

As Introduced

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H. B. No. 133

Representative Hughes

**Cosponsors: Representatives Bacon, Huffman, Miller, McGregor, R.,
Flowers, Latta, Yuko, Wagoner, Widener, Adams, Stebelton, DeGeeter**

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A B I L L

To amend sections 5747.98 and 5751.98 and to enact 1
sections 3333.51, 5747.81, 5747.82, 5751.54, and 2
5751.55 of the Revised Code to grant tax credits 3
to businesses that provide internships to students 4
attending Ohio's colleges and universities and 5
that hire former interns. 6

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

Section 1. That sections 5747.98 and 5751.98 be amended and 7
sections 3333.51, 5747.81, 5747.82, 5751.54, and 5751.55 of the 8
Revised Code be enacted to read as follows: 9

Sec. 3333.51. (A) As used in this section, "Ohio institution 10
of higher education" means all of the following: 11

(1) An institution of higher education, as defined in section 12
3345.12 of the Revised Code; 13

(2) An institution authorized by the Ohio board of regents 14
under Chapter 1713. of the Revised Code to grant degrees and that 15
is accredited by the appropriate regional, and, when appropriate, 16
professional, accrediting associations within whose jurisdiction 17
it falls; 18

(3) Private career schools holding program authorizations issued by the state board of career colleges and schools under division (C) of section 3332.05 of the Revised Code; 19
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(4) Private institutions exempt from regulation under Chapter 3332. of the Revised Code as prescribed in section 3333.046 of the Revised Code. 22
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(B) For the purpose of providing students in Ohio institutions of higher education with practical work experience and for the purpose of fostering long-term relationships between those students and Ohio employers, the Ohio board of regents may certify internships to be conducted between Ohio businesses and students attending Ohio institutions of higher education. The board shall adopt rules establishing criteria for certifying those internships. The rules shall condition certification of an internship on the internship being at least ten consecutive weeks in duration, with each week consisting of at least twenty hours of employment, and the intern receiving from the business total compensation equal to or exceeding two thousand dollars. The rules also shall require that the terms and conditions of an internship between a business and a student be memorialized in a written agreement between the two parties. An agreement shall, at a minimum, include: 25
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(1) Biographical information on the student, including, but not limited to, the student's Ohio institution of higher education, date of birth, major, and expected date of graduation; 41
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(2) A description of the business, including, but not limited to, the business' location, number of Ohio employees, and business activities; 44
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(3) A description of the terms and conditions of the internship, including, but not limited to, a description of the tasks that the student is expected to complete; the amount of 47
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compensation to be paid to the student, which shall total at least 50
two thousand dollars; the duration of the internship; and the 51
hours of employment, which shall satisfy the minimum duration and 52
hour requirements specified in this section; 53

(4) An agreement on the part of both the business and the 54
student to evaluate the internship at the conclusion of the 55
internship and periodically during the term of the internship. 56

Both the student and a representative of the business shall 57
sign the agreement. 58

(C) Upon application, the Ohio board of regents shall issue a 59
tax credit certificate to a business that participates in an 60
internship certified by the board that the business successfully 61
completes pursuant to the agreement entered into under this 62
section. The tax credit certificate entitles the business to claim 63
the tax credit allowed under section 5747.81 or 5751.54 of the 64
Revised Code, provided that all the terms and conditions 65
prescribed under this section and those sections for receiving the 66
credit are satisfied. The application shall be in a form 67
prescribed by the board and shall include a copy of the agreement 68
entered into under this section. 69

Sec. 5747.81. (A) As used in this section: 70

(1) "Pass-through entity" includes a sole proprietorship. 71

(2) "State-certified internship" means an internship 72
certified by the Ohio board of regents under section 3333.51 of 73
the Revised Code. 74

(B) For taxable years beginning in 2007 or thereafter, there 75
is hereby allowed a refundable credit against the tax imposed by 76
section 5747.02 of the Revised Code for a taxpayer that is an 77
equity investor in a pass-through entity that obtains a tax credit 78
certificate issued by the Ohio board of regents under section 79

3333.51 of the Revised Code for completing a state-certified 80
internship. The amount of the credit shall equal the taxpayer's 81
distributive or proportionate share of five hundred dollars for 82
each tax credit certificate issued to the pass-through entity 83
during the taxable year. A taxpayer shall not be entitled to claim 84
the credit allowed under this section unless the pass-through 85
entity in which the taxpayer is an equity investor has obtained 86
the tax credit certificate. The credit shall be claimed for the 87
taxable year in which the certificate was issued and in the order 88
required under section 5747.98 of the Revised Code. 89

(C) The tax commissioner may require that a taxpayer furnish 90
information as is necessary to support a claim for a credit under 91
this section, including, but not limited to, a copy of the tax 92
credit certificate issued by the Ohio board of regents under 93
section 3333.51 of the Revised Code and a copy of the internship 94
agreement entered into under that section. No credit shall be 95
allowed unless the information required by the commissioner is 96
provided. 97

(D) A taxpayer that claims the credit allowed under this 98
section shall not claim the credit allowed under section 5751.54 99
of the Revised Code. 100

Sec. 5747.82. (A) As used in this section: 101

(1) "Full-time employment position" means a position of 102
employment for consideration for at least thirty-five hours per 103
week, or the rendering of any other standard of service generally 104
accepted by custom or specified by contract as full-time 105
employment. 106

(2) "Pass-through entity" includes a sole proprietorship. 107

(3) "State-certified internship" means an internship 108
certified by the Ohio board of regents under section 3333.51 of 109

the Revised Code. 110

(B) There is hereby allowed a refundable credit against the 111
tax imposed by section 5747.02 of the Revised Code for a taxpayer 112
that is an equity investor in a pass-through entity that employs 113
in a full-time employment position for thirty-six consecutive 114
months a person whom the pass-through entity formerly employed as 115
an intern under a state-certified internship. The credit may be 116
claimed for each of the first two taxable years immediately 117
following the thirty-six consecutive months during which the 118
former intern was employed by the pass-through entity in a 119
full-time employment position. If the former intern was employed 120
by the pass-through entity for less than thirty-six consecutive 121
months, a taxpayer may claim the credit allowed under this section 122
only if the former intern voluntarily terminated employment or was 123
terminated by the pass-through entity for cause. The amount of the 124
credit shall equal one thousand dollars for each of the two 125
taxable years for each former intern employed in a full-time 126
employment position. A taxpayer shall claim the taxpayer's 127
proportionate or distributive share of the credit. The credit 128
shall be claimed in the order required under section 5747.98 of 129
the Revised Code. 130

(C) A taxpayer that claims the credit allowed under this 131
section shall not claim the credit allowed under section 5751.55 132
of the Revised Code. 133

Sec. 5747.98. (A) To provide a uniform procedure for 134
calculating the amount of tax due under section 5747.02 of the 135
Revised Code, a taxpayer shall claim any credits to which the 136
taxpayer is entitled in the following order: 137

(1) The retirement income credit under division (B) of 138
section 5747.055 of the Revised Code; 139

(2) The senior citizen credit under division (C) of section 140

5747.05 of the Revised Code;	141
(3) The lump sum distribution credit under division (D) of section 5747.05 of the Revised Code;	142 143
(4) The dependent care credit under section 5747.054 of the Revised Code;	144 145
(5) The lump sum retirement income credit under division (C) of section 5747.055 of the Revised Code;	146 147
(6) The lump sum retirement income credit under division (D) of section 5747.055 of the Revised Code;	148 149
(7) The lump sum retirement income credit under division (E) of section 5747.055 of the Revised Code;	150 151
(8) The low-income credit under section 5747.056 of the Revised Code;	152 153
(9) The credit for displaced workers who pay for job training under section 5747.27 of the Revised Code;	154 155
(10) The campaign contribution credit under section 5747.29 of the Revised Code;	156 157
(11) The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;	158 159
(12) The joint filing credit under division (G) of section 5747.05 of the Revised Code;	160 161
(13) The nonresident credit under division (A) of section 5747.05 of the Revised Code;	162 163
(14) The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	164 165
(15) The credit for employers that enter into agreements with child day-care centers under section 5747.34 of the Revised Code;	166 167
(16) The credit for employers that reimburse employee child care expenses under section 5747.36 of the Revised Code;	168 169

(17) The credit for adoption of a minor child under section 5747.37 of the Revised Code;	170 171
(18) The credit for purchases of lights and reflectors under section 5747.38 of the Revised Code;	172 173
(19) The job retention credit under division (B) of section 5747.058 of the Revised Code;	174 175
(20) The credit for purchases of new manufacturing machinery and equipment under section 5747.26 or section 5747.261 of the Revised Code;	176 177 178
(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;	179 180 181
(22) The job training credit under section 5747.39 of the Revised Code;	182 183
(23) The enterprise zone credit under section 5709.66 of the Revised Code;	184 185
(24) The credit for the eligible costs associated with a voluntary action under section 5747.32 of the Revised Code;	186 187
(25) The credit for employers that establish on-site child day-care centers under section 5747.35 of the Revised Code;	188 189
(26) The ethanol plant investment credit under section 5747.75 of the Revised Code;	190 191
(27) The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	192 193
(28) The export sales credit under section 5747.057 of the Revised Code;	194 195
(29) The credit for research and development and technology transfer investors under section 5747.33 of the Revised Code;	196 197
(30) The enterprise zone credits under section 5709.65 of the	198

Revised Code;	199
(31) The research and development credit under section 5747.331 of the Revised Code;	200 201
(32) The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	202 203
(33) The refundable jobs creation credit under division (A) of section 5747.058 of the Revised Code;	204 205
(34) The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	206 207
(35) The refundable credits for taxes paid by a qualifying pass-through entity granted under division (J) of section 5747.08 of the Revised Code;	208 209 210
(36) The refundable credit for tax withheld under division (B)(1) of section 5747.062 of the Revised Code;	211 212
(37) The refundable credit under section 5747.80 of the Revised Code for losses on loans made to the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code;	213 214 215
<u>(38) The refundable credit for a state-certified internship under section 5747.81 of the Revised Code;</u>	216 217
<u>(39) The refundable credit for employing former interns under section 5747.82 of the Revised Code.</u>	218 219
(B) For any credit, except the credits enumerated in divisions (A)(32) to (37) <u>(39)</u> 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	220 221 222 223 224 225 226 227 228

credit more than once for a taxable year. 229

Sec. 5751.54. (A) As used in this section, "state-certified 230
internship" means an internship certified by the Ohio board of 231
regents under section 3333.51 of the Revised Code. 232

(B) For tax periods beginning on or after January 1, 2008, a 233
refundable credit may be claimed under this chapter by a taxpayer 234
that obtains a tax credit certificate issued by the Ohio board of 235
regents under section 3333.51 of the Revised Code for completing a 236
state-certified internship. The amount of the credit shall equal 237
five hundred dollars for each tax credit certificate issued to the 238
taxpayer during the calendar year. A taxpayer shall not be 239
entitled to claim the credit allowed under this section unless the 240
taxpayer has obtained the tax credit certificate. The credit shall 241
be claimed for the calendar year in which the certificate was 242
issued and in the order required under section 5751.98 of the 243
Revised Code. 244

(C) The tax commissioner may require that a taxpayer furnish 245
information as is necessary to support a claim for a credit under 246
this section, including, but not limited to, a copy of the tax 247
credit certificate issued by the Ohio board of regents under 248
section 3333.51 of the Revised Code and a copy of the internship 249
agreement entered into under that section. No credit shall be 250
allowed unless the information required by the commissioner is 251
provided. 252

(D) Equity investors in a taxpayer that claims the credit 253
allowed under this section shall not claim the credit allowed 254
under section 5747.81 of the Revised Code. 255

Sec. 5751.55. (A) As used in this section: 256

(1) "Full-time employment position" means a position of 257
employment for consideration for at least thirty-five hours per 258

week, or the rendering of any other standard of service generally 259
accepted by custom or specified by contract as full-time 260
employment. 261

(2) "State-certified internship" means an internship 262
certified by the Ohio board of regents under section 3333.51 of 263
the Revised Code. 264

(B) A refundable credit may be claimed under this chapter by 265
a taxpayer that, during the calendar year immediately preceding 266
the tax period, employed in a full-time employment position for 267
thirty-six consecutive months a person whom the taxpayer formerly 268
employed as an intern under a state-certified internship. The 269
credit may be claimed for each of the first two tax periods 270
immediately following the thirty-six consecutive months during 271
which the former intern was employed by the taxpayer in a 272
full-time employment position. If the former intern was employed 273
by the taxpayer for less than thirty-six consecutive months, a 274
taxpayer may claim the credit allowed under this section only if 275
the former intern voluntarily terminated employment or was 276
terminated by the taxpayer for cause. The amount of the credit 277
shall equal one thousand dollars for each of the two tax periods 278
for each former intern employed in a full-time employment 279
position. The credit shall be claimed in the order required under 280
section 5751.98 of the Revised Code. 281

(C) Equity investors in a taxpayer that claims the credit 282
allowed under this section shall not claim the credit allowed 283
under section 5747.82 of the Revised Code. 284

Sec. 5751.98. (A) To provide a uniform procedure for 285
calculating the amount of tax due under this chapter, a taxpayer 286
shall claim any credits to which it is entitled in the following 287
order: 288

(1) The nonrefundable jobs retention credit under division 289

(B) of section 5751.50 of the Revised Code;	290
(2) The nonrefundable credit for qualified research expenses under division (B) of section 5751.51 of the Revised Code;	291 292
(3) The nonrefundable credit for a borrower's qualified research and development loan payments under division (B) of section 5751.52 of the Revised Code;	293 294 295
(4) The nonrefundable credit for calendar years 2010 to 2029 for unused net operating losses under division (B) of section 5751.53 of the Revised Code;	296 297 298
(5) The refundable credit for calendar year 2030 for unused net operating losses under division (C) of section 5751.53 of the Revised Code;	299 300 301
(6) The refundable jobs creation credit under division (A) of section 5751.50 of the Revised Code;	302 303
<u>(7) The refundable credit for a state-certified internship under section 5751.54 of the Revised Code;</u>	304 305
<u>(8) The refundable credit for employing former interns under section 5751.55 of the Revised Code.</u>	306 307
(B) For any credit except the credit <u>credits</u> enumerated in division <u>divisions</u> (A) (4) (5) to (8) of this section, the amount of the credit for a tax period 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 the credit.	308 309 310 311 312 313 314
Section 2. That existing sections 5747.98 and 5751.98 of the Revised Code are hereby repealed.	315 316