

As Introduced

**127th General Assembly
Regular Session
2007-2008**

S. B. No. 198

Senator Mason

Cosponsors: Senators Stivers, Bocchieri, Fedor, Schuring, Miller, R.

—

A B I L L

To amend sections 1551.20, 4933.32, 5747.08, 5747.98, 1
and 5751.98 and to enact sections 5747.81 and 2
5751.54 of the Revised Code to create tax credits 3
for investing in renewable energy property. 4

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

Section 1. That sections 1551.20, 4933.32, 5747.08, 5747.98, 5
and 5751.98 be amended and sections 5747.81 and 5751.54 of the 6
Revised Code be enacted to read as follows: 7

Sec. 1551.20. (A) As used in this section, "~~solar or wind~~ 8
~~energy system~~" "renewable energy property" means ~~any method used~~ 9
~~directly to provide space heating or cooling, hot water,~~ 10
~~industrial process heat, or mechanical or electric power by the~~ 11
~~collection, conversion, or storage of solar or wind energy~~ 12
~~including, but not limited to, active or passive solar systems. It~~ 13
~~does not include any equipment that is part of a conventional~~ 14
~~system for such purposes, that is, a system that does not use~~ 15
~~solar or wind energy; nor does it include a roof or any windows or~~ 16
~~walls that would be contained in a similar structure not designed~~ 17
~~or modified to use solar energy for space heating or cooling,~~ 18
~~except for those modifications to the design or construction of~~ 19

~~such roof, windows, or walls that are necessary to their improved use to capture solar energy for space heating or cooling.~~ 20
21

~~As used in this section, "hydrothermal energy system" means any method used directly to provide a heating or cooling effect by causing a thermal exchange with the earth utilizing any water source, including ground or surface water by use of appropriate heat exchange equipment the property described in division (A)(4) of section 5751.54 of the Revised Code.~~ 22
23
24
25
26
27

(B) The director of development shall adopt rules in accordance with Chapter 119. of the Revised Code establishing guidelines for identifying ~~solar, wind, or hydrothermal energy systems and components thereof, and guidelines for the safety and thermal efficiency of such systems~~ renewable energy property. The rules shall distinguish ~~such systems~~ renewable energy property from conventional systems and components thereof, and shall distinguish from conventional roof, window, or wall design or construction those modifications to the design or construction of roofs, windows, or walls that are necessary to their improved use to capture solar energy for space heating or cooling. The rules shall determine the eligibility of ~~solar, wind, and hydrothermal energy systems~~ renewable energy property for the tax ~~exemption credits~~ under ~~section 5709.53~~ sections 5747.81 and 5751.54 of the Revised Code. 28
29
30
31
32
33
34
35
36
37
38
39
40
41
42

(C) At the request of any person who designs, manufactures, installs, or constructs ~~solar, wind, or hydrothermal energy systems~~ renewable energy property, the director shall review the detailed construction plans and design calculations for any such ~~system~~ property to determine whether the ~~system~~ property complies with the guidelines adopted under division (B) of this section. If the ~~system~~ property complies with the guidelines, the director shall enter the name of the ~~system~~ property on a list of ~~solar, wind, or hydrothermal energy systems~~ renewable energy property 43
44
45
46
47
48
49
50
51

eligible for the tax ~~exemption~~ credits under ~~section 5709.53~~ 52
sections 5747.81 and 5751.54 of the Revised Code. 53

(D) At the request of any person who desires to design or 54
install a ~~solar, wind, or hydrothermal energy system~~ renewable 55
energy property for ~~his~~ the person's own use, the director shall 56
review the plans for or a narrative description of the ~~system~~ 57
property, and the list of components and materials to be 58
incorporated therein to determine whether the ~~system~~ property 59
complies with the guidelines adopted under division (B) of this 60
section. If the ~~system~~ property complies, the director shall issue 61
a certificate to that effect to the applicant. 62

Sec. 4933.32. Every portion of the schedule of an electric 63
light, natural gas, and gas company and every order of the public 64
utilities commission relating to curtailment of residential 65
service by such a company shall apply uniformly to all residential 66
consumers, as defined in section 4911.01 of the Revised Code, and 67
shall not distinguish as to whether the residence of such 68
consumers utilizes a ~~solar, wind, or hydrothermal energy system~~ 69
renewable energy property, as defined in section 1551.20 of the 70
Revised Code. 71

Sec. 5747.08. An annual return with respect to the tax 72
imposed by section 5747.02 of the Revised Code and each tax 73
imposed under Chapter 5748. of the Revised Code shall be made by 74
every taxpayer for any taxable year for which the taxpayer is 75
liable for the tax imposed by that section or under that chapter, 76
unless the total credits allowed under divisions (E), (F), and (G) 77
of section 5747.05 of the Revised Code for the year are equal to 78
or exceed the tax imposed by section 5747.02 of the Revised Code, 79
in which case no return shall be required unless the taxpayer is 80
liable for a tax imposed pursuant to Chapter 5748. of the Revised 81
Code. 82

(A) If an individual is deceased, any return or notice 83
required of that individual under this chapter shall be made and 84
filed by that decedent's executor, administrator, or other person 85
charged with the property of that decedent. 86

(B) If an individual is unable to make a return or notice 87
required by this chapter, the return or notice required of that 88
individual shall be made and filed by the individual's duly 89
authorized agent, guardian, conservator, fiduciary, or other 90
person charged with the care of the person or property of that 91
individual. 92

(C) Returns or notices required of an estate or a trust shall 93
be made and filed by the fiduciary of the estate or trust. 94

(D)(1)(a) Except as otherwise provided in division (D)(1)(b) 95
of this section, any pass-through entity may file a single return 96
on behalf of one or more of the entity's investors other than an 97
investor that is a person subject to the tax imposed under section 98
5733.06 of the Revised Code. The single return shall set forth the 99
name, address, and social security number or other identifying 100
number of each of those pass-through entity investors and shall 101
indicate the distributive share of each of those pass-through 102
entity investor's income taxable in this state in accordance with 103
sections 5747.20 to 5747.231 of the Revised Code. Such 104
pass-through entity investors for whom the pass-through entity 105
elects to file a single return are not entitled to the exemption 106
or credit provided for by sections 5747.02 and 5747.022 of the 107
Revised Code; shall calculate the tax before business credits at 108
the highest rate of tax set forth in section 5747.02 of the 109
Revised Code for the taxable year for which the return is filed; 110
and are entitled to only their distributive share of the business 111
credits as defined in division (D)(2) of this section. A single 112
check drawn by the pass-through entity shall accompany the return 113
in full payment of the tax due, as shown on the single return, for 114

such investors, other than investors who are persons subject to 115
the tax imposed under section 5733.06 of the Revised Code. 116

(b)(i) A pass-through entity shall not include in such a 117
single return any investor that is a trust to the extent that any 118
direct or indirect current, future, or contingent beneficiary of 119
the trust is a person subject to the tax imposed under section 120
5733.06 of the Revised Code. 121

(ii) A pass-through entity shall not include in such a single 122
return any investor that is itself a pass-through entity to the 123
extent that any direct or indirect investor in the second 124
pass-through entity is a person subject to the tax imposed under 125
section 5733.06 of the Revised Code. 126

(c) Nothing in division (D) of this section precludes the tax 127
commissioner from requiring such investors to file the return and 128
make the payment of taxes and related interest, penalty, and 129
interest penalty required by this section or section 5747.02, 130
5747.09, or 5747.15 of the Revised Code. Nothing in division (D) 131
of this section shall be construed to provide to such an investor 132
or pass-through entity any additional deduction or credit, other 133
than the credit provided by division (J) of this section, solely 134
on account of the entity's filing a return in accordance with this 135
section. Such a pass-through entity also shall make the filing and 136
payment of estimated taxes on behalf of the pass-through entity 137
investors other than an investor that is a person subject to the 138
tax imposed under section 5733.06 of the Revised Code. 139

(2) For the purposes of this section, "business credits" 140
means the credits listed in section 5747.98 of the Revised Code 141
excluding the following credits: 142

(a) The retirement credit under division (B) of section 143
5747.055 of the Revised Code; 144

(b) The senior citizen credit under division (C) of section 145

5747.05 of the Revised Code;	146
(c) The lump sum distribution credit under division (D) of section 5747.05 of the Revised Code;	147 148
(d) The dependent care credit under section 5747.054 of the Revised Code;	149 150
(e) The lump sum retirement income credit under division (C) of section 5747.055 of the Revised Code;	151 152
(f) The lump sum retirement income credit under division (D) of section 5747.055 of the Revised Code;	153 154
(g) The lump sum retirement income credit under division (E) of section 5747.055 of the Revised Code;	155 156
(h) The credit for displaced workers who pay for job training under section 5747.27 of the Revised Code;	157 158
(i) The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;	159 160
(j) The joint filing credit under division (G) of section 5747.05 of the Revised Code;	161 162
(k) The nonresident credit under division (A) of section 5747.05 of the Revised Code;	163 164
(l) The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	165 166
(m) The low-income credit under section 5747.056 of the Revised Code;	167 168
<u>(n) The credit for investing in renewable energy property under section 5747.81 of the Revised Code.</u>	169 170
(3) The election provided for under division (D) of this section applies only to the taxable year for which the election is made by the pass-through entity. Unless the tax commissioner provides otherwise, this election, once made, is binding and	171 172 173 174

irrevocable for the taxable year for which the election is made. 175
Nothing in this division shall be construed to provide for any 176
deduction or credit that would not be allowable if a nonresident 177
pass-through entity investor were to file an annual return. 178

(4) If a pass-through entity makes the election provided for 179
under division (D) of this section, the pass-through entity shall 180
be liable for any additional taxes, interest, interest penalty, or 181
penalties imposed by this chapter if the tax commissioner finds 182
that the single return does not reflect the correct tax due by the 183
pass-through entity investors covered by that return. Nothing in 184
this division shall be construed to limit or alter the liability, 185
if any, imposed on pass-through entity investors for unpaid or 186
underpaid taxes, interest, interest penalty, or penalties as a 187
result of the pass-through entity's making the election provided 188
for under division (D) of this section. For the purposes of 189
division (D) of this section, "correct tax due" means the tax that 190
would have been paid by the pass-through entity had the single 191
return been filed in a manner reflecting the tax commissioner's 192
findings. Nothing in division (D) of this section shall be 193
construed to make or hold a pass-through entity liable for tax 194
attributable to a pass-through entity investor's income from a 195
source other than the pass-through entity electing to file the 196
single return. 197

(E) If a husband and wife file a joint federal income tax 198
return for a taxable year, they shall file a joint return under 199
this section for that taxable year, and their liabilities are 200
joint and several, but, if the federal income tax liability of 201
either spouse is determined on a separate federal income tax 202
return, they shall file separate returns under this section. 203

If either spouse is not required to file a federal income tax 204
return and either or both are required to file a return pursuant 205
to this chapter, they may elect to file separate or joint returns, 206

and, pursuant to that election, their liabilities are separate or 207
joint and several. If a husband and wife file separate returns 208
pursuant to this chapter, each must claim the taxpayer's own 209
exemption, but not both, as authorized under section 5747.02 of 210
the Revised Code on the taxpayer's own return. 211

(F) Each return or notice required to be filed under this 212
section shall contain the signature of the taxpayer or the 213
taxpayer's duly authorized agent and of the person who prepared 214
the return for the taxpayer, and shall include the taxpayer's 215
social security number. Each return shall be verified by a 216
declaration under the penalties of perjury. The tax commissioner 217
shall prescribe the form that the signature and declaration shall 218
take. 219

(G) Each return or notice required to be filed under this 220
section shall be made and filed as required by section 5747.04 of 221
the Revised Code, on or before the fifteenth day of April of each 222
year, on forms that the tax commissioner shall prescribe, together 223
with remittance made payable to the treasurer of state in the 224
combined amount of the state and all school district income taxes 225
shown to be due on the form, unless the combined amount shown to 226
be due is one dollar or less, in which case that amount need not 227
be remitted. 228

Upon good cause shown, the tax commissioner may extend the 229
period for filing any notice or return required to be filed under 230
this section and may adopt rules relating to extensions. If the 231
extension results in an extension of time for the payment of any 232
state or school district income tax liability with respect to 233
which the return is filed, the taxpayer shall pay at the time the 234
tax liability is paid an amount of interest computed at the rate 235
per annum prescribed by section 5703.47 of the Revised Code on 236
that liability from the time that payment is due without extension 237
to the time of actual payment. Except as provided in section 238

5747.132 of the Revised Code, in addition to all other interest 239
charges and penalties, all taxes imposed under this chapter or 240
Chapter 5748. of the Revised Code and remaining unpaid after they 241
become due, except combined amounts due of one dollar or less, 242
bear interest at the rate per annum prescribed by section 5703.47 243
of the Revised Code until paid or until the day an assessment is 244
issued under section 5747.13 of the Revised Code, whichever occurs 245
first. 246

If the tax commissioner considers it necessary in order to 247
ensure the payment of the tax imposed by section 5747.02 of the 248
Revised Code or any tax imposed under Chapter 5748. of the Revised 249
Code, the tax commissioner may require returns and payments to be 250
made otherwise than as provided in this section. 251

To the extent that any provision in this division conflicts 252
with any provision in section 5747.026 of the Revised Code, the 253
provision in that section prevails. 254

(H) If any report, claim, statement, or other document 255
required to be filed, or any payment required to be made, within a 256
prescribed period or on or before a prescribed date under this 257
chapter is delivered after that period or that date by United 258
States mail to the agency, officer, or office with which the 259
report, claim, statement, or other document is required to be 260
filed, or to which the payment is required to be made, the date of 261
the postmark stamped on the cover in which the report, claim, 262
statement, or other document, or payment is mailed shall be deemed 263
to be the date of delivery or the date of payment. 264

If a payment is required to be made by electronic funds 265
transfer pursuant to section 5747.072 of the Revised Code, the 266
payment is considered to be made when the payment is received by 267
the treasurer of state or credited to an account designated by the 268
treasurer of state for the receipt of tax payments. 269

"The date of the postmark" means, in the event there is more than one date on the cover, the earliest date imprinted on the cover by the United States postal service.

(I) The amounts withheld by the employer pursuant to section 5747.06 of the Revised Code shall be allowed to the recipient of the compensation as credits against payment of the appropriate taxes imposed on the recipient by section 5747.02 and under Chapter 5748. of the Revised Code.

(J) If, in accordance with division (D) of this section, a pass-through entity elects to file a single return and if any investor is required to file the return and make the payment of taxes required by this chapter on account of the investor's other income that is not included in a single return filed by a pass-through entity, the investor is entitled to a refundable credit equal to the investor's proportionate share of the tax paid by the pass-through entity on behalf of the investor. The investor shall claim the credit for the investor's taxable year in which or with which ends the taxable year of the pass-through entity. Nothing in this chapter shall be construed to allow any credit provided in this chapter to be claimed more than once. For the purposes of computing any interest, penalty, or interest penalty, the investor shall be deemed to have paid the refundable credit provided by this division on the day that the pass-through entity paid the estimated tax or the tax giving rise to the credit.

Sec. 5747.81. (A) As used in this section, "renewable energy property" includes:

(1) Equipment that uses solar radiation in lieu of traditional energy sources to heat water; actively heat or cool spaces; passively heat spaces; illuminate; generate electricity; distill liquids; desalinate; or detoxify, including related devices used to collect, store, exchange, or condition solar

energy, or convert solar energy to other useful forms of energy; 301
and 302

(2) Equipment used to capture and convert wind energy into 303
electricity or mechanical power, including related devices used to 304
convert, condition, and store the electricity produced. 305

(B) For taxable years beginning on or after January 1, 2007, 306
there is hereby allowed a nonrefundable credit against the tax 307
imposed by section 5747.02 of the Revised Code for the cost of 308
renewable energy property constructed, purchased, or leased and 309
placed into service during the taxable year with respect to a 310
dwelling owned and occupied by the taxpayer as the taxpayer's 311
principal place of residence during the taxable year. The credit 312
allowed under this section may be claimed for renewable energy 313
property placed into service with respect to no more than one 314
dwelling owned and occupied by the taxpayer during the taxable 315
year. The credit may be claimed only if the renewable energy 316
property complies with the guidelines established by the director 317
of development under section 1551.20 of the Revised Code. Subject 318
to the limitations prescribed in division (D) of this section, the 319
credit shall equal thirty-five per cent of the cost of the 320
renewable energy property constructed, purchased, or leased during 321
the taxable year to the extent those costs are not compensated for 322
by public grants. 323

(C) A taxpayer shall not claim the credit allowed under this 324
section for any renewable energy property if, prior to claiming 325
the credit on the return required to be filed under section 326
5747.08 of the Revised Code, the taxpayer disposes of the 327
property, takes the property out of service, or removes the 328
property from this state. 329

(D) The total amount of credit claimed under this section for 330
renewable energy property placed into service during any taxable 331
year shall not exceed: 332

(1) One thousand four hundred dollars for a dwelling served 333
by renewable energy property that heats domestic water by solar 334
energy; 335

(2) Three thousand five hundred dollars for a dwelling served 336
by renewable energy property that uses solar energy to provide 337
active space heating, combined active space and domestic water 338
heating, or passive space heating; 339

(3) Ten thousand dollars for a dwelling served by any other 340
renewable energy property. 341

(E) The credit shall be claimed in the order required under 342
section 5747.98 of the Revised Code. The credit, to the extent it 343
exceeds the taxpayer's tax liability after allowance for any other 344
credits that precede the credit under this section in that order, 345
shall be carried forward to succeeding taxable years until fully 346
utilized, provided that the taxpayer shall deduct the amount of 347
the excess credit allowed in any taxable year from the balance 348
carried forward to the next taxable year. 349

(F) A taxpayer that claims the credit allowed under this 350
section for renewable energy property leased from another person 351
shall obtain a written certification from the lessor that the 352
lessor will not claim the credit allowed under this section or the 353
credit allowed under section 5751.54 of the Revised Code with 354
respect to that property for any taxable year, in the case of a 355
credit allowed under this section, or tax period included in a 356
taxable year, in the case of a credit under section 5751.54 of the 357
Revised Code, for which the taxpayer claims the credit under this 358
section. The lessor or the lessor's authorized agent shall sign 359
the certification. The taxpayer shall make the certification 360
available to the tax commissioner upon the commissioner's request. 361

Sec. 5747.98. (A) To provide a uniform procedure for 362
calculating the amount of tax due under section 5747.02 of the 363

Revised Code, a taxpayer shall claim any credits to which the	364
taxpayer is entitled in the following order:	365
(1) The retirement income credit under division (B) of	366
section 5747.055 of the Revised Code;	367
(2) The senior citizen credit under division (C) of section	368
5747.05 of the Revised Code;	369
(3) The lump sum distribution credit under division (D) of	370
section 5747.05 of the Revised Code;	371
(4) The dependent care credit under section 5747.054 of the	372
Revised Code;	373
(5) The lump sum retirement income credit under division (C)	374
of section 5747.055 of the Revised Code;	375
(6) The lump sum retirement income credit under division (D)	376
of section 5747.055 of the Revised Code;	377
(7) The lump sum retirement income credit under division (E)	378
of section 5747.055 of the Revised Code;	379
(8) The low-income credit under section 5747.056 of the	380
Revised Code;	381
(9) The credit for displaced workers who pay for job training	382
under section 5747.27 of the Revised Code;	383
(10) The campaign contribution credit under section 5747.29	384
of the Revised Code;	385
(11) The twenty-dollar personal exemption credit under	386
section 5747.022 of the Revised Code;	387
(12) The joint filing credit under division (G) of section	388
5747.05 of the Revised Code;	389
(13) The nonresident credit under division (A) of section	390
5747.05 of the Revised Code;	391
(14) The credit for a resident's out-of-state income under	392

division (B) of section 5747.05 of the Revised Code;	393
(15) The credit for employers that enter into agreements with child day-care centers under section 5747.34 of the Revised Code;	394 395
(16) The credit for employers that reimburse employee child care expenses under section 5747.36 of the Revised Code;	396 397
(17) The credit for adoption of a minor child under section 5747.37 of the Revised Code;	398 399
(18) The credit for purchases of lights and reflectors under section 5747.38 of the Revised Code;	400 401
(19) The job retention credit under division (B) of section 5747.058 of the Revised Code;	402 403
(20) The credit for purchases of new manufacturing machinery and equipment under section 5747.26 or section 5747.261 of the Revised Code;	404 405 406
(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;	407 408 409
(22) The job training credit under section 5747.39 of the Revised Code;	410 411
(23) The enterprise zone credit under section 5709.66 of the Revised Code;	412 413
(24) The credit for the eligible costs associated with a voluntary action under section 5747.32 of the Revised Code;	414 415
(25) The credit for employers that establish on-site child day-care centers under section 5747.35 of the Revised Code;	416 417
(26) The ethanol plant investment credit under section 5747.75 of the Revised Code;	418 419
(27) The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	420 421

(28) The export sales credit under section 5747.057 of the Revised Code;	422 423
(29) The credit for research and development and technology transfer investors under section 5747.33 of the Revised Code;	424 425
(30) The enterprise zone credits under section 5709.65 of the Revised Code;	426 427
(31) The research and development credit under section 5747.331 of the Revised Code;	428 429
(32) <u>The credit for investing in renewable energy property under section 5747.81 of the Revised Code;</u>	430 431
<u>(33)</u> The refundable jobs creation credit under division (A) of section 5747.058 of the Revised Code;	432 433
(33) <u>(34)</u> The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	434 435
(34) <u>(35)</u> The refundable credits for taxes paid by a qualifying pass-through entity granted under division (J) of section 5747.08 of the Revised Code;	436 437 438
(35) <u>(36)</u> The refundable credit for tax withheld under division (B)(1) of section 5747.062 of the Revised Code;	439 440
(36) <u>(37)</u> 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.	441 442 443
(B) For any credit, except the credits enumerated in divisions (A) (32) <u>(33)</u> to (36) <u>(37)</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	444 445 446 447 448 449 450 451

construed to allow a taxpayer to claim, directly or indirectly, a 452
credit more than once for a taxable year. 453

Sec. 5751.54. (A) As used in this section: 454

(1) "Cost" and "purchase" have the same meanings as in 455
section 179 of the Internal Revenue Code. 456

(2) "Qualifying nonresidential land" means lands and 457
improvements thereon classified as nonresidential/agricultural 458
real property under section 5713.041 of the Revised Code. 459

(3) "Qualifying residential land" means lands and 460
improvements thereon classified as residential/agricultural real 461
property under section 5713.041 of the Revised Code that contain 462
one or more dwelling units that the taxpayer holds for the purpose 463
of leasing to others. 464

(4) "Renewable energy property" includes all of the 465
following: 466

(a) Equipment that uses organic matter produced by 467
terrestrial and aquatic plants and animals for: 468

(i) Production of biofuels such as ethanol, methanol, and 469
biodiesel; 470

(ii) Anaerobic biogas production of methane using 471
agricultural waste, animal waste, or garbage; or 472

(iii) Commercial production of thermal or electrical power 473
from renewable energy crops or wood waste materials. 474

(b) Any device used for converting, conditioning, or storing 475
the fuels, gases, or power described in divisions (A)(4)(a)(i) to 476
(iii) of this section; 477

(c) Hydroelectric generators that produce electricity by 478
water power or by the friction of water or steam that are located 479
at existing dams or in free-flowing waterways, including related 480

devices used for water supply or control and devices used to 481
convert, condition, or store the electricity generated. 482

(d) Equipment that uses solar radiation in lieu of 483
traditional energy sources to heat water; actively heat or cool 484
spaces; passively heat spaces; illuminate; generate electricity; 485
distill liquids; desalinate; detoxify; or produce industrial or 486
commercial heat, including related devices used to collect, store, 487
exchange, or condition solar energy, or convert solar energy to 488
other useful forms of energy. 489

(e) Equipment used to capture and convert wind energy into 490
electricity or mechanical power, including related devices used to 491
convert, condition, and store the electricity produced. 492

(B)(1) For tax periods beginning on or after January 1, 2008, 493
a nonrefundable credit may be claimed under this chapter for the 494
cost of renewable energy property constructed, purchased, or 495
leased and placed into service on qualifying residential land or 496
qualifying nonresidential land owned by the taxpayer. The credit 497
may be claimed only if the renewable energy property complies with 498
the guidelines established by the director of development under 499
section 1551.20 of the Revised Code. Subject to the limitations 500
prescribed in division (D) of this section, the amount of the 501
credit shall equal thirty-five per cent of the cost of the 502
renewable energy property constructed, purchased, or leased during 503
a calendar year to the extent those costs are not compensated for 504
by public grants. 505

(2)(a) If the renewable energy property for which a credit is 506
claimed under this section is placed into service on a parcel of 507
qualifying residential land on which is located only one 508
single-family dwelling, the entire credit, exclusive of any credit 509
carry forward allowed under division (E) of this section, shall be 510
claimed for the tax period immediately following the calendar year 511
in which the renewable energy property is placed into service. 512

(b) If the renewable energy property is placed into service 513
on any other qualifying residential land or is placed into service 514
on qualifying nonresidential land, then: 515

(i) In the case of a calendar year taxpayer, one-fifth of the 516
amount of the credit shall be claimed for each of the five tax 517
periods immediately succeeding the calendar year in which the 518
renewable energy property is placed into service; and 519

(ii) In the case of a calendar quarter taxpayer, 520
one-twentieth of the amount of the credit shall be claimed for 521
each of the twenty tax periods immediately succeeding the calendar 522
year in which the renewable energy property is placed into 523
service. 524

To the extent one-fifth of the credit exceeds a calendar year 525
taxpayer's tax liability for any tax period or one-twentieth of 526
the credit exceeds a calendar quarter taxpayer's tax liability for 527
any tax period, as the case may be, the excess may be carried 528
forward and claimed for succeeding tax periods as provided in 529
division (E) of this section. 530

(C) No credit may be claimed for any tax period during which 531
the renewable energy property for which the credit is allowed is 532
disposed of, taken out of service, or removed from this state, 533
except that a taxpayer may continue to claim any portion of the 534
credit carried forward from a preceding tax period under division 535
(E) of this section. 536

(D) The total amount of credit claimed under this section for 537
renewable energy property placed into service during any calendar 538
year shall not exceed: 539

(1) In the case of renewable energy property placed into 540
service on qualifying nonresidential land, two hundred fifty 541
thousand dollars; and 542

(2) In the case of renewable energy property placed into 543

service on qualifying residential land: 544

(a) One thousand four hundred dollars for each dwelling unit 545
served by renewable energy property that heats domestic water by 546
solar energy; 547

(b) Three thousand five hundred dollars for each dwelling 548
unit served by renewable energy property that uses solar energy to 549
provide active space heating, combined active space and domestic 550
water heating, or passive space heating; 551

(c) Ten thousand dollars for each dwelling served by any 552
other renewable energy property. 553

(E) The credit shall be claimed in the order required under 554
section 5751.98 of the Revised Code. The credit, to the extent it 555
exceeds the taxpayer's tax liability for a tax period after 556
allowance for any other credits that precede the credit under this 557
section in that order, shall be carried forward to the next 558
succeeding tax periods until fully utilized, provided that the 559
amount of the excess credit claimed against the tax for any tax 560
period shall be deducted from the balance carried forward to the 561
next tax period. 562

(F) A taxpayer that claims the credit allowed under this 563
section for renewable energy property leased from another person 564
shall obtain a written certification from the lessor that the 565
lessor will not claim the credit allowed under this section with 566
respect to that property for any tax period for which the taxpayer 567
claims the credit under this section. The lessor or the lessor's 568
authorized agent shall sign the certification. The taxpayer shall 569
make the certification available to the tax commissioner upon the 570
commissioner's request. 571

Sec. 5751.98. (A) To provide a uniform procedure for 572
calculating the amount of tax due under this chapter, a taxpayer 573

shall claim any credits to which it is entitled in the following order: 574
575

(1) The nonrefundable jobs retention credit under division (B) of section 5751.50 of the Revised Code; 576
577

(2) The nonrefundable credit for qualified research expenses under division (B) of section 5751.51 of the Revised Code; 578
579

(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; 580
581
582

(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; 583
584
585

(5) The nonrefundable credit for investing in renewable energy property under section 5751.54 of the Revised Code; 586
587

(6) The refundable credit for calendar year 2030 for unused net operating losses under division (C) of section 5751.53 of the Revised Code; 588
589
590

~~(6)~~(7) The refundable jobs creation credit under division (A) of section 5751.50 of the Revised Code. 591
592

(B) For any credit except the ~~credit~~ credits enumerated in ~~division~~ divisions (A)~~(4)~~(6) and (7) 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. 593
594
595
596
597
598
599

Section 2. That existing sections 1551.20, 4933.32, 5747.08, 5747.98, and 5751.98 of the Revised Code are hereby repealed. 600
601

Section 3. Section 1551.20 of the Revised Code is presented 602

in this act as a composite of the section as amended by Am. Sub. 603
H.B. 632, Sub. S.B. 269, and Sub. S.B. 271 of the 120th General 604
Assembly. The General Assembly, applying the principle stated in 605
division (B) of section 1.52 of the Revised Code that amendments 606
are to be harmonized if reasonably capable of simultaneous 607
operation, finds that the composite is the resulting version of 608
the section in effect prior to the effective date of the section 609
as presented in this act. 610