

As Introduced

134th General Assembly

Regular Session

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S. B. No. 327

Senator Huffman, S.

**Cosponsors: Senators Roegner, Cirino, Romanchuk, Lang, Wilson, Antani,
Manning**

A BILL

To amend sections 122.17, 122.66, 323.151, 1
3317.021, 3318.011, 5747.02, and 5748.01 of the 2
Revised Code to repeal the state income tax on 3
nonbusiness income with a ten-year phase-out. 4

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

Section 1. That sections 122.17, 122.66, 323.151, 5
3317.021, 3318.011, 5747.02, and 5748.01 of the Revised Code be 6
amended to read as follows: 7

Sec. 122.17. (A) As used in this section: 8

(1) "Payroll" means the total taxable income, or total 9
income that would be taxable if the tax levied under section 10
5747.02 of the Revised Code was still imposed on such 11
compensation, paid by the employer during the employer's taxable 12
year, or during the calendar year that includes the employer's 13
tax period, to each employee or each home-based employee 14
employed in the project to the extent such payroll is not used 15
to determine the credit under section 122.171 of the Revised 16
Code. "Payroll" excludes amounts paid before the day the 17

taxpayer becomes eligible for the credit and retirement or other 18
benefits paid or contributed by the employer to or on behalf of 19
employees. 20

(2) "Baseline payroll" means Ohio employee payroll, except 21
that the applicable measurement period is the twelve months 22
immediately preceding the date the tax credit authority approves 23
the taxpayer's application or the date the tax credit authority 24
receives the recommendation described in division (C) (2) (a) of 25
this section, whichever occurs first, multiplied by the sum of 26
one plus an annual pay increase factor to be determined by the 27
tax credit authority. 28

(3) "Ohio employee payroll" means the amount of 29
compensation that is used, or would have been used if the tax 30
levied under section 5747.02 of the Revised Code was still 31
imposed on such compensation, to determine the withholding 32
obligations in division (A) of section 5747.06 of the Revised 33
Code and paid by the employer during the employer's taxable 34
year, or during the calendar year that includes the employer's 35
tax period, to the following: 36

(a) An employee employed in the project who is a resident 37
of this state including a qualifying work-from-home employee not 38
designated as a home-based employee by an applicant under 39
division (C) (1) of this section; 40

(b) An employee employed at the project location who is 41
not a resident and whose compensation is not exempt from the tax 42
imposed under section 5747.02 of the Revised Code, or would not 43
be exempt if that tax was still imposed on such compensation, 44
pursuant to a reciprocity agreement with another state under 45
division (A) (3) of section 5747.05 of the Revised Code; 46

(c) A home-based employee employed in the project.	47
"Ohio employee payroll" excludes any such compensation to the extent it is used to determine the credit under section 122.171 of the Revised Code, and excludes amounts paid before the day the taxpayer becomes eligible for the credit under this section.	48 49 50 51 52
(4) "Excess payroll" means Ohio employee payroll minus baseline payroll.	53 54
(5) "Home-based employee" means an employee whose services are performed primarily from the employee's residence in this state exclusively for the benefit of the project and whose rate of pay is at least one hundred thirty-one per cent of the federal minimum wage under 29 U.S.C. 206.	55 56 57 58 59
(6) "Full-time equivalent employees" means the quotient obtained by dividing the total number of hours for which employees were compensated for employment in the project by two thousand eighty. "Full-time equivalent employees" excludes hours that are counted for a credit under section 122.171 of the Revised Code.	60 61 62 63 64 65
(7) "Metric evaluation date" means the date by which the taxpayer must meet all of the commitments included in the agreement.	66 67 68
(8) "Qualifying work-from-home employee" means an employee who is a resident of this state and whose services are supervised from the employer's project location and performed primarily from a residence of the employee located in this state.	69 70 71 72 73
(9) "Resident" or "resident of this state" means an individual who is a resident as defined in section 5747.01 of	74 75

the Revised Code. 76

(10) "Reporting period" means a period corresponding to 77
the annual report required under division (D) (6) of this 78
section. 79

(11) "Megaproject" means a project in this state that 80
meets all of the following requirements: 81

(a) The project requires unique sites, extremely robust 82
utility service, and a technically skilled workforce. 83

(b) The megaproject operator of the project compensates 84
the project's employees at an average hourly wage of at least 85
three hundred per cent of the federal minimum wage under 29 86
U.S.C. 206, exclusive of employee benefits, at the time the tax 87
credit authority approves the project for a credit under this 88
section. 89

(c) The project satisfies either of the following by the 90
metric evaluation date applicable to the project: 91

(i) The megaproject operator makes at least one billion 92
dollars, as adjusted under division (V) (1) of this section, in 93
fixed-asset investments in the project. 94

(ii) The megaproject operator creates at least seventy- 95
five million dollars, as adjusted under division (V) (1) of this 96
section, in Ohio employee payroll at the project. 97

(d) If the project satisfies division (A) (11) (c) (ii) of 98
this section, then, on and after the metric evaluation date and 99
until the end of the last year for which the megaproject 100
qualifies for the credit authorized under this section, the 101
megaproject operator maintains at least the amount in Ohio 102
employee payroll at the project required under that division for 103

each year in that period. 104

(12) "Megaproject operator" means a taxpayer that 105
undertakes and operates a megaproject. 106

(13) "Megaproject supplier" means a supplier in this state 107
that sells tangible personal property directly to a megaproject 108
operator and meets all of the following requirements: 109

(a) Satisfies both of the following by the metric 110
evaluation date applicable to the megaproject supplier: 111

(i) Makes at least one hundred million dollars, as 112
adjusted under division (V) (2) of this section, in fixed-asset 113
investments in this state; 114

(ii) Creates at least ten million dollars, as adjusted 115
under division (V) (2) of this section, in Ohio employee payroll. 116

(b) On and after the metric evaluation date, until the end 117
of the last year for which the megaproject supplier qualifies 118
for the credit authorized under this section, maintains at least 119
the amount in Ohio employee payroll required under division (A) 120
(13) (a) (ii) of this section for each year in that period. 121

(B) The tax credit authority may make grants under this 122
section to foster job creation in this state. Such a grant shall 123
take the form of a refundable credit allowed against the tax 124
imposed by section 5725.18, 5726.02, 5729.03, 5733.06, 5736.02, 125
or 5747.02 or levied under Chapter 5751. of the Revised Code. 126
The credit shall be claimed for the taxable years or tax periods 127
specified in the taxpayer's agreement with the tax credit 128
authority under division (D) of this section. With respect to 129
taxes imposed under section 5726.02, 5733.06, or 5747.02 or 130
Chapter 5751. of the Revised Code, the credit shall be claimed 131
in the order required under section 5726.98, 5733.98, 5747.98, 132

or 5751.98 of the Revised Code. The amount of the credit 133
available for a taxable year or for a calendar year that 134
includes a tax period equals the excess payroll for that year 135
multiplied by the percentage specified in the agreement with the 136
tax credit authority. 137

(C) (1) A taxpayer or potential taxpayer who proposes a 138
project to create new jobs in this state may apply to the tax 139
credit authority to enter into an agreement for a tax credit 140
under this section. 141

An application shall not propose to include both home- 142
based employees and employees who are not home-based employees 143
in the computation of Ohio employee payroll for the purposes of 144
the same tax credit agreement, except that a qualifying work- 145
from-home employee shall not be considered to be a home-based 146
employee unless so designated by the applicant. If a taxpayer or 147
potential taxpayer employs both home-based employees and 148
employees who are not home-based employees in a project, the 149
taxpayer shall submit separate applications for separate tax 150
credit agreements for the project, one of which shall include 151
home-based employees in the computation of Ohio employee payroll 152
and one of which shall include all other employees in the 153
computation of Ohio employee payroll. 154

The director of development shall prescribe the form of 155
the application. After receipt of an application, the authority 156
may enter into an agreement with the taxpayer for a credit under 157
this section if it determines all of the following: 158

(a) The taxpayer's project will increase payroll; 159

(b) The taxpayer's project is economically sound and will 160
benefit the people of this state by increasing opportunities for 161

employment and strengthening the economy of this state; 162

(c) Receiving the tax credit is a major factor in the 163
taxpayer's decision to go forward with the project. 164

(2) (a) A taxpayer that chooses to begin the project prior 165
to receiving the determination of the authority may, upon 166
submitting the taxpayer's application to the authority, request 167
that the chief investment officer of the nonprofit corporation 168
formed under section 187.01 of the Revised Code and the director 169
review the taxpayer's application and recommend to the authority 170
that the taxpayer's application be considered. As soon as 171
possible after receiving such a request, the chief investment 172
officer and the director shall review the taxpayer's application 173
and, if they determine that the application warrants 174
consideration by the authority, make that recommendation to the 175
authority not later than six months after the application is 176
received by the authority. 177

(b) The authority shall consider any taxpayer's 178
application for which it receives a recommendation under 179
division (C) (2) (a) of this section. If the authority determines 180
that the taxpayer does not meet all of the criteria set forth in 181
division (C) (1) of this section, the authority and the 182
department of development shall proceed in accordance with rules 183
adopted by the director pursuant to division (I) of this 184
section. 185

(D) An agreement under this section shall include all of 186
the following: 187

(1) A detailed description of the project that is the 188
subject of the agreement; 189

(2) (a) The term of the tax credit, which, except as 190

provided in division (D) (2) (b) or (C) of this section, shall not 191
exceed fifteen years, and the first taxable year, or first 192
calendar year that includes a tax period, for which the credit 193
may be claimed; 194

(b) If the tax credit is computed on the basis of home- 195
based employees, the term of the credit shall expire on or 196
before the last day of the taxable or calendar year ending 197
before the beginning of the seventh year after September 6, 198
2012, the effective date of H.B. 327 of the 129th general 199
assembly. 200

(c) If the taxpayer is a megaproject operator or a 201
megaproject supplier, the term of the tax credit shall not 202
exceed thirty years. 203

(3) A requirement that the taxpayer shall maintain 204
operations at the project location for at least the greater of 205
seven years or the term of the credit plus three years; 206

(4) The percentage, as determined by the tax credit 207
authority, of excess payroll that will be allowed as the amount 208
of the credit for each taxable year or for each calendar year 209
that includes a tax period; 210

(5) The pay increase factor to be applied to the 211
taxpayer's baseline payroll; 212

(6) A requirement that the taxpayer annually shall report 213
to the director of development full-time equivalent employees, 214
payroll, Ohio employee payroll, investment, the provision of 215
health care benefits and tuition reimbursement if required in 216
the agreement, and other information the director needs to 217
perform the director's duties under this section; 218

(7) A requirement that the director of development 219

annually review the information reported under division (D) (6) 220
of this section and verify compliance with the agreement; if the 221
taxpayer is in compliance, a requirement that the director issue 222
a certificate to the taxpayer stating that the information has 223
been verified and identifying the amount of the credit that may 224
be claimed for the taxable or calendar year. If the taxpayer is 225
a megaproject supplier, the director shall issue such a 226
certificate to the supplier and to any megaproject operator (a) 227
to which the supplier directly sells tangible personal property 228
and (b) that is authorized to claim the credit pursuant to 229
division (D) (10) of this section. 230

(8) A provision providing that the taxpayer may not 231
relocate a substantial number of employment positions from 232
elsewhere in this state to the project location unless the 233
director of development determines that the legislative 234
authority of the county, township, or municipal corporation from 235
which the employment positions would be relocated has been 236
notified by the taxpayer of the relocation. 237

For purposes of this section, the movement of an 238
employment position from one political subdivision to another 239
political subdivision shall be considered a relocation of an 240
employment position unless the employment position in the first 241
political subdivision is replaced. The movement of a qualifying 242
work-from-home employee to a different residence located in this 243
state or to the project location shall not be considered a 244
relocation of an employment position. 245

(9) If the tax credit is computed on the basis of home- 246
based employees, that the tax credit may not be claimed by the 247
taxpayer until the taxable year or tax period in which the 248
taxpayer employs at least two hundred employees more than the 249

number of employees the taxpayer employed on June 30, 2011;	250
(10) If the taxpayer is a megaproject supplier, the	251
percentage of the annual tax credit certified under division (D)	252
(7) of this section, up to one hundred per cent, that may be	253
claimed by each megaproject operator to which the supplier	254
directly sells tangible personal property, rather than by that	255
supplier, on the condition that the megaproject operator	256
continues to qualify as a megaproject operator;	257
(11) If the taxpayer is a megaproject operator or	258
megaproject supplier, a requirement that the taxpayer continue	259
to qualify as a megaproject operator or megaproject supplier,	260
respectively, until the end of the last year for which the	261
taxpayer qualifies for the credit authorized under this section.	262
(E) If a taxpayer fails to meet or comply with any	263
condition or requirement set forth in a tax credit agreement,	264
the tax credit authority may amend the agreement to reduce the	265
percentage or term of the tax credit. The reduction of the	266
percentage or term may take effect in the current taxable or	267
calendar year.	268
(F) Projects that consist solely of point-of-final-	269
purchase retail facilities are not eligible for a tax credit	270
under this section. If a project consists of both point-of-	271
final-purchase retail facilities and nonretail facilities, only	272
the portion of the project consisting of the nonretail	273
facilities is eligible for a tax credit and only the excess	274
payroll from the nonretail facilities shall be considered when	275
computing the amount of the tax credit. If a warehouse facility	276
is part of a point-of-final-purchase retail facility and	277
supplies only that facility, the warehouse facility is not	278
eligible for a tax credit. Catalog distribution centers are not	279

considered point-of-final-purchase retail facilities for the 280
purposes of this division, and are eligible for tax credits 281
under this section. 282

(G) Financial statements and other information submitted 283
to the department of development or the tax credit authority by 284
an applicant or recipient of a tax credit under this section, 285
and any information taken for any purpose from such statements 286
or information, are not public records subject to section 149.43 287
of the Revised Code. However, the chairperson of the authority 288
may make use of the statements and other information for 289
purposes of issuing public reports or in connection with court 290
proceedings concerning tax credit agreements under this section. 291
Upon the request of the tax commissioner or, if the applicant or 292
recipient is an insurance company, upon the request of the 293
superintendent of insurance, the chairperson of the authority 294
shall provide to the commissioner or superintendent any 295
statement or information submitted by an applicant or recipient 296
of a tax credit in connection with the credit. The commissioner 297
or superintendent shall preserve the confidentiality of the 298
statement or information. 299

(H) A taxpayer claiming a credit under this section shall 300
submit to the tax commissioner or, if the taxpayer is an 301
insurance company, to the superintendent of insurance, a copy of 302
the director of development's certificate of verification under 303
division (D) (7) of this section with the taxpayer's tax report 304
or return for the taxable year or for the calendar year that 305
includes the tax period. Failure to submit a copy of the 306
certificate with the report or return does not invalidate a 307
claim for a credit if the taxpayer submits a copy of the 308
certificate to the commissioner or superintendent within the 309
time prescribed by section 5703.0510 of the Revised Code or 310

within thirty days after the commissioner or superintendent 311
requests it. 312

(I) The director of development, after consultation with 313
the tax commissioner and the superintendent of insurance and in 314
accordance with Chapter 119. of the Revised Code, shall adopt 315
rules necessary to implement this section, including rules that 316
establish a procedure to be followed by the tax credit authority 317
and the department of development in the event the authority 318
considers a taxpayer's application for which it receives a 319
recommendation under division (C) (2) (a) of this section but does 320
not approve it. The rules may provide for recipients of tax 321
credits under this section to be charged fees to cover 322
administrative costs of the tax credit program. For the purposes 323
of these rules, a qualifying work-from-home employee shall be 324
considered to be an employee employed at the applicant's project 325
location. The fees collected shall be credited to the tax 326
incentives operating fund created in section 122.174 of the 327
Revised Code. At the time the director gives public notice under 328
division (A) of section 119.03 of the Revised Code of the 329
adoption of the rules, the director shall submit copies of the 330
proposed rules to the chairpersons of the standing committees on 331
economic development in the senate and the house of 332
representatives. 333

(J) For the purposes of this section, a taxpayer may 334
include a partnership, a corporation that has made an election 335
under subchapter S of chapter one of subtitle A of the Internal 336
Revenue Code, or any other business entity through which income 337
flows as a distributive share to its owners. A partnership, S- 338
corporation, or other such business entity may elect to pass the 339
credit received under this section through to the persons to 340
whom the income or profit of the partnership, S-corporation, or 341

other entity is distributed. The election shall be made on the 342
annual report required under division (D) (6) of this section. 343
The election applies to and is irrevocable for the credit for 344
which the report is submitted. If the election is made, the 345
credit shall be apportioned among those persons in the same 346
proportions as those in which the income or profit is 347
distributed. 348

(K) (1) If the director of development determines that a 349
taxpayer who has received a credit under this section is not 350
complying with the requirements of the agreement, the director 351
shall notify the tax credit authority of the noncompliance. 352
After receiving such a notice, and after giving the taxpayer an 353
opportunity to explain the noncompliance, the tax credit 354
authority may require the taxpayer to refund to this state a 355
portion of the credit in accordance with the following: 356

(a) If the taxpayer fails to comply with the requirement 357
under division (D) (3) of this section, an amount determined in 358
accordance with the following: 359

(i) If the taxpayer maintained operations at the project 360
location for a period less than or equal to the term of the 361
credit, an amount not exceeding one hundred per cent of the sum 362
of any credits allowed and received under this section; 363

(ii) If the taxpayer maintained operations at the project 364
location for a period longer than the term of the credit, but 365
less than the greater of seven years or the term of the credit 366
plus three years, an amount not exceeding seventy-five per cent 367
of the sum of any credits allowed and received under this 368
section. 369

(b) If, on the metric evaluation date, the taxpayer fails 370

to substantially meet the job creation, payroll, or investment 371
requirements included in the agreement, an amount determined at 372
the discretion of the authority; 373

(c) If the taxpayer fails to substantially maintain the 374
number of new full-time equivalent employees or amount of 375
payroll required under the agreement at any time during the term 376
of the agreement after the metric evaluation date, an amount 377
determined at the discretion of the authority. 378

(2) If a taxpayer files for bankruptcy and fails as 379
described in division (K) (1) (a), (b), or (c) of this section, 380
the director may immediately commence an action to recoup an 381
amount not exceeding one hundred per cent of the sum of any 382
credits received by the taxpayer under this section. 383

(3) In determining the portion of the tax credit to be 384
refunded to this state, the tax credit authority shall consider 385
the effect of market conditions on the taxpayer's project and 386
whether the taxpayer continues to maintain other operations in 387
this state. After making the determination, the authority shall 388
certify the amount to be refunded to the tax commissioner or 389
superintendent of insurance, as appropriate. If the amount is 390
certified to the commissioner, the commissioner shall make an 391
assessment for that amount against the taxpayer under Chapter 392
5726., 5733., 5736., 5747., or 5751. of the Revised Code. If the 393
amount is certified to the superintendent, the superintendent 394
shall make an assessment for that amount against the taxpayer 395
under Chapter 5725. or 5729. of the Revised Code. The time 396
limitations on assessments under those chapters do not apply to 397
an assessment under this division, but the commissioner or 398
superintendent, as appropriate, shall make the assessment within 399
one year after the date the authority certifies to the 400

commissioner or superintendent the amount to be refunded. 401

(L) On or before the first day of August each year, the 402
director of development shall submit a report to the governor, 403
the president of the senate, and the speaker of the house of 404
representatives on the tax credit program under this section. 405
The report shall include information on the number of agreements 406
that were entered into under this section during the preceding 407
calendar year, a description of the project that is the subject 408
of each such agreement, and an update on the status of projects 409
under agreements entered into before the preceding calendar 410
year. 411

(M) There is hereby created the tax credit authority, 412
which consists of the director of development and four other 413
members appointed as follows: the governor, the president of the 414
senate, and the speaker of the house of representatives each 415
shall appoint one member who shall be a specialist in economic 416
development; the governor also shall appoint a member who is a 417
specialist in taxation. Terms of office shall be for four years. 418
Each member shall serve on the authority until the end of the 419
term for which the member was appointed. Vacancies shall be 420
filled in the same manner provided for original appointments. 421
Any member appointed to fill a vacancy occurring prior to the 422
expiration of the term for which the member's predecessor was 423
appointed shall hold office for the remainder of that term. 424
Members may be reappointed to the authority. Members of the 425
authority shall receive their necessary and actual expenses 426
while engaged in the business of the authority. The director of 427
development shall serve as chairperson of the authority, and the 428
members annually shall elect a vice-chairperson from among 429
themselves. Three members of the authority constitute a quorum 430
to transact and vote on the business of the authority. The 431

majority vote of the membership of the authority is necessary to 432
approve any such business, including the election of the vice- 433
chairperson. 434

The director of development may appoint a professional 435
employee of the department of development to serve as the 436
director's substitute at a meeting of the authority. The 437
director shall make the appointment in writing. In the absence 438
of the director from a meeting of the authority, the appointed 439
substitute shall serve as chairperson. In the absence of both 440
the director and the director's substitute from a meeting, the 441
vice-chairperson shall serve as chairperson. 442

(N) For purposes of the credits granted by this section 443
against the taxes imposed under sections 5725.18 and 5729.03 of 444
the Revised Code, "taxable year" means the period covered by the 445
taxpayer's annual statement to the superintendent of insurance. 446

(O) On or before the first day of March of each of the 447
five calendar years beginning with 2014, each taxpayer subject 448
to an agreement with the tax credit authority under this section 449
on the basis of home-based employees shall report the number of 450
home-based employees and other employees employed by the 451
taxpayer in this state to the department of development. 452

(P) On or before the first day of January of 2019, the 453
director of development shall submit a report to the governor, 454
the president of the senate, and the speaker of the house of 455
representatives on the effect of agreements entered into under 456
this section in which the taxpayer included home-based employees 457
in the computation of income tax revenue, as that term was 458
defined in this section prior to the amendment of this section 459
by H.B. 64 of the 131st general assembly. The report shall 460
include information on the number of such agreements that were 461

entered into in the preceding six years, a description of the 462
projects that were the subjects of such agreements, and an 463
analysis of nationwide home-based employment trends, including 464
the number of home-based jobs created from July 1, 2011, through 465
June 30, 2017, and a description of any home-based employment 466
tax incentives provided by other states during that time. 467

(Q) The director of development may require any agreement 468
entered into under this section for a tax credit computed on the 469
basis of home-based employees to contain a provision that the 470
taxpayer makes available health care benefits and tuition 471
reimbursement to all employees. 472

(R) Original agreements approved by the tax credit 473
authority under this section in 2014 or 2015 before September 474
29, 2015, may be revised at the request of the taxpayer to 475
conform with the amendments to this section and sections 476
5733.0610, 5736.50, 5747.058, and 5751.50 of the Revised Code by 477
H.B. 64 of the 131st general assembly, upon mutual agreement of 478
the taxpayer and the department of development, and approval by 479
the tax credit authority. 480

(S) (1) As used in division (S) of this section: 481

(a) "Eligible agreement" means an agreement approved by 482
the tax credit authority under this section on or before 483
December 31, 2013. 484

(b) "Income tax revenue" has the same meaning as under 485
this section as it existed before September 29, 2015, the 486
effective date of the amendment of this section by H.B. 64 of 487
the 131st general assembly. 488

(2) In calendar year 2016 and thereafter, the tax credit 489
authority shall annually determine a withholding adjustment 490

factor to be used in the computation of income tax revenue for 491
eligible agreements. The withholding adjustment factor shall be 492
a numerical percentage that equals the percentage that employer 493
income tax withholding rates have been increased or decreased as 494
a result of changes in the income tax rates prescribed by 495
section 5747.02 of the Revised Code by amendment of that section 496
taking effect on or after June 29, 2013. 497

(3) Except as provided in division (S) (4) of this section, 498
for reporting periods ending in 2015 and thereafter for 499
taxpayers subject to eligible agreements, the tax credit 500
authority shall adjust the income tax revenue reported on the 501
taxpayer's annual report by multiplying the withholding 502
adjustment factor by the taxpayer's income tax revenue and doing 503
one of the following: 504

(a) If the income tax rates prescribed by section 5747.02 505
of the Revised Code have decreased by amendment of that section 506
taking effect on or after June 29, 2013, add the product to the 507
taxpayer's income tax revenue. 508

(b) If the income tax rates prescribed by section 5747.02 509
of the Revised Code have increased by amendment of that section 510
taking effect on or after June 29, 2013, subtract the product 511
from the taxpayer's income tax revenue. 512

(4) Division (S) (3) of this section shall not apply unless 513
all of the following apply for the reporting period with respect 514
to the eligible agreement: 515

(a) The taxpayer has achieved one hundred per cent of the 516
new employment commitment identified in the agreement. 517

(b) If applicable, the taxpayer has achieved one hundred 518
per cent of the new payroll commitment identified in the 519

agreement.	520
(c) If applicable, the taxpayer has achieved one hundred	521
per cent of the investment commitment identified in the	522
agreement.	523
(5) Failure by a taxpayer to have achieved any of the	524
applicable commitments described in divisions (S) (4) (a) to (c)	525
of this section in a reporting period does not disqualify the	526
taxpayer for the adjustment under division (S) of this section	527
for an ensuing reporting period.	528
(T) For reporting periods ending in calendar year 2020 or	529
thereafter, any taxpayer may include qualifying work-from-home	530
employees in its report required under division (D) (6) of this	531
section, and the compensation of such employees shall qualify as	532
Ohio employee payroll under division (A) (3) (a) of this section,	533
even if the taxpayer's application to the tax credit authority	534
to enter into an agreement for a tax credit under this section	535
was approved before September 29, 2017, the effective date of	536
the amendment of this section by H.B. 49 of the 132nd general	537
assembly.	538
(U) The director of development services shall notify the	539
tax commissioner if the director determines that a megaproject	540
operator or megaproject supplier is not in compliance with the	541
agreement pursuant to a review conducted under division (D) (7)	542
of this section.	543
(V) Beginning in 2025 and in each fifth calendar year	544
thereafter, the tax commissioner shall adjust the following	545
amounts in September of that year:	546
(1) The fixed-asset investment threshold described in	547
division (A) (11) (c) (i) of this section and the Ohio employee	548

payroll threshold described in division (A) (11) (c) (ii) of this	549
section by completing the following calculations:	550
(a) Determine the percentage increase in the gross	551
domestic product deflator determined by the bureau of economic	552
analysis of the United States department of commerce from the	553
first day of January of the fifth preceding calendar year to the	554
last day of December of the preceding calendar year;	555
(b) Multiply that percentage increase by the fixed-asset	556
investment threshold and the Ohio employee payroll threshold for	557
the current year;	558
(c) Add the resulting products to the corresponding fixed-	559
asset investment threshold and Ohio employee payroll threshold	560
for the current year;	561
(d) Round the resulting fixed-asset investment sum to the	562
nearest multiple of ten million dollars and the Ohio employee	563
payroll sum to the nearest multiple of one million dollars.	564
(2) The fixed-asset investment threshold described in	565
division (A) (13) (a) (i) of this section and the Ohio employee	566
payroll threshold described in division (A) (13) (a) (ii) of this	567
section by completing the calculations described in divisions	568
(V) (1) (a) to (c) of this section and rounding the resulting	569
fixed-asset investment sum to the nearest multiple of one	570
million dollars and the Ohio employee payroll sum to the nearest	571
multiple of one hundred thousand dollars.	572
The commissioner shall certify the amount of the	573
adjustments under divisions (V) (1) and (2) of this section to	574
the director of development services and to the tax credit	575
authority not later than the first day of December of the year	576
the commissioner computes the adjustment. Each certified amount	577

applies to the ensuing calendar year and each calendar year 578
thereafter until the tax commissioner makes a new adjustment. 579
The tax commissioner shall not calculate a new adjustment in any 580
year in which the resulting amount from the adjustment would be 581
less than the corresponding amount for the current year. 582

Sec. 122.66. As used in sections 122.66 to 122.702 of the 583
Revised Code: 584

(A) "Poverty line" means the official poverty line 585
established by the director of the United States office of 586
management and budget and as revised by the secretary of health 587
and human services in accordance with section 673(2) of the 588
"Community Services Block Grant Act," 95 Stat. 1609, 42 U.S.C.A. 589
9902. 590

(B) "Low-income person" means a person whose adjusted 591
gross income, as defined in ~~division (A) of section 62 of the~~ 592
Internal Revenue Code, as defined in section 5747.01 of the 593
Revised Code, is below the poverty line as defined in ~~division~~ 594
~~(A) of this section.~~ 595

(C) "Advocacy" means the act of pleading for, supporting, 596
or recommending actions on behalf of low-income persons. 597

(D) "Community action agency" means a community-based and 598
operated private nonprofit agency or organization that includes 599
or is designed to include a sufficient number of projects or 600
components to provide a range of services and activities having 601
a measurable and potentially major impact on the causes of 602
poverty in the community or those areas of the community where 603
poverty is a particularly acute problem and is designated as a 604
community action agency by the community services division 605
pursuant to sections 122.68 and 122.69 of the Revised Code. 606

(E) "Community" means a city, village, county, multicity 607
or multicounty unit, a neighborhood or other area, disregarding 608
boundaries or political subdivisions, which provides a suitable 609
organizational base and possesses a commonality of needs and 610
interests for a community action program suitable to be served 611
by a community action agency. 612

(F) "Service area" means the geographical area served by a 613
community action agency. 614

Sec. 323.151. As used in sections 323.151 to 323.159 of 615
the Revised Code: 616

(A) (1) "Homestead" means either of the following: 617

(a) A dwelling, including a unit in a multiple-unit 618
dwelling and a manufactured home or mobile home taxed as real 619
property pursuant to division (B) of section 4503.06 of the 620
Revised Code, owned and occupied as a home by an individual 621
whose domicile is in this state and who has not acquired 622
ownership from a person, other than the individual's spouse, 623
related by consanguinity or affinity for the purpose of 624
qualifying for the real property tax reduction provided in 625
section 323.152 of the Revised Code. 626

(b) A unit in a housing cooperative that is occupied as a 627
home, but not owned, by an individual whose domicile is in this 628
state. 629

(2) The homestead shall include so much of the land 630
surrounding it, not exceeding one acre, as is reasonably 631
necessary for the use of the dwelling or unit as a home. An 632
owner includes a holder of one of the several estates in fee, a 633
vendee in possession under a purchase agreement or a land 634
contract, a mortgagor, a life tenant, one or more tenants with a 635

right of survivorship, tenants in common, and a settlor of a 636
revocable or irrevocable inter vivos trust holding the title to 637
a homestead occupied by the settlor as of right under the trust. 638
The tax commissioner shall adopt rules for the uniform 639
classification and valuation of real property or portions of 640
real property as homesteads. 641

(B) "Sixty-five years of age or older" means a person who 642
has attained age sixty-four prior to the first day of January of 643
the year of application for reduction in real estate taxes. 644

(C) "Total income" means, for tax year 2032 and every 645
preceding tax year, modified adjusted gross income, as ~~that term~~ 646
~~is~~ defined in section 5747.01 of the Revised Code, or, for any 647
other tax year, adjusted gross income, as defined in section 62 648
of the Internal Revenue Code, of the owner and the owner's 649
spouse for the year preceding the year in which application for 650
a reduction in taxes is made. 651

(D) "Permanently and totally disabled" means that a person 652
other than a disabled veteran has, on the first day of January 653
of the year of application for reduction in real estate taxes, 654
some impairment in body or mind that makes the person unable to 655
work at any substantially remunerative employment that the 656
person is reasonably able to perform and that will, with 657
reasonable probability, continue for an indefinite period of at 658
least twelve months without any present indication of recovery 659
therefrom or has been certified as permanently and totally 660
disabled by a state or federal agency having the function of so 661
classifying persons. 662

(E) "Housing cooperative" means a housing complex of at 663
least two units that is owned and operated by a nonprofit 664
corporation that issues a share of the corporation's stock to an 665

individual, entitling the individual to live in a unit of the 666
complex, and collects a monthly maintenance fee from the 667
individual to maintain, operate, and pay the taxes of the 668
complex. 669

(F) "Disabled veteran" means a person who is a veteran of 670
the armed forces of the United States, including reserve 671
components thereof, or of the national guard, who has been 672
discharged or released from active duty in the armed forces 673
under honorable conditions, and who has received a total 674
disability rating or a total disability rating for compensation 675
based on individual unemployability for a service-connected 676
disability or combination of service-connected disabilities as 677
prescribed in Title 38, Part 4 of the Code of Federal 678
Regulations, as amended. 679

(G) "Public service officer" means a peace officer, 680
firefighter, first responder, EMT-basic, EMT-I, or paramedic, or 681
an individual holding any equivalent position in another state. 682

(H) "Killed in the line of duty" means either of the 683
following: 684

(1) Death in the line of duty; 685

(2) Death from injury sustained in the line of duty, 686
including heart attack or other fatal injury or illness caused 687
while in the line of duty. 688

(I) "Peace officer" has the same meaning as in section 689
2935.01 of the Revised Code. 690

(J) "Firefighter" means a firefighter, whether paid or 691
volunteer, of a lawfully constituted fire department. 692

(K) "First responder," "EMT-basic," "EMT-I," and 693

"paramedic" have the same meanings as in section 4765.01 of the Revised Code.

Sec. 3317.021. (A) On or before the first day of June of each year, the tax commissioner shall certify to the department of education and the office of budget and management the information described in divisions (A) (1) to (5) of this section for each city, exempted village, and local school district, and the information required by divisions (A) (1) and (2) of this section for each joint vocational school district, and it shall be used, along with the information certified under division (B) of this section, in making the computations for the district under this chapter.

(1) The taxable value of real and public utility real property in the school district subject to taxation in the preceding tax year, by class and by county of location.

(2) The taxable value of tangible personal property, including public utility personal property, subject to taxation by the district for the preceding tax year.

(3) (a) The total property tax rate and total taxes charged and payable for the current expenses for the preceding tax year and the total property tax rate and the total taxes charged and payable to a joint vocational district for the preceding tax year that are limited to or to the extent apportioned to current expenses.

(b) The portion of the amount of taxes charged and payable reported for each city, local, and exempted village school district under division (A) (3) (a) of this section attributable to a joint vocational school district.

(4) The value of all real and public utility real property

in the school district exempted from taxation minus both of the 723
following: 724

(a) The value of real and public utility real property in 725
the district owned by the United States government and used 726
exclusively for a public purpose; 727

(b) The value of real and public utility real property in 728
the district exempted from taxation under Chapter 725. or 1728. 729
or section 3735.67, 5709.40, 5709.41, 5709.45, 5709.57, 5709.62, 730
5709.63, 5709.632, 5709.73, or 5709.78 of the Revised Code. 731

(5) The total and median federal adjusted gross income of 732
the residents of the school district, based on tax returns filed 733
by the residents of the district, for the most recent year for 734
which this information is available, ~~and the median Ohio-~~ 735
~~adjusted gross income of the residents of the school district-~~ 736
~~determined on the basis of tax returns filed for the second-~~ 737
~~preceding tax year by the residents of the district.~~ 738

(6) For fiscal years 2022 and 2023, the number of state 739
tax returns filed by the residents of the district for the most 740
recent year for which this information is available. 741

(B) On or before the first day of May each year, the tax 742
commissioner shall certify to the department of education and 743
the office of budget and management the total taxable real 744
property value of railroads and, separately, the total taxable 745
tangible personal property value of all public utilities for the 746
preceding tax year, by school district and by county of 747
location. 748

(C) If on the basis of the information certified under 749
division (A) of this section, the department determines that any 750
district fails in any year to meet the qualification requirement 751

specified in division (A) of section 3317.01 of the Revised Code, the department shall immediately request the tax commissioner to determine the extent to which any school district income tax levied by the district under Chapter 5748. of the Revised Code shall be included in meeting that requirement. Within five days of receiving such a request from the department, the tax commissioner shall make the determination required by this division and report the quotient obtained under division (C) (3) of this section to the department and the office of budget and management. This quotient represents the number of mills that the department shall include in determining whether the district meets the qualification requirement of division (A) of section 3317.01 of the Revised Code.

The tax commissioner shall make the determination required by this division as follows:

(1) Multiply one mill times the total taxable value of the district as determined in divisions (A) (1) and (2) of this section;

(2) Estimate the total amount of tax liability for the current tax year under taxes levied by Chapter 5748. of the Revised Code that are apportioned to current operating expenses of the district, excluding any income tax receipts allocated for the project cost, debt service, or maintenance set-aside associated with a state-assisted classroom facilities project as authorized by section 3318.052 of the Revised Code;

(3) Divide the amount estimated under division (C) (2) of this section by the product obtained under division (C) (1) of this section.

Sec. 3318.011. For purposes of providing assistance under 781
sections 3318.01 to 3318.20 of the Revised Code, the department 782
of education shall annually do all of the following: 783

(A) Calculate the adjusted valuation per pupil of each 784
city, local, and exempted village school district according to 785
the following formula: 786

The district's valuation per pupil - [$\$30,000 \times (1 - \text{the}$ 787
district's income factor)]. 788

For purposes of this calculation: 789

(1) Except for a district with an open enrollment net gain 790
that is ten per cent or more of its formula ADM, "valuation per 791
pupil" for a district means its average taxable value, divided 792
by its formula ADM for the previous fiscal year. "Valuation per 793
pupil," for a district with an open enrollment net gain that is 794
ten per cent or more of its formula ADM, means its average 795
taxable value, divided by the sum of its formula ADM for the 796
previous fiscal year plus its open enrollment net gain for the 797
previous fiscal year. 798

(2) "Average taxable value" means the average of the sum 799
of the amounts certified for a district under divisions (A) (1) 800
and (2) of section 3317.021 of the Revised Code in the second, 801
third, and fourth preceding fiscal years. 802

(3) "Entitled to attend school" means entitled to attend 803
school in a city, local, or exempted village school district 804
under section 3313.64 or 3313.65 of the Revised Code. 805

(4) "Formula ADM" has the same meaning as in section 806
3317.02 of the Revised Code. 807

(5) "Native student" has the same meaning as in section 808

3313.98 of the Revised Code.	809
(6) "Open enrollment net gain" for a district means (a)	810
the number of the students entitled to attend school in another	811
district but who are enrolled in the schools of the district	812
under its open enrollment policy minus (b) the number of the	813
district's native students who are enrolled in the schools of	814
another district under the other district's open enrollment	815
policy, both numbers as certified to the department under	816
section 3313.981 of the Revised Code. If the difference is a	817
negative number, the district's "open enrollment net gain" is	818
zero.	819
(7) "Open enrollment policy" means an interdistrict open	820
enrollment policy adopted under section 3313.98 of the Revised	821
Code.	822
(8) "District median income" means the median Ohio - <u>federal</u>	823
adjusted gross income certified for a school district under	824
section 3317.021 of the Revised Code.	825
(9) "Statewide median income" means the median district	826
median income of all city, exempted village, and local school	827
districts in the state.	828
(10) "Income factor" for a city, exempted village, or	829
local school district means the quotient obtained by dividing	830
that district's median income by the statewide median income.	831
(B) Calculate for each district the three-year average of	832
the adjusted valuations per pupil calculated for the district	833
for the current and two preceding fiscal years;	834
(C) Rank all such districts in order of adjusted valuation	835
per pupil from the district with the lowest three-year average	836
adjusted valuation per pupil to the district with the highest	837

three-year average adjusted valuation per pupil; 838

(D) Divide such ranking into percentiles with the first 839
percentile containing the one per cent of school districts 840
having the lowest three-year average adjusted valuations per 841
pupil and the one-hundredth percentile containing the one per 842
cent of school districts having the highest three-year average 843
adjusted valuations per pupil; 844

(E) Determine the school districts that have three-year 845
average adjusted valuations per pupil that are greater than the 846
median three-year average adjusted valuation per pupil for all 847
school districts in the state; 848

(F) On or before the first day of September, certify the 849
information described in divisions (A) to (E) of this section to 850
the Ohio facilities construction commission. 851

Sec. 5747.02. (A) For the purpose of providing revenue for 852
the support of schools and local government functions, to 853
provide relief to property taxpayers, to provide revenue for the 854
general revenue fund, and to meet the expenses of administering 855
the tax levied by this chapter, ~~there~~ an annual tax measured as 856
prescribed in divisions (A)(1) to (4) of this section is hereby 857
levied for taxable years beginning before January 1, 2032, on 858
every individual, trust, and estate residing in or earning or 859
receiving income in this state, on every individual, trust, and 860
estate earning or receiving lottery winnings, prizes, or awards 861
pursuant to Chapter 3770. of the Revised Code, on every 862
individual, trust, and estate earning or receiving winnings on 863
casino or sports gaming, and on every individual, trust, and 864
estate otherwise having nexus with or in this state under the 865
Constitution of the United States, ~~an annual tax measured as~~ 866
~~prescribed in divisions (A)(1) to (4) of this section.~~ For the 867

same purposes, an annual tax measured as prescribed in division 868
(A) (4) of this section is hereby levied for taxable years 869
beginning on and after January 1, 2032, on every individual 870
earning or receiving business income in this state. 871

(1) In the case of trusts, the tax imposed by this section 872
shall be measured by modified Ohio taxable income under division 873
(D) of this section and levied in the same amount as the tax is 874
imposed on estates as prescribed in division (A) (2) of this 875
section. 876

(2) In the case of estates, the tax imposed by this 877
section shall be measured by Ohio taxable income. The tax shall 878
be levied at the rate of 1.38462% for the first twenty-five 879
thousand dollars of such income and, for income in excess of 880
that amount, the tax shall be levied at the same rates 881
prescribed in division (A) (3) of this section for individuals. 882

(3) In the case of individuals, the tax imposed by this 883
section on income other than taxable business income shall be 884
measured by Ohio adjusted gross income, less taxable business 885
income and less an exemption for the taxpayer, the taxpayer's 886
spouse, and each dependent as provided in section 5747.025 of 887
the Revised Code. If the balance thus obtained is equal to or 888
less than twenty-five thousand dollars, no tax shall be imposed 889
on that balance. If the balance thus obtained is greater than 890
twenty-five thousand dollars, the tax is hereby levied as 891
follows: 892

(a) For taxable years beginning in 2022: 893

894

A	OHIO ADJUSTED GROSS INCOME LESS TAXABLE BUSINESS INCOME AND EXEMPTIONS (INDIVIDUALS) OR MODIFIED OHIO TAXABLE INCOME (TRUSTS) OR OHIO TAXABLE INCOME (ESTATES)	TAX
B	More than \$25,000 but not more than \$44,250	\$346.16 plus 2.765% of the amount in excess of \$25,000
C	More than \$44,250 but not more than \$88,450	\$878.42 plus 3.226% of the amount in excess of \$44,250
D	More than \$88,450 but not more than \$110,650	\$2,304.31 plus 3.688% of the amount in excess of \$88,450
E	More than \$110,650	\$3,123.05 plus 3.990% of the amount in excess of \$110,650

(b) For taxable years beginning in 2023 to 2031, in 895
accordance with the tax brackets calculated under division (A) 896
(5) of this section. 897

(4) (a) In the case of individuals, the tax imposed by this 898
section on taxable business income shall equal three per cent of 899
the result obtained by subtracting any amount allowed under 900
division (A) (4) (b) of this section from the individual's taxable 901
business income. 902

(b) If the exemptions allowed to an individual under 903
division (A) (3) of this section exceed the taxpayer's Ohio 904
adjusted gross income less taxable business income, the excess 905
shall be deducted from taxable business income before computing 906
the tax under division (A) (4) (a) of this section. 907

(5) Except as otherwise provided in this division, in 908
August of each year, the tax commissioner shall make a new 909
adjustment to the income amounts and tax rates prescribed in 910
divisions (A) (2) and (3) of this section, as follows: 911

(a) The commissioner shall adjust the income amounts by 912
multiplying the percentage increase in the gross domestic 913
product deflator computed that year under section 5747.025 of 914
the Revised Code by each of the income amounts resulting from 915
the adjustment under this division in the preceding year, adding 916
the resulting product to the corresponding income amount 917
resulting from the adjustment in the preceding year, and 918
rounding the resulting sum to the nearest multiple of fifty 919
dollars. 920

(b) The commissioner shall adjust the tax rates by 921
multiplying each tax rate in effect for taxable years beginning 922
in 2022 by one-tenth; rounding the result to the nearest one- 923
thousandth of one per cent, for tax rates prescribed in division 924
(A) (3) of this section, or the nearest one-hundred thousandth of 925
one per cent, for the rate prescribed in division (A) (2) of this 926
section; and subtracting that amount from the corresponding tax 927
rate in effect for the preceding year. 928

The ~~tax~~ commissioner also shall recompute each of the tax 929
dollar amounts to the extent necessary to reflect the new 930
adjustment of the income amounts and tax rates. To recompute the 931
tax dollar amount corresponding to the lowest tax rate in 932
division (A) (3) of this section, the commissioner shall multiply 933
the tax rate prescribed in division (A) (2) of this section by 934
the income amount specified in that division and as adjusted 935
according to this paragraph. ~~The rates of taxation shall not be~~ 936
~~adjusted.~~ 937

The adjusted amounts apply to taxable years beginning in 938
the calendar year in which the adjustments are made ~~and to~~ 939
~~taxable years beginning in each ensuing calendar year until a~~ 940
~~calendar year in which a new adjustment is made pursuant to this~~ 941
~~division.~~ The tax commissioner shall not make a new adjustment 942
to an income amount in any year in which the amount resulting 943
from the adjustment would be less than the amount resulting from 944
the adjustment in the preceding year. 945

(B) If the director of budget and management makes a 946
certification to the tax commissioner under division (B) of 947
section 131.44 of the Revised Code, the amount of tax as 948
determined under divisions (A) (1) to (3) of this section, for 949
taxable years beginning before 2032, or as determined under 950
division (A) (4) of this section, for taxable years beginning in 951
or after 2032, shall be reduced by the percentage prescribed in 952
that certification for taxable years beginning in the calendar 953
year in which that certification is made. 954

(C) (1) The tax imposed by this section on a trust shall be 955
computed by multiplying the Ohio modified taxable income of the 956
trust by the rates prescribed by division (A) of this section. 957

(2) A resident trust may claim a credit against the tax 958
computed under division (C) of this section equal to the lesser 959
of (a) the tax paid to another state or the District of Columbia 960
on the resident trust's modified nonbusiness income, other than 961
the portion of the resident trust's nonbusiness income that is 962
qualifying investment income as defined in section 5747.012 of 963
the Revised Code, or (b) the effective tax rate, based on 964
modified Ohio taxable income, multiplied by the resident trust's 965
modified nonbusiness income other than the portion of the 966
resident trust's nonbusiness income that is qualifying 967

investment income. The credit applies before any other 968
applicable credits. 969

(3) Any credit authorized against the tax imposed by this 970
section applies to a trust subject to division (C) of this 971
section only if the trust otherwise qualifies for the credit. To 972
the extent that the trust distributes income for the taxable 973
year for which a credit is available to the trust, the credit 974
shall be shared by the trust and its beneficiaries. The tax 975
commissioner and the trust shall be guided by applicable 976
regulations of the United States treasury regarding the sharing 977
of credits. 978

(D) For the purposes of this section, "trust" means any 979
trust described in Subchapter J of Chapter 1 of the Internal 980
Revenue Code, excluding trusts that are not irrevocable as 981
defined in division (I) (3) (b) of section 5747.01 of the Revised 982
Code and that have no modified Ohio taxable income for the 983
taxable year, charitable remainder trusts, qualified funeral 984
trusts and preneed funeral contract trusts established pursuant 985
to sections 4717.31 to 4717.38 of the Revised Code that are not 986
qualified funeral trusts, endowment and perpetual care trusts, 987
qualified settlement trusts and funds, designated settlement 988
trusts and funds, and trusts exempted from taxation under 989
section 501(a) of the Internal Revenue Code. 990

(E) Nothing in division (A) (3) of this section shall 991
prohibit an individual with ~~an Ohio no~~ adjusted gross income, ~~7-~~ 992
~~less taxable business income and exemptions, of twenty five~~ 993
~~thousand dollars or less~~ subject to tax under this section from 994
filing a return under this chapter to receive a refund of taxes 995
withheld or to claim any refundable credit allowed under this 996
chapter. 997

Sec. 5748.01. As used in this chapter:	998
(A) "School district income tax" means an income tax adopted under one of the following:	999 1000
(1) Former section 5748.03 of the Revised Code as it existed prior to its repeal by Amended Substitute House Bill No. 291 of the 115th general assembly;	1001 1002 1003
(2) Section 5748.03 of the Revised Code as enacted in Substitute Senate Bill No. 28 of the 118th general assembly;	1004 1005
(3) Section 5748.08 of the Revised Code as enacted in Amended Substitute Senate Bill No. 17 of the 122nd general assembly;	1006 1007 1008
(4) Section 5748.021 of the Revised Code;	1009
(5) Section 5748.081 of the Revised Code;	1010
(6) Section 5748.09 of the Revised Code.	1011
(B) "Individual" means an individual subject to the tax levied by <u>has the same meaning as in section 5747.02-5747.01 of</u> the Revised Code.	1012 1013 1014
(C) "Estate" means an estate subject to the tax levied by section 5747.02 of the Revised Code. <u>"Taxpayer" means an individual or estate having school district income upon which a school district income tax is imposed.</u>	1015 1016 1017 1018
(D) "Taxable year" means a taxable year as defined in division (M) of section 5747.01 of the Revised Code.	1019 1020
(E) "Taxable income" means:	1021
(1) In the case of an individual, one of the following, as specified in the resolution imposing the tax:	1022 1023

(a) Modified adjusted gross income for the taxable year, 1024
as defined in section 5747.01 of the Revised Code, less the 1025
exemptions provided by section ~~5747.02~~5747.025 of the Revised 1026
Code; 1027

(b) Wages, salaries, tips, and other employee compensation 1028
to the extent included in modified adjusted gross income as 1029
defined in section 5747.01 of the Revised Code, and net earnings 1030
from self-employment, as defined in section 1402(a) of the 1031
Internal Revenue Code, to the extent included in modified 1032
adjusted gross income. 1033

(2) In the case of an estate, taxable income for the 1034
taxable year as defined in division (S) of section 5747.01 of 1035
the Revised Code. 1036

(F) "Resident" of the school district means: 1037

(1) An individual who is a resident of this state as 1038
defined in division (I) of section 5747.01 of the Revised Code 1039
during all or a portion of the taxable year and who, during all 1040
or a portion of such period of state residency, is domiciled in 1041
the school district or lives in and maintains a permanent place 1042
of abode in the school district; 1043

(2) An estate of a decedent who, at the time of death, was 1044
domiciled in the school district. 1045

(G) "School district income" means: 1046

(1) With respect to an individual, the portion of the 1047
taxable income of an individual that is received by the 1048
individual during the portion of the taxable year that the 1049
individual is a resident of the school district and the school 1050
district income tax is in effect in that school district. An 1051
individual may have school district income with respect to more 1052

than one school district. 1053

(2) With respect to an estate, the taxable income of the 1054
estate for the portion of the taxable year that the school 1055
district income tax is in effect in that school district. 1056

~~(H) "Taxpayer" means an individual or estate having school-~~ 1057
~~district income upon which a school district income tax is~~ 1058
~~imposed.~~ 1059

~~(I)~~"School district purposes" means any of the purposes 1060
for which a tax may be levied pursuant to division (A) of 1061
section 5705.21 of the Revised Code, including the combined 1062
purposes authorized by section 5705.217 of the Revised Code. 1063

Section 2. That existing sections 122.17, 122.66, 323.151, 1064
3317.021, 3318.011, 5747.02, and 5748.01 of the Revised Code are 1065
hereby repealed. 1066