

AN ACT

To amend sections 107.036, 1311.87, 1311.88, 1311.90, 5725.98, 5729.98, and 5747.98 and to enact sections 122.09, 5725.35, 5729.18, and 5747.29 of the Revised Code to authorize an insurance premiums tax credit for capital contributions to transformational mixed use development projects, to authorize an income tax credit for campaign contributions, to modify the law governing commercial real estate broker liens, and to declare an emergency.

Be it enacted by the General Assembly of the State of Ohio:

SECTION 1. That sections 107.036, 1311.87, 1311.88, 1311.90, 5725.98, 5729.98, and 5747.98 be amended and sections 122.09, 5725.35, 5729.18, and 5747.29 of the Revised Code be enacted to read as follows:

Sec. 107.036. (A) For each business incentive tax credit, the main operating appropriations act shall contain a detailed estimate of the total amount of credits that may be authorized in each year, an estimate of the amount of credits expected to be claimed in each year, and an estimate of the amount of credits expected to remain outstanding at the end of the biennium. The governor shall include such estimates in the state budget submitted to the general assembly pursuant to section 107.03 of the Revised Code.

(B) As used in this section, "business incentive tax credit" means all of the following:

(1) The job creation tax credit under section 122.17 of the Revised Code;
(2) The job retention tax credit under section 122.171 of the Revised Code;
(3) The historic preservation tax credit under section 149.311 of the Revised Code;
(4) The motion picture and Broadway theatrical production tax credit under section 122.85 of the Revised Code;

(5) The new markets tax credit under section 5725.33 of the Revised Code;

(6) The research and development credit under section 166.21 of the Revised Code;

(7) The small business investment credit under section 122.86 of the Revised Code;

(8) The rural growth investment credit under section 122.152 of the Revised Code;

(9) The opportunity zone investment credit under section 122.84 of the Revised Code;

(10) The transformational mixed use development credit under section 122.09 of the Revised Code.

Sec. 122.09. (A) As used in this section:

(1) "Development costs" means expenditures paid or incurred by the property owner in completing a certified transformational mixed use development project, including architectural or engineering fees paid or incurred in connection with the project and expenses incurred before the date the project is certified by the tax credit authority under division (C) of this section. In the case of

a certified transformational mixed use development project that is part of a larger contiguous project that is planned to be completed in phases, "development costs" include only expenditures associated with the portion of the project that is certified by the tax credit authority and do not include expenditures incurred for other phases of the project.

(2) "Owner" means a person or persons holding a fee simple or leasehold interest in real property, including interests in real property acquired through a capital lease arrangement. "Owner" does not include the state or a state agency, or any political subdivision as defined in section 9.23 of the Revised Code. For the purpose of this division, "fee simple interest," "leasehold interest," and "capital lease" shall be construed in accordance with generally accepted accounting principles.

(3) "Transformational mixed use development" means a project that consists of new construction or the redevelopment, rehabilitation, expansion, or other improvement of vacant buildings or structures, or a combination of the foregoing, and that:

(a) Will have a transformational economic impact on the development site and the surrounding area;

(b) Integrates some combination of retail, office, residential, recreation, structured parking, and other similar uses into one mixed use development; and

(c) Satisfies one of the following criteria:

(i) If the development site is located within ten miles of a major city, the project includes at least one new or previously vacant building that is fifteen or more stories in height or has a floor area of at least three hundred fifty thousand square feet, or after completion will be the site of employment accounting for at least four million dollars in annual payroll, or includes two or more buildings that are connected to each other, are located on the same parcel or on contiguous parcels, and that collectively have a floor area of at least three hundred fifty thousand square feet;

(ii) If the development site is not located within ten miles of a major city, the project includes at least one new or previously vacant building that is two or more stories in height or has a floor area of at least seventy-five thousand square feet or two or more new buildings that are located on the same parcel or on contiguous parcels and that collectively have a floor area of at least seventy-five thousand square feet.

"Transformational mixed use development" may include a portion of a larger contiguous project that is planned to be completed in phases as long as the phases collectively meet the criteria described in division (A)(3) of this section.

(4) "Increase in tax collections" means the difference, if positive, of the amount of state and local taxes derived from economic activity occurring within the development site and the surrounding area during a period of time minus the amount of such taxes that are estimated to be derived from such economic activity in that site and surrounding area during the same period if the transformational mixed use project were not completed.

(5) "Completion period" means the time period beginning on the day after a transformational mixed use development is certified by the tax credit authority and ending on the fifth anniversary of the day the project is completed.

(6) "Insurance company" means a person subject to the tax imposed under section 5725.18 or 5729.03 of the Revised Code.

(7) "Contribute capital" means to invest, loan, or donate cash in exchange for an equity.

interest in an asset, a debt instrument, or no consideration.

(8) "Major city" means a municipal corporation that has a population greater than one hundred thousand.

(9) "Tax credit authority" means the tax credit authority created under section 122.17 of the Revised Code.

(10) "Adjusted development costs" means the development costs attributed to a complete transformational mixed use development project minus the sum of the capital contributions of any insurance companies that are preliminarily approved for a tax credit in connection with the same project.

(11) A "property owner's share" of the increase in tax collections equals the product obtained by multiplying the total increase in tax collections since the date the transformational mixed use development project was certified by a fraction, the numerator of which is the adjusted development costs and the denominator of which is the actual development costs attributed to the project.

(12) An "insurance company's share" of the increase in tax collections equals the product obtained by multiplying the total increase in tax collections since the date the transformational mixed use development project was certified by a fraction, the numerator of which is the insurance company's capital contribution to the project and the denominator of which is the actual development costs attributed to the project.

(B) The owner of one or more parcels of land in this state within which a transformational mixed use development is planned or an insurance company that contributes capital to be used in the planning or construction of such a development may apply to the tax credit authority for certification of the development and preliminary approval of a tax credit. Each application shall be filed in the form and manner prescribed by the director of development services and shall, at minimum, include a development plan comprised of all of the following information:

(1) The location of the development site and an indication of whether it is located within ten miles of a major city;

(2) A detailed description of the proposed transformational mixed use development including site plans, construction drawings, architectural renderings, or other means sufficient to convey the appearance, size, purposes, capacity, and scope of the project and, if applicable, previously completed and future phases of the project;

(3) A viable financial plan that estimates the development costs that have been or will be incurred in the completion of the project and that designates a source of financing or a strategy for obtaining financing;

(4) An estimated schedule for the progression and completion of the project including, if applicable, previously completed and future phases of the project;

(5) An assessment of the projected economic impact of the project on the development site and the surrounding area;

(6) Evidence that the increase in tax collections during the completion period will exceed ten per cent of the estimated development costs reported under division (B)(3) of this section;

(7) If the applicant is an insurance company that is not the property owner, the amount of the insurance company's capital contribution to the development and the date on which it was or will be made;

(8) Evidence that the project will not be completed unless the applicant receives the credit.

(C)(1) In determining whether to certify a project that is the subject of an application submitted under division (B) of this section, the tax credit authority shall consider the potential impact of the transformational mixed use development on the development site and the surrounding area in terms of architecture, accessibility to pedestrians, retail entertainment and dining sales, job creation, property values, connectivity, and revenue from sales, income, lodging, and property taxes. The tax credit authority shall not certify a project unless it satisfies the following conditions:

(a) The project qualifies as a transformational mixed use development and satisfies all other criteria prescribed by this section or by rule of the director of development services;

(b) The estimated increase in tax collections during the completion period exceeds ten per cent of the estimated development costs for the project reported under division (B)(3) of this section;

(c) The project will not be completed unless the applicant receives the credit;

(d) If the development site is located within ten miles of a major city, the estimated development costs to complete the project plus, if applicable, the estimated expenditures that have been or will be incurred to complete all other contiguous phases of the project, exceed fifty million dollars.

In making its determination of whether or not to approve an application, the tax credit authority may conduct an interview of the applicant.

(2) If the tax credit authority approves an application, the authority shall issue a statement certifying the associated transformational mixed use development project and preliminarily approving a tax credit. The statement shall stipulate that receipt of a tax credit certificate is contingent upon completion of the transformational mixed use development as described in the development plan. The statement shall specify the estimated amount of the tax credit, but state that the amount of the credit is dependent upon determination of the actual development costs attributed to the project and, unless the tax credit authority grants a request by the property owner under division (F) of this section, of the increase in tax collections during the completion period.

(3) Except as otherwise provided in this division, if the applicant is an insurance company that is not the property owner, the estimated amount of the tax credit shall equal ten per cent of the insurance company's capital contribution to the project as reported in the development plan pursuant to division (B)(7) of this section. Except as otherwise provided in this division, if the applicant is the property owner, the estimated amount of the tax credit shall equal ten per cent of the estimated development costs for the project as reported in the development plan pursuant to division (B)(3) of this section minus any estimated credit amounts that have been preliminarily approved for insurance companies contributing capital to the project. The estimated credit amounts may be reduced by the tax credit authority as a condition of certifying the project if such a reduction is necessary to comply with the limitations on the amount of credits that may be preliminarily approved as prescribed by division (C)(5) of this section. The estimated credit amounts shall not be adjusted after the statement described in division (C)(2) of this section has been issued.

(4) If the tax credit authority denies an application, the authority shall notify the applicant of the reason or reasons for such determination. The authority's determination is final, but an applicant may revise and resubmit a previously denied application.

(5)(a) The tax credit authority shall not certify any transformational mixed use development

projects after June 30, 2023.

(b) The tax credit authority may not preliminarily approve more than one hundred million dollars of estimated tax credits in each of fiscal years 2020, 2021, 2022, and 2023.

(c) Not more than eighty million dollars of estimated tax credits in each such fiscal year may be preliminarily approved in connection with projects that are located within ten miles of a major city.

(d) Not more than forty million dollars of estimated tax credits may be preliminarily approved in connection with the same transformational mixed use development project.

(6) If the dollar amount of tax credits applied for under division (B) of this section in connection with projects that are located within ten miles of a major city exceeds eighty million dollars for a fiscal year, the tax credit authority shall rank those applications and certify the associated projects in order, starting with the project that presents the best combination of economic value and transformational impact. If the dollar amount of tax credits applied for in connection with projects not located within ten miles of a major city exceeds twenty million dollars for a fiscal year, the tax credit authority shall rank those applications and certify the associated projects in order, starting with the project that presents the best combination of economic value and transformational impact. In either case, the authority shall consider the following factors in ranking the applications:

(a) The projected increase in tax collections during the completion period as a percentage of the total amount of estimated tax credits that would be preliminarily approved in connection with the project;

(b) The economic impact of the project on the development site and the surrounding area and the impact of the project in terms of architecture, accessibility to pedestrians, retail entertainment and dining sales, job creation, property values, and connectivity;

(c) The expeditiousness of the schedule for completing the project, realizing the increase in tax collections, and attaining the economic and other impacts on the development site and the surrounding area.

(D) Within twelve months of the date a project is certified, the property owner shall provide the tax credit authority with an updated schedule for the progression and completion of the project and documentation sufficient to demonstrate that construction of the project has begun. If the property owner does not provide the schedule and documentation or if construction of the project has not begun within the time prescribed by this division, the tax credit authority shall rescind certification of the project and send notice of the rescission to the property owner and each insurance company that is preliminarily approved for a tax credit in connection with the project. A property owner that receives notice of rescission may submit a new application concerning the same project under division (B) of this section.

(E) An applicant that is the property owner and is preliminarily approved for a tax credit under this section may sell or transfer the rights to that credit to one or more persons for the purpose of raising capital for the certified project. The applicant shall notify the tax credit authority upon selling or transferring the rights to the credit. The notice shall identify the person or persons to which the credit was sold or transferred and the credit amount sold or transferred to each such person. Only an applicant that owns the property may sell or transfer a credit under this division. A credit may be divided among multiple purchasers through more than one transaction but once a particular credit

amount is acquired by a person other than the applicant it may not be sold or transferred again.

(F) After a transformational mixed use development project is certified and before it is completed, the property owner may request that the value of the tax credit certificates awarded in connection with the project be computed using the alternative method described in division (I) of this section. The tax credit authority shall grant the request if the authority determines, and a third party engaged by the authority at the expense of the property owner affirms, that it is reasonably certain that the increase in tax collections will exceed ten per cent of the estimated development costs within one year after the project is completed. Otherwise, the authority shall deny the request and the amount of each credit awarded in connection with the project shall be computed under division (H) of this section. The authority's determination under this division shall be delivered in writing and is final and not appealable.

(G)(1) The property owner shall notify the tax credit authority upon completion of a certified transformational mixed use development project. The notification shall include a report prepared by a third-party certified public accountant that contains a detailed accounting of the actual development costs attributed to the project.

(2) Upon receiving such a notice, unless the tax credit authority has previously granted a request by the property owner under division (F) of this section, the authority shall determine the increase in tax collections since the date the project was certified by consulting with the tax commissioner and with the tax administrator of any municipal corporation that levies an income tax within the project site and the surrounding area. The tax commissioner and the tax administrators that are consulted pursuant to this division shall provide the tax credit authority with any information that is necessary to determine the increase in tax collections.

(3) After determining the increase in tax collections under division (G)(2) of this section, if required, and computing the value of the tax credit under division (H) or (I) of this section, as applicable, the tax credit authority shall issue a tax credit certificate to each applicant that is preliminarily approved for a credit associated with the project or to the person or persons to which such an applicant sold or transferred the rights to the credit under division (E) of this section. If the amount of the tax credit awarded to the property owner is less than the credit amount estimated under division (C) of this section and the property owner sold or transferred the rights to the credit, the tax credit authority shall reduce the amount of each tax credit certificate issued to each purchaser or recipient on a pro rata basis unless the property owner requests an alternative allocation of the credit.

(H)(1) Unless the tax credit authority granted a request by the property owner under division (F) of this section, the aggregate value of the tax credit certificates issued under division (G) of this section to the property owner and to any persons to whom the property owner sold or transferred the rights to the credit shall equal the lesser of the following:

(a) Ten per cent of the adjusted development costs;

(b) Five per cent of the adjusted development costs plus any amount by which the property owner's share of the increase in tax collections since the date the project was certified exceeds five per cent of the adjusted development costs;

(c) The estimated credit amount specified in the tax credit authority's statement certifying the project and preliminarily approving the tax credit under division (C) of this section.

(2) The value of a tax credit certificate issued under division (G) of this section to an

insurance company that contributed capital to the project shall equal the lesser of the following:

(a) Ten per cent of the insurance company's actual capital contribution;

(b) Five per cent of such capital contribution plus any amount by which the insurance company's share of the increase in tax collections since the date the project was certified exceeds five per cent of the insurance company's capital contribution;

(c) The estimated credit amount specified in the tax credit authority's statement certifying the project and preliminarily approving the tax credit under division (C) of this section.

(I) If the tax credit authority granted a request by the property owner under division (F) of this section, the value of the tax credit certificates issued in connection with the transformational mixed use development project shall be computed as follows:

(1) For the property owner or any person to which the property owner sold or transferred the rights to the credit, ten per cent of the actual development costs attributed to the project. If the amount of the credit is less than the credit amount estimated under division (C) of this section and the property owner sold or transferred the rights to the credit to more than one person, the authority shall reduce the amount of each tax credit certificate on a pro rata basis unless the property owner requests an alternative allocation of the credit.

(2) For an insurance company that contributed capital to the project, ten per cent of the insurance company's actual capital contribution.

(J) If the value of a tax credit certificate was computed under division (H) of this section for a project, the property owner, on or before the thirtieth day following the first, second, third, fourth, and fifth anniversaries of the date the certified transformational mixed use development project is completed, may request in writing that the tax credit authority update the increase in tax collections during the completion period. Upon receiving such a request, the tax credit authority shall update the increase in tax collections in the same manner described by division (G) of this section. If the tax credit authority determines that the value of the tax credit certificates computed under division (H) of this section would be greater if computed based on the updated increase in tax collections, the authority shall issue an additional tax credit certificate to each person that previously received a certificate for the project under those divisions. The value of each additional tax credit certificate shall equal the amount by which the tax credit certificate computed under division (H) of this section upon completion of the project would have been greater had the value of such certificate been computed based on the updated increase in tax collections, less the value of any additional tax credit certificates previously issued under this division to the same person respecting the same project.

(K) The aggregate value of all tax credit certificates issued under this section for the same transformational mixed use development project shall not exceed (1) ten per cent of the actual development costs of that project or (2) the sum of all estimated credit amounts preliminarily approved by the tax credit authority in connection with the project.

(L) Issuance of a tax credit certificate under this section does not represent a verification or certification by the tax credit authority of the actual development costs of the project or the capital contributions to the project by an insurance company. Such amounts are subject to inspection and examination by the superintendent of insurance.

(M) Upon the issuance of a tax credit certificate under division (G) or (J) of this section, the tax credit authority shall certify to the superintendent of insurance (1) the name of each person that

was issued a tax credit certificate, (2) whether the person is the property owner, an insurance company that contributed capital to the development, or a person that acquired the rights to the tax credit certificate from the property owner, (3) the credit amount shown on each tax credit certificate, and (4) any other information required by the rules adopted under this section. A person that holds the rights to a tax credit certificate issued under this section and that is an insurance company may claim a tax credit under section 5725.35 or 5729.18 of the Revised Code.

(N) The tax credit authority shall publish information about each transformational mixed use development on the web site of the development services agency not later than the first day of August following certification of the project. The tax credit authority shall update the published information annually until the project is complete and the credit or credits are fully claimed. The published information shall include all of the following:

(1) The location of the transformational mixed use development and the name by which it is known;

(2) The estimated schedule for progression and completion of the project included in the development plan pursuant to division (B)(4) of this section;

(3) The assessment of the projected economic impact of the project included in the development plan pursuant to division (B)(5) of this section;

(4) The evidence supporting the estimated increase in tax collections included in the development plan pursuant to division (B)(6) of this section, except that the tax credit authority may omit any proprietary or sensitive information included in such evidence;

(5) The estimated development costs that have been or will be incurred in completion of the project and, if applicable, the amount of the insurance company's capital contribution to the development and the date on which it was made, as reported in the development plan pursuant to divisions (B)(3) and (7) of this section;

(6) A copy of each report submitted to the tax credit authority by the applicant under division (D) of this section.

(O) The director, in accordance with Chapter 119. of the Revised Code, shall adopt rules that establish all of the following:

(1) Forms and procedures by which applicants may apply for a transformational investment tax credit, and any deadlines for applying;

(2) Criteria and procedures for reviewing, evaluating, ranking, and approving applications within the limitations prescribed by this section, including rules prescribing the timing and frequency by which the tax credit authority must rank applications and preliminarily approve tax credits under division (C) of this section;

(3) Eligibility requirements for obtaining a tax credit certificate under this section;

(4) The form of the tax credit certificate;

(5) Reporting requirements and monitoring procedures;

(6) Procedures for computing the increase in tax collections within the project site and the surrounding area;

(7) Forms and procedures by which property owners may request the alternative method of computing the value of tax credit certificates under division (I) of this section that are awarded in connection with a project and criteria for evaluating and making a determination on such requests;

(8) Any other rules necessary to implement and administer this section.

Sec. 1311.87. (A)(1) A lien established pursuant to section 1311.86 of the Revised Code is perfected when both of the following have occurred:

- (a) The broker is entitled to a fee or commission under the contract.
- (b) The broker has met the requirements of division (B) of this section.

(2) The lien is perfected as of the date the requirements of division (A)(1) of this section are met and does not relate back to an earlier date.

(B) To perfect a lien pursuant to division (A)(1) of this section, a broker shall comply with all of the following:

(1) The broker shall record a lien affidavit in the county recorder's office of the county in which the real estate is located. The recorder shall record on the affidavit the date and precise time the affidavit was presented for record, and shall record the affidavit. The recorder shall charge and collect the fees set forth in section 317.32 of the Revised Code for the recorder's services.

(2)(a) The lien affidavit shall include the name of the broker who has the lien, the name of the owner of the lien property, a legal description of the lien property, the amount for which the lien is claimed, the date and a summary of the written contract on which the lien is based, and the real estate license number of the broker. The lien affidavit shall state that the information contained in the affidavit is true and accurate to the knowledge of the signator, be signed by the broker or the broker's agent, and be verified.

(b) For purposes of division (B)(2)(a) of this section, a description that is sufficient to describe the lien property for the purpose of conveyance, or is contained in the instrument by which the owner took title, is a legal description.

(3) A lien affidavit based on the sale of lien property shall be recorded prior to the conveyance of the lien property.

(4) A lien affidavit based on the purchase of lien property shall be recorded within ninety days after the conveyance of the lien property.

(5) A lien affidavit based on a lease of lien property shall be recorded within ninety days after a default by the owner in the payment of an amount due under a written contract for services related to leasing the lien property.

(6) ~~On the day the~~ Within three days of the recording of the lien affidavit ~~is recorded~~, the broker shall provide a copy of the lien affidavit to the owner of the lien property and, where a contract for the sale or other conveyance of the lien property has been entered into, to the prospective transferee, where known, ~~either~~ by personal delivery or by certified mail, ~~return receipt requested~~ commercial carrier service, or any other method that includes written evidence of receipt.

(C) Initial leases, lease renewals, and expansions of the space leased shall be treated as separate leases for purposes of division (B)(5) of this section.

Sec. 1311.88. (A) To commence proceedings to enforce a lien, a broker shall comply with all of the following:

(1) The broker shall file a complaint in the common pleas court in the county where the lien property is located.

(2)(a) The complaint shall be filed within two years following the recording of the lien affidavit as provided in division (B) of section 1311.87 of the Revised Code.

(b) Failure to file a complaint within the time specified in this division extinguishes the lien, in which case no subsequent lien affidavit may be recorded for the same claim and the claim may not be asserted in any proceeding under this section.

(3) A complaint shall identify the contract upon which the lien is based and the date of the contract, describe the services performed by the broker pursuant to the contract, specify the unpaid amounts due to the broker pursuant to the contract, specify the address of the lien property, and have a copy of the contract attached.

(4) The broker shall name as defendants in the complaint all parties that have a legal or equitable interest in the lien property of whom the broker has knowledge.

(B)(1) The owner may demand that the broker commence a suit to enforce a broker's lien by serving a written notice of demand on the broker by personal delivery or by certified mail, ~~return receipt requested~~ commercial carrier service, or any other method that includes written evidence of receipt.

(2) If the broker does not commence the suit ~~or file the answer demanded~~ within twenty-eight days after receipt of the notice of demand, the lien is extinguished.

(C) In an action based on a broker's lien, a court ~~may~~ shall assess the nonprevailing parties with all costs and reasonable attorney's fees incurred by the prevailing parties. If the broker prevails, the assessed costs and attorney's fees shall include all those incurred by the broker to perfect and enforce the broker lien including any litigation costs and any prejudgment interest due. The court shall equitably apportion the assessed costs ~~and~~ attorney's fees, and prejudgment interest among all responsible nonprevailing parties.

Sec. 1311.90. (A) A broker shall record a written release or satisfaction of the broker's lien in the county recorder's office of the county in which the lien was recorded within ten days after any of the following:

(1) Moneys in an amount sufficient to release the broker's lien established pursuant to section 1311.86 of the Revised Code have been deposited in an escrow account established pursuant to section 1311.92 of the Revised Code.

(2) The owner satisfies the claim upon which the broker's lien is based.

(3) The broker fails to file a claim to enforce a lien within the time specified in section 1311.88 of the Revised Code.

(4) The claim upon which the broker's lien is based has been resolved by a written agreement of the broker and owner, by a court, or by any process agreed to by the broker and owner.

(B) ~~On the day~~ Within three days of the recording of the release or satisfaction is recorded, the broker shall provide the owner with a copy of the release or satisfaction by personal delivery or by certified mail, ~~return receipt requested~~ commercial carrier service, or any other method that includes written evidence of receipt.

Sec. 5725.35. There is allowed a credit against the tax imposed by section 5725.18 of the Revised Code for an insurance company subject to that tax that holds the rights to a tax credit certificate issued under section 122.09 of the Revised Code. The credit shall equal the dollar amount indicated on the certificate. The credit shall be claimed in the calendar year specified in the certificate and in the order required under section 5725.98 of the Revised Code. If the credit exceeds the amount of tax otherwise due in that year, the company may carry forward the excess for not more than five

ensuing years, but the amount of the excess credit claimed against the tax for any year shall be deducted from the balance carried forward to the next year.

Sec. 5725.98. (A) To provide a uniform procedure for calculating the amount of tax imposed by section 5725.18 of the Revised Code that is due under this chapter, a taxpayer shall claim any credits and offsets against tax liability to which it is entitled in the following order:

(1) The credit for an insurance company or insurance company group under section 5729.031 of the Revised Code;

(2) The credit for eligible employee training costs under section 5725.31 of the Revised Code;

(3) The credit for purchasers of qualified low-income community investments under section 5725.33 of the Revised Code;

(4) The nonrefundable job retention credit under division (B) of section 122.171 of the Revised Code;

(5) The nonrefundable credit for investments in rural business growth funds under section 122.152 of the Revised Code;

(6) The nonrefundable credit for contributing capital to a transformational mixed use development project under section 5725.35 of the Revised Code;

(7) The offset of assessments by the Ohio life and health insurance guaranty association permitted by section 3956.20 of the Revised Code;

~~(7)-(8)~~ The refundable credit for rehabilitating a historic building under section 5725.34 of the Revised Code;

~~(8)-(9)~~ The refundable credit for Ohio job retention under former division (B)(2) or (3) of section 122.171 of the Revised Code as those divisions existed before September 29, 2015, the effective date of the amendment of this section by H.B. 64 of the 131st general assembly;

~~(9)-(10)~~ The refundable credit for Ohio job creation under section 5725.32 of the Revised Code;

~~(10)-(11)~~ The refundable credit under section 5725.19 of the Revised Code for losses on loans made under the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code.

(B) For any credit except the refundable credits enumerated in this section, the amount of the credit for a taxable year shall not exceed the tax due after allowing for any other credit that precedes it in the order required under this section. Any excess amount of a particular credit may be carried forward if authorized under the section creating 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.

Sec. 5729.18. There is allowed a credit against the tax imposed by section 5729.03 of the Revised Code for an insurance company subject to that tax that holds the rights to a tax credit certificate issued under section 122.09 of the Revised Code. The credit shall equal the dollar amount indicated on the certificate. The credit shall be claimed in the calendar year specified in the certificate and in the order required under section 5729.98 of the Revised Code. If the credit exceeds the amount of tax otherwise due in that year, the company may carry forward the excess for not more than five ensuing years, but the amount of the excess credit claimed against the tax for any year shall be deducted from the balance carried forward to the next year.

Sec. 5729.98. (A) To provide a uniform procedure for calculating the amount of tax due

under this chapter, a taxpayer shall claim any credits and offsets against tax liability to which it is entitled in the following order:

(1) The credit for an insurance company or insurance company group under section 5729.031 of the Revised Code;

(2) The credit for eligible employee training costs under section 5729.07 of the Revised Code;

(3) The credit for purchases of qualified low-income community investments under section 5729.16 of the Revised Code;

(4) The nonrefundable job retention credit under division (B) of section 122.171 of the Revised Code;

(5) The nonrefundable credit for investments in rural business growth funds under section 122.152 of the Revised Code;

(6) The nonrefundable credit for contributing capital to a transformational mixed use development project under section 5729.18 of the Revised Code;

(7) The offset of assessments by the Ohio life and health insurance guaranty association against tax liability permitted by section 3956.20 of the Revised Code;

~~(7)-(8)~~ The refundable credit for rehabilitating a historic building under section 5729.17 of the Revised Code;

~~(8)-(9)~~ The refundable credit for Ohio job retention under former division (B)(2) or (3) of section 122.171 of the Revised Code as those divisions existed before September 29, 2015, the effective date of the amendment of this section by H.B. 64 of the 131st general assembly;

~~(9)-(10)~~ The refundable credit for Ohio job creation under section 5729.032 of the Revised Code;

~~(10)-(11)~~ The refundable credit under section 5729.08 of the Revised Code for losses on loans made under the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code.

(B) For any credit except the refundable credits enumerated in this section, the amount of the credit for a taxable year shall not exceed the tax due after allowing for any other credit that precedes it in the order required under this section. Any excess amount of a particular credit may be carried forward if authorized under the section creating 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.

Sec. 5747.29. (A) As used in this section:

(1) "Candidate" has the same meaning as in section 3517.01 of the Revised Code, but is limited to candidates for the public offices specified in this section.

(2) "Contribution" has the same meaning as in section 3517.01 of the Revised Code, but is limited to contributions of money only.

(B) A nonrefundable credit is allowed against a taxpayer's aggregate tax liability under section 5747.02 of the Revised Code for contributions of money made to the campaign committee of candidates for any of the following public offices: governor, lieutenant governor, secretary of state, auditor of state, treasurer of state, attorney general, member of the state board of education, chief justice of the supreme court, justice of the supreme court, or member of the general assembly. The amount of the credit for a taxable year equals the lesser of the combined total contributions made during the taxable year by each taxpayer filing a return required to be filed under section 5747.08 of

the Revised Code or the amount of fifty dollars, in the case of an individual return, or one hundred dollars, in the case of a joint return.

The taxpayer shall claim the credit in the order required under section 5747.98 of the Revised Code. The credit for a taxable year shall not exceed the aggregate amount of tax otherwise due for that year after allowing for any other credits that precede the credit under this section in that order.

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

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

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;

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

The credit for displaced workers who pay for job training under section 5747.27 of the Revised Code;

The campaign contribution credit under section 5747.29 of the Revised Code;

The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;

The joint filing credit under division (G) of section 5747.05 of the Revised Code;

The earned income credit under section 5747.71 of the Revised Code;

The credit for adoption of a minor child under section 5747.37 of the Revised Code;

The nonrefundable job retention credit under division (B) of section 5747.058 of the Revised Code;

The enterprise zone credit under section 5709.66 of the Revised Code;

The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;

The small business investment credit under section 5747.81 of the Revised Code;

The nonrefundable lead abatement credit under section 5747.26 of the Revised Code;

The opportunity zone investment credit under section 122.84 of the Revised Code;

The enterprise zone credits under section 5709.65 of the Revised Code;

The research and development credit under section 5747.331 of the Revised Code;

The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;

The nonresident credit under division (A) of section 5747.05 of the Revised Code;

The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;

The refundable motion picture and Broadway theatrical production credit under section 5747.66 of the Revised Code;

The refundable jobs creation credit or job retention credit under division (A) of section 5747.058 of the Revised Code;

The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;

The refundable credits for taxes paid by a qualifying pass-through entity granted under division (I) of section 5747.08 of the Revised Code;

The refundable credit under section 5747.80 of the Revised Code for losses on loans made to the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code;

The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code.

(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.

SECTION 2. That existing sections 107.036, 1311.87, 1311.88, 1311.90, 5725.98, 5729.98, and 5747.98 of the Revised Code are hereby repealed.

SECTION 3. The rules required to be adopted under division (O) of section 122.09 of the Revised Code, as enacted by this act, shall be adopted not later than one hundred twenty days after the effective date of this act, notwithstanding any provision to the contrary under Chapter 119. of the Revised Code. Applications for certification of a development and preliminary approval of a tax credit shall first be accepted by the Tax Credit Authority not later than thirty days after the adoption of the rules, and the Authority shall begin to approve complete and properly filed applications not later than forty-five days after applications are first accepted by the Tax Credit Authority.

SECTION 4. The amendment or enactment by this act of sections 5747.29 and 5747.98 of the Revised Code applies to taxable years beginning on or after January 1, 2020.

SECTION 5. Pursuant to division (G) of section 5703.95 of the Revised Code, which states that any bill introduced in the House of Representatives or the Senate that proposes to enact or modify one or more tax expenditures should include a statement explaining the objectives of the tax expenditure or its modification and the sponsor's intent in proposing the tax expenditure or its modification:

The purpose of the amendment or enactment by this bill of sections 107.036, 122.09, 5725.35, 5725.98, 5729.18, and 5729.98 of the Revised Code is to foster economic development and increase tax collections for state and local governments.

SECTION 6. The amendment or enactment by this act of sections 5747.29 and 5747.98 of the Revised Code and Section 4 of this act is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, and safety. The reason for such necessity is to allow taxpayers to claim the campaign contribution tax credit for 2020 contributions to candidates for statewide office. Therefore, the amendment or enactment by this act of sections 5747.29 and 5747.98

of the Revised Code and Section 4 of this act shall go into immediate effect.

Speaker _____ *of the House of Representatives.*

President _____ *of the Senate.*

Passed _____, 20____

Approved _____, 20____

Governor.

Am. Sub. S. B. No. 39

133rd G.A.

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the ____ day of _____, A. D. 20 ____.

Secretary of State.

File No. _____ Effective Date _____