

As Passed by the Senate

134th General Assembly

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Sub. S. B. No. 225

Senator Schuring

Cosponsors: Senators Lang, Romanchuk, Brenner, Manning, Blessing, Reineke, Gavarone, Rulli, Huffman, S., Antonio, Craig, Peterson, Schaffer, Hottinger, Yuko, Cirino, Hoagland, Antani, Hackett, Kunze, Wilson, Fedor, Dolan, Sykes, Huffman, M., Johnson, Maharath, McColley, O'Brien, Thomas, Williams

A BILL

To amend sections 122.84, 149.311, and 5701.11 of 1
the Revised Code and to amend Section 803.210 of 2
H.B. 110 of the 134th General Assembly to modify 3
the historic rehabilitation and the opportunity 4
zone investment tax credits, to adjust the 5
applicability of certain recently enacted 6
provisions related to tax increment financing 7
and downtown redevelopment districts, and to 8
authorize the City of Canton to distribute 9
moneys in the Hartford-Houtz Poor Fund to the 10
Canton Ex-Newsboys Association or any other 11
charitable organization. 12

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

Section 1. That sections 122.84, 149.311, and 5701.11 of 13
the Revised Code be amended to read as follows: 14

Sec. 122.84. (A) As used in this section: 15

(1) "Ohio qualified opportunity fund" means a qualified 16

opportunity fund that holds one hundred per cent of its invested 17
assets in qualified opportunity zone property situated in an 18
Ohio opportunity zone. 19

In the case of qualified opportunity zone property that is 20
qualified opportunity zone stock or qualified opportunity zone 21
partnership interest, the stock or interest is situated in an 22
Ohio opportunity zone only if, during all of the qualified 23
opportunity fund's holding period for such stock or interest, 24
all of the use of the corporation's or partnership's tangible 25
property was in an Ohio opportunity zone. In the case of 26
qualified opportunity zone property that is qualified 27
opportunity zone business property, the property is situated in 28
an Ohio opportunity zone only if, during all of the fund's 29
holding period for such property, all of the use of the property 30
was in an Ohio opportunity zone. 31

All terms used in division (A) of this section have the 32
same meaning as in 26 U.S.C. 1400Z-2, except that "all" shall be 33
substituted for "substantially all" wherever "substantially all" 34
appears in the definition of those terms or in the definition of 35
terms used in those terms. 36

(2) "Ohio opportunity zone" means a qualified opportunity 37
zone designated in this state under 26 U.S.C. 1400Z-1 before, 38
on, or after the effective date of the enactment of this section 39
by H.B. 166 of the 133rd general assembly. 40

(3) "Taxpayer" and "taxable year" have the same meanings 41
as in section 5747.01 of the Revised Code. 42

(4) "Qualifying taxable year" means a one of the 43
following, as applicable: 44

(a) For a taxpayer, the taxpayer's taxable year that 45

includes the first day of a calendar year during which ~~an the~~ 46
Ohio qualified opportunity fund in which the ~~taxpayer credit~~ 47
eligible investment was made invests ~~makes an investment~~ in a 48
project located in an Ohio opportunity zone; 49

(b) For a person that is not a taxpayer but is subject to 50
federal income taxation, the person's federal taxable year that 51
includes the first day of a calendar year during which an Ohio 52
qualified opportunity fund in which the credit eligible 53
investment was made invests in a project located in an Ohio 54
opportunity zone; 55

(c) For any other person, the calendar year during which 56
an Ohio qualified opportunity fund in which the credit eligible 57
investment was made invests in a project located in an Ohio 58
opportunity zone. 59

(5) "Business day" means a day of the week excluding 60
Saturday, Sunday, and a legal holiday as defined under section 61
1.14 of the Revised Code. 62

(6) "Investment period" means the six-month period from 63
the first day of January to the thirtieth day of June, or from 64
the first day of July to the thirty-first day of December. 65

(B) A ~~taxpayer person~~ that invests in one or more Ohio 66
qualified opportunity funds may apply to the director of 67
development for a nonrefundable credit against the tax levied 68
under section 5747.02 of the Revised Code. The application shall 69
be made on forms prescribed by the director. The director shall 70
accept and review applications submitted under this section 71
during two annual periods, the first of which begins on ~~or after~~ 72
the ~~first tenth~~ day of January and ~~on or before~~ ends after the 73
first day of February ~~of each year,~~ and the second of which 74

begins on the tenth day of July and ends after the first day of 75
August. If any of those dates fall on a day that is not a 76
business day, then the application period begins on or ends 77
after the next business day, as applicable. The credit shall 78
equal ten per cent of the amount of the ~~taxpayer's~~ person's 79
investment in the fund that the fund invested during the 80
immediately preceding calendar year investment period in 81
projects located in Ohio opportunity zones. 82

The ~~taxpayer~~ person shall include the following 83
information with the ~~taxpayer's~~ person's application: 84

(1) The amount of the ~~taxpayer's~~ person's investment in 85
Ohio qualified opportunity funds during the ~~taxpayer's~~ person's 86
qualifying taxable year, arranged according to the amount 87
invested in each such fund if the ~~taxpayer~~ person invested in 88
more than one such fund; 89

(2) A statement from an employee or officer of each Ohio 90
qualified opportunity fund identified by the ~~taxpayer~~ person 91
under division (B)(1) of this section certifying the amount of 92
the ~~taxpayer's~~ person's investment in the fund and the amount of 93
that investment the fund invested in projects located in Ohio 94
opportunity zones during the immediately preceding calendar 95
year investment period. The statement shall describe each project 96
funded by the investment and state each project's location and 97
the portion of the ~~taxpayer's~~ person's investment invested in 98
each such project. Unless the fund demonstrates otherwise to the 99
director's satisfaction, the amount of a ~~taxpayer's~~ person's 100
investment that the fund invested in a project located in an 101
Ohio opportunity zone equals the same proportion of the amount 102
of the fund's investment in the project as the ~~taxpayer's~~ 103
person's investment in the fund bears to the total investment by 104

all investors in that fund on the date the fund makes the 105
investment in the project. 106

The director shall review and process applications in the 107
order in which applications are received. 108

(C) (1) Subject to division (C) (2) of this section, if the 109
director determines that the applicant qualifies for a credit 110
under this section, the director shall issue, within sixty days 111
after the receipt of a complete application under division (B) ~~of this section~~ last day on which an application may be submitted 112
for that application period, a tax credit certificate to the 113
~~taxpayer person~~ identified with a unique number and listing the 114
amount of credit the director determines ~~the taxpayer is~~ 115
eligible to ~~claim~~ be claimed or transferred. 116
117

(2) The director shall not issue certificates in a total 118
amount that would cause the tax credits claimed in the fiscal 119
biennium beginning July 1, 2021, and ending June 30, 2023, to 120
exceed one hundred million dollars, or that would cause the tax 121
credits claimed in any other fiscal biennium to exceed fifty 122
million dollars. The director shall not issue certificates to a 123
single applicant in any fiscal biennium in an amount that 124
exceeds two million dollars. 125

The director may not issue a certificate under this 126
section on the basis of any investment for which a small 127
business investment certificate has been issued under section 128
122.86 of the Revised Code. 129

(3) The credit may be claimed by a taxpayer for the 130
taxpayer's qualifying taxable year or the next ensuing taxable 131
year. The taxpayer shall claim the credit in the order 132
prescribed by section 5747.98 of the Revised Code. Any unused 133

amount may be carried forward for the following five taxable 134
years. If the certificate is issued to a pass-through entity for 135
an investment by the entity, any taxpayer that is a direct or 136
indirect investor in the pass-through entity on the last day of 137
the entity's qualifying taxable year may claim the taxpayer's 138
proportionate or distributive share of the credit against the 139
taxpayer's aggregate amount of tax levied under that section. A 140
person that is not a taxpayer shall not claim the credit but if 141
the person is the applicant to which the certificate was 142
initially issued, the person may transfer the right to claim the 143
credit under division (E) of this section. 144

(D) A taxpayer claiming a credit under this section shall 145
submit a copy of the certificate with the taxpayer's return or 146
report. 147

(E) ~~A taxpayer person that holds an a wholly or partially~~ 148
~~unclaimed certificate issued under this section may transfer the~~ 149
~~right to claim all or part of the remaining credit to any other~~ 150
~~person. To effectuate the transfer, the transferor must notify~~ 151
~~the tax commissioner, in writing, that the taxpayer transferor~~ 152
~~is transferring the right to claim the all or part of the~~ 153
~~remaining credit stated on the certificate. The taxpayer~~ 154
~~transferor shall identify in that notification the certificate's~~ 155
~~number and, the name and the tax identification number of the~~ 156
~~transferee, the amount of remaining credit transferred to the~~ 157
~~transferee, and, if applicable, the amount of remaining credit~~ 158
~~retained by the transferor. Pursuant to division The transferee~~ 159
~~may claim the amount of credit received under this division~~ 160
~~pursuant to and in the manner required under divisions (C) (3)~~ 161
~~and (D) of this section, the transferee may claim the credit~~ 162
~~stated on the certificate, subject to the limitations of this~~ 163
~~section. A transferee Transferring a credit under this division~~ 164

does not extend the taxable years in which the credit may be 165
claimed or number of years for which the unclaimed credit amount 166
may be carried forward under division (C) (3) of this section. 167

Any person to which a credit has been transferred under 168
this division may not transfer the right to claim the all or 169
part of the transferred credit amount to any other person, in 170
the same manner prescribed by this division for the initial 171
transfer, including that any such transfer be reported by the 172
transferor to the tax commissioner as described in this 173
division. 174

(F) On or before the first day of August each year, the 175
director of development shall submit a report to the governor, 176
the president and minority leader of the senate, and the speaker 177
and minority leader of the house of representatives on the tax 178
credit program authorized under this section. The report shall 179
include the following information: 180

(1) The number of projects funded by investments for which 181
a tax credit application was submitted under this section during 182
the preceding year, the Ohio opportunity zone in which each such 183
project is located, the number of projects funded by investments 184
for which certificates were allocated during the preceding year, 185
a description of each such project, and the composition of an 186
Ohio qualified opportunity fund's investments in each project 187
funded by investments for which a tax credit application was 188
submitted under this section; 189

(2) The number of ~~taxpayers~~ persons that invested in an 190
Ohio qualified opportunity fund and applied for a tax credit 191
based on the fund's investment in a project during the preceding 192
year, the name of the fund in which each such investment was 193
made, the number of ~~taxpayers~~ persons allocated a credit for 194

such investments under this section, and the dollar amount of 195
those credits; 196

(3) A map that shows the location of each Ohio opportunity 197
zone and that indicates which zones include existing or pending 198
projects that are, or will be, funded by tax credit-eligible 199
investments. 200

Sec. 149.311. (A) As used in this section: 201

(1) "Historic building" means a building, including its 202
structural components, that is located in this state and that is 203
either individually listed on the national register of historic 204
places under 16 U.S.C. 470a, located in a registered historic 205
district, and certified by the state historic preservation 206
officer as being of historic significance to the district, or is 207
individually listed as an historic landmark designated by a 208
local government certified under 16 U.S.C. 470a(c). 209

(2) "Qualified rehabilitation expenditures" means 210
expenditures paid or incurred during the rehabilitation period, 211
and before and after that period as determined under 26 U.S.C. 212
47, by an owner or qualified lessee of an historic building to 213
rehabilitate the building. "Qualified rehabilitation 214
expenditures" includes architectural or engineering fees paid or 215
incurred in connection with the rehabilitation, and expenses 216
incurred in the preparation of nomination forms for listing on 217
the national register of historic places. "Qualified 218
rehabilitation expenditures" does not include any of the 219
following: 220

(a) The cost of acquiring, expanding, or enlarging an 221
historic building; 222

(b) Expenditures attributable to work done to facilities 223

related to the building, such as parking lots, sidewalks, and	224
landscaping;	225
(c) New building construction costs.	226
(3) "Owner" of an historic building means a person holding	227
the fee simple interest in the building. "Owner" does not	228
include the state or a state agency, or any political	229
subdivision as defined in section 9.23 of the Revised Code.	230
(4) "Qualified lessee" means a person subject to a lease	231
agreement for an historic building and eligible for the federal	232
rehabilitation tax credit under 26 U.S.C. 47. "Qualified lessee"	233
does not include the state or a state agency or political	234
subdivision as defined in section 9.23 of the Revised Code.	235
(5) "Certificate owner" means the owner or qualified	236
lessee of an historic building to which a rehabilitation tax	237
credit certificate was issued under this section.	238
(6) "Registered historic district" means an historic	239
district listed in the national register of historic places	240
under 16 U.S.C. 470a, an historic district designated by a local	241
government certified under 16 U.S.C. 470a(c), or a local	242
historic district certified under 36 C.F.R. 67.8 and 67.9.	243
(7) "Rehabilitation" means the process of repairing or	244
altering an historic building or buildings, making possible an	245
efficient use while preserving those portions and features of	246
the building and its site and environment that are significant	247
to its historic, architectural, and cultural values.	248
(8) "Rehabilitation period" means one of the following:	249
(a) If the rehabilitation initially was not planned to be	250
completed in stages, a period chosen by the owner or qualified	251

lessee not to exceed twenty-four months during which 252
rehabilitation occurs; 253

(b) If the rehabilitation initially was planned to be 254
completed in stages, a period chosen by the owner or qualified 255
lessee not to exceed sixty months during which rehabilitation 256
occurs. Each stage shall be reviewed as a phase of a 257
rehabilitation as determined under 26 C.F.R. 1.48-12 or a 258
successor to that section. 259

(9) "State historic preservation officer" or "officer" 260
means the state historic preservation officer appointed by the 261
governor under 16 U.S.C. 470a. 262

(10) "Catalytic project" means the rehabilitation of an 263
historic building, the rehabilitation of which will foster 264
economic development within two thousand five hundred feet of 265
the historic building. 266

(B) The owner or qualified lessee of an historic building 267
may apply to the director of development for a rehabilitation 268
tax credit certificate for qualified rehabilitation expenditures 269
paid or incurred by such owner or qualified lessee after April 270
4, 2007, for rehabilitation of an historic building. If the 271
owner of an historic building enters a pass-through agreement 272
with a qualified lessee for the purposes of the federal 273
rehabilitation tax credit under 26 U.S.C. 47, the qualified 274
rehabilitation expenditures paid or incurred by the owner after 275
April 4, 2007, may be attributed to the qualified lessee. 276

The form and manner of filing such applications shall be 277
prescribed by rule of the director. Each application shall state 278
the amount of qualified rehabilitation expenditures the 279
applicant estimates will be paid or incurred and shall indicate 280

<u>whether the historic building was used as a theater before, and</u>	281
<u>is intended to be used as a theater after, the rehabilitation.</u>	282
The director may require applicants to furnish documentation of	283
such estimates.	284
The director, after consultation with the tax commissioner	285
and in accordance with Chapter 119. of the Revised Code, shall	286
adopt rules that establish all of the following:	287
(1) Forms and procedures by which applicants may apply for	288
rehabilitation tax credit certificates;	289
(2) Criteria for reviewing, evaluating, and approving	290
applications for certificates within the limitations under	291
division (D) of this section, criteria for assuring that the	292
certificates issued encompass a mixture of high and low	293
qualified rehabilitation expenditures, and criteria for issuing	294
certificates under division (C) (3) (b) of this section;	295
(3) Eligibility requirements for obtaining a certificate	296
under this section;	297
(4) The form of rehabilitation tax credit certificates;	298
(5) Reporting requirements and monitoring procedures;	299
(6) Procedures and criteria for conducting cost-benefit	300
analyses of historic buildings that are the subjects of	301
applications filed under this section. The purpose of a cost-	302
benefit analysis shall be to determine whether rehabilitation of	303
the historic building will result in a net revenue gain in state	304
and local taxes once the building is used.	305
(7) Any other rules necessary to implement and administer	306
this section.	307
(C) The director shall review the applications with the	308

assistance of the state historic preservation officer and 309
determine whether all of the following criteria are met: 310

(1) That the building that is the subject of the 311
application is an historic building and the applicant is the 312
owner or qualified lessee of the building; 313

(2) That the rehabilitation will satisfy standards 314
prescribed by the United States secretary of the interior under 315
16 U.S.C. 470, et seq., as amended, and 36 C.F.R. 67.7 or a 316
successor to that section; 317

(3) That receiving a rehabilitation tax credit certificate 318
under this section is a major factor in: 319

(a) The applicant's decision to rehabilitate the historic 320
building; or 321

(b) To increase the level of investment in such 322
rehabilitation. 323

An applicant shall demonstrate to the satisfaction of the 324
state historic preservation officer and director that the 325
rehabilitation will satisfy the standards described in division 326
(C) (2) of this section before the applicant begins the physical 327
rehabilitation of the historic building. 328

(D) (1) If the director determines that an application 329
meets the criteria in divisions (C) (1), (2), and (3) of this 330
section, the director shall conduct a cost-benefit analysis for 331
the historic building that is the subject of the application to 332
determine whether rehabilitation of the historic building will 333
result in a net revenue gain in state and local taxes once the 334
building is used. The director shall consider the results of the 335
cost-benefit analysis in determining whether to approve the 336
application. The director shall also consider the potential 337

economic impact and the regional distributive balance of the 338
credits throughout the state. The director may approve an 339
application only after completion of the cost-benefit analysis. 340

(2) A rehabilitation tax credit certificate shall not be 341
issued for an amount greater than the estimated amount furnished 342
by the applicant on the application for such certificate and 343
approved by the director. The director shall not approve more 344
than a total of one hundred twenty million dollars of 345
rehabilitation tax credits for each of fiscal years 2022 and 346
2023, and sixty million dollars of rehabilitation tax credits 347
per for each fiscal year thereafter but the director may 348
reallocate unused tax credits from a prior fiscal year for new 349
applicants and such reallocated credits shall not apply toward 350
the dollar limit of this division. 351

(3) For rehabilitations with a rehabilitation period not 352
exceeding twenty-four months as provided in division (A) (8) (a) 353
of this section, a rehabilitation tax credit certificate shall 354
not be issued before the rehabilitation of the historic building 355
is completed. 356

(4) For rehabilitations with a rehabilitation period not 357
exceeding sixty months as provided in division (A) (8) (b) of this 358
section, a rehabilitation tax credit certificate shall not be 359
issued before a stage of rehabilitation is completed. After all 360
stages of rehabilitation are completed, if the director cannot 361
determine that the criteria in division (C) of this section are 362
satisfied for all stages of rehabilitations, the director shall 363
certify this finding to the tax commissioner, and any 364
rehabilitation tax credits received by the applicant shall be 365
repaid by the applicant and may be collected by assessment as 366
unpaid tax by the commissioner. 367

(5) The director shall require the applicant to provide a 368
third-party cost certification by a certified public accountant 369
of the actual costs attributed to the rehabilitation of the 370
historic building when qualified rehabilitation expenditures 371
exceed two hundred thousand dollars. 372

If an applicant whose application is approved for receipt 373
of a rehabilitation tax credit certificate fails to provide to 374
the director sufficient evidence of reviewable progress, 375
including a viable financial plan, copies of final construction 376
drawings, and evidence that the applicant has obtained all 377
historic approvals within twelve months after the date the 378
applicant received notification of approval, and if the 379
applicant fails to provide evidence to the director that the 380
applicant has secured and closed on financing for the 381
rehabilitation within eighteen months after receiving 382
notification of approval, the director may rescind the approval 383
of the application. The director shall notify the applicant if 384
the approval has been rescinded. Credits that would have been 385
available to an applicant whose approval was rescinded shall be 386
available for other qualified applicants. Nothing in this 387
division prohibits an applicant whose approval has been 388
rescinded from submitting a new application for a rehabilitation 389
tax credit certificate. 390

(6) The director may approve the application of, and issue 391
a rehabilitation tax credit certificate to, the owner of a 392
catalytic project, provided the application otherwise meets the 393
criteria described in divisions (C) and (D) of this section. The 394
director may not approve more than one application for a 395
rehabilitation tax credit certificate under division (D) (6) of 396
this section during each state fiscal biennium. The director 397
shall not approve an application for a rehabilitation tax credit 398

certificate under division (D) (6) of this section during the 399
state fiscal biennium beginning July 1, 2017, or during any 400
state fiscal biennium thereafter. The director shall consider 401
the following criteria in determining whether to approve an 402
application for a certificate under division (D) (6) of this 403
section: 404

(a) Whether the historic building is a catalytic project; 405

(b) The effect issuance of the certificate would have on 406
the availability of credits for other applicants that qualify 407
for a credit certificate within the credit dollar limit 408
described in division (D) (2) of this section; 409

(c) The number of jobs, if any, the catalytic project will 410
create. 411

(7) (a) The owner or qualified lessee of a historic 412
building may apply for a rehabilitation tax credit certificate 413
under both divisions (B) and (D) (6) of this section. In such a 414
case, the director shall consider each application at the time 415
the application is submitted. 416

(b) The director shall not issue more than one certificate 417
under this section with respect to the same qualified 418
rehabilitation expenditures. 419

(8) The director shall give consideration for tax credits 420
awarded under this section to rehabilitations of historic 421
buildings used as a theater before, and intended to be used as a 422
theater after, the rehabilitation. In determining whether to 423
approve an application for such a rehabilitation, the director 424
shall consider the extent to which the rehabilitation will 425
increase attendance at the theater and increase the theater's 426
gross revenue. 427

(E) Issuance of a certificate represents a finding by the 428
director of the matters described in divisions (C) (1), (2), and 429
(3) of this section only; issuance of a certificate does not 430
represent a verification or certification by the director of the 431
amount of qualified rehabilitation expenditures for which a tax 432
credit may be claimed under section 5725.151, 5725.34, 5726.52, 433
5729.17, 5733.47, or 5747.76 of the Revised Code. The amount of 434
qualified rehabilitation expenditures for which a tax credit may 435
be claimed is subject to inspection and examination by the tax 436
commissioner or employees of the commissioner under section 437
5703.19 of the Revised Code and any other applicable law. Upon 438
the issuance of a certificate, the director shall certify to the 439
tax commissioner, in the form and manner requested by the tax 440
commissioner, the name of the applicant, the amount of qualified 441
rehabilitation expenditures shown on the certificate, and any 442
other information required by the rules adopted under this 443
section. 444

(F) (1) On or before the first day of August each year, the 445
director and tax commissioner jointly shall submit to the 446
president of the senate and the speaker of the house of 447
representatives a report on the tax credit program established 448
under this section and sections 5725.151, 5725.34, 5726.52, 449
5729.17, 5733.47, and 5747.76 of the Revised Code. The report 450
shall present an overview of the program and shall include 451
information on the number of rehabilitation tax credit 452
certificates issued under this section during the preceding 453
fiscal year, an update on the status of each historic building 454
for which an application was approved under this section, the 455
dollar amount of the tax credits granted under sections 456
5725.151, 5725.34, 5726.52, 5729.17, 5733.47, and 5747.76 of the 457
Revised Code, and any other information the director and 458

commissioner consider relevant to the topics addressed in the 459
report. 460

(2) On or before December 1, 2015, the director and tax 461
commissioner jointly shall submit to the president of the senate 462
and the speaker of the house of representatives a comprehensive 463
report that includes the information required by division (F) (1) 464
of this section and a detailed analysis of the effectiveness of 465
issuing tax credits for rehabilitating historic buildings. The 466
report shall be prepared with the assistance of an economic 467
research organization jointly chosen by the director and 468
commissioner. 469

(G) There is hereby created in the state treasury the 470
historic rehabilitation tax credit operating fund. The director 471
is authorized to charge reasonable application and other fees in 472
connection with the administration of tax credits authorized by 473
this section and sections 5725.151, 5725.34, 5726.52, 5729.17, 474
5733.47, and 5747.76 of the Revised Code. Any such fees 475
collected shall be credited to the fund and used to pay 476
reasonable costs incurred by the department of development in 477
administering this section and sections 5725.151, 5725.34, 478
5726.52, 5729.17, 5733.47, and 5747.76 of the Revised Code. 479

The Ohio historic preservation office is authorized to 480
charge reasonable fees in connection with its review and 481
approval of applications under this section. Any such fees 482
collected shall be credited to the fund and used to pay 483
administrative costs incurred by the Ohio historic preservation 484
office pursuant to this section. 485

(H) Notwithstanding sections 5725.151, 5725.34, 5726.52, 486
5729.17, 5733.47, and 5747.76 of the Revised Code, the 487
certificate owner of a tax credit certificate issued under 488

division (D) (6) of this section may claim a tax credit equal to 489
twenty-five per cent of the dollar amount indicated on the 490
certificate for a total credit of not more than twenty-five 491
million dollars. The credit claimed by such a certificate owner 492
for any calendar year, tax year, or taxable year under section 493
5725.151, 5725.34, 5726.52, 5729.17, 5733.47, or 5747.76 of the 494
Revised Code shall not exceed five million dollars. If the 495
certificate owner is eligible for more than five million dollars 496
in total credits, the certificate owner may carry forward the 497
balance of the credit in excess of the amount claimed for that 498
year for not more than five ensuing calendar years, tax years, 499
or taxable years. If the credit claimed in any calendar year, 500
tax year, or taxable year exceeds the tax otherwise due, the 501
excess shall be refunded to the taxpayer. 502

(I) Notwithstanding sections 5725.151, 5725.34, 5726.52, 503
5729.17, 5733.47, and 5747.76 of the Revised Code, the following 504
apply to a tax credit approved under this section after the 505
effective date of this amendment and before July 1, 2023: 506

(1) The certificate holder may claim a tax credit equal to 507
thirty-five per cent of the dollar amount indicated on the tax 508
credit certificate if the project is not located within a 509
municipal corporation that has a population of seventy-one 510
thousand or more according to the 2020 decennial census. The tax 511
credit equals twenty-five per cent of the dollar amount 512
indicated on the certificate if the project is located within 513
such a municipal corporation. 514

(2) The total tax credit claimed under section 5725.151, 515
5725.34, 5726.52, 5729.17, 5733.47, or 5747.76 of the Revised 516
Code for any one project shall not exceed ten million dollars 517
for any calendar year, tax year, or taxable year. 518

(3) If the credit claimed in any calendar year, tax year, 519
or taxable year exceeds the tax otherwise due, the excess shall 520
be refunded to the taxpayer, subject to division (I)(2) of this 521
section. 522

(J) The director of development, in consultation with the 523
director of budget and management, shall develop and adopt a 524
system of tracking any information necessary to anticipate the 525
impact of credits issued under this section on tax revenues for 526
current and future fiscal years. Such information may include 527
the number of applications approved, the estimated 528
rehabilitation expenditures and rehabilitation period associated 529
with such applications, the number and amount of tax credit 530
certificates issued, and any other information the director of 531
budget and management requires for the purposes of this 532
division. 533

(K) For purposes of this section and Chapter 122:19-1 of 534
the Ohio Administrative Code, a tax credit certificate issued 535
under this section is effective on the date that all historic 536
buildings rehabilitated by the project are "placed in service," 537
as that term is used in section 47 of the Internal Revenue Code. 538

Sec. 5701.11. The effective date to which this section 539
refers is the effective date of this section as amended by S.B. 540
18 of the 134th general assembly, March 31, 2021. 541

(A) (1) Except as provided under division (A) (2) or (B) of 542
this section, any reference in Title LVII or section 149.311, 543
3123.90, 3770.073, or 3772.37 of the Revised Code to the 544
Internal Revenue Code, to the Internal Revenue Code "as 545
amended," to other laws of the United States, or to other laws 546
of the United States, "as amended," means the Internal Revenue 547
Code or other laws of the United States as they exist on ~~the~~ 548

~~effective date~~ March 31, 2021. 549

(2) This section does not apply to any reference in Title 550
LVII of the Revised Code to the Internal Revenue Code as of a 551
date certain specifying the day, month, and year, or to other 552
laws of the United States as of a date certain specifying the 553
day, month, and year. 554

(B) (1) For purposes of applying section 5733.04, 5745.01, 555
or 5747.01 of the Revised Code to a taxpayer's taxable year 556
ending after March 27, 2020, and before ~~the effective date~~ March 557
31, 2021, a taxpayer may irrevocably elect to incorporate the 558
provisions of the Internal Revenue Code or other laws of the 559
United States that are in effect for federal income tax purposes 560
for that taxable year if those provisions differ from the 561
provisions that, under division (A) of this section, would 562
otherwise apply. The filing by the taxpayer for that taxable 563
year of a report or return that incorporates the provisions of 564
the Internal Revenue Code or other laws of the United States 565
applicable for federal income tax purposes for that taxable 566
year, and that does not include any adjustments to reverse the 567
effects of any differences between those provisions and the 568
provisions that would otherwise apply, constitutes the making of 569
an irrevocable election under this division for that taxable 570
year. 571

(2) Elections under prior versions of division (B) (1) of 572
this section remain in effect for the taxable years to which 573
they apply. 574

Section 2. That existing sections 122.84, 149.311, and 575
5701.11 of the Revised Code are hereby repealed. 576

Section 3. As used in this section, "historic building," 577

"owner," "rehabilitation," and "qualified lessee" have the same 578
meanings as in section 149.311 of the Revised Code, as amended 579
by this act. 580

The owner or qualified lessee of a historic building that 581
was approved for a tax credit under section 149.311 of the 582
Revised Code after June 30, 2020, and before the effective date 583
of the amendment of that section by this act, may reapply for a 584
tax credit under that section, as amended by this act. The form 585
of the new application, the manner in which it is submitted to 586
the Director of Development, and the criteria and procedures 587
used by the Director in reviewing, evaluating, and, if 588
applicable, approving it shall be the same that apply to any 589
other tax credit application submitted under section 149.311 of 590
the Revised Code, as amended by this act. If the application is 591
approved in fiscal year 2022 or 2023, and construction of the 592
project has not yet commenced at the time of approval, the 593
credit amount shall be computed as described in division (I) of 594
section 149.311 of the Revised Code, as amended by this act. 595

The enhanced credit authorized by this section and by 596
division (I) of section 149.311 of the Revised Code, as amended 597
by this act, replaces the standard credit computed under section 598
5725.151, 5725.34, 5726.52, 5729.17, 5733.47, or 5747.76 of the 599
Revised Code. No person may claim both the enhanced credit and 600
the standard credit for the same rehabilitation project or, if 601
the project is planned to be completed in stages, the same phase 602
of a rehabilitation project. 603

For the purpose of this section, construction of a 604
rehabilitation project commences when physical work on the 605
project begins, including actual construction or deconstruction 606
in preparation for construction. Construction of a project does 607

not commence merely because preliminary activities such as 608
planning, designing, securing financing, exploring, researching, 609
or developing plans and specifications have begun. Stabilizing a 610
building to prevent deterioration, environmental abatement, and 611
work necessary to qualify a building for the National Register 612
of Historic Places do not constitute commencement of 613
construction. 614

Section 4. Notwithstanding any provision of S.B. 51 of the 615
63rd General Assembly and any amendments thereto to the 616
contrary, the City of Canton, Ohio, shall not be required to 617
appoint a board of trustees to take charge of property 618
bequeathed to the city under that law. The City of Canton may 619
distribute all moneys, and all proceeds from such moneys, 620
bequeathed to the city under that law and all amendments thereto 621
to the Canton Ex-Newsboys Association or any other charitable 622
organization. 623

Section 5. That Section 803.210 of H.B. 110 of the 134th 624
General Assembly be amended to read as follows: 625

Sec. 803.210. The amendment by ~~this act~~ H.B. 110 of the 626
134th General Assembly of sections ~~section~~ 5709.40 and 5709.41 627
of the Revised Code applies to any ~~proceedings~~ projects 628
commenced or completed, or ordinances adopted, on, before, or 629
after ~~the amendment's effective date~~ September 30, 2021, and, so 630
~~far as the amendment supports the actions taken, also applies to~~ 631
~~proceedings that, on that effective date, are pending or in~~ 632
~~process, notwithstanding the applicable law previously in~~ 633
~~effect. Any proceedings pending or in progress on that effective~~ 634
~~date shall be deemed to have been taken in conformity with that~~ 635
~~amendment~~ provided that, with respect to projects commenced or 636
completed, or ordinances adopted, before September 30, 2021, the 637

legislative authority of the municipal corporation adopts an 638
ordinance after September 30, 2021, to confirm the applicability 639
of the amendment to the project or ordinance. The amendment by 640
that act of section 5709.41 of the Revised Code applies to 641
ordinances adopted after September 30, 2021, and also to 642
ordinances adopted on or before that date if, and to the extent 643
that, the ordinance either specifies the tax year in which the 644
exemption commences, provides that the exemption commences in 645
the tax year in which the value of an improvement exceeds a 646
specified amount or in which the construction of one or more 647
improvements is completed, or allows for the exemption to 648
commence in different tax years on a parcel-by-parcel basis. 649

Section 6. That existing Section 803.210 of H.B. 110 of 650
the 134th General Assembly is hereby repealed. 651