

As Reported by the House Ways and Means Committee

132nd General Assembly

Regular Session

2017-2018

Am. H. B. No. 155

Representatives Sprague, Howse

**Cosponsors: Representatives Antani, Hughes, Manning, Miller, Reece, Riedel,
Roegner, Schaffer, Sykes, Vitale, West, Boyd, Green, Retherford**

A BILL

To amend section 5747.98 and to enact sections 1
122.91 and 5747.82 of the Revised Code to 2
authorize an income tax credit for expenses 3
incurred by an employer to train a commercial 4
vehicle operator. 5

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

Section 1. That section 5747.98 be amended and sections 6
122.91 and 5747.82 of the Revised Code be enacted to read as 7
follows: 8

Sec. 122.91. (A) As used in this section: 9

(1) "Qualifying individual" means an individual who holds 10
a valid commercial driver's license or who is eligible to obtain 11
such a license. 12

(2) "Commercial driver's license" and "commercial motor 13
vehicle" have the same meanings as in section 4506.01 of the 14
Revised Code. 15

(3) "Training expense" means any cost customarily incurred 16

by an employer to train an employee who is a qualifying 17
individual to obtain a commercial driver's license or to operate 18
a commercial motor vehicle. "Training expense" shall not include 19
such an employee's wages. 20

(4) "Tax credit-eligible training expense" means any 21
training expense certified under division (B) of this section. 22

(5) "Director" means the director of development services. 23

(B) (1) On or before the first day of December, an employer 24
may apply to the director, on a form prescribed by the director, 25
to certify training expenses that an employer estimates the 26
employer will incur during the following calendar year as tax 27
credit-eligible training expenses. Within thirty days after 28
receiving such an application, the director shall certify to 29
each applicant the amount of the applicant's submitted expenses 30
the director finds to be tax credit-eligible training expenses. 31
The director shall not certify more than fifty thousand dollars 32
of training expenses per year as tax credit-eligible training 33
expenses for any employer. 34

(2) The director shall not certify more than three million 35
dollars in tax credit-eligible training expenses for each 36
calendar year, increased by the sum of tax credit-eligible 37
expenses the director was authorized to certify within the limit 38
described in division (B) (2) of this section for preceding years 39
that were not the basis of a tax credit certificate issued under 40
division (C) (2) of this section in the current year or any 41
preceding year. 42

(C) (1) An employer that incurs tax credit-eligible 43
training expenses in a calendar year that were certified for 44
that year under division (B) of this section may apply to the 45

director for a nonrefundable credit against the tax imposed by 46
section 5747.02 of the Revised Code. The credit shall equal one- 47
half of the tax credit-eligible training expenses actually 48
incurred by the employer in, and certified for, the preceding 49
calendar year. The application may be submitted after the first 50
day and before the twenty-first day of January of the year 51
following the year for which the director certified the 52
expenses. The application shall be submitted on a form 53
prescribed by the director. 54

(2) If the director approves an application described in 55
division (C)(1) of this section, the director, within fifteen 56
days after receipt of the application, shall issue a tax credit 57
certificate to the applicant. The director in consultation with 58
the tax commissioner shall prescribe the form and manner of 59
issuing certificates. The director shall assign a unique 60
identifying number to each tax credit certificate and shall 61
record the certificate in a register devised and maintained by 62
the director for that purpose. The certificate shall state the 63
amount of the tax credit-eligible training expenses on which the 64
credit is based, the amount of the credit, and the date the 65
certificate is issued. Upon issuance of a certificate, the 66
director shall certify to the tax commissioner the name of the 67
applicant, the amount of tax credit-eligible training expenses 68
stated on the certificate, and any other information required by 69
the rules adopted under this section. 70

(D) The director in consultation with the tax commissioner 71
shall adopt rules under Chapter 119. of the Revised Code for the 72
administration of this section. Such rules shall set forth the 73
types of expenses that qualify as training expenses for purposes 74
of this section. 75

Sec. 5747.82. There is allowed a nonrefundable credit 76
against a taxpayer's aggregate tax liability under section 77
5747.02 of the Revised Code for a taxpayer that has been issued 78
a tax credit certificate under section 122.91 of the Revised 79
Code. The amount of the credit shall equal the credit amount 80
stated on the certificate. The credit shall be claimed for the 81
taxpayer's most recently concluded taxable year that ended 82
before the issuance date stated on the certificate. 83

The credit shall be claimed in the order required under 84
section 5747.98 of the Revised Code. Any credit amount in excess 85
of the aggregate amount of tax due under section 5747.02 of the 86
Revised Code, after allowing for any other credits preceding the 87
credit in that order, may be carried forward for five taxable 88
years, but the amount of the excess credit allowed in any such 89
year shall be deducted from the balance carried forward to the 90
next year. 91

Nothing in this section limits or disallows pass-through 92
treatment of the credit if the credit certificate has been 93
issued to a pass-through entity. 94

Sec. 5747.98. (A) To provide a uniform procedure for 95
calculating a taxpayer's aggregate tax liability under section 96
5747.02 of the Revised Code, a taxpayer shall claim any credits 97
to which the taxpayer is entitled in the following order: 98

(1) Either the retirement income credit under division (B) 99
of section 5747.055 of the Revised Code or the lump sum 100
retirement income credits under divisions (C), (D), and (E) of 101
that section; 102

(2) Either the senior citizen credit under division (F) of 103
section 5747.055 of the Revised Code or the lump sum 104

distribution credit under division (G) of that section;	105
(3) The dependent care credit under section 5747.054 of the Revised Code;	106 107
(4) The low-income credit under section 5747.056 of the Revised Code;	108 109
(5) The credit for displaced workers who pay for job training under section 5747.27 of the Revised Code;	110 111
(6) The campaign contribution credit under section 5747.29 of the Revised Code;	112 113
(7) The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;	114 115
(8) The joint filing credit under division (G) of section 5747.05 of the Revised Code;	116 117
(9) The earned income credit under section 5747.71 of the Revised Code;	118 119
(10) The credit for adoption of a minor child under section 5747.37 of the Revised Code;	120 121
(11) The nonrefundable job retention credit under division (B) of section 5747.058 of the Revised Code;	122 123
(12) The enterprise zone credit under section 5709.66 of the Revised Code;	124 125
(13) The ethanol plant investment credit under section 5747.75 of the Revised Code;	126 127
(14) <u>The credit for commercial vehicle operator training expenses under section 5747.82 of the Revised Code;</u>	128 129
<u>(15) The credit for purchases of qualifying grape</u>	130

production property under section 5747.28 of the Revised Code;	131
(15) <u>(16)</u> The small business investment credit under section 5747.81 of the Revised Code;	132 133
(16) <u>(17)</u> The enterprise zone credits under section 5709.65 of the Revised Code;	134 135
(17) <u>(18)</u> The research and development credit under section 5747.331 of the Revised Code;	136 137
(18) <u>(19)</u> The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	138 139
(19) <u>(20)</u> The nonresident credit under division (A) of section 5747.05 of the Revised Code;	140 141
(20) <u>(21)</u> The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	142 143
(21) <u>(22)</u> The refundable motion picture production credit under section 5747.66 of the Revised Code;	144 145
(22) <u>(23)</u> The refundable jobs creation credit or job retention credit under division (A) of section 5747.058 of the Revised Code;	146 147 148
(23) <u>(24)</u> The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	149 150 151
(24) <u>(25)</u> The refundable credits for taxes paid by a qualifying pass-through entity granted under division (I) of section 5747.08 of the Revised Code;	152 153 154
(25) <u>(26)</u> The refundable credit under section 5747.80 of the Revised Code for losses on loans made to the Ohio venture capital program under sections 150.01 to 150.10 of the Revised	155 156 157

Code;	158
(26) <u>(27)</u> The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	159 160
(27) <u>(28)</u> The refundable credit for financial institution taxes paid by a pass-through entity granted under section 5747.65 of the Revised Code.	161 162 163
(B) For any credit, except the refundable credits enumerated in this section and the credit granted under division (H) of section 5747.08 of the Revised Code, the amount of the credit for a taxable year shall not exceed the taxpayer's aggregate amount of tax due under section 5747.02 of the Revised Code, after allowing for any other credit that precedes it in the order required under this section. Any excess amount of a particular credit may be carried forward if authorized under the section creating that credit. Nothing in this chapter shall be construed to allow a taxpayer to claim, directly or indirectly, a credit more than once for a taxable year.	164 165 166 167 168 169 170 171 172 173 174
Section 2. That existing section 5747.98 of the Revised Code is hereby repealed.	175 176
Section 3. (A) The amendment or enactment by this act of sections 122.91, 5747.82, and 5747.98 of the Revised Code applies to training expenses, as that term is defined under section 122.91 of the Revised Code, estimated to be incurred on or after January 1, 2018.	177 178 179 180 181
(B) In adopting the rules required under division (D) of section 122.91 of the Revised Code, as enacted by this act, the Director of Development Services shall file the notice and text of the proposed rules as required by division (B) of section 119.03 of the Revised Code not later than one hundred fifty days	182 183 184 185 186

after the effective date of this section.

187