

As Introduced

**127th General Assembly
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H. B. No. 17

Representative Foley

**Cosponsors: Representatives Skindell, McGregor, J., Brown, Brady, Koziura,
Chandler, Stewart, D.**

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A B I L L

To amend section 5747.98 and to enact section 5747.71 1
of the Revised Code to grant a state earned income 2
tax credit equal to a percentage of the federal 3
earned income tax credit. 4

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

Section 1. That section 5747.98 be amended and section 5
5747.71 of the Revised Code be enacted to read as follows: 6

Sec. 5747.71. For taxable years beginning on or after January 7
1, 2009, there is hereby allowed a refundable credit against the 8
tax imposed by section 5747.02 of the Revised Code for a taxpayer 9
who is an "eligible individual," as defined in section 32 of the 10
Internal Revenue Code. The credit shall equal five per cent of the 11
credit allowed on the taxpayer's federal income tax return 12
pursuant to section 32 of the Internal Revenue Code for taxable 13
years beginning in 2009, and ten per cent for taxable years 14
beginning in 2010 or thereafter. If an earned income eligibility 15
certificate with respect to the taxpayer is in effect during the 16
taxpayer's taxable year pursuant to section 3507 of the Internal 17
Revenue Code, the credit shall equal five per cent of the amount 18

of advance payments of the earned income credit made by the 19
employer pursuant to that section during the taxpayer's taxable 20
year beginning in 2009, and ten per cent of the amount of advance 21
payments made during the taxpayer's taxable years beginning in 22
2010 or thereafter. The credit shall be claimed in the order 23
prescribed by section 5747.98 of the Revised Code. If the amount 24
of the credit exceeds the amount of tax due after deducting all 25
other credits that precede the credit allowed by this section in 26
that order, the taxpayer shall receive a refund of the excess. 27

Sec. 5747.98. (A) To provide a uniform procedure for 28
calculating the amount of tax due under section 5747.02 of the 29
Revised Code, a taxpayer shall claim any credits to which the 30
taxpayer is entitled in the following order: 31

(1) The retirement income credit under division (B) of 32
section 5747.055 of the Revised Code; 33

(2) The senior citizen credit under division (C) of section 34
5747.05 of the Revised Code; 35

(3) The lump sum distribution credit under division (D) of 36
section 5747.05 of the Revised Code; 37

(4) The dependent care credit under section 5747.054 of the 38
Revised Code; 39

(5) The lump sum retirement income credit under division (C) 40
of section 5747.055 of the Revised Code; 41

(6) The lump sum retirement income credit under division (D) 42
of section 5747.055 of the Revised Code; 43

(7) The lump sum retirement income credit under division (E) 44
of section 5747.055 of the Revised Code; 45

(8) The low-income credit under section 5747.056 of the 46
Revised Code; 47

(9) The credit for displaced workers who pay for job training under section 5747.27 of the Revised Code;	48 49
(10) The campaign contribution credit under section 5747.29 of the Revised Code;	50 51
(11) The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;	52 53
(12) The joint filing credit under division (G) of section 5747.05 of the Revised Code;	54 55
(13) The nonresident credit under division (A) of section 5747.05 of the Revised Code;	56 57
(14) The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	58 59
(15) The credit for employers that enter into agreements with child day-care centers under section 5747.34 of the Revised Code;	60 61
(16) The credit for employers that reimburse employee child care expenses under section 5747.36 of the Revised Code;	62 63
(17) The credit for adoption of a minor child under section 5747.37 of the Revised Code;	64 65
(18) The credit for purchases of lights and reflectors under section 5747.38 of the Revised Code;	66 67
(19) The job retention credit under division (B) of section 5747.058 of the Revised Code;	68 69
(20) The credit for purchases of new manufacturing machinery and equipment under section 5747.26 or section 5747.261 of the Revised Code;	70 71 72
(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;	73 74 75
(22) The job training credit under section 5747.39 of the	76

Revised Code;	77
(23) The enterprise zone credit under section 5709.66 of the Revised Code;	78 79
(24) The credit for the eligible costs associated with a voluntary action under section 5747.32 of the Revised Code;	80 81
(25) The credit for employers that establish on-site child day-care centers under section 5747.35 of the Revised Code;	82 83
(26) The ethanol plant investment credit under section 5747.75 of the Revised Code;	84 85
(27) The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	86 87
(28) The export sales credit under section 5747.057 of the Revised Code;	88 89
(29) The credit for research and development and technology transfer investors under section 5747.33 of the Revised Code;	90 91
(30) The enterprise zone credits under section 5709.65 of the Revised Code;	92 93
(31) The research and development credit under section 5747.331 of the Revised Code;	94 95
(32) The refundable jobs creation credit under division (A) of section 5747.058 of the Revised Code;	96 97
(33) The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	98 99
(34) The refundable credits for taxes paid by a qualifying pass-through entity granted under division (J) of section 5747.08 of the Revised Code;	100 101 102
(35) The refundable credit for tax withheld under division (B)(1) of section 5747.062 of the Revised Code;	103 104
(36) The refundable credit under section 5747.80 of the	105

Revised Code for losses on loans made to the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code;	106 107
<u>(37) The refundable earned income tax credit under section 5747.71 of the Revised Code.</u>	108 109
(B) For any credit, except the credits enumerated in divisions (A)(32) to (36) (37) 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.	110 111 112 113 114 115 116 117 118 119
Section 2. That existing section 5747.98 of the Revised Code is hereby repealed.	120 121