

AN ACT

To amend sections 122.925, 124.23, 145.30, 742.52, 742.521, 2151.4210, 3307.75, 3309.02, 3313.471, 3319.085, 3511.01, 4731.36, 4743.041, 5505.16, 5747.01, 5903.01, 5903.02, 5907.01, 5907.04, and 5910.01 of the Revised Code to include Space Force in the definition of the armed forces, armed services, and uniformed services of the United States.

Be it enacted by the General Assembly of the State of Ohio:

SECTION 1. That sections 122.925, 124.23, 145.30, 742.52, 742.521, 2151.4210, 3307.75, 3309.02, 3313.471, 3319.085, 3511.01, 4731.36, 4743.041, 5505.16, 5747.01, 5903.01, 5903.02, 5907.01, 5907.04, and 5910.01 of the Revised Code be amended to read as follows:

Sec. 122.925. (A) As used in this section:

"Armed forces" means the armed forces of the United States, including the army, navy, air force, marine corps, space force, coast guard, or any reserve component of those forces; the national guard of any state; the commissioned corps of the United States public health service; the merchant marine service during wartime; such other service as may be designated by congress; and the Ohio organized militia when engaged in full-time national guard duty for a period of more than thirty days.

"State agency" has the meaning defined in section 1.60 of the Revised Code.

"Veteran" means any person who has completed service in the armed forces, including the national guard of any state, or a reserve component of the armed forces, who has been honorably discharged or discharged under honorable conditions from the armed forces or who has been transferred to the reserve with evidence of satisfactory service.

"Veteran-friendly business enterprise" means a sole proprietorship, association, partnership, corporation, limited liability company, or joint venture that meets veteran employment standards established by the director of development and the director of transportation under this section.

(B) The director of development and the director of transportation shall establish and maintain the veteran-friendly business procurement program. The director of development shall adopt rules to administer the program for all state agencies except the department of transportation, and the director of transportation shall adopt rules to administer the program for the department of transportation. The rules shall be adopted under Chapter 119. of the Revised Code. The rules, as adopted separately by but with the greatest degree of consistency possible between the two directors, shall do all of the following:

(1) Establish criteria, based on the percentage of an applicant's employees who are veterans,

that qualifies an applicant for certification as a veteran-friendly business enterprise;

(2) Establish procedures by which a sole proprietorship, association, partnership, corporation, limited liability company, or joint venture may apply for certification as a veteran-friendly business enterprise;

(3) Establish procedures for certifying a sole proprietorship, association, partnership, corporation, limited liability company, or joint venture as a veteran-friendly business enterprise;

(4) Establish standards for determining when a veteran-friendly business enterprise no longer qualifies for certification as a veteran-friendly business enterprise;

(5) Establish procedures, to be used by state agencies or the department of transportation, for the evaluation and ranking of proposals, which provide preference or bonus points to each certified veteran-friendly business enterprise that submits a bid or other proposal for a contract with the state or an agency of the state other than the department of transportation, or with the department of transportation, for the rendering of services, or the supplying of materials, or for the construction, demolition, alteration, repair, or reconstruction of any public building, structure, highway, or other improvement;

(6) Implement an outreach program to educate potential participants about the veteran-friendly business procurement program; and

(7) Establish a process for monitoring overall performance of the veteran-friendly business procurement program.

(C)(1) Any person who has been certified as a veteran-friendly business enterprise under this section may present the person's certification to a political subdivision as evidence that the person is eligible to participate in any public initiatives or strategies that the political subdivision has established to reward veteran-friendly businesses or to increase the participation, representation, or inclusion of veteran-friendly businesses in business opportunities, and in any programs the political subdivision may have that set aside a certain amount of public contracts to award to veteran-friendly business enterprises.

(2) When considering this evidence, a political subdivision shall defer to the department's determination that the person meets the criteria established under division (B)(1) of this section.

Sec. 124.23. (A) All applicants for positions and places in the classified service shall be subject to examination, except for applicants for positions as professional or certified service and paraprofessional employees of county boards of developmental disabilities, who shall be hired in the manner provided in section 124.241 of the Revised Code.

(B) Any examination administered under this section shall be public and be open to all citizens of the United States and those persons who have legally declared their intentions of becoming United States citizens. For examinations administered for positions in the service of the state, the director of administrative services or the director's designee may determine certain limitations as to citizenship, age, experience, education, health, habit, and moral character.

(C)(1) Any person who has completed service in the uniformed services, who has been

honorably discharged from the uniformed services or transferred to the reserve with evidence of satisfactory service, and who is a resident of this state and any member of a reserve component of the armed forces of the United States, including the Ohio national guard, who has completed more than one hundred eighty days of active duty service pursuant to an executive order of the president of the United States or an act of the congress of the United States may file with the director a certificate of service or honorable discharge, and, upon this filing, the person shall receive additional credit of twenty per cent of the person's total grade given in the examination in which the person receives a passing grade. A person who receives an additional credit under division (C)(1) of this section shall not receive an additional credit under division (C)(2) of this section.

(2) A member in good standing of a reserve component of the armed forces of the United States, including the Ohio national guard, who successfully completes the member's initial entry-level training shall receive a credit of fifteen per cent of the person's total grade given in the examination in which the person receives a passing grade.

(3) As used in this division, "service in the uniformed services" and "~~uniformed services~~" ~~have the same meanings as in the "Uniformed Services Employment and Reemployment Rights Act of 1994," 108 Stat. 3149, 38 U.S.C.A. 4303~~ means the performance of duty on a voluntary or involuntary basis in a uniformed service under competent authority and includes active duty, active duty for training, initial active duty for training, inactive duty training, full-time national guard duty, and a period for which a person is absent from a position of employment for the purpose of an examination to determine the fitness of the person to perform any such duty.

(4) As used in this section, "uniformed services" means all of the following:

(a) "Armed forces of the United States" as defined in section 5907.01 of the Revised Code;

(b) The army national guard and air national guard when engaged in active duty for training, inactive duty training, or full-time national guard duty;

(c) The commissioned corps of the public health service;

(d) Any other category of persons designated by the president in time of war or emergency.

(D) An examination may include an evaluation of such factors as education, training, capacity, knowledge, manual dexterity, and physical or psychological fitness. An examination shall consist of one or more tests in any combination. Tests may be written, oral, physical, demonstration of skill, or an evaluation of training and experiences and shall be designed to fairly test the relative capacity of the persons examined to discharge the particular duties of the position for which appointment is sought. Tests may include structured interviews, assessment centers, work simulations, examinations of knowledge, skills, and abilities, and any other acceptable testing methods. If minimum or maximum requirements are established for any examination, they shall be specified in the examination announcement.

(E) Except as otherwise provided in sections 124.01 to 124.64 of the Revised Code, when a position in the classified service of the state is to be filled, an examination shall be administered. The director of administrative services shall have control of all examinations administered for positions

in the service of the state and all other examinations the director administers as provided in section 124.07 of the Revised Code, except as otherwise provided in sections 124.01 to 124.64 of the Revised Code. The director shall, by rule adopted under Chapter 119. of the Revised Code, prescribe the notification method that is to be used by an appointing authority to notify the director that a position in the classified service of the state is to be filled. In addition to the positions described in section 124.30 of the Revised Code, the director may, with sufficient justification from the appointing authority, allow the appointing authority to fill the position by noncompetitive examination. The director shall establish, by rule adopted under Chapter 119. of the Revised Code, standards that the director shall use to determine what serves as sufficient justification from an appointing authority to fill a position by noncompetitive examination.

(F) No questions in any examination shall relate to political or religious opinions or affiliations. No credit for seniority, efficiency, or any other reason shall be added to an applicant's examination grade unless the applicant achieves at least the minimum passing grade on the examination without counting that extra credit.

(G) Except as otherwise provided in sections 124.01 to 124.64 of the Revised Code, the director of administrative services or the director's designee shall give reasonable notice of the time, place, and general scope of every competitive examination for appointment that the director or the director's designee administers for positions in the classified service of the state. The director or the director's designee shall post notices via electronic media of every examination to be conducted for positions in the classified civil service of the state. The electronic notice shall be posted on the director's internet site on the world wide web for a minimum of one week preceding any examination involved.

Sec. 145.30. (A)(1) As used in this section and section 145.301 of the Revised Code:

(a) "Armed forces" of the United States includes the following:

(i) Army, navy, air force, marine corps, space force, coast guard, auxiliary corps as established by congress, red cross nurse serving with the army, navy, air force, or hospital service of the United States, army nurse corps, navy nurse corps, full-time service with the American red cross in a combat zone, and such other service as may be designated by congress as included therein;

(ii) Personnel of the Ohio national guard and the reserve components of any of the armed forces enumerated in division (A)(1) of this section who are called to active duty pursuant to an executive order issued by the president of the United States or an act of congress;

(iii) Persons on whom United States merchant marine veteran status has been conferred for service aboard oceangoing merchant ships in service to the United States during World War II.

(b) "State retirement system" means any of the following: the Ohio police and fire pension fund, public employees retirement system, school employees retirement system, state highway patrol retirement system, or the state teachers retirement system.

(2) This section applies only to service in the armed forces that occurred prior to October 13, 1994, the date on which the "Uniformed Services Employment and Reemployment Rights Act of

1994," 108 Stat. 3149, 38 U.S.C. 101, became a public law.

(B) Except as otherwise provided in this division, upon reemployment in the public service and completion of one year of service credit as covered by a state retirement system or the Cincinnati retirement system, within two years after service in the armed forces that is terminated in a manner other than as described in section 4304 of Title 38 of the United States Code, "Uniformed Services Employment and Reemployment Rights Act of 1994," 108 Stat. 3149, 38 U.S.C.A. 4304, and presentation of documentation of the service and subject to rules adopted by the retirement board, any member of the public employees retirement system who was a member with not less than one year of payroll deductions before entering active duty with the armed forces and maintained membership in the public employees retirement system as provided by section 145.41 of the Revised Code, and who was or is out of active service as a public employee by reason of having become a member of the armed forces of the United States on active duty or service shall have such service, not in excess of ten years, included as prior military service. Except as otherwise provided in this division, service in the armed forces as established by documentation of the service, not in excess of ten years, shall also be included as prior military service for a person who was a public employee and who has acquired service credit for five years prior to, and within the one year preceding, the date of entering on active duty in the armed forces of the United States if such person was reemployed in the public service within one year after service in the armed forces that is terminated in a manner other than as described in section 4304 of Title 38 of the United States Code, "Uniformed Services Employment and Reemployment Rights Act of 1994," 38 U.S.C.A. 4304, and established total service credit as defined in section 145.01 of the Revised Code of twenty years exclusive of credit for service in the uniformed services, as defined in section 145.302 of the Revised Code. This division shall not serve to cancel any military service credit earned or granted prior to November 1, 1965.

If the public employees retirement board adopts a rule requiring payment for service credit granted under this section, the credit shall be granted only if payment is made. The rule shall not require payment of more than the additional liability to the retirement system resulting from granting the credit. A member may choose to purchase only part of the credit in any one payment.

(C) A member of the public employees retirement system is ineligible to receive service credit under this section for any year of military service credit used to obtain service credit pursuant to section 145.301 or 145.302 of the Revised Code. At the time such credit is requested, the member shall certify on a form supplied by the retirement board that the member does and will conform to this requirement. This division does not cancel any military service credit earned prior to March 15, 1979.

Sec. 742.52. (A) A member of the Ohio police and fire pension fund who is not receiving a disability benefit or pension from the fund and is not a participant in the deferred retirement option plan established under section 742.43 of the Revised Code may purchase service credit, which shall be used in computing the member's years of service, for each year of service incurred by reason of

having been on active duty, active duty for training, initial active duty for training, inactive duty training, full-time national guard duty, and a period for which a member is absent from a position of employment for the purpose of an examination to determine the fitness of the member to perform a duty, as a member of the armed forces of the United States if the member is honorably discharged. Credits which are not authorized under former sections 742.18, 742.19, 742.20, and 742.21 or section 742.521 of the Revised Code may be purchased at any time. The number of years purchased under this division shall not exceed five.

(B) For the purposes of this division, "prisoner of war" means any regularly appointed, enrolled, enlisted, or inducted member of the armed forces of the United States who was captured, separated, and incarcerated by an enemy of the United States.

A member who is not a participant in the deferred retirement option plan established under section 742.43 of the Revised Code may purchase service credit which shall be considered as the equivalent of Ohio service for each year of service the member was a prisoner of war. The number of years purchased under this division shall not exceed five. Service credit may be purchased under this division for the same years of service used to purchase service credit under division (A) of this section. The member may choose to purchase only part of such credit in any one payment, subject to board rules.

(C) The total number of years purchased under this section shall not exceed the member's total accumulated number of years of Ohio service.

(D) For each year of service purchased under division (A) or (B) of this section, the member shall pay to the fund for credit to the member's accumulated account an amount determined by the member rate of contribution in effect at the time the military service began or four per cent, whichever is greater, multiplied by the annual compensation for full-time employment during the first year of full-time service in Ohio covered by any state or municipal retirement system of this state following termination of military service. To this amount shall be added an amount equal to compound interest at a rate established by the board of trustees of the Ohio police and fire pension fund from the date active military service terminated to date of payment. For the purpose of this section, the board may define full-time service in Ohio covered by any state or municipal retirement system of this state.

(E) A member is ineligible to purchase service credit under this section for any year of military service that was:

(1) Used in the calculation of any retirement benefit currently being paid to the member or payable in the future under any other retirement program, except for retired pay for non-regular service under Chapter 1223. of Section 1662 of Title XVI of the "National Defense Authorization Act for Fiscal Year 1995," 108 Stat. 2998 (1994), 10 U.S.C.A. 12731 to 12739, or social security;

(2) Used to obtain service credit under former section 742.18, 742.19, 742.20, or 742.21 or section 742.521 of the Revised Code. At the time the credit is purchased the member shall certify on a form furnished by the trustees that the member does and will conform to this requirement. Any

benefit paid under this section to which the member is not entitled shall be recovered by any recovery procedures available under this chapter.

~~"Armed (F)~~ As used in this section and section 742.521 of the Revised Code, "armed forces" of the United States includes army, navy, air force, marine corps, space force, coast guard, or any reserve component of such forces; national guard; the commissioned corps of the United States public health service; the merchant marine service during wartime; auxiliary corps as established by congress; service as a red cross nurse with the army, navy, air force, hospital service of the United States, army nurse corps, navy nurse corps, or serving full-time with the American red cross in a combat zone; and such other service as may be designated by congress as included therein.

~~(G)~~ A member of the fund who has purchased service credit under this section, or the member's estate, is entitled to be refunded the amount paid to purchase such credit, or a pro rata portion thereof, provided that the purchased service credit, or a portion of the purchased service credit, does not serve to increase a pension or benefit paid under section 742.37 or 742.39 or calculated under section 742.442 of the Revised Code. The refund of any amount paid to purchase credit under this section, or a pro rata portion thereof, shall cancel an equivalent amount of service credit.

~~Sec. 742.521. (A) As used in this section, "armed forces" of the United States means the army, navy, air force, marine corps, coast guard, or any reserve components of such forces; the national guard; the commissioned corps of the United States public health service; the merchant marine service during wartime; auxiliary corps as established by congress; service as a red cross nurse with the army, navy, air force, hospital service of the United States, army nurse corps, navy nurse corps, or serving full-time with the American red cross in a combat zone; and such other service as may be designated by congress.~~

~~(B)~~ A member of the fund who is an employee of a police or fire department and who enlisted or enlists, was inducted or is inducted, was or is called into active duty, or accepted or accepts a commission in the armed forces, in computing years of service in such police or fire department, shall be given full credit for such time served in the armed forces, provided the person has been honorably discharged from the armed forces or from active duty therein, has made application for reinstatement in the active service of the police or fire department within ninety days from the date of discharge, and employer contributions have been paid pursuant to this section. Service credit given under this section for time served in the armed forces shall not exceed five years.

~~(C)~~ ~~(B)~~ A member of the fund is ineligible to receive service credit under this section for any time served in the armed forces that is used to obtain service credit under former section 742.18, 742.19, 742.20, or 742.21 or section 742.52 of the Revised Code.

At the time such credit is requested, the member shall certify on a form supplied by the retirement board that the member does and will conform to this requirement. Any benefit paid under this section to which the member is not entitled shall be recovered by any recovery procedures

available under this chapter. This section does not cancel any military service credit earned under this chapter prior to October 29, 1996.

~~(D)~~(C) An employer of a member entitled to service credit under this section shall pay the Ohio police and fire pension fund an amount equal to that which would have been paid under section 742.33 or 742.34 of the Revised Code had the member continued police or fire employment during the period of military service. The board of trustees may adopt rules setting the manner in which the employer contribution is calculated and paid.

Sec. 2151.4210. (A) A public children services agency shall determine as soon as practicable if a parent, guardian, or custodian of a child who is subject to an investigation under section 2151.421 or 2151.422 of the Revised Code is in the armed forces.

(B) If the agency determines that the parent, guardian, or custodian is in the armed forces, the agency shall notify the appropriate authority of that armed force in which the parent, guardian, or custodian serves, in accordance with the memorandum of understanding established by that authority, that an investigation is being made of a report of child abuse or neglect that relates to the parent, guardian, or custodian.

(C) As used in this section, "armed forces" has the same meaning as "armed forces of the United States" in ~~10 U.S.C. 101~~section 5907.01 of the Revised Code.

Sec. 3307.75. (A) As used in this section, "armed forces" ~~of the United States~~ includes both:

(1) Army, navy, air force, marine corps, space force, coast guard, auxiliary corps as established by congress, army nurse corps, navy nurse corps, red cross nurse serving with the army, navy, air force, or hospital service of the United States, full-time service with the American red cross in a combat zone, and such other service as is designated by the congress as included therein;

(2) Personnel of the Ohio national guard, the Ohio military reserve, the Ohio naval militia, and the reserve components of the armed forces enumerated in division (A)(1) of this section who are called to active duty pursuant to an executive order issued by the president of the United States or an act of congress.

(B) Upon presentation of an honorable discharge or certificate of service, and subject to rules adopted by the state teachers retirement board, any member of the state teachers retirement system participating in the STRS defined benefit plan who was or is out of active service as a teacher by reason of having become a member of the armed forces ~~of the United States~~ on active duty or service shall be considered as on indefinite leave of absence and shall have such service not in excess of ten years considered as the equivalent of prior service, provided the member returns to service as a teacher within two years after the effective date of discharge and establishes one year of service credit, or becomes a member of either the public employees retirement system or the school employees retirement system within such two-year period and establishes at least one year of service credit. The retirement board shall extend such two-year period an additional year if failure to return is due to continuous professional training as determined by said board. If such member, otherwise qualified for such credit, canceled membership by the withdrawal of the member's accumulated

account, such military service credit shall be granted following the restoration of the member's canceled service credit as provided by section 3307.71 of the Revised Code. Any member of the state teachers retirement system or anyone who becomes a new entrant who is assigned or called to take charge of special training for essential national defense work or veterans' training courses in any of the public schools or universities of the state may make regular contributions to the state teachers retirement system even though the member's or new entrant's salary is paid from federal funds, provided the member's or new entrant's salary is disbursed by an employer.

(C) A member of the state teachers retirement system is ineligible to receive service credit under this section for any year of military service credit used in the calculation of any retirement benefit currently being paid to the member or payable in the future under any other retirement program, except social security, or used to obtain service credit pursuant to section 3307.751 or 3307.752 of the Revised Code. At the time such credit is requested, the member shall certify on a form supplied by the board that the member does and will conform to this requirement. This division does not cancel any military service credit earned prior to March 15, 1979.

Sec. 3309.02. (A) As used in this section, "armed forces" ~~of the United States~~ includes both:

(1) Army, navy, air force, marine corps, space force, coast guard, auxiliary corps as established by congress, army nurse corps, navy nurse corps, red cross nurse serving with the army, navy, air force, or hospital service of the United States, full-time service with the American red cross in a combat zone, and such other service as is designated by congress as included therein;

(2) Personnel of the Ohio national guard, the Ohio military reserve, the Ohio naval militia, and the reserve components of the armed forces enumerated in division (A)(1) of this section who are called to active duty pursuant to an executive order issued by the president of the United States or an act of congress.

(B) Upon presentation of an honorable discharge or certificate of service, and subject to rules adopted by the school employees retirement board, any member of the school employees retirement system who was a member with not less than one year of unadjusted service credit prior to active service in the armed forces ~~of the United States~~ subsequent to October 31, 1965, and who returns to service as an employee or as an employee in a capacity covered by either the public employees retirement system or the state teachers retirement system within two years after receiving such discharge or release, and establishes one year of service credit, shall have such service considered as prior service, provided that the total amount of such service granted by the board shall not exceed ten years. This section shall not serve to cancel any military service credit earned or granted prior to November 1, 1965.

(C) A member of the school employees retirement system is ineligible to receive service credit under this section for any year of military service credit used in the calculation of any retirement benefit currently being paid to the member or payable in the future under any other retirement program, except social security, or used to obtain service credit pursuant to section 3309.021 or 3309.022 of the Revised Code. At the time such credit is requested, the member shall

certify on a form supplied by the retirement board that the member does and will conform to this requirement. This division does not cancel any military service credit earned prior to March 15, 1979.

Sec. 3313.471. (A) As used in this section, "armed forces" means the Ohio national guard, the Ohio naval militia, the Ohio military reserve, and the active and reserve components of the United States army, navy, air force, marine corps, space force, and coast guard.

(B) No school district board of education shall impose any restriction on the presentation of career information to students that is not uniformly imposed on representatives of the armed forces, skilled trades, institutions of higher education, career-technical education providers, business, industry, charitable institutions, and other employers or prohibit the presentation of information or recruitment of students by those representatives for employment, employment training, or education on the district's campus. The board shall provide equal access to any of the district's employment or placement services to all of the entities described in this division.

(C) The district board shall provide any entity described in division (B) of this section with at least two opportunities per school year to present information in person to all students in grades nine through twelve individually or in a group setting and shall provide students with the opportunity to speak in person with the entities that participate in those opportunities. This requirement may be satisfied by providing common area access for presentation of information materials or by providing a scheduled educational or career fair.

(D) To the extent permitted by federal law and in accordance with this section, the district board may develop an application process for entities that wish to access school property for the purpose of presenting information to students. The board may develop standards of conduct and require entities to adhere to those standards as a condition of continued access and presentation of information materials.

Sec. 3319.085. Any nonteaching school employee who performs service in the uniformed services or service under section 5923.12 of the Revised Code and who has returned, or returns, from that service with a discharge under honorable conditions or is released from service under section 5923.12 of the Revised Code shall be re-employed by the board of education of the district in which the nonteaching school employee held the nonteaching school employee position as required by the "Uniformed Services Employment and Reemployment Rights Act of 1994," 108 Stat. 3149, 38 U.S.C. 4303.

The board of education of the district in which the nonteaching school employee was employed and is re-employed under this section may suspend the contract of the nonteaching school employee whose services become unnecessary by reason of the return of a nonteaching school employee from service in the uniformed services.

As used in this section, "service in the uniformed services" and "uniformed services" have the same meanings as in ~~the "Uniformed Services Employment and Reemployment Rights Act of 1994," 108 Stat. 3149, 38 U.S.C. 4303~~section 124.23 of the Revised Code.

Sec. 3511.01. As used in this chapter:

(A) "Dependent" means a person who is recognized as a dependent by one of the uniformed services.

(B) "Overseas voter" means any of the following:

(1) A person who is outside of the United States and who, before leaving the United States, was last eligible to vote in this state, who may be considered a state resident using the standards for residency established in sections 3503.02 and 3511.011 of the Revised Code, and who otherwise satisfies the requirements to vote in this state;

(2) A person who is outside of the United States and who, before leaving the United States, would have been eligible to vote in this state had the person then been eighteen years of age or older, who may be considered a state resident using the standards for residency established in sections 3503.02 and 3511.011 of the Revised Code, and who otherwise satisfies the requirements to vote in this state;

(3) A person who was born outside of the United States, who may be considered a state resident using the standards for residency established in sections 3503.02 and 3511.011 of the Revised Code, and who otherwise satisfies the requirements to vote in this state, if both of the following apply:

(a) The last place where the person's parent or legal guardian was, or would have been, eligible to vote before leaving the United States is within this state; and

(b) The person has not previously registered to vote in any other state.

(C) "Uniformed services" means:

(1) Active and reserve components of the army, navy, air force, marine corps, space force, or coast guard of the United States;

(2) The merchant marine, the commissioned corps of the public health service, or the commissioned corps of the national oceanic and atmospheric administration of the United States;

(3) The national guard and the organized militia.

(D) "Uniformed services voter" means an individual who is qualified to vote in this state and who is:

(1) A member of one of the uniformed services described in division (C)(1) or (2) of this section;

(2) A member of one of the uniformed services described in division (C)(3) of this section who is on activated status.

(3) A spouse or dependent of a uniformed services voter.

Sec. 4731.36. (A) Sections 4731.01 to 4731.47 of the Revised Code shall not prohibit service in case of emergency, domestic administration of family remedies, or provision of assistance to another individual who is self-administering drugs.

Sections 4731.01 to 4731.47 of the Revised Code shall not apply to any of the following:

(1) A commissioned medical officer of the armed forces of the United States or an employee

of the veterans administration of the United States or the United States public health service in the discharge of the officer's or employee's professional duties;

(2) A dentist authorized under Chapter 4715. of the Revised Code to practice dentistry when engaged exclusively in the practice of dentistry or when administering anesthetics in the practice of dentistry;

(3) A physician or surgeon in another state or territory who is a legal practitioner of medicine or surgery therein when providing consultation to an individual holding a license to practice issued under this chapter who has an established physician-patient relationship with the patient who is the subject of the consultation, if one of the following applies:

(a) The physician or surgeon does not provide consultation in this state on a regular or frequent basis.

(b) The physician or surgeon provides the consultation without compensation of any kind, direct or indirect, for the consultation.

(c) The consultation is part of the curriculum of a medical school or osteopathic medical school of this state or a program described in division (A)(2) of section 4731.291 of the Revised Code.

(4) A physician or surgeon in another state or territory who is a legal practitioner of medicine or surgery therein and provided services to a patient in that state or territory, when providing, not later than one year after the last date services were provided in another state or territory, follow-up services in person or through the use of any communication, including oral, written, or electronic communication, in this state to the patient for the same condition;

(5) A physician or surgeon residing on the border of a contiguous state and authorized under the laws thereof to practice medicine and surgery therein, whose practice extends within the limits of this state. Such practitioner shall not either in person or through the use of any communication, including oral, written, or electronic communication, open an office or appoint a place to see patients or receive calls within the limits of this state.

(6) A board, committee, or corporation engaged in the conduct described in division (A) of section 2305.251 of the Revised Code when acting within the scope of the functions of the board, committee, or corporation;

(7) The conduct of an independent review organization accredited by the superintendent of insurance under section 3922.13 of the Revised Code for the purpose of external reviews conducted under Chapter 3922. of the Revised Code.

As used in division (A)(1) of this section, "~~armed forces of the United States~~" ~~means the army, air force, navy, marine corps, coast guard, and any other military service branch that is designated by congress as a part of the armed forces of the United States~~ has the same meaning as in section 5907.01 of the Revised Code.

(B)(1) Subject to division (B)(2) of this section, this chapter does not apply to a person who holds a current, unrestricted license to practice medicine and surgery or osteopathic medicine and

surgery in another state when the person, pursuant to a written agreement with an athletic team located in the state in which the person holds the license, provides medical services to any of the following while the team is traveling to or from or participating in a sporting event in this state:

(a) A member of the athletic team;

(b) A member of the athletic team's coaching, communications, equipment, or sports medicine staff;

(c) A member of a band or cheerleading squad accompanying the athletic team;

(d) The athletic team's mascot.

(2) In providing medical services pursuant to division (B)(1) of this section, the person shall not provide medical services at a health care facility, including a hospital, an ambulatory surgical facility, or any other facility in which medical care, diagnosis, or treatment is provided on an inpatient or outpatient basis.

(C) Sections 4731.51 to 4731.61 of the Revised Code do not apply to any graduate of a podiatric school or college while performing those acts that may be prescribed by or incidental to participation in an accredited podiatric internship, residency, or fellowship program situated in this state approved by the state medical board.

(D) This chapter does not apply to an individual engaged in the practice of oriental medicine, or to an acupuncturist who complies with Chapter 4762. of the Revised Code.

(E) This chapter does not prohibit the administration of drugs by any of the following:

(1) An individual who is licensed or otherwise specifically authorized by the Revised Code to administer drugs;

(2) An individual who is not licensed or otherwise specifically authorized by the Revised Code to administer drugs, but is acting pursuant to the rules for delegation of medical tasks adopted under section 4731.053 of the Revised Code;

(3) An individual specifically authorized to administer drugs pursuant to a rule adopted under the Revised Code that is in effect on April 10, 2001, as long as the rule remains in effect, specifically authorizing an individual to administer drugs.

(F) The exemptions described in divisions (A)(3), (4), and (5) of this section do not apply to a physician or surgeon whose license to practice issued under this chapter is under suspension or has been revoked or permanently revoked by action of the state medical board.

Sec. 4743.041. (A) As used in this section:

"Active guard and reserve" has the meaning defined in 10 U.S.C. 101.

"Military duty" includes service in the uniformed services on active duty, in the active guard and reserve, and as a military technician dual status under 10 U.S.C. 10216.

"Uniformed services" has the meaning defined in ~~10 U.S.C. 101~~section 5747.01 of the Revised Code.

(B) Pursuant to division (C) of section 4743.04 of the Revised Code, a department, agency, or office of this state shall issue a temporary license or certificate to practice a trade or profession to

an individual, provided that all of the following qualifications are met:

(1) The individual holds a valid license or certificate to practice the trade or profession issued by any other state or jurisdiction;

(2) The individual is in good standing in the state or jurisdiction of licensure or certification;

(3) The individual presents adequate proof to the department, agency, or office of this state that the individual or the individual's spouse is on military duty in this state; and

(4) The individual complies with sections 4776.01 to 4776.04 of the Revised Code if a department, agency, or office of this state requires an applicant under the law governing the applicable trade or profession to submit to a criminal records check to receive a license or certificate.

(C) A department, agency, or office of this state may, under this section, issue a regular license or certificate in lieu of issuing a temporary license or certificate, provided that the applicant meets the requirements of this section, and provided that the regular license is issued by the deadline specified in division (D) of this section.

(D) If the department, agency, or office of this state requires an individual under the law governing the applicable trade or profession to submit to a criminal records check to receive a license or certificate, and the individual applies for a license or certificate under this section, the department, agency, or office of this state shall, within twenty-four hours after receiving the report under division (A) of section 4776.04 of the Revised Code, notify the applicant that the department, agency, or office of this state has received the results of a criminal records check. A department, agency, or office of this state shall issue a temporary license or certificate or a regular license under this section, provided that the applicant meets the requirements of this section, within thirty days of having received an application, or, if the applicant is subject to a criminal records check, within fourteen days of having received the results of a criminal records check. If the department, agency, or office of this state finds that the individual is under investigation by the licensing agency of any other state or jurisdiction, the department, agency, or office of this state may postpone issuing the license or certificate until the investigation is complete and the licensing agency of the other state or jurisdiction confirms that the individual is in good standing. The department, agency, or office of this state shall verify the standing of the license or certificate issued by another state or jurisdiction when the temporary license is up for renewal. No temporary license shall be valid for a period of more than six years.

(E) A department, agency, or office of this state shall, in accordance with Chapter 119. of the Revised Code, deny an individual a temporary license or certificate issued under this section or revoke an individual's temporary license or certificate issued under this section if any of the following circumstances occur:

(1) The individual's license or certificate issued by another state or jurisdiction expires or is revoked, or the individual is not in good standing;

(2) With respect to an individual who was eligible for a temporary license under this section as the spouse of an individual on military duty, six months have elapsed since the divorce,

dissolution, or annulment of the marriage;

(3) The individual is disqualified from obtaining a license in the trade or profession because of a conviction, judicial finding of guilt, or plea of guilty to a disqualifying criminal offense specified on the list the department, agency, or office of this state makes available pursuant to division (C) of section 9.78 of the Revised Code.

(F) An individual with a temporary license or certificate or a regular license issued under this section may practice the trade or profession in this state only within the scope and practice that is permitted under Ohio law and that does not exceed the individual's training.

(G) Notwithstanding any other provision of the Revised Code, a department, agency, or office of this state shall waive all fees associated with the issuance of a temporary license or certificate issued under this section.

(H) Each department, agency, or office of this state that issues a license or certificate to practice a trade or profession shall adopt rules under Chapter 119. of the Revised Code as necessary to implement this section.

(I) Each department, agency, or office of this state that issues a license or certificate to practice a trade or profession, shall, upon the conclusion of the state fiscal year, prepare a report on the number and type of temporary licenses or certificates that were issued during the fiscal year under this section. The report shall be provided to the director of veterans services not later than thirty days after the end of the fiscal year. The director shall compile the reports and make them available to the public.

(J) A license or certificate issued under this section shall be considered a license issued under the laws regulating the practice of the applicable occupation or profession in this state. Provisions of law applicable to a license issued to an applicant who does not obtain a license under this section apply in the same manner to licenses issued under this section.

(K) Chapter 4796. of the Revised Code does not apply to a license or certificate issued under this section.

(L) A department, agency, or office of this state shall not require an individual who meets the requirements of this section to apply for the license or certificate under Chapter 4796. of the Revised Code. However, the individual may elect to apply for the license or certificate under Chapter 4796. of the Revised Code.

Sec. 5505.16. (A) As used in this section, "member" has the same meaning as in section 5505.01 of the Revised Code, except that it also includes a former member who has earned service credit and has not received a refund of accumulated contributions under section 5505.19 of the Revised Code.

A member who became a member of the state highway patrol before January 1, 2020, may be granted retirement under this division if the member has twenty-five years of service credit according to the rules adopted by the state highway patrol retirement board and has attained age forty-eight. If the member is under age forty-eight, retirement under this division shall be deferred

until age forty-eight.

(B) A member who has twenty years of service credit according to the rules adopted by the retirement board, may be granted retirement under this division if the member has attained age fifty-two. If the member is under age fifty-two, retirement under this division shall be deferred until age fifty-two, except that any such member who has twenty years of service credit may, on or after attaining age forty-eight but before attaining age fifty-two, elect to retire and receive a reduced pension under this division of the greater of nine hundred dollars or an amount computed as follows:

	1	2
A	Attained Age	Reduced Pension
B	48	75% of normal service pension
C	49	80% of normal service pension
D	50	86% of normal service pension
E	51	93% of normal service pension

The reduced pension is payable from the later of the date of the member's most recent birthday or the date the member becomes eligible to receive the reduced pension.

A member who has elected to receive a reduced pension in accordance with the schedule provided in this division and has received a payment in connection therewith may not change the election.

(C) Any member who attains the age of sixty years and has twenty years of service credit according to the rules adopted by the board, shall file application for retirement with the board, and if the member refuses or neglects to do so, the board may deem the member's application to have been filed on the member's sixtieth birthday. The member may, upon written application approved by the superintendent of the state highway patrol, be continued in service after attaining the age of sixty years, but only until the member has accumulated twenty years of service credit in accordance with rules adopted by the board.

(D)(1) As used in this division:

(a) "Service in the uniformed services" means the performance of duty on a voluntary or involuntary basis in a uniformed service under competent authority and includes active duty, active duty for training, initial active duty for training, inactive duty training, full-time national guard duty, and a period for which a person is absent from a position of employment for the purpose of an

examination to determine the fitness of the person to perform any such duty.

(b) "Uniformed services" of the United States includes both:

(i) Army, navy, air force, marine corps, coast guard, space force, or any reserve components of these services; auxiliary corps as established by congress; army nurse corps; navy nurse corps; service as red cross nurse with the army, navy, air force, or hospital service of the United States, or serving full-time with the American red cross in a combat zone; and such other service as is designated by congress as included therein;

(ii) Personnel of the Ohio national guard, the Ohio military reserve, the Ohio naval militia, and the reserve components of the armed forces enumerated in division (D)(1) of this section who are called to active duty pursuant to an executive order issued by the president of the United States or an act of congress.

(2) A member's total service credit may include periods not to exceed a total of seven years, while the member's employment with the state highway patrol is or was interrupted due to service in the uniformed services of the United States. Such military service shall be credited to the member towards total service as provided by this chapter and to the extent approved by the board, provided that:

(a) The member is or was honorably discharged from service in the uniformed services;

(b) The member is or was re-employed by the state highway patrol within ninety days immediately following termination of service in the uniformed services;

(c) The member, subject to board rules, pays into the retirement system to the member's credit in the employees' savings fund an amount equal to the total contributions the member would have paid had state highway patrol employment not been so interrupted. Such payment may be made at any time prior to receipt of a pension.

(3) If the member meets the requirements of division (D)(2) of this section, on receipt of contributions from the member, the state highway patrol shall be billed for the employer contribution that would have been paid pursuant to section 5505.15 of the Revised Code if the member had not rendered service in the uniformed services, subject to board rules.

(4) If under division (D)(2)(c) of this section a member pays all or any portion of the contributions later than the lesser of five years or a period that is three times the member's period of service in the uniformed services beginning from the member's date of re-employment, an amount equal to compound interest at a rate established by the board from the member's date of re-employment to the date of payment shall be added to the remaining amount to be paid by the member to purchase service credit under this section.

(5) Credit purchased by a member under division (D)(2) of this section shall be used to determine the member's eligibility for retirement under this section and section 5505.17 of the Revised Code.

Sec. 5747.01. Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter that is not otherwise defined in this section has the same meaning as

when used in a comparable context in the laws of the United States relating to federal income taxes or if not used in a comparable context in those laws, has the same meaning as in section 5733.40 of the Revised Code. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

As used in this chapter:

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

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

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

(3) Deduct interest or dividends on obligations of the United States and its territories and possessions or of any authority, commission, or instrumentality of the United States to the extent that the interest or dividends are included in federal adjusted gross income but exempt from state income taxes under the laws of the United States.

(4) Deduct disability and survivor's benefits to the extent included in federal adjusted gross income.

(5) Deduct the following, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income:

(a) Benefits under Title II of the Social Security Act and tier 1 railroad retirement;

(b) Railroad retirement benefits, other than tier 1 railroad retirement benefits, to the extent such amounts are exempt from state taxation under federal law.

(6) Deduct the amount of wages and salaries, if any, not otherwise allowable as a deduction but that would have been allowable as a deduction in computing federal adjusted gross income for the taxable year, had the work opportunity tax credit allowed and determined under sections 38, 51, and 52 of the Internal Revenue Code not been in effect.

(7) Deduct any interest or interest equivalent on public obligations and purchase obligations to the extent that the interest or interest equivalent is included in federal adjusted gross income.

(8) Add any loss or deduct any gain resulting from the sale, exchange, or other disposition of public obligations to the extent that the loss has been deducted or the gain has been included in computing federal adjusted gross income.

(9) Deduct or add amounts, as provided under section 5747.70 of the Revised Code, related to contributions made to or tuition units purchased under a qualified tuition program established pursuant to section 529 of the Internal Revenue Code.

(10)(a) Deduct, to the extent not otherwise allowable as a deduction or exclusion in computing federal or Ohio adjusted gross income for the taxable year, the amount the taxpayer paid during the taxable year for medical care insurance and qualified long-term care insurance for the

taxpayer, the taxpayer's spouse, and dependents. No deduction for medical care insurance under division (A)(10)(a) of this section shall be allowed either to any taxpayer who is eligible to participate in any subsidized health plan maintained by any employer of the taxpayer or of the taxpayer's spouse, or to any taxpayer who is entitled to, or on application would be entitled to, benefits under part A of Title XVIII of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C. 301, as amended. For the purposes of division (A)(10)(a) of this section, "subsidized health plan" means a health plan for which the employer pays any portion of the plan's cost. The deduction allowed under division (A)(10)(a) of this section shall be the net of any related premium refunds, related premium reimbursements, or related insurance premium dividends received during the taxable year.

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

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

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

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

(12) Deduct any portion of the deduction described in section 1341(a)(2) of the Internal Revenue Code, for repaying previously reported income received under a claim of right, that meets both of the following requirements:

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

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

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

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

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

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

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

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

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

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

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

(iii) Subject to division (A)(17)(a)(v) of this section, for taxable years beginning in 2012 or thereafter, if the increase in income taxes withheld by the taxpayer is equal to or greater than ten per cent of income taxes withheld by the taxpayer during the taxpayer's immediately preceding taxable

year, "two-thirds" shall be substituted for "five-sixths" for the purpose of divisions (A)(17)(a)(i) and (ii) of this section.

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

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

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

(b) Nothing in division (A)(17) of this section shall be construed to adjust or modify the adjusted basis of any asset.

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

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

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

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

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

(iii) "Qualifying section 179 depreciation expense" means the difference between (I) the amount of depreciation expense directly or indirectly allowed to a taxpayer under section 179 of the Internal Revised Code, and (II) the amount of depreciation expense directly or indirectly allowed to the taxpayer under section 179 of the Internal Revenue Code as that section existed on December 31, 2002.

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

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

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

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

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

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

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

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

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

allowances received by the taxpayer while the taxpayer is stationed in this state.

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

For the purposes of division (A)(22) of this section:

(a) "Human organ" means all or any portion of a human liver, pancreas, kidney, intestine, or lung, and any portion of human bone marrow.

(b) "Qualified organ donation expenses" means travel expenses, lodging expenses, and wages and salary forgone by a taxpayer in connection with the taxpayer's donation, while living, of one or more of the taxpayer's human organs to another human being.

(23) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, amounts received by the taxpayer as retired personnel pay for service in the uniformed services or reserve components thereof, or the national guard, or received by the surviving spouse or former spouse of such a taxpayer under the survivor benefit plan on account of such a taxpayer's death. If the taxpayer receives income on account of retirement paid under the federal civil service retirement system or federal employees retirement system, or under any successor retirement program enacted by the congress of the United States that is established and maintained for retired employees of the United States government, and such retirement income is based, in whole or in part, on credit for the taxpayer's uniformed service, the deduction allowed under this division shall include only that portion of such retirement income that is attributable to the taxpayer's uniformed service, to the extent that portion of such retirement income is otherwise included in federal adjusted gross income and is not otherwise deducted under this section. Any amount deducted under division (A)(23) of this section is not included in a taxpayer's adjusted gross income for the purposes of section 5747.055 of the Revised Code. No amount may be deducted under division (A)(23) of this section on the basis of which a credit was claimed under section 5747.055 of the Revised Code.

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

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

(26) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, any income derived from a transfer agreement or from the enterprise transferred under that agreement under section 4313.02 of the Revised Code.

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

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

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

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

(i) Compensation paid to a qualifying employee described in division (A)(14)(a) of section 5703.94 of the Revised Code to the extent such compensation is for disaster work conducted in this state during a disaster response period pursuant to a qualifying solicitation received by the employee's employer;

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

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

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

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

(32) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, amounts received by the taxpayer as a disability severance payment, computed under 10 U.S.C. 1212, following discharge or release under honorable conditions from the armed forces of the United States, as defined ~~by 10 U.S.C. 101~~ in section 5907.01 of the Revised Code.

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

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

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

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

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

(ii) Fifty per cent of the capital gain received by the taxpayer in the taxable year from a qualifying interest in an Ohio venture capital operating company attributable to the company's investments in all other businesses during the period for which the company was an Ohio venture operating company.

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

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

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

(36) Add, to the extent not otherwise included in computing federal or Ohio adjusted gross income for any taxable year, the taxpayer's proportionate share of the amount of the tax levied under section 5747.38 of the Revised Code and paid by an electing pass-through entity for the taxable year.

Notwithstanding any provision of the Revised Code to the contrary, the portion of the addition required by division (A)(36) of this section related to the apportioned business income of the pass-through entity shall be considered business income under division (B) of this section. Such addition is eligible for the deduction in division (A)(28) of this section, subject to the applicable dollar limitations, and the tax rate prescribed by division (A)(4)(a) of section 5747.02 of the Revised

Code. The taxpayer shall provide, upon request of the tax commissioner, any documentation necessary to verify the portion of the addition that is business income under this division.

(37) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, amounts delivered to a qualifying institution pursuant to section 3333.128 of the Revised Code for the benefit of the taxpayer or the taxpayer's spouse or dependent.

(38) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, amounts received under the Ohio adoption grant program pursuant to section 5101.191 of the Revised Code.

(39) Deduct, to the extent included in federal adjusted gross income, income attributable to amounts provided to a taxpayer for any of the purposes for which a deduction is authorized under section 139 of the Internal Revenue Code, assuming that the train derailment near the city of East Palestine on February 3, 2023, is a qualified disaster pursuant to that section, or to compensate for lost business resulting from that derailment, if such amounts are provided by any of the following:

- (a) A federal, state, or local government agency;
- (b) A railroad company, as that term is defined in section 5727.01 of the Revised Code;
- (c) Any subsidiary, insurer, or agent of a railroad company or any related person.

(40) Deduct, to the extent included in federal adjusted gross income, income attributable to loan repayments on behalf of the taxpayer under the rural practice incentive program under section 3333.135 of the Revised Code.

(41) Add any income taxes deducted in computing federal or Ohio adjusted gross income to the extent the income taxes were derived from income subject to a tax levied in another state or the District of Columbia when such tax was enacted for purposes of complying with internal revenue service notice 2020-75.

Notwithstanding any provision of the Revised Code to the contrary, the portion of the addition required by division (A)(41) of this section related to the apportioned business income of the pass-through entity shall be considered business income under division (B) of this section. Such addition is eligible for the deduction in division (A)(28) of this section, subject to the applicable dollar limitations, and the tax rate prescribed by division (A)(4)(a) of section 5747.02 of the Revised Code. The taxpayer shall provide, upon request of the tax commissioner, any documentation necessary to verify the portion of the addition that is business income under this division.

(42) Deduct amounts contributed to a homeownership savings account and calculated pursuant to divisions (B) and (C) of section 5747.85 of the Revised Code.

(43) If the taxpayer is the account owner, add the amount of funds withdrawn from a homeownership savings account not used for eligible expenses, regardless of who deposited those funds. As used in division (A)(43) of this section, "homeownership savings account," "account owner," and "eligible expenses" have the same meanings as in section 5747.85 of the Revised Code.

(B) "Business income" means income, including gain or loss, arising from transactions,

activities, and sources in the regular course of a trade or business and includes income, gain, or loss from real property, tangible property, and intangible property if the acquisition, rental, management, and disposition of the property constitute integral parts of the regular course of a trade or business operation. "Business income" includes income, including gain or loss, from a partial or complete liquidation of a business, including, but not limited to, gain or loss from the sale or other disposition of goodwill or the sale of an equity or ownership interest in a business.

As used in this division, the "sale of an equity or ownership interest in a business" means sales to which either or both of the following apply:

(1) The sale is treated for federal income tax purposes as the sale of assets.

(2) The seller materially participated, as described in 26 C.F.R. 1.469-5T, in the activities of the business during the taxable year in which the sale occurs or during any of the five preceding taxable years.

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

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

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

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

(G) "Individual" means any natural person.

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

(I) "Resident" means any of the following:

(1) An individual who is domiciled in this state, subject to section 5747.24 of the Revised Code;

(2) The estate of a decedent who at the time of death was domiciled in this state. The domicile tests of section 5747.24 of the Revised Code are not controlling for purposes of division (I) (2) of this section.

(3) A trust that, in whole or part, resides in this state. If only part of a trust resides in this state, the trust is a resident only with respect to that part.

For the purposes of division (I)(3) of this section:

(a) A trust resides in this state for the trust's current taxable year to the extent, as described in division (I)(3)(d) of this section, that the trust consists directly or indirectly, in whole or in part, of assets, net of any related liabilities, that were transferred, or caused to be transferred, directly or indirectly, to the trust by any of the following:

(i) A person, a court, or a governmental entity or instrumentality on account of the death of a decedent, but only if the trust is described in division (I)(3)(e)(i) or (ii) of this section;

(ii) A person who was domiciled in this state for the purposes of this chapter when the person directly or indirectly transferred assets to an irrevocable trust, but only if at least one of the trust's qualifying beneficiaries is domiciled in this state for the purposes of this chapter during all or some portion of the trust's current taxable year;

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

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

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

(d) For the purposes of division (I)(3)(a) of this section, the extent to which a trust consists directly or indirectly, in whole or in part, of assets, net of any related liabilities, that were transferred directly or indirectly, in whole or part, to the trust by any of the sources enumerated in that division shall be ascertained by multiplying the fair market value of the trust's assets, net of related liabilities, by the qualifying ratio, which shall be computed as follows:

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

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

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

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

(i) A trust is described in division (I)(3)(e)(i) of this section if the trust is a testamentary trust and the testator of that testamentary trust was domiciled in this state at the time of the testator's death for purposes of the taxes levied under Chapter 5731. of the Revised Code.

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

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

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

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

(iii) The transfer is made on account of a contractual relationship existing directly or indirectly between the transferor and either the decedent or the estate of the decedent at any time prior to the date of the decedent's death, and the decedent was domiciled in this state at the time of death for purposes of the taxes levied under Chapter 5731. of the Revised Code.

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

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

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

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

(J) "Nonresident" means an individual or estate that is not a resident. An individual who is a

resident for only part of a taxable year is a nonresident for the remainder of that taxable year.

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

(L) "Return" means the notifications and reports required to be filed pursuant to this chapter for the purpose of reporting the tax due and includes declarations of estimated tax when so required.

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

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

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

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

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

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

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

(1) "Subdivision" means any county, municipal corporation, park district, or township.

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

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

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

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

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

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

(2) Add interest or dividends, net of ordinary, necessary, and reasonable expenses not

deducted in computing federal taxable income, on obligations of any authority, commission, instrumentality, territory, or possession of the United States to the extent that the interest or dividends are exempt from federal income taxes but not from state income taxes, but only to the extent that such net amount is not otherwise includible in Ohio taxable income and is described in either division (S)(1)(a) or (b) of this section;

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

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

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

(6) Deduct any interest or interest equivalent, net of related expenses deducted in computing federal taxable income, on public obligations and purchase obligations, but only to the extent that such net amount relates either to income included in federal taxable income for the taxable year or to income of the S portion of an electing small business trust for the taxable year;

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

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

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

(b) Add any amount not otherwise included in Ohio taxable income for any taxable year to the extent that the amount is attributable to the recovery during the taxable year of any amount

deducted or excluded in computing federal or Ohio taxable income in any taxable year, but only to the extent such amount has not been distributed to beneficiaries for the taxable year.

(10) Deduct any portion of the deduction described in section 1341(a)(2) of the Internal Revenue Code, for repaying previously reported income received under a claim of right, that meets both of the following requirements:

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

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

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

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

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

(12) Deduct any amount, net of related expenses deducted in computing federal taxable income, that a trust is required to report as farm income on its federal income tax return, but only if the assets of the trust include at least ten acres of land satisfying the definition of "land devoted exclusively to agricultural use" under section 5713.30 of the Revised Code, regardless of whether the land is valued for tax purposes as such land under sections 5713.30 to 5713.38 of the Revised Code. If the trust is a pass-through entity investor, section 5747.231 of the Revised Code applies in ascertaining if the trust is eligible to claim the deduction provided by division (S)(12) of this section in connection with the pass-through entity's farm income.

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

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

(14) Deduct the amount the taxpayer would be required to deduct under division (A)(18) of this section if the taxpayer's Ohio taxable income were computed in the same manner as an individual's Ohio adjusted gross income is computed under this section.

(15) Add, to the extent not otherwise included in computing taxable income or Ohio taxable income for any taxable year, the taxpayer's proportionate share of the amount of the tax levied under section 5747.38 of the Revised Code and paid by an electing pass-through entity for the taxable year.

(16) Add any income taxes deducted in computing federal taxable income or Ohio taxable income to the extent the income taxes were derived from income subject to a tax levied in another

state or the District of Columbia when such tax was enacted for purposes of complying with internal revenue service notice 2020-75.

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

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

(V) "Limited liability company" means any limited liability company formed under former Chapter 1705. of the Revised Code as that chapter existed prior to February 11, 2022, Chapter 1706. of the Revised Code, or the laws of any other state.

(W) "Pass-through entity investor" means any person who, during any portion of a taxable year of a pass-through entity, is a partner, member, shareholder, or equity investor in that pass-through entity.

(X) "Banking day" has the same meaning as in section 1304.01 of the Revised Code.

(Y) "Month" means a calendar month.

(Z) "Quarter" means the first three months, the second three months, the third three months, or the last three months of the taxpayer's taxable year.

(AA)(1) "Modified business income" means the business income included in a trust's Ohio taxable income after such taxable income is first reduced by the qualifying trust amount, if any.

(2) "Qualifying trust amount" of a trust means capital gains and losses from the sale, exchange, or other disposition of equity or ownership interests in, or debt obligations of, a qualifying investee to the extent included in the trust's Ohio taxable income, but only if the following requirements are satisfied:

(a) The book value of the qualifying investee's physical assets in this state and everywhere, as of the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the gain or loss, is available to the trust.

(b) The requirements of section 5747.011 of the Revised Code are satisfied for the trust's taxable year in which the trust recognizes the gain or loss.

Any gain or loss that is not a qualifying trust amount is modified business income, qualifying investment income, or modified nonbusiness income, as the case may be.

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

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

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

(i) The trust's modified business income;

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

(b) The qualifying trust amount multiplied by a fraction, the numerator of which is the sum of the book value of the qualifying investee's physical assets in this state on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the day on which the trust recognizes the qualifying trust amount, and the denominator of which is the sum of the book value of the qualifying investee's total physical assets everywhere on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the day on which the trust recognizes the qualifying trust amount. If, for a taxable year, the trust recognizes a qualifying trust amount with respect to more than one qualifying investee, the amount described in division (AA)(4)(b) of this section shall equal the sum of the products so computed for each such qualifying investee.

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

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

If the allocation and apportionment of a trust's income under divisions (AA)(4)(a) and (c) of this section do not fairly represent the modified Ohio taxable income of the trust in this state, the alternative methods described in division (C) of section 5747.21 of the Revised Code may be applied in the manner and to the same extent provided in that section.

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

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

controlled group on such last day.

(ii) If the qualifying investee, or if the qualifying investee and any members of the qualifying controlled group of which the qualifying investee is a member on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the gain or loss, separately or cumulatively own, directly or indirectly, on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the qualifying trust amount, more than fifty per cent of the equity of a pass-through entity, then the qualifying investee and the other members are deemed to own the proportionate share of the pass-through entity's physical assets which the pass-through entity directly or indirectly owns on the last day of the pass-through entity's calendar or fiscal year ending within or with the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the qualifying trust amount.

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

An upper level pass-through entity, whether or not it is also a qualifying investee, is deemed to own, on the last day of the upper level pass-through entity's calendar or fiscal year, the proportionate share of the lower level pass-through entity's physical assets that the lower level pass-through entity directly or indirectly owns on the last day of the lower level pass-through entity's calendar or fiscal year ending within or with the last day of the upper level pass-through entity's fiscal or calendar year. If the upper level pass-through entity directly and indirectly owns less than fifty per cent of the equity of the lower level pass-through entity on each day of the upper level pass-through entity's calendar or fiscal year in which or with which ends the calendar or fiscal year of the lower level pass-through entity and if, based upon clear and convincing evidence, complete information about the location and cost of the physical assets of the lower pass-through entity is not available to the upper level pass-through entity, then solely for purposes of ascertaining if a gain or loss constitutes a qualifying trust amount, the upper level pass-through entity shall be deemed as owning no equity of the lower level pass-through entity for each day during the upper level pass-through entity's calendar or fiscal year in which or with which ends the lower level pass-through entity's calendar or fiscal year. Nothing in division (AA)(5)(a)(iii) of this section shall be construed to provide for any deduction or exclusion in computing any trust's Ohio taxable income.

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

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

(ii) Such gain or loss constitutes nonbusiness income.

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

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

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

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

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

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

(i) A corporation that has made an election under subchapter S, chapter one, subtitle A, of the Internal Revenue Code for its taxable year ending within, or on the last day of, the investor's taxable year;

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

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

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

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

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

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

(4) A "pre-income tax trust" is a trust that satisfies all of the following requirements:

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

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

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

(FF) "Uniformed services" ~~has the same meaning as in 10 U.S.C. 101~~ means all of the following:

(1) "Armed forces of the United States" as defined in section 5907.01 of the Revised Code;

(2) The commissioned corps of the national oceanic and atmospheric administration;

(3) The commissioned corps of the public health service.

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

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

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

(JJ) "Qualifying Ohio educator" means an individual who, for a taxable year, qualifies as an eligible educator, as that term is defined in section 62 of the Internal Revenue Code, and who holds a certificate, license, or permit described in Chapter 3319. or section 3301.071 of the Revised Code.

Sec. 5903.01. As used in this chapter:

"Armed forces" means the armed forces of the United States, including the army, navy, air force, marine corps, space force, coast guard, or any reserve components of those forces; the national guard of any state; the commissioned corps of the United States public health service; the merchant marine service during wartime; such other service as may be designated by congress; or the Ohio organized militia when engaged in full-time national guard duty for a period of more than thirty days.

"License" means a license, certificate, permit, or other authorization issued or conferred by a licensing agency under which a licensee may engage in a profession, occupation, or occupational activity.

"Licensee" means a person to whom all of the following apply:

(A) The person has been issued a license by a licensing agency.

(B) The person has been a member of the armed forces.

(C) The person has served on active duty, whether inside or outside the United States, for a period in excess of thirty-one days.

"Licensing agency" means any state department, division, board, commission, agency, or other state governmental unit authorized by the Revised Code to issue a license.

"Service member" means any person who is serving in the armed forces.

"Merchant marine" includes the United States army transport service and the United States naval transport service.

"Veteran" means any person who has completed service in the armed forces, including the national guard of any state, or a reserve component of the armed forces, who has been discharged under honorable conditions from the armed forces or who has been transferred to the reserve with

evidence of satisfactory service.

Sec. 5903.02. (A) As used in this section:

(1) "Uniformed services" and "service in the uniformed services" have the same meanings as in the ~~"Uniformed Services Employment and Reemployment Rights Act of 1994," 108 Stat. 3149, 38 U.S.C.A. 4303~~ section 124.23 of the Revised Code.

(2) "Organized militia of another state" means the national guard of any state, territory, or district other than Ohio or any military or naval force recognized under the laws of a state, district, or territory other than Ohio.

(B) Any person whose absence from a position of employment is necessitated by reason of service in the uniformed services, in the Ohio organized militia, or in the organized militia of another state has the same reinstatement and reemployment rights in this state that a person has under the "Uniformed Services Employment and Reemployment Rights Act of 1994." A person who is denied a reinstatement or reemployment right pursuant to this section has a cause of action for the same remedies as a person has under the "Uniformed Services Employment and Reemployment Rights Act of 1994." The court of common pleas, notwithstanding any sum limitation established by decision of a board of county commissioners pursuant to section 2305.01 of the Revised Code, shall have exclusive original jurisdiction for such actions, unless the defendant is the state, in which case the court of claims shall have exclusive original jurisdiction pursuant to division (C) of this section.

(C) A person who seeks reinstatement or reemployment rights with the state, pursuant to this section, may bring an action in the court of claims pursuant to this section or section 4323 of the "Uniformed Services Employment and Reemployment Rights Act of 1994."

(D) In any action or proceeding to enforce a provision of this section, the court shall require the defendant to pay the court costs if the plaintiff is the prevailing party in the action or proceeding. If the plaintiff is not the prevailing party, the court may use its discretion in allocating court costs among the parties to the action.

(E) In any action or proceeding to enforce a provision of this section the court may award to a plaintiff who prevails in such action or proceeding reasonable attorney's fees, expert witness fees, and other litigation expenses. If the plaintiff does not receive a favorable judgment from the court in that action, the court shall not require the plaintiff to reimburse the state or the defendant for attorney's fees.

(F) The director of administrative services shall adopt rules in accordance with Chapter 119. of the Revised Code for the implementation of this chapter with respect to persons in public service.

(G) A person is not entitled to a remedy in a state action under division (B) or (C) of this section if the person has received a remedy based on the same facts under the "Uniformed Services Employment and Reemployment Rights Act of 1994." If a person has received a remedy in a state action under division (B) or (C) of this section and then receives a remedy based on the same facts under the "Uniformed Services Employment and Reemployment Rights Act of 1994," the person shall reimburse the judgment debtor the value of the federal remedy or the state remedy whichever is

less.

Sec. 5907.01. (A) As used in this chapter:

(1) "Armed forces of the United States" means the army, air force, navy, marine corps, space force, coast guard, and any other military service branch that is designated by congress as a part of the armed forces of the United States.

(2) "Domiciliary" means a separate area within the Ohio veterans' home providing domiciliary care.

(3) "Domiciliary care" means providing shelter, food, and necessary medical care on an ambulatory self-care basis to eligible veterans who do not need the nursing services provided in nursing homes.

(4) "Nursing home" has the same meaning as in section 3721.01 of the Revised Code.

(5) "Veteran" has the same meaning as in section 5901.01 of the Revised Code.

(B) There are hereby established the Ohio veterans' homes within the department of veterans services. The department shall maintain and operate state veterans' homes as administered under the state veterans' home programs defined in Title 38 of the United States Code.

Sec. 5907.04. As used in this section, "armed forces of the United States" ~~means the army, air force, navy, marine corps, coast guard, and any other military service branch that is designated by congress as a part of the armed forces of the United States~~ has the same meaning as in section 5907.01 of the Revised Code.

Subject to the following paragraph, all veterans, who served during a period of conflict as determined by the United States department of veterans affairs or any person who is awarded either the armed forces expeditionary medal established by presidential executive order 10977 dated December 4, 1961, or the Vietnam service medal established by presidential executive order 11231 dated July 8, 1965, who have been honorably discharged or separated under honorable conditions therefrom, or any discharged members of the Polish and Czechoslovakian armed forces who served in armed conflict with an enemy of the United States in World War II who have been citizens of the United States for at least ten years, provided that the above-mentioned persons have been citizens of this state for one year or more at the date of making application for admission, are disabled by disease, wounds, or otherwise, and are by reason of such disability incapable of earning their living, and all members of the Ohio national guard or naval militia who have lost an arm or leg, or their sight, or become permanently disabled from any cause, while in the line and discharge of duty, and are not able to support themselves, may be admitted to a veterans' home under such rules as the director of veterans services adopts.

A veteran who served in the armed forces of the United States is eligible for admission to a veterans' home under the preceding paragraph only if the person has the characteristics defined in division (B)(1) of section 5901.01 of the Revised Code.

Veterans' homes may reserve a bed during the temporary absence of a resident or patient from the home, including a nursing home within it, under conditions prescribed by the director, to

include hospitalization for an acute condition, visits with relatives and friends, and participation in therapeutic programs outside the home. A home shall not reserve a bed for more than thirty days, except that absences for more than thirty days due to hospitalization may be authorized.

Sec. 5910.01. As used in this chapter and section 5919.34 of the Revised Code:

(A) "Child" includes natural and adopted children and stepchildren who have not been legally adopted by the veteran parent provided that the relationship between the stepchild and the veteran parent meets the following criteria:

(1) The veteran parent is married to the child's natural or adoptive parent at the time application for a scholarship granted under this chapter is made; or if the veteran parent is deceased, the child's natural or adoptive parent was married to the veteran parent at the time of the veteran parent's death;

(2) The child resided with the veteran parent for a period of not less than ten consecutive years immediately prior to making application for the scholarship; or if the veteran parent is deceased, the child resided with the veteran parent for a period of not less than ten consecutive years immediately prior to the veteran parent's death;

(3) The child received financial support from the veteran parent for a period of not less than ten consecutive years immediately prior to making application for the scholarship; or if the veteran parent is deceased, the child received financial support from the veteran parent for a period of not less than ten consecutive years immediately prior to the veteran parent's death.

(B) "Veteran" includes any of the following:

(1) Any person who was a member of the armed services of the United States for a period of ninety days or more, or who was discharged from the armed services due to a disability incurred while a member with less than ninety days' service, or who died while a member of the armed services; provided that such service, disability, or death occurred during one of the following periods: December 7, 1941, to December 31, 1946; June 25, 1950, to January 31, 1955; January 1, 1960, to May 7, 1975; August 2, 1990, to the end of operations conducted as a result of the invasion of Kuwait by Iraq, including support for operation desert shield and operation desert storm, as declared by the president of the United States or the congress; October 7, 2001, to the end of operation enduring freedom as declared by the president of the United States or the congress; March 20, 2003, to the end of operation Iraqi freedom as declared by the president of the United States or the congress; or any other period of conflict established by the United States department of veterans affairs for pension purposes;

(2) Any person who was a member of the armed services of the United States and participated in an operation for which the armed forces expeditionary medal was awarded;

(3) Any person who served as a member of the United States merchant marine and to whom either of the following applies:

(a) The person has an honorable report of separation from the active duty military service, form DD214 or DD215.

(b) The person served in the United States merchant marine between December 7, 1941, and December 31, 1946, and died on active duty while serving in a war zone during that period of service.

(C) "Armed services of the United States" or "United States armed forces" includes the army, air force, navy, marine corps, coast guard, ~~space force~~, and such other military service branch as may be designated by congress as a part of the armed forces of the United States.

(D) "Board" means the Ohio war orphans and severely disabled veterans' children scholarship board created by section 5910.02 of the Revised Code.

(E) "Disabled" means having a sixty per cent or greater service-connected disability or receiving benefits for permanent and total nonservice-connected disability, as determined by the United States department of veterans affairs.

(F) "United States merchant marine" includes the United States army transport service and the United States naval transport service.

SECTION 2. That existing sections 122.925, 124.23, 145.30, 742.52, 742.521, 2151.4210, 3307.75, 3309.02, 3313.471, 3319.085, 3511.01, 4731.36, 4743.041, 5505.16, 5747.01, 5903.01, 5903.02, 5907.01, 5907.04, and 5910.01 of the Revised Code are hereby repealed.

SECTION 3. Section 5505.16 of the Revised Code is presented in this act as a composite of the section as amended by both H.B. 49 and H.B. 362 of the 132nd General Assembly. The General Assembly, applying the principle stated in division (B) of section 1.52 of the Revised Code that amendments are to be harmonized if reasonably capable of simultaneous operation, finds that the composite is the resulting version of the section in effect prior to the effective date of the section as presented in this act.

Speaker _____ *of the House of Representatives.*

President _____ *of the Senate.*

Passed _____, 20____

Approved _____, 20____

Governor.

Sub. S. B. No. 154

135th G.A.

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the ____ day of _____, A. D. 20 ____.

Secretary of State.

File No. _____ Effective Date _____