

**As Introduced**

**128th General Assembly  
Regular Session  
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**H. B. No. 617**

**Representative O'Farrell**

—

**A B I L L**

To amend sections 122.17, 5725.98, 5729.98, 5733.98, 1  
5747.98, and 5751.98 and to enact section 122.175 2  
of the Revised Code to authorize refundable tax 3  
credits to foster job creation and capital 4  
investment in the Ohio Appalachian Region. 5

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

**Section 1.** That sections 122.17, 5725.98, 5729.98, 5733.98, 6  
5747.98, and 5751.98 be amended and section 122.175 of the Revised 7  
Code be enacted to read as follows: 8

**Sec. 122.17.** (A) As used in this section: 9

(1) "Income tax revenue" means the total amount withheld 10  
under section 5747.06 of the Revised Code by the taxpayer during 11  
the taxable year, or during the calendar year that includes the 12  
tax period, from the compensation of each employee employed in the 13  
project to the extent the employee's withholdings are not used to 14  
determine the credit under section 122.171 of the Revised Code. 15  
"Income tax revenue" excludes amounts withheld before the day the 16  
taxpayer becomes eligible for the credit. 17

(2) "Baseline income tax revenue" means income tax revenue 18  
except that the applicable withholding period is the twelve months 19  
immediately preceding the date the tax credit authority approves 20

the taxpayer's application multiplied by the sum of one plus an  
annual pay increase factor to be determined by the tax credit  
authority. If the taxpayer becomes eligible for the credit after  
the first day of the taxpayer's taxable year or after the first  
day of the calendar year that includes the tax period, the  
taxpayer's baseline income tax revenue for the first such taxable  
or calendar year of credit eligibility shall be reduced in  
proportion to the number of days during the taxable or calendar  
year for which the taxpayer was not eligible for the credit. For  
subsequent taxable or calendar years, "baseline income tax  
revenue" equals the unreduced baseline income tax revenue for the  
preceding taxable or calendar year multiplied by the sum of one  
plus the pay increase factor.

(3) "Excess income tax revenue" means income tax revenue  
minus baseline income tax revenue.

(4) "Taxable year" means the period covered by the taxpayer's  
annual statement to the superintendent of insurance for purposes  
of the credits granted by this section against the taxes imposed  
under sections 5725.18 and 5729.03 of the Revised Code.

(5) "Appalachian region" has the same meaning as in section  
107.21 of the Revised Code.

(B)(1) The tax credit authority may make grants under this  
section to foster job creation in this state. Such a grant shall  
take the form of a refundable credit allowed against the tax  
imposed by section 5725.18, 5729.03, 5733.06, ~~or 5747.02~~, or  
~~levied under Chapter 5751.~~ 5751.02 of the Revised Code. The credit  
shall be claimed for the taxable years or tax periods specified in  
the taxpayer's agreement with the tax credit authority under  
division (D) of this section. ~~With respect to taxes imposed under  
section 5733.06 or 5747.02 or Chapter 5751. of the Revised Code,~~  
~~the~~ The credit shall be claimed in the order required under  
section 5725.98, 5729.98, 5733.98, 5747.98, or 5751.98 of the

Revised Code. The amount of the credit available for a taxable 53  
year or for a calendar year that includes a tax period equals the 54  
excess income tax revenue for that year multiplied by the 55  
percentage specified in the agreement with the tax credit 56  
authority. Any credit granted under this section against the tax 57  
imposed by section 5733.06 or 5747.02 of the Revised Code, to the 58  
extent not fully utilized against such tax for taxable years 59  
ending prior to 2008, shall automatically be converted without any 60  
action taken by the tax credit authority to a credit against the 61  
tax levied under ~~Chapter 5751.~~ section 5751.02 of the Revised Code 62  
for tax periods beginning on or after July 1, 2008, provided that 63  
the person to whom the credit was granted is subject to such tax. 64  
The converted credit shall apply to those calendar years in which 65  
the remaining taxable years specified in the agreement end. 66

(2) The tax credit authority may make grants in the form of a 67  
refundable credit to a taxpayer or potential taxpayer to foster 68  
job creation in the Appalachian region. Grants made under division 69  
(B)(2) of this section are subject to the same requirements and 70  
limitations applicable to grants made under division (B)(1) of 71  
this section, except as follows: 72

(a) The project site shall be located in the Appalachian 73  
region. 74

(b) The taxpayer must create at least ten full-time 75  
equivalent employees at the project location. 76

(c) Eligibility for the grant may not be conditioned on any 77  
of the following: 78

(i) The creation of more than ten full-time equivalent 79  
employees at the project location; 80

(ii) The generation of a minimum amount of additional 81  
payroll; 82

(iii) A demonstration that a certain percentage of sales of 83

services, or revenues generated by sales of services, are 84  
generated or projected to be generated outside Ohio; 85

(iv) Whether the project site consists solely or partly of 86  
point-of-final-purchase retail facilities, notwithstanding 87  
division (F) of this section. 88

(d) The application fee may not exceed the actual and 89  
reasonable cost of processing the application. No fees other than 90  
an application fee and late fees may be charged. 91

(e) The credit may equal one hundred per cent of excess 92  
income tax revenue. 93

(f) The credit may be claimed against the taxes identified in 94  
division (B)(1) of this section, or the tax levied in section 95  
5707.03 of the Revised Code and assessed pursuant to section 96  
5725.13 of the Revised Code. 97

For purposes of division (B)(2) of this section, "full-time 98  
equivalent employees" has the same meaning as in section 122.171 99  
of the Revised Code. 100

(C) A taxpayer or potential taxpayer who proposes a project 101  
to create new jobs in this state may apply to the tax credit 102  
authority to enter into an agreement for a tax credit under this 103  
section. The director of development shall prescribe the form of 104  
the application. After receipt of an application, the authority 105  
may enter into an agreement with the taxpayer for a credit under 106  
this section if it determines all of the following: 107

(1) The taxpayer's project will increase payroll and income 108  
tax revenue; 109

(2) The taxpayer's project is economically sound and will 110  
benefit the people of this state by increasing opportunities for 111  
employment and strengthening the economy of this state; 112

(3) Receiving the tax credit is a major factor in the 113

taxpayer's decision to go forward with the project.	114
(D) An agreement under this section shall include all of the following:	115 116
(1) A detailed description of the project that is the subject of the agreement;	117 118
(2) The term of the tax credit, which shall not exceed fifteen years, and the first taxable year, or first calendar year that includes a tax period, for which the credit may be claimed;	119 120 121
(3) A requirement that the taxpayer shall maintain operations at the project location for at least the greater of seven years or the term of the credit plus three years;	122 123 124
(4) The percentage, as determined by the tax credit authority, of excess income tax revenue that will be allowed as the amount of the credit for each taxable year or for each calendar year that includes a tax period;	125 126 127 128
(5) The pay increase factor to be applied to the taxpayer's baseline income tax revenue;	129 130
(6) A requirement that the taxpayer annually shall report to the director of development employment, tax withholding, investment, and other information the director needs to perform the director's duties under this section;	131 132 133 134
(7) A requirement that the director of development annually review the information reported under division (D)(6) of this section and verify compliance with the agreement; if the taxpayer is in compliance, a requirement that the director issue a certificate to the taxpayer stating that the information has been verified and identifying the amount of the credit that may be claimed for the taxable or calendar year;	135 136 137 138 139 140 141
(8) A provision providing that the taxpayer may not relocate a substantial number of employment positions from elsewhere in	142 143

this state to the project location unless the director of 144  
development determines that the legislative authority of the 145  
county, township, or municipal corporation from which the 146  
employment positions would be relocated has been notified by the 147  
taxpayer of the relocation. 148

For purposes of this section, the movement of an employment 149  
position from one political subdivision to another political 150  
subdivision shall be considered a relocation of an employment 151  
position unless the employment position in the first political 152  
subdivision is replaced. 153

(E) If a taxpayer fails to meet or comply with any condition 154  
or requirement set forth in a tax credit agreement, the tax credit 155  
authority may amend the agreement to reduce the percentage or term 156  
of the tax credit. The reduction of the percentage or term may 157  
take effect in the current taxable or calendar year. 158

(F) Projects that consist solely of point-of-final-purchase 159  
retail facilities are not eligible for a tax credit under this 160  
section. If a project consists of both point-of-final-purchase 161  
retail facilities and nonretail facilities, only the portion of 162  
the project consisting of the nonretail facilities is eligible for 163  
a tax credit and only the excess income tax revenue from the 164  
nonretail facilities shall be considered when computing the amount 165  
of the tax credit. If a warehouse facility is part of a 166  
point-of-final-purchase retail facility and supplies only that 167  
facility, the warehouse facility is not eligible for a tax credit. 168  
Catalog distribution centers are not considered 169  
point-of-final-purchase retail facilities for the purposes of this 170  
division, and are eligible for tax credits under this section. 171

(G) Financial statements and other information submitted to 172  
the department of development or the tax credit authority by an 173  
applicant or recipient of a tax credit under this section, and any 174  
information taken for any purpose from such statements or 175

information, are not public records subject to section 149.43 of 176  
the Revised Code. However, the chairperson of the authority may 177  
make use of the statements and other information for purposes of 178  
issuing public reports or in connection with court proceedings 179  
concerning tax credit agreements under this section. Upon the 180  
request of the tax commissioner or, if the applicant or recipient 181  
is an insurance company, upon the request of the superintendent of 182  
insurance, the chairperson of the authority shall provide to the 183  
commissioner or superintendent any statement or information 184  
submitted by an applicant or recipient of a tax credit in 185  
connection with the credit. The commissioner or superintendent 186  
shall preserve the confidentiality of the statement or 187  
information. 188

(H) A taxpayer claiming a credit under this section shall 189  
submit to the tax commissioner or, if the taxpayer is an insurance 190  
company, to the superintendent of insurance, a copy of the 191  
director of development's certificate of verification under 192  
division (D)(7) of this section with the taxpayer's tax report or 193  
return for the taxable year or for the calendar year that includes 194  
the tax period. Failure to submit a copy of the certificate with 195  
the report or return does not invalidate a claim for a credit if 196  
the taxpayer submits a copy of the certificate to the commissioner 197  
or superintendent within sixty days after the commissioner or 198  
superintendent requests it. 199

(I) The director of development, after consultation with the 200  
tax commissioner and the superintendent of insurance and in 201  
accordance with Chapter 119. of the Revised Code, shall adopt 202  
rules necessary to implement this section. The rules may provide 203  
for recipients of tax credits under this section to be charged 204  
fees to cover administrative costs of the tax credit program. The 205  
fees collected shall be credited to the tax incentive programs 206  
operating fund created in section 122.174 of the Revised Code. At 207

the time the director gives public notice under division (A) of 208  
section 119.03 of the Revised Code of the adoption of the rules, 209  
the director shall submit copies of the proposed rules to the 210  
chairpersons of the standing committees on economic development in 211  
the senate and the house of representatives. 212

(J) For the purposes of this section, a taxpayer may include 213  
a partnership, a corporation that has made an election under 214  
subchapter S of chapter one of subtitle A of the Internal Revenue 215  
Code, or any other business entity through which income flows as a 216  
distributive share to its owners. A partnership, S-corporation, or 217  
other such business entity may elect to pass the credit received 218  
under this section through to the persons to whom the income or 219  
profit of the partnership, S-corporation, or other entity is 220  
distributed. The election shall be made on the annual report 221  
required under division (D)(6) of this section. The election 222  
applies to and is irrevocable for the credit for which the report 223  
is submitted. If the election is made, the credit shall be 224  
apportioned among those persons in the same proportions as those 225  
in which the income or profit is distributed. 226

(K) If the director of development determines that a taxpayer 227  
who has received a credit under this section is not complying with 228  
the requirement under division (D)(3) of this section, the 229  
director shall notify the tax credit authority of the 230  
noncompliance. After receiving such a notice, and after giving the 231  
taxpayer an opportunity to explain the noncompliance, the tax 232  
credit authority may require the taxpayer to refund to this state 233  
a portion of the credit in accordance with the following: 234

(1) If the taxpayer maintained operations at the project 235  
location for a period less than or equal to the term of the 236  
credit, an amount not exceeding one hundred per cent of the sum of 237  
any credits allowed and received under this section; 238

(2) If the taxpayer maintained operations at the project 239

location for a period longer than the term of the credit, but less 240  
than the greater of seven years or the term of the credit plus 241  
three years, an amount not exceeding seventy-five per cent of the 242  
sum of any credits allowed and received under this section. 243

In determining the portion of the tax credit to be refunded 244  
to this state, the tax credit authority shall consider the effect 245  
of market conditions on the taxpayer's project and whether the 246  
taxpayer continues to maintain other operations in this state. 247  
After making the determination, the authority shall certify the 248  
amount to be refunded to the tax commissioner or superintendent of 249  
insurance, as appropriate. If the amount is certified to the 250  
commissioner, the commissioner shall make an assessment for that 251  
amount against the taxpayer under Chapter 5725., 5733., 5747., or 252  
5751. of the Revised Code. If the amount is certified to the 253  
superintendent, the superintendent shall make an assessment for 254  
that amount against the taxpayer under Chapter 5725. or 5729. of 255  
the Revised Code. The time limitations on assessments under those 256  
chapters do not apply to an assessment under this division, but 257  
the commissioner or superintendent, as appropriate, shall make the 258  
assessment within one year after the date the authority certifies 259  
to the commissioner or superintendent the amount to be refunded. 260

(L) On or before the first day of August each year, the 261  
director of development shall submit a report to the governor, the 262  
president of the senate, and the speaker of the house of 263  
representatives on the tax credit program under this section. The 264  
report shall include information on the number of agreements that 265  
were entered into under this section during the preceding calendar 266  
year, a description of the project that is the subject of each 267  
such agreement, and an update on the status of projects under 268  
agreements entered into before the preceding calendar year. 269

(M) There is hereby created the tax credit authority, which 270  
consists of the director of development and four other members 271

appointed as follows: the governor, the president of the senate, 272  
and the speaker of the house of representatives each shall appoint 273  
one member who shall be a specialist in economic development; the 274  
governor also shall appoint a member who is a specialist in 275  
taxation. Of the initial appointees, the members appointed by the 276  
governor shall serve a term of two years; the members appointed by 277  
the president of the senate and the speaker of the house of 278  
representatives shall serve a term of four years. Thereafter, 279  
terms of office shall be for four years. Initial appointments to 280  
the authority shall be made within thirty days after January 13, 281  
1993. Each member shall serve on the authority until the end of 282  
the term for which the member was appointed. Vacancies shall be 283  
filled in the same manner provided for original appointments. Any 284  
member appointed to fill a vacancy occurring prior to the 285  
expiration of the term for which the member's predecessor was 286  
appointed shall hold office for the remainder of that term. 287  
Members may be reappointed to the authority. Members of the 288  
authority shall receive their necessary and actual expenses while 289  
engaged in the business of the authority. The director of 290  
development shall serve as chairperson of the authority, and the 291  
members annually shall elect a vice-chairperson from among 292  
themselves. Three members of the authority constitute a quorum to 293  
transact and vote on the business of the authority. The majority 294  
vote of the membership of the authority is necessary to approve 295  
any such business, including the election of the vice-chairperson. 296

The director of development may appoint a professional 297  
employee of the department of development to serve as the 298  
director's substitute at a meeting of the authority. The director 299  
shall make the appointment in writing. In the absence of the 300  
director from a meeting of the authority, the appointed substitute 301  
shall serve as chairperson. In the absence of both the director 302  
and the director's substitute from a meeting, the vice-chairperson 303  
shall serve as chairperson. 304

~~(N) For purposes of the credits granted by this section 305  
against the taxes imposed under sections 5725.18 and 5729.03 of 306  
the Revised Code, "taxable year" means the period covered by the 307  
taxpayer's annual statement to the superintendent of insurance. 308~~

Sec. 122.175. For purposes of this section, "Appalachian 309  
region" has the same meaning as in section 107.21 of the Revised 310  
Code. 311

A refundable credit is allowed for investment in property for 312  
which a depreciation deduction is allowed under 26 U.S.C. 167 that 313  
is used in a trade or business located in the Appalachian region. 314  
The credit may be claimed against the tax imposed by section 315  
5707.03 of the Revised Code and assessed pursuant to section 316  
5725.13 of the Revised Code, or the tax imposed by section 317  
5725.18, 5729.03, 5733.06, 5747.02, or 5751.02 of the Revised 318  
Code. 319

The credit for a taxable year or tax period equals the 320  
original cost of the property incurred by the taxpayer multiplied 321  
by a percentage. The percentage is based on the taxpayer's Ohio 322  
net profit for the taxable or calendar year in which the taxpayer 323  
first uses the property in business in the Appalachian region or 324  
the original cost of the property incurred by the taxpayer, 325  
whichever is greater. If the greater of the taxpayer's net profit 326  
or the property's original cost is less than one hundred thousand 327  
dollars, the percentage is ten per cent. If the greater of the 328  
taxpayer's net profit or the property's original cost is one 329  
hundred thousand dollars or more, the percentage equals fifteen 330  
per cent plus, for each increment of one thousand dollars in 331  
excess of one hundred thousand dollars, one-tenth of one per cent. 332  
The percentage may not exceed fifty-five per cent. 333

The credit shall be claimed in the order required under 334  
section 5725.98, 5729.98, 5733.98, 5747.98, or 5751.98 of the 335

Revised Code and shall be claimed for the taxable year, or the 336  
last tax period in the calendar year, in which the taxpayer first 337  
used the property in business in the Appalachian region. If the 338  
credit exceeds the taxpayer's tax liability for the taxable year 339  
or tax period after subtracting all other credits, the taxpayer is 340  
entitled to a refund of the excess. Nothing in this section limits 341  
or disallows pass-through treatment of the credit. If pass-through 342  
treatment is elected, the pass-through entity may not claim the 343  
credit against any tax for which the entity is liable as an 344  
entity. 345

The director of development shall adopt rules under Chapter 346  
119. of the Revised Code to administer this section, including a 347  
rule defining "Ohio net profit." 348

**Sec. 5725.98.** (A) To provide a uniform procedure for 349  
calculating the amount of tax imposed by section 5725.18 of the 350  
Revised Code that is due under this chapter, a taxpayer shall 351  
claim any credits and offsets against tax liability to which it is 352  
entitled in the following order: 353

(1) The credit for an insurance company or insurance company 354  
group under section 5729.031 of the Revised Code. 355

(2) The credit for eligible employee training costs under 356  
section 5725.31 of the Revised Code. 357

(3) The credit for purchasers of qualified low-income 358  
community investments under section 5725.33 of the Revised Code. 359

(4) The job retention credit under section 122.171 of the 360  
Revised Code. 361

(5) The offset of assessments by the Ohio life and health 362  
insurance guaranty association permitted by section 3956.20 of the 363  
Revised Code. 364

(6) The refundable credit for Ohio job creation under section 365

5725.32 of the Revised Code.	366
(7) The refundable credit under section 5725.19 of the Revised Code for losses on loans made under the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code.	367 368 369 370
<u>(8) The refundable credit for investing in property used in a trade or business in the Appalachian region under section 122.175 of the Revised Code.</u>	371 372 373
(B) For any credit except the <u>refundable</u> credits enumerated in <del>divisions (A)(6) and (7)</del> of this section, 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.	374 375 376 377 378 379 380 381 382
<b>Sec. 5729.98.</b> (A) To provide a uniform procedure for calculating the amount of tax due under this chapter, a taxpayer shall claim any credits and offsets against tax liability to which it is entitled in the following order:	383 384 385 386
(1) The credit for an insurance company or insurance company group under section 5729.031 of the Revised Code.	387 388
(2) The credit for eligible employee training costs under section 5729.07 of the Revised Code.	389 390
(3) The credit for purchases of qualified low-income community investments under section 5729.16 of the Revised Code+.	391 392
(4) The job retention credit under section 122.171 of the Revised Code.	393 394
(5) The offset of assessments by the Ohio life and health	395

insurance guaranty association against tax liability permitted by 396  
section 3956.20 of the Revised Code. 397

(6) The refundable credit for Ohio job creation under section 398  
5729.032 of the Revised Code. 399

(7) The refundable credit under section 5729.08 of the 400  
Revised Code for losses on loans made under the Ohio venture 401  
capital program under sections 150.01 to 150.10 of the Revised 402  
Code. 403

(8) The refundable credit for investing in property used in a 404  
trade or business in the Appalachian region under section 122.175 405  
of the Revised Code. 406

(B) For any credit except the refundable credits enumerated 407  
in ~~divisions (A)(6) and (7)~~ of this section, the amount of the 408  
credit for a taxable year shall not exceed the tax due after 409  
allowing for any other credit that precedes it in the order 410  
required under this section. Any excess amount of a particular 411  
credit may be carried forward if authorized under the section 412  
creating that credit. Nothing in this chapter shall be construed 413  
to allow a taxpayer to claim, directly or indirectly, a credit 414  
more than once for a taxable year. 415

**Sec. 5733.98.** (A) To provide a uniform procedure for 416  
calculating the amount of tax imposed by section 5733.06 of the 417  
Revised Code that is due under this chapter, a taxpayer shall 418  
claim any credits to which it is entitled in the following order, 419  
except as otherwise provided in section 5733.058 of the Revised 420  
Code: 421

(1) For tax year 2005, the credit for taxes paid by a 422  
qualifying pass-through entity allowed under section 5733.0611 of 423  
the Revised Code; 424

(2) The credit allowed for financial institutions under 425

section 5733.45 of the Revised Code;	426
(3) The credit for qualifying affiliated groups under section 5733.068 of the Revised Code;	427 428
(4) The subsidiary corporation credit under section 5733.067 of the Revised Code;	429 430
(5) The savings and loan assessment credit under section 5733.063 of the Revised Code;	431 432
(6) The credit for recycling and litter prevention donations under section 5733.064 of the Revised Code;	433 434
(7) The credit for employers that enter into agreements with child day-care centers under section 5733.36 of the Revised Code;	435 436
(8) The credit for employers that reimburse employee child care expenses under section 5733.38 of the Revised Code;	437 438
(9) The credit for maintaining railroad active grade crossing warning devices under section 5733.43 of the Revised Code;	439 440
(10) The credit for purchases of lights and reflectors under section 5733.44 of the Revised Code;	441 442
(11) The job retention credit under division (B) of section 5733.0610 of the Revised Code;	443 444
(12) The credit for tax years 2008 and 2009 for selling alternative fuel under section 5733.48 of the Revised Code;	445 446
(13) The second credit for purchases of new manufacturing machinery and equipment under section 5733.33 of the Revised Code;	447 448
(14) The job training credit under section 5733.42 of the Revised Code;	449 450
(15) The credit for qualified research expenses under section 5733.351 of the Revised Code;	451 452
(16) The enterprise zone credit under section 5709.66 of the Revised Code;	453 454

(17) The credit for the eligible costs associated with a voluntary action under section 5733.34 of the Revised Code;	455 456
(18) The credit for employers that establish on-site child day-care centers under section 5733.37 of the Revised Code;	457 458
(19) The ethanol plant investment credit under section 5733.46 of the Revised Code;	459 460
(20) The credit for purchases of qualifying grape production property under section 5733.32 of the Revised Code;	461 462
(21) The export sales credit under section 5733.069 of the Revised Code;	463 464
(22) The credit for research and development and technology transfer investors under section 5733.35 of the Revised Code;	465 466
(23) The enterprise zone credits under section 5709.65 of the Revised Code;	467 468
(24) The credit for using Ohio coal under section 5733.39 of the Revised Code;	469 470
(25) The credit for purchases of qualified low-income community investments under section 5733.58 of the Revised Code;	471 472
(26) The credit for small telephone companies under section 5733.57 of the Revised Code;	473 474
(27) The credit for eligible nonrecurring 9-1-1 charges under section 5733.55 of the Revised Code;	475 476
(28) For tax year 2005, the credit for providing programs to aid the communicatively impaired under division (A) of section 5733.56 of the Revised Code;	477 478 479
(29) The research and development credit under section 5733.352 of the Revised Code;	480 481
(30) For tax years 2006 and subsequent tax years, the credit for taxes paid by a qualifying pass-through entity allowed under	482 483

section 5733.0611 of the Revised Code;	484
(31) The refundable credit for rehabilitating a historic building under section 5733.47 of the Revised Code;	485 486
(32) The refundable jobs creation credit under division (A) of section 5733.0610 of the Revised Code;	487 488
(33) The refundable credit for tax withheld under division (B)(2) of section 5747.062 of the Revised Code;	489 490
(34) The refundable credit under section 5733.49 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;	491 492 493
(35) For tax years 2006, 2007, and 2008, the refundable credit allowable under division (B) of section 5733.56 of the Revised Code;	494 495 496
(36) The refundable motion picture production credit under section 5733.59 of the Revised Code;	497 498
<u>(37) The refundable credit for investing in property used in a trade or business in the Appalachian region under section 122.175 of the Revised Code.</u>	499 500 501
(B) For any credit except the <u>refundable</u> credits enumerated in <del>divisions (A)(31) to (36)</del> of this section, the amount of the credit for a tax 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.	502 503 504 505 506 507 508
<b>Sec. 5747.98.</b> (A) To provide a uniform procedure for calculating the amount of tax due under section 5747.02 of the Revised Code, a taxpayer shall claim any credits to which the taxpayer is entitled in the following order:	509 510 511 512

(1) The retirement income credit under division (B) of section 5747.055 of the Revised Code;	513 514
(2) The senior citizen credit under division (C) of section 5747.05 of the Revised Code;	515 516
(3) The lump sum distribution credit under division (D) of section 5747.05 of the Revised Code;	517 518
(4) The dependent care credit under section 5747.054 of the Revised Code;	519 520
(5) The lump sum retirement income credit under division (C) of section 5747.055 of the Revised Code;	521 522
(6) The lump sum retirement income credit under division (D) of section 5747.055 of the Revised Code;	523 524
(7) The lump sum retirement income credit under division (E) of section 5747.055 of the Revised Code;	525 526
(8) The low-income credit under section 5747.056 of the Revised Code;	527 528
(9) The credit for displaced workers who pay for job training under section 5747.27 of the Revised Code;	529 530
(10) The campaign contribution credit under section 5747.29 of the Revised Code;	531 532
(11) The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;	533 534
(12) The joint filing credit under division (G) of section 5747.05 of the Revised Code;	535 536
(13) The nonresident credit under division (A) of section 5747.05 of the Revised Code;	537 538
(14) The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	539 540
(15) The credit for employers that enter into agreements with	541

child day-care centers under section 5747.34 of the Revised Code;	542
(16) The credit for employers that reimburse employee child care expenses under section 5747.36 of the Revised Code;	543 544
(17) The credit for adoption of a minor child under section 5747.37 of the Revised Code;	545 546
(18) The credit for purchases of lights and reflectors under section 5747.38 of the Revised Code;	547 548
(19) The job retention credit under division (B) of section 5747.058 of the Revised Code;	549 550
(20) The credit for selling alternative fuel under section 5747.77 of the Revised Code;	551 552
(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;	553 554 555
(22) The job training credit under section 5747.39 of the Revised Code;	556 557
(23) The enterprise zone credit under section 5709.66 of the Revised Code;	558 559
(24) The credit for the eligible costs associated with a voluntary action under section 5747.32 of the Revised Code;	560 561
(25) The credit for employers that establish on-site child day-care centers under section 5747.35 of the Revised Code;	562 563
(26) The ethanol plant investment credit under section 5747.75 of the Revised Code;	564 565
(27) The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	566 567
(28) The export sales credit under section 5747.057 of the Revised Code;	568 569
(29) The credit for research and development and technology	570

transfer investors under section 5747.33 of the Revised Code;	571
(30) The enterprise zone credits under section 5709.65 of the Revised Code;	572 573
(31) The research and development credit under section 5747.331 of the Revised Code;	574 575
(32) The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	576 577
(33) The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	578 579
(34) The refundable jobs creation credit under division (A) of section 5747.058 of the Revised Code;	580 581
(35) The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	582 583
(36) The refundable credits for taxes paid by a qualifying pass-through entity granted under division (J) of section 5747.08 of the Revised Code;	584 585 586
(37) The refundable credit for tax withheld under division (B)(1) of section 5747.062 of the Revised Code;	587 588
(38) The refundable credit for tax withheld under section 5747.063 of the Revised Code;	589 590
(39) 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;	591 592 593
(40) The refundable motion picture production credit under section 5747.66 of the Revised Code;	594 595
<u>(41) The refundable credit for investing in property used in a trade or business in the Appalachian region under section 122.175 of the Revised Code.</u>	596 597 598
(B) For any credit, except the refundable credits enumerated	599

in this section and the credit granted under division (I) of 600  
section 5747.08 of the Revised Code, the amount of the credit for 601  
a taxable year shall not exceed the tax due after allowing for any 602  
other credit that precedes it in the order required under this 603  
section. Any excess amount of a particular credit may be carried 604  
forward if authorized under the section creating that credit. 605  
Nothing in this chapter shall be construed to allow a taxpayer to 606  
claim, directly or indirectly, a credit more than once for a 607  
taxable year. 608

**Sec. 5751.98.** (A) To provide a uniform procedure for 609  
calculating the amount of tax due under this chapter, a taxpayer 610  
shall claim any credits to which it is entitled in the following 611  
order: 612

(1) The nonrefundable jobs retention credit under division 613  
(B) of section 5751.50 of the Revised Code; 614

(2) The nonrefundable credit for qualified research expenses 615  
under division (B) of section 5751.51 of the Revised Code; 616

(3) The nonrefundable credit for a borrower's qualified 617  
research and development loan payments under division (B) of 618  
section 5751.52 of the Revised Code; 619

(4) The nonrefundable credit for calendar years 2010 to 2029 620  
for unused net operating losses under division (B) of section 621  
5751.53 of the Revised Code; 622

(5) The refundable credit for calendar year 2030 for unused 623  
net operating losses under division (C) of section 5751.53 of the 624  
Revised Code; 625

(6) The refundable jobs creation credit under division (A) of 626  
section 5751.50 of the Revised Code; 627

(7) The refundable credit for investing in property used in a 628  
trade or business in the Appalachian region under section 122.175 629

of the Revised Code. 630

(B) For any credit except the ~~credit~~ refundable credits 631  
enumerated in ~~division (A)(4)~~ of this section, the amount of the 632  
credit for a tax period shall not exceed the tax due after 633  
allowing for any other credit that precedes it in the order 634  
required under this section. Any excess amount of a particular 635  
credit may be carried forward if authorized under the section 636  
creating the credit. 637

**Section 2.** That existing sections 122.17, 5725.98, 5729.98, 638  
5733.98, 5747.98, and 5751.98 of the Revised Code are hereby 639  
repealed. 640