

As Passed by the House

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Am. H. B. No. 348

Representatives Goyal, Williams, S.

**Cosponsors: Representatives Amstutz, Celeste, Harris, Letson, Garland,
Chandler, Szollosi, Schneider, Phillips, Lundy, Williams, B., Murray, Burke,
Sayre, Domenick, Moran, Yates, Slesnick, Yuko, Zehringer, Winburn, Stewart,
Newcomb, Driehaus, DeGeeter, Heard, Pryor, Grossman, Hottinger, Snitchler,
Adams, R., Bacon, Baker, Balderson, Beck, Belcher, Blair, Bolon, Book,
Boose, Boyd, Brown, Carney, Combs, Daniels, DeBose, Derickson, Dodd,
Dyer, Evans, Fende, Foley, Gardner, Garrison, Gerberry, Goodwin, Hackett,
Hall, Harwood, Hite, Koziura, Lehner, Luckie, Mallory, Martin, McClain,
McGregor, Oelslager, Patten, Pillich, Ruhl, Sears, Stautberg, Stebelton,
Sykes, Weddington**

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A B I L L

To amend section 150.07 of the Revised Code to 1
increase the annual and aggregate limit on the 2
amount of tax credits the Ohio Venture Capital 3
Authority may authorize. 4

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

Section 1. That section 150.07 of the Revised Code be amended 5
to read as follows: 6

Sec. 150.07. (A) For the purpose stated in section 150.01 of 7
the Revised Code, the authority may authorize a lender to claim 8
one of the refundable tax credits allowed under section 5707.031, 9
5725.19, 5727.241, 5729.08, 5733.49, or 5747.80 of the Revised 10

Code. The credits shall be authorized by a written contract with 11
the lender. The contract shall specify the terms under which the 12
lender may claim the credit, including the amount of loss, if any, 13
the lender must incur before the lender may claim the credit; 14
specify that the credit shall not exceed the amount of the loss; 15
and specify that the lender may claim the credit only for a loss 16
certified by a program administrator to the authority under the 17
procedures prescribed under division (B)(6) of section 150.05 of 18
the Revised Code. The program administrator shall provide to the 19
authority an estimate of the amount of tax credits, if any, that 20
are likely, in the administrator's reasonable judgment, to be 21
claimed by a lender during the current and next succeeding state 22
fiscal years. The estimate shall be provided at the same time each 23
year that the administrator is required to report the annual audit 24
to the authority under section 150.05 of the Revised Code. 25

(B) Tax credits may be authorized at any time after the 26
authority establishes the investment policy under section 150.03 27
of the Revised Code, but a tax credit so authorized may not be 28
claimed before July 1, 2007, or after June 30, 2026, except, with 29
respect to loans made from the proceeds of obligations issued 30
under section 4582.71 of the Revised Code, a tax credit may not be 31
claimed before July 1, 2012, or after June 30, 2036. 32

(C)(1) Upon receiving certification of a lender's loss from a 33
program administrator pursuant to the procedures in the investment 34
policy, the authority shall issue a tax credit certificate to the 35
lender, except as otherwise provided in division (D) of this 36
section. 37

(2) If the lender is a pass-through entity, as defined in 38
section 5733.04 of the Revised Code, then each equity investor in 39
the lender pass-through entity shall be entitled to claim one of 40
the tax credits allowed under division (A) of this section for 41

that equity investor's taxable year in which or with which ends 42
the taxable year of the lender pass-through entity in an amount 43
based on the equity investor's distributive or proportionate share 44
of the credit amount set forth in the certificate issued by the 45
authority. If all equity investors of the lender pass-through 46
entity are not eligible to claim a credit against the same tax set 47
forth in division (A) of this section, then each equity investor 48
may elect to claim a credit against the tax to which the equity 49
investor is subject to in an amount based on the equity investor's 50
distributive or proportionate share of the credit amount set forth 51
in the certificate issued by the authority. 52

(3) The certificate shall state the amount of the credit and 53
the calendar year under section 5707.031, 5725.19, 5727.241, or 54
5729.08, the tax year under section 5733.49, or the taxable year 55
under section 5747.80 of the Revised Code for which the credit may 56
be claimed. The authority, in conjunction with the tax 57
commissioner, shall develop a system for issuing tax credit 58
certificates for the purpose of verifying that any credit claimed 59
is a credit issued under this section and is properly taken in the 60
year specified in the certificate and in compliance with division 61
(B) of this section. 62

(D) The authority shall not, in any fiscal year, issue tax 63
credit certificates under this section in a total amount exceeding 64
~~twenty~~ twenty-six million five hundred thousand dollars. The 65
authority shall not issue tax credit certificates under this 66
section in a total amount exceeding ~~three hundred eighty five~~ 67
hundred fifty million dollars. 68

(E) Notwithstanding any other section of this chapter or any 69
provision of Chapter 5707., 5725., 5727., 5729., 5733., or 5747. 70
of the Revised Code, if provided by the terms of an agreement 71
entered into by the issuer and the authority under division (E) of 72
section 150.02 of the Revised Code, and subject to the limitations 73

of divisions (B) and (D) of this section, a trustee shall have the right, for the benefit of the issuer, to receive and claim the credits authorized under division (A) of this section solely for the purpose provided for in section 150.04 of the Revised Code, and the trustee shall be entitled to file a tax return, an amended tax return, or an estimated tax return at such times as are permitted or required under the applicable provisions of Chapter 5707., 5725., 5727., 5729., 5733., or 5747. of the Revised Code for the purpose of claiming credits issued to the trustee. The trustee shall receive the proceeds of such a tax credit for the benefit of the issuer, and shall apply the proceeds solely to satisfy a loss or restore a reserve as provided in section 150.04 of the Revised Code. Nothing in this section shall require a trustee to file a tax return under any chapter for any purpose other than claiming such credits if the trustee is not otherwise required to make such a filing.

The general assembly may from time to time modify or repeal any of the taxes against which the credits authorized under division (A) of this section may be claimed, and may authorize those credits to be claimed for the purposes provided for in section 150.04 of the Revised Code with respect to any other tax imposed by this state; provided, that if any obligations issued under section 4582.71 of the Revised Code are then outstanding and such modification or repeal would have the effect of impairing any covenant made in or pursuant to an agreement under division (E) of section 150.02 of the Revised Code regarding the maintenance or restoration of reserves established and maintained with a trustee consistent with division (B)(2) of section 150.04 of the Revised Code and such agreement, the state shall provide other security to the extent necessary to avoid or offset the impairment of such covenant.

Section 2. That existing section 150.07 of the Revised Code

is hereby repealed.

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