

**As Introduced**

**135th General Assembly**

**Regular Session**

**2023-2024**

**H. B. No. 39**

**Representatives Skindell, Isaacsohn**

**Cosponsors: Representatives Liston, Grim, Miranda, Galonski, Forhan, Abdullahi,  
Brown, Somani, Weinstein, Upchurch, Russo, Miller, A., McNally, Brennan,  
Robinson, Brent, Brewer, Miller, J., Mohamed, Baker, Blackshear**

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**A BILL**

To amend sections 5747.71 and 5747.98 of the 1  
Revised Code to make the earned income tax 2  
credit partially refundable. 3

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

**Section 1.** That sections 5747.71 and 5747.98 of the 4  
Revised Code be amended to read as follows: 5

**Sec. 5747.71.** (A) As used in this section, "eligible 6  
individual" has the same meaning as in section 32 of the 7  
Internal Revenue Code. 8

(B) There is hereby allowed a nonrefundable credit against 9  
a taxpayer's aggregate tax liability under section 5747.02 of 10  
the Revised Code for a taxpayer who is an ~~"eligible individual"~~ 11  
~~as defined in section 32 of the Internal Revenue Code.~~ The 12  
credit shall equal ~~thirty~~ twenty per cent of the federal credit 13  
allowed for the taxable year. The credit shall not exceed the 14  
aggregate amount of tax otherwise due under section 5747.02 of 15  
the Revised Code after deducting any other nonrefundable credits 16

that precede the credit allowed under this section in the order 17  
prescribed by section 5747.98 of the Revised Code. 18

The credit shall be claimed in the order prescribed by 19  
section 5747.98 of the Revised Code. 20

(C) There is hereby allowed a refundable credit against a 21  
taxpayer's aggregate tax liability under section 5747.02 of the 22  
Revised Code for a taxpayer who is an eligible individual. The 23  
credit shall equal ten per cent of the credit allowed on the 24  
taxpayer's federal income tax return pursuant to section 32 of 25  
the Internal Revenue Code for the taxable year. The credit shall 26  
be claimed in the order prescribed by section 5747.98 of the 27  
Revised Code. If the credit authorized by this division exceeds 28  
the aggregate amount of tax otherwise due after deducting all 29  
other credits in that order, the excess shall be refunded to the 30  
taxpayer. 31

**Sec. 5747.98.** (A) To provide a uniform procedure for 32  
calculating a taxpayer's aggregate tax liability under section 33  
5747.02 of the Revised Code, a taxpayer shall claim any credits 34  
to which the taxpayer is entitled in the following order: 35

Either the retirement income credit under division (B) of 36  
section 5747.055 of the Revised Code or the lump sum retirement 37  
income credits under divisions (C), (D), and (E) of that 38  
section; 39

Either the senior citizen credit under division (F) of 40  
section 5747.055 of the Revised Code or the lump sum 41  
distribution credit under division (G) of that section; 42

The dependent care credit under section 5747.054 of the 43  
Revised Code; 44

The credit for displaced workers who pay for job training 45

under section 5747.27 of the Revised Code;	46
The campaign contribution credit under section 5747.29 of the Revised Code;	47 48
The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;	49 50
The joint filing credit under division (G) of section 5747.05 of the Revised Code;	51 52
The <u>nonrefundable</u> earned income credit under <u>division (B)</u> <u>of</u> section 5747.71 of the Revised Code;	53 54
The nonrefundable credit for education expenses under section 5747.72 of the Revised Code;	55 56
The nonrefundable credit for donations to scholarship granting organizations under section 5747.73 of the Revised Code;	57 58 59
The nonrefundable credit for tuition paid to a nonchartered nonpublic school under section 5747.75 of the Revised Code;	60 61 62
The nonrefundable vocational job credit under section 5747.057 of the Revised Code;	63 64
The nonrefundable job retention credit under division (B) of section 5747.058 of the Revised Code;	65 66
The enterprise zone credit under section 5709.66 of the Revised Code;	67 68
The credit for beginning farmers who participate in a financial management program under division (B) of section 5747.77 of the Revised Code;	69 70 71
The credit for commercial vehicle operator training	72

expenses under section 5747.82 of the Revised Code;	73
The credit for selling or renting agricultural assets to beginning farmers under division (A) of section 5747.77 of the Revised Code;	74 75 76
The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	77 78
The small business investment credit under section 5747.81 of the Revised Code;	79 80
The nonrefundable lead abatement credit under section 5747.26 of the Revised Code;	81 82
The opportunity zone investment credit under section 122.84 of the Revised Code;	83 84
The enterprise zone credits under section 5709.65 of the Revised Code;	85 86
The research and development credit under section 5747.331 of the Revised Code;	87 88
The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	89 90
The nonresident credit under division (A) of section 5747.05 of the Revised Code;	91 92
The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	93 94
The refundable motion picture and Broadway theatrical production credit under section 5747.66 of the Revised Code;	95 96
The refundable jobs creation credit or job retention credit under division (A) of section 5747.058 of the Revised Code;	97 98 99

The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	100 101
The refundable credits for taxes paid by a qualifying pass-through entity granted under division (I) of section 5747.08 of the Revised Code;	102 103 104
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 Code;	105 106 107
The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	108 109
The refundable credit under section 5747.39 of the Revised Code for taxes levied under section 5747.38 of the Revised Code paid by an electing pass-through entity;	110 111 112
<u>The refundable earned income credit under division (C) of section 5747.71 of the Revised Code.</u>	113 114
(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.	115 116 117 118 119 120 121 122 123 124 125
<b>Section 2.</b> That existing sections 5747.71 and 5747.98 of the Revised Code are hereby repealed.	126 127

**Section 3.** The amendment by this act of sections 5747.71 128  
and 5747.98 of the Revised Code applies to taxable years ending 129  
on or after the effective date of this section. 130

**Section 4.** Section 5747.98 of the Revised Code is 131  
presented in this act as a composite of the section as amended 132  
by both H.B. 45 and H.B. 66 of the 134th General Assembly. The 133  
General Assembly, applying the principle stated in division (B) 134  
of section 1.52 of the Revised Code that amendments are to be 135  
harmonized if reasonably capable of simultaneous operation, 136  
finds that the composite is the resulting version of the section 137  
in effect prior to the effective date of the section as 138  
presented in this act. 139