

As Introduced

**135th General Assembly
Regular Session
2023-2024**

S. B. No. 278

Senators Schuring, Huffman, S.

A BILL

To amend sections 718.01, 718.81, 928.01, 928.99, 1
3780.03, 3780.10, 3780.11, 3780.16, 3780.29, 2
3780.36, 3780.99, 3796.01, 3796.03, 3796.05, 3
3796.08, 3796.09, 3796.18, 3796.19, 3796.20, 4
3796.21, 4731.30, and 5747.01 and to enact 5
sections 928.10, 928.11, and 928.12 of the 6
Revised Code to modify the regulation and 7
taxation of medical marijuana, adult use 8
cannabis, and hemp. 9

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

Section 1. That sections 718.01, 718.81, 928.01, 928.99, 10
3780.03, 3780.10, 3780.11, 3780.16, 3780.29, 3780.36, 3780.99, 11
3796.01, 3796.03, 3796.05, 3796.08, 3796.09, 3796.18, 3796.19, 12
3796.20, 3796.21, 4731.30, and 5747.01 be amended and sections 13
928.10, 928.11, and 928.12 of the Revised Code be enacted to 14
read as follows: 15

Sec. 718.01. Any term used in this chapter that is not 16
otherwise defined in this chapter has the same meaning as when 17
used in a comparable context in laws of the United States 18
relating to federal income taxation or in Title LVII of the 19

Revised Code, unless a different meaning is clearly required. 20
Except as provided in section 718.81 of the Revised Code, if a 21
term used in this chapter that is not otherwise defined in this 22
chapter is used in a comparable context in both the laws of the 23
United States relating to federal income tax and in Title LVII 24
of the Revised Code and the use is not consistent, then the use 25
of the term in the laws of the United States relating to federal 26
income tax shall control over the use of the term in Title LVII 27
of the Revised Code. 28

Except as otherwise provided in section 718.81 of the 29
Revised Code, as used in this chapter: 30

(A) (1) "Municipal taxable income" means the following: 31

(a) For a person other than an individual, income 32
apportioned or sitused to the municipal corporation under 33
section 718.02 of the Revised Code, as applicable, reduced by 34
any pre-2017 net operating loss carryforward available to the 35
person for the municipal corporation. 36

(b) (i) For an individual who is a resident of a municipal 37
corporation other than a qualified municipal corporation, income 38
reduced by exempt income to the extent otherwise included in 39
income, then reduced as provided in division (A) (2) of this 40
section, and further reduced by any pre-2017 net operating loss 41
carryforward available to the individual for the municipal 42
corporation. 43

(ii) For an individual who is a resident of a qualified 44
municipal corporation, Ohio adjusted gross income reduced by 45
income exempted, and increased by deductions excluded, by the 46
qualified municipal corporation from the qualified municipal 47
corporation's tax. If a qualified municipal corporation, on or 48

before December 31, 2013, exempts income earned by individuals 49
who are not residents of the qualified municipal corporation and 50
net profit of persons that are not wholly located within the 51
qualified municipal corporation, such individual or person shall 52
have no municipal taxable income for the purposes of the tax 53
levied by the qualified municipal corporation and may be 54
exempted by the qualified municipal corporation from the 55
requirements of section 718.03 of the Revised Code. 56

(c) For an individual who is a nonresident of a municipal 57
corporation, income reduced by exempt income to the extent 58
otherwise included in income and then, as applicable, 59
apportioned or situated to the municipal corporation under 60
section 718.02 of the Revised Code, then reduced as provided in 61
division (A)(2) of this section, and further reduced by any pre- 62
2017 net operating loss carryforward available to the individual 63
for the municipal corporation. 64

(2) In computing the municipal taxable income of a 65
taxpayer who is an individual, the taxpayer may subtract, as 66
provided in division (A)(1)(b)(i) or (c) of this section, the 67
amount of the individual's employee business expenses reported 68
on the individual's form 2106 that the individual deducted for 69
federal income tax purposes for the taxable year, subject to the 70
limitation imposed by section 67 of the Internal Revenue Code. 71
For the municipal corporation in which the taxpayer is a 72
resident, the taxpayer may deduct all such expenses allowed for 73
federal income tax purposes. For a municipal corporation in 74
which the taxpayer is not a resident, the taxpayer may deduct 75
such expenses only to the extent the expenses are related to the 76
taxpayer's performance of personal services in that nonresident 77
municipal corporation. 78

(B) "Income" means the following:	79
(1) (a) For residents, all income, salaries, qualifying wages, commissions, and other compensation from whatever source earned or received by the resident, including the resident's distributive share of the net profit of pass-through entities owned directly or indirectly by the resident and any net profit of the resident, except as provided in division (D) (5) of this section.	80 81 82 83 84 85 86
(b) For the purposes of division (B) (1) (a) of this section:	87 88
(i) Any net operating loss of the resident incurred in the taxable year and the resident's distributive share of any net operating loss generated in the same taxable year and attributable to the resident's ownership interest in a pass-through entity shall be allowed as a deduction, for that taxable year and the following five taxable years, against any other net profit of the resident or the resident's distributive share of any net profit attributable to the resident's ownership interest in a pass-through entity until fully utilized, subject to division (B) (1) (d) of this section;	89 90 91 92 93 94 95 96 97 98
(ii) The resident's distributive share of the net profit of each pass-through entity owned directly or indirectly by the resident shall be calculated without regard to any net operating loss that is carried forward by that entity from a prior taxable year and applied to reduce the entity's net profit for the current taxable year.	99 100 101 102 103 104
(c) Division (B) (1) (b) of this section does not apply with respect to any net profit or net operating loss attributable to an ownership interest in an S corporation unless shareholders'	105 106 107

distributive shares of net profits from S corporations are 108
subject to tax in the municipal corporation as provided in 109
division (C) (14) (b) or (c) of this section. 110

(d) Any amount of a net operating loss used to reduce a 111
taxpayer's net profit for a taxable year shall reduce the amount 112
of net operating loss that may be carried forward to any 113
subsequent year for use by that taxpayer. In no event shall the 114
cumulative deductions for all taxable years with respect to a 115
taxpayer's net operating loss exceed the original amount of that 116
net operating loss available to that taxpayer. 117

(2) In the case of nonresidents, all income, salaries, 118
qualifying wages, commissions, and other compensation from 119
whatever source earned or received by the nonresident for work 120
done, services performed or rendered, or activities conducted in 121
the municipal corporation, including any net profit of the 122
nonresident, but excluding the nonresident's distributive share 123
of the net profit or loss of only pass-through entities owned 124
directly or indirectly by the nonresident. 125

(3) For taxpayers that are not individuals, net profit of 126
the taxpayer; 127

(4) Lottery, sweepstakes, gambling and sports winnings, 128
winnings from games of chance, and prizes and awards. If the 129
taxpayer is a professional gambler for federal income tax 130
purposes, the taxpayer may deduct related wagering losses and 131
expenses to the extent authorized under the Internal Revenue 132
Code and claimed against such winnings. 133

(C) "Exempt income" means all of the following: 134

(1) The military pay or allowances of members of the armed 135
forces of the United States or members of their reserve 136

components, including the national guard of any state;	137
(2) (a) Except as provided in division (C) (2) (b) of this section, intangible income;	138 139
(b) A municipal corporation that taxed any type of intangible income on March 29, 1988, pursuant to Section 3 of S.B. 238 of the 116th general assembly, may continue to tax that type of income if a majority of the electors of the municipal corporation voting on the question of whether to permit the taxation of that type of intangible income after 1988 voted in favor thereof at an election held on November 8, 1988.	140 141 142 143 144 145 146
(3) Social security benefits, railroad retirement benefits, unemployment compensation, pensions, retirement benefit payments, payments from annuities, and similar payments made to an employee or to the beneficiary of an employee under a retirement program or plan, disability payments received from private industry or local, state, or federal governments or from charitable, religious or educational organizations, and the proceeds of sickness, accident, or liability insurance policies. As used in division (C) (3) of this section, "unemployment compensation" does not include supplemental unemployment compensation described in section 3402 (o) (2) of the Internal Revenue Code.	147 148 149 150 151 152 153 154 155 156 157 158
(4) The income of religious, fraternal, charitable, scientific, literary, or educational institutions to the extent such income is derived from tax-exempt real estate, tax-exempt tangible or intangible property, or tax-exempt activities.	159 160 161 162
(5) Compensation paid under section 3501.28 or 3501.36 of the Revised Code to a person serving as a precinct election official to the extent that such compensation does not exceed	163 164 165

one thousand dollars for the taxable year. Such compensation in	166
excess of one thousand dollars for the taxable year may be	167
subject to taxation by a municipal corporation. A municipal	168
corporation shall not require the payer of such compensation to	169
withhold any tax from that compensation.	170
(6) Dues, contributions, and similar payments received by	171
charitable, religious, educational, or literary organizations or	172
labor unions, lodges, and similar organizations;	173
(7) Alimony and child support received;	174
(8) Compensation for personal injuries or for damages to	175
property from insurance proceeds or otherwise, excluding	176
compensation paid for lost salaries or wages or compensation	177
from punitive damages;	178
(9) Income of a public utility when that public utility is	179
subject to the tax levied under section 5727.24 or 5727.30 of	180
the Revised Code. Division (C) (9) of this section does not apply	181
for purposes of Chapter 5745. of the Revised Code.	182
(10) Gains from involuntary conversions, interest on	183
federal obligations, items of income subject to a tax levied by	184
the state and that a municipal corporation is specifically	185
prohibited by law from taxing, and income of a decedent's estate	186
during the period of administration except such income from the	187
operation of a trade or business;	188
(11) Compensation or allowances excluded from federal	189
gross income under section 107 of the Internal Revenue Code;	190
(12) Employee compensation that is not qualifying wages as	191
defined in division (R) of this section;	192
(13) Compensation paid to a person employed within the	193

boundaries of a United States air force base under the 194
jurisdiction of the United States air force that is used for the 195
housing of members of the United States air force and is a 196
center for air force operations, unless the person is subject to 197
taxation because of residence or domicile. If the compensation 198
is subject to taxation because of residence or domicile, tax on 199
such income shall be payable only to the municipal corporation 200
of residence or domicile. 201

(14) (a) Except as provided in division (C) (14) (b) or (c) 202
of this section, an S corporation shareholder's distributive 203
share of net profits of the S corporation, other than any part 204
of the distributive share of net profits that represents wages 205
as defined in section 3121(a) of the Internal Revenue Code or 206
net earnings from self-employment as defined in section 1402(a) 207
of the Internal Revenue Code. 208

(b) If, pursuant to division (H) of former section 718.01 209
of the Revised Code as it existed before March 11, 2004, a 210
majority of the electors of a municipal corporation voted in 211
favor of the question at an election held on November 4, 2003, 212
the municipal corporation may continue after 2002 to tax an S 213
corporation shareholder's distributive share of net profits of 214
an S corporation. 215

(c) If, on December 6, 2002, a municipal corporation was 216
imposing, assessing, and collecting a tax on an S corporation 217
shareholder's distributive share of net profits of the S 218
corporation to the extent the distributive share would be 219
allocated or apportioned to this state under divisions (B) (1) 220
and (2) of section 5733.05 of the Revised Code if the S 221
corporation were a corporation subject to taxes imposed under 222
Chapter 5733. of the Revised Code, the municipal corporation may 223

continue to impose the tax on such distributive shares to the 224
extent such shares would be so allocated or apportioned to this 225
state only until December 31, 2004, unless a majority of the 226
electors of the municipal corporation voting on the question of 227
continuing to tax such shares after that date voted in favor of 228
that question at an election held November 2, 2004. If a 229
majority of those electors voted in favor of the question, the 230
municipal corporation may continue after December 31, 2004, to 231
impose the tax on such distributive shares only to the extent 232
such shares would be so allocated or apportioned to this state. 233

(d) A municipal corporation shall be deemed to have 234
elected to tax S corporation shareholders' distributive shares 235
of net profits of the S corporation in the hands of the 236
shareholders if a majority of the electors of a municipal 237
corporation voted in favor of a question at an election held 238
under division (C) (14) (b) or (c) of this section. The municipal 239
corporation shall specify by resolution or ordinance that the 240
tax applies to the distributive share of a shareholder of an S 241
corporation in the hands of the shareholder of the S 242
corporation. 243

(15) The income of individuals under eighteen years of 244
age. 245

(16) (a) Except as provided in divisions (C) (16) (b), (c), 246
and (d) of this section, qualifying wages described in division 247
(B) (1) or (E) of section 718.011 of the Revised Code to the 248
extent the qualifying wages are not subject to withholding for 249
the municipal corporation under either of those divisions. 250

(b) The exemption provided in division (C) (16) (a) of this 251
section does not apply with respect to the municipal corporation 252
in which the employee resided at the time the employee earned 253

the qualifying wages.	254
(c) The exemption provided in division (C) (16) (a) of this section does not apply to qualifying wages that an employer elects to withhold under division (D) (2) of section 718.011 of the Revised Code.	255 256 257 258
(d) The exemption provided in division (C) (16) (a) of this section does not apply to qualifying wages if both of the following conditions apply:	259 260 261
(i) For qualifying wages described in division (B) (1) of section 718.011 of the Revised Code, the employee's employer withholds and remits tax on the qualifying wages to the municipal corporation in which the employee's principal place of work is situated, or, for qualifying wages described in division (E) of section 718.011 of the Revised Code, the employee's employer withholds and remits tax on the qualifying wages to the municipal corporation in which the employer's fixed location is located;	262 263 264 265 266 267 268 269 270
(ii) The employee receives a refund of the tax described in division (C) (16) (d) (i) of this section on the basis of the employee not performing services in that municipal corporation.	271 272 273
(17) (a) Except as provided in division (C) (17) (b) or (c) of this section, compensation that is not qualifying wages paid to a nonresident individual for personal services performed in the municipal corporation on not more than twenty days in a taxable year.	274 275 276 277 278
(b) The exemption provided in division (C) (17) (a) of this section does not apply under either of the following circumstances:	279 280 281
(i) The individual's base of operation is located in the	282

municipal corporation.	283
(ii) The individual is a professional athlete,	284
professional entertainer, or public figure, and the compensation	285
is paid for the performance of services in the individual's	286
capacity as a professional athlete, professional entertainer, or	287
public figure. For purposes of division (C) (17) (b) (ii) of this	288
section, "professional athlete," "professional entertainer," and	289
"public figure" have the same meanings as in section 718.011 of	290
the Revised Code.	291
(c) Compensation to which division (C) (17) of this section	292
applies shall be treated as earned or received at the	293
individual's base of operation. If the individual does not have	294
a base of operation, the compensation shall be treated as earned	295
or received where the individual is domiciled.	296
(d) For purposes of division (C) (17) of this section,	297
"base of operation" means the location where an individual owns	298
or rents an office, storefront, or similar facility to which the	299
individual regularly reports and at which the individual	300
regularly performs personal services for compensation.	301
(18) Compensation paid to a person for personal services	302
performed for a political subdivision on property owned by the	303
political subdivision, regardless of whether the compensation is	304
received by an employee of the subdivision or another person	305
performing services for the subdivision under a contract with	306
the subdivision, if the property on which services are performed	307
is annexed to a municipal corporation pursuant to section	308
709.023 of the Revised Code on or after March 27, 2013, unless	309
the person is subject to such taxation because of residence. If	310
the compensation is subject to taxation because of residence,	311
municipal income tax shall be payable only to the municipal	312

corporation of residence.	313
(19) In the case of a tax administered, collected, and enforced by a municipal corporation pursuant to an agreement with the board of directors of a joint economic development district under section 715.72 of the Revised Code, the net profits of a business, and the income of the employees of that business, exempted from the tax under division (Q) of that section.	314 315 316 317 318 319 320
(20) All of the following:	321
(a) Income derived from disaster work conducted in this state by an out-of-state disaster business during a disaster response period pursuant to a qualifying solicitation received by the business;	322 323 324 325
(b) Income of a qualifying employee described in division (A) (14) (a) of section 5703.94 of the Revised Code, to the extent such income is derived from disaster work conducted in this state by the employee during a disaster response period pursuant to a qualifying solicitation received by the employee's employer;	326 327 328 329 330 331
(c) Income of a qualifying employee described in division (A) (14) (b) of section 5703.94 of the Revised Code, to the extent such income is derived from disaster work conducted in this state by the employee during a disaster response period on critical infrastructure owned or used by the employee's employer.	332 333 334 335 336 337
(21) Income the taxation of which is prohibited by the constitution or laws of the United States.	338 339
Any item of income that is exempt income of a pass-through entity under division (C) of this section is exempt income of	340 341

each owner of the pass-through entity to the extent of that 342
owner's distributive or proportionate share of that item of the 343
entity's income. 344

(D) (1) "Net profit" for a person who is an individual 345
means the individual's net profit required to be reported on 346
schedule C, schedule E, or schedule F reduced by any net 347
operating loss carried forward and the amount of ordinary and 348
necessary expenses, described under section 162 of the Internal 349
Revenue Code, paid or incurred during the taxable year in 350
carrying on a trade or business as a marijuana cultivator, 351
processor, dispensary, or laboratory licensed under Chapter 352
3780. or 3796. of the Revised Code, or any other marijuana 353
establishment licensed by the state, if the deduction for 354
ordinary and necessary expenses under that section is disallowed 355
under section 280E of the Internal Revenue Code. For the 356
purposes of division (D) (1) of this section, the net operating 357
loss carried forward shall be calculated and deducted in the 358
same manner as provided in division (D) (3) of this section. 359

(2) "Net profit" for a person other than an individual 360
means adjusted federal taxable income reduced by any net 361
operating loss incurred by the person in a taxable year 362
beginning on or after January 1, 2017, subject to the 363
limitations of division (D) (3) of this section. 364

(3) (a) The amount of such net operating loss shall be 365
deducted from net profit to the extent necessary to reduce 366
municipal taxable income to zero, with any remaining unused 367
portion of the net operating loss carried forward to not more 368
than five consecutive taxable years following the taxable year 369
in which the loss was incurred, but in no case for more years 370
than necessary for the deduction to be fully utilized. 371

(b) No person shall use the deduction allowed by division	372
(D) (3) of this section to offset qualifying wages.	373
(c) (i) For taxable years beginning in 2018, 2019, 2020,	374
2021, or 2022, a person may not deduct, for purposes of an	375
income tax levied by a municipal corporation that levies an	376
income tax before January 1, 2016, more than fifty per cent of	377
the amount of the deduction otherwise allowed by division (D) (3)	378
of this section.	379
(ii) For taxable years beginning in 2023 or thereafter, a	380
person may deduct, for purposes of an income tax levied by a	381
municipal corporation that levies an income tax before January	382
1, 2016, the full amount allowed by division (D) (3) of this	383
section without regard to the limitation of division (D) (3) (c)	384
(i) of this section.	385
(d) Any pre-2017 net operating loss carryforward deduction	386
that is available may be utilized before a taxpayer may deduct	387
any amount pursuant to division (D) (3) of this section.	388
(e) Nothing in division (D) (3) (c) (i) of this section	389
precludes a person from carrying forward, for use with respect	390
to any return filed for a taxable year beginning after 2018, any	391
amount of net operating loss that was not fully utilized by	392
operation of division (D) (3) (c) (i) of this section. To the	393
extent that an amount of net operating loss that was not fully	394
utilized in one or more taxable years by operation of division	395
(D) (3) (c) (i) of this section is carried forward for use with	396
respect to a return filed for a taxable year beginning in 2019,	397
2020, 2021, or 2022, the limitation described in division (D) (3)	398
(c) (i) of this section shall apply to the amount carried	399
forward.	400

(4) For the purposes of this chapter, and notwithstanding 401
division (D)(2) of this section, net profit of a disregarded 402
entity shall not be taxable as against that disregarded entity, 403
but shall instead be included in the net profit of the owner of 404
the disregarded entity. 405

(5) For the purposes of this chapter, and notwithstanding 406
any other provision of this chapter, the net profit of a 407
publicly traded partnership that makes the election described in 408
division (D)(5) of this section shall be taxed as if the 409
partnership were a C corporation, and shall not be treated as 410
the net profit or income of any owner of the partnership. 411

A publicly traded partnership that is treated as a 412
partnership for federal income tax purposes and that is subject 413
to tax on its net profits in one or more municipal corporations 414
in this state may elect to be treated as a C corporation for 415
municipal income tax purposes. The publicly traded partnership 416
shall make the election in every municipal corporation in which 417
the partnership is subject to taxation on its net profits. The 418
election shall be made on the annual tax return filed in each 419
such municipal corporation. The publicly traded partnership 420
shall not be required to file the election with any municipal 421
corporation in which the partnership is not subject to taxation 422
on its net profits, but division (D)(5) of this section applies 423
to all municipal corporations in which an individual owner of 424
the partnership resides. 425

(E) "Adjusted federal taxable income," for a person 426
required to file as a C corporation, or for a person that has 427
elected to be taxed as a C corporation under division (D)(5) of 428
this section, means a C corporation's federal taxable income 429
before net operating losses and special deductions as determined 430

under the Internal Revenue Code, adjusted as follows: 431

(1) Deduct intangible income to the extent included in 432
federal taxable income. The deduction shall be allowed 433
regardless of whether the intangible income relates to assets 434
used in a trade or business or assets held for the production of 435
income. 436

(2) Add an amount equal to five per cent of intangible 437
income deducted under division (E) (1) of this section, but 438
excluding that portion of intangible income directly related to 439
the sale, exchange, or other disposition of property described 440
in section 1221 of the Internal Revenue Code; 441

(3) Add any losses allowed as a deduction in the 442
computation of federal taxable income if the losses directly 443
relate to the sale, exchange, or other disposition of an asset 444
described in section 1221 or 1231 of the Internal Revenue Code; 445

(4) (a) Except as provided in division (E) (4) (b) of this 446
section, deduct income and gain included in federal taxable 447
income to the extent the income and gain directly relate to the 448
sale, exchange, or other disposition of an asset described in 449
section 1221 or 1231 of the Internal Revenue Code; 450

(b) Division (E) (4) (a) of this section does not apply to 451
the extent the income or gain is income or gain described in 452
section 1245 or 1250 of the Internal Revenue Code. 453

(5) Add taxes on or measured by net income allowed as a 454
deduction in the computation of federal taxable income; 455

(6) In the case of a real estate investment trust or 456
regulated investment company, add all amounts with respect to 457
dividends to, distributions to, or amounts set aside for or 458
credited to the benefit of investors and allowed as a deduction 459

in the computation of federal taxable income;	460
(7) Deduct, to the extent not otherwise deducted or	461
excluded in computing federal taxable income, any income derived	462
from a transfer agreement or from the enterprise transferred	463
under that agreement under section 4313.02 of the Revised Code;	464
(8) Deduct exempt income to the extent not otherwise	465
deducted or excluded in computing adjusted federal taxable	466
income.	467
(9) Deduct any net profit of a pass-through entity owned	468
directly or indirectly by the taxpayer and included in the	469
taxpayer's federal taxable income unless an affiliated group of	470
corporations includes that net profit in the group's federal	471
taxable income in accordance with division (E) (3) (b) of section	472
718.06 of the Revised Code.	473
(10) Add any loss incurred by a pass-through entity owned	474
directly or indirectly by the taxpayer and included in the	475
taxpayer's federal taxable income unless an affiliated group of	476
corporations includes that loss in the group's federal taxable	477
income in accordance with division (E) (3) (b) of section 718.06	478
of the Revised Code.	479
<u>(11) Deduct, to the extent included in federal taxable</u>	480
<u>income, the amount of ordinary and necessary expenses, described</u>	481
<u>under section 162 of the Internal Revenue Code, paid or incurred</u>	482
<u>during the taxable year in carrying on a trade or business as a</u>	483
<u>marijuana cultivator, processor, dispensary, or laboratory</u>	484
<u>licensed under Chapter 3780. or 3796. of the Revised Code, or</u>	485
<u>any other marijuana establishment licensed by the state, if the</u>	486
<u>deduction for ordinary and necessary expenses under that section</u>	487
<u>is disallowed under section 280E of the Internal Revenue Code.</u>	488

If the taxpayer is not a C corporation, is not a 489
disregarded entity that has made the election described in 490
division (L)(2) of this section, is not a publicly traded 491
partnership that has made the election described in division (D) 492
(5) of this section, and is not an individual, the taxpayer 493
shall compute adjusted federal taxable income under this section 494
as if the taxpayer were a C corporation, except guaranteed 495
payments and other similar amounts paid or accrued to a partner, 496
former partner, shareholder, former shareholder, member, or 497
former member shall not be allowed as a deductible expense 498
unless such payments are a pension or retirement benefit payment 499
paid to a retired partner, retired shareholder, or retired 500
member or are in consideration for the use of capital and 501
treated as payment of interest under section 469 of the Internal 502
Revenue Code or United States treasury regulations. Amounts paid 503
or accrued to a qualified self-employed retirement plan with 504
respect to a partner, former partner, shareholder, former 505
shareholder, member, or former member of the taxpayer, amounts 506
paid or accrued to or for health insurance for a partner, former 507
partner, shareholder, former shareholder, member, or former 508
member, and amounts paid or accrued to or for life insurance for 509
a partner, former partner, shareholder, former shareholder, 510
member, or former member shall not be allowed as a deduction. 511

Nothing in division (E) of this section shall be construed 512
as allowing the taxpayer to add or deduct any amount more than 513
once or shall be construed as allowing any taxpayer to deduct 514
any amount paid to or accrued for purposes of federal self- 515
employment tax. 516

(F) "Schedule C" means internal revenue service schedule C 517
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 518
Code. 519

(G) "Schedule E" means internal revenue service schedule E (form 1040) filed by a taxpayer pursuant to the Internal Revenue Code.	520 521 522
(H) "Schedule F" means internal revenue service schedule F (form 1040) filed by a taxpayer pursuant to the Internal Revenue Code.	523 524 525
(I) "Internal Revenue Code" has the same meaning as in section 5747.01 of the Revised Code.	526 527
(J) "Resident" means an individual who is domiciled in the municipal corporation as determined under section 718.012 of the Revised Code.	528 529 530
(K) "Nonresident" means an individual that is not a resident.	531 532
(L) (1) "Taxpayer" means a person subject to a tax levied on income by a municipal corporation in accordance with this chapter. "Taxpayer" does not include a grantor trust or, except as provided in division (L) (2) (a) of this section, a disregarded entity.	533 534 535 536 537
(2) (a) A single member limited liability company that is a disregarded entity for federal tax purposes may be a separate taxpayer from its single member in all Ohio municipal corporations in which it either filed as a separate taxpayer or did not file for its taxable year ending in 2003, if all of the following conditions are met:	538 539 540 541 542 543
(i) The limited liability company's single member is also a limited liability company.	544 545
(ii) The limited liability company and its single member were formed and doing business in one or more Ohio municipal	546 547

corporations for at least five years before January 1, 2004. 548

(iii) Not later than December 31, 2004, the limited 549
liability company and its single member each made an election to 550
be treated as a separate taxpayer under division (L) of this 551
section as this section existed on December 31, 2004. 552

(iv) The limited liability company was not formed for the 553
purpose of evading or reducing Ohio municipal corporation income 554
tax liability of the limited liability company or its single 555
member. 556

(v) The Ohio municipal corporation that was the primary 557
place of business of the sole member of the limited liability 558
company consented to the election. 559

(b) For purposes of division (L) (2) (a) (v) of this section, 560
a municipal corporation was the primary place of business of a 561
limited liability company if, for the limited liability 562
company's taxable year ending in 2003, its income tax liability 563
was greater in that municipal corporation than in any other 564
municipal corporation in Ohio, and that tax liability to that 565
municipal corporation for its taxable year ending in 2003 was at 566
least four hundred thousand dollars. 567

(M) "Person" includes individuals, firms, companies, joint 568
stock companies, business trusts, estates, trusts, partnerships, 569
limited liability partnerships, limited liability companies, 570
associations, C corporations, S corporations, governmental 571
entities, and any other entity. 572

(N) "Pass-through entity" means a partnership not treated 573
as an association taxable as a C corporation for federal income 574
tax purposes, a limited liability company not treated as an 575
association taxable as a C corporation for federal income tax 576

purposes, an S corporation, or any other class of entity from 577
which the income or profits of the entity are given pass-through 578
treatment for federal income tax purposes. "Pass-through entity" 579
does not include a trust, estate, grantor of a grantor trust, or 580
disregarded entity. 581

(O) "S corporation" means a person that has made an 582
election under subchapter S of Chapter 1 of Subtitle A of the 583
Internal Revenue Code for its taxable year. 584

(P) "Single member limited liability company" means a 585
limited liability company that has one direct member. 586

(Q) "Limited liability company" means a limited liability 587
company formed under former Chapter 1705. of the Revised Code as 588
that chapter existed prior to February 11, 2022, Chapter 1706. 589
of the Revised Code, or the laws of another state. 590

(R) "Qualifying wages" means wages, as defined in section 591
3121(a) of the Internal Revenue Code, without regard to any wage 592
limitations, adjusted as follows: 593

(1) Deduct the following amounts: 594

(a) Any amount included in wages if the amount constitutes 595
compensation attributable to a plan or program described in 596
section 125 of the Internal Revenue Code. 597

(b) Any amount included in wages if the amount constitutes 598
payment on account of a disability related to sickness or an 599
accident paid by a party unrelated to the employer, agent of an 600
employer, or other payer. 601

(c) Any amount attributable to a nonqualified deferred 602
compensation plan or program described in section 3121(v) (2) (C) 603
of the Internal Revenue Code if the compensation is included in 604

wages and the municipal corporation has, by resolution or 605
ordinance adopted before January 1, 2016, exempted the amount 606
from withholding and tax. 607

(d) Any amount included in wages if the amount arises from 608
the sale, exchange, or other disposition of a stock option, the 609
exercise of a stock option, or the sale, exchange, or other 610
disposition of stock purchased under a stock option and the 611
municipal corporation has, by resolution or ordinance adopted 612
before January 1, 2016, exempted the amount from withholding and 613
tax. 614

(e) Any amount included in wages that is exempt income. 615

(2) Add the following amounts: 616

(a) Any amount not included in wages solely because the 617
employee was employed by the employer before April 1, 1986. 618

(b) Any amount not included in wages because the amount 619
arises from the sale, exchange, or other disposition of a stock 620
option, the exercise of a stock option, or the sale, exchange, 621
or other disposition of stock purchased under a stock option and 622
the municipal corporation has not, by resolution or ordinance, 623
exempted the amount from withholding and tax adopted before 624
January 1, 2016. Division (R) (2) (b) of this section applies only 625
to those amounts constituting ordinary income. 626

(c) Any amount not included in wages if the amount is an 627
amount described in section 401(k), 403(b), or 457 of the 628
Internal Revenue Code. Division (R) (2) (c) of this section 629
applies only to employee contributions and employee deferrals. 630

(d) Any amount that is supplemental unemployment 631
compensation benefits described in section 3402(o) (2) of the 632
Internal Revenue Code and not included in wages. 633

(e) Any amount received that is treated as self-employment 634
income for federal tax purposes in accordance with section 635
1402(a) (8) of the Internal Revenue Code. 636

(f) Any amount not included in wages if all of the 637
following apply: 638

(i) For the taxable year the amount is employee 639
compensation that is earned outside of the United States and 640
that either is included in the taxpayer's gross income for 641
federal income tax purposes or would have been included in the 642
taxpayer's gross income for such purposes if the taxpayer did 643
not elect to exclude the income under section 911 of the 644
Internal Revenue Code; 645

(ii) For no preceding taxable year did the amount 646
constitute wages as defined in section 3121(a) of the Internal 647
Revenue Code; 648

(iii) For no succeeding taxable year will the amount 649
constitute wages; and 650

(iv) For any taxable year the amount has not otherwise 651
been added to wages pursuant to either division (R) (2) of this 652
section or section 718.03 of the Revised Code, as that section 653
existed before the effective date of H.B. 5 of the 130th general 654
assembly, March 23, 2015. 655

(S) "Intangible income" means income of any of the 656
following types: income yield, interest, capital gains, 657
dividends, or other income arising from the ownership, sale, 658
exchange, or other disposition of intangible property including, 659
but not limited to, investments, deposits, money, or credits as 660
those terms are defined in Chapter 5701. of the Revised Code, 661
and patents, copyrights, trademarks, tradenames, investments in 662

real estate investment trusts, investments in regulated 663
investment companies, and appreciation on deferred compensation. 664
"Intangible income" does not include prizes, awards, or other 665
income associated with any lottery winnings, gambling winnings, 666
or other similar games of chance. 667

(T) "Taxable year" means the corresponding tax reporting 668
period as prescribed for the taxpayer under the Internal Revenue 669
Code. 670

(U) (1) "Tax administrator" means, subject to division (U) 671
(2) of this section, the individual charged with direct 672
responsibility for administration of an income tax levied by a 673
municipal corporation in accordance with this chapter, and also 674
includes the following: 675

(a) A municipal corporation acting as the agent of another 676
municipal corporation; 677

(b) A person retained by a municipal corporation to 678
administer a tax levied by the municipal corporation, but only 679
if the municipal corporation does not compensate the person in 680
whole or in part on a contingency basis; 681

(c) The central collection agency or the regional income 682
tax agency or their successors in interest, or another entity 683
organized to perform functions similar to those performed by the 684
central collection agency and the regional income tax agency. 685

(2) "Tax administrator" does not include the tax 686
commissioner. 687

(3) A private individual or entity serving in any position 688
described in division (U) (1) (b) or (c) of this section shall 689
have no access to criminal history record information. 690

(V) "Employer" means a person that is an employer for federal income tax purposes. 691
692

(W) "Employee" means an individual who is an employee for federal income tax purposes. 693
694

(X) "Other payer" means any person, other than an individual's employer or the employer's agent, that pays an individual any amount included in the federal gross income of the individual. "Other payer" includes casino operators and video lottery terminal sales agents. 695
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(Y) "Calendar quarter" means the three-month period ending on the last day of March, June, September, or December. 700
701

(Z) "Form 2106" means internal revenue service form 2106 filed by a taxpayer pursuant to the Internal Revenue Code. 702
703

(AA) "Municipal corporation" includes a joint economic development district or joint economic development zone that levies an income tax under section 715.691, 715.70, 715.71, or 715.72 of the Revised Code. 704
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(BB) "Disregarded entity" means a single member limited liability company, a qualifying subchapter S subsidiary, or another entity if the company, subsidiary, or entity is a disregarded entity for federal income tax purposes. 708
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(CC) "Generic form" means an electronic or paper form that is not prescribed by a particular municipal corporation and that is designed for reporting taxes withheld by an employer, agent of an employer, or other payer, estimated municipal income taxes, or annual municipal income tax liability or for filing a refund claim. 712
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(DD) "Tax return preparer" means any individual described 718

in section 7701(a) (36) of the Internal Revenue Code and 26	719
C.F.R. 301.7701-15.	720
(EE) "Ohio business gateway" means the online computer	721
network system created under section 125.30 of the Revised Code	722
or any successor electronic filing and payment system.	723
(FF) "Local board of tax review" and "board of tax review"	724
mean the entity created under section 718.11 of the Revised	725
Code.	726
(GG) "Net operating loss" means a loss incurred by a	727
person in the operation of a trade or business. "Net operating	728
loss" does not include unutilized losses resulting from basis	729
limitations, at-risk limitations, or passive activity loss	730
limitations.	731
(HH) "Casino operator" and "casino facility" have the same	732
meanings as in section 3772.01 of the Revised Code.	733
(II) "Video lottery terminal" has the same meaning as in	734
section 3770.21 of the Revised Code.	735
(JJ) "Video lottery terminal sales agent" means a lottery	736
sales agent licensed under Chapter 3770. of the Revised Code to	737
conduct video lottery terminals on behalf of the state pursuant	738
to section 3770.21 of the Revised Code.	739
(KK) "Postal service" means the United States postal	740
service.	741
(LL) "Certified mail," "express mail," "United States	742
mail," "postal service," and similar terms include any delivery	743
service authorized pursuant to section 5703.056 of the Revised	744
Code.	745
(MM) "Postmark date," "date of postmark," and similar	746

terms include the date recorded and marked in the manner 747
described in division (B) (3) of section 5703.056 of the Revised 748
Code. 749

(NN) "Related member" means a person that, with respect to 750
the taxpayer during all or any portion of the taxable year, is 751
either a related entity, a component member as defined in 752
section 1563(b) of the Internal Revenue Code, or a person to or 753
from whom there is attribution of stock ownership in accordance 754
with section 1563(e) of the Internal Revenue Code except, for 755
purposes of determining whether a person is a related member 756
under this division, "twenty per cent" shall be substituted for 757
"5 percent" wherever "5 percent" appears in section 1563(e) of 758
the Internal Revenue Code. 759

(OO) "Related entity" means any of the following: 760

(1) An individual stockholder, or a member of the 761
stockholder's family enumerated in section 318 of the Internal 762
Revenue Code, if the stockholder and the members of the 763
stockholder's family own directly, indirectly, beneficially, or 764
constructively, in the aggregate, at least fifty per cent of the 765
value of the taxpayer's outstanding stock; 766

(2) A stockholder, or a stockholder's partnership, estate, 767
trust, or corporation, if the stockholder and the stockholder's 768
partnerships, estates, trusts, or corporations own directly, 769
indirectly, beneficially, or constructively, in the aggregate, 770
at least fifty per cent of the value of the taxpayer's 771
outstanding stock; 772

(3) A corporation, or a party related to the corporation 773
in a manner that would require an attribution of stock from the 774
corporation to the party or from the party to the corporation 775

under division (OO) (4) of this section, provided the taxpayer 776
owns directly, indirectly, beneficially, or constructively, at 777
least fifty per cent of the value of the corporation's 778
outstanding stock; 779

(4) The attribution rules described in section 318 of the 780
Internal Revenue Code apply for the purpose of determining 781
whether the ownership requirements in divisions (OO) (1) to (3) 782
of this section have been met. 783

(PP) (1) "Assessment" means a written finding by the tax 784
administrator that a person has underpaid municipal income tax, 785
or owes penalty and interest, or any combination of tax, 786
penalty, or interest, to the municipal corporation that 787
commences the person's time limitation for making an appeal to 788
the local board of tax review pursuant to section 718.11 of the 789
Revised Code, and has "ASSESSMENT" written in all capital 790
letters at the top of such finding. 791

(2) "Assessment" does not include an informal notice 792
denying a request for refund issued under division (B) (3) of 793
section 718.19 of the Revised Code, a billing statement 794
notifying a taxpayer of current or past-due balances owed to the 795
municipal corporation, a tax administrator's request for 796
additional information, a notification to the taxpayer of 797
mathematical errors, or a tax administrator's other written 798
correspondence to a person or taxpayer that does not meet the 799
criteria prescribed by division (PP) (1) of this section. 800

(QQ) "Taxpayers' rights and responsibilities" means the 801
rights provided to taxpayers in sections 718.11, 718.12, 718.19, 802
718.23, 718.36, 718.37, 718.38, 5717.011, and 5717.03 of the 803
Revised Code and the responsibilities of taxpayers to file, 804
report, withhold, remit, and pay municipal income tax and 805

otherwise comply with Chapter 718. of the Revised Code and 806
resolutions, ordinances, and rules adopted by a municipal 807
corporation for the imposition and administration of a municipal 808
income tax. 809

(RR) "Qualified municipal corporation" means a municipal 810
corporation that, by resolution or ordinance adopted on or 811
before December 31, 2011, adopted Ohio adjusted gross income, as 812
defined by section 5747.01 of the Revised Code, as the income 813
subject to tax for the purposes of imposing a municipal income 814
tax. 815

(SS) (1) "Pre-2017 net operating loss carryforward" means 816
any net operating loss incurred in a taxable year beginning 817
before January 1, 2017, to the extent such loss was permitted, 818
by a resolution or ordinance of the municipal corporation that 819
was adopted by the municipal corporation before January 1, 2016, 820
to be carried forward and utilized to offset income or net 821
profit generated in such municipal corporation in future taxable 822
years. 823

(2) For the purpose of calculating municipal taxable 824
income, any pre-2017 net operating loss carryforward may be 825
carried forward to any taxable year, including taxable years 826
beginning in 2017 or thereafter, for the number of taxable years 827
provided in the resolution or ordinance or until fully utilized, 828
whichever is earlier. 829

(TT) "Small employer" means any employer that had total 830
revenue of less than five hundred thousand dollars during the 831
preceding taxable year. For purposes of this division, "total 832
revenue" means receipts of any type or kind, including, but not 833
limited to, sales receipts; payments; rents; profits; gains, 834
dividends, and other investment income; compensation; 835

commissions; premiums; money; property; grants; contributions; 836
donations; gifts; program service revenue; patient service 837
revenue; premiums; fees, including premium fees and service 838
fees; tuition payments; unrelated business revenue; 839
reimbursements; any type of payment from a governmental unit, 840
including grants and other allocations; and any other similar 841
receipts reported for federal income tax purposes or under 842
generally accepted accounting principles. "Small employer" does 843
not include the federal government; any state government, 844
including any state agency or instrumentality; any political 845
subdivision; or any entity treated as a government for financial 846
accounting and reporting purposes. 847

(UU) "Audit" means the examination of a person or the 848
inspection of the books, records, memoranda, or accounts of a 849
person for the purpose of determining liability for a municipal 850
income tax. 851

(VV) "Publicly traded partnership" means any partnership, 852
an interest in which is regularly traded on an established 853
securities market. A "publicly traded partnership" may have any 854
number of partners. 855

(WW) "Tax commissioner" means the tax commissioner 856
appointed under section 121.03 of the Revised Code. 857

(XX) "Out-of-state disaster business," "qualifying 858
solicitation," "qualifying employee," "disaster work," "critical 859
infrastructure," and "disaster response period" have the same 860
meanings as in section 5703.94 of the Revised Code. 861

(YY) "Pension" means a retirement benefit plan, regardless 862
of whether the plan satisfies the qualifications described under 863
section 401(a) of the Internal Revenue Code, including amounts 864

that are taxable under the "Federal Insurance Contributions Act," Chapter 21 of the Internal Revenue Code, excluding employee contributions and elective deferrals, and regardless of whether such amounts are paid in the same taxable year in which the amounts are included in the employee's wages, as defined by section 3121(a) of the Internal Revenue Code.

(ZZ) "Retirement benefit plan" means an arrangement whereby an entity provides benefits to individuals either on or after their termination of service because of retirement or disability. "Retirement benefit plan" does not include wage continuation payments, severance payments, or payments made for accrued personal or vacation time.

Sec. 718.81. If a term used in sections 718.80 to 718.95 of the Revised Code that is not otherwise defined in this chapter is used in a comparable context in both the laws of the United States relating to federal income tax and in Title LVII of the Revised Code and the use is not consistent, then the use of the term in the laws of the United States relating to federal income tax shall have control over the use of the term in Title LVII of the Revised Code, unless the term is defined in Chapter 5703. of the Revised Code, in which case the definition in that chapter shall control. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States related to federal income taxes. If a term is defined in both this section and section 718.01 of the Revised Code, the definition in this section shall control for all uses of that term in sections 718.80 through 718.95 of the Revised Code.

As used in sections 718.80 to 718.95 of the Revised Code only:

(A) "Municipal taxable income" means income apportioned or

situated to the municipal corporation under section 718.82 of the Revised Code, as applicable, reduced by any pre-2017 net operating loss carryforward available to the person for the municipal corporation.

(B) "Adjusted federal taxable income," for a person required to file as a C corporation, or for a person that has elected to be taxed as a C corporation as described in division (D) (5) of section 718.01 of the Revised Code, means a C corporation's federal taxable income before net operating losses and special deductions as determined under the Internal Revenue Code, adjusted as follows:

(1) Deduct intangible income to the extent included in federal taxable income. The deduction shall be allowed regardless of whether the intangible income relates to assets used in a trade or business or assets held for the production of income.

(2) Add an amount equal to five per cent of intangible income deducted under division (B) (1) of this section, but excluding that portion of intangible income directly related to the sale, exchange, or other disposition of property described in section 1221 of the Internal Revenue Code.

(3) Add any losses allowed as a deduction in the computation of federal taxable income if the losses directly relate to the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code.

(4) (a) Except as provided in division (B) (4) (b) of this section, deduct income and gain included in federal taxable income to the extent the income and gain directly relate to the sale, exchange, or other disposition of an asset described in

section 1221 or 1231 of the Internal Revenue Code.	924
(b) Division (B) (4) (a) of this section does not apply to	925
the extent the income or gain is income or gain described in	926
section 1245 or 1250 of the Internal Revenue Code.	927
(5) Add taxes on or measured by net income allowed as a	928
deduction in the computation of federal taxable income.	929
(6) In the case of a real estate investment trust or	930
regulated investment company, add all amounts with respect to	931
dividends to, distributions to, or amounts set aside for or	932
credited to the benefit of investors and allowed as a deduction	933
in the computation of federal taxable income.	934
(7) Deduct, to the extent not otherwise deducted or	935
excluded in computing federal taxable income, any income derived	936
from a transfer agreement or from the enterprise transferred	937
under that agreement under section 4313.02 of the Revised Code.	938
(8) Deduct exempt income to the extent not otherwise	939
deducted or excluded in computing adjusted federal taxable	940
income.	941
(9) Deduct any net profit of a pass-through entity owned	942
directly or indirectly by the taxpayer and included in the	943
taxpayer's federal taxable income unless an affiliated group of	944
corporations includes that net profit in the group's federal	945
taxable income in accordance with division (E) (3) (b) of section	946
718.86 of the Revised Code.	947
(10) Add any loss incurred by a pass-through entity owned	948
directly or indirectly by the taxpayer and included in the	949
taxpayer's federal taxable income unless an affiliated group of	950
corporations includes that loss in the group's federal taxable	951
income in accordance with division (E) (3) (b) of section 718.86	952

of the Revised Code. 953

(11) Deduct, to the extent included in federal taxable 954
income, the amount of ordinary and necessary expenses, described 955
under section 162 of the Internal Revenue Code, paid or incurred 956
during the taxable year in carrying on a trade or business as a 957
marijuana cultivator, processor, dispensary, or laboratory 958
licensed under Chapter 3780. or 3796. of the Revised Code, or 959
any other marijuana establishment licensed by the state, if the 960
deduction for ordinary and necessary expenses under that section 961
is disallowed under section 280E of the Internal Revenue Code. 962

If the taxpayer is not a C corporation, is not a 963
disregarded entity that has made the election described in 964
division (L)(2) of section 718.01 of the Revised Code, and is 965
not a publicly traded partnership that has made the election 966
described in division (D)(5) of section 718.01 of the Revised 967
Code, the taxpayer shall compute adjusted federal taxable income 968
under this section as if the taxpayer were a C corporation, 969
except guaranteed payments and other similar amounts paid or 970
accrued to a partner, former partner, shareholder, former 971
shareholder, member, or former member shall not be allowed as a 972
deductible expense unless such payments are a pension or 973
retirement benefit payment paid to a retired partner, retired 974
shareholder, or retired member or are in consideration for the 975
use of capital and treated as payment of interest under section 976
469 of the Internal Revenue Code or United States treasury 977
regulations. Amounts paid or accrued to a qualified self- 978
employed retirement plan with respect to a partner, former 979
partner, shareholder, former shareholder, member, or former 980
member of the taxpayer, amounts paid or accrued to or for health 981
insurance for a partner, former partner, shareholder, former 982
shareholder, member, or former member, and amounts paid or 983

accrued to or for life insurance for a partner, former partner, 984
shareholder, former shareholder, member, or former member shall 985
not be allowed as a deduction. 986

Nothing in division (B) of this section shall be construed 987
as allowing the taxpayer to add or deduct any amount more than 988
once or shall be construed as allowing any taxpayer to deduct 989
any amount paid to or accrued for purposes of federal self- 990
employment tax. 991

(C) "Taxpayer" has the same meaning as in section 718.01 992
of the Revised Code, except that "taxpayer" does not include 993
natural persons or entities subject to the tax imposed under 994
Chapter 5745. of the Revised Code. "Taxpayer" may include 995
receivers, assignees, or trustees in bankruptcy when such 996
persons are required to assume the role of a taxpayer. 997

(D) "Tax return" or "return" means the notifications and 998
reports required to be filed pursuant to sections 718.80 to 999
718.95 of the Revised Code for the purpose of reporting 1000
municipal income taxes, and includes declarations of estimated 1001
tax. 1002

(E) "Assessment" means a notice of underpayment or 1003
nonpayment of a tax issued pursuant to section 718.90 of the 1004
Revised Code. 1005

Sec. 928.01. As used in this chapter: 1006

(A) "Cannabidiol" means the cannabidiol compound,~~—~~ 1007
~~containing a delta-9 tetrahydrocannabinol concentration of not~~ 1008
~~more than three tenths per cent,~~ derived from hemp. 1009

(B) "Cultivate" or "cultivating" means to plant, water, 1010
grow, fertilize, till, or harvest a plant or crop. "Cultivating" 1011
includes possessing or storing a plant or crop on a premises 1012

where the plant or crop was cultivated until transported to the 1013
first point of sale. 1014

(C) "Hemp" means the plant *Cannabis sativa* L. and any part 1015
of that plant, including the seeds thereof and all derivatives, 1016
extracts, cannabinoids, isomers, acids, salts, and salts of 1017
isomers, whether growing or not, with a ~~delta-9-total~~ 1018
tetrahydrocannabinol concentration of not more than three-tenths 1019
per cent on a dry weight basis. 1020

(D) "Hemp cultivation license" means a license to 1021
cultivate hemp issued under section 928.02 of the Revised Code. 1022

(E) "Hemp processing license" means a license to process 1023
hemp issued under section 928.02 of the Revised Code. 1024

(F) "Hemp product" means any product, ~~containing a delta-9-~~ 1025
~~tetrahydrocannabinol concentration of not more than three-tenths-~~ 1026
~~per cent,~~ including an adult-use hemp product, that is made with 1027
hemp and that has a total tetrahydrocannabinol concentration of 1028
not more than three-tenths per cent. "Hemp product" 1029

"Hemp product" includes cosmetics, personal care products, 1030
dietary supplements or food intended for animal or human 1031
consumption, cloth, cordage, fiber, fuel, paint, paper, 1032
particleboard, and any other product containing one or more 1033
cannabinoids derived from hemp, including cannabidiol. 1034

(G) "Marihuana" has the same meaning as in section 3719.01 1035
of the Revised Code. 1036

(H) "Medical marijuana" has the same meaning as in section 1037
3796.01 of the Revised Code. 1038

(I) "Process" or "processing" means converting hemp into a 1039
hemp product. 1040

(J) "Delta-9 tetrahydrocannabinol" means the sum of the 1041
percentage by weight of tetrahydrocannabinolic acid multiplied 1042
by 0.877 plus the percentage by weight of delta-9 1043
tetrahydrocannabinol. 1044

(K) "University" means an institution of higher education 1045
as defined in section 3345.12 of the Revised Code and a private 1046
nonprofit institution with a certificate of authorization issued 1047
pursuant to Chapter 1713. of the Revised Code. 1048

(L) "USDA" means the United States department of 1049
agriculture. 1050

(M) "Adult-use hemp product" means a hemp product that 1051
contains tetrahydrocannabinol to which all of the following 1052
apply: 1053

(1) The product has two and five-tenths milligrams or more 1054
of total tetrahydrocannabinol per serving. 1055

(2) The product has more than four servings per package. 1056

(3) The product has a ratio of cannabidiol to total 1057
tetrahydrocannabinol per package of not more than fifteen to 1058
one. 1059

(N) "Tetrahydrocannabinol" means naturally occurring or 1060
synthetic equivalents, regardless of whether artificially or 1061
naturally derived, of the substances contained in the plant, or 1062
in the resinous extractives of cannabis, sp. or derivatives, and 1063
their isomers with similar chemical structure to delta-1-cis or 1064
trans tetrahydrocannabinol, and their optical isomers, salts and 1065
salts of isomers. "Tetrahydrocannabinol" includes delta-6-cis or 1066
trans tetrahydrocannabinol, delta^{3,4}-cis or trans 1067
tetrahydrocannabinol, 9-hexahydrocannabinol, and delta-9- 1068
tetrahydrocannabinol acetate. Since nomenclature of these 1069

substances is not internationally standardized, compounds of 1070
these structures, regardless of any designation of atomic 1071
positions, are included. 1072

"Tetrahydrocannabinol" does not include the following: 1073

(1) Tetrahydrocannabinols approved by the United States 1074
food and drug administration for marketing as a medication or 1075
recognized by the United States food and drug administration as 1076
generally recognized as safe; 1077

(2) Cannabichromene (CBC); 1078

(3) Cannabicyclol (CBL); 1079

(4) Cannabidiol (CBD); 1080

(5) Cannabidivanol (CBDV); 1081

(6) Cannabielsoin (CBE); 1082

(7) Cannabigerol (CBG); 1083

(8) Cannabigerovarin (CBGV); 1084

(9) Cannabinol (CBN); 1085

(10) Cannabivarin (CBV). 1086

(O) "Total tetrahydrocannabinol" means the sum, after the 1087
application of any necessary conversion factor, of the 1088
percentage by weight of tetrahydrocannabinol, including delta-9 1089
tetrahydrocannabinol, and the percentage by weight of 1090
tetrahydrocannabinolic acid. 1091

Sec. 928.10. (A) As used in this section, "identification 1092
card" means a driver's or commercial driver's license, an 1093
identification card issued under sections 4507.50 to 4507.52 of 1094
the Revised Code or an equivalent identification card issued by 1095

another state, a military identification card issued by the 1096
United States department of defense, or a United States or 1097
foreign passport that displays a picture of the individual for 1098
whom the license, card, or passport was issued and shows that 1099
the person buying was then at least twenty-one years of age. 1100

(B) No person shall do any of the following: 1101

(1) Sell at retail an adult-use hemp product to an 1102
individual who is under twenty-one years of age; 1103

(2) Fail to verify that an individual who attempts to 1104
purchase or purchases an adult-use hemp product at retail is at 1105
least twenty-one years of age by examining the individual's 1106
identification card; 1107

(3) Sell an adult-use hemp product at retail at any place 1108
other than a permanent building; 1109

(4) Fail to store an adult-use hemp product for sale at 1110
retail behind a counter that only allows access to the person or 1111
the person's agent or employee; 1112

(5) Remove an adult-use hemp product from behind the 1113
counter as specified under division (B)(4) of this section until 1114
completion of the sale of the adult-use hemp product. 1115

Sec. 928.11. (A) As used in this section, references to 1116
"retailer" include the retailer's agent or employee. 1117

(B) Any enforcement agent of the Ohio investigative unit 1118
or any law enforcement officer may inspect any premises or 1119
location at which an adult-use hemp product is sold at retail 1120
without prior notice to the retailer. 1121

(C) An inspection may be conducted only during those hours 1122
during which a retailer that sells an adult-use hemp product is 1123

open for business. Any inspection conducted pursuant to this 1124
section is subject to all of the following requirements: 1125

(1) Contraband or property that is otherwise necessary for 1126
evidentiary purposes may be confiscated. 1127

(2) A complete inventory of all property confiscated from 1128
the premises shall be given to the retailer by the confiscating 1129
agent or officer at the conclusion of the inspection. At that 1130
time, the confiscating agent or officer shall sign the 1131
inventory, and the agent or officer shall give the retailer the 1132
opportunity to sign the inventory. 1133

(3) An agent or officer shall conduct an inspection in a 1134
reasonable manner. A finding by any court of competent 1135
jurisdiction that an inspection was not conducted in a 1136
reasonable manner in accordance with this section or rules may 1137
be considered grounds for suppression of evidence. A finding by 1138
the department of public safety that an inspection was not 1139
conducted in a reasonable manner may be considered grounds for 1140
dismissal of the case. 1141

(D) If any court of competent jurisdiction finds that 1142
property confiscated as the result of an inspection conducted in 1143
accordance with this section is not necessary for evidentiary 1144
purposes and is not contraband, the court shall order the 1145
immediate return of the confiscated property to the retailer, 1146
provided that the property is not otherwise subject to 1147
forfeiture. However, the return of the property is not grounds 1148
for dismissal of the case. The department of public safety 1149
likewise may order the return of confiscated property if no 1150
criminal prosecution is pending or anticipated. 1151

(E) Upon a determination by the department of public 1152

safety that a violation of section 928.10 of the Revised Code 1153
has occurred, and once all direct appeals have expired, any 1154
adult-use hemp product and contraband seized by the Ohio 1155
investigative unit shall be destroyed in accordance with 1156
sections 2981.11 to 2981.13 of the Revised Code. 1157

(F) No person shall hinder or obstruct any enforcement 1158
agent of the Ohio investigative unit or any law enforcement 1159
officer from conducting an inspection or searching any place 1160
where an adult-use hemp product is sold at retail. 1161

Sec. 928.12. (A) The Ohio investigative unit shall enforce 1162
section 928.10 of the Revised Code or cause it to be enforced. 1163
If the unit has information that section 928.10 of the Revised 1164
Code has been violated, it shall investigate the matter and take 1165
any action as it considers appropriate. 1166

(B) If the department of public safety determines that 1167
there is clear and convincing evidence of a danger of immediate 1168
and serious harm to any person, the department may place under 1169
seal all adult-use hemp products owned by or in the possession, 1170
custody, or control of the affected person selling at retail 1171
adult-use hemp products. Except as provided in this division, 1172
the department shall not dispose of the adult-use hemp products 1173
sealed under this division until the person selling adult-use 1174
hemp products exhausts all of the person's appeal rights under 1175
Chapter 119. of the Revised Code. The court involved in such an 1176
appeal may order the department, during the pendency of the 1177
appeal, to sell adult-use hemp products that are perishable. The 1178
department shall deposit the proceeds of the sale with the 1179
court. 1180

Sec. 928.99. (A) Whoever recklessly violates section 1181
928.04 of the Revised Code is guilty of the following: 1182

(1) For a first offense, a minor misdemeanor;	1183
(2) For each subsequent offense, a misdemeanor of the fourth degree.	1184 1185
The court shall order an offender who is convicted of or pleads guilty to a third or subsequent offense ineligible to receive a hemp cultivation license or hemp processing license under this chapter. The court shall provide written notice of that order to the director of agriculture. Upon receipt of the notice, the director shall revoke any hemp cultivation license or hemp processing license that the offender holds and shall refuse to issue a hemp cultivation license or hemp processing license to the offender beginning on the date of the court order.	1186 1187 1188 1189 1190 1191 1192 1193 1194 1195
(B) <u>Whoever recklessly violates division (B) of section 928.10 of the Revised Code is guilty of a misdemeanor of the first degree.</u>	1196 1197 1198
<u>(C)</u> The prosecuting attorney of the applicable county or the attorney general may prosecute an action under this section.	1199 1200
Sec. 3780.03. Establishment and authority of division of cannabis control; adoption of rules.	1201 1202
(A) <u>(A)</u> There is hereby established a division of cannabis control within the department of commerce.	1203 1204
(B) <u>(B)</u> To ensure the proper oversight and control of the adult use cannabis industry, the division of cannabis control shall have the authority to license, regulate, investigate, and penalize adult use cannabis operators, adult use testing laboratories, and individuals required to be licensed under this chapter.	1205 1206 1207 1208 1209 1210

~~(C)~~ _____ (C) The division of cannabis control shall adopt, and 1211
as advisable and necessary shall amend or repeal, rules on the 1212
following: 1213

~~(1)~~ _____ (1) Prevention of practices detrimental to the public 1214
interest consistent with this chapter, and also ways to educate 1215
the public about this chapter; 1216

~~(2)~~ _____ (2) Establishing application, licensure, and renewal 1217
standards and procedures for license applicants or license 1218
holders related to adult use cannabis operators, adult use 1219
testing laboratories, and individuals required to be licensed, 1220
including any additional background check requirements, the 1221
disqualifying offenses under section 3780.01 of the Revised Code 1222
that prohibit licensure, and any exemption criteria from 1223
licensing requirements for institutional or private investors 1224
who do not have significant control or influence over a license 1225
applicant or license holder, and whose ownership in a license is 1226
for investment purposes only; 1227

~~(3)~~ _____ (3) Establishing reasonable application, licensure, 1228
and renewal fees amounts to ensure license applicants and 1229
license holders under this chapter pay for the actual costs for 1230
administration and licensure for the division of cannabis 1231
control; 1232

~~(4)~~ _____ (4) Establishing standards for provisional licenses 1233
for an individual who is required to be licensed and who has 1234
exigent circumstances. Such standards for provisional licenses 1235
must include submission of a complete application and compliance 1236
with a required background check. A provisional license shall be 1237
valid not longer than three months. A provisional license may be 1238
renewed, at the division of cannabis control's discretion, for 1239
an additional three months. In establishing standards with 1240

regard to instant background checks the division of cannabis control may use all available resources + .	1241
	1242
(5) <u>(5) Specifying the process and reasons for which a license holder may be fined, suspended either with or without a prior hearing, revoked, or not renewed or issued;</u>	1243
	1244
	1245
(6) <u>(6) The process and requirements for division of cannabis control approval of any requested change in ownership or transfer of control of an adult use cannabis operator or adult use testing laboratory;</u>	1246
	1247
	1248
	1249
(7) <u>(7) Establishing process <u>processes</u> and standards for expanding the size of the cultivation area for a cultivation facility;</u>	1250
	1251
	1252
(8) <u>(8) Establishing standards and procedures for the testing of adult use cannabis by an adult use testing laboratory licensed under this chapter. When establishing standards and procedures for the testing of cannabis, the division of cannabis control shall do all of the following:</u>	1253
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	1255
	1256
	1257
(a) <u>(a) Specify when testing must be conducted;</u>	1258
(b) <u>(b) Determine the minimum amount of adult use cannabis that must be tested;</u>	1259
	1260
(c) <u>(c) Specify the manner in which testing is to be conducted in an effort to ensure <u>for either or both of the following purposes:</u></u>	1261
	1262
	1263
<u>(i) To ensure</u> uniformity of cannabis products processed for and dispensed; and	1264
	1265
<u>(ii) To spur innovation of processed cannabis products at lower cost.</u>	1266
	1267

(d) _____ (d) Specify the manner in which test results are provided.	1268 1269
(9) _____ (9) The minimum amount of insurance or surety bond that must be maintained by an adult use cannabis operator and adult use testing laboratory;	1270 1271 1272
(10) _____ (10) Requiring the division of cannabis control to adopt reasonable standards for any adult use cannabis samples, and advertising as prescribed in section 3780.21 of the Revised Code;	1273 1274 1275 1276
(11) _____ (11) Requiring that the records, including financial statements, of an adult use cannabis operator or adult use testing laboratory be maintained in the manner up to two years as prescribed by the division of cannabis control and which shall be made available for inspection upon demand by the division of cannabis control, but shall be subject to section 3780.31 of the Revised Code;	1277 1278 1279 1280 1281 1282 1283
(12) _____ (12) Prescribing technical standards and requirements consistent with industry standards that must be met for security and surveillance equipment necessary for the provision of security and surveillance of adult use cannabis operators and adult use testing laboratories;	1284 1285 1286 1287 1288
(13) _____ (13) Prescribing requirements for a license holder's provision of security services for an adult use cannabis operator and adult use testing laboratories which shall include the license holder's option to use armed or unarmed services including through agents of the license holder;	1289 1290 1291 1292 1293
(14) _____ (14) Prescribing standards according to which license holders shall keep accounts and standards according to which adult use cannabis operators and adult use testing laboratories	1294 1295 1296

accounts shall be audited, and establish guidance for assisting 1297
the department of taxation in levying and collecting the adult 1298
use tax levied under section 3780.22 of the Revised Code; 1299

~~(15)~~ _____ (15) Determining penalties for violation of division 1300
of cannabis control rules or this chapter, and a process for 1301
imposing such penalties; 1302

~~(16)~~ _____ (16) Training requirements for employees and agents of 1303
adult use cannabis operators and adult use laboratories; 1304

~~(17)~~ _____ (17) Prescribing standards and procedures to allow for 1305
adult use cannabis delivery to adult use consumers, and online 1306
and mobile ordering procedures, which may only be conducted by 1307
an adult use dispensary or their agent; 1308

~~(18)~~ _____ (18) Prescribing cannabis inventory requirements to be 1309
maintained in an electronic database consistent with section 1310
3780.05 of the Revised Code; 1311

~~(19)~~ _____ (19) Prescribing standards and procedures for product 1312
packaging and labeling of adult use cannabis products, including 1313
a requirement that the packaging and labeling disclose methods 1314
used to remediate the adult use cannabis product and whether 1315
such methods involve radiation; 1316

~~(20)~~ _____ (20) Prescribing standards and procedures in 1317
coordination with the department of development to administer 1318
and enforce the cannabis social equity and jobs program as 1319
prescribed under section 3780.19 of the Revised Code; 1320

~~(21)~~ _____ (21) Establishing a tetrahydrocannabinol content limit 1321
for adult use cannabis, which for plant material the content 1322
limit shall be ~~no~~ not less than thirty-five per cent and for 1323
extracts the content limit shall be ~~no~~ not less than ninety per 1324
cent, but that such content limits may be increased or 1325

eliminated by the division of cannabis control; ~~and~~. Any rule 1326
limiting the tetrahydrocannabinol content for adult use cannabis 1327
extracts shall prioritize the purity of the product and shall be 1328
written with the intent to erode the illicit market and 1329
encourage consumers in this state to purchase adult use cannabis 1330
from licensed dispensaries. 1331

~~(22)~~ (22) Prescribing duty to update requirements for 1332
license holders. 1333

~~(D)~~ (D) All rules adopted under this section and chapter 1334
shall be adopted in accordance with Chapter 119. of the Revised 1335
Code. 1336

~~(E)~~ (E) In addition to the rules described in division (C) 1337
of this section, the division of cannabis control may adopt any 1338
other rules it considers necessary for the administration, 1339
implementation, and enforcement of this chapter consistent with 1340
this chapter. 1341

~~(F)~~ (F) When adopting rules under this section, the 1342
division of cannabis control shall consider standards and 1343
procedures that have been found to be best practices relative to 1344
the use and regulation of adult use cannabis and shall harmonize 1345
any rules with the rules adopted pursuant to sections 3796.03 1346
and 3796.04 of the Revised Code to minimize duplication of 1347
operational requirements and fees as much as possible. If there 1348
is a conflict with Chapter 3796. of the Revised Code and related 1349
rules, and ~~chapter~~ Chapter 3780. of the Revised Code and related 1350
rules, then ~~chapter~~ Chapter 3780. of the Revised Code and 1351
related rules shall govern. 1352

Sec. 3780.10. Adult use cannabis operator and adult use testing 1353
laboratory licenses. 1354

~~(A)~~ _____ (A) No person shall operate as an adult use cannabis 1355
operator or adult use testing laboratory without a license 1356
issued pursuant to this chapter. 1357

~~(B)~~ _____ (B) The following licenses shall be issued by the 1358
division of cannabis control within nine months of ~~the effective~~ 1359
~~date of this section~~ December 7, 2023, if the license applicant 1360
is in compliance with section 3780.11 of the Revised Code and 1361
this chapter, and the license applicant has, or the same owners 1362
of the license applicant, have, a certificate of operation or 1363
medical provisional license issued as of ~~the effective date of~~ 1364
~~this section~~ December 7, 2023: 1365

~~(1)~~ _____ (1) A dispensary issued a certificate of operation or 1366
medical provisional license shall be issued an adult use 1367
dispensary license under this chapter for the current location 1368
of the dispensary; 1369

~~(2)~~ _____ (2) A level I cultivator issued a certificate of 1370
operation or medical provisional license shall be issued under 1371
this chapter three adult use dispensary licenses at locations 1372
designated in a license application, and one level I adult use 1373
cultivator license for the current location of the level I 1374
cultivation facility; 1375

~~(3)~~ _____ (3) A level II cultivator issued a certificate of 1376
operation or medical provisional license shall be issued under 1377
this chapter one adult use dispensary license at a location 1378
designated in the license application, and one level II adult 1379
use cultivator license for the current location of the level II 1380
cultivation facility; 1381

~~(4)~~ _____ (4) A dispensary issued a certificate of operation or 1382
medical provisional license shall be issued under this chapter 1383

one adult use dispensary license at a different location as 1384
designated in the license application if the dispensary does not 1385
have any common ownership or control with any level I adult use 1386
cultivator, level II adult use cultivator, or adult use 1387
processor license applicant or licensee; 1388

~~(5)~~ (5) A processor issued a certificate of operation or 1389
medical provisional license shall be issued under this chapter 1390
one adult use processor license for the current location of the 1391
processor; and, if the processor does not have any common 1392
ownership or control with any adult use cultivator or level III 1393
adult use cultivator license applicant or licensee, one level II 1394
adult use cultivator license at a location designated in the 1395
license application, conditioned upon the licensee processing 1396
not less than fifty per cent of the adult use cannabis 1397
cultivated under the level II adult use cultivator license for 1398
the licensee's own extraction feed stock; 1399

~~(6)~~ (6) A testing laboratory issued a certificate of 1400
operation shall be issued under this chapter one adult use 1401
testing laboratory license for the current location of the 1402
testing laboratory. 1403

~~Notwithstanding~~ Notwithstanding anything in this 1404
section, a license shall not be issued pursuant to division (B) 1405
of this section to a license applicant holding only a related 1406
medical provisional license unless the medical provisional 1407
license holder is issued a certificate of operation within two 1408
years of ~~the effective date of this section~~ December 7, 2023. 1409

~~(C)~~ (C) The division of cannabis control shall issue up to 1410
forty level III adult use cultivator licenses consistent with 1411
this chapter with preference provided to applicants who have 1412
been certified as cannabis social equity and jobs program 1413

participants under the cannabis social equity and jobs program 1414
pursuant to section 3780.19 of this chapter, the Revised Code. No 1415
person may have any ownership or control in more than one level 1416
III adult use cultivator license under this chapter. No adult 1417
use cultivator or adult use processor may have any ownership or 1418
control in a level III adult use cultivator license. 1419

~~(D)~~ (D) (1) The division of cannabis control shall issue up 1420
to fifty additional adult use dispensary licenses in conformity 1421
with this chapter with preference provided to applicants who 1422
have been certified as cannabis social equity and jobs program 1423
participants under the cannabis social equity and jobs program. 1424

~~(E)~~ (2) Subject to division (F) (3) of this section and 1425
rules adopted by the division of cannabis control under that 1426
division, license holders may apply for the additional adult use 1427
dispensary licenses provided for under division (D) (1) of this 1428
section. 1429

(E) Following twenty-four months from the first date of 1430
issuance of an adult use operator license, the division of 1431
cannabis control shall review the number of adult use cannabis 1432
operator licenses on a biannual basis and may authorize 1433
additional licenses after considering: 1434

~~(1)~~ (1) The current and anticipated market growth and 1435
consumer demand, including the number of adult use consumers 1436
seeking adult use cannabis; 1437

~~(2)~~ (2) The current and projected supply of adult use 1438
cannabis produced by licensed adult use cultivators, level III 1439
adult use cultivators, and adult use processors; and 1440

~~(3)~~ (3) The geographic distribution of adult use 1441
dispensary sites in an effort to ensure adult use customer 1442

access to adult use cannabis. 1443

~~(F) (1)~~ _____ (F) (1) The division of cannabis control shall 1444
provide a report and recommendation within ninety days of the 1445
conclusion of the requirements in division (E) of this section 1446
to the director for consideration. 1447

~~(2)~~ _____ (2) The division of cannabis control may adopt rules 1448
as necessary to implement this division. 1449

~~(3)~~ _____ (3) The division of cannabis control shall adopt a 1450
rule regarding the number of licenses a license holder may hold 1451
for each type of license consistent with this chapter. As of ~~the~~ 1452
~~effective date of this section December 7, 2023,~~ and 1453
notwithstanding any other provision of this chapter, no person 1454
shall be issued more than eight adult use dispensary licenses, 1455
~~and~~ not more than one adult use cultivator license, and not more 1456
than one adult use processor license at any time, unless 1457
authorized by the division of cannabis control after an analysis 1458
supporting the licensing pursuant to rule. 1459

~~(G)~~ _____ (G) The division of cannabis control may authorize 1460
additional adult use testing laboratory licenses at any time. 1461

**Sec. 3780.11. Application requirements for adult use cannabis 1462
operators and adult use testing laboratories. 1463**

~~(A)~~ _____ (A) An adult use cannabis operator and adult use 1464
testing laboratory license applicant authorized to file an 1465
application may file an application for licensure with the 1466
division of cannabis control. Each application shall be 1467
submitted in accordance with rules adopted under section 3780.03 1468
of the Revised Code and in conformity with this chapter. Initial 1469
applications shall be made available to adult use operators and 1470
adult use testing ~~laboratory~~ laboratories within six months of 1471

~~the effective date of this section December 7, 2023, and license~~ 1472
applicants shall comply with all requirements of this chapter 1473
and related rules prior to the issuance of a license. 1474

~~(B)~~ (B) The division of cannabis control shall issue a 1475
license to an applicant if all of the following conditions are 1476
met: 1477

~~(1)~~ (1) The report of the criminal records check conducted 1478
pursuant to section 3780.08 of the Revised Code with respect to 1479
the application demonstrates the following: 1480

~~(a)~~ (a) The criminal offenses for which an applicant will 1481
be disqualified from licensure; and 1482

~~(b)~~ (b) The criminal offenses that will not disqualify an 1483
applicant from licensure if the applicant was convicted of or 1484
pleaded guilty to the offense more than five years before the 1485
date the application for licensure is filed. 1486

~~(2)~~ (2) The adult use cannabis operator applicant 1487
demonstrates that it does not have an ownership or investment 1488
interest in or compensation arrangement with any of the 1489
following: 1490

~~(a)~~ (a) An adult use testing laboratory licensed under 1491
this chapter; or 1492

~~(b)~~ (b) An applicant for a license to conduct adult use 1493
laboratory testing. 1494

~~(3)~~ (3) The adult use cannabis operator applicant 1495
demonstrates that it does not share any corporate officers or 1496
employees with any of the following: 1497

~~(a)~~ (a) An adult use testing laboratory licensed under 1498
this chapter; or 1499

(b) _____ (b) An applicant for a license to conduct adult use laboratory testing.	1500 1501
(4) _____ (4) The adult use testing laboratory applicant demonstrates that it does not have an ownership or investment interest in or compensation arrangement with any of the following:	1502 1503 1504 1505
(a) _____ (a) An adult use cannabis operator licensed under this chapter; or	1506 1507
(b) _____ (b) An applicant for a license to conduct adult use cannabis operations.	1508 1509
(5) _____ (5) The adult use testing laboratory applicant demonstrates that it does not share any corporate officers or employees with any of the following:	1510 1511 1512
(a) _____ (a) An adult use cannabis operator licensed under this chapter; or	1513 1514
(b) _____ (b) An applicant for a license to conduct adult use cannabis operations.	1515 1516
(6) _____ (6) The applicant demonstrates that the operations will not be located within five hundred feet of a prohibited facility consistent with this chapter unless the prohibited facility was located within five hundred feet after the applicant filed the application with the division of cannabis control, or after the applicant, or the applicant owners, was operating under Chapter 3796. of the Revised Code at the same location, or unless otherwise authorized in this chapter.	1517 1518 1519 1520 1521 1522 1523 1524
(7) _____ (7) The information provided to the division of cannabis control pursuant to section 3780.06 of the Revised Code demonstrates that the applicant is in compliance with the	1525 1526 1527

applicable tax laws of this state. 1528

~~(8)~~ (8) The applicant meets all other license eligibility 1529
conditions established in rules adopted under section 3780.03 of 1530
the Revised Code. 1531

~~(9)~~ (9) The applicant is not employed by a regulatory body 1532
of a governmental unit of this state and in that capacity has 1533
significant influence or control, as determined by the division 1534
of cannabis control, over the ability of the applicant to 1535
conduct business in this state. 1536

~~(C) A~~ (C) Subject to division (D) of this section, a 1537
license expires according to the renewal schedule established in 1538
rules adopted under section 3780.03 of the Revised Code and may 1539
be renewed in accordance with the procedures established in 1540
those rules. A license shall be automatically renewed by the 1541
division of cannabis control unless good cause is otherwise 1542
shown. 1543

(D) An adult use processor license expires and is eligible 1544
for renewal on a two-year cycle. The licensure and renewal fees 1545
for an adult use processor license shall not exceed fifty 1546
thousand dollars. 1547

Sec. 3780.16. Adult use testing laboratory license. 1548

~~(A)~~ (A) Notwithstanding any conflicting provision of the 1549
Revised Code, the holder of a current and valid adult use 1550
testing laboratory license issued under this chapter may do ~~both~~ 1551
~~of~~ the following: 1552

~~(1)~~ (A) Obtain adult use cannabis from one or more adult 1553
use cannabis operators licensed under this chapter for testing 1554
purposes only; ~~and~~ 1555

~~(2)~~ (B) Conduct cannabis testing, research and operations 1556
in the manner specified in rules adopted under section 3780.03 1557
of the Revised Code; 1558

(C) Conduct research and development testing on behalf of, 1559
or in collaboration with, an adult use cannabis operator to spur 1560
innovation of processed cannabis products at lower cost. 1561

Sec. 3780.29. Home Grow. 1562

~~(A)~~ (A) Except as otherwise provided in this chapter, and 1563
notwithstanding any other provision of the Revised Code, the 1564
following acts by an adult use consumer are lawful: 1565

~~(1)~~ (1) Cultivating, growing, and possessing not more than 1566
six cannabis plants at the individual's primary residence, if 1567
all of the following apply: 1568

~~(a)~~ (a) Not more than twelve cannabis plants are 1569
cultivated or grown at a single residence where two or more 1570
individuals who are at least twenty-one years of age reside at 1571
any one time; and 1572

~~(b)~~ (b) Cultivation or growing of adult use cannabis only 1573
takes place within a secured closet, room, greenhouse, or other 1574
enclosed area in or on the grounds of the residence that 1575
prevents access by individuals less than twenty-one years of 1576
age, and which is not visible by normal unaided vision from a 1577
public space; 1578

(c) On and after ninety days after the effective date of this 1579
amendment, the adult use consumer files an affidavit with the 1580
division of cannabis control as specified in division (G) of 1581
this section. 1582

~~(2)~~ (2) Processing by manual or mechanical means adult use 1583

cannabis cultivated or grown in accordance with this section; ~~or~~ 1584

~~(3)~~ _____ (3) Transferring up to six cannabis plants to an adult 1585
use consumer as long as the transfer is without remuneration and 1586
not advertised or promoted to the public. 1587

~~(B)~~ _____ (B) An adult use consumer may store at their primary 1588
residence adult use cannabis that was purchased from an adult 1589
use dispensary licensed under this chapter or produced in 1590
compliance with this section. 1591

~~(C)~~ _____ (C) This section does not authorize an individual to 1592
do any of the following: 1593

~~(1)~~ _____ (1) Cultivate, grow, or process adult use cannabis 1594
except at the individual's primary residence; 1595

~~(2)~~ _____ (2) Permit individuals less than twenty-one years of 1596
age to use, cultivate, process, transfer, or transport adult use 1597
cannabis; 1598

~~(3)~~ _____ (3) Process adult use cannabis by hydrocarbon-based 1599
extraction; or 1600

~~(4)~~ _____ (4) Sell, or profit from, adult use cannabis except as 1601
specifically authorized in this chapter. 1602

~~(D)~~ _____ (D) A landlord may prohibit conduct otherwise 1603
authorized under division (A) of this section so long as such 1604
prohibition is included in the applicable lease agreement. 1605

~~(E)~~ _____ (E) The division of cannabis control shall adopt rules 1606
setting forth a schedule of civil penalties that may be applied 1607
for violations of this section. 1608

~~(F)~~ _____ (F) If an individual cultivates or grows double the 1609
maximum number of cannabis plants permitted under division (A) 1610

of this section or transfers cannabis plants in violation of 1611
division (A) (3) of this section, division (F) of section 3780.99 1612
of the Revised Code shall apply. 1613

(G) (1) Not later than ninety days after the effective date 1614
of this amendment, the division of cannabis control shall 1615
establish a process by which an adult use consumer that seeks to 1616
engage in the activities described under division (A) (1) of this 1617
section shall file an affidavit with the division. 1618

(2) The affidavit shall contain the consumer's full name, 1619
the address of the consumer's primary residence, and a statement 1620
affirming that the consumer will not engage in any activities 1621
prohibited under division (C) of this section. 1622

(3) Beginning ninety days after the effective date of this 1623
amendment, no person shall recklessly engage in the activities 1624
described under division (A) (1) of this section without first 1625
filing an affidavit as required by division (G) of this section. 1626

(4) The division of cannabis control shall revoke the 1627
affidavit of any adult use consumer who is convicted of or 1628
pleads guilty to three or more violations of this section. No 1629
adult use consumer whose affidavit is revoked shall engage in 1630
the activities described in division (A) (1), (2), or (3) of this 1631
section. 1632

(5) An adult use consumer whose affidavit is revoked under 1633
division (G) (4) of this section may appeal such revocation in 1634
the same manner described by section 119.12 of the Revised Code. 1635

Sec. 3780.36. Limitations on conduct by individuals. 1636

~~(A)~~ (A) Except as otherwise provided in this chapter and 1637
notwithstanding any conflicting provision of the Revised Code, 1638
an adult use consumer~~r~~ may do all of the following: 1639

(1) _____ (1) Use adult use cannabis;	1640
(2) _____ (2) Possess, transfer without remuneration to another adult consumer, or transport adult use cannabis, subject to division (B) of this section; and	1641 1642 1643
(3) _____ (3) Purchase adult use cannabis from an adult use dispensary per day in amounts <u>per day</u> that do not exceed the possession limits set forth in division (B) (1) of this section.	1644 1645 1646
(B) _____ (B) Except as otherwise provided in chapter <u>Chapter</u> 3796. of the Revised Code:	1647 1648
(1) _____ (1) The amount of cannabis that may be possessed by an adult use consumer shall not exceed:	1649 1650
(a) _____ (a) Two and one-half ounces of adult use cannabis in any form except adult use extract; and	1651 1652
(b) _____ (b) Fifteen grams of adult use cannabis in the form of adult use extract.	1653 1654
(2) _____ (2) The amount of cannabis that may be transferred by an adult use consumer without remuneration and not advertised or promoted to the public shall not exceed:	1655 1656 1657
(a) _____ (a) Two and one-half ounces of adult use cannabis in any form except adult use extract; and	1658 1659
(b) _____ (b) Fifteen grams of adult use cannabis in the form of adult use extract.	1660 1661
(3) _____ (3) The amount of cannabis that may be transported by an adult use consumer shall not exceed:	1662 1663
(a) _____ (a) Two and one-half ounces of adult use cannabis in any form except adult use extract; and	1664 1665
(b) _____ (b) Fifteen grams of adult use cannabis in the form of	1666

adult use extract. 1667

~~(C)~~ _____ (C) Except as otherwise provided in this chapter, an 1668
adult use consumer shall not be subject to arrest, criminal 1669
prosecution, or civil penalty for engaging in any of the 1670
activities authorized under this chapter, including: 1671

~~(1)~~ _____ (1) Obtaining, using, possessing, or transporting 1672
adult use cannabis; 1673

~~(2)~~ _____ (2) Performing conduct authorized under section 1674
3780.29 of the Revised Code; 1675

~~(3)~~ _____ (3) Acquiring, possessing, using, purchasing, 1676
manufacturing, selling, or transporting paraphernalia; ~~and~~ 1677

~~(4)~~ _____ (4) Assisting another adult use consumer, or allowing 1678
property to be used, in any of the acts authorized by this 1679
chapter. 1680

~~(D)(1)~~ _____ (D) (1) An individual is prohibited from operating 1681
a vehicle, motor vehicle, streetcar, trackless trolley, bike, 1682
watercraft, or aircraft while using adult use cannabis or while 1683
under the influence of adult use cannabis and is subject to 1684
section 4511.19 of the Revised Code for any violation of this 1685
division. 1686

~~(2)~~ _____ (2) An individual is prohibited from smoking, 1687
vaporizing, or using any other combustible adult use cannabis 1688
product while in a vehicle, motor vehicle, streetcar, trackless 1689
trolley, bike, watercraft, or aircraft and is subject to section 1690
4511.19 of the Revised Code for any violation of this division. 1691

(3) No individual shall recklessly smoke, vaporize, or use 1692
any other combustible adult use cannabis product in any public 1693
place or place of employment where smoking is prohibited under 1694

Chapter 3794. of the Revised Code. 1695

~~(E)~~ _____ (E) Except as otherwise provided in this chapter, no 1696
individual under twenty-one years of age shall knowingly show or 1697
give false information concerning the individual's name, age, or 1698
other identification for the purpose of purchasing adult use 1699
cannabis from an adult use dispensary licensed under this 1700
chapter. 1701

~~(F)~~ _____ (F) Nothing in this chapter is intended to permit the 1702
transfer or sale of adult use cannabis, with or without 1703
remuneration, to an individual under twenty-one years of age, or 1704
to allow an individual under twenty-one years of age to 1705
purchase, possess, use, process, transport, or cultivate 1706
cannabis except where authorized by Chapter 3796. of the Revised 1707
Code. 1708

~~(G)~~ _____ (G) It is unlawful for any parent or guardian to 1709
knowingly permit their residence, any other private property 1710
under their control, or any vehicle, conveyance, or watercraft 1711
under their control to be used by an invitee of the parent's 1712
child or the guardian's ward, if the invitee is under twenty-one 1713
years of age, in a manner that constitutes a violation of this 1714
chapter. 1715

~~(1)~~ _____ (1) A parent or guardian is deemed to have knowingly 1716
permitted their residence, any other private property under 1717
their control, or any vehicle, conveyance, or watercraft under 1718
their control to be used in violation of this chapter if they 1719
knowingly authorize or permit consumption of cannabis by 1720
underage invitees. 1721

~~(2)~~ _____ (2) Where the residence or other property has an owner 1722
and a tenant or lessee, the trier of fact may infer that the 1723

residence or other property is occupied only by the tenant or 1724
lessee. 1725

Sec. 3780.99. Penalties. 1726

~~(A)~~ (A) Except as otherwise provided in Chapter 3796, of 1727
the Revised Code, section 2925.11 of the Revised Code shall 1728
apply when an adult use consumer possesses an amount of cannabis 1729
greater than the limits set forth in division (B)(1) of section 1730
3780.36 of the Revised Code. 1731

~~(B)~~ (B) Except as otherwise provided in this chapter, an 1732
adult use consumer who uses adult use cannabis in public areas, 1733
who violates division (D)(3) of section 3780.36 of the Revised 1734
Code, or who violates division (D)(2) of that section ~~3780.36 of~~ 1735
~~the Revised Code~~ as a passenger, is guilty of a minor 1736
misdemeanor. 1737

~~(C)(1)~~ (C)(1) An individual under twenty-one years of 1738
age who knowingly shows or gives false information concerning 1739
the individual's name, age, or other identification for the 1740
purpose of purchasing or otherwise obtaining adult use cannabis 1741
from an adult use dispensary licensed under this chapter is 1742
guilty of a misdemeanor of the first degree. If, in committing a 1743
first violation, the offender presented to an adult use 1744
dispensary licensed under this chapter a false, fictitious, or 1745
altered identification card, a false or fictitious driver's 1746
license purportedly issued by any state, or a driver's license 1747
issued by any state that has been altered, the offender is 1748
guilty of a misdemeanor of the first degree and shall be fined 1749
not less than two hundred fifty and not more than one thousand 1750
dollars, and may be sentenced to a term of imprisonment of not 1751
more than six months. 1752

~~(2)~~ _____ (2) On a second violation in which, for the second 1753
time, the offender presented to an adult use dispensary licensed 1754
under this chapter a false, fictitious, or altered 1755
identification card, a false or fictitious driver's license 1756
purportedly issued by any state, or a driver's license issued by 1757
any state that has been altered, the offender is guilty of a 1758
misdemeanor of the first degree and shall be fined not less than 1759
five hundred nor more than one thousand dollars, and may be 1760
sentenced to a term of imprisonment of not more than six months. 1761
The court also may impose a class seven suspension of the 1762
offender's driver's or commercial driver's license or permit or 1763
nonresident operating privilege from the range specified in 1764
division (A) (7) of section 4510.02 of the Revised Code. The 1765
court, in lieu of suspending the offender's temporary 1766
instruction permit, probationary driver's license, or driver's 1767
license, instead may order the offender to perform a determinate 1768
number of hours of community service, with the court determining 1769
the actual number of hours and the nature of the community 1770
service the offender shall perform. 1771

~~(3)~~ _____ (3) On a third or subsequent violation in which, for 1772
the third or subsequent time, the offender presented to an adult 1773
use dispensary licensed under this ~~Chapter~~chapter a false, 1774
fictitious, or altered identification card, a false or 1775
fictitious driver's license purportedly issued by any state, or 1776
a driver's license issued by any state that has been altered, 1777
the offender is guilty of a misdemeanor of the first degree and 1778
shall be fined not less than five hundred nor more than one 1779
thousand dollars, and may be sentenced to a term of imprisonment 1780
of not more than six months. Except as provided in this 1781
division, the court also may impose a class six suspension of 1782
the offender's driver's or commercial driver's license or permit 1783

or nonresident operating privilege from the range specified in 1784
division (A) (6) of section 4510.02 of the Revised Code, and the 1785
court may order that the suspension or denial remain in effect 1786
until the offender attains the age of twenty-one years. The 1787
court, in lieu of suspending the offender's temporary 1788
instruction permit, probationary driver's license, or driver's 1789
license, instead may order the offender to perform a determinate 1790
number of hours of community service, with the court determining 1791
the actual number of hours and the nature of the community 1792
service the offender shall perform. 1793

~~(D)~~ _____ (D) An individual who is under twenty-one years of age 1794
and who solicits another individual to purchase adult use 1795
cannabis from an adult use dispensary licensed under this 1796
chapter is guilty of: 1797

~~(1)~~ _____ (1) For a first violation, a misdemeanor of the fourth 1798
degree; ~~and~~ 1799

~~(2)~~ _____ (2) For a second or subsequent violation, a 1800
misdemeanor of the second degree. 1801

~~(E)~~ _____ (E) An employee or agent of an adult use dispensary 1802
licensed under this chapter who knowingly sells cannabis to an 1803
individual under twenty-one years of age is guilty of a 1804
misdemeanor of the first degree. 1805

~~(F)~~ _____ (F) Any individual who violates division (A) of 1806
section 3780.10 of the Revised Code, or division (F) of section 1807
3780.29 of the Revised Code, is guilty of the illegal 1808
trafficking in drugs under section 2925.03 of the Revised Code 1809
and the illegal manufacture of drugs under section 2925.04 of 1810
the Revised Code. 1811

~~(G)~~ _____ (G) Any individual who violates ~~divisions~~ division (B) 1812

(2) or ~~(B) (3)~~ (3) of section 3780.36 of the Revised Code is 1813
guilty of the illegal trafficking in drugs under section 2925.03 1814
of the Revised Code. 1815

~~(H)~~ (H) Any individual who violates division (B) of 1816
section 3780.20 of the Revised Code is guilty of illegal 1817
dispensing of drug samples under section 2925.36 of the Revised 1818
Code. 1819

~~(I) (1)~~ (I) (1) An individual who violates division (G) of 1820
~~Section~~ section 3780.36 of the Revised Code is guilty of: 1821

~~(a)~~ (a) For a first violation, a misdemeanor of the third 1822
degree; and 1823

~~(b)~~ (b) For a second or subsequent violation, a 1824
misdemeanor of the first degree. 1825

~~(2)~~ (2) If a violation of division (G) of ~~Section~~ section 1826
3780.36 of the Revised Code directly or indirectly results in 1827
great bodily harm or death to any individual, the individual 1828
violating this division is guilty of a felony of the fourth 1829
degree. 1830

(J) An individual who violates division (G) (3) of section 1831
3780.29 of the Revised Code is guilty of illegal cultivation of 1832
home-grown cannabis. 1833

(1) Except as otherwise provided in divisions (J) (2) and 1834
(3) of this section, illegal cultivation of home-grown cannabis 1835
is a misdemeanor of the second degree. 1836

(2) Except as otherwise provided in division (J) (3) of 1837
this section, if the offender previously has been convicted of 1838
or pleaded guilty to illegal cultivation of home-grown cannabis, 1839
a subsequent violation is a misdemeanor of the first degree. 1840

(3) If the offender previously has been convicted of or 1841
pleaded guilty to illegal cultivation of home-grown cannabis two 1842
or more times, a subsequent violation is a felony of the fifth 1843
degree. 1844

Sec. 3796.01. (A) As used in this chapter: 1845

(1) "Marijuana" means marihuana as defined in section 1846
3719.01 of the Revised Code. 1847

(2) "Medical marijuana" means marijuana that is 1848
cultivated, processed, dispensed, tested, possessed, or used for 1849
a medical purpose. 1850

(3) "Academic medical center" has the same meaning as in 1851
section 4731.297 of the Revised Code. 1852

(4) "Drug database" means the database established and 1853
maintained by the state board of pharmacy pursuant to section 1854
4729.75 of the Revised Code. 1855

(5) "Physician" means an individual authorized under 1856
Chapter 4731. of the Revised Code to practice medicine and 1857
surgery or osteopathic medicine and surgery. 1858

(6) "Qualifying medical condition" means any of the 1859
following: 1860

(a) Acquired immune deficiency syndrome; 1861

(b) Alzheimer's disease; 1862

(c) Amyotrophic lateral sclerosis; 1863

(d) Cancer; 1864

(e) Chronic traumatic encephalopathy; 1865

(f) Crohn's disease; 1866

(g) Epilepsy or another seizure disorder;	1867
(h) Fibromyalgia;	1868
(i) Glaucoma;	1869
(j) Hepatitis C;	1870
(k) Inflammatory bowel disease;	1871
(l) Multiple sclerosis;	1872
(m) Pain that is either of the following:	1873
(i) Chronic and severe;	1874
(ii) Intractable.	1875
(n) Parkinson's disease;	1876
(o) Positive status for HIV;	1877
(p) Post-traumatic stress disorder;	1878
(q) Sickle cell anemia;	1879
(r) Spinal cord disease or injury;	1880
(s) Tourette's syndrome;	1881
(t) Traumatic brain injury;	1882
(u) Ulcerative colitis;	1883
(v) <u>Arthritis;</u>	1884
(w) <u>Migraines;</u>	1885
(x) <u>Autism spectrum disorder;</u>	1886
(y) <u>Spasticity or chronic muscle spasms;</u>	1887
(z) <u>Hospice care or terminal illness;</u>	1888

<u>(aa) Opioid use disorder;</u>	1889
<u>(bb) Any condition not specified in this division that a recommending physician is qualified to treat and considers, in the physician's sole discretion and medical opinion, to be as debilitating as any other condition listed in division (A) (6) of this section;</u>	1890 1891 1892 1893 1894
<u>(cc) Any other disease or condition added by the state medical board under section 4731.302 of the Revised Code.</u>	1895 1896
(7) "State university" has the same meaning as in section 3345.011 of the Revised Code.	1897 1898
(B) Notwithstanding any conflicting provision of Chapter 3719. of the Revised Code or the rules adopted under it, for purposes of this chapter, medical marijuana is a schedule II controlled substance.	1899 1900 1901 1902
Sec. 3796.03. (A) The division of marijuana control shall adopt rules establishing standards and procedures for the medical marijuana control program.	1903 1904 1905
All rules adopted under this section shall be adopted in accordance with Chapter 119. of the Revised Code.	1906 1907
(B) The rules shall do all of the following:	1908
(1) Establish application procedures and fees for licenses it issues under this chapter;	1909 1910
(2) Specify both of the following:	1911
(a) The conditions that must be met to be eligible for licensure;	1912 1913
(b) In accordance with section 9.79 of the Revised Code, the criminal offenses for which an applicant will be	1914 1915

disqualified from licensure pursuant to that section.	1916
(3) Establish, in accordance with section 3796.05 of the Revised Code, the number of cultivator licenses and retail dispensary licenses that will be permitted at any one time;	1917 1918 1919
(4) Establish a license renewal schedule, renewal procedures, and renewal fees;	1920 1921
(5) Specify reasons for which a license may be suspended, including without prior hearing, revoked, or not be renewed or issued and the reasons for which a civil penalty may be imposed on a license holder;	1922 1923 1924 1925
(6) Establish standards under which a license suspension may be lifted;	1926 1927
(7) Establish procedures for registration of patients and caregivers and requirements that must be met to be eligible for registration;	1928 1929 1930
(8) Establish training requirements for employees of retail dispensaries;	1931 1932
(9) Specify if a cultivator, processor, retail dispensary, or laboratory that is licensed under this chapter and that existed at a location before a school, church, public library, public playground, or public park became established within five hundred feet of the cultivator, processor, retail dispensary, or laboratory, may remain in operation or shall relocate or have its license revoked by the division;	1933 1934 1935 1936 1937 1938 1939
(10) Specify, by form and tetrahydrocannabinol content, a maximum ninety-day supply of medical marijuana that may be possessed;	1940 1941 1942
(11) Specify the paraphernalia or other accessories that	1943

may be used in the administration to a registered patient of medical marijuana;	1944 1945
(12) Establish procedures for the issuance of patient or caregiver identification cards;	1946 1947
(13) Specify the forms of or methods of using medical marijuana that are attractive to children;	1948 1949
(14) Specify both of the following:	1950
(a) Subject to division (B) (14) (b) of this section, the criminal offenses for which a person will be disqualified from employment with a license holder;	1951 1952 1953
(b) Which of the criminal offenses specified pursuant to division (B) (14) (a) of this section will not disqualify a person from employment with a license holder if the person was convicted of or pleaded guilty to the offense more than five years before the date the employment begins.	1954 1955 1956 1957 1958
(15) Establish a program to assist patients who are veterans or indigent in obtaining medical marijuana in accordance with this chapter;	1959 1960 1961
(16) Establish, in accordance with section <u>sections</u> 3796.05 <u>and 3796.21</u> of the Revised Code, standards and procedures for the testing of medical marijuana by a laboratory licensed under this chapter.	1962 1963 1964 1965
(C) In addition to the rules described in division (B) of this section, the division may adopt any other rules it considers necessary for the program's administration and the implementation and enforcement of this chapter.	1966 1967 1968 1969
(D) When adopting rules under this section, the division shall consider standards and procedures that have been found to	1970 1971

be best practices relative to the use and regulation of medical marijuana.	1972 1973
Sec. 3796.05. (A) When establishing the number of cultivator licenses that will be permitted at any one time, the division of marijuana control shall consider both of the following:	1974 1975 1976 1977
(1) The population of this state;	1978
(2) The number of patients seeking to use medical marijuana.	1979 1980
(B) When establishing the number of retail dispensary licenses that will be permitted at any one time, the division shall consider all of the following:	1981 1982 1983
(1) The population of this state;	1984
(2) The number of patients seeking to use medical marijuana;	1985 1986
(3) The geographic distribution of dispensary sites in an effort to ensure patient access to medical marijuana.	1987 1988
(C) When establishing standards and procedures for the testing of medical marijuana, the division shall do all of the following:	1989 1990 1991
(1) Specify when testing must be conducted;	1992
(2) Determine the minimum amount of medical marijuana that must be tested;	1993 1994
(3) Specify the manner in which testing is to be conducted in an effort to ensure for either or both of the following <u>purposes:</u>	1995 1996 1997
<u>(a) To ensure</u> uniformity of medical marijuana products	1998

processed for and dispensed to patients;	1999
<u>(b) To spur innovation of processed medical marijuana products at lower cost.</u>	2000 2001
(4) Specify the manner in which test results are provided.	2002
Sec. 3796.08. (A) (1) Until one hundred eighty days following the effective date of this amendment <u>October 3, 2023</u> , a patient seeking to use medical marijuana or a caregiver seeking to assist a patient in the use or administration of medical marijuana shall apply to the state board of pharmacy for registration. On and after one hundred eighty days following the effective date of this amendment <u>October 3, 2023</u> , a patient seeking to use medical marijuana or a caregiver seeking to assist a patient in the use or administration of medical marijuana shall apply to the division of marijuana control for registration. The physician who holds a certificate to recommend issued by the state medical board and is treating the patient or the physician's delegate shall submit the application on the patient's or caregiver's behalf in the manner established in rules adopted under section 3796.03 of the Revised Code.	2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017
(2) The application shall include all of the following:	2018
(a) A statement from the physician certifying all of the following:	2019 2020
(i) That a bona fide physician-patient relationship exists between the physician and patient;	2021 2022
(ii) That the patient has been diagnosed with a qualifying medical condition;	2023 2024
(iii) That the physician or physician delegate has requested from the drug database a report of information related	2025 2026

to the patient that covers at least the twelve months 2027
immediately preceding the date of the report; 2028

(iv) That the physician has informed the patient of the 2029
risks and benefits of medical marijuana as it pertains to the 2030
patient's qualifying medical condition and medical history. 2031

(b) In the case of an application submitted on behalf of a 2032
patient, the name or names of the one or more caregivers that 2033
will assist the patient in the use or administration of medical 2034
marijuana; 2035

(c) In the case of an application submitted on behalf of a 2036
caregiver, the name of the patient or patients that the 2037
caregiver seeks to assist in the use or administration of 2038
medical marijuana. 2039

(3) If the application is complete and meets the 2040
requirements established in rules, the board or division, as 2041
applicable, shall register the patient or caregiver and issue to 2042
the patient or caregiver an identification card. 2043

(B) The board or division, as applicable, shall not make 2044
public any information reported to or collected by the board or 2045
division, as applicable, under this section that identifies or 2046
would tend to identify any specific patient. 2047

Information collected by the board or division, as 2048
applicable, pursuant to this section is confidential and not a 2049
public record. The board or division, as applicable, may share 2050
identifying information with a licensed retail dispensary for 2051
the purpose of confirming that a person has a valid 2052
registration. Information that does not identify a person may be 2053
released in summary, statistical, or aggregate form. 2054

(C) A registration expires not sooner than three years 2055

after the date it is issued according to the renewal schedule 2056
established in rules adopted under section 3796.03 of the 2057
Revised Code and may be renewed in accordance with procedures 2058
established in those rules. 2059

Sec. 3796.09. (A) An entity that seeks to cultivate or 2060
process medical marijuana or to conduct laboratory testing of 2061
medical marijuana shall file an application for licensure with 2062
the department of commerce. The entity shall file an application 2063
for each location from which it seeks to operate. Each 2064
application shall be submitted in accordance with rules adopted 2065
under section 3796.03 of the Revised Code. 2066

(B) The department shall issue a license to an applicant 2067
if all of the following conditions are met: 2068

(1) The report of the criminal records check conducted 2069
pursuant to section 3796.12 of the Revised Code with respect to 2070
the application demonstrates that the person subject to the 2071
criminal records check requirement has not been convicted of or 2072
pleaded guilty to any of the disqualifying offenses specified in 2073
rules adopted under section 9.79 and division (B) (2) (b) of 2074
section 3796.03 of the Revised Code. 2075

(2) The applicant demonstrates that it does not have an 2076
ownership or investment interest in or compensation arrangement 2077
with any of the following: 2078

(a) A laboratory licensed under this chapter; 2079

(b) An applicant for a license to conduct laboratory 2080
testing. 2081

(3) The applicant demonstrates that it does not share any 2082
corporate officers or employees with any of the following: 2083

(a) A laboratory licensed under this chapter;	2084
(b) An applicant for a license to conduct laboratory testing.	2085 2086
(4) The applicant demonstrates that it will not be located within five hundred feet of a school, church, public library, public playground, or public park.	2087 2088 2089
(5) The information provided to the department pursuant to section 3796.11 of the Revised Code demonstrates that the applicant is in compliance with the applicable tax laws of this state.	2090 2091 2092 2093
(6) The applicant meets all other licensure eligibility conditions established in rules adopted under section 3796.03 of the Revised Code.	2094 2095 2096
(C) The department shall issue not less than fifteen per cent of cultivator, processor, or laboratory licenses to entities that are owned and controlled by United States citizens who are residents of this state and are members of one of the following economically disadvantaged groups: Blacks or African Americans, American Indians, Hispanics or Latinos, and Asians. If no applications or an insufficient number of applications are submitted by such entities that meet the conditions set forth in division (B) of this section, the licenses shall be issued according to usual procedures.	2097 2098 2099 2100 2101 2102 2103 2104 2105 2106
As used in this division, "owned and controlled" means that at least fifty-one per cent of the business, including corporate stock if a corporation, is owned by persons who belong to one or more of the groups set forth in this division, and that those owners have control over the management and day-to-day operations of the business and an interest in the capital,	2107 2108 2109 2110 2111 2112

assets, and profits and losses of the business proportionate to 2113
their percentage of ownership. 2114

(D) ~~A~~ Subject to division (E) of this section, a license 2115
expires according to the renewal schedule established in rules 2116
adopted under section 3796.03 of the Revised Code and may be 2117
renewed in accordance with the procedures established in those 2118
rules. 2119

(E) A processor license expires and is eligible for 2120
renewal on a two-year cycle. The licensure and renewal fees for 2121
a processor license shall not exceed fifty thousand dollars. 2122

Sec. 3796.18. (A) Notwithstanding any conflicting 2123
provision of the Revised Code and except as provided in division 2124
(B) of this section, the holder of a current, valid cultivator 2125
license issued under this chapter may do either of the 2126
following: 2127

(1) Cultivate medical marijuana; 2128

(2) Deliver or sell medical marijuana to one or more 2129
licensed processors. 2130

(B) A cultivator license holder shall not cultivate 2131
medical marijuana for personal, family, or household use or on 2132
any public land, including a state park as defined in section 2133
154.01 of the Revised Code. 2134

(C) A cultivator shall disclose any methods used to 2135
remediate the cultivator's medical marijuana products, and 2136
whether such methods involve radiation, to each licensed 2137
processor to which the cultivator sells or delivers those 2138
products. 2139

Sec. 3796.19. (A) Notwithstanding any conflicting 2140

provision of the Revised Code, the holder of a current, valid	2141
processor license issued under this chapter may do any of the	2142
following:	2143
(1) Obtain medical marijuana from one or more licensed	2144
cultivators;	2145
(2) Subject to division (B) of this section, process	2146
medical marijuana obtained from one or more licensed cultivators	2147
into a form described in section 3796.06 of the Revised Code;	2148
(3) Deliver or sell processed medical marijuana to one or	2149
more licensed retail dispensaries.	2150
(B) When processing medical marijuana, a licensed	2151
processor shall do both of the following:	2152
(1) Package the medical marijuana in accordance with	2153
child-resistant effectiveness standards described in 16 C.F.R.	2154
1700.15(b) on September 8, 2016;	2155
(2) Label the medical marijuana packaging with <u>both of the</u>	2156
<u>following:</u>	2157
<u>(a) The product's tetrahydrocannabinol and cannabidiol</u>	2158
content;	2159
<u>(b) Any methods used to remediate the product and whether</u>	2160
<u>such methods involve radiation.</u>	2161
(3) Comply with any packaging or labeling requirements	2162
established in rules adopted by the division of marijuana	2163
control under section 3796.03 of the Revised Code.	2164
Sec. 3796.20. (A) Notwithstanding any conflicting	2165
provision of the Revised Code, the holder of a current, valid	2166
retail dispensary license issued under this chapter, or	2167

previously issued by the state board of pharmacy, may do both of	2168
the following:	2169
(1) Obtain medical marijuana from one or more processors;	2170
(2) Dispense or sell medical marijuana in accordance with	2171
division (B) of this section.	2172
(B) When dispensing or selling medical marijuana, a	2173
licensed retail dispensary shall do all of the following:	2174
(1) Dispense or sell only upon a showing of a current,	2175
valid identification card and in accordance with a written	2176
recommendation issued by a physician holding a certificate to	2177
recommend issued by the state medical board under section	2178
4731.30 of the Revised Code;	2179
(2) Report to the drug database the information required	2180
by section 4729.771 of the Revised Code;	2181
(3) Label the package containing medical marijuana with	2182
the following information:	2183
(a) The name and address of the licensed processor and	2184
retail dispensary;	2185
(b) The name of the patient and caregiver, if any;	2186
(c) The name of the physician who recommended treatment	2187
with medical marijuana;	2188
(d) The directions for use, if any, as recommended by the	2189
physician;	2190
(e) The date on which the medical marijuana was dispensed;	2191
(f) The quantity, strength, kind, or form of medical	2192
marijuana contained in the package;	2193

<u>(g) Any methods used to remediate the medical marijuana</u>	2194
<u>contained in the package and whether such methods involve</u>	2195
<u>radiation.</u>	2196
(C) When operating a licensed retail dispensary, both of	2197
the following apply:	2198
(1) A dispensary shall use only employees who have met the	2199
training requirements established in rules adopted under section	2200
3796.03 of the Revised Code.	2201
(2) A dispensary shall not make public any information it	2202
collects that identifies or would tend to identify any specific	2203
patient.	2204
Sec. 3796.21. (A) Notwithstanding any conflicting	2205
provision of the Revised Code, the holder of a current, valid	2206
laboratory license issued under this chapter may do both of the	2207
following:	2208
(1) Obtain medical marijuana from one or more cultivators,	2209
processors, and retail dispensaries licensed under this chapter;	2210
(2) Conduct medical marijuana testing in the manner	2211
specified in rules adopted under section 3796.03 of the Revised	2212
Code.	2213
(B) When testing medical marijuana, a licensed laboratory	2214
shall do both of the following:	2215
(1) Test the marijuana for potency, homogeneity, and	2216
contamination;	2217
(2) Prepare , <u>a licensed laboratory shall prepare a report</u>	2218
<u>of the test results in accordance with rules adopted under</u>	2219
<u>section 3796.03 of the Revised Code.</u>	2220

(C) A licensed laboratory may, in accordance with such 2221
rules, conduct research and development testing on behalf of, or 2222
in collaboration with, a cultivator, processor, or dispensary 2223
licensed under this chapter to spur innovation of processed 2224
medical marijuana products at lower cost. 2225

Sec. 4731.30. (A) As used in this section and sections 2226
4731.301 and 4731.302 of the Revised Code, "medical marijuana," 2227
"drug database," "physician," and "qualifying medical condition" 2228
have the same meanings as in section 3796.01 of the Revised 2229
Code. 2230

(B) (1) Except as provided in division (B) (4) of this 2231
section, a physician seeking to recommend treatment with medical 2232
marijuana shall apply to the state medical board for a 2233
certificate to recommend. An application shall be submitted in 2234
the manner established in rules adopted under section 4731.301 2235
of the Revised Code. 2236

(2) The board shall grant a certificate to recommend if 2237
both of the following conditions are met: 2238

(a) The application is complete and meets the requirements 2239
established in rules. 2240

(b) The applicant demonstrates that the applicant does not 2241
have an ownership or investment interest in or compensation 2242
arrangement with an entity licensed under Chapter 3796. of the 2243
Revised Code or an applicant for licensure. 2244

(3) A certificate to recommend expires according to the 2245
renewal schedule established in rules adopted under section 2246
4731.301 of the Revised Code and may be renewed in accordance 2247
with the procedures established in those rules. 2248

(4) This section does not apply to a physician who 2249

recommends treatment with marijuana or a drug derived from 2250
marijuana under any of the following that is approved by an 2251
investigational review board or equivalent entity, the United 2252
States food and drug administration, or the national institutes 2253
of health or one of its cooperative groups or centers under the 2254
United States department of health and human services: 2255

- (a) A research protocol; 2256
- (b) A clinical trial; 2257
- (c) An investigational new drug application; 2258
- (d) An expanded access submission. 2259

(C) (1) A physician who holds a certificate to recommend 2260
may recommend that a patient be treated with medical marijuana 2261
if all of the following conditions are met: 2262

- (a) The patient has been diagnosed with a qualifying 2263
medical condition; 2264
- (b) A bona fide physician-patient relationship has been 2265
established through all of the following: 2266
 - (i) An examination of the patient by the physician either 2267
in person or through the use of telehealth services in 2268
accordance with section 4743.09 of the Revised Code; 2269
 - (ii) A review of the patient's medical history by the 2270
physician; 2271
 - (iii) An expectation of providing care and receiving care 2272
on an ongoing basis. 2273
- (c) The physician has requested, or a physician delegate 2274
approved by the state board of pharmacy has requested, from the 2275
drug database a report of information related to the patient 2276

that covers at least the twelve months immediately preceding the 2277
date of the report, and the physician has reviewed the report. 2278

(2) In the case of a patient who is a minor, the physician 2279
may recommend treatment with medical marijuana only after 2280
obtaining the consent of the patient's parent or other person 2281
responsible for providing consent to treatment. 2282

(D) (1) When issuing a written recommendation to a patient, 2283
the physician shall specify any information required in rules 2284
adopted by the board under section 4731.301 of the Revised Code. 2285

(2) A written recommendation issued to a patient under 2286
this section is valid for a period of not more than ~~ninety-~~ 2287
~~days~~ three years. ~~The physician may renew the recommendation for~~ 2288
~~not more than three additional periods of not more than ninety-~~ 2289
~~days each.~~ Thereafter, the physician may issue another 2290
recommendation to the patient only upon an examination of the 2291
patient as described in division (C) (1) (b) (i) of this section. 2292

(E) Annually, the physician shall submit to the state 2293
medical board a report that describes the physician's 2294
observations regarding the effectiveness of medical marijuana in 2295
treating the physician's patients during the year covered by the 2296
report. When submitting reports, a physician shall not include 2297
any information that identifies or would tend to identify any 2298
specific patient. 2299

(F) Each physician who holds a certificate to recommend 2300
shall complete annually at least two hours of continuing medical 2301
education in medical marijuana approved by the state medical 2302
board. 2303

(G) A physician shall not do any of the following: 2304

(1) Personally furnish or otherwise dispense medical 2305

marijuana;	2306
(2) Issue a recommendation for a family member or the physician's self.	2307 2308
(H) A physician is immune from civil liability, is not subject to professional disciplinary action by the state medical board or state board of pharmacy, and is not subject to criminal prosecution for any of the following actions:	2309 2310 2311 2312
(1) Advising a patient, patient representative, or caregiver about the benefits and risks of medical marijuana to treat a qualifying medical condition;	2313 2314 2315
(2) Recommending that a patient use medical marijuana to treat or alleviate the condition;	2316 2317
(3) Monitoring a patient's treatment with medical marijuana.	2318 2319
Sec. 5747.01. Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter that is not otherwise defined in this section has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes or if not used in a comparable context in those laws, has the same meaning as in section 5733.40 of the Revised Code. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.	2320 2321 2322 2323 2324 2325 2326 2327 2328
As used in this chapter:	2329
(A) "Adjusted gross income" or "Ohio adjusted gross income" means federal adjusted gross income, as defined and used in the Internal Revenue Code, adjusted as provided in this section:	2330 2331 2332 2333

(1) Add interest or dividends on obligations or securities	2334
of any state or of any political subdivision or authority of any	2335
state, other than this state and its subdivisions and	2336
authorities.	2337
(2) Add interest or dividends on obligations of any	2338
authority, commission, instrumentality, territory, or possession	2339
of the United States to the extent that the interest or	2340
dividends are exempt from federal income taxes but not from	2341
state income taxes.	2342
(3) Deduct interest or dividends on obligations of the	2343
United States and its territories and possessions or of any	2344
authority, commission, or instrumentality of the United States	2345
to the extent that the interest or dividends are included in	2346
federal adjusted gross income but exempt from state income taxes	2347
under the laws of the United States.	2348
(4) Deduct disability and survivor's benefits to the	2349
extent included in federal adjusted gross income.	2350
(5) Deduct the following, to the extent not otherwise	2351
deducted or excluded in computing federal or Ohio adjusted gross	2352
income:	2353
(a) Benefits under Title II of the Social Security Act and	2354
tier 1 railroad retirement;	2355
(b) Railroad retirement benefits, other than tier 1	2356
railroad retirement benefits, to the extent such amounts are	2357
exempt from state taxation under federal law.	2358
(6) Deduct the amount of wages and salaries, if any, not	2359
otherwise allowable as a deduction but that would have been	2360
allowable as a deduction in computing federal adjusted gross	2361
income for the taxable year, had the work opportunity tax credit	2362

allowed and determined under sections 38, 51, and 52 of the 2363
Internal Revenue Code not been in effect. 2364

(7) Deduct any interest or interest equivalent on public 2365
obligations and purchase obligations to the extent that the 2366
interest or interest equivalent is included in federal adjusted 2367
gross income. 2368

(8) Add any loss or deduct any gain resulting from the 2369
sale, exchange, or other disposition of public obligations to 2370
the extent that the loss has been deducted or the gain has been 2371
included in computing federal adjusted gross income. 2372

(9) Deduct or add amounts, as provided under section 2373
5747.70 of the Revised Code, related to contributions made to or 2374
tuition units purchased under a qualified tuition program 2375
established pursuant to section 529 of the Internal Revenue 2376
Code. 2377

(10) (a) Deduct, to the extent not otherwise allowable as a 2378
deduction or exclusion in computing federal or Ohio adjusted 2379
gross income for the taxable year, the amount the taxpayer paid 2380
during the taxable year for medical care insurance and qualified 2381
long-term care insurance for the taxpayer, the taxpayer's 2382
spouse, and dependents. No deduction for medical care insurance 2383
under division (A) (10) (a) of this section shall be allowed 2384
either to any taxpayer who is eligible to participate in any 2385
subsidized health plan maintained by any employer of the 2386
taxpayer or of the taxpayer's spouse, or to any taxpayer who is 2387
entitled to, or on application would be entitled to, benefits 2388
under part A of Title XVIII of the "Social Security Act," 49 2389
Stat. 620 (1935), 42 U.S.C. 301, as amended. For the purposes of 2390
division (A) (10) (a) of this section, "subsidized health plan" 2391
means a health plan for which the employer pays any portion of 2392

the plan's cost. The deduction allowed under division (A) (10) (a) 2393
of this section shall be the net of any related premium refunds, 2394
related premium reimbursements, or related insurance premium 2395
dividends received during the taxable year. 2396

(b) Deduct, to the extent not otherwise deducted or 2397
excluded in computing federal or Ohio adjusted gross income 2398
during the taxable year, the amount the taxpayer paid during the 2399
taxable year, not compensated for by any insurance or otherwise, 2400
for medical care of the taxpayer, the taxpayer's spouse, and 2401
dependents, to the extent the expenses exceed seven and one-half 2402
per cent of the taxpayer's federal adjusted gross income. 2403

(c) For purposes of division (A) (10) of this section, 2404
"medical care" has the meaning given in section 213 of the 2405
Internal Revenue Code, subject to the special rules, 2406
limitations, and exclusions set forth therein, and "qualified 2407
long-term care" has the same meaning given in section 7702B(c) 2408
of the Internal Revenue Code. Solely for purposes of division 2409
(A) (10) (a) of this section, "dependent" includes a person who 2410
otherwise would be a "qualifying relative" and thus a 2411
"dependent" under section 152 of the Internal Revenue Code but 2412
for the fact that the person fails to meet the income and 2413
support limitations under section 152(d) (1) (B) and (C) of the 2414
Internal Revenue Code. 2415

(11) (a) Deduct any amount included in federal adjusted 2416
gross income solely because the amount represents a 2417
reimbursement or refund of expenses that in any year the 2418
taxpayer had deducted as an itemized deduction pursuant to 2419
section 63 of the Internal Revenue Code and applicable United 2420
States department of the treasury regulations. The deduction 2421
otherwise allowed under division (A) (11) (a) of this section 2422

shall be reduced to the extent the reimbursement is attributable 2423
to an amount the taxpayer deducted under this section in any 2424
taxable year. 2425

(b) Add any amount not otherwise included in Ohio adjusted 2426
gross income for any taxable year to the extent that the amount 2427
is attributable to the recovery during the taxable year of any 2428
amount deducted or excluded in computing federal or Ohio 2429
adjusted gross income in any taxable year. 2430

(12) Deduct any portion of the deduction described in 2431
section 1341(a)(2) of the Internal Revenue Code, for repaying 2432
previously reported income received under a claim of right, that 2433
meets both of the following requirements: 2434

(a) It is allowable for repayment of an item that was 2435
included in the taxpayer's adjusted gross income for a prior 2436
taxable year and did not qualify for a credit under division (A) 2437
or (B) of section 5747.05 of the Revised Code for that year; 2438

(b) It does not otherwise reduce the taxpayer's adjusted 2439
gross income for the current or any other taxable year. 2440

(13) Deduct an amount equal to the deposits made to, and 2441
net investment earnings of, a medical savings account during the 2442
taxable year, in accordance with section 3924.66 of the Revised 2443
Code. The deduction allowed by division (A)(13) of this section 2444
does not apply to medical savings account deposits and earnings 2445
otherwise deducted or excluded for the current or any other 2446
taxable year from the taxpayer's federal adjusted gross income. 2447

(14)(a) Add an amount equal to the funds withdrawn from a 2448
medical savings account during the taxable year, and the net 2449
investment earnings on those funds, when the funds withdrawn 2450
were used for any purpose other than to reimburse an account 2451

holder for, or to pay, eligible medical expenses, in accordance 2452
with section 3924.66 of the Revised Code; 2453

(b) Add the amounts distributed from a medical savings 2454
account under division (A) (2) of section 3924.68 of the Revised 2455
Code during the taxable year. 2456

(15) Add any amount claimed as a credit under section 2457
5747.059 of the Revised Code to the extent that such amount 2458
satisfies either of the following: 2459

(a) The amount was deducted or excluded from the 2460
computation of the taxpayer's federal adjusted gross income as 2461
required to be reported for the taxpayer's taxable year under 2462
the Internal Revenue Code; 2463

(b) The amount resulted in a reduction of the taxpayer's 2464
federal adjusted gross income as required to be reported for any 2465
of the taxpayer's taxable years under the Internal Revenue Code. 2466

(16) Deduct the amount contributed by the taxpayer to an 2467
individual development account program established by a county 2468
department of job and family services pursuant to sections 2469
329.11 to 329.14 of the Revised Code for the purpose of matching 2470
funds deposited by program participants. On request of the tax 2471
commissioner, the taxpayer shall provide any information that, 2472
in the tax commissioner's opinion, is necessary to establish the 2473
amount deducted under division (A) (16) of this section. 2474

(17) (a) (i) Subject to divisions (A) (17) (a) (iii), (iv), and 2475
(v) of this section, add five-sixths of the amount of 2476
depreciation expense allowed by subsection (k) of section 168 of 2477
the Internal Revenue Code, including the taxpayer's 2478
proportionate or distributive share of the amount of 2479
depreciation expense allowed by that subsection to a pass- 2480

through entity in which the taxpayer has a direct or indirect ownership interest. 2481
2482

(ii) Subject to divisions (A) (17) (a) (iii), (iv), and (v) 2483
of this section, add five-sixths of the amount of qualifying 2484
section 179 depreciation expense, including the taxpayer's 2485
proportionate or distributive share of the amount of qualifying 2486
section 179 depreciation expense allowed to any pass-through 2487
entity in which the taxpayer has a direct or indirect ownership 2488
interest. 2489

(iii) Subject to division (A) (17) (a) (v) of this section, 2490
for taxable years beginning in 2012 or thereafter, if the 2491
increase in income taxes withheld by the taxpayer is equal to or 2492
greater than ten per cent of income taxes withheld by the 2493
taxpayer during the taxpayer's immediately preceding taxable 2494
year, "two-thirds" shall be substituted for "five-sixths" for 2495
the purpose of divisions (A) (17) (a) (i) and (ii) of this section. 2496

(iv) Subject to division (A) (17) (a) (v) of this section, 2497
for taxable years beginning in 2012 or thereafter, a taxpayer is 2498
not required to add an amount under division (A) (17) of this 2499
section if the increase in income taxes withheld by the taxpayer 2500
and by any pass-through entity in which the taxpayer has a 2501
direct or indirect ownership interest is equal to or greater 2502
than the sum of (I) the amount of qualifying section 179 2503
depreciation expense and (II) the amount of depreciation expense 2504
allowed to the taxpayer by subsection (k) of section 168 of the 2505
Internal Revenue Code, and including the taxpayer's 2506
proportionate or distributive shares of such amounts allowed to 2507
any such pass-through entities. 2508

(v) If a taxpayer directly or indirectly incurs a net 2509
operating loss for the taxable year for federal income tax 2510

purposes, to the extent such loss resulted from depreciation 2511
expense allowed by subsection (k) of section 168 of the Internal 2512
Revenue Code and by qualifying section 179 depreciation expense, 2513
"the entire" shall be substituted for "five-sixths of the" for 2514
the purpose of divisions (A)(17)(a)(i) and (ii) of this section. 2515

The tax commissioner, under procedures established by the 2516
commissioner, may waive the add-backs related to a pass-through 2517
entity if the taxpayer owns, directly or indirectly, less than 2518
five per cent of the pass-through entity. 2519

(b) Nothing in division (A)(17) of this section shall be 2520
construed to adjust or modify the adjusted basis of any asset. 2521

(c) To the extent the add-back required under division (A) 2522
(17)(a) of this section is attributable to property generating 2523
nonbusiness income or loss allocated under section 5747.20 of 2524
the Revised Code, the add-back shall be situated to the same 2525
location as the nonbusiness income or loss generated by the 2526
property for the purpose of determining the credit under 2527
division (A) of section 5747.05 of the Revised Code. Otherwise, 2528
the add-back shall be apportioned, subject to one or more of the 2529
four alternative methods of apportionment enumerated in section 2530
5747.21 of the Revised Code. 2531

(d) For the purposes of division (A)(17)(a)(v) of this 2532
section, net operating loss carryback and carryforward shall not 2533
include the allowance of any net operating loss deduction 2534
carryback or carryforward to the taxable year to the extent such 2535
loss resulted from depreciation allowed by section 168(k) of the 2536
Internal Revenue Code and by the qualifying section 179 2537
depreciation expense amount. 2538

(e) For the purposes of divisions (A)(17) and (18) of this 2539

section:	2540
(i) "Income taxes withheld" means the total amount	2541
withheld and remitted under sections 5747.06 and 5747.07 of the	2542
Revised Code by an employer during the employer's taxable year.	2543
(ii) "Increase in income taxes withheld" means the amount	2544
by which the amount of income taxes withheld by an employer	2545
during the employer's current taxable year exceeds the amount of	2546
income taxes withheld by that employer during the employer's	2547
immediately preceding taxable year.	2548
(iii) "Qualifying section 179 depreciation expense" means	2549
the difference between (I) the amount of depreciation expense	2550
directly or indirectly allowed to a taxpayer under section 179	2551
of the Internal Revised Code, and (II) the amount of	2552
depreciation expense directly or indirectly allowed to the	2553
taxpayer under section 179 of the Internal Revenue Code as that	2554
section existed on December 31, 2002.	2555
(18) (a) If the taxpayer was required to add an amount	2556
under division (A) (17) (a) of this section for a taxable year,	2557
deduct one of the following:	2558
(i) One-fifth of the amount so added for each of the five	2559
succeeding taxable years if the amount so added was five-sixths	2560
of qualifying section 179 depreciation expense or depreciation	2561
expense allowed by subsection (k) of section 168 of the Internal	2562
Revenue Code;	2563
(ii) One-half of the amount so added for each of the two	2564
succeeding taxable years if the amount so added was two-thirds	2565
of such depreciation expense;	2566
(iii) One-sixth of the amount so added for each of the six	2567
succeeding taxable years if the entire amount of such	2568

depreciation expense was so added. 2569

(b) If the amount deducted under division (A) (18) (a) of 2570
this section is attributable to an add-back allocated under 2571
division (A) (17) (c) of this section, the amount deducted shall 2572
be situated to the same location. Otherwise, the add-back shall 2573
be apportioned using the apportionment factors for the taxable 2574
year in which the deduction is taken, subject to one or more of 2575
the four alternative methods of apportionment enumerated in 2576
section 5747.21 of the Revised Code. 2577

(c) No deduction is available under division (A) (18) (a) of 2578
this section with regard to any depreciation allowed by section 2579
168(k) of the Internal Revenue Code and by the qualifying 2580
section 179 depreciation expense amount to the extent that such 2581
depreciation results in or increases a federal net operating 2582
loss carryback or carryforward. If no such deduction is 2583
available for a taxable year, the taxpayer may carry forward the 2584
amount not deducted in such taxable year to the next taxable 2585
year and add that amount to any deduction otherwise available 2586
under division (A) (18) (a) of this section for that next taxable 2587
year. The carryforward of amounts not so deducted shall continue 2588
until the entire addition required by division (A) (17) (a) of 2589
this section has been deducted. 2590

(19) Deduct, to the extent not otherwise deducted or 2591
excluded in computing federal or Ohio adjusted gross income for 2592
the taxable year, the amount the taxpayer received during the 2593
taxable year as reimbursement for life insurance premiums under 2594
section 5919.31 of the Revised Code. 2595

(20) Deduct, to the extent not otherwise deducted or 2596
excluded in computing federal or Ohio adjusted gross income for 2597
the taxable year, the amount the taxpayer received during the 2598

taxable year as a death benefit paid by the adjutant general 2599
under section 5919.33 of the Revised Code. 2600

(21) Deduct, to the extent included in federal adjusted 2601
gross income and not otherwise allowable as a deduction or 2602
exclusion in computing federal or Ohio adjusted gross income for 2603
the taxable year, military pay and allowances received by the 2604
taxpayer during the taxable year for active duty service in the 2605
United States army, air force, navy, marine corps, or coast 2606
guard or reserve components thereof or the national guard. The 2607
deduction may not be claimed for military pay and allowances 2608
received by the taxpayer while the taxpayer is stationed in this 2609
state. 2610

(22) Deduct, to the extent not otherwise allowable as a 2611
deduction or exclusion in computing federal or Ohio adjusted 2612
gross income for the taxable year and not otherwise compensated 2613
for by any other source, the amount of qualified organ donation 2614
expenses incurred by the taxpayer during the taxable year, not 2615
to exceed ten thousand dollars. A taxpayer may deduct qualified 2616
organ donation expenses only once for all taxable years 2617
beginning with taxable years beginning in 2007. 2618

For the purposes of division (A) (22) of this section: 2619

(a) "Human organ" means all or any portion of a human 2620
liver, pancreas, kidney, intestine, or lung, and any portion of 2621
human bone marrow. 2622

(b) "Qualified organ donation expenses" means travel 2623
expenses, lodging expenses, and wages and salary forgone by a 2624
taxpayer in connection with the taxpayer's donation, while 2625
living, of one or more of the taxpayer's human organs to another 2626
human being. 2627

(23) Deduct, to the extent not otherwise deducted or 2628
excluded in computing federal or Ohio adjusted gross income for 2629
the taxable year, amounts received by the taxpayer as retired 2630
personnel pay for service in the uniformed services or reserve 2631
components thereof, or the national guard, or received by the 2632
surviving spouse or former spouse of such a taxpayer under the 2633
survivor benefit plan on account of such a taxpayer's death. If 2634
the taxpayer receives income on account of retirement paid under 2635
the federal civil service retirement system or federal employees 2636
retirement system, or under any successor retirement program 2637
enacted by the congress of the United States that is established 2638
and maintained for retired employees of the United States 2639
government, and such retirement income is based, in whole or in 2640
part, on credit for the taxpayer's uniformed service, the 2641
deduction allowed under this division shall include only that 2642
portion of such retirement income that is attributable to the 2643
taxpayer's uniformed service, to the extent that portion of such 2644
retirement income is otherwise included in federal adjusted 2645
gross income and is not otherwise deducted under this section. 2646
Any amount deducted under division (A) (23) of this section is 2647
not included in a taxpayer's adjusted gross income for the 2648
purposes of section 5747.055 of the Revised Code. No amount may 2649
be deducted under division (A) (23) of this section on the basis 2650
of which a credit was claimed under section 5747.055 of the 2651
Revised Code. 2652

(24) Deduct, to the extent not otherwise deducted or 2653
excluded in computing federal or Ohio adjusted gross income for 2654
the taxable year, the amount the taxpayer received during the 2655
taxable year from the military injury relief fund created in 2656
section 5902.05 of the Revised Code. 2657

(25) Deduct, to the extent not otherwise deducted or 2658

excluded in computing federal or Ohio adjusted gross income for 2659
the taxable year, the amount the taxpayer received as a veterans 2660
bonus during the taxable year from the Ohio department of 2661
veterans services as authorized by Section 2r of Article VIII, 2662
Ohio Constitution. 2663

(26) Deduct, to the extent not otherwise deducted or 2664
excluded in computing federal or Ohio adjusted gross income for 2665
the taxable year, any income derived from a transfer agreement 2666
or from the enterprise transferred under that agreement under 2667
section 4313.02 of the Revised Code. 2668

(27) Deduct, to the extent not otherwise deducted or 2669
excluded in computing federal or Ohio adjusted gross income for 2670
the taxable year, Ohio college opportunity or federal Pell grant 2671
amounts received by the taxpayer or the taxpayer's spouse or 2672
dependent pursuant to section 3333.122 of the Revised Code or 20 2673
U.S.C. 1070a, et seq., and used to pay room or board furnished 2674
by the educational institution for which the grant was awarded 2675
at the institution's facilities, including meal plans 2676
administered by the institution. For the purposes of this 2677
division, receipt of a grant includes the distribution of a 2678
grant directly to an educational institution and the crediting 2679
of the grant to the enrollee's account with the institution. 2680

(28) Deduct from the portion of an individual's federal 2681
adjusted gross income that is business income, to the extent not 2682
otherwise deducted or excluded in computing federal adjusted 2683
gross income for the taxable year, one hundred twenty-five 2684
thousand dollars for each spouse if spouses file separate 2685
returns under section 5747.08 of the Revised Code or two hundred 2686
fifty thousand dollars for all other individuals. 2687

(29) Deduct, as provided under section 5747.78 of the 2688

Revised Code, contributions to ABLE savings accounts made in	2689
accordance with sections 113.50 to 113.56 of the Revised Code.	2690
(30) (a) Deduct, to the extent not otherwise deducted or	2691
excluded in computing federal or Ohio adjusted gross income	2692
during the taxable year, all of the following:	2693
(i) Compensation paid to a qualifying employee described	2694
in division (A) (14) (a) of section 5703.94 of the Revised Code to	2695
the extent such compensation is for disaster work conducted in	2696
this state during a disaster response period pursuant to a	2697
qualifying solicitation received by the employee's employer;	2698
(ii) Compensation paid to a qualifying employee described	2699
in division (A) (14) (b) of section 5703.94 of the Revised Code to	2700
the extent such compensation is for disaster work conducted in	2701
this state by the employee during the disaster response period	2702
on critical infrastructure owned or used by the employee's	2703
employer;	2704
(iii) Income received by an out-of-state disaster business	2705
for disaster work conducted in this state during a disaster	2706
response period, or, if the out-of-state disaster business is a	2707
pass-through entity, a taxpayer's distributive share of the	2708
pass-through entity's income from the business conducting	2709
disaster work in this state during a disaster response period,	2710
if, in either case, the disaster work is conducted pursuant to a	2711
qualifying solicitation received by the business.	2712
(b) All terms used in division (A) (30) of this section	2713
have the same meanings as in section 5703.94 of the Revised	2714
Code.	2715
(31) For a taxpayer who is a qualifying Ohio educator,	2716
deduct, to the extent not otherwise deducted or excluded in	2717

computing federal or Ohio adjusted gross income for the taxable 2718
year, the lesser of two hundred fifty dollars or the amount of 2719
expenses described in subsections (a) (2) (D) (i) and (ii) of 2720
section 62 of the Internal Revenue Code paid or incurred by the 2721
taxpayer during the taxpayer's taxable year in excess of the 2722
amount the taxpayer is authorized to deduct for that taxable 2723
year under subsection (a) (2) (D) of that section. 2724

(32) Deduct, to the extent not otherwise deducted or 2725
excluded in computing federal or Ohio adjusted gross income for 2726
the taxable year, amounts received by the taxpayer as a 2727
disability severance payment, computed under 10 U.S.C. 1212, 2728
following discharge or release under honorable conditions from 2729
the armed forces, as defined by 10 U.S.C. 101. 2730

(33) Deduct, to the extent not otherwise deducted or 2731
excluded in computing federal adjusted gross income or Ohio 2732
adjusted gross income, amounts not subject to tax due to an 2733
agreement entered into under division (A) (2) of section 5747.05 2734
of the Revised Code. 2735

(34) Deduct amounts as provided under section 5747.79 of 2736
the Revised Code related to the taxpayer's qualifying capital 2737
gains and deductible payroll. 2738

To the extent a qualifying capital gain described under 2739
division (A) (34) of this section is business income, the 2740
taxpayer shall deduct those gains under this division before 2741
deducting any such gains under division (A) (28) of this section. 2742

(35) (a) For taxable years beginning in or after 2026, 2743
deduct, to the extent not otherwise deducted or excluded in 2744
computing federal or Ohio adjusted gross income for the taxable 2745
year: 2746

(i) One hundred per cent of the capital gain received by 2747
the taxpayer in the taxable year from a qualifying interest in 2748
an Ohio venture capital operating company attributable to the 2749
company's investments in Ohio businesses during the period for 2750
which the company was an Ohio venture operating company; and 2751

(ii) Fifty per cent of the capital gain received by the 2752
taxpayer in the taxable year from a qualifying interest in an 2753
Ohio venture capital operating company attributable to the 2754
company's investments in all other businesses during the period 2755
for which the company was an Ohio venture operating company. 2756

(b) Add amounts previously deducted by the taxpayer under 2757
division (A) (35) (a) of this section if the director of 2758
development certifies to the tax commissioner that the 2759
requirements for the deduction were not met. 2760

(c) All terms used in division (A) (35) of this section 2761
have the same meanings as in section 122.851 of the Revised 2762
Code. 2763

(d) To the extent a capital gain described in division (A) 2764
(35) (a) of this section is business income, the taxpayer shall 2765
apply that division before applying division (A) (28) of this 2766
section. 2767

(36) Add, to the extent not otherwise included in 2768
computing federal or Ohio adjusted gross income for any taxable 2769
year, the taxpayer's proportionate share of the amount of the 2770
tax levied under section 5747.38 of the Revised Code and paid by 2771
an electing pass-through entity for the taxable year. 2772

Notwithstanding any provision of the Revised Code to the 2773
contrary, the portion of the addition required by division (A) 2774
(36) of this section related to the apportioned business income 2775

of the pass-through entity shall be considered business income 2776
under division (B) of this section. Such addition is eligible 2777
for the deduction in division (A) (28) of this section, subject 2778
to the applicable dollar limitations, and the tax rate 2779
prescribed by division (A) (4) (a) of section 5747.02 of the 2780
Revised Code. The taxpayer shall provide, upon request of the 2781
tax commissioner, any documentation necessary to verify the 2782
portion of the addition that is business income under this 2783
division. 2784

(37) Deduct, to the extent not otherwise deducted or 2785
excluded in computing federal or Ohio adjusted gross income for 2786
the taxable year, amounts delivered to a qualifying institution 2787
pursuant to section 3333.128 of the Revised Code for the benefit 2788
of the taxpayer or the taxpayer's spouse or dependent. 2789

(38) Deduct, to the extent not otherwise deducted or 2790
excluded in computing federal or Ohio adjusted gross income for 2791
the taxable year, amounts received under the Ohio adoption grant 2792
program pursuant to section 5101.191 of the Revised Code. 2793

(39) Deduct, to the extent included in federal adjusted 2794
gross income, income attributable to amounts provided to a 2795
taxpayer for any of the purposes for which an exclusion would 2796
have been authorized under section 139 of the Internal Revenue 2797
Code if the train derailment near the city of East Palestine on 2798
February 3, 2023, had been a qualified disaster pursuant to that 2799
section, or to compensate for lost business resulting from that 2800
derailment, if such amounts are provided by any of the 2801
following: 2802

(a) A federal, state, or local government agency; 2803

(b) A railroad company, as that term is defined in section 2804

5727.01 of the Revised Code;	2805
(c) Any subsidiary, insurer, or agent of a railroad company or any related person.	2806 2807
Notwithstanding any provision to the contrary, the derailment is not required to meet the definition of a "qualified disaster" pursuant to section 139 of the Internal Revenue Code to qualify for the deduction under this section.	2808 2809 2810 2811
(40) Deduct, to the extent included in federal adjusted gross income, income attributable to loan repayments on behalf of the taxpayer under the rural practice incentive program under section 3333.135 of the Revised Code.	2812 2813 2814 2815
(41) Add any income taxes deducted in computing federal or Ohio adjusted gross income to the extent the income taxes were derived from income subject to a tax levied in another state or the District of Columbia when such tax was enacted for purposes of complying with internal revenue service notice 2020-75.	2816 2817 2818 2819 2820
Notwithstanding any provision of the Revised Code to the contrary, the portion of the addition required by division (A) (41) of this section related to the apportioned business income of the pass-through entity shall be considered business income under division (B) of this section. Such addition is eligible for the deduction in division (A) (28) of this section, subject to the applicable dollar limitations, and the tax rate prescribed by division (A) (4) (a) of section 5747.02 of the Revised Code. The taxpayer shall provide, upon request of the tax commissioner, any documentation necessary to verify the portion of the addition that is business income under this division.	2821 2822 2823 2824 2825 2826 2827 2828 2829 2830 2831 2832
(42) Deduct amounts contributed to a homeownership savings	2833

account and calculated pursuant to divisions (B) and (C) of 2834
section 5747.85 of the Revised Code. 2835

(43) If the taxpayer is the account owner, add the amount 2836
of funds withdrawn from a homeownership savings account not used 2837
for eligible expenses, regardless of who deposited those funds. 2838
As used in division (A) (43) of this section, "homeownership 2839
savings account," "account owner," and "eligible expenses" have 2840
the same meanings as in section 5747.85 of the Revised Code. 2841

(44) Deduct, to the extent included in federal adjusted 2842
gross income, the amount of ordinary and necessary expenses, 2843
described under section 162 of the Internal Revenue Code, paid 2844
or incurred during the taxable year in carrying on a trade or 2845
business as a marijuana cultivator, processor, dispensary, or 2846
laboratory licensed under Chapter 3780. or 3796. of the Revised 2847
Code, or any other marijuana establishment licensed by the 2848
state, if the deduction for ordinary and necessary expenses 2849
under section 162 of the Internal Revenue Code is disallowed 2850
under section 280E of the Internal Revenue Code. 2851

(B) "Business income" means income, including gain or 2852
loss, arising from transactions, activities, and sources in the 2853
regular course of a trade or business and includes income, gain, 2854
or loss from real property, tangible property, and intangible 2855
property if the acquisition, rental, management, and disposition 2856
of the property constitute integral parts of the regular course 2857
of a trade or business operation. "Business income" includes 2858
income, including gain or loss, from a partial or complete 2859
liquidation of a business, including, but not limited to, gain 2860
or loss from the sale or other disposition of goodwill or the 2861
sale of an equity or ownership interest in a business. 2862

As used in this division, the "sale of an equity or 2863

ownership interest in a business" means sales to which either or	2864
both of the following apply:	2865
(1) The sale is treated for federal income tax purposes as	2866
the sale of assets.	2867
(2) The seller materially participated, as described in 26	2868
C.F.R. 1.469-5T, in the activities of the business during the	2869
taxable year in which the sale occurs or during any of the five	2870
preceding taxable years.	2871
(C) "Nonbusiness income" means all income other than	2872
business income and may include, but is not limited to,	2873
compensation, rents and royalties from real or tangible personal	2874
property, capital gains, interest, dividends and distributions,	2875
patent or copyright royalties, or lottery winnings, prizes, and	2876
awards.	2877
(D) "Compensation" means any form of remuneration paid to	2878
an employee for personal services.	2879
(E) "Fiduciary" means a guardian, trustee, executor,	2880
administrator, receiver, conservator, or any other person acting	2881
in any fiduciary capacity for any individual, trust, or estate.	2882
(F) "Fiscal year" means an accounting period of twelve	2883
months ending on the last day of any month other than December.	2884
(G) "Individual" means any natural person.	2885
(H) "Internal Revenue Code" means the "Internal Revenue	2886
Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended.	2887
(I) "Resident" means any of the following:	2888
(1) An individual who is domiciled in this state, subject	2889
to section 5747.24 of the Revised Code;	2890

(2) The estate of a decedent who at the time of death was 2891
domiciled in this state. The domicile tests of section 5747.24 2892
of the Revised Code are not controlling for purposes of division 2893
(I) (2) of this section. 2894

(3) A trust that, in whole or part, resides in this state. 2895
If only part of a trust resides in this state, the trust is a 2896
resident only with respect to that part. 2897

For the purposes of division (I) (3) of this section: 2898

(a) A trust resides in this state for the trust's current 2899
taxable year to the extent, as described in division (I) (3) (d) 2900
of this section, that the trust consists directly or indirectly, 2901
in whole or in part, of assets, net of any related liabilities, 2902
that were transferred, or caused to be transferred, directly or 2903
indirectly, to the trust by any of the following: 2904

(i) A person, a court, or a governmental entity or 2905
instrumentality on account of the death of a decedent, but only 2906
if the trust is described in division (I) (3) (e) (i) or (ii) of 2907
this section; 2908

(ii) A person who was domiciled in this state for the 2909
purposes of this chapter when the person directly or indirectly 2910
transferred assets to an irrevocable trust, but only if at least 2911
one of the trust's qualifying beneficiaries is domiciled in this 2912
state for the purposes of this chapter during all or some 2913
portion of the trust's current taxable year; 2914

(iii) A person who was domiciled in this state for the 2915
purposes of this chapter when the trust document or instrument 2916
or part of the trust document or instrument became irrevocable, 2917
but only if at least one of the trust's qualifying beneficiaries 2918
is a resident domiciled in this state for the purposes of this 2919

chapter during all or some portion of the trust's current 2920
taxable year. If a trust document or instrument became 2921
irrevocable upon the death of a person who at the time of death 2922
was domiciled in this state for purposes of this chapter, that 2923
person is a person described in division (I) (3) (a) (iii) of this 2924
section. 2925

(b) A trust is irrevocable to the extent that the 2926
transferor is not considered to be the owner of the net assets 2927
of the trust under sections 671 to 678 of the Internal Revenue 2928
Code. 2929

(c) With respect to a trust other than a charitable lead 2930
trust, "qualifying beneficiary" has the same meaning as 2931
"potential current beneficiary" as defined in section 1361(e) (2) 2932
of the Internal Revenue Code, and with respect to a charitable 2933
lead trust "qualifying beneficiary" is any current, future, or 2934
contingent beneficiary, but with respect to any trust 2935
"qualifying beneficiary" excludes a person or a governmental 2936
entity or instrumentality to any of which a contribution would 2937
qualify for the charitable deduction under section 170 of the 2938
Internal Revenue Code. 2939

(d) For the purposes of division (I) (3) (a) of this 2940
section, the extent to which a trust consists directly or 2941
indirectly, in whole or in part, of assets, net of any related 2942
liabilities, that were transferred directly or indirectly, in 2943
whole or part, to the trust by any of the sources enumerated in 2944
that division shall be ascertained by multiplying the fair 2945
market value of the trust's assets, net of related liabilities, 2946
by the qualifying ratio, which shall be computed as follows: 2947

(i) The first time the trust receives assets, the 2948
numerator of the qualifying ratio is the fair market value of 2949

those assets at that time, net of any related liabilities, from 2950
sources enumerated in division (I) (3) (a) of this section. The 2951
denominator of the qualifying ratio is the fair market value of 2952
all the trust's assets at that time, net of any related 2953
liabilities. 2954

(ii) Each subsequent time the trust receives assets, a 2955
revised qualifying ratio shall be computed. The numerator of the 2956
revised qualifying ratio is the sum of (1) the fair market value 2957
of the trust's assets immediately prior to the subsequent 2958
transfer, net of any related liabilities, multiplied by the 2959
qualifying ratio last computed without regard to the subsequent 2960
transfer, and (2) the fair market value of the subsequently 2961
transferred assets at the time transferred, net of any related 2962
liabilities, from sources enumerated in division (I) (3) (a) of 2963
this section. The denominator of the revised qualifying ratio is 2964
the fair market value of all the trust's assets immediately 2965
after the subsequent transfer, net of any related liabilities. 2966

(iii) Whether a transfer to the trust is by or from any of 2967
the sources enumerated in division (I) (3) (a) of this section 2968
shall be ascertained without regard to the domicile of the 2969
trust's beneficiaries. 2970

(e) For the purposes of division (I) (3) (a) (i) of this 2971
section: 2972

(i) A trust is described in division (I) (3) (e) (i) of this 2973
section if the trust is a testamentary trust and the testator of 2974
that testamentary trust was domiciled in this state at the time 2975
of the testator's death for purposes of the taxes levied under 2976
Chapter 5731. of the Revised Code. 2977

(ii) A trust is described in division (I) (3) (e) (ii) of 2978

this section if the transfer is a qualifying transfer described 2979
in any of divisions (I) (3) (f) (i) to (vi) of this section, the 2980
trust is an irrevocable inter vivos trust, and at least one of 2981
the trust's qualifying beneficiaries is domiciled in this state 2982
for purposes of this chapter during all or some portion of the 2983
trust's current taxable year. 2984

(f) For the purposes of division (I) (3) (e) (ii) of this 2985
section, a "qualifying transfer" is a transfer of assets, net of 2986
any related liabilities, directly or indirectly to a trust, if 2987
the transfer is described in any of the following: 2988

(i) The transfer is made to a trust, created by the 2989
decedent before the decedent's death and while the decedent was 2990
domiciled in this state for the purposes of this chapter, and, 2991
prior to the death of the decedent, the trust became irrevocable 2992
while the decedent was domiciled in this state for the purposes 2993
of this chapter. 2994

(ii) The transfer is made to a trust to which the 2995
decedent, prior to the decedent's death, had directly or 2996
indirectly transferred assets, net of any related liabilities, 2997
while the decedent was domiciled in this state for the purposes 2998
of this chapter, and prior to the death of the decedent the 2999
trust became irrevocable while the decedent was domiciled in 3000
this state for the purposes of this chapter. 3001

(iii) The transfer is made on account of a contractual 3002
relationship existing directly or indirectly between the 3003
transferor and either the decedent or the estate of the decedent 3004
at any time prior to the date of the decedent's death, and the 3005
decedent was domiciled in this state at the time of death for 3006
purposes of the taxes levied under Chapter 5731. of the Revised 3007
Code. 3008

(iv) The transfer is made to a trust on account of a 3009
contractual relationship existing directly or indirectly between 3010
the transferor and another person who at the time of the 3011
decedent's death was domiciled in this state for purposes of 3012
this chapter. 3013

(v) The transfer is made to a trust on account of the will 3014
of a testator who was domiciled in this state at the time of the 3015
testator's death for purposes of the taxes levied under Chapter 3016
5731. of the Revised Code. 3017

(vi) The transfer is made to a trust created by or caused 3018
to be created by a court, and the trust was directly or 3019
indirectly created in connection with or as a result of the 3020
death of an individual who, for purposes of the taxes levied 3021
under Chapter 5731. of the Revised Code, was domiciled in this 3022
state at the time of the individual's death. 3023

(g) The tax commissioner may adopt rules to ascertain the 3024
part of a trust residing in this state. 3025

(J) "Nonresident" means an individual or estate that is 3026
not a resident. An individual who is a resident for only part of 3027
a taxable year is a nonresident for the remainder of that 3028
taxable year. 3029

(K) "Pass-through entity" has the same meaning as in 3030
section 5733.04 of the Revised Code. 3031

(L) "Return" means the notifications and reports required 3032
to be filed pursuant to this chapter for the purpose of 3033
reporting the tax due and includes declarations of estimated tax 3034
when so required. 3035

(M) "Taxable year" means the calendar year or the 3036
taxpayer's fiscal year ending during the calendar year, or 3037

fractional part thereof, upon which the adjusted gross income is 3038
calculated pursuant to this chapter. 3039

(N) "Taxpayer" means any person subject to the tax imposed 3040
by section 5747.02 of the Revised Code or any pass-through 3041
entity that makes the election under division (D) of section 3042
5747.08 of the Revised Code. 3043

(O) "Dependents" means one of the following: 3044

(1) For taxable years beginning on or after January 1, 3045
2018, and before January 1, 2026, dependents as defined in the 3046
Internal Revenue Code; 3047

(2) For all other taxable years, dependents as defined in 3048
the Internal Revenue Code and as claimed in the taxpayer's 3049
federal income tax return for the taxable year or which the 3050
taxpayer would have been permitted to claim had the taxpayer 3051
filed a federal income tax return. 3052

(P) "Principal county of employment" means, in the case of 3053
a nonresident, the county within the state in which a taxpayer 3054
performs services for an employer or, if those services are 3055
performed in more than one county, the county in which the major 3056
portion of the services are performed. 3057

(Q) As used in sections 5747.50 to 5747.55 of the Revised 3058
Code: 3059

(1) "Subdivision" means any county, municipal corporation, 3060
park district, or township. 3061

(2) "Essential local government purposes" includes all 3062
functions that any subdivision is required by general law to 3063
exercise, including like functions that are exercised under a 3064
charter adopted pursuant to the Ohio Constitution. 3065

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

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

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

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

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

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

(3) Add the amount of personal exemption allowed to the	3095
estate pursuant to section 642(b) of the Internal Revenue Code;	3096
(4) Deduct interest or dividends, net of related expenses	3097
deducted in computing federal taxable income, on obligations of	3098
the United States and its territories and possessions or of any	3099
authority, commission, or instrumentality of the United States	3100
to the extent that the interest or dividends are exempt from	3101
state taxes under the laws of the United States, but only to the	3102
extent that such amount is included in federal taxable income	3103
and is described in either division (S) (1) (a) or (b) of this	3104
section;	3105
(5) Deduct the amount of wages and salaries, if any, not	3106
otherwise allowable as a deduction but that would have been	3107
allowable as a deduction in computing federal taxable income for	3108
the taxable year, had the work opportunity tax credit allowed	3109
under sections 38, 51, and 52 of the Internal Revenue Code not	3110
been in effect, but only to the extent such amount relates	3111
either to income included in federal taxable income for the	3112
taxable year or to income of the S portion of an electing small	3113
business trust for the taxable year;	3114
(6) Deduct any interest or interest equivalent, net of	3115
related expenses deducted in computing federal taxable income,	3116
on public obligations and purchase obligations, but only to the	3117
extent that such net amount relates either to income included in	3118
federal taxable income for the taxable year or to income of the	3119
S portion of an electing small business trust for the taxable	3120
year;	3121
(7) Add any loss or deduct any gain resulting from sale,	3122
exchange, or other disposition of public obligations to the	3123
extent that such loss has been deducted or such gain has been	3124

included in computing either federal taxable income or income of 3125
the S portion of an electing small business trust for the 3126
taxable year; 3127

(8) Except in the case of the final return of an estate, 3128
add any amount deducted by the taxpayer on both its Ohio estate 3129
tax return pursuant to section 5731.14 of the Revised Code, and 3130
on its federal income tax return in determining federal taxable 3131
income; 3132

(9) (a) Deduct any amount included in federal taxable 3133
income solely because the amount represents a reimbursement or 3134
refund of expenses that in a previous year the decedent had 3135
deducted as an itemized deduction pursuant to section 63 of the 3136
Internal Revenue Code and applicable treasury regulations. The 3137
deduction otherwise allowed under division (S) (9) (a) of this 3138
section shall be reduced to the extent the reimbursement is 3139
attributable to an amount the taxpayer or decedent deducted 3140
under this section in any taxable year. 3141

(b) Add any amount not otherwise included in Ohio taxable 3142
income for any taxable year to the extent that the amount is 3143
attributable to the recovery during the taxable year of any 3144
amount deducted or excluded in computing federal or Ohio taxable 3145
income in any taxable year, but only to the extent such amount 3146
has not been distributed to beneficiaries for the taxable year. 3147

(10) Deduct any portion of the deduction described in 3148
section 1341(a) (2) of the Internal Revenue Code, for repaying 3149
previously reported income received under a claim of right, that 3150
meets both of the following requirements: 3151

(a) It is allowable for repayment of an item that was 3152
included in the taxpayer's taxable income or the decedent's 3153

adjusted gross income for a prior taxable year and did not 3154
qualify for a credit under division (A) or (B) of section 3155
5747.05 of the Revised Code for that year. 3156

(b) It does not otherwise reduce the taxpayer's taxable 3157
income or the decedent's adjusted gross income for the current 3158
or any other taxable year. 3159

(11) Add any amount claimed as a credit under section 3160
5747.059 of the Revised Code to the extent that the amount 3161
satisfies either of the following: 3162

(a) The amount was deducted or excluded from the 3163
computation of the taxpayer's federal taxable income as required 3164
to be reported for the taxpayer's taxable year under the 3165
Internal Revenue Code; 3166

(b) The amount resulted in a reduction in the taxpayer's 3167
federal taxable income as required to be reported for any of the 3168
taxpayer's taxable years under the Internal Revenue Code. 3169

(12) Deduct any amount, net of related expenses deducted 3170
in computing federal taxable income, that a trust is required to 3171
report as farm income on its federal income tax return, but only 3172
if the assets of the trust include at least ten acres of land 3173
satisfying the definition of "land devoted exclusively to 3174
agricultural use" under section 5713.30 of the Revised Code, 3175
regardless of whether the land is valued for tax purposes as 3176
such land under sections 5713.30 to 5713.38 of the Revised Code. 3177
If the trust is a pass-through entity investor, section 5747.231 3178
of the Revised Code applies in ascertaining if the trust is 3179
eligible to claim the deduction provided by division (S) (12) of 3180
this section in connection with the pass-through entity's farm 3181
income. 3182

Except for farm income attributable to the S portion of an 3183
electing small business trust, the deduction provided by 3184
division (S) (12) of this section is allowed only to the extent 3185
that the trust has not distributed such farm income. 3186

(13) Add the net amount of income described in section 3187
641(c) of the Internal Revenue Code to the extent that amount is 3188
not included in federal taxable income. 3189

(14) Deduct the amount the taxpayer would be required to 3190
deduct under division (A) (18) of this section if the taxpayer's 3191
Ohio taxable income ~~were~~was computed in the same manner as an 3192
individual's Ohio adjusted gross income is computed under this 3193
section. 3194

(15) Add, to the extent not otherwise included in 3195
computing taxable income or Ohio taxable income for any taxable 3196
year, the taxpayer's proportionate share of the amount of the 3197
tax levied under section 5747.38 of the Revised Code and paid by 3198
an electing pass-through entity for the taxable year. 3199

(16) Add any income taxes deducted in computing federal 3200
taxable income or Ohio taxable income to the extent the income 3201
taxes were derived from income subject to a tax levied in 3202
another state or the District of Columbia when such tax was 3203
enacted for purposes of complying with internal revenue service 3204
notice 2020-75. 3205

(T) "School district income" and "school district income 3206
tax" have the same meanings as in section 5748.01 of the Revised 3207
Code. 3208

(U) As used in divisions (A) (7), (A) (8), (S) (6), and (S) 3209
(7) of this section, "public obligations," "purchase 3210
obligations," and "interest or interest equivalent" have the 3211

same meanings as in section 5709.76 of the Revised Code.	3212
(V) "Limited liability company" means any limited liability company formed under former Chapter 1705. of the Revised Code as that chapter existed prior to February 11, 2022, Chapter 1706. of the Revised Code, or the laws of any other state.	3213 3214 3215 3216 3217
(W) "Pass-through entity investor" means any person who, during any portion of a taxable year of a pass-through entity, is a partner, member, shareholder, or equity investor in that pass-through entity.	3218 3219 3220 3221
(X) "Banking day" has the same meaning as in section 1304.01 of the Revised Code.	3222 3223
(Y) "Month" means a calendar month.	3224
(Z) "Quarter" means the first three months, the second three months, the third three months, or the last three months of the taxpayer's taxable year.	3225 3226 3227
(AA) (1) "Modified business income" means the business income included in a trust's Ohio taxable income after such taxable income is first reduced by the qualifying trust amount, if any.	3228 3229 3230 3231
(2) "Qualifying trust amount" of a trust means capital gains and losses from the sale, exchange, or other disposition of equity or ownership interests in, or debt obligations of, a qualifying investee to the extent included in the trust's Ohio taxable income, but only if the following requirements are satisfied:	3232 3233 3234 3235 3236 3237
(a) The book value of the qualifying investee's physical assets in this state and everywhere, as of the last day of the	3238 3239

qualifying investee's fiscal or calendar year ending immediately 3240
prior to the date on which the trust recognizes the gain or 3241
loss, is available to the trust. 3242

(b) The requirements of section 5747.011 of the Revised 3243
Code are satisfied for the trust's taxable year in which the 3244
trust recognizes the gain or loss. 3245

Any gain or loss that is not a qualifying trust amount is 3246
modified business income, qualifying investment income, or 3247
modified nonbusiness income, as the case may be. 3248

(3) "Modified nonbusiness income" means a trust's Ohio 3249
taxable income other than modified business income, other than 3250
the qualifying trust amount, and other than qualifying 3251
investment income, as defined in section 5747.012 of the Revised 3252
Code, to the extent such qualifying investment income is not 3253
otherwise part of modified business income. 3254

(4) "Modified Ohio taxable income" applies only to trusts, 3255
and means the sum of the amounts described in divisions (AA) (4) 3256
(a) to (c) of this section: 3257

(a) The fraction, calculated under section 5747.013, and 3258
applying section 5747.231 of the Revised Code, multiplied by the 3259
sum of the following amounts: 3260

(i) The trust's modified business income; 3261

(ii) The trust's qualifying investment income, as defined 3262
in section 5747.012 of the Revised Code, but only to the extent 3263
the qualifying investment income does not otherwise constitute 3264
modified business income and does not otherwise constitute a 3265
qualifying trust amount. 3266

(b) The qualifying trust amount multiplied by a fraction, 3267

the numerator of which is the sum of the book value of the 3268
qualifying investee's physical assets in this state on the last 3269
day of the qualifying investee's fiscal or calendar year ending 3270
immediately prior to the day on which the trust recognizes the 3271
qualifying trust amount, and the denominator of which is the sum 3272
of the book value of the qualifying investee's total physical 3273
assets everywhere on the last day of the qualifying investee's 3274
fiscal or calendar year ending immediately prior to the day on 3275
which the trust recognizes the qualifying trust amount. If, for 3276
a taxable year, the trust recognizes a qualifying trust amount 3277
with respect to more than one qualifying investee, the amount 3278
described in division (AA) (4) (b) of this section shall equal the 3279
sum of the products so computed for each such qualifying 3280
investee. 3281

(c) (i) With respect to a trust or portion of a trust that 3282
is a resident as ascertained in accordance with division (I) (3) 3283
(d) of this section, its modified nonbusiness income. 3284

(ii) With respect to a trust or portion of a trust that is 3285
not a resident as ascertained in accordance with division (I) (3) 3286
(d) of this section, the amount of its modified nonbusiness 3287
income satisfying the descriptions in divisions (B) (2) to (5) of 3288
section 5747.20 of the Revised Code, except as otherwise 3289
provided in division (AA) (4) (c) (ii) of this section. With 3290
respect to a trust or portion of a trust that is not a resident 3291
as ascertained in accordance with division (I) (3) (d) of this 3292
section, the trust's portion of modified nonbusiness income 3293
recognized from the sale, exchange, or other disposition of a 3294
debt interest in or equity interest in a section 5747.212 3295
entity, as defined in section 5747.212 of the Revised Code, 3296
without regard to division (A) of that section, shall not be 3297
allocated to this state in accordance with section 5747.20 of 3298

the Revised Code but shall be apportioned to this state in 3299
accordance with division (B) of section 5747.212 of the Revised 3300
Code without regard to division (A) of that section. 3301

If the allocation and apportionment of a trust's income 3302
under divisions (AA) (4) (a) and (c) of this section do not fairly 3303
represent the modified Ohio taxable income of the trust in this 3304
state, the alternative methods described in division (C) of 3305
section 5747.21 of the Revised Code may be applied in the manner 3306
and to the same extent provided in that section. 3307

(5) (a) Except as set forth in division (AA) (5) (b) of this 3308
section, "qualifying investee" means a person in which a trust 3309
has an equity or ownership interest, or a person or unit of 3310
government the debt obligations of either of which are owned by 3311
a trust. For the purposes of division (AA) (2) (a) of this section 3312
and for the purpose of computing the fraction described in 3313
division (AA) (4) (b) of this section, all of the following apply: 3314

(i) If the qualifying investee is a member of a qualifying 3315
controlled group on the last day of the qualifying investee's 3316
fiscal or calendar year ending immediately prior to the date on 3317
which the trust recognizes the gain or loss, then "qualifying 3318
investee" includes all persons in the qualifying controlled 3319
group on such last day. 3320

(ii) If the qualifying investee, or if the qualifying 3321
investee and any members of the qualifying controlled group of 3322
which the qualifying investee is a member on the last day of the 3323
qualifying investee's fiscal or calendar year ending immediately 3324
prior to the date on which the trust recognizes the gain or 3325
loss, separately or cumulatively own, directly or indirectly, on 3326
the last day of the qualifying investee's fiscal or calendar 3327
year ending immediately prior to the date on which the trust 3328

recognizes the qualifying trust amount, more than fifty per cent 3329
of the equity of a pass-through entity, then the qualifying 3330
investee and the other members are deemed to own the 3331
proportionate share of the pass-through entity's physical assets 3332
which the pass-through entity directly or indirectly owns on the 3333
last day of the pass-through entity's calendar or fiscal year 3334
ending within or with the last day of the qualifying investee's 3335
fiscal or calendar year ending immediately prior to the date on 3336
which the trust recognizes the qualifying trust amount. 3337

(iii) For the purposes of division (AA) (5) (a) (iii) of this 3338
section, "upper level pass-through entity" means a pass-through 3339
entity directly or indirectly owning any equity of another pass- 3340
through entity, and "lower level pass-through entity" means that 3341
other pass-through entity. 3342

An upper level pass-through entity, whether or not it is 3343
also a qualifying investee, is deemed to own, on the last day of 3344
the upper level pass-through entity's calendar or fiscal year, 3345
the proportionate share of the lower level pass-through entity's 3346
physical assets that the lower level pass-through entity 3347
directly or indirectly owns on the last day of the lower level 3348
pass-through entity's calendar or fiscal year ending within or 3349
with the last day of the upper level pass-through entity's 3350
fiscal or calendar year. If the upper level pass-through entity 3351
directly and indirectly owns less than fifty per cent of the 3352
equity of the lower level pass-through entity on each day of the 3353
upper level pass-through entity's calendar or fiscal year in 3354
which or with which ends the calendar or fiscal year of the 3355
lower level pass-through entity and if, based upon clear and 3356
convincing evidence, complete information about the location and 3357
cost of the physical assets of the lower pass-through entity is 3358
not available to the upper level pass-through entity, then 3359

solely for purposes of ascertaining if a gain or loss 3360
constitutes a qualifying trust amount, the upper level pass- 3361
through entity shall be deemed as owning no equity of the lower 3362
level pass-through entity for each day during the upper level 3363
pass-through entity's calendar or fiscal year in which or with 3364
which ends the lower level pass-through entity's calendar or 3365
fiscal year. Nothing in division (AA) (5) (a) (iii) of this section 3366
shall be construed to provide for any deduction or exclusion in 3367
computing any trust's Ohio taxable income. 3368

(b) With respect to a trust that is not a resident for the 3369
taxable year and with respect to a part of a trust that is not a 3370
resident for the taxable year, "qualifying investee" for that 3371
taxable year does not include a C corporation if both of the 3372
following apply: 3373

(i) During the taxable year the trust or part of the trust 3374
recognizes a gain or loss from the sale, exchange, or other 3375
disposition of equity or ownership interests in, or debt 3376
obligations of, the C corporation. 3377

(ii) Such gain or loss constitutes nonbusiness income. 3378

(6) "Available" means information is such that a person is 3379
able to learn of the information by the due date plus 3380
extensions, if any, for filing the return for the taxable year 3381
in which the trust recognizes the gain or loss. 3382

(BB) "Qualifying controlled group" has the same meaning as 3383
in section 5733.04 of the Revised Code. 3384

(CC) "Related member" has the same meaning as in section 3385
5733.042 of the Revised Code. 3386

(DD) (1) For the purposes of division (DD) of this section: 3387

(a) "Qualifying person" means any person other than a qualifying corporation.	3388 3389
(b) "Qualifying corporation" means any person classified for federal income tax purposes as an association taxable as a corporation, except either of the following:	3390 3391 3392
(i) A corporation that has made an election under subchapter S, chapter one, subtitle A, of the Internal Revenue Code for its taxable year ending within, or on the last day of, the investor's taxable year;	3393 3394 3395 3396
(ii) A subsidiary that is wholly owned by any corporation that has made an election under subchapter S, chapter one, subtitle A of the Internal Revenue Code for its taxable year ending within, or on the last day of, the investor's taxable year.	3397 3398 3399 3400 3401
(2) For the purposes of this chapter, unless expressly stated otherwise, no qualifying person indirectly owns any asset directly or indirectly owned by any qualifying corporation.	3402 3403 3404
(EE) For purposes of this chapter and Chapter 5751. of the Revised Code:	3405 3406
(1) "Trust" does not include a qualified pre-income tax trust.	3407 3408
(2) A "qualified pre-income tax trust" is any pre-income tax trust that makes a qualifying pre-income tax trust election as described in division (EE) (3) of this section.	3409 3410 3411
(3) A "qualifying pre-income tax trust election" is an election by a pre-income tax trust to subject to the tax imposed by section 5751.02 of the Revised Code the pre-income tax trust and all pass-through entities of which the trust owns or	3412 3413 3414 3415

controls, directly, indirectly, or constructively through 3416
related interests, five per cent or more of the ownership or 3417
equity interests. The trustee shall notify the tax commissioner 3418
in writing of the election on or before April 15, 2006. The 3419
election, if timely made, shall be effective on and after 3420
January 1, 2006, and shall apply for all tax periods and tax 3421
years until revoked by the trustee of the trust. 3422

(4) A "pre-income tax trust" is a trust that satisfies all 3423
of the following requirements: 3424

(a) The document or instrument creating the trust was 3425
executed by the grantor before January 1, 1972; 3426

(b) The trust became irrevocable upon the creation of the 3427
trust; and 3428

(c) The grantor was domiciled in this state at the time 3429
the trust was created. 3430

(FF) "Uniformed services" has the same meaning as in 10 3431
U.S.C. 101. 3432

(GG) "Taxable business income" means the amount by which 3433
an individual's business income that is included in federal 3434
adjusted gross income exceeds the amount of business income the 3435
individual is authorized to deduct under division (A) (28) of 3436
this section for the taxable year. 3437

(HH) "Employer" does not include a franchisor with respect 3438
to the franchisor's relationship with a franchisee or an 3439
employee of a franchisee, unless the franchisor agrees to assume 3440
that role in writing or a court of competent jurisdiction 3441
determines that the franchisor exercises a type or degree of 3442
control over the franchisee or the franchisee's employees that 3443
is not customarily exercised by a franchisor for the purpose of 3444

protecting the franchisor's trademark, brand, or both. For 3445
purposes of this division, "franchisor" and "franchisee" have 3446
the same meanings as in 16 C.F.R. 436.1. 3447

(II) "Modified adjusted gross income" means Ohio adjusted 3448
gross income plus any amount deducted under divisions (A) (28) 3449
and (34) of this section for the taxable year. 3450

(JJ) "Qualifying Ohio educator" means an individual who, 3451
for a taxable year, qualifies as an eligible educator, as that 3452
term is defined in section 62 of the Internal Revenue Code, and 3453
who holds a certificate, license, or permit described in Chapter 3454
3319. or section 3301.071 of the Revised Code. 3455

Section 2. That existing sections 718.01, 718.81, 928.01, 3456
928.99, 3780.03, 3780.10, 3780.11, 3780.16, 3780.29, 3780.36, 3457
3780.99, 3796.01, 3796.03, 3796.05, 3796.08, 3796.09, 3796.18, 3458
3796.19, 3796.20, 3796.21, 4731.30, and 5747.01 of the Revised 3459
Code are hereby repealed. 3460

Section 3. The amendment by this act of sections 718.01, 3461
718.81, and 5747.01 of the Revised Code applies to taxable years 3462
ending on or after the effective date of this section. 3463

Section 4. Notwithstanding any contrary provision of 3464
Chapter 3796. of the Revised Code or any rules adopted in 3465
accordance with that chapter, a medical marijuana processor 3466
license issued or renewed before the effective date of this 3467
section that remains valid on that date expires two years after 3468
the date the license was issued. 3469