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Representatives Swearingen, Wilkin

Cosponsors: Representatives LaRe, Riedel, Seitz, Click, Carfagna, Gross, Edwards, Cross, Hillyer, Kelly, Weinstein, Ingram, Carruthers, Sobecki, Abrams, Baldrige, Blackshear, Boyd, Brent, Brown, Creech, Crossman, Cutrona, Denson, Fowler Arthur, Fraizer, Galonski, Ginter, Hall, Hicks-Hudson, Holmes, Hoops, Howse, Humphrey, Jarrells, John, Jones, Jordan, Koehler, Lampton, Leland, Lepore-Hagan, Lightbody, Liston, Loychik, Miller, A., Miller, J., Miller, K., Miranda, O'Brien, Oelslager, Patton, Plummer, Ray, Richardson, Roemer, Russo, Schmidt, Sheehy, Smith, K., Smith, M., Stein, Stephens, Sweeney, Sykes, Troy, Upchurch, West, White, Wiggam, Young, B., Young, T., Speaker Cupp

A BILL

To amend sections 2921.13 and 5747.01 and to enact 1
sections 193.01, 193.02, 193.03, 193.04, 193.05, 2
193.06, and 193.07 of the Revised Code to enact 3
the First-time Home Buyer Savings Act, 4
authorizing income tax deductions for 5
contributions to and earnings on savings 6
accounts designated for the purchase of a home. 7

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

Section 1. That sections 2921.13 and 5747.01 be amended 8
and sections 193.01, 193.02, 193.03, 193.04, 193.05, 193.06, and 9
193.07 of the Revised Code be enacted to read as follows: 10

Sec. 193.01. As used in this chapter: 11

(A) "Account holder" means an individual who establishes, 12

individually or jointly with the individual's spouse, a first- 13
time home buyer savings account. 14

(B) "Allowable closing costs" means a disbursement listed 15
on a closing disclosure for the purchase of a single-family 16
residence in this state by a qualified beneficiary. 17

(C) "Eligible costs" means the down payment and allowable 18
closing costs for the purchase of a single-family residence in 19
this state by a qualified beneficiary. 20

(D) "Financial institution" means any bank, trust company, 21
savings institution, industrial loan association, consumer 22
finance company, credit union, or any benefit association, 23
insurance company, safe deposit company, money market mutual 24
fund, or similar entity authorized to do business in this state. 25

(E) "First-time home buyer" means an individual who 26
resides in this state and has not owned or purchased, either 27
individually or jointly, a single-family residence before 28
purchasing a single-family residence using amounts from a first- 29
time home buyer savings account. 30

(F) "First-time home buyer savings account" or "account" 31
means an account at a financial institution that is designated, 32
in its entirety, by the account holder as a first-time home 33
buyer savings account pursuant to this chapter for the purpose 34
of paying or reimbursing eligible costs for the purchase of a 35
single-family residence in this state by a qualified 36
beneficiary. 37

(G) "Qualified beneficiary" means a first-time home buyer 38
who is designated by the account holder of a first-time home 39
buyer savings account. 40

(H) "Closing disclosure" means the statement of receipts 41

and disbursement for a transaction related to real estate, 42
including a statement prescribed under the "Real Estate 43
Settlement Procedures Act of 1974," 12 U.S.C. 2601 et seq., as 44
amended, and regulations thereunder. 45

(I) "Single-family residence" means a dwelling, including 46
a unit in a multiple-unit dwelling and a manufactured home or 47
mobile home, owned and occupied by a qualified beneficiary as a 48
principal residence. A single-family residence includes so much 49
of the land surrounding it as is reasonably necessary for the 50
use of the dwelling or unit as a home. 51

(J) "Manufactured home" has the same meaning as in section 52
3781.06 of the Revised Code. 53

(K) "Mobile home" has the same meaning as in section 54
4501.01 of the Revised Code. 55

(L) "Active duty" and "uniformed services" have the same 56
meanings as in section 5906.01 of the Revised Code. 57

Sec. 193.02. (A) On or after January 1, 2023, any 58
individual may open an account at a financial institution and 59
designate the account, in its entirety, as a first-time home 60
buyer savings account. All funds deposited to, or held in a 61
first-time home buyer savings account shall be intended for use 62
in paying or reimbursing eligible costs for the purchase of a 63
single-family residence in this state by the account's qualified 64
beneficiary. An account that includes funds intended for other 65
purposes shall not be designated as a first-time home buyer 66
savings account. Individuals who are married may jointly open, 67
designate, and own a first-time home buyer savings account but, 68
otherwise, a first-time home buyer savings account shall be 69
owned by not more than one account holder. 70

(B) An account holder shall designate one first-time home buyer as the qualified beneficiary of the first-time home buyer savings account in the form and manner prescribed by the tax commissioner under section 193.07 of the Revised Code not later than the fifteenth day of April of the year following the year in which the account holder first designated the account under this section. Account holders may change the designated qualified beneficiary not more than one time in each taxable year. The forms for initially designating or subsequently changing the qualified beneficiary associated with a first-time home buyer savings account shall include an affidavit signed by the account holder by which the account holder attests that, as of the date the form is executed, the designated beneficiary meets all qualifications prescribed by this chapter for a first-time home buyer. 71
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(C) An account holder may designate the account holder as the qualified beneficiary. 86
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(D) A first-time home buyer savings account shall not have more than one qualified beneficiary at any time. 88
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(E) An individual may be the account holder of more than one first-time home buyer savings account. However, an account holder shall not designate the same qualified beneficiary for more than one account. 90
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(F) An individual may be designated as the qualified beneficiary on more than one first-time home buyer savings account only if the accounts are owned by different account holders. 94
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(G) Only cash and marketable securities may be deposited to a first-time home buyer savings account. 98
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(H) Any person may deposit money in a first-time home buyer savings account. There is no limitation on the amount of money that may be deposited to or retained in a first-time home buyer savings account. Only deposits made by an account holder qualify for the income tax deduction authorized under section 193.05 of the Revised Code. 100
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Sec. 193.03. (A) For the fourth taxable year following the taxable year that the account holder first designated a first-time home buyer savings account under section 193.02 of the Revised Code, and for each taxable year that the account holder claims a deduction or is required to make an addition to the account holder's federal adjusted gross income under section 193.05 of the Revised Code, the account holder shall submit, along with the account holder's state income tax return filed pursuant to section 5747.08 of the Revised Code, all of the following information for each first-time home buyer savings account owned by the account holder during the taxable year: 106
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(1) The account holder's name; 117

(2) The name of the qualified beneficiary; 118

(3) The name of the financial institution and the account number; 119
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(4) The balance of the account at the beginning and at the end of the taxable year, and a ledger listing the deposits to and withdrawals from the account during that period, including debits for service fees associated with administering the account; 121
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(5) The internal revenue service form 1099 issued pursuant to 26 C.F.R. 1.6049-4 by the financial institution with which the account is held or, if the financial institution is not 126
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required under that section to issue an internal revenue service 129
form 1099 for the account, an account statement produced by the 130
financial institution that states the aggregate amount of 131
interest deposited to the account during the taxable year; 132

(6) The amount of the deduction claimed, or addition made 133
under section 193.05 of the Revised Code for the taxable year; 134

(7) If money was withdrawn from the account during the 135
taxable year and used to pay or reimburse eligible costs for the 136
account's qualified beneficiary, a detailed accounting of the 137
eligible costs toward which the money was applied; 138

(8) If money was transferred during the taxable year from 139
the account to another first-time home buyer savings account, 140
the name of the financial institution with which the new account 141
is held and the qualified beneficiary of the new account; 142

(9) If money was withdrawn from the account during the 143
taxable year due to the death or disability of the account 144
holder, the name and address of each person to which the money 145
was distributed. 146

(B) Notwithstanding division (A) of this section, an 147
account holder shall not be required to submit the information 148
described by that division for the fourth taxable year following 149
the taxable year that the account holder first designated a 150
first-time home buyer savings account under section 193.02 of 151
the Revised Code if all of the following apply: 152

(1) The account holder did not claim a deduction and is 153
not required to make an addition to the account holder's federal 154
adjusted gross income under section 193.05 of the Revised Code 155
for that taxable year; 156

(2) The balance of the account was zero at the end of the 157

most recent taxable year for which the account holder submitted 158
information under division (A) of this section; 159

(3) No deposits were made to the account following the end 160
of the most recent taxable year for which the account holder 161
submitted information under division (A) of this section. 162

(C) The account holder or holders shall comply with the 163
reporting obligations prescribed by this section in the form and 164
manner prescribed by the tax commissioner under section 193.07 165
of the Revised Code. 166

Sec. 193.04. (A) A financial institution shall not be 167
required to do any of the following: 168

(1) Designate an account as a first-time home buyer 169
savings account, or designate the qualified beneficiary of an 170
account, in the financial institution's account contracts or 171
systems or in any other way; 172

(2) Track the use of money withdrawn from a first-time 173
home buyer savings account; 174

(3) Allocate funds in a first-time home buyer savings 175
account among joint account holder or multiple qualified 176
beneficiaries; 177

(4) Except as provided in division (D) of this section, 178
report any information not otherwise required by law to the 179
department of taxation or any other governmental agency. 180

(B) A financial institution is not responsible or liable 181
for any of the following: 182

(1) Determining or ensuring that an account satisfies the 183
requirements to be a first-time home buyer savings account; 184

(2) Determining or ensuring that funds in a first-time 185
home buyer savings account are used for eligible costs; 186

(3) Reporting or remitting taxes or penalties related to 187
the use of a first-time home buyer savings account. 188

(C) Upon being furnished proof of the death of the account 189
holder and such other information required by the contract 190
governing the first-time home buyer savings account, a financial 191
institution shall distribute the principal and accumulated 192
interest or other income in the account in accordance with the 193
terms of the contract governing the account. 194

(D) For the purpose of resolving discrepancies in 195
information reported by an account holder under section 193.03 196
of the Revised Code or investigating suspected false statements 197
by an account holder, the tax commissioner may request that the 198
financial institution at which the first-time home buyer savings 199
account is held provide statements and other records associated 200
with the account. The financial institution at which the account 201
is held shall provide the commissioner with the requested 202
statements and records within thirty days after receiving the 203
request. 204

Sec. 193.05. (A) Subject to the limitations prescribed by 205
division (C) of this section, in determining Ohio adjusted gross 206
income under Chapter 5747. of the Revised Code an account holder 207
may deduct the following amounts, to the extent such amounts 208
have not otherwise been deducted or excluded in determining the 209
account holder's federal adjusted gross income: 210

(1) The total of the deposits that the account holder made 211
to one or more first-time home buyer savings accounts owned by 212
the account holder or the account holder's spouse during the 213

<u>taxable year;</u>	214
<u>(2) The interest and other income on the principal balance</u>	215
<u>of each of the account holder's first-time home buyer savings</u>	216
<u>accounts.</u>	217
<u>(B) In determining Ohio adjusted gross income under</u>	218
<u>Chapter 5747. of the Revised Code, an account holder shall add</u>	219
<u>to the account holder's federal adjusted gross income an amount</u>	220
<u>equal to the sum of the amounts described in divisions (B) (1),</u>	221
<u>(2), and (3) of this section to the extent that such amounts</u>	222
<u>were included in the account holder's federal adjusted gross</u>	223
<u>income in a prior taxable year and were deducted in determining</u>	224
<u>the account holder's Ohio adjusted gross income for that taxable</u>	225
<u>year. In determining the extent to which such amounts shall be</u>	226
<u>included in the account holder's Ohio adjusted gross income, the</u>	227
<u>tax commissioner shall be guided by sections 72 and 408 of the</u>	228
<u>Internal Revenue Code governing the determination of the amount</u>	229
<u>of withdrawals from an individual retirement account to be</u>	230
<u>included in federal adjusted gross income.</u>	231
<u>(1) Amounts withdrawn from a first-time home buyer savings</u>	232
<u>account owned by the account holder that are not transferred to</u>	233
<u>another first-time home buyer savings account, debited by the</u>	234
<u>financial institution with which the account is held to pay a</u>	235
<u>service fee for administering the account, or used to pay</u>	236
<u>eligible costs for the purchase of a single-family residence by</u>	237
<u>a qualified beneficiary or to reimburse a qualified beneficiary</u>	238
<u>for such eligible costs;</u>	239
<u>(2) Investment earnings during the taxable year on amounts</u>	240
<u>withdrawn from the account that are described in division (B) (1)</u>	241
<u>of this section;</u>	242

(3) Amounts remaining in the account on the thirty-first 243
day of December of the fourth taxable year following the taxable 244
year in which the account holder first designated a first-time 245
home buyer savings account under section 193.02 of the Revised 246
Code. 247

(C) (1) The total amount of deposits deducted by an account 248
holder under division (A) (1) of this section for a taxable year, 249
regardless of how many first-time home buyer savings accounts 250
the account holder owns, shall not exceed six thousand dollars 251
for spouses filing a joint income tax return under section 252
5747.08 of the Revised Code, or three thousand dollars for all 253
other account holders. 254

(2) The total amount of deposits, interest, and other 255
income deducted by an account holder under divisions (A) (1) and 256
(2) of this section for all taxable years, regardless of how 257
many first-time home buyer savings accounts the account holder 258
owns, shall not exceed thirty thousand dollars for spouses 259
filing a joint income tax return under section 5747.08 of the 260
Revised Code or fifteen thousand dollars for all other account 261
holders. 262

(3) No account holder may claim a deduction under division 263
(A) of this section after the fourth taxable year following the 264
taxable year in which the account holder first designates a 265
first-time home buyer savings account under section 193.02 of 266
the Revised Code. 267

(D) A person other than the account holder who deposits 268
money in a first-time home buyer savings account is not entitled 269
to a deduction under this section. 270

Sec. 193.06. (A) Except as otherwise provided in division 271

(B) of this section, an account holder shall pay a penalty equal 272
to ten per cent of the amounts described in divisions (B) (1) and 273
(3) of section 193.05 of the Revised Code for the taxable year 274
in which the account holder is required to add the amounts in 275
computing the account holder's Ohio adjusted gross income under 276
Chapter 5747. of the Revised Code. The penalty imposed under 277
this section shall be in addition to all other taxes and 278
penalties imposed on the amounts. The penalty shall be 279
considered as revenue arising from the taxes imposed by Chapter 280
5747. of the Revised Code and the tax commissioner may collect 281
past due penalties and interest thereon by assessment under 282
section 5747.13 of the Revised Code in the same manner as taxes 283
that are past due. 284

(B) The penalty imposed under this section does not apply 285
to any of the following: 286

(1) Amounts withdrawn by reason of the account holder's 287
death or disability; 288

(2) A disbursement of assets of the account pursuant to a 289
filing for protection under the United States Bankruptcy Code, 290
11 U.S.C. 101, et seq., more than one year after the date the 291
account was established under section 193.02 of the Revised Code 292
or, if the account includes amounts transferred from other 293
first-time home buyer savings accounts, more than one year after 294
the earliest date that a first-time home buyer savings account 295
from which the funds were transferred was established; 296

(3) Amounts transferred from one first-time home buyer 297
savings account to another first-time home buyers savings 298
account; 299

(4) Amounts debited from the account by the financial 300

institution with which the account is held to pay a service fee 301
for administering the account; 302

(5) Amounts withdrawn by an account holder who is a member 303
of the uniformed services within one year of either of the 304
following: 305

(a) The account holder is transferred or called into an 306
active duty assignment outside this state; 307

(b) The account holder's active duty assignment in this 308
state terminates or relocates outside this state. 309

Sec. 193.07. (A) The tax commissioner may adopt rules in 310
accordance with Chapter 119. of the Revised Code to implement 311
this chapter. 312

(B) The commissioner shall prepare forms and prescribe the 313
manner of submission for all of the following: 314

(1) The designation of an account with a financial 315
institution to serve as a first-time home buyer savings account; 316

(2) The initial designation or subsequent change of the 317
qualified beneficiary associated with a first-time home buyer 318
savings account, including the affidavit required to be included 319
in such forms by division (B) of section 193.02 of the Revised 320
Code; 321

(3) The submission of information about the first-time 322
home buyer savings account, under division (A) of section 193.03 323
of the Revised Code, for taxable years in which the account 324
holder claims a deduction, or is required to make an addition 325
under section 193.05 of the Revised Code. 326

Sec. 2921.13. (A) No person shall knowingly make a false 327
statement, or knowingly swear or affirm the truth of a false 328

statement previously made, when any of the following applies:	329
(1) The statement is made in any official proceeding.	330
(2) The statement is made with purpose to incriminate another.	331 332
(3) The statement is made with purpose to mislead a public official in performing the public official's official function.	333 334
(4) The statement is made with purpose to secure the payment of unemployment compensation; Ohio works first; prevention, retention, and contingency benefits and services; disability financial assistance; retirement benefits or health care coverage from a state retirement system; economic development assistance, as defined in section 9.66 of the Revised Code; or other benefits administered by a governmental agency or paid out of a public treasury.	335 336 337 338 339 340 341 342
(5) The statement is made with purpose to secure the issuance by a governmental agency of a license, permit, authorization, certificate, registration, release, or provider agreement.	343 344 345 346
(6) The statement is sworn or affirmed before a notary public or another person empowered to administer oaths.	347 348
(7) The statement is in writing on or in connection with a report or return that is required or authorized by law.	349 350
(8) The statement is in writing and is made with purpose to induce another to extend credit to or employ the offender, to confer any degree, diploma, certificate of attainment, award of excellence, or honor on the offender, or to extend to or bestow upon the offender any other valuable benefit or distinction, when the person to whom the statement is directed relies upon it	351 352 353 354 355 356

to that person's detriment.	357
(9) The statement is made with purpose to commit or facilitate the commission of a theft offense.	358 359
(10) The statement is knowingly made to a probate court in connection with any action, proceeding, or other matter within its jurisdiction, either orally or in a written document, including, but not limited to, an application, petition, complaint, or other pleading, or an inventory, account, or report.	360 361 362 363 364 365
(11) The statement is made on an account, form, record, stamp, label, or other writing that is required by law.	366 367
(12) The statement is made in connection with the purchase of a firearm, as defined in section 2923.11 of the Revised Code, and in conjunction with the furnishing to the seller of the firearm of a fictitious or altered driver's or commercial driver's license or permit, a fictitious or altered identification card, or any other document that contains false information about the purchaser's identity.	368 369 370 371 372 373 374
(13) The statement is made in a document or instrument of writing that purports to be a judgment, lien, or claim of indebtedness and is filed or recorded with the secretary of state, a county recorder, or the clerk of a court of record.	375 376 377 378
(14) The statement is made in an application filed with a county sheriff pursuant to section 2923.125 of the Revised Code in order to obtain or renew a concealed handgun license or is made in an affidavit submitted to a county sheriff to obtain a concealed handgun license on a temporary emergency basis under section 2923.1213 of the Revised Code.	379 380 381 382 383 384
(15) The statement is required under section 5743.71 of	385

the Revised Code in connection with the person's purchase of 386
cigarettes or tobacco products in a delivery sale. 387

(16) The statement is made in connection with a first-time 388
home buyer savings account and on a form, report, affidavit, or 389
other notification or communication required by Chapter 193. of 390
the Revised Code. 391

(B) No person, in connection with the purchase of a 392
firearm, as defined in section 2923.11 of the Revised Code, 393
shall knowingly furnish to the seller of the firearm a 394
fictitious or altered driver's or commercial driver's license or 395
permit, a fictitious or altered identification card, or any 396
other document that contains false information about the 397
purchaser's identity. 398

(C) No person, in an attempt to obtain a concealed handgun 399
license under section 2923.125 of the Revised Code, shall 400
knowingly present to a sheriff a fictitious or altered document 401
that purports to be certification of the person's competence in 402
handling a handgun as described in division (B) (3) of that 403
section. 404

(D) It is no defense to a charge under division (A) (6) of 405
this section that the oath or affirmation was administered or 406
taken in an irregular manner. 407

(E) If contradictory statements relating to the same fact 408
are made by the offender within the period of the statute of 409
limitations for falsification, it is not necessary for the 410
prosecution to prove which statement was false but only that one 411
or the other was false. 412

(F) (1) Whoever violates division (A) (1), (2), (3), (4), 413
(5), (6), (7), (8), (10), (11), (13), ~~or (15)~~, or (16) of this 414

section is guilty of falsification. Except as otherwise provided 415
in this division, falsification is a misdemeanor of the first 416
degree. 417

(2) Whoever violates division (A) (9) of this section is 418
guilty of falsification in a theft offense. Except as otherwise 419
provided in this division, falsification in a theft offense is a 420
misdemeanor of the first degree. If the value of the property or 421
services stolen is one thousand dollars or more and is less than 422
seven thousand five hundred dollars, falsification in a theft 423
offense is a felony of the fifth degree. If the value of the 424
property or services stolen is seven thousand five hundred 425
dollars or more and is less than one hundred fifty thousand 426
dollars, falsification in a theft offense is a felony of the 427
fourth degree. If the value of the property or services stolen 428
is one hundred fifty thousand dollars or more, falsification in 429
a theft offense is a felony of the third degree. 430

(3) Whoever violates division (A) (12) or (B) of this 431
section is guilty of falsification to purchase a firearm, a 432
felony of the fifth degree. 433

(4) Whoever violates division (A) (14) or (C) of this 434
section is guilty of falsification to obtain a concealed handgun 435
license, a felony of the fourth degree. 436

(5) Whoever violates division (A) of this section in 437
removal proceedings under section 319.26, 321.37, 507.13, or 438
733.78 of the Revised Code is guilty of falsification regarding 439
a removal proceeding, a felony of the third degree. 440

(G) A person who violates this section is liable in a 441
civil action to any person harmed by the violation for injury, 442
death, or loss to person or property incurred as a result of the 443

commission of the offense and for reasonable attorney's fees, 444
court costs, and other expenses incurred as a result of 445
prosecuting the civil action commenced under this division. A 446
civil action under this division is not the exclusive remedy of 447
a person who incurs injury, death, or loss to person or property 448
as a result of a violation of this section. 449

Sec. 5747.01. Except as otherwise expressly provided or 450
clearly appearing from the context, any term used in this 451
chapter that is not otherwise defined in this section has the 452
same meaning as when used in a comparable context in the laws of 453
the United States relating to federal income taxes or if not 454
used in a comparable context in those laws, has the same meaning 455
as in section 5733.40 of the Revised Code. Any reference in this 456
chapter to the Internal Revenue Code includes other laws of the 457
United States relating to federal income taxes. 458

As used in this chapter: 459

(A) "Adjusted gross income" or "Ohio adjusted gross 460
income" means federal adjusted gross income, as defined and used 461
in the Internal Revenue Code, adjusted as provided in this 462
section: 463

(1) Add interest or dividends on obligations or securities 464
of any state or of any political subdivision or authority of any 465
state, other than this state and its subdivisions and 466
authorities. 467

(2) Add interest or dividends on obligations of any 468
authority, commission, instrumentality, territory, or possession 469
of the United States to the extent that the interest or 470
dividends are exempt from federal income taxes but not from 471
state income taxes. 472

(3) Deduct interest or dividends on obligations of the United States and its territories and possessions or of any authority, commission, or instrumentality of the United States to the extent that the interest or dividends are included in federal adjusted gross income but exempt from state income taxes under the laws of the United States.	473 474 475 476 477 478
(4) Deduct disability and survivor's benefits to the extent included in federal adjusted gross income.	479 480
(5) Deduct the following, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income:	481 482 483
(a) Benefits under Title II of the Social Security Act and tier 1 railroad retirement;	484 485
(b) Railroad retirement benefits, other than tier 1 railroad retirement benefits, to the extent such amounts are exempt from state taxation under federal law.	486 487 488
(6) Deduct the amount of wages and salaries, if any, not otherwise allowable as a deduction but that would have been allowable as a deduction in computing federal adjusted gross income for the taxable year, had the work opportunity tax credit allowed and determined under sections 38, 51, and 52 of the Internal Revenue Code not been in effect.	489 490 491 492 493 494
(7) Deduct any interest or interest equivalent on public obligations and purchase obligations to the extent that the interest or interest equivalent is included in federal adjusted gross income.	495 496 497 498
(8) Add any loss or deduct any gain resulting from the sale, exchange, or other disposition of public obligations to the extent that the loss has been deducted or the gain has been	499 500 501

included in computing federal adjusted gross income. 502

(9) Deduct or add amounts, as provided under section 503
5747.70 of the Revised Code, related to contributions to 504
variable college savings program accounts made or tuition units 505
purchased pursuant to Chapter 3334. of the Revised Code. 506

(10) (a) Deduct, to the extent not otherwise allowable as a 507
deduction or exclusion in computing federal or Ohio adjusted 508
gross income for the taxable year, the amount the taxpayer paid 509
during the taxable year for medical care insurance and qualified 510
long-term care insurance for the taxpayer, the taxpayer's 511
spouse, and dependents. No deduction for medical care insurance 512
under division (A) (10) (a) of this section shall be allowed 513
either to any taxpayer who is eligible to participate in any 514
subsidized health plan maintained by any employer of the 515
taxpayer or of the taxpayer's spouse, or to any taxpayer who is 516
entitled to, or on application would be entitled to, benefits 517
under part A of Title XVIII of the "Social Security Act," 49 518
Stat. 620 (1935), 42 U.S.C. 301, as amended. For the purposes of 519
division (A) (10) (a) of this section, "subsidized health plan" 520
means a health plan for which the employer pays any portion of 521
the plan's cost. The deduction allowed under division (A) (10) (a) 522
of this section shall be the net of any related premium refunds, 523
related premium reimbursements, or related insurance premium 524
dividends received during the taxable year. 525

(b) Deduct, to the extent not otherwise deducted or 526
excluded in computing federal or Ohio adjusted gross income 527
during the taxable year, the amount the taxpayer paid during the 528
taxable year, not compensated for by any insurance or otherwise, 529
for medical care of the taxpayer, the taxpayer's spouse, and 530
dependents, to the extent the expenses exceed seven and one-half 531

per cent of the taxpayer's federal adjusted gross income. 532

(c) For purposes of division (A)(10) of this section, 533
"medical care" has the meaning given in section 213 of the 534
Internal Revenue Code, subject to the special rules, 535
limitations, and exclusions set forth therein, and "qualified 536
long-term care" has the same meaning given in section 7702B(c) 537
of the Internal Revenue Code. Solely for purposes of division 538
(A)(10)(a) of this section, "dependent" includes a person who 539
otherwise would be a "qualifying relative" and thus a 540
"dependent" under section 152 of the Internal Revenue Code but 541
for the fact that the person fails to meet the income and 542
support limitations under section 152(d)(1)(B) and (C) of the 543
Internal Revenue Code. 544

(11)(a) Deduct any amount included in federal adjusted 545
gross income solely because the amount represents a 546
reimbursement or refund of expenses that in any year the 547
taxpayer had deducted as an itemized deduction pursuant to 548
section 63 of the Internal Revenue Code and applicable United 549
States department of the treasury regulations. The deduction 550
otherwise allowed under division (A)(11)(a) of this section 551
shall be reduced to the extent the reimbursement is attributable 552
to an amount the taxpayer deducted under this section in any 553
taxable year. 554

(b) Add any amount not otherwise included in Ohio adjusted 555
gross income for any taxable year to the extent that the amount 556
is attributable to the recovery during the taxable year of any 557
amount deducted or excluded in computing federal or Ohio 558
adjusted gross income in any taxable year. 559

(12) Deduct any portion of the deduction described in 560
section 1341(a)(2) of the Internal Revenue Code, for repaying 561

previously reported income received under a claim of right, that 562
meets both of the following requirements: 563

(a) It is allowable for repayment of an item that was 564
included in the taxpayer's adjusted gross income for a prior 565
taxable year and did not qualify for a credit under division (A) 566
or (B) of section 5747.05 of the Revised Code for that year; 567

(b) It does not otherwise reduce the taxpayer's adjusted 568
gross income for the current or any other taxable year. 569

(13) Deduct an amount equal to the deposits made to, and 570
net investment earnings of, a medical savings account during the 571
taxable year, in accordance with section 3924.66 of the Revised 572
Code. The deduction allowed by division (A) (13) of this section 573
does not apply to medical savings account deposits and earnings 574
otherwise deducted or excluded for the current or any other 575
taxable year from the taxpayer's federal adjusted gross income. 576

(14) (a) Add an amount equal to the funds withdrawn from a 577
medical savings account during the taxable year, and the net 578
investment earnings on those funds, when the funds withdrawn 579
were used for any purpose other than to reimburse an account 580
holder for, or to pay, eligible medical expenses, in accordance 581
with section 3924.66 of the Revised Code; 582

(b) Add the amounts distributed from a medical savings 583
account under division (A) (2) of section 3924.68 of the Revised 584
Code during the taxable year. 585

(15) Add any amount claimed as a credit under section 586
5747.059 of the Revised Code to the extent that such amount 587
satisfies either of the following: 588

(a) The amount was deducted or excluded from the 589
computation of the taxpayer's federal adjusted gross income as 590

required to be reported for the taxpayer's taxable year under 591
the Internal Revenue Code; 592

(b) The amount resulted in a reduction of the taxpayer's 593
federal adjusted gross income as required to be reported for any 594
of the taxpayer's taxable years under the Internal Revenue Code. 595

(16) Deduct the amount contributed by the taxpayer to an 596
individual development account program established by a county 597
department of job and family services pursuant to sections 598
329.11 to 329.14 of the Revised Code for the purpose of matching 599
funds deposited by program participants. On request of the tax 600
commissioner, the taxpayer shall provide any information that, 601
in the tax commissioner's opinion, is necessary to establish the 602
amount deducted under division (A)(16) of this section. 603

(17)(a)(i) Subject to divisions (A)(17)(a)(iii), (iv), and 604
(v) of this section, add five-sixths of the amount of 605
depreciation expense allowed by subsection (k) of section 168 of 606
the Internal Revenue Code, including the taxpayer's 607
proportionate or distributive share of the amount of 608
depreciation expense allowed by that subsection to a pass- 609
through entity in which the taxpayer has a direct or indirect 610
ownership interest. 611

(ii) Subject to divisions (A)(17)(a)(iii), (iv), and (v) 612
of this section, add five-sixths of the amount of qualifying 613
section 179 depreciation expense, including the taxpayer's 614
proportionate or distributive share of the amount of qualifying 615
section 179 depreciation expense allowed to any pass-through 616
entity in which the taxpayer has a direct or indirect ownership 617
interest. 618

(iii) Subject to division (A)(17)(a)(v) of this section, 619

for taxable years beginning in 2012 or thereafter, if the 620
increase in income taxes withheld by the taxpayer is equal to or 621
greater than ten per cent of income taxes withheld by the 622
taxpayer during the taxpayer's immediately preceding taxable 623
year, "two-thirds" shall be substituted for "five-sixths" for 624
the purpose of divisions (A) (17) (a) (i) and (ii) of this section. 625

(iv) Subject to division (A) (17) (a) (v) of this section, 626
for taxable years beginning in 2012 or thereafter, a taxpayer is 627
not required to add an amount under division (A) (17) of this 628
section if the increase in income taxes withheld by the taxpayer 629
and by any pass-through entity in which the taxpayer has a 630
direct or indirect ownership interest is equal to or greater 631
than the sum of (I) the amount of qualifying section 179 632
depreciation expense and (II) the amount of depreciation expense 633
allowed to the taxpayer by subsection (k) of section 168 of the 634
Internal Revenue Code, and including the taxpayer's 635
proportionate or distributive shares of such amounts allowed to 636
any such pass-through entities. 637

(v) If a taxpayer directly or indirectly incurs a net 638
operating loss for the taxable year for federal income tax 639
purposes, to the extent such loss resulted from depreciation 640
expense allowed by subsection (k) of section 168 of the Internal 641
Revenue Code and by qualifying section 179 depreciation expense, 642
"the entire" shall be substituted for "five-sixths of the" for 643
the purpose of divisions (A) (17) (a) (i) and (ii) of this section. 644

The tax commissioner, under procedures established by the 645
commissioner, may waive the add-backs related to a pass-through 646
entity if the taxpayer owns, directly or indirectly, less than 647
five per cent of the pass-through entity. 648

(b) Nothing in division (A) (17) of this section shall be 649

construed to adjust or modify the adjusted basis of any asset. 650

(c) To the extent the add-back required under division (A) 651
(17) (a) of this section is attributable to property generating 652
nonbusiness income or loss allocated under section 5747.20 of 653
the Revised Code, the add-back shall be situated to the same 654
location as the nonbusiness income or loss generated by the 655
property for the purpose of determining the credit under 656
division (A) of section 5747.05 of the Revised Code. Otherwise, 657
the add-back shall be apportioned, subject to one or more of the 658
four alternative methods of apportionment enumerated in section 659
5747.21 of the Revised Code. 660

(d) For the purposes of division (A) (17) (a) (v) of this 661
section, net operating loss carryback and carryforward shall not 662
include the allowance of any net operating loss deduction 663
carryback or carryforward to the taxable year to the extent such 664
loss resulted from depreciation allowed by section 168(k) of the 665
Internal Revenue Code and by the qualifying section 179 666
depreciation expense amount. 667

(e) For the purposes of divisions (A) (17) and (18) of this 668
section: 669

(i) "Income taxes withheld" means the total amount 670
withheld and remitted under sections 5747.06 and 5747.07 of the 671
Revised Code by an employer during the employer's taxable year. 672

(ii) "Increase in income taxes withheld" means the amount 673
by which the amount of income taxes withheld by an employer 674
during the employer's current taxable year exceeds the amount of 675
income taxes withheld by that employer during the employer's 676
immediately preceding taxable year. 677

(iii) "Qualifying section 179 depreciation expense" means 678

the difference between (I) the amount of depreciation expense 679
directly or indirectly allowed to a taxpayer under section 179 680
of the Internal Revised Code, and (II) the amount of 681
depreciation expense directly or indirectly allowed to the 682
taxpayer under section 179 of the Internal Revenue Code as that 683
section existed on December 31, 2002. 684

(18) (a) If the taxpayer was required to add an amount 685
under division (A) (17) (a) of this section for a taxable year, 686
deduct one of the following: 687

(i) One-fifth of the amount so added for each of the five 688
succeeding taxable years if the amount so added was five-sixths 689
of qualifying section 179 depreciation expense or depreciation 690
expense allowed by subsection (k) of section 168 of the Internal 691
Revenue Code; 692

(ii) One-half of the amount so added for each of the two 693
succeeding taxable years if the amount so added was two-thirds 694
of such depreciation expense; 695

(iii) One-sixth of the amount so added for each of the six 696
succeeding taxable years if the entire amount of such 697
depreciation expense was so added. 698

(b) If the amount deducted under division (A) (18) (a) of 699
this section is attributable to an add-back allocated under 700
division (A) (17) (c) of this section, the amount deducted shall 701
be situated to the same location. Otherwise, the add-back shall 702
be apportioned using the apportionment factors for the taxable 703
year in which the deduction is taken, subject to one or more of 704
the four alternative methods of apportionment enumerated in 705
section 5747.21 of the Revised Code. 706

(c) No deduction is available under division (A) (18) (a) of 707

this section with regard to any depreciation allowed by section 708
168(k) of the Internal Revenue Code and by the qualifying 709
section 179 depreciation expense amount to the extent that such 710
depreciation results in or increases a federal net operating 711
loss carryback or carryforward. If no such deduction is 712
available for a taxable year, the taxpayer may carry forward the 713
amount not deducted in such taxable year to the next taxable 714
year and add that amount to any deduction otherwise available 715
under division (A) (18) (a) of this section for that next taxable 716
year. The carryforward of amounts not so deducted shall continue 717
until the entire addition required by division (A) (17) (a) of 718
this section has been deducted. 719

(19) Deduct, to the extent not otherwise deducted or 720
excluded in computing federal or Ohio adjusted gross income for 721
the taxable year, the amount the taxpayer received during the 722
taxable year as reimbursement for life insurance premiums under 723
section 5919.31 of the Revised Code. 724

(20) Deduct, to the extent not otherwise deducted or 725
excluded in computing federal or Ohio adjusted gross income for 726
the taxable year, the amount the taxpayer received during the 727
taxable year as a death benefit paid by the adjutant general 728
under section 5919.33 of the Revised Code. 729

(21) Deduct, to the extent included in federal adjusted 730
gross income and not otherwise allowable as a deduction or 731
exclusion in computing federal or Ohio adjusted gross income for 732
the taxable year, military pay and allowances received by the 733
taxpayer during the taxable year for active duty service in the 734
United States army, air force, navy, marine corps, or coast 735
guard or reserve components thereof or the national guard. The 736
deduction may not be claimed for military pay and allowances 737

received by the taxpayer while the taxpayer is stationed in this state. 738
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(22) Deduct, to the extent not otherwise allowable as a deduction or exclusion in computing federal or Ohio adjusted gross income for the taxable year and not otherwise compensated for by any other source, the amount of qualified organ donation expenses incurred by the taxpayer during the taxable year, not to exceed ten thousand dollars. A taxpayer may deduct qualified organ donation expenses only once for all taxable years beginning with taxable years beginning in 2007. 740
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For the purposes of division (A) (22) of this section: 748

(a) "Human organ" means all or any portion of a human liver, pancreas, kidney, intestine, or lung, and any portion of human bone marrow. 749
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(b) "Qualified organ donation expenses" means travel expenses, lodging expenses, and wages and salary forgone by a taxpayer in connection with the taxpayer's donation, while living, of one or more of the taxpayer's human organs to another human being. 752
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(23) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, amounts received by the taxpayer as retired personnel pay for service in the uniformed services or reserve components thereof, or the national guard, or received by the surviving spouse or former spouse of such a taxpayer under the survivor benefit plan on account of such a taxpayer's death. If the taxpayer receives income on account of retirement paid under the federal civil service retirement system or federal employees retirement system, or under any successor retirement program 757
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enacted by the congress of the United States that is established 767
and maintained for retired employees of the United States 768
government, and such retirement income is based, in whole or in 769
part, on credit for the taxpayer's uniformed service, the 770
deduction allowed under this division shall include only that 771
portion of such retirement income that is attributable to the 772
taxpayer's uniformed service, to the extent that portion of such 773
retirement income is otherwise included in federal adjusted 774
gross income and is not otherwise deducted under this section. 775
Any amount deducted under division (A) (23) of this section is 776
not included in a taxpayer's adjusted gross income for the 777
purposes of section 5747.055 of the Revised Code. No amount may 778
be deducted under division (A) (23) of this section on the basis 779
of which a credit was claimed under section 5747.055 of the 780
Revised Code. 781

(24) Deduct, to the extent not otherwise deducted or 782
excluded in computing federal or Ohio adjusted gross income for 783
the taxable year, the amount the taxpayer received during the 784
taxable year from the military injury relief fund created in 785
section 5902.05 of the Revised Code. 786

(25) Deduct, to the extent not otherwise deducted or 787
excluded in computing federal or Ohio adjusted gross income for 788
the taxable year, the amount the taxpayer received as a veterans 789
bonus during the taxable year from the Ohio department of 790
veterans services as authorized by Section 2r of Article VIII, 791
Ohio Constitution. 792

(26) Deduct, to the extent not otherwise deducted or 793
excluded in computing federal or Ohio adjusted gross income for 794
the taxable year, any income derived from a transfer agreement 795
or from the enterprise transferred under that agreement under 796

section 4313.02 of the Revised Code. 797

(27) Deduct, to the extent not otherwise deducted or 798
excluded in computing federal or Ohio adjusted gross income for 799
the taxable year, Ohio college opportunity or federal Pell grant 800
amounts received by the taxpayer or the taxpayer's spouse or 801
dependent pursuant to section 3333.122 of the Revised Code or 20 802
U.S.C. 1070a, et seq., and used to pay room or board furnished 803
by the educational institution for which the grant was awarded 804
at the institution's facilities, including meal plans 805
administered by the institution. For the purposes of this 806
division, receipt of a grant includes the distribution of a 807
grant directly to an educational institution and the crediting 808
of the grant to the enrollee's account with the institution. 809

(28) Deduct from the portion of an individual's federal 810
adjusted gross income that is business income, to the extent not 811
otherwise deducted or excluded in computing federal adjusted 812
gross income for the taxable year, one hundred twenty-five 813
thousand dollars for each spouse if spouses file separate 814
returns under section 5747.08 of the Revised Code or two hundred 815
fifty thousand dollars for all other individuals. 816

(29) Deduct, as provided under section 5747.78 of the 817
Revised Code, contributions to ABLE savings accounts made in 818
accordance with sections 113.50 to 113.56 of the Revised Code. 819

(30) (a) Deduct, to the extent not otherwise deducted or 820
excluded in computing federal or Ohio adjusted gross income 821
during the taxable year, all of the following: 822

(i) Compensation paid to a qualifying employee described 823
in division (A) (14) (a) of section 5703.94 of the Revised Code to 824
the extent such compensation is for disaster work conducted in 825

this state during a disaster response period pursuant to a 826
qualifying solicitation received by the employee's employer; 827

(ii) Compensation paid to a qualifying employee described 828
in division (A) (14) (b) of section 5703.94 of the Revised Code to 829
the extent such compensation is for disaster work conducted in 830
this state by the employee during the disaster response period 831
on critical infrastructure owned or used by the employee's 832
employer; 833

(iii) Income received by an out-of-state disaster business 834
for disaster work conducted in this state during a disaster 835
response period, or, if the out-of-state disaster business is a 836
pass-through entity, a taxpayer's distributive share of the 837
pass-through entity's income from the business conducting 838
disaster work in this state during a disaster response period, 839
if, in either case, the disaster work is conducted pursuant to a 840
qualifying solicitation received by the business. 841

(b) All terms used in division (A) (30) of this section 842
have the same meanings as in section 5703.94 of the Revised 843
Code. 844

(31) For a taxpayer who is a qualifying Ohio educator, 845
deduct, to the extent not otherwise deducted or excluded in 846
computing federal or Ohio adjusted gross income for the taxable 847
year, the lesser of two hundred fifty dollars or the amount of 848
expenses described in subsections (a) (2) (D) (i) and (ii) of 849
section 62 of the Internal Revenue Code paid or incurred by the 850
taxpayer during the taxpayer's taxable year in excess of the 851
amount the taxpayer is authorized to deduct for that taxable 852
year under subsection (a) (2) (D) of that section. 853

(32) Deduct, to the extent not otherwise deducted or 854

excluded in computing federal or Ohio adjusted gross income for 855
the taxable year, amounts received by the taxpayer as a 856
disability severance payment, computed under 10 U.S.C. 1212, 857
following discharge or release under honorable conditions from 858
the armed forces, as defined by 10 U.S.C. 101. 859

(33) Deduct, to the extent not otherwise deducted or 860
excluded in computing federal adjusted gross income or Ohio 861
adjusted gross income, amounts not subject to tax due to an 862
agreement entered into under division (A) (2) of section 5747.05 863
of the Revised Code. 864

(34) Deduct amounts as provided under section 5747.79 of 865
the Revised Code related to the taxpayer's qualifying capital 866
gains and deductible payroll. 867

To the extent a qualifying capital gain described under 868
division (A) (34) of this section is business income, the 869
taxpayer shall deduct those gains under this division before 870
deducting any such gains under division (A) (28) of this section. 871

(35) (a) For taxable years beginning in or after 2026, 872
deduct, to the extent not otherwise deducted or excluded in 873
computing federal or Ohio adjusted gross income for the taxable 874
year: 875

(i) One hundred per cent of the capital gain received by 876
the taxpayer in the taxable year from a qualifying interest in 877
an Ohio venture capital operating company attributable to the 878
company's investments in Ohio businesses during the period for 879
which the company was an Ohio venture operating company; and 880

(ii) Fifty per cent of the capital gain received by the 881
taxpayer in the taxable year from a qualifying interest in an 882
Ohio venture capital operating company attributable to the 883

company's investments in all other businesses during the period 884
for which the company was an Ohio venture operating company. 885

(b) Add amounts previously deducted by the taxpayer under 886
division (A) (35) (a) of this section if the director of 887
development certifies to the tax commissioner that the 888
requirements for the deduction were not met. 889

(c) All terms used in division (A) (35) of this section 890
have the same meanings as in section 122.851 of the Revised 891
Code. 892

(d) To the extent a capital gain described in division (A) 893
(35) (a) of this section is business income, the taxpayer shall 894
apply that division before applying division (A) (28) of this 895
section. 896

(36) (a) Deduct the amounts described in division (A) of 897
section 193.05 of the Revised Code pertaining to deposits made 898
to, and the interest and other income on the principal balance 899
of, a first-time home buyer savings account during the taxable 900
year. The deduction allowed by division (A) (36) (a) of this 901
section does not apply to first-time home buyer savings account 902
deposits and earnings otherwise deducted or excluded for the 903
current or any other taxable year from the taxpayer's federal 904
adjusted gross income. 905

(b) Add the amounts described in division (B) of section 906
193.05 of the Revised Code pertaining to withdrawals from a 907
first-time home buyer savings account during the taxable year 908
that are not used to pay eligible costs for the purchase of a 909
single-family residence by a qualified beneficiary, investment 910
earnings on such withdrawals, and amounts remaining in a first- 911
time home buyer savings account on the thirty-first day of 912

December of the fourth taxable year following the taxable year 913
that the account holder first designated a first-time home buyer 914
savings account under section 193.02 of the Revised Code. 915

(B) "Business income" means income, including gain or 916
loss, arising from transactions, activities, and sources in the 917
regular course of a trade or business and includes income, gain, 918
or loss from real property, tangible property, and intangible 919
property if the acquisition, rental, management, and disposition 920
of the property constitute integral parts of the regular course 921
of a trade or business operation. "Business income" includes 922
income, including gain or loss, from a partial or complete 923
liquidation of a business, including, but not limited to, gain 924
or loss from the sale or other disposition of goodwill. 925

(C) "Nonbusiness income" means all income other than 926
business income and may include, but is not limited to, 927
compensation, rents and royalties from real or tangible personal 928
property, capital gains, interest, dividends and distributions, 929
patent or copyright royalties, or lottery winnings, prizes, and 930
awards. 931

(D) "Compensation" means any form of remuneration paid to 932
an employee for personal services. 933

(E) "Fiduciary" means a guardian, trustee, executor, 934
administrator, receiver, conservator, or any other person acting 935
in any fiduciary capacity for any individual, trust, or estate. 936

(F) "Fiscal year" means an accounting period of twelve 937
months ending on the last day of any month other than December. 938

(G) "Individual" means any natural person. 939

(H) "Internal Revenue Code" means the "Internal Revenue 940
Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended. 941

(I) "Resident" means any of the following:	942
(1) An individual who is domiciled in this state, subject to section 5747.24 of the Revised Code;	943 944
(2) The estate of a decedent who at the time of death was domiciled in this state. The domicile tests of section 5747.24 of the Revised Code are not controlling for purposes of division (I) (2) of this section.	945 946 947 948
(3) A trust that, in whole or part, resides in this state. If only part of a trust resides in this state, the trust is a resident only with respect to that part.	949 950 951
For the purposes of division (I) (3) of this section:	952
(a) A trust resides in this state for the trust's current taxable year to the extent, as described in division (I) (3) (d) of this section, that the trust consists directly or indirectly, in whole or in part, of assets, net of any related liabilities, that were transferred, or caused to be transferred, directly or indirectly, to the trust by any of the following:	953 954 955 956 957 958
(i) A person, a court, or a governmental entity or instrumentality on account of the death of a decedent, but only if the trust is described in division (I) (3) (e) (i) or (ii) of this section;	959 960 961 962
(ii) A person who was domiciled in this state for the purposes of this chapter when the person directly or indirectly transferred assets to an irrevocable trust, but only if at least one of the trust's qualifying beneficiaries is domiciled in this state for the purposes of this chapter during all or some portion of the trust's current taxable year;	963 964 965 966 967 968
(iii) A person who was domiciled in this state for the	969

purposes of this chapter when the trust document or instrument 970
or part of the trust document or instrument became irrevocable, 971
but only if at least one of the trust's qualifying beneficiaries 972
is a resident domiciled in this state for the purposes of this 973
chapter during all or some portion of the trust's current 974
taxable year. If a trust document or instrument became 975
irrevocable upon the death of a person who at the time of death 976
was domiciled in this state for purposes of this chapter, that 977
person is a person described in division (I) (3) (a) (iii) of this 978
section. 979

(b) A trust is irrevocable to the extent that the 980
transferor is not considered to be the owner of the net assets 981
of the trust under sections 671 to 678 of the Internal Revenue 982
Code. 983

(c) With respect to a trust other than a charitable lead 984
trust, "qualifying beneficiary" has the same meaning as 985
"potential current beneficiary" as defined in section 1361(e) (2) 986
of the Internal Revenue Code, and with respect to a charitable 987
lead trust "qualifying beneficiary" is any current, future, or 988
contingent beneficiary, but with respect to any trust 989
"qualifying beneficiary" excludes a person or a governmental 990
entity or instrumentality to any of which a contribution would 991
qualify for the charitable deduction under section 170 of the 992
Internal Revenue Code. 993

(d) For the purposes of division (I) (3) (a) of this 994
section, the extent to which a trust consists directly or 995
indirectly, in whole or in part, of assets, net of any related 996
liabilities, that were transferred directly or indirectly, in 997
whole or part, to the trust by any of the sources enumerated in 998
that division shall be ascertained by multiplying the fair 999

market value of the trust's assets, net of related liabilities, 1000
by the qualifying ratio, which shall be computed as follows: 1001

(i) The first time the trust receives assets, the 1002
numerator of the qualifying ratio is the fair market value of 1003
those assets at that time, net of any related liabilities, from 1004
sources enumerated in division (I) (3) (a) of this section. The 1005
denominator of the qualifying ratio is the fair market value of 1006
all the trust's assets at that time, net of any related 1007
liabilities. 1008

(ii) Each subsequent time the trust receives assets, a 1009
revised qualifying ratio shall be computed. The numerator of the 1010
revised qualifying ratio is the sum of (1) the fair market value 1011
of the trust's assets immediately prior to the subsequent 1012
transfer, net of any related liabilities, multiplied by the 1013
qualifying ratio last computed without regard to the subsequent 1014
transfer, and (2) the fair market value of the subsequently 1015
transferred assets at the time transferred, net of any related 1016
liabilities, from sources enumerated in division (I) (3) (a) of 1017
this section. The denominator of the revised qualifying ratio is 1018
the fair market value of all the trust's assets immediately 1019
after the subsequent transfer, net of any related liabilities. 1020

(iii) Whether a transfer to the trust is by or from any of 1021
the sources enumerated in division (I) (3) (a) of this section 1022
shall be ascertained without regard to the domicile of the 1023
trust's beneficiaries. 1024

(e) For the purposes of division (I) (3) (a) (i) of this 1025
section: 1026

(i) A trust is described in division (I) (3) (e) (i) of this 1027
section if the trust is a testamentary trust and the testator of 1028

that testamentary trust was domiciled in this state at the time 1029
of the testator's death for purposes of the taxes levied under 1030
Chapter 5731. of the Revised Code. 1031

(ii) A trust is described in division (I)(3)(e)(ii) of 1032
this section if the transfer is a qualifying transfer described 1033
in any of divisions (I)(3)(f)(i) to (vi) of this section, the 1034
trust is an irrevocable inter vivos trust, and at least one of 1035
the trust's qualifying beneficiaries is domiciled in this state 1036
for purposes of this chapter during all or some portion of the 1037
trust's current taxable year. 1038

(f) For the purposes of division (I)(3)(e)(ii) of this 1039
section, a "qualifying transfer" is a transfer of assets, net of 1040
any related liabilities, directly or indirectly to a trust, if 1041
the transfer is described in any of the following: 1042

(i) The transfer is made to a trust, created by the 1043
decedent before the decedent's death and while the decedent was 1044
domiciled in this state for the purposes of this chapter, and, 1045
prior to the death of the decedent, the trust became irrevocable 1046
while the decedent was domiciled in this state for the purposes 1047
of this chapter. 1048

(ii) The transfer is made to a trust to which the 1049
decedent, prior to the decedent's death, had directly or 1050
indirectly transferred assets, net of any related liabilities, 1051
while the decedent was domiciled in this state for the purposes 1052
of this chapter, and prior to the death of the decedent the 1053
trust became irrevocable while the decedent was domiciled in 1054
this state for the purposes of this chapter. 1055

(iii) The transfer is made on account of a contractual 1056
relationship existing directly or indirectly between the 1057

transferor and either the decedent or the estate of the decedent 1058
at any time prior to the date of the decedent's death, and the 1059
decedent was domiciled in this state at the time of death for 1060
purposes of the taxes levied under Chapter 5731. of the Revised 1061
Code. 1062

(iv) The transfer is made to a trust on account of a 1063
contractual relationship existing directly or indirectly between 1064
the transferor and another person who at the time of the 1065
decedent's death was domiciled in this state for purposes of 1066
this chapter. 1067

(v) The transfer is made to a trust on account of the will 1068
of a testator who was domiciled in this state at the time of the 1069
testator's death for purposes of the taxes levied under Chapter 1070
5731. of the Revised Code. 1071

(vi) The transfer is made to a trust created by or caused 1072
to be created by a court, and the trust was directly or 1073
indirectly created in connection with or as a result of the 1074
death of an individual who, for purposes of the taxes levied 1075
under Chapter 5731. of the Revised Code, was domiciled in this 1076
state at the time of the individual's death. 1077

(g) The tax commissioner may adopt rules to ascertain the 1078
part of a trust residing in this state. 1079

(J) "Nonresident" means an individual or estate that is 1080
not a resident. An individual who is a resident for only part of 1081
a taxable year is a nonresident for the remainder of that 1082
taxable year. 1083

(K) "Pass-through entity" has the same meaning as in 1084
section 5733.04 of the Revised Code. 1085

(L) "Return" means the notifications and reports required 1086

to be filed pursuant to this chapter for the purpose of 1087
reporting the tax due and includes declarations of estimated tax 1088
when so required. 1089

(M) "Taxable year" means the calendar year or the 1090
taxpayer's fiscal year ending during the calendar year, or 1091
fractional part thereof, upon which the adjusted gross income is 1092
calculated pursuant to this chapter. 1093

(N) "Taxpayer" means any person subject to the tax imposed 1094
by section 5747.02 of the Revised Code or any pass-through 1095
entity that makes the election under division (D) of section 1096
5747.08 of the Revised Code. 1097

(O) "Dependents" means one of the following: 1098

(1) For taxable years beginning on or after January 1, 1099
2018, and before January 1, 2026, dependents as defined in the 1100
Internal Revenue Code; 1101

(2) For all other taxable years, dependents as defined in 1102
the Internal Revenue Code and as claimed in the taxpayer's 1103
federal income tax return for the taxable year or which the 1104
taxpayer would have been permitted to claim had the taxpayer 1105
filed a federal income tax return. 1106

(P) "Principal county of employment" means, in the case of 1107
a nonresident, the county within the state in which a taxpayer 1108
performs services for an employer or, if those services are 1109
performed in more than one county, the county in which the major 1110
portion of the services are performed. 1111

(Q) As used in sections 5747.50 to 5747.55 of the Revised 1112
Code: 1113

(1) "Subdivision" means any county, municipal corporation, 1114

park district, or township. 1115

(2) "Essential local government purposes" includes all 1116
functions that any subdivision is required by general law to 1117
exercise, including like functions that are exercised under a 1118
charter adopted pursuant to the Ohio Constitution. 1119

(R) "Overpayment" means any amount already paid that 1120
exceeds the figure determined to be the correct amount of the 1121
tax. 1122

(S) "Taxable income" or "Ohio taxable income" applies only 1123
to estates and trusts, and means federal taxable income, as 1124
defined and used in the Internal Revenue Code, adjusted as 1125
follows: 1126

(1) Add interest or dividends, net of ordinary, necessary, 1127
and reasonable expenses not deducted in computing federal 1128
taxable income, on obligations or securities of any state or of 1129
any political subdivision or authority of any state, other than 1130
this state and its subdivisions and authorities, but only to the 1131
extent that such net amount is not otherwise includible in Ohio 1132
taxable income and is described in either division (S) (1) (a) or 1133
(b) of this section: 1134

(a) The net amount is not attributable to the S portion of 1135
an electing small business trust and has not been distributed to 1136
beneficiaries for the taxable year; 1137

(b) The net amount is attributable to the S portion of an 1138
electing small business trust for the taxable year. 1139

(2) Add interest or dividends, net of ordinary, necessary, 1140
and reasonable expenses not deducted in computing federal 1141
taxable income, on obligations of any authority, commission, 1142
instrumentality, territory, or possession of the United States 1143

to the extent that the interest or dividends are exempt from 1144
federal income taxes but not from state income taxes, but only 1145
to the extent that such net amount is not otherwise includible 1146
in Ohio taxable income and is described in either division (S) 1147
(1) (a) or (b) of this section; 1148

(3) Add the amount of personal exemption allowed to the 1149
estate pursuant to section 642(b) of the Internal Revenue Code; 1150

(4) Deduct interest or dividends, net of related expenses 1151
deducted in computing federal taxable income, on obligations of 1152
the United States and its territories and possessions or of any 1153
authority, commission, or instrumentality of the United States 1154
to the extent that the interest or dividends are exempt from 1155
state taxes under the laws of the United States, but only to the 1156
extent that such amount is included in federal taxable income 1157
and is described in either division (S) (1) (a) or (b) of this 1158
section; 1159

(5) Deduct the amount of wages and salaries, if any, not 1160
otherwise allowable as a deduction but that would have been 1161
allowable as a deduction in computing federal taxable income for 1162
the taxable year, had the work opportunity tax credit allowed 1163
under sections 38, 51, and 52 of the Internal Revenue Code not 1164
been in effect, but only to the extent such amount relates 1165
either to income included in federal taxable income for the 1166
taxable year or to income of the S portion of an electing small 1167
business trust for the taxable year; 1168

(6) Deduct any interest or interest equivalent, net of 1169
related expenses deducted in computing federal taxable income, 1170
on public obligations and purchase obligations, but only to the 1171
extent that such net amount relates either to income included in 1172
federal taxable income for the taxable year or to income of the 1173

S portion of an electing small business trust for the taxable 1174
year; 1175

(7) Add any loss or deduct any gain resulting from sale, 1176
exchange, or other disposition of public obligations to the 1177
extent that such loss has been deducted or such gain has been 1178
included in computing either federal taxable income or income of 1179
the S portion of an electing small business trust for the 1180
taxable year; 1181

(8) Except in the case of the final return of an estate, 1182
add any amount deducted by the taxpayer on both its Ohio estate 1183
tax return pursuant to section 5731.14 of the Revised Code, and 1184
on its federal income tax return in determining federal taxable 1185
income; 1186

(9) (a) Deduct any amount included in federal taxable 1187
income solely because the amount represents a reimbursement or 1188
refund of expenses that in a previous year the decedent had 1189
deducted as an itemized deduction pursuant to section 63 of the 1190
Internal Revenue Code and applicable treasury regulations. The 1191
deduction otherwise allowed under division (S) (9) (a) of this 1192
section shall be reduced to the extent the reimbursement is 1193
attributable to an amount the taxpayer or decedent deducted 1194
under this section in any taxable year. 1195

(b) Add any amount not otherwise included in Ohio taxable 1196
income for any taxable year to the extent that the amount is 1197
attributable to the recovery during the taxable year of any 1198
amount deducted or excluded in computing federal or Ohio taxable 1199
income in any taxable year, but only to the extent such amount 1200
has not been distributed to beneficiaries for the taxable year. 1201

(10) Deduct any portion of the deduction described in 1202

section 1341(a)(2) of the Internal Revenue Code, for repaying 1203
previously reported income received under a claim of right, that 1204
meets both of the following requirements: 1205

(a) It is allowable for repayment of an item that was 1206
included in the taxpayer's taxable income or the decedent's 1207
adjusted gross income for a prior taxable year and did not 1208
qualify for a credit under division (A) or (B) of section 1209
5747.05 of the Revised Code for that year. 1210

(b) It does not otherwise reduce the taxpayer's taxable 1211
income or the decedent's adjusted gross income for the current 1212
or any other taxable year. 1213

(11) Add any amount claimed as a credit under section 1214
5747.059 of the Revised Code to the extent that the amount 1215
satisfies either of the following: 1216

(a) The amount was deducted or excluded from the 1217
computation of the taxpayer's federal taxable income as required 1218
to be reported for the taxpayer's taxable year under the 1219
Internal Revenue Code; 1220

(b) The amount resulted in a reduction in the taxpayer's 1221
federal taxable income as required to be reported for any of the 1222
taxpayer's taxable years under the Internal Revenue Code. 1223

(12) Deduct any amount, net of related expenses deducted 1224
in computing federal taxable income, that a trust is required to 1225
report as farm income on its federal income tax return, but only 1226
if the assets of the trust include at least ten acres of land 1227
satisfying the definition of "land devoted exclusively to 1228
agricultural use" under section 5713.30 of the Revised Code, 1229
regardless of whether the land is valued for tax purposes as 1230
such land under sections 5713.30 to 5713.38 of the Revised Code. 1231

If the trust is a pass-through entity investor, section 5747.231 1232
of the Revised Code applies in ascertaining if the trust is 1233
eligible to claim the deduction provided by division (S) (12) of 1234
this section in connection with the pass-through entity's farm 1235
income. 1236

Except for farm income attributable to the S portion of an 1237
electing small business trust, the deduction provided by 1238
division (S) (12) of this section is allowed only to the extent 1239
that the trust has not distributed such farm income. 1240

(13) Add the net amount of income described in section 1241
641(c) of the Internal Revenue Code to the extent that amount is 1242
not included in federal taxable income. 1243

(14) Add or deduct the amount the taxpayer would be 1244
required to add or deduct under division (A) (17) or (18) of this 1245
section if the taxpayer's Ohio taxable income were computed in 1246
the same manner as an individual's Ohio adjusted gross income is 1247
computed under this section. 1248

(T) "School district income" and "school district income 1249
tax" have the same meanings as in section 5748.01 of the Revised 1250
Code. 1251

(U) As used in divisions (A) (7), (A) (8), (S) (6), and (S) 1252
(7) of this section, "public obligations," "purchase 1253
obligations," and "interest or interest equivalent" have the 1254
same meanings as in section 5709.76 of the Revised Code. 1255

(V) "Limited liability company" means any limited 1256
liability company formed under Chapter 1705. or 1706. of the 1257
Revised Code or under the laws of any other state. 1258

(W) "Pass-through entity investor" means any person who, 1259
during any portion of a taxable year of a pass-through entity, 1260

is a partner, member, shareholder, or equity investor in that	1261
pass-through entity.	1262
(X) "Banking day" has the same meaning as in section	1263
1304.01 of the Revised Code.	1264
(Y) "Month" means a calendar month.	1265
(Z) "Quarter" means the first three months, the second	1266
three months, the third three months, or the last three months	1267
of the taxpayer's taxable year.	1268
(AA) (1) "Modified business income" means the business	1269
income included in a trust's Ohio taxable income after such	1270
taxable income is first reduced by the qualifying trust amount,	1271
if any.	1272
(2) "Qualifying trust amount" of a trust means capital	1273
gains and losses from the sale, exchange, or other disposition	1274
of equity or ownership interests in, or debt obligations of, a	1275
qualifying investee to the extent included in the trust's Ohio	1276
taxable income, but only if the following requirements are	1277
satisfied:	1278
(a) The book value of the qualifying investee's physical	1279
assets in this state and everywhere, as of the last day of the	1280
qualifying investee's fiscal or calendar year ending immediately	1281
prior to the date on which the trust recognizes the gain or	1282
loss, is available to the trust.	1283
(b) The requirements of section 5747.011 of the Revised	1284
Code are satisfied for the trust's taxable year in which the	1285
trust recognizes the gain or loss.	1286
Any gain or loss that is not a qualifying trust amount is	1287
modified business income, qualifying investment income, or	1288

modified nonbusiness income, as the case may be. 1289

(3) "Modified nonbusiness income" means a trust's Ohio 1290
taxable income other than modified business income, other than 1291
the qualifying trust amount, and other than qualifying 1292
investment income, as defined in section 5747.012 of the Revised 1293
Code, to the extent such qualifying investment income is not 1294
otherwise part of modified business income. 1295

(4) "Modified Ohio taxable income" applies only to trusts, 1296
and means the sum of the amounts described in divisions (AA) (4) 1297
(a) to (c) of this section: 1298

(a) The fraction, calculated under section 5747.013, and 1299
applying section 5747.231 of the Revised Code, multiplied by the 1300
sum of the following amounts: 1301

(i) The trust's modified business income; 1302

(ii) The trust's qualifying investment income, as defined 1303
in section 5747.012 of the Revised Code, but only to the extent 1304
the qualifying investment income does not otherwise constitute 1305
modified business income and does not otherwise constitute a 1306
qualifying trust amount. 1307

(b) The qualifying trust amount multiplied by a fraction, 1308
the numerator of which is the sum of the book value of the 1309
qualifying investee's physical assets in this state on the last 1310
day of the qualifying investee's fiscal or calendar year ending 1311
immediately prior to the day on which the trust recognizes the 1312
qualifying trust amount, and the denominator of which is the sum 1313
of the book value of the qualifying investee's total physical 1314
assets everywhere on the last day of the qualifying investee's 1315
fiscal or calendar year ending immediately prior to the day on 1316
which the trust recognizes the qualifying trust amount. If, for 1317

a taxable year, the trust recognizes a qualifying trust amount 1318
with respect to more than one qualifying investee, the amount 1319
described in division (AA) (4) (b) of this section shall equal the 1320
sum of the products so computed for each such qualifying 1321
investee. 1322

(c) (i) With respect to a trust or portion of a trust that 1323
is a resident as ascertained in accordance with division (I) (3) 1324
(d) of this section, its modified nonbusiness income. 1325

(ii) With respect to a trust or portion of a trust that is 1326
not a resident as ascertained in accordance with division (I) (3) 1327
(d) of this section, the amount of its modified nonbusiness 1328
income satisfying the descriptions in divisions (B) (2) to (5) of 1329
section 5747.20 of the Revised Code, except as otherwise 1330
provided in division (AA) (4) (c) (ii) of this section. With 1331
respect to a trust or portion of a trust that is not a resident 1332
as ascertained in accordance with division (I) (3) (d) of this 1333
section, the trust's portion of modified nonbusiness income 1334
recognized from the sale, exchange, or other disposition of a 1335
debt interest in or equity interest in a section 5747.212 1336
entity, as defined in section 5747.212 of the Revised Code, 1337
without regard to division (A) of that section, shall not be 1338
allocated to this state in accordance with section 5747.20 of 1339
the Revised Code but shall be apportioned to this state in 1340
accordance with division (B) of section 5747.212 of the Revised 1341
Code without regard to division (A) of that section. 1342

If the allocation and apportionment of a trust's income 1343
under divisions (AA) (4) (a) and (c) of this section do not fairly 1344
represent the modified Ohio taxable income of the trust in this 1345
state, the alternative methods described in division (C) of 1346
section 5747.21 of the Revised Code may be applied in the manner 1347

and to the same extent provided in that section. 1348

(5) (a) Except as set forth in division (AA) (5) (b) of this 1349
section, "qualifying investee" means a person in which a trust 1350
has an equity or ownership interest, or a person or unit of 1351
government the debt obligations of either of which are owned by 1352
a trust. For the purposes of division (AA) (2) (a) of this section 1353
and for the purpose of computing the fraction described in 1354
division (AA) (4) (b) of this section, all of the following apply: 1355

(i) If the qualifying investee is a member of a qualifying 1356
controlled group on the last day of the qualifying investee's 1357
fiscal or calendar year ending immediately prior to the date on 1358
which the trust recognizes the gain or loss, then "qualifying 1359
investee" includes all persons in the qualifying controlled 1360
group on such last day. 1361

(ii) If the qualifying investee, or if the qualifying 1362
investee and any members of the qualifying controlled group of 1363
which the qualifying investee is a member on the last day of the 1364
qualifying investee's fiscal or calendar year ending immediately 1365
prior to the date on which the trust recognizes the gain or 1366
loss, separately or cumulatively own, directly or indirectly, on 1367
the last day of the qualifying investee's fiscal or calendar 1368
year ending immediately prior to the date on which the trust 1369
recognizes the qualifying trust amount, more than fifty per cent 1370
of the equity of a pass-through entity, then the qualifying 1371
investee and the other members are deemed to own the 1372
proportionate share of the pass-through entity's physical assets 1373
which the pass-through entity directly or indirectly owns on the 1374
last day of the pass-through entity's calendar or fiscal year 1375
ending within or with the last day of the qualifying investee's 1376
fiscal or calendar year ending immediately prior to the date on 1377

which the trust recognizes the qualifying trust amount. 1378

(iii) For the purposes of division (AA) (5) (a) (iii) of this 1379
section, "upper level pass-through entity" means a pass-through 1380
entity directly or indirectly owning any equity of another pass- 1381
through entity, and "lower level pass-through entity" means that 1382
other pass-through entity. 1383

An upper level pass-through entity, whether or not it is 1384
also a qualifying investee, is deemed to own, on the last day of 1385
the upper level pass-through entity's calendar or fiscal year, 1386
the proportionate share of the lower level pass-through entity's 1387
physical assets that the lower level pass-through entity 1388
directly or indirectly owns on the last day of the lower level 1389
pass-through entity's calendar or fiscal year ending within or 1390
with the last day of the upper level pass-through entity's 1391
fiscal or calendar year. If the upper level pass-through entity 1392
directly and indirectly owns less than fifty per cent of the 1393
equity of the lower level pass-through entity on each day of the 1394
upper level pass-through entity's calendar or fiscal year in 1395
which or with which ends the calendar or fiscal year of the 1396
lower level pass-through entity and if, based upon clear and 1397
convincing evidence, complete information about the location and 1398
cost of the physical assets of the lower pass-through entity is 1399
not available to the upper level pass-through entity, then 1400
solely for purposes of ascertaining if a gain or loss 1401
constitutes a qualifying trust amount, the upper level pass- 1402
through entity shall be deemed as owning no equity of the lower 1403
level pass-through entity for each day during the upper level 1404
pass-through entity's calendar or fiscal year in which or with 1405
which ends the lower level pass-through entity's calendar or 1406
fiscal year. Nothing in division (AA) (5) (a) (iii) of this section 1407
shall be construed to provide for any deduction or exclusion in 1408

computing any trust's Ohio taxable income. 1409

(b) With respect to a trust that is not a resident for the 1410
taxable year and with respect to a part of a trust that is not a 1411
resident for the taxable year, "qualifying investee" for that 1412
taxable year does not include a C corporation if both of the 1413
following apply: 1414

(i) During the taxable year the trust or part of the trust 1415
recognizes a gain or loss from the sale, exchange, or other 1416
disposition of equity or ownership interests in, or debt 1417
obligations of, the C corporation. 1418

(ii) Such gain or loss constitutes nonbusiness income. 1419

(6) "Available" means information is such that a person is 1420
able to learn of the information by the due date plus 1421
extensions, if any, for filing the return for the taxable year 1422
in which the trust recognizes the gain or loss. 1423

(BB) "Qualifying controlled group" has the same meaning as 1424
in section 5733.04 of the Revised Code. 1425

(CC) "Related member" has the same meaning as in section 1426
5733.042 of the Revised Code. 1427

(DD) (1) For the purposes of division (DD) of this section: 1428

(a) "Qualifying person" means any person other than a 1429
qualifying corporation. 1430

(b) "Qualifying corporation" means any person classified 1431
for federal income tax purposes as an association taxable as a 1432
corporation, except either of the following: 1433

(i) A corporation that has made an election under 1434
subchapter S, chapter one, subtitle A, of the Internal Revenue 1435

Code for its taxable year ending within, or on the last day of, 1436
the investor's taxable year; 1437

(ii) A subsidiary that is wholly owned by any corporation 1438
that has made an election under subchapter S, chapter one, 1439
subtitle A of the Internal Revenue Code for its taxable year 1440
ending within, or on the last day of, the investor's taxable 1441
year. 1442

(2) For the purposes of this chapter, unless expressly 1443
stated otherwise, no qualifying person indirectly owns any asset 1444
directly or indirectly owned by any qualifying corporation. 1445

(EE) For purposes of this chapter and Chapter 5751. of the 1446
Revised Code: 1447

(1) "Trust" does not include a qualified pre-income tax 1448
trust. 1449

(2) A "qualified pre-income tax trust" is any pre-income 1450
tax trust that makes a qualifying pre-income tax trust election 1451
as described in division (EE)(3) of this section. 1452

(3) A "qualifying pre-income tax trust election" is an 1453
election by a pre-income tax trust to subject to the tax imposed 1454
by section 5751.02 of the Revised Code the pre-income tax trust 1455
and all pass-through entities of which the trust owns or 1456
controls, directly, indirectly, or constructively through 1457
related interests, five per cent or more of the ownership or 1458
equity interests. The trustee shall notify the tax commissioner 1459
in writing of the election on or before April 15, 2006. The 1460
election, if timely made, shall be effective on and after 1461
January 1, 2006, and shall apply for all tax periods and tax 1462
years until revoked by the trustee of the trust. 1463

(4) A "pre-income tax trust" is a trust that satisfies all 1464

of the following requirements: 1465

(a) The document or instrument creating the trust was 1466
executed by the grantor before January 1, 1972; 1467

(b) The trust became irrevocable upon the creation of the 1468
trust; and 1469

(c) The grantor was domiciled in this state at the time 1470
the trust was created. 1471

(FF) "Uniformed services" has the same meaning as in 10 1472
U.S.C. 101. 1473

(GG) "Taxable business income" means the amount by which 1474
an individual's business income that is included in federal 1475
adjusted gross income exceeds the amount of business income the 1476
individual is authorized to deduct under division (A) (28) of 1477
this section for the taxable year. 1478

(HH) "Employer" does not include a franchisor with respect 1479
to the franchisor's relationship with a franchisee or an 1480
employee of a franchisee, unless the franchisor agrees to assume 1481
that role in writing or a court of competent jurisdiction 1482
determines that the franchisor exercises a type or degree of 1483
control over the franchisee or the franchisee's employees that 1484
is not customarily exercised by a franchisor for the purpose of 1485
protecting the franchisor's trademark, brand, or both. For 1486
purposes of this division, "franchisor" and "franchisee" have 1487
the same meanings as in 16 C.F.R. 436.1. 1488

(II) "Modified adjusted gross income" means Ohio adjusted 1489
gross income plus any amount deducted under divisions (A) (28) 1490
and (34) of this section for the taxable year. 1491

(JJ) "Qualifying Ohio educator" means an individual who, 1492

for a taxable year, qualifies as an eligible educator, as that 1493
term is defined in section 62 of the Internal Revenue Code, and 1494
who holds a certificate, license, or permit described in Chapter 1495
3319. or section 3301.071 of the Revised Code. 1496

Section 2. That existing sections 2921.13 and 5747.01 of 1497
the Revised Code are hereby repealed. 1498

Section 3. This act shall be known as the First-time Home 1499
Buyer Savings Act. 1500