

**As Introduced**

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**H. B. No. 360**

**Representatives Snitchler, Morgan**

**Cosponsors: Representatives Boose, Grossman, Lehner, Adams, J.,  
Derickson, Combs, Blair, Mecklenborg, Huffman, Stebelton, Blessing, Baker,  
Sears, Uecker, Beck, Martin**

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**A B I L L**

To amend sections 4139.03, 4139.05, 5747.08, and 1  
5747.98 and to enact section 5747.81 of the 2  
Revised Code to grant an income tax credit 3  
eliminating tax liability for five years for 4  
individuals who obtain journeyperson status and 5  
who reside in Ohio and to prohibit the 6  
Apprenticeship Council from adopting standards for 7  
apprenticeship ratios that are stricter than those 8  
requirements specified in the federal regulations 9  
governing apprenticeship programs and from 10  
discriminating against open or merit shops. 11

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

**Section 1.** That sections 4139.03, 4139.05, 5747.08, and 12  
5747.98 be amended and section 5747.81 of the Revised Code be 13  
enacted to read as follows: 14

**Sec. 4139.03.** The apprenticeship council may establish 15  
minimum standards for apprenticeship programs and may formulate 16  
policies and issue rules as may be necessary to carry out the 17

purpose of sections 4139.01 to 4139.06 of the Revised Code. If the 18  
council adopts minimum standards for apprenticeship programs, the 19  
council shall not impose any requirements to specify apprentice to 20  
journeyperson ratios that are stricter than those requirements 21  
specified in regulations adopted by the United States secretary of 22  
labor pursuant to the "National Apprenticeship Act," 50 Stat. 664, 23  
29 U.S.C. 50, as amended. In adopting those standards, the council 24  
shall not prescribe requirements that discriminate against an 25  
employer that operates an open or merit shop, unless the council 26  
is required to adopt such a requirement to comply with the 27  
regulations adopted by the United States secretary of labor 28  
pursuant to the "National Apprenticeship Act," 50 State. 664, 29 29  
U.S.C. 50, as amended. The council shall determine the date and 30  
place of its meetings and shall prescribe its own rules of 31  
procedure. 32

**Sec. 4139.05.** (A) The executive secretary of the 33  
apprenticeship council has the following duties: 34

~~(A)~~(1) Encourage the voluntary participation of employers and 35  
employees in the furtherance of the objective of sections 4139.01 36  
to 4139.06 of the Revised Code; 37

~~(B)~~(2) Register any apprenticeship programs and agreements 38  
that meet the minimum standards established by the council; 39

~~(C)~~(3) Terminate or cancel on the authority of the council 40  
any registered apprenticeship programs and agreements not in 41  
accordance with the provisions of such standards; 42

~~(D)~~(4) Keep a record of apprenticeship programs and their 43  
disposition; 44

~~(E)~~(5) Issue certificate of completion of apprenticeship in 45  
accordance with the council's standards; 46

~~(F)~~(6) Devise all necessary procedures and records; 47

~~(G)~~(7) Prepare statistical reports regarding apprenticeship training; 48  
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~~(H)~~(8) Issue information related to apprenticeship; 50

~~(I)~~(9) Perform such other duties as the council may direct. 51

(B) The executive secretary, when registering an apprenticeship program or agreement under division (A)(2) of this section, shall not discriminate against an employer because that employer operates an open or merit shop. 52  
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**Sec. 5747.08.** An annual return with respect to the tax 56  
imposed by section 5747.02 of the Revised Code and each tax 57  
imposed under Chapter 5748. of the Revised Code shall be made by 58  
every taxpayer for any taxable year for which the taxpayer is 59  
liable for the tax imposed by that section or under that chapter, 60  
unless the total credits allowed under divisions (E), (F), and (G) 61  
of section 5747.05 of the Revised Code for the year are equal to 62  
or exceed the tax imposed by section 5747.02 of the Revised Code, 63  
in which case no return shall be required unless the taxpayer is 64  
liable for a tax imposed pursuant to Chapter 5748. of the Revised 65  
Code. 66

(A) If an individual is deceased, any return or notice 67  
required of that individual under this chapter shall be made and 68  
filed by that decedent's executor, administrator, or other person 69  
charged with the property of that decedent. 70

(B) If an individual is unable to make a return or notice 71  
required by this chapter, the return or notice required of that 72  
individual shall be made and filed by the individual's duly 73  
authorized agent, guardian, conservator, fiduciary, or other 74  
person charged with the care of the person or property of that 75  
individual. 76

(C) Returns or notices required of an estate or a trust shall 77

be made and filed by the fiduciary of the estate or trust. 78

(D)(1)(a) Except as otherwise provided in division (D)(1)(b) 79  
of this section, any pass-through entity may file a single return 80  
on behalf of one or more of the entity's investors other than an 81  
investor that is a person subject to the tax imposed under section 82  
5733.06 of the Revised Code. The single return shall set forth the 83  
name, address, and social security number or other identifying 84  
number of each of those pass-through entity investors and shall 85  
indicate the distributive share of each of those pass-through 86  
entity investor's income taxable in this state in accordance with 87  
sections 5747.20 to 5747.231 of the Revised Code. Such 88  
pass-through entity investors for whom the pass-through entity 89  
elects to file a single return are not entitled to the exemption 90  
or credit provided for by sections 5747.02 and 5747.022 of the 91  
Revised Code; shall calculate the tax before business credits at 92  
the highest rate of tax set forth in section 5747.02 of the 93  
Revised Code for the taxable year for which the return is filed; 94  
and are entitled to only their distributive share of the business 95  
credits as defined in division (D)(2) of this section. A single 96  
check drawn by the pass-through entity shall accompany the return 97  
in full payment of the tax due, as shown on the single return, for 98  
such investors, other than investors who are persons subject to 99  
the tax imposed under section 5733.06 of the Revised Code. 100

(b)(i) A pass-through entity shall not include in such a 101  
single return any investor that is a trust to the extent that any 102  
direct or indirect current, future, or contingent beneficiary of 103  
the trust is a person subject to the tax imposed under section 104  
5733.06 of the Revised Code. 105

(ii) A pass-through entity shall not include in such a single 106  
return any investor that is itself a pass-through entity to the 107  
extent that any direct or indirect investor in the second 108  
pass-through entity is a person subject to the tax imposed under 109

section 5733.06 of the Revised Code. 110

(c) Nothing in division (D) of this section precludes the tax 111  
commissioner from requiring such investors to file the return and 112  
make the payment of taxes and related interest, penalty, and 113  
interest penalty required by this section or section 5747.02, 114  
5747.09, or 5747.15 of the Revised Code. Nothing in division (D) 115  
of this section shall be construed to provide to such an investor 116  
or pass-through entity any additional deduction or credit, other 117  
than the credit provided by division (J) of this section, solely 118  
on account of the entity's filing a return in accordance with this 119  
section. Such a pass-through entity also shall make the filing and 120  
payment of estimated taxes on behalf of the pass-through entity 121  
investors other than an investor that is a person subject to the 122  
tax imposed under section 5733.06 of the Revised Code. 123

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(2) For the purposes of this section, "business credits" 125  
means the credits listed in section 5747.98 of the Revised Code 126  
excluding the following credits: 127

(a) The retirement credit under division (B) of section 128  
5747.055 of the Revised Code; 129

(b) The senior citizen credit under division (C) of section 130  
5747.05 of the Revised Code; 131

(c) The lump sum distribution credit under division (D) of 132  
section 5747.05 of the Revised Code; 133

(d) The dependent care credit under section 5747.054 of the 134  
Revised Code; 135

(e) The lump sum retirement income credit under division (C) 136  
of section 5747.055 of the Revised Code; 137

(f) The lump sum retirement income credit under division (D) 138  
of section 5747.055 of the Revised Code; 139

(g) The lump sum retirement income credit under division (E) of section 5747.055 of the Revised Code;	140 141
(h) The credit for displaced workers who pay for job training under section 5747.27 of the Revised Code;	142 143
(i) The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;	144 145
(j) The joint filing credit under division (G) of section 5747.05 of the Revised Code;	146 147
(k) The nonresident credit under division (A) of section 5747.05 of the Revised Code;	148 149
(l) The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	150 151
(m) The low-income credit under section 5747.056 of the Revised Code;	152 153
<u>(n) The credit for journeypersons under section 5747.81 of the Revised Code.</u>	154 155
(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 irrevocable for the taxable year for which the election is made. Nothing in this division shall be construed to provide for any deduction or credit that would not be allowable if a nonresident pass-through entity investor were to file an annual return.	156 157 158 159 160 161 162 163
(4) If a pass-through entity makes the election provided for under division (D) of this section, the pass-through entity shall be liable for any additional taxes, interest, interest penalty, or penalties imposed by this chapter if the tax commissioner finds that the single return does not reflect the correct tax due by the pass-through entity investors covered by that return. Nothing in	164 165 166 167 168 169

this division shall be construed to limit or alter the liability, 170  
if any, imposed on pass-through entity investors for unpaid or 171  
underpaid taxes, interest, interest penalty, or penalties as a 172  
result of the pass-through entity's making the election provided 173  
for under division (D) of this section. For the purposes of 174  
division (D) of this section, "correct tax due" means the tax that 175  
would have been paid by the pass-through entity had the single 176  
return been filed in a manner reflecting the tax commissioner's 177  
findings. Nothing in division (D) of this section shall be 178  
construed to make or hold a pass-through entity liable for tax 179  
attributable to a pass-through entity investor's income from a 180  
source other than the pass-through entity electing to file the 181  
single return. 182

(E) If a husband and wife file a joint federal income tax 183  
return for a taxable year, they shall file a joint return under 184  
this section for that taxable year, and their liabilities are 185  
joint and several, but, if the federal income tax liability of 186  
either spouse is determined on a separate federal income tax 187  
return, they shall file separate returns under this section. 188

If either spouse is not required to file a federal income tax 189  
return and either or both are required to file a return pursuant 190  
to this chapter, they may elect to file separate or joint returns, 191  
and, pursuant to that election, their liabilities are separate or 192  
joint and several. If a husband and wife file separate returns 193  
pursuant to this chapter, each must claim the taxpayer's own 194  
exemption, but not both, as authorized under section 5747.02 of 195  
the Revised Code on the taxpayer's own return. 196

(F) Each return or notice required to be filed under this 197  
section shall contain the signature of the taxpayer or the 198  
taxpayer's duly authorized agent and of the person who prepared 199  
the return for the taxpayer, and shall include the taxpayer's 200  
social security number. Each return shall be verified by a 201

declaration under the penalties of perjury. The tax commissioner 202  
shall prescribe the form that the signature and declaration shall 203  
take. 204

(G) Each return or notice required to be filed under this 205  
section shall be made and filed as required by section 5747.04 of 206  
the Revised Code, on or before the fifteenth day of April of each 207  
year, on forms that the tax commissioner shall prescribe, together 208  
with remittance made payable to the treasurer of state in the 209  
combined amount of the state and all school district income taxes 210  
shown to be due on the form, unless the combined amount shown to 211  
be due is one dollar or less, in which case that amount need not 212  
be remitted. 213

Upon good cause shown, the tax commissioner may extend the 214  
period for filing any notice or return required to be filed under 215  
this section and may adopt rules relating to extensions. If the 216  
extension results in an extension of time for the payment of any 217  
state or school district income tax liability with respect to 218  
which the return is filed, the taxpayer shall pay at the time the 219  
tax liability is paid an amount of interest computed at the rate 220  
per annum prescribed by section 5703.47 of the Revised Code on 221  
that liability from the time that payment is due without extension 222  
to the time of actual payment. Except as provided in section 223  
5747.132 of the Revised Code, in addition to all other interest 224  
charges and penalties, all taxes imposed under this chapter or 225  
Chapter 5748. of the Revised Code and remaining unpaid after they 226  
become due, except combined amounts due of one dollar or less, 227  
bear interest at the rate per annum prescribed by section 5703.47 228  
of the Revised Code until paid or until the day an assessment is 229  
issued under section 5747.13 of the Revised Code, whichever occurs 230  
first. 231

If the tax commissioner considers it necessary in order to 232  
ensure the payment of the tax imposed by section 5747.02 of the 233



Revised Code or any tax imposed under Chapter 5748. of the Revised Code, the tax commissioner may require returns and payments to be made otherwise than as provided in this section.

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

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

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

"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 265  
taxes required by this chapter on account of the investor's other 266  
income that is not included in a single return filed by a 267  
pass-through entity, the investor is entitled to a refundable 268  
credit equal to the investor's proportionate share of the tax paid 269  
by the pass-through entity on behalf of the investor. The investor 270  
shall claim the credit for the investor's taxable year in which or 271  
with which ends the taxable year of the pass-through entity. 272  
Nothing in this chapter shall be construed to allow any credit 273  
provided in this chapter to be claimed more than once. For the 274  
purposes of computing any interest, penalty, or interest penalty, 275  
the investor shall be deemed to have paid the refundable credit 276  
provided by this division on the day that the pass-through entity 277  
paid the estimated tax or the tax giving rise to the credit. 278

(K) The tax commissioner shall ensure that each return 279  
required to be filed under this section includes a box that the 280  
taxpayer may check to authorize a paid tax preparer who prepared 281  
the return to communicate with the department of taxation about 282  
matters pertaining to the return. The return or instructions 283  
accompanying the return shall indicate that by checking the box 284  
the taxpayer authorizes the department of taxation to contact the 285  
preparer concerning questions that arise during the processing of 286  
the return and authorizes the preparer only to provide the 287  
department with information that is missing from the return, to 288  
contact the department for information about the processing of the 289  
return or the status of the taxpayer's refund or payments, and to 290  
respond to notices about mathematical errors, offsets, or return 291  
preparation that the taxpayer has received from the department and 292  
has shown to the preparer. 293

Sec. 5747.81. (A)(1) For the purpose of developing and 294  
maintaining a highly qualified workforce and thereby to improve 295  
the economic welfare of all Ohioans, an individual who, on or 296

after the effective date of the enactment of this section, 297  
completes an apprenticeship program registered with the 298  
apprenticeship counsel created by section 4139.02 of the Revised 299  
Code is allowed a credit against the tax imposed by section 300  
5747.02 of the Revised Code. The credit shall equal the 301  
individual's net tax liability after application of all credits 302  
identified in section 5747.98 of the Revised Code preceding the 303  
credit authorized by this section. The individual shall claim the 304  
credit for the individual's taxable year in which the individual's 305  
credit application was approved and in each of the succeeding five 306  
taxable years. 307

(2) An individual is liable to the state for credit taken 308  
with respect to an apprenticeship program, and forfeits unused 309  
credit, if the individual has been allowed the credit for five or 310  
fewer of the individual's taxable years and the individual is a 311  
nonresident of Ohio. Any amount for which an individual is liable 312  
under this division may be collected by assessment under section 313  
5747.13 of the Revised Code, and shall be considered as taxes 314  
imposed under section 5747.02 of the Revised Code. 315

(B) Within one year after completing the apprenticeship 317  
program, an individual shall apply for a credit to the director of 318  
job and family services on a form approved by the director and 319  
shall submit any documents required by the director. If the 320  
individual qualifies for a credit, the director shall issue a tax 321  
credit certificate to the individual. The certificate shall state 322  
the individual's name and social security number, the date the 323  
credit application was approved, and the taxable years for which 324  
the credit shall be claimed. 325

(C) The director of job and family services may designate an 326  
entity, including a nonprofit private organization, to perform the 327  
administrative duties conferred upon the director by this section. 328

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**Sec. 5747.98.** (A) To provide a uniform procedure for 330  
calculating the amount of tax due under section 5747.02 of the 331  
Revised Code, a taxpayer shall claim any credits to which the 332  
taxpayer is entitled in the following order: 333

(1) The retirement income credit under division (B) of 334  
section 5747.055 of the Revised Code; 335

(2) The senior citizen credit under division (C) of section 336  
5747.05 of the Revised Code; 337

(3) The lump sum distribution credit under division (D) of 338  
section 5747.05 of the Revised Code; 339

(4) The dependent care credit under section 5747.054 of the 340  
Revised Code; 341

(5) The lump sum retirement income credit under division (C) 342  
of section 5747.055 of the Revised Code; 343

(6) The lump sum retirement income credit under division (D) 344  
of section 5747.055 of the Revised Code; 345

(7) The lump sum retirement income credit under division (E) 346  
of section 5747.055 of the Revised Code; 347

(8) The low-income credit under section 5747.056 of the 348  
Revised Code; 349

(9) The credit for displaced workers who pay for job training 350  
under section 5747.27 of the Revised Code; 351

(10) The campaign contribution credit under section 5747.29 352  
of the Revised Code; 353

(11) The twenty-dollar personal exemption credit under 354  
section 5747.022 of the Revised Code; 355

(12) The joint filing credit under division (G) of section 356

5747.05 of the Revised Code;	357
(13) The nonresident credit under division (A) of section 5747.05 of the Revised Code;	358
(14) The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	361
(15) The credit for employers that enter into agreements with child day-care centers under section 5747.34 of the Revised Code;	362
(16) The credit for employers that reimburse employee child care expenses under section 5747.36 of the Revised Code;	364
(17) The credit for adoption of a minor child under section 5747.37 of the Revised Code;	366
(18) The credit for purchases of lights and reflectors under section 5747.38 of the Revised Code;	368
(19) The job retention credit under division (B) of section 5747.058 of the Revised Code;	370
(20) The credit for selling alternative fuel under section 5747.77 of the Revised Code;	372
(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;	374
(22) The job training credit under section 5747.39 of the Revised Code;	377
(23) The enterprise zone credit under section 5709.66 of the Revised Code;	379
(24) The credit for the eligible costs associated with a voluntary action under section 5747.32 of the Revised Code;	381
(25) The credit for employers that establish on-site child day-care centers under section 5747.35 of the Revised Code;	383
(26) The ethanol plant investment credit under section	385

5747.75 of the Revised Code;	386
(27) The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	387 388
(28) <u>The credit for journey persons under section 5747.81 of the Revised Code;</u>	389 390
<u>(29)</u> The export sales credit under section 5747.057 of the Revised Code;	391 392
<del>(29)</del> <u>(30)</u> The credit for research and development and technology transfer investors under section 5747.33 of the Revised Code;	393 394 395
<del>(30)</del> <u>(31)</u> The enterprise zone credits under section 5709.65 of the Revised Code;	396 397
<del>(31)</del> <u>(32)</u> The research and development credit under section 5747.331 of the Revised Code;	398 399
<del>(32)</del> <u>(33)</u> The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	400 401
<del>(33)</del> <u>(34)</u> The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	402 403
<del>(34)</del> <u>(35)</u> The refundable jobs creation credit under division (A) of section 5747.058 of the Revised Code;	404 405
<del>(35)</del> <u>(36)</u> The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	406 407
<del>(36)</del> <u>(37)</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;	408 409 410
<del>(37)</del> <u>(38)</u> The refundable credit for tax withheld under division (B)(1) of section 5747.062 of the Revised Code;	411 412
<del>(38)</del> <u>(39)</u> The refundable credit under section 5747.80 of the Revised Code for losses on loans made to the Ohio venture capital	413 414

program under sections 150.01 to 150.10 of the Revised Code; 415

~~(39)~~(40) The refundable motion picture production credit 416  
under section 5747.66 of the Revised Code. 417

(B) For any credit, except the refundable credits enumerated 418  
in this section and the credit granted under division (I) of 419  
section 5747.08 of the Revised Code, the amount of the credit for 420  
a taxable year shall not exceed the tax due after allowing for any 421  
other credit that precedes it in the order required under this 422  
section. Any excess amount of a particular credit may be carried 423  
forward if authorized under the section creating that credit. 424  
Nothing in this chapter shall be construed to allow a taxpayer to 425  
claim, directly or indirectly, a credit more than once for a 426  
taxable year. 427

**Section 2.** That existing sections 4139.03, 4139.05, 5747.08, 428  
and 5747.98 of the Revised Code are hereby repealed. 429