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A B I L L

To amend sections 5111.176, 5725.31, 5729.07, 1
5733.42, and 5747.39 of the Revised Code to extend 2
the job training tax credit for an additional 3
year, to accelerate and provide for the 4
continuation of the requirement that Medicaid 5
health insuring corporations pay a franchise 6
permit fee, and to declare an emergency. 7

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

Section 1. That sections 5111.176, 5725.31, 5729.07, 5733.42, 8
and 5747.39 of the Revised Code be amended to read as follows: 9

Sec. 5111.176. (A) As used in this section: 10

(1) "Medicaid health insuring corporation" means a health 11

insuring corporation that holds a certificate of authority under Chapter 1751. of the Revised Code and has entered into a contract with the department of job and family services pursuant to section 5111.17 of the Revised Code.

(2) "Managed care premium" means any premium payment, capitation payment, or other payment a medicaid health insuring corporation receives for providing, or arranging for the provision of, health care services to its members or enrollees residing in this state.

(B) Except as provided in division (C) of this section, all of the following apply:

(1) Each medicaid health insuring corporation shall pay to the department of job and family services a franchise permit fee for the period December 1, 2005, through December 31, 2005, and each calendar quarter occurring ~~between January 1, 2006, and June 30, 2007~~ thereafter.

(2) The fee to be paid is an amount that is equal to a percentage of the managed care premiums the medicaid health insuring corporation received in the period December 1, 2005, through December 31, 2005, and in the subsequent quarter to which the fee applies, excluding the amount of any managed care premiums the corporation returned or refunded to enrollees, members, or premium payers during ~~that~~ the period December 1, 2005, through December 31, 2005, or the subsequent quarter to which the fee applies.

(3) The percentage to be used in calculating the fee shall be four and one-half per cent, unless the department adopts rules under division (L) of this section decreasing the percentage below four and one-half per cent or increasing the percentage to not more than six per cent.

(C) The department shall reduce the franchise permit fee

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imposed under this section or terminate its collection of the fee
if the department determines either of the following:

(1) That the reduction or termination is required to comply
with federal statutes or regulations;

(2) That the fee does not qualify as a state share of
medicaid expenditures eligible for federal financial
participation.

(D) The franchise permit fee shall be paid on or before the
thirtieth day following the end of the period December 1, 2005,
through December 31, 2005, or the calendar quarter to which the
fee applies. At the time the fee is submitted, the medicaid health
insuring corporation shall file with the department a report on a
form prescribed by the department. The corporation shall provide
on the form all information required by the department and shall
include with the form any necessary supporting documentation.

(E) The department may audit the records of any medicaid
health insuring corporation to determine whether the corporation
is in compliance with this section. The department may audit the
records that pertain to the period December 1, 2005, through
December 31, 2005, or a particular calendar quarter, at any time
during the five years following the date the franchise permit fee
payment for that period or quarter was due.

(F)(1) A medicaid health insuring corporation that does not
pay the franchise permit fee in full by the date the payment is
due is subject to any or all of the following:

(a) A monetary penalty in the amount of five hundred dollars
for each day any part of the fee remains unpaid, except that the
penalty shall not exceed an amount equal to five per cent of the
total fee that was due ~~for the calendar quarter for which the
penalty is being imposed;~~

(b) Withholdings from future managed care premiums pursuant to division (G) of this section;	73 74
(c) Termination of the corporation's medicaid provider agreement pursuant to division (H) of this section.	75 76
(2) Penalties imposed under division (F)(1)(a) of this section are in addition to and not in lieu of the franchise permit fee.	77 78 79
(G) If a medicaid health insuring corporation fails to pay the full amount of its franchise permit fee when due, or the full amount of a penalty imposed under division (F)(1)(a) of this section, the department may withhold an amount equal to the remaining amount due from any future managed care premiums to be paid to the corporation under the medicaid program. The department may withhold amounts under this division without providing notice to the corporation. The amounts may be withheld until the amount due has been paid.	80 81 82 83 84 85 86 87 88
(H) The department may commence actions to terminate a medicaid health insuring corporation's medicaid provider agreement, and may terminate the agreement subject to division (I) of this section, if the corporation does any of the following:	89 90 91 92
(1) Fails to pay its franchise permit fee or fails to pay the fee promptly;	93 94
(2) Fails to pay a penalty imposed under division (F)(1)(a) of this section or fails to pay the penalty promptly;	95 96
(3) Fails to cooperate with an audit conducted under division (E) of this section.	97 98
(I) At the request of a medicaid health insuring corporation, the department shall grant the corporation a hearing in accordance with Chapter 119. of the Revised Code, if either of the following is the case:	99 100 101 102

(1) The department has determined that the corporation owes 103
an additional franchise permit fee or penalty as the result of an 104
audit conducted under division (E) of this section. 105

(2) The department is proposing to terminate the 106
corporation's medicaid provider agreement and the provisions of 107
section 5111.06 of the Revised Code requiring an adjudication in 108
accordance with Chapter 119. of the Revised Code are applicable. 109

(J)(1) At the request of a medicaid corporation, the 110
department shall grant the corporation a reconsideration of any 111
issue that arises out of the provisions of this section and is not 112
subject to division (I) of this section. The department's decision 113
at the conclusion of the reconsideration is not subject to appeal 114
under Chapter 119. of the Revised Code or any other provision of 115
the Revised Code. 116

(2) In conducting a reconsideration, the department shall do 117
at least the following: 118

(a) Specify the time frames within which a corporation must 119
act in order to exercise its opportunity for a reconsideration; 120

(b) Permit the corporation to present written arguments or 121
other materials that support the corporation's position. 122

(K) There is hereby created in the state treasury the managed 123
care assessment fund. Money collected from the franchise permit 124
fees and penalties imposed under this section shall be credited to 125
the fund. The department shall use the money in the fund to pay 126
for medicaid services, the department's administrative costs, and 127
contracts with medicaid health insuring corporations. 128

(L) The director of job and family services may adopt rules 129
to implement and administer this section. The rules shall be 130
adopted in accordance with Chapter 119. of the Revised Code. 131

Sec. 5725.31. (A) As used in this section: 132

(1) "Eligible employee" and "eligible training costs" have	133
the same meanings as in section 5733.42 of the Revised Code.	134
(2) "Tax assessed under this chapter" means, in the case of a	135
dealer in intangibles, the tax assessed under sections 5725.13 to	136
5725.17 of the Revised Code and, in the case of a domestic	137
insurance company, the taxes assessed under sections 5725.18 to	138
5725.26 of the Revised Code.	139
(3) "Taxpayer" means a dealer in intangibles or a domestic	140
insurance company subject to a tax assessed under this chapter.	141
(4) "Credit period" means, in the case of a dealer in	142
intangibles, the calendar year ending on the thirty-first day of	143
December next preceding the day the report is required to be	144
returned under section 5725.14 of the Revised Code and, in the	145
case of a domestic insurance company, the calendar year ending on	146
the thirty-first day of December next preceding the day the annual	147
statement is required to be returned under section 5725.18 or	148
5725.181 of the Revised Code.	149
(B) There is hereby allowed a nonrefundable credit against	150
the tax imposed under this chapter for a taxpayer for which a tax	151
credit certificate is issued under section 5733.42 of the Revised	152
Code. The credit may be claimed for credit periods beginning on or	153
after January 1, 2003, and ending on or before December 31, 2005	154
<u>2006</u> . The amount of the credit for the credit period beginning on	155
January 1, 2003, shall equal one-half of the average of the	156
eligible training costs paid or incurred by the taxpayer during	157
calendar years 1998, 1999, and 2000, not to exceed one thousand	158
dollars for each eligible employee on account of whom eligible	159
training costs were paid or incurred by the taxpayer. The amount	160
of the credit for the credit period beginning on January 1, 2004,	161
shall equal one-half of the average of the eligible training costs	162
paid or incurred by the taxpayer during calendar years 2002, 2003,	163

and 2004, not to exceed one thousand dollars for each eligible 164
employee on account of whom eligible training costs were paid or 165
incurred by the taxpayer. The amount of the credit for the credit 166
period beginning on January 1, 2005, shall equal one-half of the 167
average of the eligible training costs paid or incurred by the 168
taxpayer during calendar years 2003, 2004, and 2005, not to exceed 169
one thousand dollars for each eligible employee on account of whom 170
eligible training costs were paid or incurred by the taxpayer. ~~The~~ 171
The amount of the credit for the credit period beginning on 172
January 1, 2006, shall equal one-half of the average of the 173
eligible training costs paid or incurred by the taxpayer during 174
calendar years 2004, 2005, and 2006, not to exceed one thousand 175
dollars for each eligible employee on account of whom eligible 176
training costs were paid or incurred by the taxpayer. 177

The credit claimed by a taxpayer each credit period shall not 178
exceed one hundred thousand dollars. 179

A taxpayer shall apply to the director of job and family 180
services for a tax credit certificate in the manner prescribed by 181
division (C) of section 5733.42 of the Revised Code. Divisions (C) 182
to (H) of that section govern the tax credit allowed by this 183
section, except that "credit period" shall be substituted for "tax 184
year with respect to a calendar year" wherever that phrase appears 185
in those divisions and that a taxpayer under this section shall be 186
considered a taxpayer for the purposes of that section. 187

A taxpayer may carry forward the credit allowed under this 188
section to the extent that the credit exceeds the taxpayer's tax 189
due for the credit period. The taxpayer may carry the excess 190
credit forward for three credit periods following the credit 191
period for which the credit is first claimed under this section. 192
The credit allowed by this section is in addition to any credit 193
allowed under section 5729.031 of the Revised Code. 194

Sec. 5729.07. As used in this section: 195

(A) "Eligible employee" and "eligible training costs" have 196
the same meanings as in section 5733.42 of the Revised Code. 197

(B) "Credit period" means the calendar year ending on the 198
thirty-first day of December next preceding the day the annual 199
statement is required to be returned under section 5729.02 of the 200
Revised Code. 201

There is hereby allowed a nonrefundable credit against the 202
tax imposed under this chapter for a foreign insurance company for 203
which a tax credit certificate is issued under section 5733.42 of 204
the Revised Code. The credit may be claimed for credit periods 205
beginning on or after January 1, 2003, and ending on or before 206
December 31, ~~2005~~ 2006. The amount of the credit for the credit 207
period beginning on January 1, 2003, shall equal one-half of the 208
average of the eligible training costs paid or incurred by the 209
company during calendar years 1998, 1999, and 2000, not to exceed 210
one thousand dollars for each eligible employee on account of whom 211
eligible training costs were paid or incurred by the company. The 212
amount of the credit for the credit period beginning on January 1, 213
2004, shall equal one-half of the average of the eligible training 214
costs paid or incurred by the company during calendar years 2002, 215
2003, and 2004, not to exceed one thousand dollars for each 216
eligible employee on account of whom eligible training costs were 217
paid or incurred by the company. The amount of the credit for the 218
credit period beginning on January 1, 2005, shall equal one-half 219
of the average of the eligible training costs paid or incurred by 220
the company during calendar years 2003, 2004, and 2005, not to 221
exceed one thousand dollars for each eligible employee on account 222
of whom eligible training costs were paid or incurred by the 223
company. ~~The~~ The amount of the credit for the credit period 224
beginning on January 1, 2006, shall equal one-half of the average 225

of the eligible training costs paid or incurred by the company 226
during calendar years 2004, 2005, and 2006, not to exceed one 227
thousand dollars for each eligible employee on account of whom 228
eligible training costs were paid or incurred by the company. 229

The credit claimed by a company for each credit period shall 230
not exceed one hundred thousand dollars. 231

A foreign insurance company shall apply to the director of 232
job and family services for a tax credit certificate in the manner 233
prescribed by division (C) of section 5733.42 of the Revised Code. 234
Divisions (C) to (H) of that section govern the tax credit allowed 235
by this section, except that "credit period" shall be substituted 236
for "tax year with respect to a calendar year" wherever that 237
phrase appears in those divisions and that the company shall be 238
considered a taxpayer for the purposes of those divisions. 239

A foreign insurance company may carry forward the credit 240
allowed under this section to the extent that the credit exceeds 241
the company's tax due for the credit period. The company may carry 242
the excess credit forward for three credit periods following the 243
credit period for which the credit is first claimed under this 244
section. The credit allowed by this section is in addition to any 245
credit allowed under section 5729.031 of the Revised Code. 246

The reduction in the tax due under this chapter to the extent 247
of the credit allowed by this section does not increase the amount 248
of the tax otherwise due under section 5729.06 of the Revised 249
Code. 250

Sec. 5733.42. (A) As used in this section: 251

(1) "Eligible training program" means a program to provide 252
job skills to eligible employees who are unable effectively to 253
function on the job due to skill deficiencies or who would 254
otherwise be displaced because of their skill deficiencies or 255

inability to use new technology, or to provide job skills to 256
eligible employees that enable them to perform other job duties 257
for the taxpayer. Eligible training programs do not include 258
executive, management, or personal enrichment training programs, 259
or training programs intended exclusively for personal career 260
development. 261

(2) "Eligible employee" means an individual who is employed 262
in this state by a taxpayer and has been so employed by the same 263
taxpayer for at least one hundred eighty consecutive days before 264
the day an application for the credit is filed under this section. 265
"Eligible employee" does not include any employee for which a 266
credit is claimed pursuant to division (A)(5) of section 5709.65 267
of the Revised Code for all or any part of the same year, an 268
employee who is not a full-time employee, or executive or 269
managerial personnel, except for the immediate supervisors of 270
nonexecutive, nonmanagerial personnel. 271

(3) "Eligible training costs" means: 272

(a) Direct instructional costs, such as instructor salaries, 273
materials and supplies, textbooks and manuals, videotapes, and 274
other instructional media and training equipment used exclusively 275
for the purpose of training eligible employees; 276

(b) Wages paid to eligible employees for time devoted 277
exclusively to an eligible training program during normal paid 278
working hours. 279

(4) "Full-time employee" means an individual who is employed 280
for consideration for at least thirty-five hours per week, or who 281
renders any other standard of service generally accepted by custom 282
or specified by contract as full-time employment. 283

(5) "Partnership" includes a limited liability company formed 284
under Chapter 1705. of the Revised Code or under the laws of 285
another state, provided that the company is not classified for 286

federal income tax purposes as an association taxable as a corporation. 287
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(B) There is hereby allowed a nonrefundable credit against 289
the tax imposed by section 5733.06 of the Revised Code for 290
taxpayers for which a tax credit certificate is issued under 291
division (C) of this section. The credit may be claimed for tax 292
years 2004, 2005, ~~and 2006,~~ and 2007. The amount of the credit for 293
tax year 2004 shall equal one-half of the average of the eligible 294
training costs paid or incurred by the taxpayer during calendar 295
years 1999, 2000, and 2001, not to exceed one thousand dollars for 296
each eligible employee on account of whom eligible training costs 297
were paid or incurred by the taxpayer during those calendar years. 298
The amount of the credit for tax year 2005 shall equal one-half of 299
the average of the eligible training costs paid or incurred by the 300
taxpayer during calendar years 2002, 2003, and 2004, not to exceed 301
one thousand dollars for each eligible employee on account of whom 302
eligible training costs were paid or incurred by the taxpayer 303
during those calendar years. The amount of the credit for tax year 304
2006 shall equal one-half of the average of the eligible training 305
costs paid or incurred by the taxpayer during calendar years 2003, 306
2004, and 2005, not to exceed one thousand dollars for each 307
eligible employee on account of whom eligible training costs were 308
paid or incurred by the taxpayer during those calendar years. ~~The~~ 309
The amount of the credit for tax year 2007 shall equal one-half of 310
the average of the eligible training costs paid or incurred by the 311
taxpayer during calendar years 2004, 2005, and 2006, not to exceed 312
one thousand dollars for each eligible employee on account of whom 313
eligible training costs were paid or incurred by the taxpayer 314
during those calendar years. 315

The credit claimed by a taxpayer each tax year shall not 316
exceed one hundred thousand dollars. 317

(C) A taxpayer who proposes to conduct an eligible training 318

program may apply to the director of job and family services for a 319
tax credit certificate under this section. The taxpayer may apply 320
for such a certificate for tax years 2004, 2005, ~~and~~ 2006, and 321
2007, subject to division (L) of this section. The director shall 322
prescribe the form of the application, which shall require a 323
detailed description of the proposed training program. The 324
director may require applicants to remit an application fee with 325
each application filed with the director. The fee shall not exceed 326
the reasonable and necessary expenses incurred by the director in 327
receiving, reviewing, and approving such applications and issuing 328
tax credit certificates. Proceeds from fees shall be used solely 329
for the purpose of receiving, reviewing, and approving such 330
applications and issuing such certificates. 331

After receipt of an application, the director shall authorize 332
a credit under this section by issuing a tax credit certificate, 333
in the form prescribed by the director, if the director determines 334
all of the following: 335

(1) The proposed training program is an eligible training 336
program under this section; 337

(2) The proposed training program is economically sound and 338
will benefit the people of this state by improving workforce 339
skills and strengthening the economy of this state; 340

(3) Receiving the tax credit is a major factor in the 341
taxpayer's decision to go forward with the training program; 342

(4) Authorization of the credit is consistent with division 343
(H) of this section. 344

The credit also is allowed for a taxpayer that is a partner 345
in a partnership that pays or incurs eligible training costs. Such 346
a taxpayer shall determine the taxpayer's credit amount in the 347
manner prescribed by division (K) of this section. 348

(D) If the director of job and family services denies an 349
application for a tax credit certificate, the director shall send 350
notice of the denial and the reason for denial to the applicant by 351
certified mail, return receipt requested. If the director 352
determines that an authorized training program, as actually 353
conducted, fails to meet the requirements of this section or to 354
comply with any condition set forth in the authorization, the 355
director may reduce the amount of the tax credit previously 356
granted. If the director reduces a tax credit, the director shall 357
send notice of the reduction and the reason for the reduction to 358
the taxpayer by certified mail, return receipt requested, and 359
shall certify the reduction to the tax commissioner or, in the 360
case of the reduction of a credit claimed by an insurance company, 361
the superintendent of insurance. The tax commissioner or 362
superintendent of insurance shall reduce the credit that may be 363
claimed by the taxpayer accordingly. Within sixty days after 364
receiving a notice of denial or notice of reduction of the tax 365
credit, an applicant or taxpayer may request, in writing, a 366
hearing before the director to review the denial or reduction. 367
Within sixty days after receiving a request that is filed within 368
the prescribed time, the director shall hold such a hearing at a 369
location to be determined by the director. Within thirty days 370
after the hearing is adjourned, the director shall issue a 371
redetermination affirming, reversing, or modifying the denial or 372
reduction of the tax credit and send notice of the redetermination 373
to the applicant or taxpayer by certified mail, return receipt 374
requested, and shall issue a notice of the redetermination to the 375
tax commissioner or superintendent of insurance. If an applicant 376
or taxpayer is aggrieved by the director's redetermination, the 377
applicant or taxpayer may appeal the redetermination to the board 378
of tax appeals in the manner prescribed by section 5717.02 of the 379
Revised Code. 380

(E) A taxpayer to which a tax credit certificate is issued 381
shall retain records indicating the eligible training costs it 382
pays or incurs for the eligible training program for which the 383
certificate is issued for four years following the end of the tax 384
year for which the credit is claimed. Such records shall be open 385
to inspection by the director of job and family services upon the 386
director's request during business hours. 387

Financial statements and other information submitted by an 388
applicant to the director of job and family services for a tax 389
credit under this section, and any information taken for any 390
purpose from such statements or information, are not public 391
records subject to section 149.43 of the Revised Code. However, 392
the director of job and family services, the tax commissioner, or 393
superintendent of insurance may make use of the statements and 394
other information for purposes of issuing public reports or in 395
connection with court proceedings concerning tax credits allowed 396
under this section and sections 5725.31, 5729.07, and 5747.39 of 397
the Revised Code. 398

(F) The director of job and family services, in accordance 399
with Chapter 119. of the Revised Code, shall adopt rules necessary 400
to implement this section and sections 5725.31, 5729.07, and 401
5747.39 of the Revised Code. The rules shall be adopted after 402
consultation with the tax commissioner and the superintendent of 403
insurance. The rules shall require that if a taxpayer to which a 404
tax credit certificate is issued under any of those sections 405
permanently relocates or transfers employees trained under the tax 406
credit certificate to another state or country within two years of 407
receiving the certificate, the taxpayer shall repay the total 408
amount of the tax credit received by the taxpayer for any 409
employees permanently relocated or transferred. At the time the 410
director gives public notice under division (A) of section 119.03 411
of the Revised Code of the adoption of the rules, the director 412

shall submit copies of the proposed rules to the chairpersons and 413
ranking minority members of the standing committees in the senate 414
and the house of representatives to which legislation on economic 415
development matters are customarily referred. 416

(G) On or before the thirtieth day of September of 2001, 417
2003, 2004, 2005, ~~and~~ 2006, and 2007, the director of job and 418
family services shall submit a report to the governor, the 419
president of the senate, and the speaker of the house of 420
representatives on the tax credit program under this section and 421
sections 5725.31, 5729.07, and 5747.39 of the Revised Code. The 422
report shall include information on the number of training 423
programs that were authorized under those sections during the 424
preceding calendar year, a description of each authorized training 425
program, the dollar amounts of the credits granted, and an 426
estimate of the impact of the credits on the economy of this 427
state. 428

(H) The aggregate amount of credits authorized under this 429
section and sections 5725.31, 5729.07, and 5747.39 of the Revised 430
Code shall not exceed twenty million dollars per calendar year. No 431
more than ten million dollars in credits per calendar year shall 432
be authorized for persons engaged primarily in manufacturing. No 433
less than five million dollars in credits per calendar year shall 434
be set aside for persons engaged primarily in activities other 435
than manufacturing and having fewer than five hundred employees. 436
Subject to such limits, the director of job and family services 437
shall adopt a rule under division (F) of this section that 438
establishes criteria and procedures for distribution of the 439
credits. 440

(I) A nonrefundable credit allowed under this section shall 441
be claimed in the order required under section 5733.98 of the 442
Revised Code. 443

(J) The taxpayer may carry forward any credit amount in 444

excess of its tax due after allowing for any other credits that
precede the credit under this section in the order required under
section 5733.98 of the Revised Code. The excess credit may be
carried forward for three years following the tax year for which
it is first claimed under this section.

(K) A taxpayer that is a partner in a partnership on the last
day of the third calendar year of the three-year period during
which the partnership pays or incurs eligible training costs may
claim a credit under this section for the tax year immediately
following that calendar year. The amount of a partner's credit
equals the partner's interest in the partnership on the last day
of such calendar year multiplied by the credit available to the
partnership as computed by the partnership.

(L) The director of job and family services shall not
authorize any credits under this section and sections 5725.31,
5729.07, and 5747.39 of the Revised Code for eligible training
costs paid or incurred after December 31, ~~2005~~ 2006.

Sec. 5747.39. (A) As used in this section, "eligible
employee" and "eligible training costs" have the same meanings as
in section 5733.42 of the Revised Code, and "pass-through entity"
includes a sole proprietorship.

(B)(1) For taxable years beginning ~~after~~ in 2003, 2004, ~~and~~
2005, and 2006, there is hereby allowed a nonrefundable credit
against the tax imposed by section 5747.02 of the Revised Code for
a taxpayer that is an investor in a pass-through entity for which
a tax credit certificate is issued under section 5733.42 of the
Revised Code. For the taxable year beginning in 2003, the amount
of eligible training costs for which a credit may be claimed by
all taxpayers that are investors in an entity shall equal one-half
of the average of the eligible training costs incurred by the
entity during calendar years 1999, 2000, and 2001, but shall not

exceed one thousand dollars for each eligible employee on account 476
of whom such costs were paid or incurred by the entity, ~~and the~~ 477
~~total amount of credits that may be claimed by all such taxpayers~~ 478
~~shall not exceed one hundred thousand dollars. The~~ 479

~~The~~ amount of a taxpayer's credit for the taxpayer's taxable 480
year beginning in 2003 shall equal the taxpayer's interest in the 481
entity on December 31, 2001, multiplied by the credit available to 482
the entity as computed by the entity. 483

(2) For the taxable year beginning in 2004, the amount of the 484
eligible training costs for which a credit may be claimed by all 485
taxpayers that are investors in an entity shall equal one-half of 486
the average of the eligible training costs incurred by the entity 487
during calendar years 2002, 2003, and 2004, but shall not exceed 488
one thousand dollars for each eligible employee on account of whom 489
such costs were paid or incurred by the entity, ~~and the total~~ 490
~~amount of credits that may be claimed by all such taxpayers shall~~ 491
~~not exceed one hundred thousand dollars.~~ The amount of a 492
taxpayer's credit for the taxpayer's taxable year beginning in 493
2004 shall equal the taxpayer's interest in the entity on December 494
31, 2004, multiplied by the credit available to the entity as 495
computed by the entity. 496

(3) For the taxable year beginning in 2005, the amount of the 497
eligible training costs for which a credit may be claimed by all 498
taxpayers that are investors in an entity shall equal one-half of 499
the average of the eligible training costs incurred by the entity 500
during calendar years 2003, 2004, and 2005, but shall not exceed 501
one thousand dollars for each eligible employee on account of whom 502
such costs were paid or incurred by the entity, ~~and the total~~ 503
~~amount of credits that may be claimed by all such taxpayers shall~~ 504
~~not exceed one hundred thousand dollars.~~ The amount of a 505
taxpayer's credit for the taxpayer's taxable year beginning in 506
2005 shall equal the taxpayer's interest in the entity on December 507

31, 2005, multiplied by the credit available to the entity as 508
computed by the entity. 509

(4) For the taxable year beginning in 2006, the amount of the 510
eligible training costs for which a credit may be claimed by all 511
taxpayers that are investors in an entity shall equal one-half of 512
the average of the eligible training costs incurred by the entity 513
during calendar years 2004, 2005, and 2006, but shall not exceed 514
one thousand dollars for each eligible employee on account of whom 515
such costs were paid or incurred by the entity. The amount of a 516
taxpayer's credit for the taxpayer's taxable year beginning in 517
2006 shall equal the taxpayer's interest in the entity on December 518
31, 2006, multiplied by the credit available to the entity as 519
computed by the entity. 520

(5) The total amount of credits that may be claimed by all 521
such taxpayers with respect to each pass-through entity for each 522
taxable year shall not exceed one hundred thousand dollars. 523

(C) The credit shall be claimed in the order prescribed by 524
section 5747.98 of the Revised Code. A taxpayer may carry forward 525
the credit to the extent that the taxpayer's credit exceeds the 526
taxpayer's tax due after allowing for any other credits that 527
precede the credit allowed by this section in the order prescribed 528
by section 5747.98 of the Revised Code. The taxpayer may carry the 529
excess credit forward for three taxable years following the 530
taxable year for which the taxpayer first claims the credit under 531
this section. 532

(D) A pass-through entity shall apply to the director of job 533
and family services for a tax credit certificate in the manner 534
prescribed by division (C) of section 5733.42 of the Revised Code. 535
Divisions (C) to (H) of that section govern the tax credit allowed 536
by this section, except that "taxable year" shall be substituted 537
for "tax year" wherever that phrase appears in those divisions, 538
and that "pass-through entity" shall be substituted for "taxpayer" 539

wherever "taxpayer" appears in those divisions. 540

Section 2. That existing sections 5111.176, 5725.31, 5729.07, 541
5733.42, and 5747.39 of the Revised Code are hereby repealed. 542

Section 3. This act is hereby declared to be an emergency 543
measure necessary for the immediate preservation of the public 544
peace, health, and safety. The reasons for such necessity are that 545
(1) the job training tax credit is scheduled to expire, but the 546
credit is needed for an additional year to encourage Ohio 547
employers to provide further job skill training programs to 548
employees, and (2) federal matching funds for the franchise permit 549
fees paid by Medicaid health insuring corporations may not be 550
available unless the fees are initially imposed prior to January 551
1, 2006. Therefore, this act shall go into immediate effect. 552