

**As Introduced**

**128th General Assembly  
Regular Session  
2009-2010**

**S. B. No. 310**

**Senator Kearney**

—

**A BILL**

To amend section 5747.98 and to enact section 5747.85 1  
of the Revised Code to authorize an income tax 2  
credit for residential landlords who improve a 3  
rental unit's energy efficiency. 4

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

**Section 1.** That section 5747.98 be amended and section 5  
5747.85 of the Revised Code be enacted to read as follows: 6

**Sec. 5747.85.** (A) For purposes of this section: 7

(1) "Energy efficiency improvement" has the same meaning as 8  
in section 1710.01 of the Revised Code. 9

(2) "Energy-saving device" means a residential washer, dryer, 10  
range, refrigerator, freezer, water heater, dishwasher, trash 11  
compactor, air conditioner, furnace, or other similar product used 12  
for regulating air or water temperature, cooking, sanitary 13  
purposes, or other household purposes, or a window or door on an 14  
outside wall of a home, if the device carries the energy star 15  
label indicating that it meets the efficiency criteria of the 16  
energy star program established by the United States department of 17  
energy and the United States environmental protection agency. 18  
"Energy-saving device" does not include any television or other 19  
appliance used primarily for entertainment. 20

(3) "Residential rental property" means real property on 21  
which is located one or more dwelling units leased to tenants 22  
solely for residential purposes, but does not include a hotel or a 23  
college or university dormitory. 24

(4) "Pass-through entity" includes a sole proprietor. 25

(B) A taxpayer who is an investor in a pass-through entity 26  
that owns residential rental property may claim a refundable 27  
credit against the tax imposed by section 5747.02 of the Revised 28  
Code if on or after January 1, 2011, the entity purchases and 29  
installs in the rental property an energy-saving device or the 30  
entity improves the rental property with an energy efficiency 31  
improvement installed by a person who is accredited by the 32  
building performance institute. The taxpayer may claim the 33  
taxpayer's proportionate or distributive share of fifteen per cent 34  
of the sum of the purchase and installation cost of the device or 35  
improvement. The taxpayer shall claim the credit in the taxpayer's 36  
taxable year that includes the last day of the pass-through 37  
entity's taxable year in which the installation was completed. The 38  
taxpayer shall claim the credit in the order required under 39  
section 5747.98 of the Revised Code. If the credit amount exceeds 40  
the tax otherwise due under section 5747.02 of the Revised Code 41  
after deducting all other credits in that order, the taxpayer may 42  
claim a refund of the excess. 43

**Sec. 5747.98.** (A) To provide a uniform procedure for 44  
calculating the amount of tax due under section 5747.02 of the 45  
Revised Code, a taxpayer shall claim any credits to which the 46  
taxpayer is entitled in the following order: 47

(1) The retirement income credit under division (B) of 48  
section 5747.055 of the Revised Code; 49

(2) The senior citizen credit under division (C) of section 50  
5747.05 of the Revised Code; 51

(3) The lump sum distribution credit under division (D) of section 5747.05 of the Revised Code;	52 53
(4) The dependent care credit under section 5747.054 of the Revised Code;	54 55
(5) The lump sum retirement income credit under division (C) of section 5747.055 of the Revised Code;	56 57
(6) The lump sum retirement income credit under division (D) of section 5747.055 of the Revised Code;	58 59
(7) The lump sum retirement income credit under division (E) of section 5747.055 of the Revised Code;	60 61
(8) The low-income credit under section 5747.056 of the Revised Code;	62 63
(9) The credit for displaced workers who pay for job training under section 5747.27 of the Revised Code;	64 65
(10) The campaign contribution credit under section 5747.29 of the Revised Code;	66 67
(11) The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;	68 69
(12) The joint filing credit under division (G) of section 5747.05 of the Revised Code;	70 71
(13) The nonresident credit under division (A) of section 5747.05 of the Revised Code;	72 73
(14) The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	74 75
(15) The credit for employers that enter into agreements with child day-care centers under section 5747.34 of the Revised Code;	76 77
(16) The credit for employers that reimburse employee child care expenses under section 5747.36 of the Revised Code;	78 79
(17) The credit for adoption of a minor child under section	80

5747.37 of the Revised Code;	81
(18) The credit for purchases of lights and reflectors under section 5747.38 of the Revised Code;	82 83
(19) The job retention credit under division (B) of section 5747.058 of the Revised Code;	84 85
(20) The credit for selling alternative fuel under section 5747.77 of the Revised Code;	86 87
(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;	88 89 90
(22) The job training credit under section 5747.39 of the Revised Code;	91 92
(23) The enterprise zone credit under section 5709.66 of the Revised Code;	93 94
(24) The credit for the eligible costs associated with a voluntary action under section 5747.32 of the Revised Code;	95 96
(25) The credit for employers that establish on-site child day-care centers under section 5747.35 of the Revised Code;	97 98
(26) The ethanol plant investment credit under section 5747.75 of the Revised Code;	99 100
(27) The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	101 102
(28) The export sales credit under section 5747.057 of the Revised Code;	103 104
(29) The credit for research and development and technology transfer investors under section 5747.33 of the Revised Code;	105 106
(30) The enterprise zone credits under section 5709.65 of the Revised Code;	107 108
(31) The research and development credit under section	109

5747.331 of the Revised Code;	110
(32) The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	111 112
(33) The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	113 114
(34) The refundable jobs creation credit under division (A) of section 5747.058 of the Revised Code;	115 116
(35) The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	117 118
(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;	119 120 121
(37) The refundable credit for tax withheld under division (B)(1) of section 5747.062 of the Revised Code;	122 123
(38) The refundable credit for tax withheld under section 5747.063 of the Revised Code;	124 125
(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;	126 127 128
(40) The refundable motion picture production credit under section 5747.66 of the Revised Code;	129 130
<u>(41) The refundable credit for rental property energy efficiency improvements under section 5747.85 of the Revised Code.</u>	131 132
(B) For any credit, except the refundable credits enumerated in 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.	133 134 135 136 137 138 139

Nothing in this chapter shall be construed to allow a taxpayer to 140  
claim, directly or indirectly, a credit more than once for a 141  
taxable year. 142

**Section 2.** That existing section 5747.98 of the Revised Code 143  
is hereby repealed. 144