

As Reported by the House Higher Education and Career Readiness Committee

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Representatives Cross, Denson

Cosponsors: Representatives Click, Hall, Riedel, White, Creech, Johnson, John, Gross, Lanese, Jones, Plummer, Swearingen, Abrams, Carfagna, Baldridge, Miller, K., Lampton, West, Miller, J., Upchurch, Russo, Leland, Jarrells

A BILL

To amend sections 5703.21, 5747.01, 5747.98, 1
5751.98, and 6301.04 and to enact sections 2
3333.126, 3333.611, 3333.612, 5747.82, 5747.83, 3
and 5751.55 of the Revised Code to authorize tax 4
incentives for higher education intern and 5
graduate wages, to make other changes regarding 6
higher education student financial aid, and to 7
make an appropriation. 8

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

Section 1. That sections 5703.21, 5747.01, 5747.98, 9
5751.98, and 6301.04 be amended and sections 3333.126, 3333.611, 10
3333.612, 5747.82, 5747.83, and 5751.55 of the Revised Code be 11
enacted to read as follows: 12

Sec. 3333.126. (A) As used in this section, "eligible 13
student" means a student to whom all of the following apply: 14

(1) The student is eligible for an Ohio college 15
opportunity grant under section 3333.122 of the Revised Code. 16

(2) The student is making progress toward completing the 17
student's bachelor's degree program. 18

(3) The student previously completed an associate's degree 19
program at any of the following: 20

(a) A community college established under Chapter 3345. of 21
the Revised Code; 22

(b) A state community college established under Chapter 23
3358. of the Revised Code; 24

(c) A technical college established under Chapter 3357. of 25
the Revised Code; 26

(d) A university branch campus; 27

(e) Central state university; 28

(f) Shawnee state university; 29

(g) A private, nonprofit institution of higher education 30
that holds a certificate of authorization pursuant to Chapter 31
1713. of the Revised Code that is not the institution at which 32
the student is enrolled in a bachelor's degree program. 33

(B) In addition to the Ohio college opportunity grant a 34
student is awarded under section 3333.122 of the Revised Code, 35
the chancellor of higher education shall award an eligible 36
student with a supplemental grant equal to one-half of the 37
amount the student is awarded under that section. 38

(C) The supplemental grants shall be subject to the same 39
requirements as a grant awarded under section 3333.122 of the 40
Revised Code, including divisions (D) (1) and (E) of that 41
section. 42

(D) The chancellor shall adopt rules to implement this 43

<u>section.</u>	44
<u>Sec. 3333.611. (A) As used in this section:</u>	45
<u>(1) An "eligible applicant" is an individual who satisfies</u>	46
<u>all of the following conditions:</u>	47
<u>(a) The individual is a resident of this state or another</u>	48
<u>state.</u>	49
<u>(b) The individual is enrolled in a state university or</u>	50
<u>college or a nonpublic four-year Ohio institution of higher</u>	51
<u>education.</u>	52
<u>(c) The individual is enrolled as an undergraduate or</u>	53
<u>graduate student in the field of science, technology,</u>	54
<u>engineering, or mathematics, or in science, technology,</u>	55
<u>engineering, or mathematics education.</u>	56
<u>(d) The individual was ranked in the top five per cent of</u>	57
<u>the individual's high school graduation cohort according to</u>	58
<u>grade point average.</u>	59
<u>(2) "Eligible graduate" means an individual who satisfies</u>	60
<u>all of the following conditions:</u>	61
<u>(a) The individual graduated from the state university or</u>	62
<u>college or nonpublic four-year Ohio institution of higher</u>	63
<u>education in which the individual was enrolled while the</u>	64
<u>individual was participating in the subprogram.</u>	65
<u>(b) The individual has outstanding loans that the</u>	66
<u>individual received under the subprogram.</u>	67
<u>(c) The individual is making timely payments on those</u>	68
<u>loans in accordance with the terms of the individual's repayment</u>	69
<u>schedule.</u>	70

(B) The chancellor of higher education shall establish and administer, as part of the choose Ohio first scholarship program, a subprogram to make loans of ten thousand dollars to eligible applicants. Eligible applicants shall apply for loans in a form and manner prescribed by the chancellor. The chancellor shall make first-time loans to eligible applicants whom the chancellor approves to participate in the subprogram. The chancellor shall not approve more than one hundred completed applications for first-time loans in an academic year and shall determine a method to select which applications to approve if more than one hundred are submitted. 71
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(C) An eligible applicant who receives a first-time loan may apply to the chancellor to receive an additional loan of five thousand dollars for each of the three subsequent academic years. The chancellor shall not make loans to an eligible applicant for more than four academic years. 82
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(D) Each eligible applicant who receives a loan under the subprogram shall sign a promissory note payable to the state. The chancellor shall determine the interest rate and period of repayment under the note. 87
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(E) The chancellor shall forgive an eligible graduate's obligation to repay the principal and interest on loans received under the subprogram, as follows: 91
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(1) If the graduate is an Ohio resident on the date that is one calendar year after the graduate's graduation date, the chancellor shall forgive an amount equal to thirty-three per cent of the graduate's outstanding principal and interest. 94
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(2) If the graduate is an Ohio resident on the date that is two calendar years after the graduate's graduation date, the 98
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<u>chancellor shall forgive an amount equal to fifty per cent of the graduate's outstanding principal and interest.</u>	100
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<u>(3) If the graduate is an Ohio resident on the date that is three calendar years after the graduate's graduation date, the chancellor shall forgive any remaining outstanding principal and interest.</u>	102
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<u>(F) It is the intent of the general assembly that the general revenue fund appropriations used to award choose Ohio first scholarships also shall be used to award loans under the subprogram.</u>	106
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<u>(G) The chancellor shall adopt rules in accordance with Chapter 119. of the Revised Code to administer the subprogram.</u>	110
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<u>Sec. 3333.612. (A) As used in this section:</u>	112
<u>(1) "Intern" means a student who participates in an internship program or a cooperative education program.</u>	113
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<u>(2) "Internship program" and "cooperative education program" have the same meanings as in section 3333.71 of the Revised Code.</u>	115
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<u>(B) A taxpayer that employs one or more interns may apply to the chancellor of higher education for a tax credit under section 5747.83 or 5751.55 of the Revised Code. The credit shall equal thirty per cent of the wages or salaries paid to each intern during the calendar year. To qualify for the credit, a taxpayer's application must be received by the chancellor after the first day and before the twenty-first day of January of the year following the calendar year in which the wages or salaries are paid. The application shall be made on a form and in the manner prescribed by the chancellor and shall include any information and documentation sufficient to establish that the</u>	118
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<u>applicant meets the eligibility criteria prescribed under</u>	129
<u>section 5747.83 or 5751.55 of the Revised Code.</u>	130
<u>(C) If the chancellor determines that the applicant</u>	131
<u>qualifies for a credit under section 5747.83 or 5751.55 of the</u>	132
<u>Revised Code, the chancellor shall issue, within fifteen days</u>	133
<u>after the receipt of a complete application under division (B)</u>	134
<u>of this section, a tax credit certificate to the applicant. The</u>	135
<u>certificate shall be identified with a unique number and shall</u>	136
<u>include the applicant's name, address, federal employer</u>	137
<u>identification number, and the amount of credit the chancellor</u>	138
<u>determines the applicant is eligible to claim under section</u>	139
<u>5747.83 or 5751.55 of the Revised Code. The director shall send</u>	140
<u>a copy of each certificate to the tax commissioner.</u>	141
Sec. 5703.21. (A) Except as provided in divisions (B) and	142
(C) of this section, no agent of the department of taxation,	143
except in the agent's report to the department or when called on	144
to testify in any court or proceeding, shall divulge any	145
information acquired by the agent as to the transactions,	146
property, or business of any person while acting or claiming to	147
act under orders of the department. Whoever violates this	148
provision shall thereafter be disqualified from acting as an	149
officer or employee or in any other capacity under appointment	150
or employment of the department.	151
(B) (1) For purposes of an audit pursuant to section 117.15	152
of the Revised Code, or an audit of the department pursuant to	153
Chapter 117. of the Revised Code, or an audit, pursuant to that	154
chapter, the objective of which is to express an opinion on a	155
financial report or statement prepared or issued pursuant to	156
division (A) (7) or (9) of section 126.21 of the Revised Code,	157
the officers and employees of the auditor of state charged with	158

conducting the audit shall have access to and the right to 159
examine any state tax returns and state tax return information 160
in the possession of the department to the extent that the 161
access and examination are necessary for purposes of the audit. 162
Any information acquired as the result of that access and 163
examination shall not be divulged for any purpose other than as 164
required for the audit or unless the officers and employees are 165
required to testify in a court or proceeding under compulsion of 166
legal process. Whoever violates this provision shall thereafter 167
be disqualified from acting as an officer or employee or in any 168
other capacity under appointment or employment of the auditor of 169
state. 170

(2) For purposes of an internal audit pursuant to section 171
126.45 of the Revised Code, the officers and employees of the 172
office of internal audit in the office of budget and management 173
charged with directing the internal audit shall have access to 174
and the right to examine any state tax returns and state tax 175
return information in the possession of the department to the 176
extent that the access and examination are necessary for 177
purposes of the internal audit. Any information acquired as the 178
result of that access and examination shall not be divulged for 179
any purpose other than as required for the internal audit or 180
unless the officers and employees are required to testify in a 181
court or proceeding under compulsion of legal process. Whoever 182
violates this provision shall thereafter be disqualified from 183
acting as an officer or employee or in any other capacity under 184
appointment or employment of the office of internal audit. 185

(3) As provided by section 6103(d)(2) of the Internal 186
Revenue Code, any federal tax returns or federal tax information 187
that the department has acquired from the internal revenue 188
service, through federal and state statutory authority, may be 189

disclosed to the auditor of state or the office of internal	190
audit solely for purposes of an audit of the department.	191
(4) For purposes of Chapter 3739. of the Revised Code, an	192
agent of the department of taxation may share information with	193
the division of state fire marshal that the agent finds during	194
the course of an investigation.	195
(C) Division (A) of this section does not prohibit any of	196
the following:	197
(1) Divulging information contained in applications,	198
complaints, and related documents filed with the department	199
under section 5715.27 of the Revised Code or in applications	200
filed with the department under section 5715.39 of the Revised	201
Code;	202
(2) Providing information to the office of child support	203
within the department of job and family services pursuant to	204
section 3125.43 of the Revised Code;	205
(3) Disclosing to the motor vehicle repair board any	206
information in the possession of the department that is	207
necessary for the board to verify the existence of an	208
applicant's valid vendor's license and current state tax	209
identification number under section 4775.07 of the Revised Code;	210
(4) Providing information to the administrator of workers'	211
compensation pursuant to sections 4123.271 and 4123.591 of the	212
Revised Code;	213
(5) Providing to the attorney general information the	214
department obtains under division (J) of section 1346.01 of the	215
Revised Code;	216
(6) Permitting properly authorized officers, employees, or	217

agents of a municipal corporation from inspecting reports or	218
information pursuant to section 718.84 of the Revised Code or	219
rules adopted under section 5745.16 of the Revised Code;	220
(7) Providing information regarding the name, account	221
number, or business address of a holder of a vendor's license	222
issued pursuant to section 5739.17 of the Revised Code, a holder	223
of a direct payment permit issued pursuant to section 5739.031	224
of the Revised Code, or a seller having a use tax account	225
maintained pursuant to section 5741.17 of the Revised Code, or	226
information regarding the active or inactive status of a	227
vendor's license, direct payment permit, or seller's use tax	228
account;	229
(8) Releasing invoices or invoice information furnished	230
under section 4301.433 of the Revised Code pursuant to that	231
section;	232
(9) Providing to a county auditor notices or documents	233
concerning or affecting the taxable value of property in the	234
county auditor's county. Unless authorized by law to disclose	235
documents so provided, the county auditor shall not disclose	236
such documents;	237
(10) Providing to a county auditor sales or use tax return	238
or audit information under section 333.06 of the Revised Code;	239
(11) Subject to section 4301.441 of the Revised Code,	240
disclosing to the appropriate state agency information in the	241
possession of the department of taxation that is necessary to	242
verify a permit holder's gallonage or noncompliance with taxes	243
levied under Chapter 4301. or 4305. of the Revised Code;	244
(12) Disclosing to the department of natural resources	245
information in the possession of the department of taxation that	246

is necessary for the department of taxation to verify the 247
taxpayer's compliance with section 5749.02 of the Revised Code 248
or to allow the department of natural resources to enforce 249
Chapter 1509. of the Revised Code; 250

(13) Disclosing to the department of job and family 251
services, industrial commission, and bureau of workers' 252
compensation information in the possession of the department of 253
taxation solely for the purpose of identifying employers that 254
misclassify employees as independent contractors or that fail to 255
properly report and pay employer tax liabilities. The department 256
of taxation shall disclose only such information that is 257
necessary to verify employer compliance with law administered by 258
those agencies. 259

(14) Disclosing to the Ohio casino control commission 260
information in the possession of the department of taxation that 261
is necessary to verify a casino operator's compliance with 262
section 5747.063 or 5753.02 of the Revised Code and sections 263
related thereto; 264

(15) Disclosing to the state lottery commission 265
information in the possession of the department of taxation that 266
is necessary to verify a lottery sales agent's compliance with 267
section 5747.064 of the Revised Code. 268

(16) Disclosing to the department of development 269
information in the possession of the department of taxation that 270
is necessary to ensure compliance with the laws of this state 271
governing taxation and to verify information reported to the 272
department of development for the purpose of evaluating 273
potential tax credits, tax deductions, grants, or loans. Such 274
information shall not include information received from the 275
internal revenue service the disclosure of which is prohibited 276

by section 6103 of the Internal Revenue Code. No officer, 277
employee, or agent of the department of development shall 278
disclose any information provided to the department of 279
development by the department of taxation under division (C) (16) 280
of this section except when disclosure of the information is 281
necessary for, and made solely for the purpose of facilitating, 282
the evaluation of potential tax credits, tax deductions, grants, 283
or loans. 284

(17) Disclosing to the department of insurance information 285
in the possession of the department of taxation that is 286
necessary to ensure a taxpayer's compliance with the 287
requirements with any tax credit administered by the department 288
of development and claimed by the taxpayer against any tax 289
administered by the superintendent of insurance. No officer, 290
employee, or agent of the department of insurance shall disclose 291
any information provided to the department of insurance by the 292
department of taxation under division (C) (17) of this section. 293

(18) Disclosing to the division of liquor control 294
information in the possession of the department of taxation that 295
is necessary for the division and department to comply with the 296
requirements of sections 4303.26 and 4303.271 of the Revised 297
Code. 298

(19) Disclosing to the department of education, upon that 299
department's request, information in the possession of the 300
department of taxation that is necessary only to verify whether 301
the family income of a student applying for or receiving a 302
scholarship under the educational choice scholarship pilot 303
program is equal to, less than, or greater than the income 304
thresholds prescribed by section 3310.032 of the Revised Code. 305
The department of education shall provide sufficient information 306

about the student and the student's family to enable the 307
department of taxation to make the verification. 308

(20) Disclosing to the Ohio rail development commission 309
information in the possession of the department of taxation that 310
is necessary to ensure compliance with the laws of this state 311
governing taxation and to verify information reported to the 312
commission for the purpose of evaluating potential grants or 313
loans. Such information shall not include information received 314
from the internal revenue service the disclosure of which is 315
prohibited by section 6103 of the Internal Revenue Code. No 316
member, officer, employee, or agent of the Ohio rail development 317
commission shall disclose any information provided to the 318
commission by the department of taxation under division (C) (20) 319
of this section except when disclosure of the information is 320
necessary for, and made solely for the purpose of facilitating, 321
the evaluation of potential grants or loans. 322

(21) Disclosing to the state racing commission information 323
in the possession of the department of taxation that is 324
necessary for verification of compliance with and for 325
enforcement and administration of the taxes levied by Chapter 326
3769. of the Revised Code. Such information shall include 327
information that is necessary for the state racing commission to 328
verify compliance with Chapter 3769. of the Revised Code for the 329
purposes of issuance, denial, suspension, or revocation of a 330
permit pursuant to section 3769.03 or 3769.06 of the Revised 331
Code and related sections. Unless disclosure is otherwise 332
authorized by law, information provided to the state racing 333
commission under this section remains confidential and is not 334
subject to public disclosure pursuant to section 3769.041 of the 335
Revised Code. 336

(22) Disclosing to the state fire marshal information in
the possession of the department of taxation that is necessary
for the state fire marshal to verify the compliance of a
licensed manufacturer of fireworks or a licensed wholesaler of
fireworks with section 3743.22 of the Revised Code. No officer,
employee, or agent of the state fire marshal shall disclose any
information provided to the state fire marshal by the department
of taxation under division (C) (22) of this section. 337
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(23) Disclosing to the department of higher education 345
information in the possession of the department of taxation that 346
is necessary to verify information reported to the department of 347
higher education for the purpose of evaluating potential tax 348
credits. Such information shall not include information received 349
from the internal revenue service the disclosure of which is 350
prohibited by section 6103 of the Internal Revenue Code. No 351
officer, employee, or agent of the department of higher 352
education shall disclose any information provided to the 353
department of higher education by the department of taxation 354
under division (C) (23) of this section. 355

Sec. 5747.01. Except as otherwise expressly provided or 356
clearly appearing from the context, any term used in this 357
chapter that is not otherwise defined in this section has the 358
same meaning as when used in a comparable context in the laws of 359
the United States relating to federal income taxes or if not 360
used in a comparable context in those laws, has the same meaning 361
as in section 5733.40 of the Revised Code. Any reference in this 362
chapter to the Internal Revenue Code includes other laws of the 363
United States relating to federal income taxes. 364

As used in this chapter: 365

(A) "Adjusted gross income" or "Ohio adjusted gross 366

income" means federal adjusted gross income, as defined and used	367
in the Internal Revenue Code, adjusted as provided in this	368
section:	369
(1) Add interest or dividends on obligations or securities	370
of any state or of any political subdivision or authority of any	371
state, other than this state and its subdivisions and	372
authorities.	373
(2) Add interest or dividends on obligations of any	374
authority, commission, instrumentality, territory, or possession	375
of the United States to the extent that the interest or	376
dividends are exempt from federal income taxes but not from	377
state income taxes.	378
(3) Deduct interest or dividends on obligations of the	379
United States and its territories and possessions or of any	380
authority, commission, or instrumentality of the United States	381
to the extent that the interest or dividends are included in	382
federal adjusted gross income but exempt from state income taxes	383
under the laws of the United States.	384
(4) Deduct disability and survivor's benefits to the	385
extent included in federal adjusted gross income.	386
(5) Deduct the following, to the extent not otherwise	387
deducted or excluded in computing federal or Ohio adjusted gross	388
income:	389
(a) Benefits under Title II of the Social Security Act and	390
tier 1 railroad retirement;	391
(b) Railroad retirement benefits, other than tier 1	392
railroad retirement benefits, to the extent such amounts are	393
exempt from state taxation under federal law.	394

(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.	395 396 397 398 399 400
(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.	401 402 403 404
(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.	405 406 407 408
(9) Deduct or add amounts, as provided under section 5747.70 of the Revised Code, related to contributions to variable college savings program accounts made or tuition units purchased pursuant to Chapter 3334. of the Revised Code.	409 410 411 412
(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	413 414 415 416 417 418 419 420 421 422 423 424

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.	425 426 427 428 429 430 431
(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.	432 433 434 435 436 437 438
(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.	439 440 441 442 443 444 445 446 447 448 449 450
(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	451 452 453 454

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. 455
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(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. 461
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(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: 466
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(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; 470
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(b) It does not otherwise reduce the taxpayer's adjusted gross income for the current or any other taxable year. 474
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(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. 476
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(14) (a) Add an amount equal to the funds withdrawn from a 483

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;	484 485 486 487 488
(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.	489 490 491
(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:	492 493 494
(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;	495 496 497 498
(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.	499 500 501
(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.	502 503 504 505 506 507 508 509
(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	510 511 512

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.	513 514 515 516 517
(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.	518 519 520 521 522 523 524
(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.	525 526 527 528 529 530 531
(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	532 533 534 535 536 537 538 539 540 541 542

any such pass-through entities.	543
(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.	544 545 546 547 548 549 550
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.	551 552 553 554
(b) Nothing in division (A)(17) of this section shall be construed to adjust or modify the adjusted basis of any asset.	555 556
(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.	557 558 559 560 561 562 563 564 565 566
(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	567 568 569 570 571

Internal Revenue Code and by the qualifying section 179 depreciation expense amount.	572
	573
(e) For the purposes of divisions (A)(17) and (18) of this section:	574
	575
(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.	576
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(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.	579
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(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.	584
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(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:	591
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(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;	594
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(ii) One-half of the amount so added for each of the two succeeding taxable years if the amount so added was two-thirds	599
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of such depreciation expense; 601

(iii) One-sixth of the amount so added for each of the six 602
succeeding taxable years if the entire amount of such 603
depreciation expense was so added. 604

(b) If the amount deducted under division (A) (18) (a) of 605
this section is attributable to an add-back allocated under 606
division (A) (17) (c) of this section, the amount deducted shall 607
be situated to the same location. Otherwise, the add-back shall 608
be apportioned using the apportionment factors for the taxable 609
year in which the deduction is taken, subject to one or more of 610
the four alternative methods of apportionment enumerated in 611
section 5747.21 of the Revised Code. 612

(c) No deduction is available under division (A) (18) (a) of 613
this section with regard to any depreciation allowed by section 614
168(k) of the Internal Revenue Code and by the qualifying 615
section 179 depreciation expense amount to the extent that such 616
depreciation results in or increases a federal net operating 617
loss carryback or carryforward. If no such deduction is 618
available for a taxable year, the taxpayer may carry forward the 619
amount not deducted in such taxable year to the next taxable 620
year and add that amount to any deduction otherwise available 621
under division (A) (18) (a) of this section for that next taxable 622
year. The carryforward of amounts not so deducted shall continue 623
until the entire addition required by division (A) (17) (a) of 624
this section has been deducted. 625

(19) Deduct, to the extent not otherwise deducted or 626
excluded in computing federal or Ohio adjusted gross income for 627
the taxable year, the amount the taxpayer received during the 628
taxable year as reimbursement for life insurance premiums under 629
section 5919.31 of the Revised Code. 630

(20) Deduct, to the extent not otherwise deducted or 631
excluded in computing federal or Ohio adjusted gross income for 632
the taxable year, the amount the taxpayer received during the 633
taxable year as a death benefit paid by the adjutant general 634
under section 5919.33 of the Revised Code. 635

(21) Deduct, to the extent included in federal adjusted 636
gross income and not otherwise allowable as a deduction or 637
exclusion in computing federal or Ohio adjusted gross income for 638
the taxable year, military pay and allowances received by the 639
taxpayer during the taxable year for active duty service in the 640
United States army, air force, navy, marine corps, or coast 641
guard or reserve components thereof or the national guard. The 642
deduction may not be claimed for military pay and allowances 643
received by the taxpayer while the taxpayer is stationed in this 644
state. 645

(22) Deduct, to the extent not otherwise allowable as a 646
deduction or exclusion in computing federal or Ohio adjusted 647
gross income for the taxable year and not otherwise compensated 648
for by any other source, the amount of qualified organ donation 649
expenses incurred by the taxpayer during the taxable year, not 650
to exceed ten thousand dollars. A taxpayer may deduct qualified 651
organ donation expenses only once for all taxable years 652
beginning with taxable years beginning in 2007. 653

For the purposes of division (A)(22) of this section: 654

(a) "Human organ" means all or any portion of a human 655
liver, pancreas, kidney, intestine, or lung, and any portion of 656
human bone marrow. 657

(b) "Qualified organ donation expenses" means travel 658
expenses, lodging expenses, and wages and salary forgone by a 659

taxpayer in connection with the taxpayer's donation, while 660
living, of one or more of the taxpayer's human organs to another 661
human being. 662

(23) Deduct, to the extent not otherwise deducted or 663
excluded in computing federal or Ohio adjusted gross income for 664
the taxable year, amounts received by the taxpayer as retired 665
personnel pay for service in the uniformed services or reserve 666
components thereof, or the national guard, or received by the 667
surviving spouse or former spouse of such a taxpayer under the 668
survivor benefit plan on account of such a taxpayer's death. If 669
the taxpayer receives income on account of retirement paid under 670
the federal civil service retirement system or federal employees 671
retirement system, or under any successor retirement program 672
enacted by the congress of the United States that is established 673
and maintained for retired employees of the United States 674
government, and such retirement income is based, in whole or in 675
part, on credit for the taxpayer's uniformed service, the 676
deduction allowed under this division shall include only that 677
portion of such retirement income that is attributable to the 678
taxpayer's uniformed service, to the extent that portion of such 679
retirement income is otherwise included in federal adjusted 680
gross income and is not otherwise deducted under this section. 681
Any amount deducted under division (A) (23) of this section is 682
not included in a taxpayer's adjusted gross income for the 683
purposes of section 5747.055 of the Revised Code. No amount may 684
be deducted under division (A) (23) of this section on the basis 685
of which a credit was claimed under section 5747.055 of the 686
Revised Code. 687

(24) Deduct, to the extent not otherwise deducted or 688
excluded in computing federal or Ohio adjusted gross income for 689
the taxable year, the amount the taxpayer received during the 690

taxable year from the military injury relief fund created in 691
section 5902.05 of the Revised Code. 692

(25) Deduct, to the extent not otherwise deducted or 693
excluded in computing federal or Ohio adjusted gross income for 694
the taxable year, the amount the taxpayer received as a veterans 695
bonus during the taxable year from the Ohio department of 696
veterans services as authorized by Section 2r of Article VIII, 697
Ohio Constitution. 698

(26) Deduct, to the extent not otherwise deducted or 699
excluded in computing federal or Ohio adjusted gross income for 700
the taxable year, any income derived from a transfer agreement 701
or from the enterprise transferred under that agreement under 702
section 4313.02 of the Revised Code. 703

(27) Deduct, to the extent not otherwise deducted or 704
excluded in computing federal or Ohio adjusted gross income for 705
the taxable year, Ohio college opportunity or federal Pell grant 706
amounts received by the taxpayer or the taxpayer's spouse or 707
dependent pursuant to section 3333.122 of the Revised Code or 20 708
U.S.C. 1070a, et seq., and used to pay room or board furnished 709
by the educational institution for which the grant was awarded 710
at the institution's facilities, including meal plans 711
administered by the institution. For the purposes of this 712
division, receipt of a grant includes the distribution of a 713
grant directly to an educational institution and the crediting 714
of the grant to the enrollee's account with the institution. 715

(28) Deduct from the portion of an individual's federal 716
adjusted gross income that is business income, to the extent not 717
otherwise deducted or excluded in computing federal adjusted 718
gross income for the taxable year, one hundred twenty-five 719
thousand dollars for each spouse if spouses file separate 720

returns under section 5747.08 of the Revised Code or two hundred	721
fifty thousand dollars for all other individuals.	722
(29) Deduct, as provided under section 5747.78 of the	723
Revised Code, contributions to ABLE savings accounts made in	724
accordance with sections 113.50 to 113.56 of the Revised Code.	725
(30) (a) Deduct, to the extent not otherwise deducted or	726
excluded in computing federal or Ohio adjusted gross income	727
during the taxable year, all of the following:	728
(i) Compensation paid to a qualifying employee described	729
in division (A) (14) (a) of section 5703.94 of the Revised Code to	730
the extent such compensation is for disaster work conducted in	731
this state during a disaster response period pursuant to a	732
qualifying solicitation received by the employee's employer;	733
(ii) Compensation paid to a qualifying employee described	734
in division (A) (14) (b) of section 5703.94 of the Revised Code to	735
the extent such compensation is for disaster work conducted in	736
this state by the employee during the disaster response period	737
on critical infrastructure owned or used by the employee's	738
employer;	739
(iii) Income received by an out-of-state disaster business	740
for disaster work conducted in this state during a disaster	741
response period, or, if the out-of-state disaster business is a	742
pass-through entity, a taxpayer's distributive share of the	743
pass-through entity's income from the business conducting	744
disaster work in this state during a disaster response period,	745
if, in either case, the disaster work is conducted pursuant to a	746
qualifying solicitation received by the business.	747
(b) All terms used in division (A) (30) of this section	748
have the same meanings as in section 5703.94 of the Revised	749

Code.	750
(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.	751 752 753 754 755 756 757 758 759
(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, as defined by 10 U.S.C. 101.	760 761 762 763 764 765
(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.	766 767 768 769 770
(34) Deduct amounts as provided under section 5747.79 of the Revised Code related to the taxpayer's qualifying capital gains and deductible payroll.	771 772 773
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.	774 775 776 777
(35) (a) For taxable years beginning in or after 2026,	778

deduct, to the extent not otherwise deducted or excluded in
computing federal or Ohio adjusted gross income for the taxable
year: 781

(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 786

(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. 791

(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. 795

(c) All terms used in division (A) (35) of this section
have the same meanings as in section 122.851 of the Revised
Code. 798

(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. 802

(36) Deduct the amount allowed under section 5747.82 of 803
the Revised Code. To the extent that income qualifies for the 804
deduction under this division and the deduction described in 805
division (A) (28) of this section, the taxpayer shall deduct such 806
income under this division before deducting any such income 807

<u>under division (A) (28) of this section.</u>	808
(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.	809 810 811 812 813 814 815 816 817 818
(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.	819 820 821 822 823 824
(D) "Compensation" means any form of remuneration paid to an employee for personal services.	825 826
(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.	827 828 829
(F) "Fiscal year" means an accounting period of twelve months ending on the last day of any month other than December.	830 831
(G) "Individual" means any natural person.	832
(H) "Internal Revenue Code" means the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended.	833 834
(I) "Resident" means any of the following:	835

(1) An individual who is domiciled in this state, subject to section 5747.24 of the Revised Code;	836 837
(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.	838 839 840 841
(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.	842 843 844
For the purposes of division (I) (3) of this section:	845
(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:	846 847 848 849 850 851
(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;	852 853 854 855
(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;	856 857 858 859 860 861
(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,	862 863 864

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. 865
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(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. 873
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(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. 877
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(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: 887
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(i) The first time the trust receives assets, the 895
numerator of the qualifying ratio is the fair market value of 896
those assets at that time, net of any related liabilities, from 897
sources enumerated in division (I)(3)(a) of this section. The 898
denominator of the qualifying ratio is the fair market value of 899
all the trust's assets at that time, net of any related 900
liabilities. 901

(ii) Each subsequent time the trust receives assets, a 902
revised qualifying ratio shall be computed. The numerator of the 903
revised qualifying ratio is the sum of (1) the fair market value 904
of the trust's assets immediately prior to the subsequent 905
transfer, net of any related liabilities, multiplied by the 906
qualifying ratio last computed without regard to the subsequent 907
transfer, and (2) the fair market value of the subsequently 908
transferred assets at the time transferred, net of any related 909
liabilities, from sources enumerated in division (I)(3)(a) of 910
this section. The denominator of the revised qualifying ratio is 911
the fair market value of all the trust's assets immediately 912
after the subsequent transfer, net of any related liabilities. 913

(iii) Whether a transfer to the trust is by or from any of 914
the sources enumerated in division (I)(3)(a) of this section 915
shall be ascertained without regard to the domicile of the 916
trust's beneficiaries. 917

(e) For the purposes of division (I)(3)(a)(i) of this 918
section: 919

(i) A trust is described in division (I)(3)(e)(i) of this 920
section if the trust is a testamentary trust and the testator of 921
that testamentary trust was domiciled in this state at the time 922
of the testator's death for purposes of the taxes levied under 923
Chapter 5731. of the Revised Code. 924

(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. 925
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(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: 932
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(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. 936
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(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. 942
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(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 949
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Code.	955
(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.	956 957 958 959 960
(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.	961 962 963 964
(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.	965 966 967 968 969 970
(g) The tax commissioner may adopt rules to ascertain the part of a trust residing in this state.	971 972
(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.	973 974 975 976
(K) "Pass-through entity" has the same meaning as in section 5733.04 of the Revised Code.	977 978
(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.	979 980 981 982

(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.	983 984 985 986
(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.	987 988 989 990
(O) "Dependents" means one of the following:	991
(1) For taxable years beginning on or after January 1, 2018, and before January 1, 2026, dependents as defined in the Internal Revenue Code;	992 993 994
(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.	995 996 997 998 999
(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.	1000 1001 1002 1003 1004
(Q) As used in sections 5747.50 to 5747.55 of the Revised Code:	1005 1006
(1) "Subdivision" means any county, municipal corporation, park district, or township.	1007 1008
(2) "Essential local government purposes" includes all functions that any subdivision is required by general law to	1009 1010

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)	1040
(1) (a) or (b) of this section;	1041
(3) Add the amount of personal exemption allowed to the	1042
estate pursuant to section 642(b) of the Internal Revenue Code;	1043
(4) Deduct interest or dividends, net of related expenses	1044
deducted in computing federal taxable income, on obligations of	1045
the United States and its territories and possessions or of any	1046
authority, commission, or instrumentality of the United States	1047
to the extent that the interest or dividends are exempt from	1048
state taxes under the laws of the United States, but only to the	1049
extent that such amount is included in federal taxable income	1050
and is described in either division (S) (1) (a) or (b) of this	1051
section;	1052
(5) Deduct the amount of wages and salaries, if any, not	1053
otherwise allowable as a deduction but that would have been	1054
allowable as a deduction in computing federal taxable income for	1055
the taxable year, had the work opportunity tax credit allowed	1056
under sections 38, 51, and 52 of the Internal Revenue Code not	1057
been in effect, but only to the extent such amount relates	1058
either to income included in federal taxable income for the	1059
taxable year or to income of the S portion of an electing small	1060
business trust for the taxable year;	1061
(6) Deduct any interest or interest equivalent, net of	1062
related expenses deducted in computing federal taxable income,	1063
on public obligations and purchase obligations, but only to the	1064
extent that such net amount relates either to income included in	1065
federal taxable income for the taxable year or to income of the	1066
S portion of an electing small business trust for the taxable	1067
year;	1068

(7) Add any loss or deduct any gain resulting from sale, 1069
exchange, or other disposition of public obligations to the 1070
extent that such loss has been deducted or such gain has been 1071
included in computing either federal taxable income or income of 1072
the S portion of an electing small business trust for the 1073
taxable year; 1074

(8) Except in the case of the final return of an estate, 1075
add any amount deducted by the taxpayer on both its Ohio estate 1076
tax return pursuant to section 5731.14 of the Revised Code, and 1077
on its federal income tax return in determining federal taxable 1078
income; 1079

(9) (a) Deduct any amount included in federal taxable 1080
income solely because the amount represents a reimbursement or 1081
refund of expenses that in a previous year the decedent had 1082
deducted as an itemized deduction pursuant to section 63 of the 1083
Internal Revenue Code and applicable treasury regulations. The 1084
deduction otherwise allowed under division (S)(9)(a) of this 1085
section shall be reduced to the extent the reimbursement is 1086
attributable to an amount the taxpayer or decedent deducted 1087
under this section in any taxable year. 1088

(b) Add any amount not otherwise included in Ohio taxable 1089
income for any taxable year to the extent that the amount is 1090
attributable to the recovery during the taxable year of any 1091
amount deducted or excluded in computing federal or Ohio taxable 1092
income in any taxable year, but only to the extent such amount 1093
has not been distributed to beneficiaries for the taxable year. 1094

(10) Deduct any portion of the deduction described in 1095
section 1341(a)(2) of the Internal Revenue Code, for repaying 1096
previously reported income received under a claim of right, that 1097
meets both of the following requirements: 1098

(a) It is allowable for repayment of an item that was 1099
included in the taxpayer's taxable income or the decedent's 1100
adjusted gross income for a prior taxable year and did not 1101
qualify for a credit under division (A) or (B) of section 1102
5747.05 of the Revised Code for that year. 1103

(b) It does not otherwise reduce the taxpayer's taxable 1104
income or the decedent's adjusted gross income for the current 1105
or any other taxable year. 1106

(11) Add any amount claimed as a credit under section 1107
5747.059 of the Revised Code to the extent that the amount 1108
satisfies either of the following: 1109

(a) The amount was deducted or excluded from the 1110
computation of the taxpayer's federal taxable income as required 1111
to be reported for the taxpayer's taxable year under the 1112
Internal Revenue Code; 1113

(b) The amount resulted in a reduction in the taxpayer's 1114
federal taxable income as required to be reported for any of the 1115
taxpayer's taxable years under the Internal Revenue Code. 1116

(12) Deduct any amount, net of related expenses deducted 1117
in computing federal taxable income, that a trust is required to 1118
report as farm income on its federal income tax return, but only 1119
if the assets of the trust include at least ten acres of land 1120
satisfying the definition of "land devoted exclusively to 1121
agricultural use" under section 5713.30 of the Revised Code, 1122
regardless of whether the land is valued for tax purposes as 1123
such land under sections 5713.30 to 5713.38 of the Revised Code. 1124
If the trust is a pass-through entity investor, section 5747.231 1125
of the Revised Code applies in ascertaining if the trust is 1126
eligible to claim the deduction provided by division (S) (12) of 1127

this section in connection with the pass-through entity's farm income.	1128 1129
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.	1130 1131 1132 1133
(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.	1134 1135 1136
(14) Add or deduct the amount the taxpayer would be required to add or deduct under division (A)(17) or (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.	1137 1138 1139 1140 1141
(T) "School district income" and "school district income tax" have the same meanings as in section 5748.01 of the Revised Code.	1142 1143 1144
(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.	1145 1146 1147 1148
(V) "Limited liability company" means any limited liability company formed under Chapter 1705. or 1706. of the Revised Code or under the laws of any other state.	1149 1150 1151
(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.	1152 1153 1154 1155

(X) "Banking day" has the same meaning as in section	1156
1304.01 of the Revised Code.	1157
(Y) "Month" means a calendar month.	1158
(Z) "Quarter" means the first three months, the second	1159
three months, the third three months, or the last three months	1160
of the taxpayer's taxable year.	1161
(AA) (1) "Modified business income" means the business	1162
income included in a trust's Ohio taxable income after such	1163
taxable income is first reduced by the qualifying trust amount,	1164
if any.	1165
(2) "Qualifying trust amount" of a trust means capital	1166
gains and losses from the sale, exchange, or other disposition	1167
of equity or ownership interests in, or debt obligations of, a	1168
qualifying investee to the extent included in the trust's Ohio	1169
taxable income, but only if the following requirements are	1170
satisfied:	1171
(a) The book value of the qualifying investee's physical	1172
assets in this state and everywhere, as of the last day of the	1173
qualifying investee's fiscal or calendar year ending immediately	1174
prior to the date on which the trust recognizes the gain or	1175
loss, is available to the trust.	1176
(b) The requirements of section 5747.011 of the Revised	1177
Code are satisfied for the trust's taxable year in which the	1178
trust recognizes the gain or loss.	1179
Any gain or loss that is not a qualifying trust amount is	1180
modified business income, qualifying investment income, or	1181
modified nonbusiness income, as the case may be.	1182
(3) "Modified nonbusiness income" means a trust's Ohio	1183

taxable income other than modified business income, other than	1184
the qualifying trust amount, and other than qualifying	1185
investment income, as defined in section 5747.012 of the Revised	1186
Code, to the extent such qualifying investment income is not	1187
otherwise part of modified business income.	1188
(4) "Modified Ohio taxable income" applies only to trusts,	1189
and means the sum of the amounts described in divisions (AA) (4)	1190
(a) to (c) of this section:	1191
(a) The fraction, calculated under section 5747.013, and	1192
applying section 5747.231 of the Revised Code, multiplied by the	1193
sum of the following amounts:	1194
(i) The trust's modified business income;	1195
(ii) The trust's qualifying investment income, as defined	1196
in section 5747.012 of the Revised Code, but only to the extent	1197
the qualifying investment income does not otherwise constitute	1198
modified business income and does not otherwise constitute a	1199
qualifying trust amount.	1200
(b) The qualifying trust amount multiplied by a fraction,	1201
the numerator of which is the sum of the book value of the	1202
qualifying investee's physical assets in this state on the last	1203
day of the qualifying investee's fiscal or calendar year ending	1204
immediately prior to the day on which the trust recognizes the	1205
qualifying trust amount, and the denominator of which is the sum	1206
of the book value of the qualifying investee's total physical	1207
assets everywhere on the last day of the qualifying investee's	1208
fiscal or calendar year ending immediately prior to the day on	1209
which the trust recognizes the qualifying trust amount. If, for	1210
a taxable year, the trust recognizes a qualifying trust amount	1211
with respect to more than one qualifying investee, the amount	1212

described in division (AA) (4) (b) of this section shall equal the	1213
sum of the products so computed for each such qualifying	1214
investee.	1215
(c) (i) With respect to a trust or portion of a trust that	1216
is a resident as ascertained in accordance with division (I) (3)	1217
(d) of this section, its modified nonbusiness income.	1218
(ii) With respect to a trust or portion of a trust that is	1219
not a resident as ascertained in accordance with division (I) (3)	1220
(d) of this section, the amount of its modified nonbusiness	1221
income satisfying the descriptions in divisions (B) (2) to (5) of	1222
section 5747.20 of the Revised Code, except as otherwise	1223
provided in division (AA) (4) (c) (ii) of this section. With	1224
respect to a trust or portion of a trust that is not a resident	1225
as ascertained in accordance with division (I) (3) (d) of this	1226
section, the trust's portion of modified nonbusiness income	1227
recognized from the sale, exchange, or other disposition of a	1228
debt interest in or equity interest in a section 5747.212	1229
entity, as defined in section 5747.212 of the Revised Code,	1230
without regard to division (A) of that section, shall not be	1231
allocated to this state in accordance with section 5747.20 of	1232
the Revised Code but shall be apportioned to this state in	1233
accordance with division (B) of section 5747.212 of the Revised	1234
Code without regard to division (A) of that section.	1235
If the allocation and apportionment of a trust's income	1236
under divisions (AA) (4) (a) and (c) of this section do not fairly	1237
represent the modified Ohio taxable income of the trust in this	1238
state, the alternative methods described in division (C) of	1239
section 5747.21 of the Revised Code may be applied in the manner	1240
and to the same extent provided in that section.	1241
(5) (a) Except as set forth in division (AA) (5) (b) of this	1242

section, "qualifying investee" means a person in which a trust	1243
has an equity or ownership interest, or a person or unit of	1244
government the debt obligations of either of which are owned by	1245
a trust. For the purposes of division (AA) (2) (a) of this section	1246
and for the purpose of computing the fraction described in	1247
division (AA) (4) (b) of this section, all of the following apply:	1248
(i) If the qualifying investee is a member of a qualifying	1249
controlled group on the last day of the qualifying investee's	1250
fiscal or calendar year ending immediately prior to the date on	1251
which the trust recognizes the gain or loss, then "qualifying	1252
investee" includes all persons in the qualifying controlled	1253
group on such last day.	1254
(ii) If the qualifying investee, or if the qualifying	1255
investee and any members of the qualifying controlled group of	1256
which the qualifying investee is a member on the last day of the	1257
qualifying investee's fiscal or calendar year ending immediately	1258
prior to the date on which the trust recognizes the gain or	1259
loss, separately or cumulatively own, directly or indirectly, on	1260
the last day of the qualifying investee's fiscal or calendar	1261
year ending immediately prior to the date on which the trust	1262
recognizes the qualifying trust amount, more than fifty per cent	1263
of the equity of a pass-through entity, then the qualifying	1264
investee and the other members are deemed to own the	1265
proportionate share of the pass-through entity's physical assets	1266
which the pass-through entity directly or indirectly owns on the	1267
last day of the pass-through entity's calendar or fiscal year	1268
ending within or with the last day of the qualifying investee's	1269
fiscal or calendar year ending immediately prior to the date on	1270
which the trust recognizes the qualifying trust amount.	1271
(iii) For the purposes of division (AA) (5) (a) (iii) of this	1272

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. 1273
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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. 1277
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(b) With respect to a trust that is not a resident for the 1303

taxable year and with respect to a part of a trust that is not a	1304
resident for the taxable year, "qualifying investee" for that	1305
taxable year does not include a C corporation if both of the	1306
following apply:	1307
(i) During the taxable year the trust or part of the trust	1308
recognizes a gain or loss from the sale, exchange, or other	1309
disposition of equity or ownership interests in, or debt	1310
obligations of, the C corporation.	1311
(ii) Such gain or loss constitutes nonbusiness income.	1312
(6) "Available" means information is such that a person is	1313
able to learn of the information by the due date plus	1314
extensions, if any, for filing the return for the taxable year	1315
in which the trust recognizes the gain or loss.	1316
(BB) "Qualifying controlled group" has the same meaning as	1317
in section 5733.04 of the Revised Code.	1318
(CC) "Related member" has the same meaning as in section	1319
5733.042 of the Revised Code.	1320
(DD) (1) For the purposes of division (DD) of this section:	1321
(a) "Qualifying person" means any person other than a	1322
qualifying corporation.	1323
(b) "Qualifying corporation" means any person classified	1324
for federal income tax purposes as an association taxable as a	1325
corporation, except either of the following:	1326
(i) A corporation that has made an election under	1327
subchapter S, chapter one, subtitle A, of the Internal Revenue	1328
Code for its taxable year ending within, or on the last day of,	1329
the investor's taxable year;	1330

(ii) A subsidiary that is wholly owned by any corporation	1331
that has made an election under subchapter S, chapter one,	1332
subtitle A of the Internal Revenue Code for its taxable year	1333
ending within, or on the last day of, the investor's taxable	1334
year.	1335
(2) For the purposes of this chapter, unless expressly	1336
stated otherwise, no qualifying person indirectly owns any asset	1337
directly or indirectly owned by any qualifying corporation.	1338
(EE) For purposes of this chapter and Chapter 5751. of the	1339
Revised Code:	1340
(1) "Trust" does not include a qualified pre-income tax	1341
trust.	1342
(2) A "qualified pre-income tax trust" is any pre-income	1343
tax trust that makes a qualifying pre-income tax trust election	1344
as described in division (EE) (3) of this section.	1345
(3) A "qualifying pre-income tax trust election" is an	1346
election by a pre-income tax trust to subject to the tax imposed	1347
by section 5751.02 of the Revised Code the pre-income tax trust	1348
and all pass-through entities of which the trust owns or	1349
controls, directly, indirectly, or constructively through	1350
related interests, five per cent or more of the ownership or	1351
equity interests. The trustee shall notify the tax commissioner	1352
in writing of the election on or before April 15, 2006. The	1353
election, if timely made, shall be effective on and after	1354
January 1, 2006, and shall apply for all tax periods and tax	1355
years until revoked by the trustee of the trust.	1356
(4) A "pre-income tax trust" is a trust that satisfies all	1357
of the following requirements:	1358
(a) The document or instrument creating the trust was	1359

executed by the grantor before January 1, 1972;	1360
(b) The trust became irrevocable upon the creation of the trust; and	1361 1362
(c) The grantor was domiciled in this state at the time the trust was created.	1363 1364
(FF) "Uniformed services" has the same meaning as in 10 U.S.C. 101.	1365 1366
(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.	1367 1368 1369 1370 1371
(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.	1372 1373 1374 1375 1376 1377 1378 1379 1380 1381
(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.	1382 1383 1384
(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	1385 1386 1387 1388

3319. or section 3301.071 of the Revised Code. 1389

Sec. 5747.82. (A) As used in this section, "institution of higher education" means all of the following: 1390
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(1) A state institution of higher education, as defined in section 3345.011 of the Revised Code; 1392
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(2) An institution authorized by the department of higher education under Chapter 1713. of the Revised Code to grant degrees and that is accredited by the appropriate regional and professional accrediting associations within whose jurisdiction it falls; 1394
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(3) A private career school holding program authorizations issued by the state board of career colleges and schools under division (C) of section 3332.05 of the Revised Code; 1399
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(4) A private institution exempt from regulation under Chapter 3332. of the Revised Code as prescribed in section 3333.046 of the Revised Code. 1402
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(B) (1) An individual who graduates on or after January 1, 2023, from an institution of higher education with a baccalaureate degree or a more advanced degree, as specified in rules adopted by the chancellor of higher education under division (D) of this section, may deduct the following from the individual's federal adjusted gross income to the extent such items are not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year: the individual's wages, salaries, tips, deferred compensation, and other employee compensation, and net earnings from self-employment as defined in section 1402(a) of the Internal Revenue Code. 1405
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(2) Subject to division (C) of this section, the deduction 1417

may be made for the individual's taxable year that includes the 1418
date of graduation and the ensuing two taxable years or for the 1419
taxable year immediately following the taxable year that 1420
includes the date of graduation and the ensuing two taxable 1421
years. Except as provided in division (C) of this section, if a 1422
taxpayer does not claim the deduction for either the taxable 1423
year that includes the date of the individual's graduation or 1424
the immediately following taxable year, the taxpayer may not 1425
claim the deduction for any of the two taxable years thereafter. 1426
Evidence of graduation shall be retained for inspection by the 1427
tax commissioner until the expiration of four years after the 1428
end of the last taxable year the deduction is made. An 1429
individual may not claim a deduction under this section for more 1430
than a total of three taxable years, regardless of the number of 1431
qualifying degrees the individual obtains. 1432

(C) An individual who is allowed a deduction under 1433
division (A) (36) of section 5747.01 of the Revised Code may 1434
elect to defer the deduction for each taxable year that includes 1435
a date on which the individual is enrolled full time in an 1436
institution of higher education to pursue a more advanced 1437
degree, as specified in rules adopted by the chancellor of 1438
higher education under division (D) of this section. Evidence of 1439
such enrollment shall be retained for inspection by the tax 1440
commissioner until the expiration of four years after the end of 1441
the last taxable year the deduction is made. 1442

(D) The chancellor of higher education shall identify 1443
institutions of higher education for the purpose of this section 1444
and provide a list of such institutions to the tax commissioner. 1445
The chancellor shall adopt rules in accordance with Chapter 119. 1446
of the Revised Code specifying the advanced degrees that qualify 1447
for the purpose of calculating or deferring the deduction 1448

authorized under division (A) (36) of section 5747.01 of the 1449
Revised Code. 1450

Sec. 5747.83. Terms used in this section have the same 1451
meanings as in section 5751.55 of the Revised Code. 1452

There is hereby allowed a refundable credit against the 1453
tax imposed by section 5747.02 of the Revised Code for a 1454
taxpayer that employs one or more interns. The credit shall 1455
equal the dollar amount indicated on the certificate issued by 1456
the chancellor of higher education under section 3333.612 of the 1457
Revised Code. The credit shall be claimed for the taxpayer's 1458
taxable year that includes the last day of the calendar year 1459
preceding the year in which the certificate is issued. 1460

The taxpayer shall claim the credit in the order required 1461
by section 5747.98 of the Revised Code. Any credit amount in 1462
excess of the taxpayer's tax liability, after allowing for any 1463
other credits preceding the credit in that order, shall be 1464
refunded to the taxpayer. 1465

The tax commissioner may request that a taxpayer claiming 1466
a credit under this section furnish information as is necessary 1467
to support the claim for the credit under this section, and no 1468
credit shall be allowed unless the requested information is 1469
provided. 1470

No credit shall be allowed under this section for wages or 1471
salaries paid to one or more interns if those wages or salaries 1472
are the basis of credit claimed under section 5751.55 of the 1473
Revised Code. 1474

Sec. 5747.98. (A) To provide a uniform procedure for 1475
calculating a taxpayer's aggregate tax liability under section 1476
5747.02 of the Revised Code, a taxpayer shall claim any credits 1477

to which the taxpayer is entitled in the following order:	1478
Either the retirement income credit under division (B) of section 5747.055 of the Revised Code or the lump sum retirement income credits under divisions (C), (D), and (E) of that section;	1479 1480 1481 1482
Either the senior citizen credit under division (F) of section 5747.055 of the Revised Code or the lump sum distribution credit under division (G) of that section;	1483 1484 1485
The dependent care credit under section 5747.054 of the Revised Code;	1486 1487
The credit for displaced workers who pay for job training under section 5747.27 of the Revised Code;	1488 1489
The campaign contribution credit under section 5747.29 of the Revised Code;	1490 1491
The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;	1492 1493
The joint filing credit under division (G) of section 5747.05 of the Revised Code;	1494 1495
The earned income credit under section 5747.71 of the Revised Code;	1496 1497
The nonrefundable credit for education expenses under section 5747.72 of the Revised Code;	1498 1499
The nonrefundable credit for donations to scholarship granting organizations under section 5747.73 of the Revised Code;	1500 1501 1502
The nonrefundable credit for tuition paid to a nonchartered nonpublic school under section 5747.75 of the	1503 1504

Revised Code;	1505
The credit for adoption of a minor child under section 5747.37 of the Revised Code;	1506 1507
The nonrefundable job retention credit under division (B) of section 5747.058 of the Revised Code;	1508 1509
The enterprise zone credit under section 5709.66 of the Revised Code;	1510 1511
The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	1512 1513
The small business investment credit under section 5747.81 of the Revised Code;	1514 1515
The nonrefundable lead abatement credit under section 5747.26 of the Revised Code;	1516 1517
The opportunity zone investment credit under section 122.84 of the Revised Code;	1518 1519
The enterprise zone credits under section 5709.65 of the Revised Code;	1520 1521
The research and development credit under section 5747.331 of the Revised Code;	1522 1523
The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	1524 1525
The nonresident credit under division (A) of section 5747.05 of the Revised Code;	1526 1527
The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	1528 1529
The refundable motion picture and broadway theatrical	1530

production credit under section 5747.66 of the Revised Code;	1531
The refundable jobs creation credit or job retention credit under division (A) of section 5747.058 of the Revised Code;	1532
The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	1533
The refundable credits for taxes paid by a qualifying pass-through entity granted under division (I) of section 5747.08 of the Revised Code;	1534
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;	1535
The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	1536
<u>The refundable credit for intern wages and salaries under section 5747.83 of the Revised Code.</u>	1537
(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.	1538
<u>Sec. 5751.55. (A) As used in this section:</u>	1539

<u>(1) "Intern" means a student that participates in an</u>	1559
<u>internship program or a cooperative education program.</u>	1560
<u>(2) "Internship program" and "cooperative education</u>	1561
<u>program" have the same meanings as in section 3333.71 of the</u>	1562
<u>Revised Code.</u>	1563
<u>(B) There is hereby allowed a refundable credit against</u>	1564
<u>the tax imposed by section 5751.02 of the Revised Code for a</u>	1565
<u>taxpayer that employs one or more interns. The credit shall</u>	1566
<u>equal the dollar amount indicated on the certificate issued by</u>	1567
<u>the chancellor of higher education under section 3333.612 of the</u>	1568
<u>Revised Code. The credit shall be claimed for the tax period</u>	1569
<u>that includes the last day of the calendar year preceding the</u>	1570
<u>year in which the certificate is issued.</u>	1571
<u>The taxpayer shall claim the credit in the order required</u>	1572
<u>by section 5751.98 of the Revised Code. Any credit amount in</u>	1573
<u>excess of the taxpayer's tax liability, after allowing for any</u>	1574
<u>other credits preceding the credit in that order, shall be</u>	1575
<u>refunded to the taxpayer.</u>	1576
<u>The tax commissioner may request that a taxpayer claiming</u>	1577
<u>a credit under this section furnish information as is necessary</u>	1578
<u>to support the claim for the credit under this section, and no</u>	1579
<u>credit shall be allowed unless the requested information is</u>	1580
<u>provided.</u>	1581
<u>No credit shall be allowed under this section for wages or</u>	1582
<u>salaries paid to one or more interns if those wages or salaries</u>	1583
<u>are the basis of credit claimed under section 5747.83 of the</u>	1584
<u>Revised Code.</u>	1585
Sec. 5751.98. (A) To provide a uniform procedure for	1586
calculating the amount of tax due under this chapter, a taxpayer	1587

shall claim any credits to which it is entitled in the following order:	1588
	1589
The nonrefundable jobs retention credit under division (B) of section 5751.50 of the Revised Code;	1590
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The nonrefundable credit for qualified research expenses under division (B) of section 5751.51 of the Revised Code;	1592
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The nonrefundable credit for a borrower's qualified research and development loan payments under division (B) of section 5751.52 of the Revised Code;	1594
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The nonrefundable credit for calendar years 2010 to 2029 for unused net operating losses under division (B) of section 5751.53 of the Revised Code;	1597
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The refundable motion picture and broadway theatrical production credit under section 5751.54 of the Revised Code;	1600
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The refundable jobs creation credit or job retention credit under division (A) of section 5751.50 of the Revised Code;	1602
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<u>The refundable credit for intern wages and salaries under section 5751.55 of the Revised Code;</u>	1605
	1606
The refundable credit for calendar year 2030 for unused net operating losses under division (C) of section 5751.53 of the Revised Code.	1607
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(B) For any credit except the refundable credits enumerated in this section, the amount of the credit for a tax period shall not exceed the tax due 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 the credit.	1610
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Sec. 6301.04. (A) The governor shall establish a state board. The state board shall consist of the following members:	1616 1617
(1) The governor;	1618
(2) Two members of the house of representatives, appointed by the speaker of the house of representatives;	1619 1620
(3) Two members of the senate, appointed by the president of the senate;	1621 1622
(4) Members required under section 101(b) (1) (C) of the Workforce Innovation and Opportunity Act, 29 U.S.C. 3111(b) (1) (C);	1623 1624 1625
(5) <u>An employee of the department of higher education, appointed by the governor;</u>	1626 1627
(6) Any additional members appointed by the governor.	1628
(B) The governor shall appoint members to the board, who serve at the governor's pleasure, to perform duties under the Workforce Innovation and Opportunity Act, as authorized by the governor.	1629 1630 1631 1632
(C) The board is not subject to sections 101.82 to 101.87 of the Revised Code.	1633 1634
(D) All state agencies engaged in workforce development activities shall assist the board in the performance of its duties.	1635 1636 1637
(E) The board shall have the power and authority to do all of the following:	1638 1639
(1) Develop, implement, and modify the state workforce development plan;	1640 1641
(2) Review statewide workforce policies and programs and	1642

recommendations on actions to be taken by the state to align workforce development programs to support a comprehensive and streamlined workforce development system;	1643 1644 1645
(3) Recommend measures for the development and continuous improvement of the workforce development system in the state, including updating comprehensive state performance accountability measures, also known as workforce success measures;	1646 1647 1648 1649 1650
(4) Continue to identify and disseminate information on promising practices in the area of workforce development;	1651 1652
(5) Perform other related work that is required of the board by the Workforce Innovation and Opportunity Act or requested by the governor.	1653 1654 1655
Section 2. That existing sections 5703.21, 5747.01, 5747.98, 5751.98, and 6301.04 of the Revised Code are hereby repealed.	1656 1657 1658
Section 3. The Chancellor of Higher Education shall review the rules regarding Ohio residency for state subsidy and tuition surcharge purposes adopted pursuant to section 3333.31 of the Revised Code. In conducting that review, the Chancellor shall determine how to streamline and improve those rules to make it easier for a student who is not a resident of Ohio to establish Ohio residency for state subsidy and tuition surcharge purposes. Based on that review, the Chancellor shall update the rules adopted under section 3333.31 of the Revised Code.	1659 1660 1661 1662 1663 1664 1665 1666 1667
Section 4. The enactment by this act of sections 5747.83 and 5751.55 of the Revised Code applies to wages or salaries paid to interns on or after January 1, 2023.	1668 1669 1670
Section 5. All items in this act are hereby appropriated	1671

as designated out of any moneys in the state treasury to the credit of the designated fund. For all operating appropriations made in this act, those in the first column are for fiscal year 2022 and those in the second column are for fiscal year 2023. The operating appropriations made in this act are in addition to any other operating appropriations made for the FY 2022-FY 2023 biennium.

Section 6.

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A BOR DEPARTMENT OF HIGHER EDUCATION						1680
B General Revenue Fund						
C	GRF	235496	Ohio College Opportunity	\$100,000	\$100,000	
Grant Supplement						
D	TOTAL GRF General Revenue Fund			\$100,000	\$100,000	
E	TOTAL ALL BUDGET FUND GROUPS			\$100,000	\$100,000	
OHIO COLLEGE OPPORTUNITY GRANT SUPPLEMENT						1681
The foregoing appropriation item 235496, Ohio College Opportunity Grant Supplement, shall be distributed by the Chancellor of Higher Education pursuant to section 3333.126 of the Revised Code.						1682
Section 7. Within the limits set forth in this act, the Director of Budget and Management shall establish accounts indicating the source and amount of funds for each appropriation						1686
						1687
						1688

made in this act, and shall determine the form and manner in 1689
which appropriation accounts shall be maintained. Expenditures 1690
from operating appropriations contained in this act shall be 1691
accounted for as though made in H.B. 110 of the 134th General 1692
Assembly. The operating appropriations made in this act are 1693
subject to all provisions of H.B. 110 of the 134th General 1694
Assembly that are generally applicable to such appropriations. 1695

Section 8. Section 5703.21 of the Revised Code is 1696
presented in this act as a composite of the section as amended 1697
by H.B. 74, H.B. 110, and H.B. 172 of the 134th General Assembly 1698
and H.B. 166 of the 133rd General Assembly. The General 1699
Assembly, applying the principle stated in division (B) of 1700
section 1.52 of the Revised Code that amendments are to be 1701
harmonized if reasonably capable of simultaneous operation, 1702
finds that the composite is the resulting version of the section 1703
in effect prior to the effective date of the section as 1704
presented in this act. 1705