

As Introduced

134th General Assembly
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H. B. No. 197

Representatives Stoltzfus, Creech

Cosponsors: Representatives Cross, Riedel, Kick, Miller, J., Fowler Arthur, Ray

A BILL

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

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

Section 1. That section 5747.98 be amended and sections 5
122.91 and 5747.82 of the Revised Code be enacted to read as 6
follows: 7

Sec. 122.91. (A) As used in this section: 8

(1) "Qualifying individual" means an individual who holds 9
a valid commercial driver's license or who is eligible to obtain 10
such a license. 11

(2) "Commercial driver's license" and "commercial motor 12
vehicle" have the same meanings as in section 4506.01 of the 13
Revised Code. 14

(3) "Training expense" means any cost customarily incurred 15
by an employer to train an employee who is a qualifying 16
individual to obtain a commercial driver's license or to operate 17

a commercial motor vehicle. "Training expense" shall not include 18
such an employee's wages. 19

(4) "Tax credit-eligible training expense" means any 20
training expense certified under division (B) of this section. 21

(5) "Director" means the director of development services. 22

(B)(1) On or before the first day of December, an employer 23
may apply to the director, on a form prescribed by the director, 24
to certify training expenses that an employer estimates the 25
employer will incur during the following calendar year as tax 26
credit-eligible training expenses. Within thirty days after 27
receiving such an application, the director shall certify to 28
each applicant the amount of the applicant's submitted expenses 29
the director finds to be tax credit-eligible training expenses. 30
The director shall not certify more than fifty thousand dollars 31
of training expenses per year as tax credit-eligible training 32
expenses for any employer. 33

(2) The director shall not certify more than three million 34
dollars in tax credit-eligible training expenses for each 35
calendar year, increased by the sum of tax credit-eligible 36
expenses the director was authorized to certify within the limit 37
described in division (B)(2) of this section for preceding years 38
that were not the basis of a tax credit certificate issued under 39
division (C)(2) of this section in the current year or any 40
preceding year. 41

(C)(1) An employer that incurs tax credit-eligible 42
training expenses in a calendar year that were certified for 43
that year under division (B) of this section may apply to the 44
director for a nonrefundable credit against the tax imposed by 45
section 5747.02 of the Revised Code. The credit shall equal one- 46

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

(2) If the director approves an application described in 54
division (C)(1) of this section, the director, within fifteen 55
days after receipt of the application, shall issue a tax credit 56
certificate to the applicant. The director in consultation with 57
the tax commissioner shall prescribe the form and manner of 58
issuing certificates. The director shall assign a unique 59
identifying number to each tax credit certificate and shall 60
record the certificate in a register devised and maintained by 61
the director for that purpose. The certificate shall state the 62
amount of the tax credit-eligible training expenses on which the 63
credit is based, the amount of the credit, and the date the 64
certificate is issued. Upon issuance of a certificate, the 65
director shall certify to the tax commissioner the name of the 66
applicant, the amount of tax credit-eligible training expenses 67
stated on the certificate, and any other information required by 68
the rules adopted under this section. 69

(D) The director in consultation with the tax commissioner 70
shall adopt rules under Chapter 119. of the Revised Code for the 71
administration of this section. Such rules shall set forth the 72
types of expenses that qualify as training expenses for purposes 73
of this section. 74

Sec. 5747.82. There is allowed a nonrefundable credit 75
against a taxpayer's aggregate tax liability under section 76

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

The credit shall be claimed in the order required under 83
section 5747.98 of the Revised Code. Any credit amount in excess 84
of the aggregate amount of tax due under section 5747.02 of the 85
Revised Code, after allowing for any other credits preceding the 86
credit in that order, may be carried forward for five taxable 87
years, but the amount of the excess credit allowed in any such 88
year shall be deducted from the balance carried forward to the 89
next year. 90

Nothing in this section limits or disallows pass-through 91
treatment of the credit if the credit certificate has been 92
issued to a pass-through entity. 93

Sec. 5747.98. (A) To provide a uniform procedure for 94
calculating a taxpayer's aggregate tax liability under section 95
5747.02 of the Revised Code, a taxpayer shall claim any credits 96
to which the taxpayer is entitled in the following order: 97

Either the retirement income credit under division (B) of 98
section 5747.055 of the Revised Code or the lump sum retirement 99
income credits under divisions (C), (D), and (E) of that 100
section; 101

Either the senior citizen credit under division (F) of 102
section 5747.055 of the Revised Code or the lump sum 103
distribution credit under division (G) of that section; 104

The dependent care credit under section 5747.054 of the 105

Revised Code;	106
The credit for displaced workers who pay for job training	107
under section 5747.27 of the Revised Code;	108
The campaign contribution credit under section 5747.29 of	109
the Revised Code;	110
The twenty-dollar personal exemption credit under section	111
5747.022 of the Revised Code;	112
The joint filing credit under division (G) of section	113
5747.05 of the Revised Code;	114
The earned income credit under section 5747.71 of the	115
Revised Code;	116
The credit for adoption of a minor child under section	117
5747.37 of the Revised Code;	118
The nonrefundable job retention credit under division (B)	119
of section 5747.058 of the Revised Code;	120
The enterprise zone credit under section 5709.66 of the	121
Revised Code;	122
<u>The credit for commercial vehicle operator training</u>	123
<u>expenses under section 5747.82 of the Revised Code;</u>	124
The credit for purchases of qualifying grape production	125
property under section 5747.28 of the Revised Code;	126
The small business investment credit under section 5747.81	127
of the Revised Code;	128
The nonrefundable lead abatement credit under section	129
5747.26 of the Revised Code;	130
The opportunity zone investment credit under section	131

122.84 of the Revised Code;	132
The enterprise zone credits under section 5709.65 of the Revised Code;	133 134
The research and development credit under section 5747.331 of the Revised Code;	135 136
The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	137 138
The nonresident credit under division (A) of section 5747.05 of the Revised Code;	139 140
The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	141 142
The refundable motion picture and Broadway theatrical production credit under section 5747.66 of the Revised Code;	143 144
The refundable jobs creation credit or job retention credit under division (A) of section 5747.058 of the Revised Code;	145 146 147
The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	148 149
The refundable credits for taxes paid by a qualifying pass-through entity granted under division (I) of section 5747.08 of the Revised Code;	150 151 152
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;	153 154 155
The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code.	156 157
(B) For any credit, except the refundable credits	158

enumerated in this section and the credit granted under division 159
(H) of section 5747.08 of the Revised Code, the amount of the 160
credit for a taxable year shall not exceed the taxpayer's 161
aggregate amount of tax due under section 5747.02 of the Revised 162
Code, after allowing for any other credit that precedes it in 163
the order required under this section. Any excess amount of a 164
particular credit may be carried forward if authorized under the 165
section creating that credit. Nothing in this chapter shall be 166
construed to allow a taxpayer to claim, directly or indirectly, 167
a credit more than once for a taxable year. 168

Section 2. That existing section 5747.98 of the Revised 169
Code is hereby repealed. 170

Section 3. (A) The amendment or enactment by this act of 171
sections 122.91, 5747.82, and 5747.98 of the Revised Code 172
applies to training expenses, as that term is defined under 173
section 122.91 of the Revised Code, estimated to be incurred on 174
or after January 1, 2022. 175

(B) In adopting the rules required under division (D) of 176
section 122.91 of the Revised Code, as enacted by this act, the 177
Director of Development Services shall file the notice and text 178
of the proposed rules as required by division (B) of section 179
119.03 of the Revised Code not later than one hundred fifty days 180
after the effective date of this section. 181