

As Introduced

**129th General Assembly
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H. B. No. 406

Representative Beck

Cosponsors: Representatives Reece, Combs

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A B I L L

To amend section 5747.98 and to enact section 5747.78 1
of the Revised Code to authorize a nonrefundable 2
income tax credit for the purchase of a new home. 3

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

Section 1. That section 5747.98 be amended and section 4
5747.78 of the Revised Code be enacted to read as follows: 5

Sec. 5747.78. (A) As used in this section: 6

(1) "Qualified principal residence" means a single-family 7
residence, whether detached or attached, that has never been 8
occupied and that is purchased to be the principal residence of 9
the taxpayer for a minimum of twenty-four months. "Qualified 10
principal residence" does not include a new residence built by or 11
on the order of the taxpayer on land owned by the taxpayer before 12
construction begins. 13

(2) "Single-family residence" means a residential structure 14
built to be occupied by a single family, including a detached 15
house, a condominium or townhouse, or a unit in a housing 16
cooperative as defined by section 323.151 of the Revised Code. 17

(3) "Purchase" means the date on which escrow closes with 18

respect to the purchase of a qualified principal residence. 19

(4) "Annual credit limit" means the total amount of all 20
credits that may be authorized under this section for a calendar 21
year. The "annual credit limit" equals fifty million dollars. 22

(B) A nonrefundable credit may be claimed against the tax 23
imposed by section 5747.02 of the Revised Code by a taxpayer that 24
purchases a qualified principal residence located in this state on 25
or after the effective date of the enactment of this section and 26
before January 1, 2014. The amount of the credit shall equal the 27
lesser of ten per cent of the purchase price of the qualified 28
principal residence or fifty thousand dollars. 29

(C) A taxpayer that purchases a qualified principal residence 30
shall submit an application for the credit to the department of 31
development on or before the last day of the taxable year in which 32
the qualified principal residence was purchased or within one week 33
after the date of purchase, whichever is later. The department 34
shall prescribe the form of the application. Upon receipt of an 35
application, the department shall approve the application if each 36
of the following apply: 37

(1) The taxpayer has purchased a qualified principal 38
residence; 39

(2) The annual credit limit has not been reached; 40

(3) The application includes a certification from the seller 41
of the qualified principal residence that the residence has not 42
been previously occupied; 43

(4) The taxpayer has not previously received a credit under 44
this section; 45

(5) The taxpayer certifies in the application that the 46
taxpayer intends to occupy the qualified principal residence for 47
at least twenty-four months after the date of purchase. 48

(D) The taxpayer shall claim the credit allowed under this section in the order prescribed in section 5747.98 of the Revised Code. The credit, to the extent it exceeds the taxpayer's tax liability for a taxable year after allowance for any other credits that precede the credit in that order, shall be carried forward to the next succeeding taxable year or years until fully used.

(E) If a taxpayer is awarded a credit under this section but does not occupy the qualified principal residence as the taxpayer's principal residence for at least twenty-four months after the date of purchase, the taxpayer may not claim any unused portion of the credit for the taxable year in which the taxpayer ceases to occupy the qualified principal residence and shall repay the full credit amount claimed for any preceding taxable year. If a taxpayer dies within two years after the date of purchase of a qualified principal residence for which a credit has been allowed, the awarded credit is not subject to recapture under this division. The amount to be recaptured may be collected by assessment as unpaid tax under section 5747.13 of the Revised Code.

(F) If two or more taxpayers who are not married taxpayers filing a joint return purchase a qualified principal residence, the amount of the credit shall be allocated among the taxpayers in proportion to each taxpayer's percentage of ownership of the residence.

Sec. 5747.98. (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:

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

(2) The senior citizen credit under division (C) of section

5747.05 of the Revised Code;	80
(3) The lump sum distribution credit under division (D) of section 5747.05 of the Revised Code;	81 82
(4) The dependent care credit under section 5747.054 of the Revised Code;	83 84
(5) The lump sum retirement income credit under division (C) of section 5747.055 of the Revised Code;	85 86
(6) The lump sum retirement income credit under division (D) of section 5747.055 of the Revised Code;	87 88
(7) The lump sum retirement income credit under division (E) of section 5747.055 of the Revised Code;	89 90
(8) The low-income credit under section 5747.056 of the Revised Code;	91 92
(9) The credit for displaced workers who pay for job training under section 5747.27 of the Revised Code;	93 94
(10) The campaign contribution credit under section 5747.29 of the Revised Code;	95 96
(11) The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;	97 98
(12) The joint filing credit under division (G) of section 5747.05 of the Revised Code;	99 100
(13) The nonresident credit under division (A) of section 5747.05 of the Revised Code;	101 102
(14) The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	103 104
(15) The credit for employers that enter into agreements with child day-care centers under section 5747.34 of the Revised Code;	105 106
(16) The credit for employers that reimburse employee child care expenses under section 5747.36 of the Revised Code;	107 108

(17) The credit for adoption of a minor child under section 5747.37 of the Revised Code;	109 110
(18) The credit for purchases of lights and reflectors under section 5747.38 of the Revised Code;	111 112
(19) The nonrefundable job retention credit under division (B) of section 5747.058 of the Revised Code;	113 114
(20) The credit for selling alternative fuel under section 5747.77 of the Revised Code;	115 116
(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;	117 118 119
(22) The job training credit under section 5747.39 of the Revised Code;	120 121
(23) The enterprise zone credit under section 5709.66 of the Revised Code;	122 123
(24) The credit for the eligible costs associated with a voluntary action under section 5747.32 of the Revised Code;	124 125
(25) The credit for employers that establish on-site child day-care centers under section 5747.35 of the Revised Code;	126 127
(26) The ethanol plant investment credit under section 5747.75 of the Revised Code;	128 129
(27) The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	130 131
(28) The small business investment credit under section 5747.81 of the Revised Code;	132 133
(29) The credit for research and development and technology transfer investors under section 5747.33 of the Revised Code;	134 135
(30) The enterprise zone credits under section 5709.65 of the Revised Code;	136 137

(31) The research and development credit under section 5747.331 of the Revised Code;	138 139
(32) The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	140 141
(33) <u>The credit for the purchase of a new home under section 5747.78 of the Revised Code;</u>	142 143
<u>(34)</u> The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	144 145
(34) <u>(35)</u> The refundable jobs creation credit or job retention credit under division (A) of section 5747.058 of the Revised Code;	146 147
(35) <u>(36)</u> The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	148 149
(36) <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;	150 151 152
(37) <u>(38)</u> The refundable credit for tax withheld under division (B)(1) of section 5747.062 of the Revised Code;	153 154
(38) <u>(39)</u> The refundable credit for tax withheld under section 5747.063 of the Revised Code;	155 156
(39) <u>(40)</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;	157 158 159
(40) <u>(41)</u> The refundable motion picture production credit under section 5747.66 of the Revised Code.	160 161
(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	162 163 164 165 166 167

forward if authorized under the section creating that credit.	168
Nothing in this chapter shall be construed to allow a taxpayer to	169
claim, directly or indirectly, a credit more than once for a	170
taxable year.	171
Section 2. That existing section 5747.98 of the Revised Code	172
is hereby repealed.	173