

As Introduced

**126th General Assembly
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H. B. No. 245

**Representatives Reinhard, Aslanides, Barrett, Buehrer, Core, Faber, Hagan,
Hughes, Kearns, Latta, McGregor, Schlichter, Seaver, Seitz, Setzer, Ujvagi,
Wagner, Webster, Widowfield, Willamowski**

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A B I L L

To amend sections 125.831, 3317.022, 5733.98, and 1
5747.98 and to enact sections 125.834, 125.835, 2
125.836, 901.14, 3327.17, 3704.121, 3704.20, 3
3704.30 to 3704.34, 5501.18, 5733.47, 5733.48, 4
5735.40, 5747.76, and 5747.77 of the Revised Code 5
to require that half of all motor vehicles 6
purchased for state agency fleets be capable of 7
using alternative fuels; to require that state 8
agencies procuring vehicles give preference to 9
qualified bidders who supply vehicles that use 10
Ohio corn-based ethanol or Ohio soybean-based 11
biodiesel fuel; to allow the Department of 12
Administrative Services to sell or trade credits 13
generated by the acquisition of alternative fueled 14
vehicles under the federal "Energy Policy Act of 15
1992"; to establish an alternative fuel 16
transportation grant program for the purchase and 17
installation of alternative fuel refueling 18
facilities and the purchase of certain grades of 19
ethanol or biodiesel; to authorize city, local, or 20
exempted village school districts to purchase 21
biodiesel for the operation of school buses and 22
receive a subsidy from the Department of Education 23

for such purchase; to require that diesel fuel 24
contain at least two per cent biodiesel under 25
certain circumstances; to authorize the Director 26
of Environmental Protection to require the use of 27
clean alternative fuel in covered fleet vehicles 28
in counties identified as severe non-attainment 29
for ozone under the federal Clean Air Act 30
Amendments; to establish a local government 31
vehicular fleet alternative fuel revolving loan 32
program administered by the Director; to require 33
that part of the Department of Transportation's 34
vehicle fleet and heavy equipment that operates on 35
diesel fuel use biodiesel; to prohibit political 36
subdivisions from levying taxes on alternative 37
fuel; and to authorize tax credits against 38
corporation franchise and income tax liability for 39
selling ethanol blended gasoline and for 40
installing E85 fuel pumps. 41

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

Section 1. That sections 125.831, 3317.022, 5733.98, and 42
5747.98 be amended and sections 125.834, 125.835, 125.836, 901.14, 43
3327.17, 3704.121, 3704.20, 3704.30, 3704.31, 3704.32, 3704.33, 44
3704.34, 5501.18, 5733.47, 5733.48, 5735.40, 5747.76, and 5747.77 45
of the Revised Code be enacted to read as follows: 46

Sec. 125.831. As used in sections 125.831 to ~~125.833~~ 125.834 47
of the Revised Code: 48

(A) "Alternative fuel" means any of the following fuels used 49
in a motor vehicle: 50

(1) Any alcohol fuel containing eighty-five per cent or more 51

of alcohol or containing any other percentage of not less than
seventy per cent of alcohol if the United States department of
energy determines, by rule, that the lower percentage is necessary
to provide for the requirements of cold start, safety, or vehicle
functions;

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(2) Any fuel other than alcohol fuel that is derived from
biological materials, when designated by the United States
department of energy as an alternative fuel;

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(3) Natural gas;

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(4) Liquefied petroleum gas;

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(5) Hydrogen;

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(6) Any power source, including electricity;

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(7) Any fuel not described in divisions (A)(1) to (6) of this
section that the United States department of energy determines, by
final rule, to be substantially not petroleum, and that would
yield substantial energy security and environmental benefits.

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(B) "Law enforcement officer" means an officer, agent, or
employee of a state agency upon whom, by statute, a duty to
conserve the peace or to enforce all or certain laws is imposed
and the authority to arrest violators is conferred, within the
limits of that statutory duty and authority.

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~~(B)~~(C)(1) "Motor vehicle" means any automobile, car minivan,
passenger van, sport utility vehicle, or pickup truck with a gross
vehicle weight of under twelve thousand pounds.

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(2) "Motor vehicle" does not include any vehicle described in
division ~~(B)~~(C)(1) of this section that is used by a law
enforcement officer and law enforcement agency or any vehicle that
is so described and that is equipped with specialized equipment
that is not normally found in such a vehicle and that is used to
carry out a state agency's specific and specialized duties and

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responsibilities. 82

~~(C)~~(D) "Specialized equipment" does not include standard 83
mobile radios with no capabilities other than voice communication, 84
exterior and interior lights, or roof-mounted caution lights. 85

~~(D)~~(E) "State agency" means every organized body, office, or 86
agency established by the laws of the state for the exercise of 87
any function of state government, other than any state-supported 88
institution of higher education, the office of the governor, 89
lieutenant governor, auditor of state, treasurer of state, 90
secretary of state, or attorney general, the general assembly or 91
any legislative agency, or the courts or any judicial agency. 92

Sec. 125.834. (A) The following entities shall ensure that at 93
least seventy-five per cent of the new motor vehicles they acquire 94
during the two-year period beginning July 1, 2006, and ending June 95
30, 2008, and during each two-year period beginning on the first 96
day of July thereafter, are capable of using alternative fuels: 97

(1) The department of administrative services; 99

(2) Each state agency that has been delegated fleet 100
management duties under division (G)(1) of section 125.832 of the 101
Revised Code and that manages a fleet of more than fifteen motor 102
vehicles. 103

(B)(1) If the department of administrative services or a 104
state agency described in division (A)(2) of this section exceeds 105
the percentage specified in division (A) of this section in its 106
purchase or lease of motor vehicles during any two-year period 107
described in that division, the excess purchases or leases shall 108
be credited to any future two-year period the department or state 109
agency designates. 110

(2) If the department or such a state agency fails to satisfy 111

the percentage specified in division (A) of this section in its 112
purchase or lease of motor vehicles during any two-year period 113
described in that division, the department or state agency shall 114
not purchase or lease any motor vehicles that are incapable of 115
using alternative fuels during any subsequent two-year period 116
until the department or state agency satisfies that percentage 117
deficiency, unless one or more of the following applies: 118

(a) The department or state agency will be operating its 119
motor vehicles primarily in an area in which it or its fuel 120
supplier does not have and cannot reasonably be expected to have a 121
central refueling station for alternative fuels. 122

(b) The department or state agency is unable to acquire or 123
operate motor vehicles within the cost limitations described in 124
division (D) of this section. 125

(c) The use of alternative fuels would not meet the energy 126
conservation and exhaust emissions criteria described in division 127
(D) of this section. 128

(C) Between July 1, 2006, and June 30, 2007, at least thirty 129
per cent of the fuel purchased for use in fleets of state-owned 130
motor vehicles shall be alternative fuels. Between July 1, 2007, 131
and June 30, 2008, at least fifty per cent of such fuel purchased 132
shall be alternative fuels. Beginning July 1, 2008, and each 133
fiscal year thereafter, at least seventy-five per cent of such 134
fuel purchased between the first day of July and the thirtieth day 135
of June of the following year shall be alternative fuels. 136

(D) The director of administrative services shall adopt and 137
may amend, in accordance with Chapter 119. of the Revised Code, 138
rules that establish cost limitations for the acquisition and 139
operation of, and energy conservation and exhaust emissions 140
criteria for, motor vehicles capable of using alternative fuels. 141

<u>Sec. 125.835. (A) As used in this section:</u>	142
<u>(1) "Biodiesel" has the same meaning as in section 3704.121 of the Revised Code.</u>	143 144
<u>(2) "Ethanol" has the same meaning as in section 5733.46 of the Revised Code.</u>	145 146
<u>(3) "Law enforcement officer" has the same meaning as in section 125.831 of the Revised Code.</u>	147 148
<u>(4) "State agency" has the same meaning as in section 125.831 of the Revised Code, but includes any state-supported institution of higher education.</u>	149 150 151
<u>(5) "Vehicle" means any automobile, automobile truck, tractor, or self-propelled vehicle not operated or driven on fixed rails or track, but does not include a vehicle operated by a law enforcement officer.</u>	152 153 154 155
<u>(B) In awarding any contract that requires the procurement of vehicles, a state agency shall give preference to an otherwise qualified bidder who will fulfill the contract through the use of vehicles that use as a fuel component ethanol produced from Ohio corn or biodiesel produced from Ohio soybeans or Ohio corn.</u>	156 157 158 159 160
<u>Sec. 125.836. (A) As used in this section:</u>	161
<u>(1) "Biodiesel" and "diesel fuel" have the same meanings as in section 3704.121 of the Revised Code.</u>	162 163
<u>(2) "Credit" means a credit generated by the acquisition of alternative fueled vehicles in accordance with the "Energy Policy Act of 1992," 106 Stat. 2897, 42 U.S.C. 13257.</u>	164 165 166
<u>(3) "Incremental cost" has the same meaning as in section 5501.18 of the Revised Code.</u>	167 168
<u>(B) The department of administrative services shall establish</u>	169

and administer a credit banking and selling program. The
department may sell or trade credits in accordance with procedures
established pursuant to the "Energy Policy Act of 1992," 106 Stat.
2897, 42 U.S.C. 13258.

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(C) There is hereby created in the state treasury the
"biodiesel revolving fund," into which shall be deposited moneys
received from the sale of credits under this section, any moneys
appropriated to the fund by the general assembly, and any other
moneys obtained or accepted by the department for deposit into the
fund. Moneys deposited into the fund shall be used to pay for the
incremental cost of biodiesel for use in vehicles owned or leased
by the state that use diesel fuel.

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Sec. 901.14. (A) As used in this section:

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(1) "Alternative fuel" means blended biodiesel or blended
gasoline.

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(2) "Biodiesel" has the same meaning as in section 3704.121
of the Revised Code.

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(3) "Diesel fuel" and "gasoline" have the same meanings as in
section 5735.01 of the Revised Code.

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(4) "Ethanol" has the same meaning as in section 5733.46 of
the Revised Code.

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(5) "Blended biodiesel" means diesel fuel containing at least
twenty per cent biodiesel by volume.

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(6) "Blended gasoline" means gasoline containing at least
eighty-five per cent ethanol by volume.

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(7) "Incremental cost" means either of the following:

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(a) The difference in cost between blended gasoline and
gasoline containing ten per cent or less ethanol at the time that
the blended gasoline is purchased;

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(b) The difference in cost between blended biodiesel and diesel fuel containing two per cent or less biodiesel at the time that the blended biodiesel is purchased. 199
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(B) For the purpose of improving the air quality in this state, the director of agriculture shall establish an alternative fuel transportation grant program under which the director may make grants to businesses, nonprofit organizations, public school systems, or local governments for the purchase and installation of alternative fuel refueling facilities and for the purchase and use of alternative fuel. 202
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(C) The director shall adopt rules in accordance with Chapter 119. of the Revised Code that are necessary for the administration of the alternative fuel transportation grant program. The rules shall establish at least all of the following: 209
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(1) An application form and procedures governing the application process for a grant under the program; 213
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(2) A procedure for prioritizing the award of grants under the program; 215
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(3) A requirement that the maximum grant for the purchase and installation of an alternative fuel refueling facility be fifty per cent of the cost of the facility; 217
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(4) A requirement that the maximum grant for the purchase of alternative fuel be fifty per cent of the incremental cost of the fuel; 220
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(5) Any other criteria, procedures, or guidelines that the director determines are necessary to administer the program. 223
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(D) There is hereby created in the state treasury the alternative fuel transportation grant fund. The fund shall consist of money that is received from direct payments in lieu of excise credits for alcohol fuels under the "American Jobs Creation Act of 225
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2004," Pub. L. No. 108-357. Money in the fund shall be used to 229
make grants under the alternative fuel transportation grant 230
program and by the director in the administration of that program. 231

Sec. 3317.022. (A)(1) The department of education shall 232
compute and distribute state base cost funding to each school 233
district for the fiscal year in accordance with the following 234
formula, making any adjustment required by division (A)(2) of this 235
section and using the information obtained under section 3317.021 236
of the Revised Code in the calendar year in which the fiscal year 237
begins. 238

Compute the following for each eligible district: 239

(cost-of-doing-business factor X 240

the formula amount X 241

formula ADM) - 242

(.023 X recognized valuation) 243

If the difference obtained is a negative number, the 244
district's computation shall be zero. 245

(2)(a) For each school district for which the tax exempt 246
value of the district equals or exceeds twenty-five per cent of 247
the potential value of the district, the department of education 248
shall calculate the difference between the district's tax exempt 249
value and twenty-five per cent of the district's potential value. 250

(b) For each school district to which division (A)(2)(a) of 251
this section applies, the department shall adjust the recognized 252
valuation used in the calculation under division (A)(1) of this 253
section by subtracting from it the amount calculated under 254
division (A)(2)(a) of this section. 255

(B) As used in this section: 256

(1) The "total special education weight" for a district means 257
the sum of the following amounts: 258

(a) The district's category one special education ADM	259
multiplied by the multiple specified in division (A) of section	260
3317.013 of the Revised Code;	261
(b) The district's category two special education ADM	262
multiplied by the multiple specified in division (B) of section	263
3317.013 of the Revised Code;	264
(c) The district's category three special education ADM	265
multiplied by the multiple specified in division (C) of section	266
3317.013 of the Revised Code;	267
(d) The district's category four special education ADM	268
multiplied by the multiple specified in division (D) of section	269
3317.013 of the Revised Code;	270
(e) The district's category five special education ADM	271
multiplied by the multiple specified in division (E) of section	272
3317.013 of the Revised Code;	273
(f) The district's category six special education ADM	274
multiplied by the multiple specified in division (F) of section	275
3317.013 of the Revised Code.	276
(2) "State share percentage" means the percentage calculated	277
for a district as follows:	278
(a) Calculate the state base cost funding amount for the	279
district for the fiscal year under division (A) of this section.	280
If the district would not receive any state base cost funding for	281
that year under that division, the district's state share	282
percentage is zero.	283
(b) If the district would receive state base cost funding	284
under that division, divide that amount by an amount equal to the	285
following:	286
Cost-of-doing-business factor X	287
the formula amount X	288

formula ADM	289
The resultant number is the district's state share percentage.	290 291
(3) "Related services" includes:	292
(a) Child study, special education supervisors and coordinators, speech and hearing services, adaptive physical development services, occupational or physical therapy, teacher assistants for handicapped children whose handicaps are described in division (B) of section 3317.013 or division (F)(3) of section 3317.02 of the Revised Code, behavioral intervention, interpreter services, work study, nursing services, and specialized integrative services as those terms are defined by the department;	293 294 295 296 297 298 299 300
(b) Speech and language services provided to any student with a handicap, including any student whose primary or only handicap is a speech and language handicap;	301 302 303
(c) Any related service not specifically covered by other state funds but specified in federal law, including but not limited to, audiology and school psychological services;	304 305 306
(d) Any service included in units funded under former division (O)(1) of section 3317.023 of the Revised Code;	307 308
(e) Any other related service needed by handicapped children in accordance with their individualized education plans.	309 310
(4) The "total vocational education weight" for a district means the sum of the following amounts:	311 312
(a) The district's category one vocational education ADM multiplied by the multiple specified in division (A) of section 3317.014 of the Revised Code;	313 314 315
(b) The district's category two vocational education ADM multiplied by the multiple specified in division (B) of section 3317.014 of the Revised Code.	316 317 318

(C)(1) The department shall compute and distribute state 319
special education and related services additional weighted costs 320
funds to each school district in accordance with the following 321
formula: 322

The district's state share percentage 323

X the formula amount for the year 324

for which the aid is calculated 325

X the district's total special education weight 326

(2) The attributed local share of special education and 327
related services additional weighted costs equals: 328

(1 - the district's state share percentage) X 329

the district's total special education weight X 330

the formula amount 331

(3)(a) The department shall compute and pay in accordance 332
with this division additional state aid to school districts for 333
students in categories two through six special education ADM. If a 334
district's costs for the fiscal year for a student in its 335
categories two through six special education ADM exceed the 336
threshold catastrophic cost for serving the student, the district 337
may submit to the superintendent of public instruction 338
documentation, as prescribed by the superintendent, of all its 339
costs for that student. Upon submission of documentation for a 340
student of the type and in the manner prescribed, the department 341
shall pay to the district an amount equal to the sum of the 342
following: 343

(i) One-half of the district's costs for the student in 344
excess of the threshold catastrophic cost; 345

(ii) The product of one-half of the district's costs for the 346
student in excess of the threshold catastrophic cost multiplied by 347
the district's state share percentage. 348

(b) For purposes of division (C)(3)(a) of this section, the 349

threshold catastrophic cost for serving a student equals: 350

(i) For a student in the school district's category two, 351
three, four, or five special education ADM, twenty-five thousand 352
dollars in fiscal year 2002 and twenty-five thousand seven hundred 353
dollars in fiscal years 2003, 2004, and 2005; 354

(ii) For a student in the district's category six special 355
education ADM, thirty thousand dollars in fiscal year 2002 and 356
thirty thousand eight hundred forty dollars in fiscal years 2003, 357
2004, and 2005. 358

(c) The district shall only report under division (C)(3)(a) 359
of this section, and the department shall only pay for, the costs 360
of educational expenses and the related services provided to the 361
student in accordance with the student's individualized education 362
program. Any legal fees, court costs, or other costs associated 363
with any cause of action relating to the student may not be 364
included in the amount. 365

(4)(a) As used in this division, the "personnel allowance" 366
means thirty thousand dollars in fiscal years 2002, 2003, 2004, 367
and 2005. 368

(b) For the provision of speech language pathology services 369
to students, including students who do not have individualized 370
education programs prepared for them under Chapter 3323. of the 371
Revised Code, and for no other purpose, the department of 372
education shall pay each school district an amount calculated 373
under the following formula: 374

(formula ADM divided by 2000) X 375

the personnel allowance X the state share percentage 376

(5) In any fiscal year, a school district shall spend for 377
purposes that the department designates as approved for special 378
education and related services expenses at least the amount 379
calculated as follows: 380

(cost-of-doing-business factor X 381
formula amount X the sum of categories 382
one through six special education ADM) + 383
(total special education weight X formula amount) 384

The purposes approved by the department for special education 385
expenses shall include, but shall not be limited to, 386
identification of handicapped children, compliance with state 387
rules governing the education of handicapped children and 388
prescribing the continuum of program options for handicapped 389
children, provision of speech language pathology services, and the 390
portion of the school district's overall administrative and 391
overhead costs that are attributable to the district's special 392
education student population. 393

The department shall require school districts to report data 394
annually to allow for monitoring compliance with division (C)(5) 395
of this section. The department shall annually report to the 396
governor and the general assembly the amount of money spent by 397
each school district for special education and related services. 398

(6) In any fiscal year, a school district shall spend for the 399
provision of speech language pathology services not less than the 400
sum of the amount calculated under division (C)(1) of this section 401
for the students in the district's category one special education 402
ADM and the amount calculated under division (C)(4) of this 403
section. 404

(D)(1) As used in this division: 405

(a) "Daily bus miles per student" equals the number of bus 406
miles traveled per day, divided by transportation base. 407

(b) "Transportation base" equals total student count as 408
defined in section 3301.011 of the Revised Code, minus the number 409
of students enrolled in preschool handicapped units, plus the 410
number of nonpublic school students included in transportation 411

ADM. 412

(c) "Transported student percentage" equals transportation 413
ADM divided by transportation base. 414

(d) "Transportation cost per student" equals total operating 415
costs for board-owned or contractor-operated school buses divided 416
by transportation base. 417

(2) Analysis of student transportation cost data has resulted 418
in a finding that an average efficient transportation use cost per 419
student can be calculated by means of a regression formula that 420
has as its two independent variables the number of daily bus miles 421
per student and the transported student percentage. For fiscal 422
year 1998 transportation cost data, the average efficient 423
transportation use cost per student is expressed as follows: 424

51.79027 + (139.62626 X daily bus miles per student) + 425
(116.25573 X transported student percentage) 426

The department of education shall annually determine the 427
average efficient transportation use cost per student in 428
accordance with the principles stated in division (D)(2) of this 429
section, updating the intercept and regression coefficients of the 430
regression formula modeled in this division, based on an annual 431
statewide analysis of each school district's daily bus miles per 432
student, transported student percentage, and transportation cost 433
per student data. The department shall conduct the annual update 434
using data, including daily bus miles per student, transported 435
student percentage, and transportation cost per student data, from 436
the prior fiscal year. The department shall notify the office of 437
budget and management of such update by the fifteenth day of 438
February of each year. 439

(3) In addition to funds paid under divisions (A), (C), and 440
(E) of this section, each district with a transported student 441
percentage greater than zero shall receive a payment equal to a 442

percentage of the product of the district's transportation base 443
from the prior fiscal year times the annually updated average 444
efficient transportation use cost per student, times an inflation 445
factor of two and eight tenths per cent to account for the 446
one-year difference between the data used in updating the formula 447
and calculating the payment and the year in which the payment is 448
made. The percentage shall be the following percentage of that 449
product specified for the corresponding fiscal year: 450

FISCAL YEAR	PERCENTAGE	
2000	52.5%	451
2001	55%	452
2002	57.5%	453
2003 and thereafter	The greater of 60% or the 454 district's state share 455 percentage	

The payments made under division (D)(3) of this section each 456
year shall be calculated based on all of the same prior year's 457
data used to update the formula. 458

(4) In addition to funds paid under divisions (D)(2) and (3) 459
of this section, a school district shall receive a rough road 460
subsidy if both of the following apply: 461

(a) Its county rough road percentage is higher than the 462
statewide rough road percentage, as those terms are defined in 463
division (D)(5) of this section; 464

(b) Its district student density is lower than the statewide 465
student density, as those terms are defined in that division. 466

(5) The rough road subsidy paid to each district meeting the 467
qualifications of division (D)(4) of this section shall be 468
calculated in accordance with the following formula: 469

(per rough mile subsidy X total rough road miles) X 470
density multiplier 471

where: 472

(a) "Per rough mile subsidy" equals the amount calculated in 473
accordance with the following formula: 474

$$0.75 - \{0.75 \times [(\text{maximum rough road percentage} - \text{county rough road percentage}) / (\text{maximum rough road percentage} - \text{statewide rough road percentage})]\}$$
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(i) "Maximum rough road percentage" means the highest county 478
rough road percentage in the state. 479

(ii) "County rough road percentage" equals the percentage of 480
the mileage of state, municipal, county, and township roads that 481
is rated by the department of transportation as type A, B, C, E2, 482
or F in the county in which the school district is located or, if 483
the district is located in more than one county, the county to 484
which it is assigned for purposes of determining its 485
cost-of-doing-business factor. 486

(iii) "Statewide rough road percentage" means the percentage 487
of the statewide total mileage of state, municipal, county, and 488
township roads that is rated as type A, B, C, E2, or F by the 489
department of transportation. 490

(b) "Total rough road miles" means a school district's total 491
bus miles traveled in one year times its county rough road 492
percentage. 493

(c) "Density multiplier" means a figure calculated in 494
accordance with the following formula: 495

$$1 - [(\text{minimum student density} - \text{district student density}) / (\text{minimum student density} - \text{statewide student density})]$$
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(i) "Minimum student density" means the lowest district 499
student density in the state. 500

(ii) "District student density" means a school district's 501

transportation base divided by the number of square miles in the district.

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(iii) "Statewide student density" means the sum of the transportation bases for all school districts divided by the sum of the square miles in all school districts.

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(6) In addition to funds paid under divisions (D)(2) to (5) of this section, each district shall receive in accordance with rules adopted by the state board of education a payment for students transported by means other than board-owned or contractor-operated buses and whose transportation is not funded under division (J) of section 3317.024 of the Revised Code. The rules shall include provisions for school district reporting of such students.

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(7) In addition to funds paid under divisions (D)(2) to (6) of this section, the department annually shall pay each district to which division (C) of section 3327.17 of the Revised Code applies a subsidy equal to the difference between (a) the actual total cost of the diesel fuel purchased by the district from the eligible agricultural cooperative or a retailer or distributor for that cooperative during the fiscal year and (b) the number of gallons of diesel fuel purchased by the district from the eligible agricultural cooperative or a retailer or distributor for that cooperative during the fiscal year times the average statewide cost for the fiscal year of a gallon of diesel fuel that contains no biodiesel. If the difference obtained is a negative number, the district's subsidy shall be zero. No payments shall be made under division (D)(7) of this section for fiscal years beginning on or after July 1, 2012.

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(E)(1) The department shall compute and distribute state vocational education additional weighted costs funds to each school district in accordance with the following formula:

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state share percentage X 533

the formula amount X 534

total vocational education weight 535

In any fiscal year, a school district receiving funds under 536
division (E)(1) of this section shall spend those funds only for 537
the purposes that the department designates as approved for 538
vocational education expenses. Vocational educational expenses 539
approved by the department shall include only expenses connected 540
to the delivery of career-technical programming to 541
career-technical students. The department shall require the school 542
district to report data annually so that the department may 543
monitor the district's compliance with the requirements regarding 544
the manner in which funding received under division (E)(1) of this 545
section may be spent. 546

(2) The department shall compute for each school district 547
state funds for vocational education associated services in 548
accordance with the following formula: 549

state share percentage X .05 X 550

the formula amount X the sum of categories one and two 551

vocational education ADM 552

In any fiscal year, a school district receiving funds under 553
division (E)(2) of this section, or through a transfer of funds 554
pursuant to division (L) of section 3317.023 of the Revised Code, 555
shall spend those funds only for the purposes that the department 556
designates as approved for vocational education associated 557
services expenses, which may include such purposes as 558
apprenticeship coordinators, coordinators for other vocational 559
education services, vocational evaluation, and other purposes 560
designated by the department. The department may deny payment 561
under division (E)(2) of this section to any district that the 562
department determines is not operating those services or is using 563
funds paid under division (E)(2) of this section, or through a 564

transfer of funds pursuant to division (L) of section 3317.023 of 565
the Revised Code, for other purposes. 566

(F) The actual local share in any fiscal year for the 567
combination of special education and related services additional 568
weighted costs funding calculated under division (C)(1) of this 569
section, transportation funding calculated under divisions (D)(2) 570
and (3) of this section, and vocational education and associated 571
services additional weighted costs funding calculated under 572
divisions (E)(1) and (2) of this section shall not exceed for any 573
school district the product of three and three-tenths mills times 574
the district's recognized valuation. The department annually shall 575
pay each school district as an excess cost supplement any amount 576
by which the sum of the district's attributed local shares for 577
that funding exceeds that product. For purposes of calculating the 578
excess cost supplement: 579

(1) The attributed local share for special education and 580
related services additional weighted costs funding is the amount 581
specified in division (C)(2) of this section. 582

(2) The attributed local share of transportation funding 583
equals the difference of the total amount calculated for the 584
district using the formula developed under division (D)(2) of this 585
section minus the actual amount paid to the district after 586
applying the percentage specified in division (D)(3) of this 587
section. 588

(3) The attributed local share of vocational education and 589
associated services additional weighted costs funding is the 590
amount determined as follows: 591

(1 - state share percentage) X 592
[(total vocational education weight X the formula amount) + 593
the payment under division (E)(2) of this section] 594

Sec. 3327.17. Notwithstanding division (D) of section 3311.19 and division (D) of section 3311.52 of the Revised Code, this section does not apply to any joint vocational or cooperative education school district. 595
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(A) As used in this section and in division (D)(7) of section 3317.022 of the Revised Code: 599
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(1) "Agricultural cooperative" has the same meaning as in section 1729.01 of the Revised Code. 601
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(2) "Biodiesel" and "diesel fuel" have the same meanings as in section 3704.121 of the Revised Code. 603
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(3) "Development facility" means a facility that produces a good derived from an agricultural commodity. 605
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(4) "Renewable fuel production facility" means a facility that produces an energy source derived from a renewable, domestically grown organic compound and capable of powering machinery, including an engine. 607
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(5) "Eligible agricultural cooperative" means an agricultural cooperative formed for the purpose of operating a development facility or a renewable fuel production facility. 611
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(B) Any city, local, or exempted village school district may enter into a contract with an eligible agricultural cooperative or a retailer or distributor for that cooperative to purchase diesel fuel that contains twenty per cent or greater of biodiesel by volume for the operation of the district's school buses. 614
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(C) Any district that enters into a contract pursuant to division (B) of this section shall submit a copy of the contract to the department of education. The department annually shall pay the subsidy calculated under division (D)(7) of section 3317.022 of the Revised Code to the district for the duration of the contract, but not after the time designated in that division. 619
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Sec. 3704.121. (A) As used in this section: 625

(1) "Biodiesel" means a mono-alkyl ester combustible liquid fuel that is derived from vegetable oils or animal fats, or any combination of those reagents, and that meets American society for testing and materials specification D6751-03a for biodiesel fuel (B100) blend stock distillate fuels. 626
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(2) "Diesel fuel" means any liquid fuel that is capable of use in discrete form or as a blend component in the operation of engines of the diesel type. 631
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(B) On and after June 30, 2007, no person shall sell any diesel fuel in this state unless the fuel contains two per cent or greater of biodiesel by volume, provided that one of the following occurs: 634
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(1) The director of environmental protection determines that the state has an annual production capacity of biodiesel greater than eight million gallons and publishes that determination on the environmental protection agency's web site. 638
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(2) The director publishes on the agency's web site a statement that a federal action on taxes imposed or tax credits or any other federal action creates a reduction of two cents or more in the price per gallon on taxable diesel fuel that contains two per cent or greater of biodiesel by volume and that is sold in this state. 642
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(C) The director periodically shall survey production facilities in the state to determine whether the state has an annual production capacity of biodiesel greater than eight million gallons. If the director finds that the state has a production capacity greater than eight million gallons, the director shall publish that determination on the agency's web site. 648
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In addition, the director shall maintain knowledge of any 654

federal action on taxes imposed or tax credits or any other 655
federal action that creates a reduction of two cents or more in 656
the price per gallon on taxable diesel fuel that contains two per 657
cent or greater of biodiesel by volume and that is sold in this 658
state. If a federal action creates such a reduction, the director 659
shall publish a statement concerning that federal action on the 660
agency's web site. 661

Sec. 3704.20. (A) As used in this section: 662

(1) "Clean alternative fuel" and "covered fleet" have the 663
same meanings as in 42 U.S.C. 7581. 664

(2) "Clean Air Act Amendments" has the same meaning as in 665
section 3704.14 of the Revised Code. 666

(B) The director of environmental protection may adopt rules 667
under Chapter 119. of the Revised Code establishing requirements 668
for the use of clean alternative fuel in vehicles that are owned 669
or used by operators of covered fleets in any county identified as 670
severe nonattainment for ozone in accordance with the Clean Air 671
Act Amendments. 672

The rules adopted under this section shall include all of the 673
following: 674

(1) Requirements and procedures governing the registration of 675
covered fleet operators; 676

(2) Procedures for the submission of annual compliance plans 677
to the director by covered fleet operators and for the review and 678
approval or disapproval of those plans; 679

(3) Requirements and procedures establishing a system of 680
marketable credit trading applicable to covered fleet operators; 681

(4) Enforcement procedures and penalties for failure to 682
comply with the requirements of the rules adopted under this 683

section; 684

(5) Any other requirements or procedures that are determined 685
to be necessary by the director. 686

Sec. 3704.30. (A) As used in sections 3704.30 to 3704.34 of 687
the Revised Code, "political subdivision" means a municipal 688
corporation, township, county, school district, or other entity 689
corporate and politic that is responsible for governmental 690
activities in geographical areas smaller than that of the state. 691

(B) For the purpose of improving the air quality in this 692
state, the director of environmental protection shall administer a 693
local government vehicular fleet alternative fuel revolving loan 694
program under which the director shall make loans to political 695
subdivisions for the purpose of establishing or improving their 696
capability of using alternative fuels in their vehicle fleets. 697
Loans shall be made to political subdivisions for any or all of 698
the following: 699

(1) The purchase of new motor vehicles that are capable of 700
using alternative fuels; 701

(2) The conversion of motor vehicles that operate on gasoline 702
to enable those vehicles to operate on alternative fuels; 703

(3) The construction of fueling stations that are capable of 704
dispensing alternative fuels. 705

(C) An applicant for a loan under the program shall submit a 706
plan to the director outlining the applicant's strategy for 707
utilizing alternative fuels in its vehicle fleet. The director 708
shall give preference to applicants who are or will be 709
contributing significantly to the cost of the implementation of 710
their plans and who will work cooperatively with the state, other 711
political subdivisions, and private entities in developing a 712
fueling infrastructure that is capable of dispensing alternative 713

fuels in this state.

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(D) The director shall adopt rules under Chapter 119. of the Revised Code that are necessary for the administration of the local government vehicular fleet alternative fuel revolving loan program, including, but limited to, rules establishing the types of alternative fuels concerning which recipients may receive loans under the program.

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Sec. 3704.31. All of the following apply to loans that are made under the local government vehicular fleet alternative fuel revolving loan program:

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(A) A political subdivision may receive a maximum of two thousand dollars for the cost of purchasing a new vehicle that is capable of operating on an alternative fuel.

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(B) A political subdivision may receive a maximum of two thousand dollars for the conversion of a new or existing vehicle that is designed to operate on gasoline to enable the vehicle to operate on an alternative fuel.

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(C) A political subdivision may receive a maximum of one hundred thousand dollars for the construction of a fueling station that is capable of dispensing alternative fuels.

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(D) No political subdivision shall receive a total of more than one hundred thousand dollars in loans for the purchase of or conversion to alternative fuel vehicles in any one year.

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(E) No political subdivision shall receive a total of more than one hundred thousand dollars in loans for the construction of fueling stations in any one year.

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Sec. 3704.32. The director of environmental protection shall enter into a loan agreement with each recipient of a loan under the local government vehicular fleet alternative fuel revolving

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loan program. The director shall establish the interest rate and 743
terms of repayment for each loan. In establishing the repayment 744
schedule, the director shall do all of the following: 745

(A) Consider the projected savings to the political 746
subdivision resulting from the use of an alternative fuel; 747

(B) Establish the repayment schedule for a maximum repayment 748
period of four years; 749

(C) Include provisions for payments to be made on a monthly 750
basis. 751

Sec. 3704.33. A political subdivision that receives a loan 752
under the local government vehicular fleet alternative fuel 753
revolving loan program shall do all of the following: 754

(A) Remit payments in accordance with the repayment schedule 755
established by the director of environmental protection under 756
section 3704.32 of the Revised Code; 757

(B) Agree to use the alternative fuel for which the vehicle 758
that was purchased or converted with the aid of the loan was 759
designed, if applicable; 760

(C) Provide reasonable data requested by the director on the 761
use and performance of the vehicle that was purchased or converted 762
with the aid of the loan, if applicable; 763

(D) Allow for reasonable inspections by the director of the 764
vehicle that was purchased or converted or the fueling station 765
that was constructed with the aid of the loan; 766

(E) If applicable make the fueling station that was 767
constructed with the aid of the loan available for use at 768
reasonable cost by the vehicle fleets of other political 769
subdivisions and, with consideration of the capacity of the 770
fueling station, by the general public. 771

Sec. 3704.34. There is hereby created in the state treasury 772
the local government vehicular fleet alternative fuel revolving 773
loan fund. The fund shall consist of money from appropriations 774
made by the general assembly, proceeds from the repayment of loans 775
made under sections 3704.30 to 3704.33 of the Revised Code, and 776
any gifts, bequests, donations, or other payments made to the 777
fund. Money in the fund shall be used to make loans under the 778
local government vehicular fleet alternative fuel revolving loan 779
program and by the director of environmental protection in the 780
administration of that program. 781

Sec. 5501.18. (A) As used in this section: 782

(1) "Biodiesel" and "diesel fuel" have the same meanings as 783
in section 3704.121 of the Revised Code. 784

(2) "Biodiesel rating" means the percentage of biodiesel in 785
relation to petroleum diesel in a diesel fuel mixture, which is 786
represented by the letter B and a number that corresponds to the 787
percentage of biodiesel in the mixture by volume. 788

(3) "Incremental cost" means the difference in cost between 789
blended biodiesel and conventional petroleum-based diesel fuel at 790
the time the blended biodiesel is purchased. 791

(B) On or before October 1, 2006, the director of 792
transportation shall develop a program that provides for the 793
opportunity to use fuel with at least a biodiesel rating of two or 794
greater in its vehicle fleet and heavy equipment that use diesel 795
fuel. The program shall establish the following as its goals for 796
biodiesel fuel usage: 797

(1) On or before July 1, 2007, at least fifty per cent of the 798
department's vehicle fleet and heavy equipment that use diesel 799
fuel use fuel that has a biodiesel rating of two or greater, if 800
such fuel is commercially available; 801

(2) On or before July 1, 2008, at least seventy-five per cent 802
of the department's vehicle fleet and heavy equipment that use 803
diesel fuel use fuel that has a biodiesel rating of two or 804
greater, if such fuel is commercially available. 805

(C) Biodiesel shall be presumed to be commercially available 806
if the incremental cost of such fuel is not more than twenty-five 807
cents. 808

(D) The director may adopt any rules that are necessary to 809
carry out this section. 810

Sec. 5733.47. (A) As used in this section: 811

(1) "Ethanol" has the same meaning as in section 5733.46 of 812
the Revised Code. 813

(2) "Ethanol blended gasoline" means gasoline containing at 814
least ten per cent ethanol. 815

(3) "Gasoline" has the same meaning as in section 5735.01 of 816
the Revised Code. 817

(4) "Retail dealer" means a taxpayer that sells or 818
distributes gasoline at a retail service station located in this 819
state. 820

(5) "Retail service station" means each location from which 821
gasoline is sold or offered for sale at retail to the general 822
public and is dispensed from a metered pump. 823

(B) There is hereby allowed a refundable credit against the 824
tax imposed by section 5733.06 of the Revised Code for a retail 825
dealer that owns or operates a retail service station at which 826
more than sixty per cent of the total gallons of gasoline sold and 827
dispensed through one or more metered pumps by the taxpayer in the 828
tax year is ethanol blended gasoline. The amount of the credit for 829
each eligible retail service station is two and one-half cents 830

multiplied by the total number of gallons of ethanol blended 831
gasoline sold and dispensed through all metered pumps located at 832
that retail service station during the tax year in excess of sixty 833
per cent of all gasoline sold and dispensed through metered pumps 834
at that retail service station during the tax year. The credit 835
shall be calculated separately for each retail service station 836
site owned or operated by that retail dealer. 837

(C) The retail dealer shall claim the credit in the order 838
required by section 5733.98 of the Revised Code. If the amount of 839
the credit under this section exceeds the amount of tax otherwise 840
due under section 5733.06 of the Revised Code after the deduction 841
of all other credits in that order, the retail dealer is entitled 842
to a refund of the excess. 843

(D) The tax commissioner may require that the retail dealer 844
furnish information as is necessary to support a claim for a tax 845
credit under this section, and no credit shall be allowed unless 846
the information is provided. 847

(E) The credit allowed under this section may be claimed 848
beginning with tax year 2006. 849

Sec. 5733.48. (A) As used in this section: 850

(1) "E85 blend fuel" means a motor fuel that consists of at 851
least eighty-five per cent ethanol as defined in section 5733.46 852
of the Revised Code and no more than fifteen per cent gasoline or 853
other liquid motor fuel by volume. 854

(2) "Gasoline" and "motor fuel" have the same meanings as in 855
section 5735.01 of the Revised Code. 856

(3) "Motor fuel retail dealer" means a taxpayer that sells or 857
distributes motor fuel at a retail service station located in this 858
state and that possesses an unrevoked retail dealer's license 859
issued by the tax commissioner under section 5735.022 of the 860

Revised Code.

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(4) "Retail service station" means a location from which motor fuel is sold to the general public and is dispensed or pumped directly into motor vehicle fuel tanks for consumption.

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(B) For tax years 2006, 2007, 2008, and 2009, there is hereby allowed a nonrefundable credit against the tax imposed by section 5733.06 of the Revised Code for a motor fuel retail dealer that installs at a retail service station located in this state one or more pumps that dispense E85 blend fuel for sale to the general public. The amount of the credit equals ten thousand dollars. The credit shall be claimed in the tax year immediately following the calendar year in which a pump is installed. The amount of the credit claimed in a tax year shall not exceed ten thousand dollars regardless of the number of pumps installed by the motor fuel retail dealer at a retail service station during the preceding calendar year and regardless of the number of retail service stations at which the dealer installs a pump during the preceding calendar year. The credit shall be claimed in the order required under section 5733.98 of the Revised Code.

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(C) The tax commissioner may require that a motor fuel retail dealer furnish information as is necessary to support the claim for the credit under this section, and no credit shall be allowed unless the information is provided.

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Sec. 5733.98. (A) To provide a uniform procedure for calculating the amount of tax imposed by section 5733.06 of the Revised Code that is due under this chapter, a taxpayer shall claim any credits to which it is entitled in the following order, except as otherwise provided in section 5733.058 of the Revised Code:

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(1) The credit for taxes paid by a qualifying pass-through

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entity allowed under section 5733.0611 of the Revised Code;	891
(2) The credit allowed for financial institutions under section 5733.45 of the Revised Code;	892 893
(3) The credit for qualifying affiliated groups under section 5733.068 of the Revised Code;	894 895
(4) The subsidiary corporation credit under section 5733.067 of the Revised Code;	896 897
(5) The savings and loan assessment credit under section 5733.063 of the Revised Code;	898 899
(6) The credit for recycling and litter prevention donations under section 5733.064 of the Revised Code;	900 901
(7) The credit for employers that enter into agreements with child day-care centers under section 5733.36 of the Revised Code;	902 903
(8) The credit for employers that reimburse employee child day-care expenses under section 5733.38 of the Revised Code;	904 905
(9) The credit for maintaining railroad active grade crossing warning devices under section 5733.43 of the Revised Code;	906 907
(10) The credit for purchases of lights and reflectors under section 5733.44 of the Revised Code;	908 909
(11) The job retention credit under division (B) of section 5733.0610 of the Revised Code;	910 911
(12) The credit for losses on loans made under the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code if the taxpayer elected a nonrefundable credit under section 150.07 of the Revised Code;	912 913 914 915
(13) The credit for purchases of new manufacturing machinery and equipment under section 5733.31 or section 5733.311 of the Revised Code;	916 917 918
(14) The second credit for purchases of new manufacturing	919

machinery and equipment under section 5733.33 of the Revised Code;	920
(15) The job training credit under section 5733.42 of the Revised Code;	921 922
(16) The credit for qualified research expenses under section 5733.351 of the Revised Code;	923 924
(17) The enterprise zone credit under section 5709.66 of the Revised Code;	925 926
(18) The credit for the eligible costs associated with a voluntary action under section 5733.34 of the Revised Code;	927 928
(19) The credit for employers that establish on-site child day-care under section 5733.37 of the Revised Code;	929 930
(20) The ethanol plant investment credit under section 5733.46 of the Revised Code;	931 932
(21) The credit for purchases of qualifying grape production property under section 5733.32 of the Revised Code;	933 934
(22) The export sales credit under section 5733.069 of the Revised Code;	935 936
(23) The credit for research and development and technology transfer investors under section 5733.35 of the Revised Code;	937 938
(24) The enterprise zone credits under section 5709.65 of the Revised Code;	939 940
(25) The credit for using Ohio coal under section 5733.39 of the Revised Code;	941 942
(26) The research and development credit under section 5733.352 of the Revised Code;	943 944
<u>(27)</u> The credit for small telephone companies under section 5733.57 of the Revised Code;	945 946
(27) <u>(28)</u> The credit for eligible nonrecurring 9-1-1 charges	947

under section 5733.55 of the Revised Code;	948
(28) (29) The credit for providing programs to aid the	949
communicatively impaired under section 5733.56 of the Revised	950
Code;	951
(29) (30) <u>The credit for installing ethanol fuel pumps under</u>	952
<u>section 5733.48 of the Revised Code;</u>	953
<u>(31)</u> The refundable jobs creation credit under division (A)	954
of section 5733.0610 of the Revised Code;	955
(28) (30) (32) The refundable credit for tax withheld under	956
division (B)(2) of section 5747.062 of the Revised Code;	957
(29) (31) (33) <u>The refundable ethanol blended gasoline credit</u>	958
<u>under section 5733.47 of the Revised Code;</u>	959
<u>(34)</u> The credit for losses on loans made to the Ohio venture	960
capital program under sections 150.01 to 150.10 of the Revised	961
Code if the taxpayer elected a refundable credit under section	962
150.07 of the Revised Code.	963
(B) For any credit except the credits enumerated in divisions	964
(A) (29) , (30) , and (29) <u>(31) to (34)</u> of this section, the amount	965
of the credit for a tax year shall not exceed the tax due after	966
allowing for any other credit that precedes it in the order	967
required under this section. Any excess amount of a particular	968
credit may be carried forward if authorized under the section	969
creating that credit.	970
<u>Sec. 5735.40.</u> (A) <u>As used in this section:</u>	971
<u>(1) "Alternative fuel" means all combustible gases and</u>	972
<u>liquids suitable for generation of power for propulsion of motor</u>	973
<u>vehicles, except for motor fuel or general aviation fuel.</u>	974
<u>(2) "General aviation fuel" means products placed in the fuel</u>	975
<u>supply tank of aircraft, commonly or commercially known as</u>	976

<u>aviation gasoline and jet turbine fuel and other combustible gases</u>	977
<u>and liquids suitable for the generation of power for propulsion of</u>	978
<u>aircraft.</u>	979
<u>(3) "Motor fuel" has the same meaning as in section 5735.01</u>	980
<u>of the Revised Code.</u>	981
<u>(4) "Political subdivision" means a county, township,</u>	982
<u>municipal corporation, school district, or other body corporate</u>	983
<u>and politic responsible for governmental activities in a</u>	984
<u>geographic area smaller than that of the state.</u>	985
<u>(B) Except as provided in division (B)(6) of section 5739.02</u>	986
<u>of the Revised Code when levying the tax imposed by that section</u>	987
<u>in conjunction with sections 5739.021, 5739.023, and 5739.026 of</u>	988
<u>the Revised Code, no political subdivision shall levy or collect</u>	989
<u>any excise, license, privilege, or occupational tax upon motor</u>	990
<u>fuel or alternative fuel, or upon the buying, selling, handling,</u>	991
<u>or consuming of motor fuel or alternative fuel.</u>	992
<u>Sec. 5747.76. (A) As used in this section:</u>	993
<u>(1) "Ethanol" has the same meaning as in section 5747.75 of</u>	994
<u>the Revised Code.</u>	995
<u>(2) "Ethanol blended gasoline" means gasoline containing at</u>	996
<u>least ten per cent ethanol.</u>	997
<u>(3) "Gasoline" has the same meaning as in section 5735.01 of</u>	998
<u>the Revised Code.</u>	999
<u>(4) "Retail dealer" means a taxpayer that sells or</u>	1000
<u>distributes gasoline at a retail service station located in this</u>	1001
<u>state.</u>	1002
<u>(5) "Retail service station" means each location from which</u>	1003
<u>gasoline is sold or offered for sale at retail to the general</u>	1004
<u>public and is dispensed from a metered pump.</u>	1005

(B) There is hereby allowed a refundable credit against the tax imposed by section 5747.02 of the Revised Code for a retail dealer that owns or operates a retail service station at which more than sixty per cent of the total gallons of gasoline sold and dispensed through one or more metered pumps by the taxpayer in the taxable year is ethanol blended gasoline. The amount of the credit for each eligible retail service station is two and one-half cents multiplied by the total number of gallons of ethanol blended gasoline sold and dispensed through all metered pumps located at that retail service station during the taxable year in excess of sixty per cent of all gasoline sold and dispensed through metered pumps at that retail service station during the taxable year. The credit shall be calculated separately for each retail service station site owned or operated by that retail dealer.

(C) The retail dealer shall claim the credit in the order required by section 5747.98 of the Revised Code. If the amount of the credit under this section exceeds the amount of tax otherwise due under section 5747.02 of the Revised Code after the deduction of all other credits in that order, the retail dealer is entitled to a refund of the excess.

(D) The tax commissioner may require that the retail dealer furnish information as is necessary to support a claim for a tax credit under this section, and no credit shall be allowed unless the information is provided.

(E) The credit allowed under this section may be claimed for taxable years beginning on or after January 1, 2006.

Sec. 5747.77. (A) As used in this section:

(1) "E85 blend fuel" means a motor fuel that consists of at least eighty-five per cent ethanol as defined in section 5747.75 of the Revised Code and no more than fifteen per cent gasoline or

other liquid motor fuel by volume. 1036

(2) "Gasoline" and "motor fuel" have the same meanings as in section 5735.01 of the Revised Code. 1037
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(3) "Motor fuel retail dealer" means a pass-through entity that sells or distributes motor fuel at a retail service station located in this state and that possesses an unrevoked retail dealer's license issued by the tax commissioner under section 5735.022 of the Revised Code. 1039
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(3) "Pass-through entity" has the same meaning as in section 5747.01 of the Revised Code and includes a sole proprietorship. 1044
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(4) "Retail service station" means a location from which motor fuel is sold to the general public and is dispensed or pumped directly into motor vehicle fuel tanks for consumption. 1046
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(B) For taxable years beginning in 2005, 2006, 2007, and 2008, there is hereby allowed a nonrefundable credit against the tax imposed by section 5747.02 of the Revised Code for a motor fuel retail dealer that installs at a retail service station located in this state one or more pumps that dispense E85 blend fuel for sale to the general public. The amount of the credit equals ten thousand dollars. The credit shall be claimed for the taxable year in which a pump is installed. The amount of the credit claimed for a taxable year shall not exceed ten thousand dollars regardless of the number of pumps installed by the motor fuel retail dealer at a retail service station during the taxable year and regardless of the number of retail service stations at which the dealer installs a pump during the taxable year. The credit shall be claimed in the order required under section 5747.98 of the Revised Code. 1049
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(C) Nothing in this section limits or disallows pass-through treatment of the credit. 1064
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(D) The tax commissioner may require that a motor fuel retail dealer furnish information as is necessary to support the claim for the credit under this section, and no credit shall be allowed unless the information is provided.

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

(1) The retirement income credit under division (B) of section 5747.055 of the Revised Code;

(2) The senior citizen credit under division (C) of section 5747.05 of the Revised Code;

(3) The lump sum distribution credit under division (D) of section 5747.05 of the Revised Code;

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

(5) The lump sum retirement income credit under division (C) of section 5747.055 of the Revised Code;

(6) The lump sum retirement income credit under division (D) of section 5747.055 of the Revised Code;

(7) The lump sum retirement income credit under division (E) of section 5747.055 of the Revised Code;

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

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

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

(11) The joint filing credit under division (G) of section 5747.05 of the Revised Code;	1094 1095
(12) The nonresident credit under division (A) of section 5747.05 of the Revised Code;	1096 1097
(13) The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	1098 1099
(14) The credit for employers that enter into agreements with child day-care centers under section 5747.34 of the Revised Code;	1100 1101
(15) The credit for employers that reimburse employee child day-care expenses under section 5747.36 of the Revised Code;	1102 1103
(16) The credit for adoption of a minor child under section 5747.37 of the Revised Code;	1104 1105
(17) The credit for purchases of lights and reflectors under section 5747.38 of the Revised Code;	1106 1107
(18) The job retention credit under division (B) of section 5747.058 of the Revised Code;	1108 1109
(19) The credit for losses on loans made under the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code if the taxpayer elected a nonrefundable credit under section 150.07 of the Revised Code;	1110 1111 1112 1113
(20) The credit for purchases of new manufacturing machinery and equipment under section 5747.26 or section 5747.261 of the Revised Code;	1114 1115 1116
(21) The second credit for purchases of new manufacturing machinery and equipment and the credit for using Ohio coal under section 5747.31 of the Revised Code;	1117 1118 1119
(22) The job training credit under section 5747.39 of the Revised Code;	1120 1121
(23) The enterprise zone credit under section 5709.66 of the	1122

Revised Code;	1123
(24) The credit for the eligible costs associated with a voluntary action under section 5747.32 of the Revised Code;	1124 1125
(25) The credit for employers that establish on-site child day-care centers under section 5747.35 of the Revised Code;	1126 1127
(26) The ethanol plant investment credit under section 5747.75 of the Revised Code;	1128 1129
(27) The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	1130 1131
(28) The export sales credit under section 5747.057 of the Revised Code;	1132 1133
(29) The credit for research and development and technology transfer investors under section 5747.33 of the Revised Code;	1134 1135
(30) The enterprise zone credits under section 5709.65 of the Revised Code;	1136 1137
(31) The research and development credit under section 5747.331 of the Revised Code;	1138 1139
(32) <u>The credit for installing ethanol fuel pumps under section 5747.77 of the Revised Code;</u>	1140 1141
<u>(33)</u> The refundable jobs creation credit under division (A) of section 5747.058 of the Revised Code;	1142 1143
(33) <u>(34)</u> The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	1144 1145
(34) <u>(35)</u> The refundable credits for taxes paid by a qualifying pass-through entity granted under division (J) of section 5747.08 of the Revised Code;	1146 1147 1148
(35) <u>(36)</u> The refundable credit for tax withheld under division (B)(1) of section 5747.062 of the Revised Code;	1149 1150

~~(36)~~(37) The refundable ethanol blended gasoline credit under section 5747.76 of the Revised Code; 1151
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(38) The credit for losses on loans made to the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code if the taxpayer elected a refundable credit under section 150.07 of the Revised Code. 1153
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(B) For any credit, except the credits enumerated in divisions (A)~~(32)~~(33) to ~~(36)~~(38) of this section and the credit granted under division (I) of section 5747.08 of the Revised Code, 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. 1157
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Section 2. That existing sections 125.831, 3317.022, 5733.98, and 5747.98 of the Revised Code are hereby repealed. 1167
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Section 3. (A) As used in this section, "alternative fuel" has the same meaning as in section 125.831 of the Revised Code, as amended by this act. 1169
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(B) The Department of Taxation shall study the feasibility of encouraging the use of alternative fuels by reducing the motor fuel tax rate on those fuels, to the extent they are taxed under Chapter 5735. of the Revised Code, to reflect their lower energy content and the need to use more gallons of an alternative fuel to travel the same distance. The study shall examine the British thermal unit ("Btu") of each alternative fuel that may be used in motor vehicles, and determine at what rate each alternative fuel may be taxed to result in an effective tax rate that is equalized 1172
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to conventional fuels, such as gasoline and diesel, according to 1181
their relative Btu content by volume. Among any other matters the 1182
Department of Taxation determines to be pertinent to the study, 1183
the Department also shall consider the experience of other states 1184
that have encouraged the use of alternative fuels by reducing 1185
their fuel tax rates on those fuels. Not later than January 1, 1186
2006, the Department shall prepare a report regarding its findings 1187
and submit a copy of the report to the Governor, the Speaker and 1188
Minority Leader of the House of Representatives, and the President 1189
and Minority Leader of the Senate. 1190

Section 4. Section 5733.98 of the Revised Code is presented 1191
in this act as a composite of the section as amended by both Am. 1192
Sub. H.B. 1 and Am. Sub. H.B. 95 of the 125th General Assembly. 1193
The General Assembly, applying the principle stated in division 1194
(B) of section 1.52 of the Revised Code that amendments are to be 1195
harmonized if reasonably capable of simultaneous operation, finds 1196
that the composite is the resulting version of the section in 1197
effect prior to the effective date of the section as presented in 1198
this act. 1199