

As Introduced

**132nd General Assembly
Regular Session
2017-2018**

S. B. No. 35

Senator Skindell

Cosponsors: Senators Schiavoni, Thomas, Brown, Tavares

A BILL

To amend sections 5747.71 and 5747.98 of the
Revised Code to remove the income restriction on
the earned income tax credit and to make the
credit refundable beginning in 2017.

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

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

Sec. 5747.71. There is hereby allowed a ~~nonrefundable~~
credit against a taxpayer's aggregate tax liability under
section 5747.02 of the Revised Code for a taxpayer who is an
"eligible individual" as defined in section 32 of the Internal
Revenue Code. The credit shall equal five per cent of the credit
allowed on the taxpayer's federal income tax return pursuant to
section 32 of the Internal Revenue Code for taxable years
beginning in 2013, and ten per cent of the federal credit
allowed for taxable years beginning in or after 2014. ~~If~~ For
taxable years beginning in 2013, 2014, 2015, or 2016, if the
Ohio adjusted gross income of the taxpayer, or the taxpayer and
the taxpayer's spouse if the taxpayer and the taxpayer's spouse

file a joint return under section 5747.08 of the Revised Code, 19
less applicable exemptions under section 5747.025 of the Revised 20
Code, exceeds twenty thousand dollars, the credit authorized by 21
this section shall not exceed fifty per cent of the aggregate 22
amount of tax otherwise due under section 5747.02 of the Revised 23
Code after deducting any other nonrefundable credits that 24
precede the credit allowed under this section in the order 25
prescribed by section 5747.98 of the Revised Code except for the 26
joint filing credit authorized under division (E) of section 27
5747.05 of the Revised Code. ~~In all other cases, the no case~~ 28
shall a credit authorized by this section ~~shall not for a~~ 29
taxable year beginning in 2013, 2014, 2015, or 2016 exceed the 30
aggregate amount of tax otherwise due under section 5747.02 of 31
the Revised Code after deducting any other nonrefundable credits 32
that precede the credit allowed under this section in the order 33
prescribed by section 5747.98 of the Revised Code. For taxable 34
years beginning in or after 2017, if the amount of the credit 35
authorized by this section exceeds the amount of tax due after 36
deducting all other credits that precede the credit allowed 37
under this section in the order prescribed by section 5747.98 of 38
the Revised Code, the taxpayer shall receive a refund of the 39
excess. 40

The credit shall be claimed in the order prescribed by 41
section 5747.98 of the Revised Code. 42

Sec. 5747.98. (A) To provide a uniform procedure for 43
calculating a taxpayer's aggregate tax liability under section 44
5747.02 of the Revised Code, a taxpayer shall claim any credits 45
to which the taxpayer is entitled in the following order: 46

(1) Either the retirement income credit under division (B) 47
of section 5747.055 of the Revised Code or the lump sum 48

retirement income credits under divisions (C), (D), and (E) of that section;	49 50
(2) Either the senior citizen credit under division (F) of section 5747.055 of the Revised Code or the lump sum distribution credit under division (G) of that section;	51 52 53
(3) The dependent care credit under section 5747.054 of the Revised Code;	54 55
(4) The low-income credit under section 5747.056 of the Revised Code;	56 57
(5) The credit for displaced workers who pay for job training under section 5747.27 of the Revised Code;	58 59
(6) The campaign contribution credit under section 5747.29 of the Revised Code;	60 61
(7) The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;	62 63
(8) The joint filing credit under division (G) of section 5747.05 of the Revised Code;	64 65
(9) The earned income credit <u>allowed</u> under section 5747.71 of the Revised Code <u>for taxable years beginning in 2013, 2014, 2015, or 2016;</u>	66 67 68
(10) The credit for adoption of a minor child under section 5747.37 of the Revised Code;	69 70
(11) The nonrefundable job retention credit under division (B) of section 5747.058 of the Revised Code;	71 72
(12) The enterprise zone credit under section 5709.66 of the Revised Code;	73 74
(13) The ethanol plant investment credit under section	75

5747.75 of the Revised Code;	76
(14) The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	77 78
(15) The small business investment credit under section 5747.81 of the Revised Code;	79 80
(16) The enterprise zone credits under section 5709.65 of the Revised Code;	81 82
(17) The research and development credit under section 5747.331 of the Revised Code;	83 84
(18) The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	85 86
(19) The nonresident credit under division (A) of section 5747.05 of the Revised Code;	87 88
(20) The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	89 90
(21) The refundable motion picture production credit under section 5747.66 of the Revised Code;	91 92
(22) The refundable jobs creation credit or job retention credit under division (A) of section 5747.058 of the Revised Code;	93 94 95
(23) The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	96 97
(24) The refundable credits for taxes paid by a qualifying pass-through entity granted under division (I) of section 5747.08 of the Revised Code;	98 99 100
(25) The refundable credit under section 5747.80 of the Revised Code for losses on loans made to the Ohio venture	101 102

capital program under sections 150.01 to 150.10 of the Revised Code;	103 104
(26) The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	105 106
(27) The refundable credit for financial institution taxes paid by a pass-through entity granted under section 5747.65 of the Revised Code;	107 108 109
<u>(28) The refundable earned income credit allowed under section 5747.71 of the Revised Code for taxable years beginning in or after 2017.</u>	110 111 112
(B) For any credit, except the refundable credits enumerated in this section and the credit granted under division (H) of section 5747.08 of the Revised Code, the amount of the credit for a taxable year shall not exceed the taxpayer's aggregate amount of tax due under section 5747.02 of the Revised Code, after allowing for any other credit that precedes it in the order required under this section. Any excess amount of a particular credit may be carried forward if authorized under the section creating that credit. Nothing in this chapter shall be construed to allow a taxpayer to claim, directly or indirectly, a credit more than once for a taxable year.	113 114 115 116 117 118 119 120 121 122 123
Section 2. That existing sections 5747.71 and 5747.98 of the Revised Code are hereby repealed.	124 125