

**As Re-Referred by the House Rules and Reference Committee**

**134th General Assembly**

**Regular Session**

**2021-2022**

**Am. H. B. No. 514**

**Representatives Cross, Denson**

**Cosponsors: Representatives Click, Hall, Riedel, White, Creech, Johnson, John, Gross, Lanese, Jones, Plummer, Swearingen, Abrams, Carfagna, Baldrige, 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

<u>(2) The student is making progress toward completing the</u>	17
<u>student's bachelor's degree program.</u>	18
<u>(3) The student previously completed an associate's degree</u>	19
<u>program at any of the following:</u>	20
<u>(a) A community college established under Chapter 3345. of</u>	21
<u>the Revised Code;</u>	22
<u>(b) A state community college established under Chapter</u>	23
<u>3358. of the Revised Code;</u>	24
<u>(c) A technical college established under Chapter 3357. of</u>	25
<u>the Revised Code;</u>	26
<u>(d) A university branch campus;</u>	27
<u>(e) Central state university;</u>	28
<u>(f) Shawnee state university;</u>	29
<u>(g) A private, nonprofit institution of higher education</u>	30
<u>that holds a certificate of authorization pursuant to Chapter</u>	31
<u>1713. of the Revised Code that is not the institution at which</u>	32
<u>the student is enrolled in a bachelor's degree program.</u>	33
<u>(B) In addition to the Ohio college opportunity grant a</u>	34
<u>student is awarded under section 3333.122 of the Revised Code,</u>	35
<u>the chancellor of higher education shall award an eligible</u>	36
<u>student with a supplemental grant equal to one-half of the</u>	37
<u>amount the student is awarded under that section.</u>	38
<u>(C) The supplemental grants shall be subject to the same</u>	39
<u>requirements as a grant awarded under section 3333.122 of the</u>	40
<u>Revised Code, including divisions (D)(1) and (E) of that</u>	41
<u>section.</u>	42
<u>(D) The chancellor shall adopt rules to implement this</u>	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 71  
administer, as part of the choose Ohio first scholarship 72  
program, a subprogram to make loans of ten thousand dollars to 73  
eligible applicants. Eligible applicants shall apply for loans 74  
in a form and manner prescribed by the chancellor. The 75  
chancellor shall make first-time loans to eligible applicants 76  
whom the chancellor approves to participate in the subprogram. 77  
The chancellor shall not approve more than one hundred completed 78  
applications for first-time loans in an academic year and shall 79  
determine a method to select which applications to approve if 80  
more than one hundred are submitted. 81

(C) An eligible applicant who receives a first-time loan 82  
may apply to the chancellor to receive an additional loan of 83  
five thousand dollars for each of the three subsequent academic 84  
years. The chancellor shall not make loans to an eligible 85  
applicant for more than four academic years. 86

(D) Each eligible applicant who receives a loan under the 87  
subprogram shall sign a promissory note payable to the state. 88  
The chancellor shall determine the interest rate and period of 89  
repayment under the note. 90

(E) The chancellor shall forgive an eligible graduate's 91  
obligation to repay the principal and interest on loans received 92  
under the subprogram, as follows: 93

(1) If the graduate is an Ohio resident on the date that 94  
is one calendar year after the graduate's graduation date, the 95  
chancellor shall forgive an amount equal to thirty-three per 96  
cent of the graduate's outstanding principal and interest. 97

(2) If the graduate is an Ohio resident on the date that 98  
is two calendar years after the graduate's graduation date, the 99

chancellor shall forgive an amount equal to fifty per cent of 100  
the graduate's outstanding principal and interest. 101

(3) If the graduate is an Ohio resident on the date that 102  
is three calendar years after the graduate's graduation date, 103  
the chancellor shall forgive any remaining outstanding principal 104  
and interest. 105

(F) It is the intent of the general assembly that the 106  
general revenue fund appropriations used to award choose Ohio 107  
first scholarships also shall be used to award loans under the 108  
subprogram. 109

(G) The chancellor shall adopt rules in accordance with 110  
Chapter 119. of the Revised Code to administer the subprogram. 111

**Sec. 3333.612.** (A) As used in this section: 112

(1) "Intern" means a student who participates in an 113  
internship program or a cooperative education program. 114

(2) "Internship program" and "cooperative education 115  
program" have the same meanings as in section 3333.71 of the 116  
Revised Code. 117

(B) A taxpayer that employs one or more interns may apply 118  
to the chancellor of higher education for a tax credit under 119  
section 5747.83 or 5751.55 of the Revised Code. The credit shall 120  
equal thirty per cent of the wages or salaries paid to each 121  
intern during the calendar year. To qualify for the credit, a 122  
taxpayer's application must be received by the chancellor after 123  
the first day and before the twenty-first day of January of the 124  
year following the calendar year in which the wages or salaries 125  
are paid. The application shall be made on a form and in the 126  
manner prescribed by the chancellor and shall include any 127  
information and documentation sufficient to establish that the 128

applicant meets the eligibility criteria prescribed under 129  
section 5747.83 or 5751.55 of the Revised Code. 130

(C) If the chancellor determines that the applicant 131  
qualifies for a credit under section 5747.83 or 5751.55 of the 132  
Revised Code, the chancellor shall issue, within fifteen days 133  
after the receipt of a complete application under division (B) 134  
of this section, a tax credit certificate to the applicant. The 135  
certificate shall be identified with a unique number and shall 136  
include the applicant's name, address, federal employer 137  
identification number, and the amount of credit the chancellor 138  
determines the applicant is eligible to claim under section 139  
5747.83 or 5751.55 of the Revised Code. The director shall send 140  
a copy of each certificate to the tax commissioner. 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 337  
the possession of the department of taxation that is necessary 338  
for the state fire marshal to verify the compliance of a 339  
licensed manufacturer of fireworks or a licensed wholesaler of 340  
fireworks with section 3743.22 of the Revised Code. No officer, 341  
employee, or agent of the state fire marshal shall disclose any 342  
information provided to the state fire marshal by the department 343  
of taxation under division (C) (22) of this section. 344

(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.

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

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

(9) Deduct or add amounts, as provided under section 5747.70 of the Revised Code, related to contributions to variable college savings program accounts made or tuition units purchased pursuant to Chapter 3334. of the Revised Code.

(10) (a) Deduct, to the extent not otherwise allowable as a deduction or exclusion in computing federal or Ohio adjusted gross income for the taxable year, the amount the taxpayer paid during the taxable year for medical care insurance and qualified long-term care insurance for the taxpayer, the taxpayer's spouse, and dependents. No deduction for medical care insurance under division (A) (10) (a) of this section shall be allowed either to any taxpayer who is eligible to participate in any subsidized health plan maintained by any employer of the taxpayer or of the taxpayer's spouse, or to any taxpayer who is entitled to, or on application would be entitled to, benefits under part A of Title XVIII of the "Social Security Act," 49

Stat. 620 (1935), 42 U.S.C. 301, as amended. For the purposes of 425  
division (A) (10) (a) of this section, "subsidized health plan" 426  
means a health plan for which the employer pays any portion of 427  
the plan's cost. The deduction allowed under division (A) (10) (a) 428  
of this section shall be the net of any related premium refunds, 429  
related premium reimbursements, or related insurance premium 430  
dividends received during the taxable year. 431

(b) Deduct, to the extent not otherwise deducted or 432  
excluded in computing federal or Ohio adjusted gross income 433  
during the taxable year, the amount the taxpayer paid during the 434  
taxable year, not compensated for by any insurance or otherwise, 435  
for medical care of the taxpayer, the taxpayer's spouse, and 436  
dependents, to the extent the expenses exceed seven and one-half 437  
per cent of the taxpayer's federal adjusted gross income. 438

(c) For purposes of division (A) (10) of this section, 439  
"medical care" has the meaning given in section 213 of the 440  
Internal Revenue Code, subject to the special rules, 441  
limitations, and exclusions set forth therein, and "qualified 442  
long-term care" has the same meaning given in section 7702B(c) 443  
of the Internal Revenue Code. Solely for purposes of division 444  
(A) (10) (a) of this section, "dependent" includes a person who 445  
otherwise would be a "qualifying relative" and thus a 446  
"dependent" under section 152 of the Internal Revenue Code but 447  
for the fact that the person fails to meet the income and 448  
support limitations under section 152(d) (1) (B) and (C) of the 449  
Internal Revenue Code. 450

(11) (a) Deduct any amount included in federal adjusted 451  
gross income solely because the amount represents a 452  
reimbursement or refund of expenses that in any year the 453  
taxpayer had deducted as an itemized deduction pursuant to 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.

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

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

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

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

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

(14) (a) Add an amount equal to the funds withdrawn from a

medical savings account during the taxable year, and the net 484  
investment earnings on those funds, when the funds withdrawn 485  
were used for any purpose other than to reimburse an account 486  
holder for, or to pay, eligible medical expenses, in accordance 487  
with section 3924.66 of the Revised Code; 488

(b) Add the amounts distributed from a medical savings 489  
account under division (A) (2) of section 3924.68 of the Revised 490  
Code during the taxable year. 491

(15) Add any amount claimed as a credit under section 492  
5747.059 of the Revised Code to the extent that such amount 493  
satisfies either of the following: 494

(a) The amount was deducted or excluded from the 495  
computation of the taxpayer's federal adjusted gross income as 496  
required to be reported for the taxpayer's taxable year under 497  
the Internal Revenue Code; 498

(b) The amount resulted in a reduction of the taxpayer's 499  
federal adjusted gross income as required to be reported for any 500  
of the taxpayer's taxable years under the Internal Revenue Code. 501

(16) Deduct the amount contributed by the taxpayer to an 502  
individual development account program established by a county 503  
department of job and family services pursuant to sections 504  
329.11 to 329.14 of the Revised Code for the purpose of matching 505  
funds deposited by program participants. On request of the tax 506  
commissioner, the taxpayer shall provide any information that, 507  
in the tax commissioner's opinion, is necessary to establish the 508  
amount deducted under division (A) (16) of this section. 509

(17) (a) (i) Subject to divisions (A) (17) (a) (iii), (iv), and 510  
(v) of this section, add five-sixths of the amount of 511  
depreciation expense allowed by subsection (k) of section 168 of 512

the Internal Revenue Code, including the taxpayer's 513  
proportionate or distributive share of the amount of 514  
depreciation expense allowed by that subsection to a pass- 515  
through entity in which the taxpayer has a direct or indirect 516  
ownership interest. 517

(ii) Subject to divisions (A) (17) (a) (iii), (iv), and (v) 518  
of this section, add five-sixths of the amount of qualifying 519  
section 179 depreciation expense, including the taxpayer's 520  
proportionate or distributive share of the amount of qualifying 521  
section 179 depreciation expense allowed to any pass-through 522  
entity in which the taxpayer has a direct or indirect ownership 523  
interest. 524

(iii) Subject to division (A) (17) (a) (v) of this section, 525  
for taxable years beginning in 2012 or thereafter, if the 526  
increase in income taxes withheld by the taxpayer is equal to or 527  
greater than ten per cent of income taxes withheld by the 528  
taxpayer during the taxpayer's immediately preceding taxable 529  
year, "two-thirds" shall be substituted for "five-sixths" for 530  
the purpose of divisions (A) (17) (a) (i) and (ii) of this section. 531

(iv) Subject to division (A) (17) (a) (v) of this section, 532  
for taxable years beginning in 2012 or thereafter, a taxpayer is 533  
not required to add an amount under division (A) (17) of this 534  
section if the increase in income taxes withheld by the taxpayer 535  
and by any pass-through entity in which the taxpayer has a 536  
direct or indirect ownership interest is equal to or greater 537  
than the sum of (I) the amount of qualifying section 179 538  
depreciation expense and (II) the amount of depreciation expense 539  
allowed to the taxpayer by subsection (k) of section 168 of the 540  
Internal Revenue Code, and including the taxpayer's 541  
proportionate or distributive shares of such amounts allowed to 542

any such pass-through entities. 543

(v) If a taxpayer directly or indirectly incurs a net 544  
operating loss for the taxable year for federal income tax 545  
purposes, to the extent such loss resulted from depreciation 546  
expense allowed by subsection (k) of section 168 of the Internal 547  
Revenue Code and by qualifying section 179 depreciation expense, 548  
"the entire" shall be substituted for "five-sixths of the" for 549  
the purpose of divisions (A) (17) (a) (i) and (ii) of this section. 550

The tax commissioner, under procedures established by the 551  
commissioner, may waive the add-backs related to a pass-through 552  
entity if the taxpayer owns, directly or indirectly, less than 553  
five per cent of the pass-through entity. 554

(b) Nothing in division (A) (17) of this section shall be 555  
construed to adjust or modify the adjusted basis of any asset. 556

(c) To the extent the add-back required under division (A) 557  
(17) (a) of this section is attributable to property generating 558  
nonbusiness income or loss allocated under section 5747.20 of 559  
the Revised Code, the add-back shall be situated to the same 560  
location as the nonbusiness income or loss generated by the 561  
property for the purpose of determining the credit under 562  
division (A) of section 5747.05 of the Revised Code. Otherwise, 563  
the add-back shall be apportioned, subject to one or more of the 564  
four alternative methods of apportionment enumerated in section 565  
5747.21 of the Revised Code. 566

(d) For the purposes of division (A) (17) (a) (v) of this 567  
section, net operating loss carryback and carryforward shall not 568  
include the allowance of any net operating loss deduction 569  
carryback or carryforward to the taxable year to the extent such 570  
loss resulted from depreciation allowed by section 168(k) of the 571

Internal Revenue Code and by the qualifying section 179	572
depreciation expense amount.	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.	576 577 578
(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.	579 580 581 582 583
(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.	584 585 586 587 588 589 590
(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:	591 592 593
(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;	594 595 596 597 598
(ii) One-half of the amount so added for each of the two succeeding taxable years if the amount so added was two-thirds	599 600

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,	751
deduct, to the extent not otherwise deducted or excluded in	752
computing federal or Ohio adjusted gross income for the taxable	753
year, the lesser of two hundred fifty dollars or the amount of	754
expenses described in subsections (a)(2)(D)(i) and (ii) of	755
section 62 of the Internal Revenue Code paid or incurred by the	756
taxpayer during the taxpayer's taxable year in excess of the	757
amount the taxpayer is authorized to deduct for that taxable	758
year under subsection (a)(2)(D) of that section.	759
(32) Deduct, to the extent not otherwise deducted or	760
excluded in computing federal or Ohio adjusted gross income for	761
the taxable year, amounts received by the taxpayer as a	762
disability severance payment, computed under 10 U.S.C. 1212,	763
following discharge or release under honorable conditions from	764
the armed forces, as defined by 10 U.S.C. 101.	765
(33) Deduct, to the extent not otherwise deducted or	766
excluded in computing federal adjusted gross income or Ohio	767
adjusted gross income, amounts not subject to tax due to an	768
agreement entered into under division (A)(2) of section 5747.05	769
of the Revised Code.	770
(34) Deduct amounts as provided under section 5747.79 of	771
the Revised Code related to the taxpayer's qualifying capital	772
gains and deductible payroll.	773
To the extent a qualifying capital gain described under	774
division (A)(34) of this section is business income, the	775
taxpayer shall deduct those gains under this division before	776
deducting any such gains under division (A)(28) of this section.	777
(35) (a) For taxable years beginning in or after 2026,	778

deduct, to the extent not otherwise deducted or excluded in 779  
computing federal or Ohio adjusted gross income for the taxable 780  
year: 781

(i) One hundred per cent of the capital gain received by 782  
the taxpayer in the taxable year from a qualifying interest in 783  
an Ohio venture capital operating company attributable to the 784  
company's investments in Ohio businesses during the period for 785  
which the company was an Ohio venture operating company; and 786

(ii) Fifty per cent of the capital gain received by the 787  
taxpayer in the taxable year from a qualifying interest in an 788  
Ohio venture capital operating company attributable to the 789  
company's investments in all other businesses during the period 790  
for which the company was an Ohio venture operating company. 791

(b) Add amounts previously deducted by the taxpayer under 792  
division (A) (35) (a) of this section if the director of 793  
development certifies to the tax commissioner that the 794  
requirements for the deduction were not met. 795

(c) All terms used in division (A) (35) of this section 796  
have the same meanings as in section 122.851 of the Revised 797  
Code. 798

(d) To the extent a capital gain described in division (A) 799  
(35) (a) of this section is business income, the taxpayer shall 800  
apply that division before applying division (A) (28) of this 801  
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	836
to section 5747.24 of the Revised Code;	837
(2) The estate of a decedent who at the time of death was	838
domiciled in this state. The domicile tests of section 5747.24	839
of the Revised Code are not controlling for purposes of division	840
(I) (2) of this section.	841
(3) A trust that, in whole or part, resides in this state.	842
If only part of a trust resides in this state, the trust is a	843
resident only with respect to that part.	844
For the purposes of division (I) (3) of this section:	845
(a) A trust resides in this state for the trust's current	846
taxable year to the extent, as described in division (I) (3) (d)	847
of this section, that the trust consists directly or indirectly,	848
in whole or in part, of assets, net of any related liabilities,	849
that were transferred, or caused to be transferred, directly or	850
indirectly, to the trust by any of the following:	851
(i) A person, a court, or a governmental entity or	852
instrumentality on account of the death of a decedent, but only	853
if the trust is described in division (I) (3) (e) (i) or (ii) of	854
this section;	855
(ii) A person who was domiciled in this state for the	856
purposes of this chapter when the person directly or indirectly	857
transferred assets to an irrevocable trust, but only if at least	858
one of the trust's qualifying beneficiaries is domiciled in this	859
state for the purposes of this chapter during all or some	860
portion of the trust's current taxable year;	861
(iii) A person who was domiciled in this state for the	862
purposes of this chapter when the trust document or instrument	863
or part of the trust document or instrument became irrevocable,	864

but only if at least one of the trust's qualifying beneficiaries 865  
is a resident domiciled in this state for the purposes of this 866  
chapter during all or some portion of the trust's current 867  
taxable year. If a trust document or instrument became 868  
irrevocable upon the death of a person who at the time of death 869  
was domiciled in this state for purposes of this chapter, that 870  
person is a person described in division (I) (3) (a) (iii) of this 871  
section. 872

(b) A trust is irrevocable to the extent that the 873  
transferor is not considered to be the owner of the net assets 874  
of the trust under sections 671 to 678 of the Internal Revenue 875  
Code. 876

(c) With respect to a trust other than a charitable lead 877  
trust, "qualifying beneficiary" has the same meaning as 878  
"potential current beneficiary" as defined in section 1361(e) (2) 879  
of the Internal Revenue Code, and with respect to a charitable 880  
lead trust "qualifying beneficiary" is any current, future, or 881  
contingent beneficiary, but with respect to any trust 882  
"qualifying beneficiary" excludes a person or a governmental 883  
entity or instrumentality to any of which a contribution would 884  
qualify for the charitable deduction under section 170 of the 885  
Internal Revenue Code. 886

(d) For the purposes of division (I) (3) (a) of this 887  
section, the extent to which a trust consists directly or 888  
indirectly, in whole or in part, of assets, net of any related 889  
liabilities, that were transferred directly or indirectly, in 890  
whole or part, to the trust by any of the sources enumerated in 891  
that division shall be ascertained by multiplying the fair 892  
market value of the trust's assets, net of related liabilities, 893  
by the qualifying ratio, which shall be computed as follows: 894

(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 925  
this section if the transfer is a qualifying transfer described 926  
in any of divisions (I) (3) (f) (i) to (vi) of this section, the 927  
trust is an irrevocable inter vivos trust, and at least one of 928  
the trust's qualifying beneficiaries is domiciled in this state 929  
for purposes of this chapter during all or some portion of the 930  
trust's current taxable year. 931

(f) For the purposes of division (I) (3) (e) (ii) of this 932  
section, a "qualifying transfer" is a transfer of assets, net of 933  
any related liabilities, directly or indirectly to a trust, if 934  
the transfer is described in any of the following: 935

(i) The transfer is made to a trust, created by the 936  
decedent before the decedent's death and while the decedent was 937  
domiciled in this state for the purposes of this chapter, and, 938  
prior to the death of the decedent, the trust became irrevocable 939  
while the decedent was domiciled in this state for the purposes 940  
of this chapter. 941

(ii) The transfer is made to a trust to which the 942  
decedent, prior to the decedent's death, had directly or 943  
indirectly transferred assets, net of any related liabilities, 944  
while the decedent was domiciled in this state for the purposes 945  
of this chapter, and prior to the death of the decedent the 946  
trust became irrevocable while the decedent was domiciled in 947  
this state for the purposes of this chapter. 948

(iii) The transfer is made on account of a contractual 949  
relationship existing directly or indirectly between the 950  
transferor and either the decedent or the estate of the decedent 951  
at any time prior to the date of the decedent's death, and the 952  
decedent was domiciled in this state at the time of death for 953  
purposes of the taxes levied under Chapter 5731. of the Revised 954

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 1011  
charter adopted pursuant to the Ohio Constitution. 1012

(R) "Overpayment" means any amount already paid that 1013  
exceeds the figure determined to be the correct amount of the 1014  
tax. 1015

(S) "Taxable income" or "Ohio taxable income" applies only 1016  
to estates and trusts, and means federal taxable income, as 1017  
defined and used in the Internal Revenue Code, adjusted as 1018  
follows: 1019

(1) Add interest or dividends, net of ordinary, necessary, 1020  
and reasonable expenses not deducted in computing federal 1021  
taxable income, on obligations or securities of any state or of 1022  
any political subdivision or authority of any state, other than 1023  
this state and its subdivisions and authorities, but only to the 1024  
extent that such net amount is not otherwise includible in Ohio 1025  
taxable income and is described in either division (S)(1)(a) or 1026  
(b) of this section: 1027

(a) The net amount is not attributable to the S portion of 1028  
an electing small business trust and has not been distributed to 1029  
beneficiaries for the taxable year; 1030

(b) The net amount is attributable to the S portion of an 1031  
electing small business trust for the taxable year. 1032

(2) Add interest or dividends, net of ordinary, necessary, 1033  
and reasonable expenses not deducted in computing federal 1034  
taxable income, on obligations of any authority, commission, 1035  
instrumentality, territory, or possession of the United States 1036  
to the extent that the interest or dividends are exempt from 1037  
federal income taxes but not from state income taxes, but only 1038  
to the extent that such net amount is not otherwise includible 1039

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 1128  
income. 1129

Except for farm income attributable to the S portion of an 1130  
electing small business trust, the deduction provided by 1131  
division (S) (12) of this section is allowed only to the extent 1132  
that the trust has not distributed such farm income. 1133

(13) Add the net amount of income described in section 1134  
641(c) of the Internal Revenue Code to the extent that amount is 1135  
not included in federal taxable income. 1136

(14) Add or deduct the amount the taxpayer would be 1137  
required to add or deduct under division (A) (17) or (18) of this 1138  
section if the taxpayer's Ohio taxable income were computed in 1139  
the same manner as an individual's Ohio adjusted gross income is 1140  
computed under this section. 1141

(T) "School district income" and "school district income 1142  
tax" have the same meanings as in section 5748.01 of the Revised 1143  
Code. 1144

(U) As used in divisions (A) (7), (A) (8), (S) (6), and (S) 1145  
(7) of this section, "public obligations," "purchase 1146  
obligations," and "interest or interest equivalent" have the 1147  
same meanings as in section 5709.76 of the Revised Code. 1148

(V) "Limited liability company" means any limited 1149  
liability company formed under Chapter 1705. or 1706. of the 1150  
Revised Code or under the laws of any other state. 1151

(W) "Pass-through entity investor" means any person who, 1152  
during any portion of a taxable year of a pass-through entity, 1153  
is a partner, member, shareholder, or equity investor in that 1154  
pass-through entity. 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 1273  
entity directly or indirectly owning any equity of another pass- 1274  
through entity, and "lower level pass-through entity" means that 1275  
other pass-through entity. 1276

An upper level pass-through entity, whether or not it is 1277  
also a qualifying investee, is deemed to own, on the last day of 1278  
the upper level pass-through entity's calendar or fiscal year, 1279  
the proportionate share of the lower level pass-through entity's 1280  
physical assets that the lower level pass-through entity 1281  
directly or indirectly owns on the last day of the lower level 1282  
pass-through entity's calendar or fiscal year ending within or 1283  
with the last day of the upper level pass-through entity's 1284  
fiscal or calendar year. If the upper level pass-through entity 1285  
directly and indirectly owns less than fifty per cent of the 1286  
equity of the lower level pass-through entity on each day of the 1287  
upper level pass-through entity's calendar or fiscal year in 1288  
which or with which ends the calendar or fiscal year of the 1289  
lower level pass-through entity and if, based upon clear and 1290  
convincing evidence, complete information about the location and 1291  
cost of the physical assets of the lower pass-through entity is 1292  
not available to the upper level pass-through entity, then 1293  
solely for purposes of ascertaining if a gain or loss 1294  
constitutes a qualifying trust amount, the upper level pass- 1295  
through entity shall be deemed as owning no equity of the lower 1296  
level pass-through entity for each day during the upper level 1297  
pass-through entity's calendar or fiscal year in which or with 1298  
which ends the lower level pass-through entity's calendar or 1299  
fiscal year. Nothing in division (AA) (5) (a) (iii) of this section 1300  
shall be construed to provide for any deduction or exclusion in 1301  
computing any trust's Ohio taxable income. 1302

(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 1361  
trust; and 1362

(c) The grantor was domiciled in this state at the time 1363  
the trust was created. 1364

(FF) "Uniformed services" has the same meaning as in 10 1365  
U.S.C. 101. 1366

(GG) "Taxable business income" means the amount by which 1367  
an individual's business income that is included in federal 1368  
adjusted gross income exceeds the amount of business income the 1369  
individual is authorized to deduct under division (A) (28) of 1370  
this section for the taxable year. 1371

(HH) "Employer" does not include a franchisor with respect 1372  
to the franchisor's relationship with a franchisee or an 1373  
employee of a franchisee, unless the franchisor agrees to assume 1374  
that role in writing or a court of competent jurisdiction 1375  
determines that the franchisor exercises a type or degree of 1376  
control over the franchisee or the franchisee's employees that 1377  
is not customarily exercised by a franchisor for the purpose of 1378  
protecting the franchisor's trademark, brand, or both. For 1379  
purposes of this division, "franchisor" and "franchisee" have 1380  
the same meanings as in 16 C.F.R. 436.1. 1381

(II) "Modified adjusted gross income" means Ohio adjusted 1382  
gross income plus any amount deducted under divisions (A) (28) 1383  
and (34) of this section for the taxable year. 1384

(JJ) "Qualifying Ohio educator" means an individual who, 1385  
for a taxable year, qualifies as an eligible educator, as that 1386  
term is defined in section 62 of the Internal Revenue Code, and 1387  
who holds a certificate, license, or permit described in Chapter 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  
1391

(1) A state institution of higher education, as defined in section 3345.011 of the Revised Code; 1392  
1393

(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  
1395  
1396  
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1398

(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  
1400  
1401

(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  
1403  
1404

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

Revised Code;	1505
The credit for adoption of a minor child under section	1506
5747.37 of the Revised Code;	1507
The nonrefundable job retention credit under division (B)	1508
of section 5747.058 of the Revised Code;	1509
The enterprise zone credit under section 5709.66 of the	1510
Revised Code;	1511
The credit for purchases of qualifying grape production	1512
property under section 5747.28 of the Revised Code;	1513
The small business investment credit under section 5747.81	1514
of the Revised Code;	1515
The nonrefundable lead abatement credit under section	1516
5747.26 of the Revised Code;	1517
The opportunity zone investment credit under section	1518
122.84 of the Revised Code;	1519
The enterprise zone credits under section 5709.65 of the	1520
Revised Code;	1521
The research and development credit under section 5747.331	1522
of the Revised Code;	1523
The credit for rehabilitating a historic building under	1524
section 5747.76 of the Revised Code;	1525
The nonresident credit under division (A) of section	1526
5747.05 of the Revised Code;	1527
The credit for a resident's out-of-state income under	1528
division (B) of section 5747.05 of the Revised Code;	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	1532
credit under division (A) of section 5747.058 of the Revised	1533
Code;	1534
The refundable credit for taxes paid by a qualifying	1535
entity granted under section 5747.059 of the Revised Code;	1536
The refundable credits for taxes paid by a qualifying	1537
pass-through entity granted under division (I) of section	1538
5747.08 of the Revised Code;	1539
The refundable credit under section 5747.80 of the Revised	1540
Code for losses on loans made to the Ohio venture capital	1541
program under sections 150.01 to 150.10 of the Revised Code;	1542
The refundable credit for rehabilitating a historic	1543
building under section 5747.76 of the Revised Code;	1544
<u>The refundable credit for intern wages and salaries under</u>	1545
<u>section 5747.83 of the Revised Code.</u>	1546
(B) For any credit, except the refundable credits	1547
enumerated in this section and the credit granted under division	1548
(H) of section 5747.08 of the Revised Code, the amount of the	1549
credit for a taxable year shall not exceed the taxpayer's	1550
aggregate amount of tax due under section 5747.02 of the Revised	1551
Code, after allowing for any other credit that precedes it in	1552
the order required under this section. Any excess amount of a	1553
particular credit may be carried forward if authorized under the	1554
section creating that credit. Nothing in this chapter shall be	1555
construed to allow a taxpayer to claim, directly or indirectly,	1556
a credit more than once for a taxable year.	1557
<u>Sec. 5751.55. (A) As used in this section:</u>	1558

(1) "Intern" means a student that participates in an 1559  
internship program or a cooperative education program. 1560

(2) "Internship program" and "cooperative education 1561  
program" have the same meanings as in section 3333.71 of the 1562  
Revised Code. 1563

(B) There is hereby allowed a refundable credit against 1564  
the tax imposed by section 5751.02 of the Revised Code for a 1565  
taxpayer that employs one or more interns. The credit shall 1566  
equal the dollar amount indicated on the certificate issued by 1567  
the chancellor of higher education under section 3333.612 of the 1568  
Revised Code. The credit shall be claimed for the tax period 1569  
that includes the last day of the calendar year preceding the 1570  
year in which the certificate is issued. 1571

The taxpayer shall claim the credit in the order required 1572  
by section 5751.98 of the Revised Code. Any credit amount in 1573  
excess of the taxpayer's tax liability, after allowing for any 1574  
other credits preceding the credit in that order, shall be 1575  
refunded to the taxpayer. 1576

The tax commissioner may request that a taxpayer claiming 1577  
a credit under this section furnish information as is necessary 1578  
to support the claim for the credit under this section, and no 1579  
credit shall be allowed unless the requested information is 1580  
provided. 1581

No credit shall be allowed under this section for wages or 1582  
salaries paid to one or more interns if those wages or salaries 1583  
are the basis of credit claimed under section 5747.83 of the 1584  
Revised Code. 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	1588
order:	1589
The nonrefundable jobs retention credit under division (B)	1590
of section 5751.50 of the Revised Code;	1591
The nonrefundable credit for qualified research expenses	1592
under division (B) of section 5751.51 of the Revised Code;	1593
The nonrefundable credit for a borrower's qualified	1594
research and development loan payments under division (B) of	1595
section 5751.52 of the Revised Code;	1596
The nonrefundable credit for calendar years 2010 to 2029	1597
for unused net operating losses under division (B) of section	1598
5751.53 of the Revised Code;	1599
The refundable motion picture and Broadway theatrical	1600
production credit under section 5751.54 of the Revised Code;	1601
The refundable jobs creation credit or job retention	1602
credit under division (A) of section 5751.50 of the Revised	1603
Code;	1604
<u>The refundable credit for intern wages and salaries under</u>	1605
<u>section 5751.55 of the Revised Code;</u>	1606
The refundable credit for calendar year 2030 for unused	1607
net operating losses under division (C) of section 5751.53 of	1608
the Revised Code.	1609
(B) For any credit except the refundable credits	1610
enumerated in this section, the amount of the credit for a tax	1611
period shall not exceed the tax due after allowing for any other	1612
credit that precedes it in the order required under this	1613
section. Any excess amount of a particular credit may be carried	1614
forward if authorized under the section creating the credit.	1615



**Sec. 6301.04.** (A) The governor shall establish a state board. The state board shall consist of the following members:

(1) The governor;

(2) Two members of the house of representatives, appointed by the speaker of the house of representatives;

(3) Two members of the senate, appointed by the president of the senate;

(4) Members required under section 101(b)(1)(C) of the Workforce Innovation and Opportunity Act, 29 U.S.C. 3111(b)(1)(C);

(5) An employee of the department of higher education, appointed by the governor;

(6) Any additional members appointed by the governor.

(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.

(C) The board is not subject to sections 101.82 to 101.87 of the Revised Code.

(D) All state agencies engaged in workforce development activities shall assist the board in the performance of its duties.

(E) The board shall have the power and authority to do all of the following:

(1) Develop, implement, and modify the state workforce development plan;

(2) Review statewide workforce policies and programs and

recommendations on actions to be taken by the state to align 1643  
workforce development programs to support a comprehensive and 1644  
streamlined workforce development system; 1645

(3) Recommend measures for the development and continuous 1646  
improvement of the workforce development system in the state, 1647  
including updating comprehensive state performance 1648  
accountability measures, also known as workforce success 1649  
measures; 1650

(4) Continue to identify and disseminate information on 1651  
promising practices in the area of workforce development; 1652

(5) Perform other related work that is required of the 1653  
board by the Workforce Innovation and Opportunity Act or 1654  
requested by the governor. 1655

**Section 2.** That existing sections 5703.21, 5747.01, 1656  
5747.98, 5751.98, and 6301.04 of the Revised Code are hereby 1657  
repealed. 1658

**Section 3.** The Chancellor of Higher Education shall review 1659  
the rules regarding Ohio residency for state subsidy and tuition 1660  
surcharge purposes adopted pursuant to section 3333.31 of the 1661  
Revised Code. In conducting that review, the Chancellor shall 1662  
determine how to streamline and improve those rules to make it 1663  
easier for a student who is not a resident of Ohio to establish 1664  
Ohio residency for state subsidy and tuition surcharge purposes. 1665  
Based on that review, the Chancellor shall update the rules 1666  
adopted under section 3333.31 of the Revised Code. 1667

**Section 4.** The enactment by this act of sections 5747.83 1668  
and 5751.55 of the Revised Code applies to wages or salaries 1669  
paid to interns on or after January 1, 2023. 1670

**Section 5.** All items in this act are hereby appropriated 1671

as designated out of any moneys in the state treasury to the 1672  
 credit of the designated fund. For all operating appropriations 1673  
 made in this act, those in the first column are for fiscal year 1674  
 2022 and those in the second column are for fiscal year 2023. 1675  
 The operating appropriations made in this act are in addition to 1676  
 any other operating appropriations made for the FY 2022-FY 2023 1677  
 biennium. 1678

**Section 6.** 1679

1680

0	1	2	3	4	5
A			BOR DEPARTMENT OF HIGHER EDUCATION		
B	General Revenue Fund				
C	GRF	235496	Ohio College Opportunity Grant Supplement	\$100,000	\$100,000
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 1682  
 Opportunity Grant Supplement, shall be distributed by the 1683  
 Chancellor of Higher Education pursuant to section 3333.126 of 1684  
 the Revised Code. 1685

**Section 7.** Within the limits set forth in this act, the 1686  
 Director of Budget and Management shall establish accounts 1687  
 indicating the source and amount of funds for each appropriation 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