claim the taxpayer's 131
proportionate or distributive share of the credit against the 132

taxpayer's aggregate amount of tax levied under that section. 133

(D) A taxpayer claiming a credit under this section shall 134
submit a copy of the certificate with the taxpayer's return or 135
report. 136

(E) A taxpayer that holds an unclaimed certificate under 137
division (C) or (D) of this section may notify the tax 138
commissioner, in writing, that the taxpayer is transferring the 139
right to claim the credit stated on the transferred certificate. 140
The taxpayer shall identify in that notification the 141
certificate's number and the name and the tax identification 142
number of the transferee. Pursuant to division (D) of this 143
section, the transferee may claim the credit stated on the 144
certificate, subject to the limitations of this section. A 145
transferee may not transfer the right to claim the credit to any 146
other person. 147

(F) On or before the first day of August each year, the 148
director of development services shall submit a report to the 149
governor, the president and minority leader of the senate, and 150
the speaker and minority leader of the house of representatives 151
on the tax credit program authorized under this section. The 152
report shall include the following information: 153

(1) The number of projects funded by investments for which 154
a tax credit application was submitted under this section during 155
the preceding year, the Ohio opportunity zone in which each such 156
project is located, the number of projects funded by investments 157
for which certificates were allocated during the preceding year, 158
a description of each such project, and the composition of an 159
Ohio qualified opportunity fund's investments in each project 160
funded by investments for which a tax credit application was 161
submitted under this section; 162

(2) The number of taxpayers that invested in an Ohio 163
qualified opportunity fund and applied for a tax credit based on 164
the fund's investment in a project during the preceding year, 165
the name of the fund in which each such investment was made, the 166
number of taxpayers allocated a credit for such investments 167
under this section, and the dollar amount of those credits; 168

(3) A map that shows the location of each Ohio opportunity 169
zone and that indicates which zones include existing or pending 170
projects that are, or will be, funded by tax credit-eligible 171
investments. 172

Sec. 122.86. (A) As used in this section and section 173
5747.81 of the Revised Code: 174

(1) "Small business enterprise" means a corporation, pass- 175
through entity, or other person satisfying all of the following: 176

(a) At the time of a qualifying investment, the enterprise 177
meets all of the following requirements: 178

(i) Has no outstanding tax or other liabilities owed to 179
the state; 180

(ii) Is in good standing with the secretary of state, if 181
the enterprise is required to be registered with the secretary; 182

(iii) Is current with any court-ordered payments; 183

(iv) Is not engaged in any illegal activity. 184

(b) At the time of a qualifying investment, the 185
enterprise's assets according to generally accepted accounting 186
principles do not exceed fifty million dollars, or its annual 187
sales do not exceed ten million dollars. When making this 188
determination, the assets and annual sales of all of the 189
enterprise's related or affiliated entities shall be included in 190

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| the calculation. | 191 |
| (c) The enterprise employs at least fifty full-time | 192 |
| equivalent employees in this state for whom the enterprise is | 193 |
| required to withhold income tax under section 5747.06 of the | 194 |
| Revised Code, or more than one-half the enterprise's total | 195 |
| number of full-time equivalent employees employed anywhere in | 196 |
| the United States are employed in this state and are subject to | 197 |
| that withholding requirement. | 198 |
| (d) The enterprise, within six months after an eligible | 199 |
| investor's qualifying investment is made, invests in or incurs | 200 |
| cost for one or more of the following in an amount at least | 201 |
| equal to the amount of the qualifying investment: | 202 |
| (i) Tangible personal property, other than motor vehicles | 203 |
| operated on public roads and highways, used in business and | 204 |
| physically located in this state from the time of its | 205 |
| acquisition by the enterprise until the end of the investor's | 206 |
| holding period; | 207 |
| (ii) Motor vehicles operated on public roads and highways | 208 |
| if, from the time of acquisition by the enterprise until the end | 209 |
| of the investor's holding period, the motor vehicles are | 210 |
| purchased in this state, registered in this state under Chapter | 211 |
| 4503. of the Revised Code, are used primarily for business | 212 |
| purposes, and are necessary for the operation of the | 213 |
| enterprise's business; | 214 |
| (iii) Real property located in this state that is used in | 215 |
| business from the time of its acquisition by the enterprise | 216 |
| until the end of the holding period; | 217 |
| (iv) Intangible personal property, including patents, | 218 |
| copyrights, trademarks, service marks, or licenses used in | 219 |

business primarily in this state from the time of its 220
acquisition by the enterprise until the end of the holding 221
period; 222

(v) Compensation for new employees of the enterprise for 223
whom the enterprise is required to withhold income tax under 224
section 5747.06 of the Revised Code, not including increased 225
compensation for owners, officers, or managers of the 226
enterprise. For this purpose compensation for new employees 227
includes compensation for newly hired or retained employees. 228

(2) "Qualifying investment" means an investment of money 229
made on or after July 1, 2011, to acquire capital stock or other 230
equity interest in a small business enterprise. "Qualifying 231
investment" does not include either of the following: 232

(a) Any investment of money an eligible investor derives, 233
directly or indirectly, from a grant or loan from the federal 234
government or the state or a political subdivision, including 235
the third frontier program under Chapter 184. of the Revised 236
Code; 237

(b) Any investment of money which is the basis of a tax 238
credit granted under any other section of the Revised Code. 239

(3) "Eligible investor" means an individual, estate, or 240
trust subject to the tax imposed by section 5747.02 of the 241
Revised Code, or a pass-through entity in which such an 242
individual, estate, or trust holds a direct or indirect 243
ownership or other equity interest. To qualify as an eligible 244
investor, the individual, estate, trust, or pass-through entity 245
shall not owe any outstanding tax or other liability to the 246
state at the time of a qualifying investment. 247

(4) "Holding period" means the two-year period beginning 248

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| on the day a qualifying investment is made. | 249 |
| (5) "Pass-through entity" has the same meaning as in section 5733.04 of the Revised Code. | 250 251 |
| (B) Any eligible investor that makes a qualifying investment in a small business enterprise on or after July 1, 2011, may apply to the director of development services to obtain a small business investment certificate from the director. Alternatively, a small business enterprise may apply on behalf of eligible investors to obtain the certificates for those investors. The director, in consultation with the tax commissioner, shall prescribe the form or manner in which an applicant shall apply for the certificate, devise the form of the certificate, and prescribe any records or other information an applicant shall furnish with the application to evidence the qualifying investment. The applicant shall state the amount of the intended investment. The applicant shall pay an application fee equal to the greater of one-tenth of one per cent of the amount of the intended investment or one hundred dollars. | 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 |
| A small business investment certificate entitles the certificate holder to receive a tax credit under section 5747.81 of the Revised Code if the certificate holder qualifies for the credit as otherwise provided in this section. If the certificate holder is a pass-through entity, the certificate entitles the entity's equity owners to receive their distributive or proportionate shares of the credit. In any fiscal biennium, an eligible investor may not apply for small business investment certificates representing intended investment amounts in excess of ten million dollars. Such certificates are not transferable. | 267 268 269 270 271 272 273 274 275 276 |
| The director of development services may reserve small business investment certificates to qualifying applicants in the | 277 278 |

order in which the director receives applications, but may issue 279
the certificates as the applications are completed. An 280
application is completed when the director has validated that an 281
eligible investor has made a qualified investment and the small 282
business enterprise has made the appropriate reinvestment of the 283
qualified investment pursuant to the requirements of division 284
(A) (1) (d) of this section. To qualify for a certificate, an 285
eligible investor must satisfy both of the following, subject to 286
the limitation on the amount of qualifying investments for which 287
certificates may be issued under division (C) of this section: 288

(1) The eligible investor makes a qualifying investment on 289
or after July 1, 2011. 290

(2) The eligible investor pledges not to sell or otherwise 291
dispose of the qualifying investment before the conclusion of 292
the applicable holding period. 293

(C) (1) The amount of any eligible investor's qualifying 294
investments for which small business investment certificates may 295
be issued for a fiscal biennium shall not exceed ten million 296
dollars. 297

(2) The director of development services shall not issue a 298
small business investment certificate to an eligible investor 299
representing an amount of qualifying investment in excess of the 300
amount of the intended investment indicated on the investor's 301
application for the certificate. 302

(3) ~~The~~ For any fiscal biennium beginning before July 1, 303
2019, the director of development services shall not ~~issue~~ 304
allocate small business investment certificates in a total 305
amount that would cause the tax credits claimed in ~~any fiscal~~ 306
that biennium to exceed one hundred million dollars. For any 307

fiscal biennium beginning on or after July 1, 2019, the director 308
shall not allocate small business investment certificates in a 309
total amount that would cause the tax credits claimed in that 310
biennium to exceed fifty million dollars. 311

(4) The director of development services may issue a small 312
business investment certificate only if both of the following 313
apply at the time of issuance: 314

(a) The small business enterprise meets all the 315
requirements listed in divisions (A) (1) (a) (i) to (iv) of this 316
section; 317

(b) The eligible investor does not owe any outstanding tax 318
or other liability to the state. 319

(5) The director shall not issue a certificate under this 320
section on the basis of any investment for which an Ohio 321
opportunity zone investment certificate has been issued under 322
section 122.84 of the Revised Code. 323

(D) Before the end of the applicable holding period of a 324
qualifying investment, each enterprise in which a qualifying 325
investment was made for which a small business investment 326
certificate has been issued, upon the request of the director of 327
development services, shall provide to the director records or 328
other evidence satisfactory to the director that the enterprise 329
is a small business enterprise for the purposes of this section. 330
Each enterprise shall also provide annually to the director 331
records or evidence regarding the number of jobs created or 332
retained in the state. No credit may be claimed under this 333
section and section 5747.81 of the Revised Code if the director 334
finds that an enterprise is not a small business enterprise for 335
the purposes of this section. The director shall compile and 336

maintain a register of small business enterprises qualifying 337
under this section and shall certify the register to the tax 338
commissioner. The director shall also compile and maintain a 339
record of the number of jobs created or retained as a result of 340
qualifying investments made pursuant to this section. 341

(E) After the conclusion of the applicable holding period 342
for a qualifying investment, a person to whom a small business 343
investment certificate has been issued under this section may 344
claim a credit as provided under section 5747.81 of the Revised 345
Code. 346

(F) The director of development services, in consultation 347
with the tax commissioner, may adopt rules for the 348
administration of this section, including rules governing the 349
following: 350

(1) Documents, records, or other information eligible 351
investors shall provide to the director; 352

(2) Any information a small business enterprise shall 353
provide for the purposes of this section and section 5747.81 of 354
the Revised Code; 355

(3) Determination of the number of full-time equivalent 356
employees of a small business enterprise; 357

(4) Verification of a small business enterprise's 358
investment in tangible personal property and intangible personal 359
property under division (A)(1)(d) of this section, including 360
when such investments have been made and where the property is 361
used in business; 362

(5) Circumstances under which small business enterprises 363
or eligible investors may be subverting the purposes of this 364
section and section 5747.81 of the Revised Code. 365

(G) Application fees paid under division (B) of this section shall be credited to the tax incentives operating fund created in section 122.174 of the Revised Code.

Sec. 5747.02. (A) For the purpose of providing revenue for the support of schools and local government functions, to provide relief to property taxpayers, to provide revenue for the general revenue fund, and to meet the expenses of administering the tax levied by this chapter, there is hereby levied on every individual, trust, and estate residing in or earning or receiving income in this state, on every individual, trust, and estate earning or receiving lottery winnings, prizes, or awards pursuant to Chapter 3770. of the Revised Code, on every individual, trust, and estate earning or receiving winnings on casino gaming, and on every individual, trust, and estate otherwise having nexus with or in this state under the Constitution of the United States, an annual tax measured as prescribed in divisions (A)(1) to (4) of this section.

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

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

(3) In the case of individuals, for taxable years

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| beginning in 2017 or thereafter, the tax imposed by this section | 396 |
| on income other than taxable business income shall be measured | 397 |
| by Ohio adjusted gross income, less taxable business income and | 398 |
| less an exemption for the taxpayer, the taxpayer's spouse, and | 399 |
| each dependent as provided in section 5747.025 of the Revised | 400 |
| Code. If the balance thus obtained is equal to or less than ten | 401 |
| thousand five hundred dollars, no tax shall be imposed on that | 402 |
| balance. If the balance thus obtained is greater than ten | 403 |
| thousand five hundred dollars, the tax is hereby levied as | 404 |
| follows: | 405 |
| OHIO ADJUSTED GROSS | 406 |
| INCOME LESS TAXABLE | 407 |
| BUSINESS INCOME AND EXEMPTIONS | 408 |
| (INDIVIDUALS) | 409 |
| OR | 410 |
| MODIFIED OHIO | 411 |
| TAXABLE INCOME (TRUSTS) | 412 |
| OR | 413 |
| OHIO TAXABLE INCOME (ESTATES) TAX | 414 |
| More than \$10,500 but \$77.96 plus 1.980% of the amount | 415 |
| not more than \$15,800 in excess of \$10,500 | 416 |
| More than \$15,800 but \$182.90 plus 2.476% of the amount | 417 |
| not more than \$21,100 in excess of \$15,800 | 418 |
| More than \$21,100 but \$314.13 plus 2.969% of the amount | 419 |
| not more than \$42,100 in excess of \$21,100 | 420 |
| More than \$42,100 but \$937.62 plus 3.465% of the amount | 421 |
| not more than \$84,200 in excess of \$42,100 | 422 |
| More than \$84,200 but \$2,396.39 plus 3.960% of the amount | 423 |
| not more than \$105,300 in excess of \$84,200 | 424 |

More than \$105,300 but \$3,231.95 plus 4.597% of the amount 425
not more than \$210,600 in excess of \$105,300 426

More than \$210,600 \$8,072.59 plus 4.997% of the amount 427
in excess of \$210,600 428

(4) (a) In the case of individuals, for taxable years 429
beginning in 2016 or thereafter, the tax imposed by this section 430
on taxable business income shall equal three per cent of the 431
result obtained by subtracting any amount allowed under division 432
(A) (4) (b) of this section from the individual's taxable business 433
income. 434

(b) If the exemptions allowed to an individual under 435
division (A) (3) of this section exceed the taxpayer's Ohio 436
adjusted gross income less taxable business income, the excess 437
shall be deducted from taxable business income before computing 438
the tax under division (A) (4) (a) of this section. 439

(5) Except as otherwise provided in this division, in 440
August of each year, the tax commissioner shall make a new 441
adjustment to the income amounts prescribed in divisions (A) (2) 442
and (3) of this section by multiplying the percentage increase 443
in the gross domestic product deflator computed that year under 444
section 5747.025 of the Revised Code by each of the income 445
amounts resulting from the adjustment under this division in the 446
preceding year, adding the resulting product to the 447
corresponding income amount resulting from the adjustment in the 448
preceding year, and rounding the resulting sum to the nearest 449
multiple of fifty dollars. The tax commissioner also shall 450
recompute each of the tax dollar amounts to the extent necessary 451
to reflect the new adjustment of the income amounts. To 452
recompute the tax dollar amount corresponding to the lowest tax 453
rate in division (A) (3) of this section, the commissioner shall 454

multiply the tax rate prescribed in division (A) (2) of this 455
section by the income amount specified in that division and as 456
adjusted according to this paragraph. The rates of taxation 457
shall not be adjusted. 458

The adjusted amounts apply to taxable years beginning in 459
the calendar year in which the adjustments are made and to 460
taxable years beginning in each ensuing calendar year until a 461
calendar year in which a new adjustment is made pursuant to this 462
division. The tax commissioner shall not make a new adjustment 463
in any year in which the amount resulting from the adjustment 464
would be less than the amount resulting from the adjustment in 465
the preceding year. 466

(B) If the director of budget and management makes a 467
certification to the tax commissioner under division (B) of 468
section 131.44 of the Revised Code, the amount of tax as 469
determined under divisions (A) (1) to (3) of this section shall 470
be reduced by the percentage prescribed in that certification 471
for taxable years beginning in the calendar year in which that 472
certification is made. 473

(C) The levy of this tax on income does not prevent a 474
municipal corporation, a joint economic development zone created 475
under section 715.691, or a joint economic development district 476
created under section 715.70, 715.71, or 715.72 of the Revised 477
Code from levying a tax on income. 478

(D) This division applies only to taxable years of a trust 479
beginning in 2002 or thereafter. 480

(1) The tax imposed by this section on a trust shall be 481
computed by multiplying the Ohio modified taxable income of the 482
trust by the rates prescribed by division (A) of this section. 483

(2) A resident trust may claim a credit against the tax 484
computed under division (D) of this section equal to the lesser 485
of (a) the tax paid to another state or the District of Columbia 486
on the resident trust's modified nonbusiness income, other than 487
the portion of the resident trust's nonbusiness income that is 488
qualifying investment income as defined in section 5747.012 of 489
the Revised Code, or (b) the effective tax rate, based on 490
modified Ohio taxable income, multiplied by the resident trust's 491
modified nonbusiness income other than the portion of the 492
resident trust's nonbusiness income that is qualifying 493
investment income. The credit applies before any other 494
applicable credits. 495

(3) The credits enumerated in divisions (A)(1) to (9) and 496
(A)~~(18)~~~~(19)~~ to ~~(20)~~~~(21)~~ of section 5747.98 of the Revised Code 497
do not apply to a trust subject to division (D) of this section. 498
Any credits enumerated in other divisions of section 5747.98 of 499
the Revised Code apply to a trust subject to division (D) of 500
this section. To the extent that the trust distributes income 501
for the taxable year for which a credit is available to the 502
trust, the credit shall be shared by the trust and its 503
beneficiaries. The tax commissioner and the trust shall be 504
guided by applicable regulations of the United States treasury 505
regarding the sharing of credits. 506

(E) For the purposes of this section, "trust" means any 507
trust described in Subchapter J of Chapter 1 of the Internal 508
Revenue Code, excluding trusts that are not irrevocable as 509
defined in division (I)(3)(b) of section 5747.01 of the Revised 510
Code and that have no modified Ohio taxable income for the 511
taxable year, charitable remainder trusts, qualified funeral 512
trusts and preneed funeral contract trusts established pursuant 513
to sections 4717.31 to 4717.38 of the Revised Code that are not 514

qualified funeral trusts, endowment and perpetual care trusts, 515
qualified settlement trusts and funds, designated settlement 516
trusts and funds, and trusts exempted from taxation under 517
section 501(a) of the Internal Revenue Code. 518

(F) Nothing in division (A) (3) of this section shall 519
prohibit an individual with an Ohio adjusted gross income, less 520
taxable business income and exemptions, of ten thousand five 521
hundred dollars or less from filing a return under this chapter 522
to receive a refund of taxes withheld or to claim any refundable 523
credit allowed under this chapter. 524

Sec. 5747.98. (A) To provide a uniform procedure for 525
calculating a taxpayer's aggregate tax liability under section 526
5747.02 of the Revised Code, a taxpayer shall claim any credits 527
to which the taxpayer is entitled in the following order: 528

(1) Either the retirement income credit under division (B) 529
of section 5747.055 of the Revised Code or the lump sum 530
retirement income credits under divisions (C), (D), and (E) of 531
that section; 532

(2) Either the senior citizen credit under division (F) of 533
section 5747.055 of the Revised Code or the lump sum 534
distribution credit under division (G) of that section; 535

(3) The dependent care credit under section 5747.054 of 536
the Revised Code; 537

(4) The credit for displaced workers who pay for job 538
training under section 5747.27 of the Revised Code; 539

(5) The campaign contribution credit under section 5747.29 540
of the Revised Code; 541

(6) The twenty-dollar personal exemption credit under 542

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| section 5747.022 of the Revised Code; | 543 |
| (7) The joint filing credit under division (G) of section 5747.05 of the Revised Code; | 544 545 |
| (8) The earned income credit under section 5747.71 of the Revised Code; | 546 547 |
| (9) The credit for adoption of a minor child under section 5747.37 of the Revised Code; | 548 549 |
| (10) The nonrefundable job retention credit under division (B) of section 5747.058 of the Revised Code; | 550 551 |
| (11) The enterprise zone credit under section 5709.66 of the Revised Code; | 552 553 |
| (12) The ethanol plant investment credit under section 5747.75 of the Revised Code; | 554 555 |
| (13) <u>The nonrefundable credit for investments in an Ohio qualified opportunity fund under section 122.84 of the Revised Code;</u> | 556 557 558 |
| <u>(14)</u> The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code; | 559 560 |
| (14) <u>(15)</u> The small business investment credit under section 5747.81 of the Revised Code; | 561 562 |
| (15) <u>(16)</u> The enterprise zone credits under section 5709.65 of the Revised Code; | 563 564 |
| (16) <u>(17)</u> The research and development credit under section 5747.331 of the Revised Code; | 565 566 |
| (17) <u>(18)</u> The credit for rehabilitating a historic building under section 5747.76 of the Revised Code; | 567 568 |

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| (18) <u>(19)</u> The nonresident credit under division (A) of section 5747.05 of the Revised Code; | 569 570 |
| (19) <u>(20)</u> The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code; | 571 572 |
| (20) <u>(21)</u> The refundable motion picture production credit under section 5747.66 of the Revised Code; | 573 574 |
| (21) <u>(22)</u> The refundable jobs creation credit or job retention credit under division (A) of section 5747.058 of the Revised Code; | 575 576 577 |
| (22) <u>(23)</u> The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code; | 578 579 580 |
| (23) <u>(24)</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; | 581 582 583 |
| (24) <u>(25)</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; | 584 585 586 587 |
| (25) <u>(26)</u> The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code; | 588 589 |
| (26) <u>(27)</u> The refundable credit for financial institution taxes paid by a pass-through entity granted under section 5747.65 of the Revised Code. | 590 591 592 |
| (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 | 593 594 595 596 |

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.

Section 2. That existing sections 107.036, 122.86, 5747.02, and 5747.98 of the Revised Code are hereby repealed.

Section 3. Pursuant to division (G) of section 5703.95 of the Revised Code, which states that any bill introduced in the House of Representatives or the Senate that proposes to enact or modify one or more tax expenditures should include a statement explaining the objectives of the tax expenditure or its modification and the sponsor's intent in proposing the tax expenditure or its modification:

The purpose of this bill is to foster economic development in Ohio Opportunity Zones.