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Sub. H. B. No. 245

**Representatives Reinhard, Aslanides, Barrett, Buehrer, Core, Faber, Hagan,
Hughes, Kearns, Latta, McGregor, Schlichter, Seaver, Seitz, Setzer, Ujvagi,
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Smith, G., Stewart, D., Stewart, J., Taylor, Trakas, Wagoner, White, Widener,
Williams, Wolpert, Yates, Yuko**

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A B I L L

To amend sections 125.831, 5733.98, and 5747.98 and 1
to enact sections 122.86, 125.834, 125.835, 2
125.836, 901.14, 5733.47, 5733.48, 5735.40, 3
5747.76, and 5747.77 of the Revised Code to 4
establish certain requirements related to the use 5
and taxing of alternative fuels and to establish 6
an idle reduction retrofit revolving loan program. 7

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

Section 1. That sections 125.831, 5733.98, and 5747.98 be 8
amended and sections 122.86, 125.834, 125.835, 125.836, 901.14, 9
5733.47, 5733.48, 5735.40, 5747.76, and 5747.77 of the Revised 10
Code be enacted to read as follows: 11

Sec. 122.86. (A) For purposes of conserving fuel and reducing air emissions, noise, and engine wear, the department of development shall administer an idle reduction retrofit revolving loan program to assist local governments in reducing the amount of time that heavy-duty trucks or other vehicles idle their engines. 12
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(B) A loan made under the idle reduction retrofit revolving loan program shall carry interest and may carry a repayment term of up to five years. Loans shall be made from moneys in the idle reduction retrofit revolving loan fund created in division (D) of this section. 17
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(C) The director of development shall adopt rules in accordance with Chapter 119. of the Revised Code for the administration of the idle reduction retrofit revolving loan program. The rules shall establish, but not be limited to, application requirements and procedures, loan eligibility requirements, requirements for minimum contributions from local governments towards projects that are the subjects of loans under this section, and requirements and procedures for loan repayments. The director shall consult with the director of environmental protection in adopting rules under this division. 22
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(D) There is hereby created in the state treasury the idle reduction retrofit revolving loan fund consisting of money appropriated to it by the general assembly and any grants, gifts, or contributions of money made for deposit to the credit of the fund. Money in the fund shall be used for the purpose of making loans under this section and administering the idle reduction retrofit revolving loan program. 32
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Sec. 125.831. As used in sections 125.831 to ~~125.833~~ 125.834 of the Revised Code: 39
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(A) "Alternative fuel" means any of the following fuels used 41

<u>in a motor vehicle:</u>	42
<u>(1) E85 blend fuel;</u>	43
<u>(2) Blended biodiesel;</u>	44
<u>(3) Natural gas;</u>	45
<u>(4) Liquefied petroleum gas;</u>	46
<u>(5) Hydrogen;</u>	47
<u>(6) Any power source, including electricity;</u>	48
<u>(7) Any fuel not described in divisions (A)(1) to (6) of this</u>	49
<u>section that the United States department of energy determines, by</u>	50
<u>final rule, to be substantially not petroleum, and that would</u>	51
<u>yield substantial energy security and environmental benefits.</u>	52
<u>(B) "Biodiesel" means a mono-alkyl ester combustible liquid</u>	53
<u>fuel that is derived from vegetable oils or animal fats, or any</u>	54
<u>combination of those reagents, and that meets the American society</u>	55
<u>for testing and materials specification D6751-03a for biodiesel</u>	56
<u>fuel (B100) blend stock distillate fuels.</u>	57
<u>(C) "Blended biodiesel" means a blend of biodiesel with</u>	58
<u>petroleum based diesel fuel in which the resultant product</u>	59
<u>contains not less than twenty per cent biodiesel.</u>	60
<u>(D) "Diesel fuel" means any liquid fuel that is capable of</u>	61
<u>use in discrete form or as a blend component in the operation of</u>	62
<u>engines of the diesel type.</u>	63
<u>(E) "E85 blend fuel" means fuel containing eighty-five per</u>	64
<u>cent or more ethanol as defined in section 5733.46 of the Revised</u>	65
<u>Code or containing any other percentage of not less than seventy</u>	66
<u>per cent ethanol if the United States department of energy</u>	67
<u>determines, by rule, that the lower percentage is necessary to</u>	68
<u>provide for the requirements of cold start, safety, or vehicle</u>	69
<u>functions.</u>	70

(F) "Law enforcement officer" means an officer, agent, or 71
employee of a state agency upon whom, by statute, a duty to 72
conserve the peace or to enforce all or certain laws is imposed 73
and the authority to arrest violators is conferred, within the 74
limits of that statutory duty and authority. 75

~~(B)~~(G)(1) "Motor vehicle" means any automobile, car minivan, 76
passenger van, sport utility vehicle, or pickup truck with a gross 77
vehicle weight of under twelve thousand pounds. 78

(2) "Motor vehicle" does not include any vehicle described in 79
division ~~(B)~~(G)(1) of this section that is used by a law 80
enforcement officer and law enforcement agency or any vehicle that 81
is so described and that is equipped with specialized equipment 82
that is not normally found in such a vehicle and that is used to 83
carry out a state agency's specific and specialized duties and 84
responsibilities. 85

~~(C)~~(H) "Specialized equipment" does not include standard 86
mobile radios with no capabilities other than voice communication, 87
exterior and interior lights, or roof-mounted caution lights. 88

~~(D)~~(I) "State agency" means every organized body, office, or 89
agency established by the laws of the state for the exercise of 90
any function of state government, other than any state-supported 91
institution of higher education, the office of the governor, 92
lieutenant governor, auditor of state, treasurer of state, 93
secretary of state, or attorney general, the general assembly or 94
any legislative agency, or the courts or any judicial agency. 95

Sec. 125.834. (A) The department of administrative services 96
shall ensure that at least ninety per cent of the total number of 97
new motor vehicles acquired by the state for use by state agencies 98
under section 125.832 of the Revised Code during the two-year 99
period beginning July 1, 2006, and ending June 30, 2008, and 100

during each two-year period beginning on the first day of July
thereafter, are capable of using alternative fuels. A state agency
that is acquiring new motor vehicles under division (G)(1) of
section 125.832 of the Revised Code shall report annually, in a
manner prescribed by the director of administrative services, the
number of new motor vehicles acquired by the state agency and the
number of those motor vehicles that are capable of using
alternative fuel.

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(B)(1) If the department of administrative services
determines that the percentage of alternatively fueled motor
vehicles specified in division (A) of this section is exceeded
during any two-year period described in that division, the excess
purchases or leases shall be credited to any future two-year
period that the department designates.

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(2) If the acquisition of alternatively fueled motor vehicles
fails to satisfy the percentage specified in division (A) of this
section during any two-year period described in that division, the
department shall not purchase or lease, or authorize the purchase
or lease by a state agency of, any motor vehicles that are
incapable of using alternative fuels during any subsequent
two-year period until the department satisfies that percentage
deficiency unless one or both of the following apply:

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

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

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(C) Between the effective date of this section and June 30,
2006, at least thirty per cent of the fuel purchased for use in

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fleets of state-owned motor vehicles shall be alternative fuels. 131
Between July 1, 2006, and June 30, 2007, at least fifty per cent 132
of such fuel purchased shall be alternative fuels. Between July 1, 133
2007, and June 30, 2008, at least seventy-five per cent of such 134
fuel purchased shall be alternative fuels. Beginning July 1, 2008, 135
and each fiscal year thereafter, at least ninety per cent of such 136
fuel purchased between the first day of July and the thirtieth day 137
of June of the following year shall be alternative fuels. 138

(D) The director of administrative services shall adopt and 139
may amend, in accordance with Chapter 119. of the Revised Code, 140
rules that establish cost limitations for the acquisition and 141
operation of, and energy conservation and exhaust emissions 142
criteria for, motor vehicles capable of using alternative fuels. 143

Sec. 125.835. (A) As used in this section: 144

(1) "Biodiesel" has the same meaning as in section 125.831 of 145
the Revised Code. 146

(2) "Ethanol" has the same meaning as in section 5733.46 of 147
the Revised Code. 148

(3) "Law enforcement officer" has the same meaning as in 149
section 125.831 of the Revised Code. 150

(4) "State agency" has the same meaning as in section 125.831 151
of the Revised Code, but includes any state-supported institution 152
of higher education. 153

(5) "Vehicle" means any automobile, automobile truck, 154
tractor, or self-propelled vehicle not operated or driven on fixed 155
rails or track, but does not include a vehicle operated by a law 156
enforcement officer. 157

(B) In awarding any contract that requires the procurement of 158
vehicles, a state agency shall give preference to an otherwise 159
qualified bidder who will fulfill the contract through the use of 160

vehicles that use as a fuel component ethanol produced from Ohio 161
corn or biodiesel produced from Ohio soybeans or Ohio corn. 162

Sec. 125.836. (A) As used in this section: 163

(1) "Biodiesel" and "diesel fuel" have the same meanings as 164
in section 125.831 of the Revised Code. 165

(2) "Credit" means a credit generated by the acquisition of 166
alternative fueled vehicles in accordance with the "Energy Policy 167
Act of 1992," 106 Stat. 2897, 42 U.S.C. 13257. 168

(3) "Incremental cost" means the difference in cost between 169
blended biodiesel and conventional petroleum-based diesel fuel at 170
the time the blended biodiesel is purchased. 171

(B) The department of administrative services shall establish 172
and administer a credit banking and selling program. The 173
department may sell or trade credits in accordance with procedures 174
established pursuant to the "Energy Policy Act of 1992," 106 Stat. 175
2897, 42 U.S.C. 13258. 176

(C) There is hereby created in the state treasury the 177
"biodiesel revolving fund," to which shall be credited moneys 178
received from the sale of credits under this section, any moneys 179
appropriated to the fund by the general assembly, and any other 180
moneys obtained or accepted by the department for crediting to the 181
fund. Moneys credited to the fund shall be used to pay for the 182
incremental cost of biodiesel for use in vehicles owned or leased 183
by the state that use diesel fuel. 184

Sec. 901.14. (A) As used in this section: 185

(1) "Alternative fuel" means blended biodiesel or E85 blend 186
fuel. 187

(2) "Biodiesel," "blended biodiesel," and "E85 blend fuel" 188
have the same meanings as in section 125.831 of the Revised Code. 189

(3) "Diesel fuel" and "gasoline" have the same meanings as in section 5735.01 of the Revised Code. 190
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(4) "Ethanol" has the same meaning as in section 5733.46 of the Revised Code. 192
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(5) "Incremental cost" means either of the following: 194

(a) The difference in cost between E85 blend fuel and gasoline containing ten per cent or less ethanol at the time that the E85 blend fuel is purchased; 195
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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. 198
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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, terminals, and distribution facilities and for the purchase and use of alternative fuel. 201
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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: 208
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(1) An application form and procedures governing the application process for a grant under the program; 212
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(2) Procedures for prioritizing the award of grants under the program. The procedures shall give preference to all of the following: 214
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(a) Publicly accessible refueling facilities; 217

(b) Entities seeking grants that have secured funding from other sources, including, but not limited to, private or federal 218
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<u>grants;</u>	220
<u>(c) Entities that have presented compelling evidence of</u>	221
<u>demand in the market in which the facilities or terminals will be</u>	222
<u>located;</u>	223
<u>(d) Entities that have committed to utilizing purchased or</u>	224
<u>installed facilities or terminals for the greatest number of</u>	225
<u>years;</u>	226
<u>(e) Entities that will be purchasing or installing facilities</u>	227
<u>or terminals for both blended biodiesel and E85 blend fuel.</u>	228
<u>(3) A requirement that the maximum grant for the purchase and</u>	229
<u>installation of an alternative fuel refueling facility, terminal,</u>	230
<u>or distribution facility be eighty per cent of the cost of the</u>	231
<u>facility or terminal;</u>	232
<u>(4) A requirement that the maximum grant for the purchase of</u>	233
<u>alternative fuel be seventy-five per cent of the incremental cost</u>	234
<u>of the fuel;</u>	235
<u>(5) Any other criteria, procedures, or guidelines that the</u>	236
<u>director determines are necessary to administer the program.</u>	237
<u>(D) There is hereby created in the state treasury the</u>	238
<u>alternative fuel transportation grant fund. The fund shall consist</u>	239
<u>of money that is appropriated to it by the general assembly. Money</u>	240
<u>in the fund shall be used to make grants under the alternative</u>	241
<u>fuel transportation grant program and by the director in the</u>	242
<u>administration of that program.</u>	243
<u>Sec. 5733.47. (A) As used in this section:</u>	244
<u>(1) "Ethanol" has the same meaning as in section 5733.46 of</u>	245
<u>the Revised Code.</u>	246
<u>(2) "Ethanol-blended gasoline" means gasoline containing at</u>	247
<u>least ten per cent ethanol.</u>	248

(3) "Gasoline" has the same meaning as in section 5735.01 of 249
the Revised Code. 250

(4) "Retail dealer" means a taxpayer that sells or 251
distributes gasoline at a retail service station located in this 252
state. 253

(5) "Retail service station" means each location from which 254
gasoline is sold or offered for sale at retail to the general 255
public and is dispensed from a metered pump. 256

(B) There is hereby allowed a nonrefundable credit against 257
the tax imposed by section 5733.06 of the Revised Code for a 258
retail dealer that owns or operates a retail service station at 259
which more than sixty per cent of the total gallons of gasoline 260
sold and dispensed through one or more metered pumps by the 261
taxpayer in the tax year is ethanol-blended gasoline. The amount 262
of the credit for each eligible retail service station is two and 263
one-half cents multiplied by the total number of gallons of 264
ethanol-blended gasoline sold and dispensed through all metered 265
pumps located at that retail service station during the tax year 266
in excess of sixty per cent of all gasoline sold and dispensed 267
through metered pumps at that retail service station during the 268
tax year. The credit shall be calculated separately for each 269
retail service station site owned or operated by that retail 270
dealer. 271

(C) The retail dealer shall claim the credit in the order 272
required by section 5733.98 of the Revised Code. The tax 273
commissioner may require that the retail dealer furnish 274
information as is necessary to support a claim for a tax credit 275
under this section, and no credit shall be allowed unless the 276
information is provided. 277

(D) The credit allowed under this section may be claimed 278
beginning with tax year 2006. 279

<u>Sec. 5733.48. (A) As used in this section:</u>	280
<u>(1) "E85 blend fuel" has the same meaning as in section 125.831 of the Revised Code.</u>	281
<u>(2) "Gasoline" and "motor fuel" have the same meanings as in section 5735.01 of the Revised Code.</u>	282
<u>(3) "Motor fuel retail dealer" means a taxpayer 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.</u>	283
<u>(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.</u>	284
<u>(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 or retrofits at a retail service station located in this state one or more pumps for the purpose of dispensing E85 blend fuel for sale to the general public. The amount of the credit equals the net cost of installing or retrofitting the pump or ten thousand dollars, whichever is less. The credit shall be claimed in the tax year immediately following the calendar year in which a pump is installed or retrofitted. The amount of the credit claimed in a tax year shall not exceed ten thousand dollars regardless of the number of pumps installed or retrofitted 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 or retrofits a pump during the preceding calendar year. The credit shall be claimed in the order required under section 5733.98 of the Revised Code.</u>	285
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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.

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:

(1) The credit for taxes paid by a qualifying pass-through entity allowed under section 5733.0611 of the Revised Code;

(2) The credit allowed for financial institutions under section 5733.45 of the Revised Code;

(3) The credit for qualifying affiliated groups under section 5733.068 of the Revised Code;

(4) The subsidiary corporation credit under section 5733.067 of the Revised Code;

(5) The savings and loan assessment credit under section 5733.063 of the Revised Code;

(6) The credit for recycling and litter prevention donations under section 5733.064 of the Revised Code;

(7) The credit for employers that enter into agreements with child day-care centers under section 5733.36 of the Revised Code;

(8) The credit for employers that reimburse employee child care expenses under section 5733.38 of the Revised Code;

(9) The credit for maintaining railroad active grade crossing warning devices under section 5733.43 of the Revised Code;

(10) The credit for purchases of lights and reflectors under

section 5733.44 of the Revised Code;	339
(11) The job retention credit under division (B) of section 5733.0610 of the Revised Code;	340 341
(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;	342 343 344 345
(13) The credit for purchases of new manufacturing machinery and equipment under section 5733.31 or section 5733.311 of the Revised Code;	346 347 348
(14) The second credit for purchases of new manufacturing machinery and equipment under section 5733.33 of the Revised Code;	349 350
(15) The job training credit under section 5733.42 of the Revised Code;	351 352
(16) The credit for qualified research expenses under section 5733.351 of the Revised Code;	353 354
(17) The enterprise zone credit under section 5709.66 of the Revised Code;	355 356
(18) The credit for the eligible costs associated with a voluntary action under section 5733.34 of the Revised Code;	357 358
(19) The credit for employers that establish on-site child day-care centers under section 5733.37 of the Revised Code;	359 360
(20) The ethanol plant investment credit under section 5733.46 of the Revised Code;	361 362
(21) The credit for purchases of qualifying grape production property under section 5733.32 of the Revised Code;	363 364
(22) The export sales credit under section 5733.069 of the Revised Code;	365 366
(23) The credit for research and development and technology	367

transfer investors under section 5733.35 of the Revised Code;	368
(24) The enterprise zone credits under section 5709.65 of the Revised Code;	369 370
(25) The credit for using Ohio coal under section 5733.39 of the Revised Code;	371 372
(26) The research and development credit under section 5733.352 of the Revised Code;	373 374
(27) The credit for small telephone companies under section 5733.57 of the Revised Code;	375 376
(28) The credit for eligible nonrecurring 9-1-1 charges under section 5733.55 of the Revised Code;	377 378
(29) The credit for providing programs to aid the communicatively impaired under section 5733.56 of the Revised Code;	379 380 381
(30) <u>The credit for installing or retrofitting ethanol fuel pumps under section 5733.48 of the Revised Code;</u>	382 383
(31) <u>The ethanol-blended gasoline credit under section 5733.47 of the Revised Code;</u>	384 385
(32) The refundable jobs creation credit under division (A) of section 5733.0610 of the Revised Code;	386 387
(31) (33) The refundable credit for tax withheld under division (B)(2) of section 5747.062 of the Revised Code;	388 389
(34) 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.	390 391 392 393
(B) For any credit except the credits enumerated in divisions (A) (30) , (31) , and (32), <u>(33)</u> , and <u>(34)</u> of this section, the amount of the credit for a tax year shall not exceed the tax due	394 395 396

after allowing for any other credit that precedes it in the order 397
required under this section. Any excess amount of a particular 398
credit may be carried forward if authorized under the section 399
creating that credit. 400

Sec. 5735.40. (A) As used in this section: 401

(1) "Alternative fuel" has the same meaning as in section 402
125.831 of the Revised Code. 403

(2) "Political subdivision" means a county, township, 404
municipal corporation, school district, or other body corporate 405
and politic responsible for governmental activities in a 406
geographic area smaller than that of the state. 407

(B) Except as provided in division (B)(6) of section 5739.02 408
of the Revised Code when levying the tax imposed by that section 409
in conjunction with sections 5739.021, 5739.023, and 5739.026 of 410
the Revised Code, no political subdivision shall levy or collect 411
any excise, license, privilege, or occupational tax on alternative 412
fuel or on the buying, selling, handling, or consuming of 413
alternative fuel. 414

Sec. 5747.76. (A) As used in this section: 415

(1) "Ethanol" has the same meaning as in section 5747.75 of 416
the Revised Code. 417

(2) "Ethanol-blended gasoline" means gasoline containing at 418
least ten per cent ethanol. 419

(3) "Gasoline" has the same meaning as in section 5735.01 of 420
the Revised Code. 421

(4) "Retail dealer" means a taxpayer that sells or 422
distributes gasoline at a retail service station located in this 423
state. 424

(5) "Retail service station" means each location from which 425

gasoline is sold or offered for sale at retail to the general 426
public and is dispensed from a metered pump. 427

(B) There is hereby allowed a nonrefundable credit against 428
the tax imposed by section 5747.02 of the Revised Code for a 429
retail dealer that owns or operates a retail service station at 430
which more than sixty per cent of the total gallons of gasoline 431
sold and dispensed through one or more metered pumps by the 432
taxpayer in the taxable year is ethanol-blended gasoline. The 433
amount of the credit for each eligible retail service station is 434
two and one-half cents multiplied by the total number of gallons 435
of ethanol-blended gasoline sold and dispensed through all metered 436
pumps located at that retail service station during the taxable 437
year in excess of sixty per cent of all gasoline sold and 438
dispensed through metered pumps at that retail service station 439
during the taxable year. The credit shall be calculated separately 440
for each retail service station site owned or operated by that 441
retail dealer. 442

(C) The retail dealer shall claim the credit in the order 443
required by section 5747.98 of the Revised Code. The tax 444
commissioner may require that the retail dealer furnish 445
information as is necessary to support a claim for a tax credit 446
under this section, and no credit shall be allowed unless the 447
information is provided. 448

(D) The credit allowed under this section may be claimed for 449
taxable years beginning on or after January 1, 2006. 450

Sec. 5747.77. (A) As used in this section: 451

(1) "E85 blend fuel" has the same meaning as in section 452
125.831 of the Revised Code. 453

(2) "Gasoline" and "motor fuel" have the same meanings as in 454
section 5735.01 of the Revised Code. 455

(3) "Motor fuel retail dealer" means a pass-through entity 456
that sells or distributes motor fuel at a retail service station 457
located in this state and that possesses an unrevoked retail 458
dealer's license issued by the tax commissioner under section 459
5735.022 of the Revised Code. 460

(4) "Pass-through entity" has the same meaning as in section 461
5747.01 of the Revised Code and includes a sole proprietorship. 462

(5) "Retail service station" means a location from which 463
motor fuel is sold to the general public and is dispensed or 464
pumped directly into motor vehicle fuel tanks for consumption. 465

(B) For taxable years beginning in 2005, 2006, 2007, and 466
2008, there is hereby allowed a nonrefundable credit against the 467
tax imposed by section 5747.02 of the Revised Code for a motor 468
fuel retail dealer that installs or retrofits at a retail service 469
station located in this state one or more pumps for the purpose of 470
dispensing E85 blend fuel for sale to the general public. The 471
amount of the credit equals the cost of installing or retrofitting 472
the pump or ten thousand dollars, whichever is less. The credit 473
shall be claimed for the taxable year in which a pump is installed 474
or retrofitted. The amount of the credit claimed for a taxable 475
year shall not exceed ten thousand dollars regardless of the 476
number of pumps installed or retrofitted by the motor fuel retail 477
dealer at a retail service station during the taxable year and 478
regardless of the number of retail service stations at which the 479
dealer installs or retrofits a pump during the taxable year. The 480
credit shall be claimed in the order required under section 481
5747.98 of the Revised Code. 482

(C) Nothing in this section limits or disallows pass-through 483
treatment of the credit. 484

(D) The tax commissioner may require that a motor fuel retail 485
dealer furnish information as is necessary to support the claim 486

for the credit under this section, and no credit shall be allowed 487
unless the information is provided. 488

Sec. 5747.98. (A) To provide a uniform procedure for 489
calculating the amount of tax due under section 5747.02 of the 490
Revised Code, a taxpayer shall claim any credits to which the 491
taxpayer is entitled in the following order: 492

(1) The retirement income credit under division (B) of 493
section 5747.055 of the Revised Code; 494

(2) The senior citizen credit under division (C) of section 495
5747.05 of the Revised Code; 496

(3) The lump sum distribution credit under division (D) of 497
section 5747.05 of the Revised Code; 498

(4) The dependent care credit under section 5747.054 of the 499
Revised Code; 500

(5) The lump sum retirement income credit under division (C) 501
of section 5747.055 of the Revised Code; 502

(6) The lump sum retirement income credit under division (D) 503
of section 5747.055 of the Revised Code; 504

(7) The lump sum retirement income credit under division (E) 505
of section 5747.055 of the Revised Code; 506

(8) The credit for displaced workers who pay for job training 507
under section 5747.27 of the Revised Code; 508

(9) The campaign contribution credit under section 5747.29 of 509
the Revised Code; 510

(10) The twenty-dollar personal exemption credit under 511
section 5747.022 of the Revised Code; 512

(11) The joint filing credit under division (G) of section 513
5747.05 of the Revised Code; 514

(12) The nonresident credit under division (A) of section 5747.05 of the Revised Code;	515 516
(13) The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	517 518
(14) The credit for employers that enter into agreements with child day-care centers under section 5747.34 of the Revised Code;	519 520
(15) The credit for employers that reimburse employee child care expenses under section 5747.36 of the Revised Code;	521 522
(16) The credit for adoption of a minor child under section 5747.37 of the Revised Code;	523 524
(17) The credit for purchases of lights and reflectors under section 5747.38 of the Revised Code;	525 526
(18) The job retention credit under division (B) of section 5747.058 of the Revised Code;	527 528
(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;	529 530 531 532
(20) The credit for purchases of new manufacturing machinery and equipment under section 5747.26 or section 5747.261 of the Revised Code;	533 534 535
(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;	536 537 538
(22) The job training credit under section 5747.39 of the Revised Code;	539 540
(23) The enterprise zone credit under section 5709.66 of the Revised Code;	541 542
(24) The credit for the eligible costs associated with a	543

voluntary action under section 5747.32 of the Revised Code;	544
(25) The credit for employers that establish on-site child day-care centers under section 5747.35 of the Revised Code;	545
(26) The ethanol plant investment credit under section 5747.75 of the Revised Code;	548
(27) The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	550
(28) The export sales credit under section 5747.057 of the Revised Code;	552
(29) The credit for research and development and technology transfer investors under section 5747.33 of the Revised Code;	554
(30) The enterprise zone credits under section 5709.65 of the Revised Code;	556
(31) The research and development credit under section 5747.331 of the Revised Code;	558
(32) <u>The credit for installing or retrofitting ethanol fuel pumps under section 5747.77 of the Revised Code;</u>	560
(33) <u>The ethanol-blended gasoline credit under section 5733.47 of the Revised Code;</u>	562
(34) The refundable jobs creation credit under division (A) of section 5747.058 of the Revised Code;	564
(33) (35) The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	566
(34) (36) The refundable credits for taxes paid by a qualifying pass-through entity granted under division (J) of section 5747.08 of the Revised Code;	569
(35) (37) The refundable credit for tax withheld under division (B)(1) of section 5747.062 of the Revised Code;	571

(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. 572
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(B) For any credit, except the credits enumerated in divisions (A)~~(32)~~(34) 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. 576
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Section 2. That existing sections 125.831, 5733.98, and 5747.98 of the Revised Code are hereby repealed. 586
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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. 588
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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 to conventional fuels, such as gasoline and diesel, according to their relative Btu content by volume. Among any other matters the 591
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Department of Taxation determines to be pertinent to the study, 602
the Department also shall consider the experience of other states 603
that have encouraged the use of alternative fuels by reducing 604
their fuel tax rates on those fuels. Not later than one year after 605
the effective date of this section, the Department shall prepare a 606
report regarding its findings and submit a copy of the report to 607
the Governor, the Speaker and Minority Leader of the House of 608
Representatives, and the President and Minority Leader of the 609
Senate. 610

Section 4. (A) As used in this section, "blended biodiesel" 611
and "E85 blend fuel" have the same meanings as in section 125.831 612
of the Revised Code, as amended by this act. 613

(B) The Department of Development, in conjunction with the 614
Department of Agriculture and the Department of Commerce, shall 615
conduct a study evaluating the factors involved in making the 616
production, sale, and use of blended biodiesel and E85 blend fuel 617
a commercially viable and self-sustaining industry in this state 618
so that government intervention and support for the blended 619
biodiesel and E85 blend fuel markets is not necessary. Not later 620
than one year after the effective date of this section, the 621
Department of Development shall prepare a report regarding its 622
findings and submit a copy of the report to the Governor, the 623
Speaker and Minority Leader of the House of Representatives, and 624
the President and Minority Leader of the Senate. 625