

As Reported by the House Ways and Means Committee

135th General Assembly

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Sub. H. B. No. 277

Representatives Ray, Brent

Cosponsors: Representatives Grim, Hoops, Carruthers, Baker

A BILL

To amend sections 5726.98, 5747.98, and 5751.98 and 1
to enact sections 5726.61, 5747.86, and 5751.56 2
of the Revised Code to authorize a tax credit 3
for property owners with policies that allow 4
companion animals in rental dwellings. 5

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

Section 1. That sections 5726.98, 5747.98, and 5751.98 be 6
amended and sections 5726.61, 5747.86, and 5751.56 of the 7
Revised Code be enacted to read as follows: 8

Sec. 5726.61. There is allowed a nonrefundable credit 9
against section 5726.02 of the Revised Code for a financial 10
institution that is issued a tax credit certificate under 11
section 5747.86 of the Revised Code authorizing the credit to be 12
claimed against that tax. The amount of the credit shall equal 13
the amount indicated on the certificate. 14

The credit shall be claimed for the taxable year the 15
ending date of which immediately precedes the date that the 16
certificate is issued and in the order required under section 17
5726.98 of the Revised Code. 18

Sec. 5726.98. (A) To provide a uniform procedure for 19
calculating the amount of tax due under section 5726.02 of the 20
Revised Code, a taxpayer shall claim any credits to which the 21
taxpayer is entitled under this chapter in the following order: 22

The nonrefundable credit for property owners that allow 23
companion animals under section 5726.61 of the Revised Code; 24

The nonrefundable job retention credit under division (B) 25
of section 5726.50 of the Revised Code; 26

The nonrefundable credit for purchases of qualified low- 27
income community investments under section 5726.54 of the 28
Revised Code; 29

The nonrefundable credit for qualified research expenses 30
under section 5726.56 of the Revised Code; 31

The nonrefundable credit for qualifying dealer in 32
intangibles taxes under section 5726.57 of the Revised Code; 33

The nonrefundable Ohio low-income housing tax credit under 34
section 5726.58 of the Revised Code; 35

The nonrefundable affordable single-family home credit 36
under section 5726.60 of the Revised Code; 37

The nonrefundable welcome home Ohio (WHO) program credit 38
under section 122.633 of the Revised Code; 39

The refundable credit for rehabilitating an historic 40
building under section 5726.52 of the Revised Code; 41

The refundable job retention or job creation credit under 42
division (A) of section 5726.50 of the Revised Code; 43

The refundable credit under section 5726.53 of the Revised 44
Code for losses on loans made under the Ohio venture capital 45

program under sections 150.01 to 150.10 of the Revised Code; 46

The refundable motion picture and Broadway theatrical 47
production credit under section 5726.55 of the Revised Code; 48

The refundable credit for film and theater capital 49
improvement projects under section 5726.59 of the Revised Code. 50

(B) For any credit except the refundable credits 51
enumerated in this section, the amount of the credit for a 52
taxable year shall not exceed the tax due after allowing for any 53
other credit that precedes it in the order required under this 54
section. Any excess amount of a particular credit may be carried 55
forward if authorized under the section creating that credit. 56
Nothing in this chapter shall be construed to allow a taxpayer 57
to claim, directly or indirectly, a credit more than once for a 58
taxable year. 59

Sec. 5747.86. (A) As used in this section: 60

(1) "Companion animal" means a registered dog or a cat. 61

(2) "Dwelling unit," "tenant," and "residential premises" 62
have the same meanings as in section 5321.01 of the Revised 63
Code. 64

(3) "Dangerous dog" and "vicious dog" have the same 65
meanings as in section 955.11 of the Revised Code. 66

(4) "Registered dog" means a dog that has been registered 67
with the county auditor under section 955.01 of the Revised 68
Code. 69

(5) "Property owner" means the owner of residential 70
premises. 71

(B) A property owner with policies that allow, subject to 72

division (D) of this section, tenants to reside with companion 73
animals at residential premises owned by the property owner may 74
apply to the tax commissioner for a tax credit certificate. The 75
application may be submitted, beginning in 2026, after the first 76
day and before the twenty-first day of January of the year 77
following the calendar year in which the policies were in place. 78
The application shall be made on a form and in the manner 79
prescribed by the commissioner and shall include all of the 80
following: 81

(1) An affidavit attesting to the following: 82

(a) The address of each dwelling unit at which the 83
property owner allows tenants to reside with companion animals 84
that is the basis of a credit authorized under this section; 85

(b) That the property owner's policies governing companion 86
animals at those dwelling units and the residential premises of 87
which they are a part comply with division (D) of this section; 88

(c) The number of months during the preceding calendar 89
year in which a companion animal was residing in each dwelling 90
unit; 91

(d) If the companion animal is a dog, that it is a 92
registered dog. 93

(2) An election denoting the tax against which the 94
property owner proposes to claim the credit. 95

(3) Any other information and documentation that the 96
commissioner may require. 97

The commissioner shall review applications in the order in 98
which they are received. If the commissioner determines that any 99
of the information in the affidavit required under division (B) 100

(1) of this section is false or fails to demonstrate that the 101
applicant qualifies for a credit under this section, the 102
commissioner shall deny the application and notify the applicant 103
of the reason for the denial. If the commissioner determines 104
that the applicant qualifies for a credit under this section, 105
the commissioner shall issue a tax credit certificate to the 106
applicant. The tax credit certificate shall be identified with a 107
unique number and shall list the amount of credit the 108
commissioner determines the applicant is eligible to claim under 109
division (C) of this section or section 5726.61 or 5751.56 of 110
the Revised Code, based on the tax selected by the applicant 111
under division (B) (2) of this section. The amount of the credit 112
indicated on the certificate shall equal, subject to the 113
limitations of division (E) of this section, the lesser of seven 114
thousand five hundred dollars or the sum of the products 115
obtained by multiplying seven hundred fifty dollars for each 116
dwelling unit covered by such a policy by a fraction, the 117
numerator of which shall be the number of months of the 118
preceding calendar year during which a companion animal was 119
residing in the dwelling unit covered by such a policy on the 120
first day of the month and the denominator of which shall be 121
twelve. 122

(C) There is allowed a nonrefundable credit against a 123
taxpayer's aggregate tax liability under section 5747.02 of the 124
Revised Code for a taxpayer issued a tax credit certificate 125
under this section authorizing the credit to be claimed against 126
that tax. The credit shall equal the dollar amount indicated on 127
the certificate. The credit shall be claimed for the taxpayer's 128
taxable year in which the certificate is issued. The credit 129
shall be claimed in the order required under section 5747.98 of 130
the Revised Code. Nothing in this section limits or disallows 131

pass-through treatment of the credit. 132

(D) A property owner may not impose either of the 133
following respecting the dwelling unit upon which a credit is 134
claimed under this section or section 5726.61 or 5751.56 of the 135
Revised Code, or the residential premises of which it is a part, 136
during the calendar year on the basis of which the credit is 137
claimed: 138

(1) A nonrefundable fee or additional rent related to 139
companion animals residing there; 140

(2) Breed or size restrictions on companion animals 141
allowed to reside there, except that a property owner may 142
prohibit a companion animal that has been determined to be a 143
dangerous or vicious dog under Chapter 955. of the Revised Code 144
or impose a limitation on the total number of companion animals 145
with which a tenant may reside. 146

(E) The tax commissioner shall not award more than ten 147
million dollars in tax credits under division (B) of this 148
section in a calendar year. 149

(F) It is a violation of section 5747.19 of the Revised 150
Code for an applicant to knowingly attest to a false statement 151
in the affidavit required under division (B)(1) of this section. 152

Sec. 5747.98. (A) To provide a uniform procedure for 153
calculating a taxpayer's aggregate tax liability under section 154
5747.02 of the Revised Code, a taxpayer shall claim any credits 155
to which the taxpayer is entitled in the following order: 156

Either the retirement income credit under division (B) of 157
section 5747.055 of the Revised Code or the lump sum retirement 158
income credits under divisions (C), (D), and (E) of that 159
section; 160

Either the senior citizen credit under division (F) of	161
section 5747.055 of the Revised Code or the lump sum	162
distribution credit under division (G) of that section;	163
The dependent care credit under section 5747.054 of the	164
Revised Code;	165
The credit for displaced workers who pay for job training	166
under section 5747.27 of the Revised Code;	167
The campaign contribution credit under section 5747.29 of	168
the Revised Code;	169
The twenty-dollar personal exemption credit under section	170
5747.022 of the Revised Code;	171
The joint filing credit under division (G) of section	172
5747.05 of the Revised Code;	173
The earned income credit under section 5747.71 of the	174
Revised Code;	175
The nonrefundable credit for education expenses under	176
section 5747.72 of the Revised Code;	177
The nonrefundable credit for donations to scholarship	178
granting organizations under section 5747.73 of the Revised	179
Code;	180
The nonrefundable credit for tuition paid to a	181
nonchartered nonpublic school under section 5747.75 of the	182
Revised Code;	183
The nonrefundable vocational job credit under section	184
5747.057 of the Revised Code;	185
<u>The nonrefundable credit for property owners that allow</u>	186
<u>companion animals under section 5747.86 of the Revised Code;</u>	187

The nonrefundable job retention credit under division (B)	188
of section 5747.058 of the Revised Code;	189
The enterprise zone credit under section 5709.66 of the	190
Revised Code;	191
The credit for beginning farmers who participate in a	192
financial management program under division (B) of section	193
5747.77 of the Revised Code;	194
The credit for commercial vehicle operator training	195
expenses under section 5747.82 of the Revised Code;	196
The nonrefundable welcome home Ohio (WHO) program credit	197
under section 122.633 of the Revised Code;	198
The credit for selling or renting agricultural assets to	199
beginning farmers under division (A) of section 5747.77 of the	200
Revised Code;	201
The credit for purchases of qualifying grape production	202
property under section 5747.28 of the Revised Code;	203
The small business investment credit under section 5747.81	204
of the Revised Code;	205
The nonrefundable lead abatement credit under section	206
5747.26 of the Revised Code;	207
The opportunity zone investment credit under section	208
122.84 of the Revised Code;	209
The enterprise zone credits under section 5709.65 of the	210
Revised Code;	211
The research and development credit under section 5747.331	212
of the Revised Code;	213
The credit for rehabilitating a historic building under	214

section 5747.76 of the Revised Code;	215
The nonrefundable Ohio low-income housing tax credit under	216
section 5747.83 of the Revised Code;	217
The nonrefundable affordable single-family home credit	218
under section 5747.84 of the Revised Code;	219
The nonresident credit under division (A) of section	220
5747.05 of the Revised Code;	221
The credit for a resident's out-of-state income under	222
division (B) of section 5747.05 of the Revised Code;	223
The refundable motion picture and Broadway theatrical	224
production credit under section 5747.66 of the Revised Code;	225
The refundable credit for film and theater capital	226
improvement projects under section 5747.67 of the Revised Code;	227
The refundable jobs creation credit or job retention	228
credit under division (A) of section 5747.058 of the Revised	229
Code;	230
The refundable credit for taxes paid by a qualifying	231
entity granted under section 5747.059 of the Revised Code;	232
The refundable credits for taxes paid by a qualifying	233
pass-through entity granted under division (I) of section	234
5747.08 of the Revised Code;	235
The refundable credit under section 5747.80 of the Revised	236
Code for losses on loans made to the Ohio venture capital	237
program under sections 150.01 to 150.10 of the Revised Code;	238
The refundable credit for rehabilitating a historic	239
building under section 5747.76 of the Revised Code;	240
The refundable credit under section 5747.39 of the Revised	241

Code for taxes levied under section 5747.38 of the Revised Code 242
paid by an electing pass-through entity. 243

(B) For any credit, except the refundable credits 244
enumerated in this section and the credit granted under division 245
(H) of section 5747.08 of the Revised Code, the amount of the 246
credit for a taxable year shall not exceed the taxpayer's 247
aggregate amount of tax due under section 5747.02 of the Revised 248
Code, after allowing for any other credit that precedes it in 249
the order required under this section. Any excess amount of a 250
particular credit may be carried forward if authorized under the 251
section creating that credit. Nothing in this chapter shall be 252
construed to allow a taxpayer to claim, directly or indirectly, 253
a credit more than once for a taxable year. 254

Sec. 5751.56. There is allowed a nonrefundable credit 255
against the tax imposed by section 5751.02 of the Revised Code 256
for a taxpayer that is issued a tax credit certificate under 257
section 5747.86 of the Revised Code authorizing the credit to be 258
claimed against that tax. The amount of the credit shall equal 259
the amount indicated on the certificate. 260

The credit shall be claimed for the tax periods in the 261
calendar year in which the certificate is issued and in the 262
order required by section 5751.98 of the Revised Code. 263

Sec. 5751.98. (A) To provide a uniform procedure for 264
calculating the amount of tax due under this chapter, a taxpayer 265
shall claim any credits to which it is entitled in the following 266
order: 267

The nonrefundable credit for property owners that allow 268
companion animals under section 5751.56 of the Revised Code; 269

The nonrefundable jobs retention credit under division (B) 270

of section 5751.50 of the Revised Code;	271
The nonrefundable credit for qualified research expenses	272
under division (B) of section 5751.51 of the Revised Code;	273
The nonrefundable credit for a borrower's qualified	274
research and development loan payments under division (B) of	275
section 5751.52 of the Revised Code;	276
The nonrefundable credit for calendar years 2010 to 2029	277
for unused net operating losses under division (B) of section	278
5751.53 of the Revised Code;	279
The refundable motion picture and Broadway theatrical	280
production credit under section 5751.54 of the Revised Code;	281
The refundable credit for film and theater capital	282
improvement projects under section 5751.55 of the Revised Code;	283
The refundable jobs creation credit or job retention	284
credit under division (A) of section 5751.50 of the Revised	285
Code;	286
The refundable credit for calendar year 2030 for unused	287
net operating losses under division (C) of section 5751.53 of	288
the Revised Code.	289
(B) For any credit except the refundable credits	290
enumerated in this section, the amount of the credit for a tax	291
period shall not exceed the tax due after allowing for any other	292
credit that precedes it in the order required under this	293
section. Any excess amount of a particular credit may be carried	294
forward if authorized under the section creating the credit.	295
Section 2. That existing sections 5726.98, 5747.98, and	296
5751.98 of the Revised Code are hereby repealed.	297