

As Introduced

**129th General Assembly
Regular Session
2011-2012**

S. B. No. 278

Senators Kearney, Turner

Cosponsors: Senators Brown, Sawyer, Schiavoni, Skindell, Smith, Tavares

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A B I L L

To amend sections 122.075, 122.71, 122.72, 122.74,	1
122.75, 122.88, 122.89, 122.90, 125.831, 169.05,	2
4141.01, 4141.241, 4141.29, 4301.20, 4719.01,	3
5733.01, 5733.98, 5739.01, 5739.02, 5739.025,	4
5739.03, 5741.02, 5747.01, 5747.98, 5751.01,	5
5751.98, and 6301.06, to enact sections 122.084,	6
122.721, 122.731, 122.891, 4141.293, 4141.302,	7
4141.50 to 4141.58, 5709.29, 5747.61, 5751.55,	8
6301.021, 6303.01, and 6303.02, and to repeal	9
sections 901.13, 5733.46, 5733.48, 5747.28,	10
5747.29, 5747.70, 5747.75, 5747.77, and 5751.53 of	11
the Revised Code, and to amend Sections 267.10,	12
267.30.30, 309.10, 309.60, 371.10, 371.40.50,	13
371.50.20, 379.10, 387.10, 387.20, and 757.10 of	14
Am. Sub. H.B. 153 of the 129th General Assembly to	15
authorize programs and tax credits to encourage	16
the hiring of unemployed individuals, to make	17
changes to the Unemployment Compensation Law, to	18
authorize grants and tax credits for the	19
rehabilitation of distressed areas and the	20
expansion of broadband connections to rural areas,	21
to create a revolving loan fund and a bonding	22
program for small businesses, to make changes to	23

the Minority Business Bonding Program, and to make 24
an appropriation. 25

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

Section 1. That sections 122.075, 122.71, 122.72, 122.74, 26
122.75, 122.88, 122.89, 122.90, 125.831, 169.05, 4141.01, 27
4141.241, 4141.29, 4301.20, 4719.01, 5733.01, 5733.98, 5739.01, 28
5739.02, 5739.025, 5739.03, 5741.02, 5747.01, 5747.98, 5751.01, 29
5751.98, and 6301.06 be amended and sections 122.084, 122.721, 30
122.731, 122.891, 4141.293, 4141.302, 4141.50, 4141.51, 4141.52, 31
4141.53, 4141.54, 4141.55, 4141.56, 4141.57, 4141.58, 5709.29, 32
5747.61, 5751.55, 6301.021, 6303.01, and 6303.02 of the Revised 33
Code be enacted to read as follows: 34

Sec. 122.075. (A) As used in this section: 35

(1) "Alternative fuel" has the same meaning as in section 36
125.831 of the Revised Code. 37

(2) "Biodiesel" means a mono-alkyl ester combustible liquid 38
fuel that is derived from vegetable oils or animal fats, or any 39
combination of those reagents, and that meets American society for 40
testing and materials specification D6751-03a for biodiesel fuel 41
(B100) blend stock distillate fuels. 42

(3) "Diesel fuel" and "gasoline" have the same meanings as in 43
section 5735.01 of the Revised Code. 44

(4) "Ethanol" ~~has the same meaning as in section 5733.46 of~~ 45
~~the Revised Code~~ means fermentation ethyl alcohol derived from 46
agricultural products, including potatoes, cereal, grains, cheese 47
whey, and sugar beets; forest products; or other renewable 48
resources, including residue and waste generated from the 49
production, processing, and marketing of agricultural products, 50
forest products, and other renewable resources that meet all of 51

the specifications in the American society for testing and 52
materials (ASTM) specification D 4806-88 and is denatured as 53
specified in Parts 20 and 21 of Title 27 of the Code of Federal 54
Regulations. 55

(5) "Blended biodiesel" means diesel fuel containing at least 56
twenty per cent biodiesel by volume. 57

(6) "Blended gasoline" means gasoline containing at least 58
eighty-five per cent ethanol by volume. 59

(7) "Incremental cost" means either of the following: 60

(a) The difference in cost between blended gasoline and 61
gasoline containing ten per cent or less ethanol at the time that 62
the blended gasoline is purchased; 63

(b) The difference in cost between blended biodiesel and 64
diesel fuel containing two per cent or less biodiesel at the time 65
that the blended biodiesel is purchased. 66

(B) For the purpose of improving the air quality in this 67
state, the director of development shall establish an alternative 68
fuel transportation grant program under which the director may 69
make grants to businesses, nonprofit organizations, public school 70
systems, or local governments for the purchase and installation of 71
alternative fuel refueling or distribution facilities and 72
terminals, for the purchase and use of alternative fuel, and to 73
pay the costs of educational and promotional materials and 74
activities intended for prospective alternative fuel consumers, 75
fuel marketers, and others in order to increase the availability 76
and use of alternative fuel. 77

(C) The director, in consultation with the director of 78
agriculture, shall adopt rules in accordance with Chapter 119. of 79
the Revised Code that are necessary for the administration of the 80
alternative fuel transportation grant program. The rules shall 81
establish at least all of the following: 82

(1) An application form and procedures governing the	83
application process for a grant under the program;	84
(2) A procedure for prioritizing the award of grants under	85
the program. The procedures shall give preference to all of the	86
following:	87
(a) Publicly accessible refueling facilities;	88
(b) Entities seeking grants that have secured funding from	89
other sources, including, but not limited to, private or federal	90
grants;	91
(c) Entities that have presented compelling evidence of	92
demand in the market in which the facilities or terminals will be	93
located;	94
(d) Entities that have committed to utilizing purchased or	95
installed facilities or terminals for the greatest number of	96
years;	97
(e) Entities that will be purchasing or installing facilities	98
or terminals for any type of alternative fuel.	99
(3) A requirement that the maximum grant for the purchase and	100
installation of an alternative fuel refueling or distribution	101
facility or terminal be eighty per cent of the cost of the	102
facility or terminal, except that at least twenty per cent of the	103
total net cost of the facility or terminal shall be incurred by	104
the grant recipient and not compensated for by any other source;	105
(4) A requirement that the maximum grant for the purchase of	106
alternative fuel be eighty per cent of the cost of the fuel or, in	107
the case of blended biodiesel or blended gasoline, eighty per cent	108
of the incremental cost of the blended biodiesel or blended	109
gasoline;	110
(5) Any other criteria, procedures, or guidelines that the	111
director determines are necessary to administer the program.	112

(D) An applicant for a grant under this section that sells 113
motor vehicle fuel at retail shall agree that if the applicant 114
receives a grant, the applicant will report to the director the 115
gallon or gallon equivalent amounts of alternative fuel the 116
applicant sells at retail in this state for a period of three 117
years after the grant is awarded. 118

The director shall enter into a written confidentiality 119
agreement with the applicant regarding the gallon or gallon 120
equivalent amounts sold as described in this division, and upon 121
execution of the agreement this information is not a public 122
record. 123

(E) There is hereby created in the state treasury the 124
alternative fuel transportation grant fund. The fund shall consist 125
of money transferred to the fund under division (C) of section 126
125.836 of the Revised Code, money that is appropriated to it by 127
the general assembly, and money as may be specified by the general 128
assembly from the advanced energy fund created by section 4928.61 129
of the Revised Code. Money in the fund shall be used to make 130
grants under the alternative fuel transportation grant program and 131
by the director in the administration of that program. 132

Sec. 122.084. As used in this section, a "small business" is 133
a business that has fewer than five hundred employees and that 134
conducts operations in this state. 135

The director of development, under Chapter 119. of the 136
Revised Code, shall adopt, and may amend and rescind as necessary 137
and proper to improve, rules that establish and provide for the 138
administration of a small business microloan revolving loan 139
program to assist small businesses. The director shall include the 140
following in the rules: 141

(A) Qualifications to be met by small businesses that seek to 142
receive microloans through the program; 143

<u>(B) Procedures according to which small businesses shall</u>	144
<u>apply for microloans through the program;</u>	145
<u>(C) Criteria for reviewing applications for microloans, and</u>	146
<u>criteria for selecting small businesses that are entitled to</u>	147
<u>receive microloans;</u>	148
<u>(D) Standards for determining the amount of microloans;</u>	149
<u>(E) Specifications identifying the purposes to which</u>	150
<u>microloans may be applied, and methods through which the use of</u>	151
<u>microloans can be accounted for;</u>	152
<u>(F) Standards for setting the interest to be paid on</u>	153
<u>microloans, and standards for fixing the terms according to which</u>	154
<u>microloans are to be repaid;</u>	155
<u>(G) Procedures to be implemented upon default in repayment of</u>	156
<u>microloans;</u>	157
<u>(H) Qualifications to be met by, and procedures for</u>	158
<u>approving, business training programs in which individuals having</u>	159
<u>control of small businesses are required to have participated in</u>	160
<u>as a condition of receiving microloans; and</u>	161
<u>(I) Any other qualifications, procedures, criteria,</u>	162
<u>specifications, methods, or standards necessary and proper for</u>	163
<u>efficient and successful establishment and administration of the</u>	164
<u>small business microloan revolving loan program as a coherent</u>	165
<u>program to assist small businesses.</u>	166
<u>The director may prescribe forms that are necessary for</u>	167
<u>efficient and successful administration of the small business</u>	168
<u>microloan revolving loan program. The forms do not need to be</u>	169
<u>prescribed by rule.</u>	170
<u>The small business microloan revolving loan program is for</u>	171
<u>the general purposes of assisting small businesses to meet</u>	172
<u>capitalization requirements, expand business operations, and</u>	173

create and retain jobs. A small business may not use a microloan 174
to pay debts that are outstanding at the time the microloan is 175
disbursed to the small business. 176

The amount of a microloan may not exceed fifty thousand 177
dollars. The interest charged on a microloan shall be a fixed rate 178
that is at or below the market rate in the community in which the 179
microloan applicant is doing business. 180

The director shall disburse microloans through the several 181
Ohio small business development centers. The individual or 182
individuals having control of a small business, as a condition of 183
receiving a microloan, shall have participated in and successfully 184
completed an approved business training program provided by or 185
through a small business development center or the department of 186
development. 187

There is hereby created the small business microloan 188
revolving loan fund in the state treasury. The fund consists of 189
money appropriated to the fund, money received in repayment of 190
microloans made from the fund, and investment earnings on money in 191
the fund. The director shall use money in the fund to make 192
microloans to qualified small businesses through the small 193
business microloan revolving loan program, and to pay reasonable 194
costs of administering the program. All investment earnings on 195
money in the fund shall be credited to the fund. 196

Sec. 122.71. As used in sections 122.71 to 122.83 of the 197
Revised Code: 198

(A) "Financial institution" means any banking corporation, 199
trust company, insurance company, savings and loan association, 200
building and loan association, or corporation, partnership, 201
federal lending agency, foundation, or other institution engaged 202
in lending or investing funds for industrial or business purposes. 203

(B) "Project" means any real or personal property connected 204
with or being a part of an industrial, distribution, commercial, 205
or research facility to be acquired, constructed, reconstructed, 206
enlarged, improved, furnished, or equipped, or any combination 207
thereof, with the aid provided under sections 122.71 to 122.83 of 208
the Revised Code, for industrial, commercial, distribution, and 209
research development of the state. 210

(C) "Mortgage" means the lien imposed on a project by a 211
mortgage on real property, or by financing statements on personal 212
property, or a combination of a mortgage and financing statements 213
when a project consists of both real and personal property. 214

(D) "Mortgagor" means the principal user of a project or the 215
person, corporation, partnership, or association unconditionally 216
guaranteeing performance by the principal user of its obligations 217
under the mortgage. 218

(E)(1) "Minority business enterprise" means an individual who 219
is a United States citizen and owns and controls a business, or a 220
partnership, corporation, or joint venture of any kind that is 221
owned and controlled by United States citizens, which citizen or 222
citizens are residents of this state and are members of one of the 223
following economically disadvantaged groups: Blacks or African 224
Americans, American Indians, Hispanics or Latinos, and Asians. 225

(2) "Owned and controlled" means that at least fifty-one per 226
cent of the business, including corporate stock if a corporation, 227
is owned by persons who belong to one or more of the groups set 228
forth in division (E)(1) of this section, and that those owners 229
have control over the management and day-to-day operations of the 230
business and an interest in the capital, assets, and profits and 231
losses of the business proportionate to their percentage of 232
ownership. In order to qualify as a minority business enterprise, 233
a business shall have been owned and controlled by those persons 234
at least one year prior to being awarded a contract pursuant to 235

this section.	236
(F) "Community improvement corporation" means a corporation organized under Chapter 1724. of the Revised Code.	237 238
(G) "Ohio development corporation" means a corporation organized under Chapter 1726. of the Revised Code.	239 240
(H) "Minority contractors business assistance organization" means an entity engaged in the provision of management and technical business assistance to minority business enterprise entrepreneurs.	241 242 243 244
(I) "Minority business supplier development council" means a nonprofit organization established as an affiliate of the national minority supplier development council.	245 246 247
(J) "Regional economic development entity" means an entity that is under contract with the director of development to administer a loan program under this chapter in a particular area of the state.	248 249 250 251
(K) "Community development corporation" means a corporation organized under Chapter 1702. of the Revised Code that consists of residents of the community and business and civic leaders and that has as a principal purpose one or more of the following: the revitalization and development of a low- to moderate-income neighborhood or community; the creation of jobs for low- to moderate-income residents; the development of commercial facilities and services; providing training, technical assistance, and financial assistance to small businesses; and planning, developing, or managing low-income housing or other community development activities.	252 253 254 255 256 257 258 259 260 261 262
<u>(L) "Small business" means a business operating in this state having five million dollars or less in annual payroll expenditures.</u>	263 264 265

Sec. 122.72. (A) There is hereby created the minority 266
development financing advisory board to assist in carrying out the 267
programs created pursuant to sections 122.71 to 122.89 of the 268
Revised Code. 269

(B) The board shall consist of ten members. The director of 270
development or the director's designee shall be a voting member on 271
the board. Seven members shall be appointed by the governor with 272
the advice and consent of the senate and selected because of their 273
knowledge of and experience in industrial, business, and 274
commercial financing, suretyship, construction, and their 275
understanding of the problems of minority business enterprises; 276
one member also shall be a member of the senate and appointed by 277
the president of the senate, and one member also shall be a member 278
of the house of representatives and appointed by the speaker of 279
the house of representatives. With respect to the board, all of 280
the following apply: 281

(1) Not more than four of the members of the board appointed 282
by the governor shall be of the same political party. 283

(2) Each member shall hold office from the date of the 284
member's appointment until the end of the term for which the 285
member was appointed. 286

(3) The terms of office for the seven members appointed by 287
the governor shall be for seven years, commencing on the first day 288
of October and ending on the thirtieth day of September of the 289
seventh year, except that of the original seven members, three 290
shall be appointed for three years and two shall be appointed for 291
five years. 292

(4) Any member of the board is eligible for reappointment. 293

(5) Any member appointed to fill a vacancy occurring prior to 294
the expiration of the term for which the member's predecessor was 295

appointed shall hold office for the remainder of the predecessor's 296
term. 297

(6) Any member shall continue in office subsequent to the 298
expiration date of the member's term until the member's successor 299
takes office, or until a period of sixty days has elapsed, 300
whichever occurs first. 301

(7) Before entering upon official duties as a member of the 302
board, each member shall take an oath as provided by Section 7 of 303
Article XV, Ohio Constitution. 304

(8) The governor may, at any time, remove any member 305
appointed by the governor pursuant to section 3.04 of the Revised 306
Code. 307

(9) Notwithstanding section 101.26 of the Revised Code, 308
members shall receive their necessary and actual expenses while 309
engaged in the business of the board and shall be paid at the per 310
diem rate of step 1 of pay range 31 of section 124.15 of the 311
Revised Code. 312

(10) Six members of the board constitute a quorum and the 313
affirmative vote of six members is necessary for any action taken 314
by the board. 315

(11) In the event of the absence of a member appointed by the 316
president of the senate or by the speaker of the house of 317
representatives, either of the following persons may serve in the 318
member's absence: 319

(a) The president of the senate or the speaker of the house 320
of representatives, whoever appointed the absent member; 321

(b) A member of the senate or of the house of representatives 322
of the same political party as the absent member, as designated by 323
the president of the senate or the speaker of the house of 324
representatives, whoever appointed the absent member. 325

(12) The board shall annually elect one of its members as 326
chairperson and another as vice-chairperson. 327

(13) The board shall meet on the second Tuesday of each 328
month. 329

Sec. 122.721. The small business development financing 330
advisory board is established to assist in carrying out the 331
programs created under section 122.891 of the Revised Code. 332

The board consists of ten members. The director of 333
development or the director's designee is a voting member of the 334
board. Seven members shall be appointed by the governor with the 335
advice and consent of the senate, and shall have knowledge of and 336
experience in industrial, business, and commercial financing, 337
suretyship, and construction, and an understanding of the problems 338
of small businesses. One member shall be a member of the senate 339
appointed by the president of the senate, and one member shall be 340
a member of the house of representatives appointed by the speaker 341
of the house of representatives. 342

Not more than four members appointed by the governor shall be 343
members of the same political party. 344

The terms of office for the seven members appointed by the 345
governor shall be seven years, commencing on the first day of 346
October and ending on the thirtieth day of September of the 347
seventh year, except that of the original seven members, three 348
shall be appointed for three years and two shall be appointed for 349
five years. 350

Each member shall hold office from the date of the member's 351
appointment until the end of the term for which the member was 352
appointed. 353

A member is eligible for reappointment. 354

A member appointed to fill a vacancy occurring prior to the 355

expiration of the term for which the member's predecessor was 356
appointed shall hold office for the remainder of the predecessor's 357
term. 358

A member shall continue in office subsequent to the 359
expiration date of the member's term until the member's successor 360
takes office, or until a period of sixty days has elapsed, 361
whichever occurs first. 362

Before entering upon official duties as a member, the member 363
shall take an oath as provided by Ohio Constitution, Article XV, 364
Section 7. 365

The governor, at any time under section 3.04 of the Revised 366
Code, may remove a member appointed by the governor. 367

Notwithstanding section 101.26 of the Revised Code, members 368
are entitled to their necessary and actual expenses while engaged 369
in the business of the board and shall be paid at the per diem 370
rate of step 1 of pay range 31 of section 124.15 of the Revised 371
Code. 372

Six members of the board constitute a quorum, and the 373
affirmative vote of six members is necessary for any action taken 374
by the board. 375

In the event a member appointed by the president of the 376
senate or by the speaker of the house of representatives is 377
absent, either of the following persons may serve in the member's 378
absence: the president of the senate or the speaker of the house 379
of representatives, whoever appointed the absent member, or a 380
member of the senate or of the house of representatives of the 381
same political party as the absent member, as designated by the 382
president of the senate or the speaker of the house of 383
representatives, whoever appointed the absent member. 384

The board shall annually elect one of its members as 385
chairperson and another member as vice-chairperson. 386

The board shall meet on the second Tuesday of each month. 387

Sec. 122.731. (A) The powers and duties provided in section 388
122.891 of the Revised Code are established in order to promote 389
the welfare of the people of the state by encouraging the 390
establishment and expansion of small businesses; to stabilize the 391
economy; to provide employment; to assist in the development 392
within the state of industrial, commercial, distribution, and 393
research activities required for the people of the state, and for 394
their gainful employment; and otherwise to create or preserve jobs 395
and employment opportunities and to improve the economic welfare 396
of the people of the state. It is determined that the 397
accomplishment of those purposes is essential so that the people 398
of the state may maintain their present high standards of living 399
in comparison with the people of other states and so that 400
opportunities for employment and for favorable markets for the 401
products of the state's natural resources, agriculture, and 402
manufacturing will be improved. It further is determined that it 403
therefore is necessary to establish the program authorized under 404
section 122.891 of the Revised Code, to establish the small 405
business development financing advisory board, and to vest it and 406
the director of development with the powers and duties provided in 407
that section. 408

(B) The small business development financing advisory board 409
shall do all of the following: 410

(1) Make recommendations to the director with regard to 411
applications for assistance under section 122.891 of the Revised 412
Code; 413

(2) Advise the director in the administration of section 414
122.891 of the Revised Code; and 415

(3) Adopt bylaws to govern the conduct of the business of the 416
board. 417

The board may revise its recommendations to reflect any 418
changes in the proposed assistance made by the director. 419

Sec. 122.74. (A)(1) The director of development shall do all 420
of the following: 421

(a) Receive applications for assistance under sections 122.71 422
to ~~122.89~~ 122.891 of the Revised Code and applications from surety 423
companies for bond guarantees under section 122.90 of the Revised 424
Code, and, after processing but subject to division (A)(2) of this 425
section, forward them to the minority development financing 426
advisory board or small business development financing advisory 427
board, as applicable, together with necessary supporting 428
information; 429

(b) Receive the recommendations of the board and make a final 430
determination whether to approve the application for assistance; 431

(c) Receive recommendations from a regional economic 432
development entity for loans made under section 122.76 of the 433
Revised Code and make a final determination, notwithstanding 434
divisions (A)(1) and (2) of this section, whether to approve the 435
proposed loan; 436

(d) Transmit the director's determinations to approve 437
assistance to the controlling board unless such assistance falls 438
under section 122.90 of the Revised Code and has been previously 439
approved by the controlling board, together with any information 440
the controlling board requires for its review and decision as to 441
whether to approve the assistance. 442

(2) The director is not required to submit any determination, 443
data, terms, or any other application materials or information to 444
the minority development financing advisory board when provision 445
of the assistance has been recommended to the director by a 446
regional economic development entity or when an application for a 447

surety company for bond guarantees under section 122.90 of the 448
Revised Code has been previously approved by the controlling 449
board. 450

(B) The director may do all of the following: 451

(1) Fix the rate of interest and charges to be made upon or 452
with respect to moneys loaned or guaranteed by the director and 453
the terms upon which mortgages and lease rentals may be guaranteed 454
and the rates of charges to be made for them and make provisions 455
for the operation of the funds established by the director in 456
accordance with this section and sections 122.80, 122.88, and 457
122.90 of the Revised Code; 458

(2) Loan and guarantee moneys from the fund established in 459
accordance with section 122.80 of the Revised Code pursuant to and 460
in compliance with sections 122.71 to 122.90 of the Revised Code. 461

(3) Acquire in the name of the director any property of any 462
kind or character in accordance with sections 122.71 to 122.90 of 463
the Revised Code, by purchase, purchase at foreclosure, or 464
exchange on such terms and in such manner as the director 465
considers proper; 466

(4) Make and enter into all contracts and agreements 467
necessary or incidental to the performance of the director's 468
duties and the exercise of the director's powers under sections 469
122.71 to 122.90 of the Revised Code; 470

(5) Maintain, protect, repair, improve, and insure any 471
property that the director has acquired and dispose of it by sale, 472
exchange, or lease for the consideration and on the terms and in 473
the manner as the director considers proper, but the director 474
shall not operate any such property as a business except as the 475
lessor of it; 476

(6)(a) When the cost of any contract for the maintenance, 477
protection, repair, or improvement of any property held by the 478

director, other than compensation for personal services, involves 479
an expenditure of more than fifty thousand dollars, the director 480
shall make a written contract with the lowest responsive and 481
responsible bidder in accordance with section 9.312 of the Revised 482
Code after advertisement for not less than two consecutive weeks 483
in a newspaper of general circulation in the county where such 484
contract, or some substantial part of it, is to be performed, and 485
in such other publications as the director determines, which 486
notice shall state the general character of the work and the 487
general character of the materials to be furnished, the place 488
where plans and specifications therefor may be examined, and the 489
time and place of receiving bids. 490

(b) Each bid for a contract for the construction, demolition, 491
alteration, repair, or reconstruction of an improvement shall 492
contain the full name of every person interested in it and meet 493
the requirements of section 153.54 of the Revised Code. 494

(c) Each bid for a contract, except as provided in division 495
(B)(6)(b) of this section, shall contain the full name of every 496
person interested in it and shall be accompanied by bond or 497
certified check on a solvent bank, in such amount as the director 498
considers sufficient, that if the bid is accepted a contract will 499
be entered into and the performance of the proposal secured. 500

(d) The director may reject any and all bids. 501

(e) A bond with good and sufficient surety, approved by the 502
director, shall be required of every contractor awarded a contract 503
except as provided in division (B)(6)(b) of this section, in an 504
amount equal to at least fifty per cent of the contract price, 505
conditioned upon faithful performance of the contract. 506

(7) Employ or contract with financial consultants, 507
appraisers, consulting engineers, superintendents, managers, 508
construction and accounting experts, attorneys, and other 509

employees and agents as are necessary in the director's judgment 510
and fix their compensation; 511

(8) Receive and accept grants, gifts, and contributions of 512
money, property, labor, and other things of value to be held, 513
used, and applied only for the purpose for which the grants, 514
gifts, and contributions are made, from individuals, private and 515
public corporations, from the United States or any agency thereof, 516
from the state or any agency thereof, and from any political 517
subdivision of the state, and may agree to repay any contribution 518
of money or to return any property contributed or the value 519
thereof at such times, in amounts, and on terms and conditions, 520
excluding the payment of interest, as the director determines at 521
the time the contribution is made, and may evidence the 522
obligations by notes, bonds, or other written instruments; 523

(9) Establish with the treasurer of state the funds provided 524
in sections 122.80 and 122.88 of the Revised Code in addition to 525
such funds as the director determines are necessary or proper; 526

(10) Adopt rules under Chapter 119. of the Revised Code 527
necessary to implement sections 122.71 to 122.90 of the Revised 528
Code. 529

(11) Do all acts and things necessary or proper to carry out 530
the powers expressly granted and the duties imposed in sections 531
122.71 to 122.90 of the Revised Code. 532

(C)(1) All expenses and obligations incurred by the director 533
in carrying out the director's powers and in exercising the 534
director's duties under sections 122.71 to 122.90 of the Revised 535
Code shall be payable solely from revenues or other receipts or 536
income of the director, from grants, gifts, and contributions, or 537
funds established in accordance with such sections. Such sections 538
do not authorize the director to incur indebtedness or to impose 539
liability on the state or any political subdivision of the state. 540

(2) Financial statements and other data submitted to the 541
director by any corporation, partnership, or person in connection 542
with financial assistance provided under sections 122.71 to 122.90 543
of the Revised Code, or any information taken from such statements 544
or data for any purpose, shall not be open to public inspection. 545

Sec. 122.75. The director of development shall, for the 546
minority business development loan program, the minority business 547
bonding program, the small business bonding program, and the 548
minority business bond guarantee program under sections 122.87 to 549
122.90 of the Revised Code, do all of the following: 550

(A) Hire employees, consultants, and agents and fix their 551
compensation; 552

(B) Adopt bylaws and rules for the regulation of the business 553
of the minority development financing advisory board and the small 554
business development financing advisory board; 555

(C) Receive and accept grants, gifts, and contributions of 556
money, property, labor, and other things of value, to be held, 557
used, and applied only for the purpose for which the grants, 558
gifts, and contributions are made, from individuals, private and 559
public corporations, the United States or any agency of the United 560
States, the state or any agency of the state, and any political 561
subdivision of the state. The director may agree to repay any 562
contribution of money or to return any property contributed or its 563
value at such times, in amounts, and on terms and conditions, 564
excluding the payment of interest, as the director determines at 565
the time the contribution is made. The director may evidence the 566
obligations by written contracts, subject to section 122.76 of the 567
Revised Code; provided, that the director shall not thereby incur 568
indebtedness of or impose liability upon the state or any 569
political subdivision. 570

(D) Establish funds with the treasurer of state in addition 571

to the minority and small business bonding fund created under 572
section 122.88 of the Revised Code; 573

(E) Invest money in the funds the director establishes 574
pursuant to division (D) of this section that is in excess of 575
current needs, in notes, bonds, or other obligations that are 576
direct obligations of or are guaranteed by the United States, or 577
in certificates of deposit or withdrawable accounts of banks, 578
trust companies, or savings and loan associations organized under 579
the laws of this state or the United States, and may credit the 580
income or sell the investments at the director's discretion; 581

(F) Acquire any property of any kind or character in 582
accordance with sections 122.71 to 122.83 of the Revised Code, by 583
purchase, purchase at foreclosure, or exchange on terms and in a 584
manner the director considers proper; 585

(G)(1) Maintain, protect, repair, improve, and insure any 586
property the director has acquired and dispose of it by sale, 587
exchange, or lease for the consideration and on terms and in a 588
manner the director considers proper. The director may not operate 589
any property as a business except as a lessor of the property. 590
When the cost of any contract for the maintenance, protection, 591
repair, or improvement of any property of the advisory board 592
connected with the minority business development loan program, 593
other than compensation for personal services, involves an 594
expenditure of more than one thousand dollars, the director shall 595
enter into a written contract with the lowest and best bidder 596
after advertisement for not less than four consecutive weeks in a 597
newspaper of general circulation in the county where the contract, 598
or some substantial part of it, is to be performed, and in other 599
publications as the director determines. The notice shall state 600
the general character of the work and the general character of the 601
materials to be furnished, the place where plans and 602
specifications for the work and materials may be examined, and the 603

time and place of receiving bids. 604

(2) Each bid for a contract for the construction, demolition, 605
alteration, repair, or reconstruction of an improvement shall 606
contain the full name of every person interested in it and meet 607
the requirements of section 153.54 of the Revised Code. 608

(3) Each bid for a contract, except as provided in division 609
(G)(2) of this section, shall contain the full name of every 610
person interested in it and shall be accompanied by a bond or 611
certified check on a solvent bank, in the amount of ten per cent 612
of the bid, that if the bid is accepted a contract will be entered 613
into and the performance of its proposal secured. The director may 614
reject any or all bids. A bond with good and sufficient surety, 615
approved by the director, shall be required of all contractors in 616
an amount equal to at least one hundred per cent of the contract 617
price, conditioned upon faithful performance of the contract. 618

(H) Expend money appropriated to the department of 619
development by the general assembly for the purposes of sections 620
122.71 to 122.83 and 122.87 to 122.90 of the Revised Code; 621

(I) Do all acts and things necessary or proper to carry out 622
the powers expressly granted and the duties imposed in sections 623
122.71 to 122.83 and 122.87 to 122.90 of the Revised Code. 624

Sec. 122.88. (A) There is hereby created in the state 625
treasury the minority and small business bonding fund, consisting 626
of moneys deposited or credited to it pursuant to section 169.05 627
of the Revised Code; all grants, gifts, and contributions received 628
pursuant to division (B)(9) of section 122.74 of the Revised Code; 629
all moneys recovered following defaults; and any other moneys 630
obtained by the director of development for the purposes of 631
sections 122.87 to 122.90 of the Revised Code. The fund shall be 632
administered by the director. Moneys in the fund shall be held in 633
trust for the purposes of sections 122.87 to 122.90 of the Revised 634

Code. 635

(B) Any claims against the state arising from defaults shall 636
be payable from the minority and small business bonding program 637
administrative and loss reserve fund as provided in division (C) 638
of this section or from the minority and small business bonding 639
fund. Nothing in sections 122.87 to 122.90 of the Revised Code 640
grants or pledges to any obligee or other person any state moneys 641
other than the moneys in the minority and small business bonding 642
program administrative and loss reserve fund or the minority and 643
small business bonding fund, or moneys available to the minority 644
and small business bonding fund upon request of the director in 645
accordance with division (B) of section 169.05 of the Revised 646
Code. 647

(C) There is hereby created in the state treasury the 648
minority and small business bonding program administrative and 649
loss reserve fund, consisting of all premiums charged and 650
collected in accordance with ~~section~~ sections 122.89 and 122.891 651
of the Revised Code and any interest income earned from the moneys 652
in the minority and small business bonding fund. All expenses of 653
the director ~~and~~, the minority development financing advisory 654
board, and the small business development financing advisory board 655
in carrying out the purposes of sections 122.87 to 122.90 of the 656
Revised Code shall be paid from the minority and small business 657
bonding program administrative and loss reserve fund. 658

Any moneys to the credit of the minority and small business 659
bonding program administrative and loss reserve fund in excess of 660
the amount necessary to fund the appropriation authority for the 661
minority and small business bonding program administrative and 662
loss reserve fund shall be held as a loss reserve to pay claims 663
arising from defaults on surety bonds underwritten in accordance 664
with section 122.89 or 122.891 of the Revised Code or guaranteed 665
in accordance with section 122.90 of the Revised Code. If the 666

balance of funds in the minority and small business bonding 667
program administrative and loss reserve fund is insufficient to 668
pay a claim against the state arising from default, then such 669
claim shall be payable from the minority and small business 670
bonding fund. 671

Sec. 122.89. (A) The director of development may execute 672
bonds as surety for minority businesses as principals, on 673
contracts with the state, any political subdivision or 674
instrumentality thereof, or any person as the obligee. The 675
director as surety may exercise all the rights and powers of a 676
company authorized by the department of insurance to execute bonds 677
as surety but shall not be subject to any requirements of a surety 678
company under Title XXXIX of the Revised Code nor to any rules of 679
the department of insurance. 680

(B) The director, with the advice of the minority development 681
financing advisory board, shall adopt rules under Chapter 119. of 682
the Revised Code establishing procedures for application for 683
surety bonds by minority businesses and for review and approval of 684
applications. The board shall review each application in 685
accordance with the rules and, based on the bond worthiness of 686
each applicant, shall refer all qualified applicants to the 687
director. Based on the recommendation of the board, the director 688
shall determine whether or not the applicant shall receive 689
bonding. The rules shall establish the maximum amount of any bond 690
issued at two million dollars. 691

(C) The rules of the board shall require the minority 692
business to pay a premium in advance for the bond to be 693
established by the director, with the advice of the board after 694
the director receives advice from the superintendent of insurance 695
regarding the standard market rates for premiums for similar 696
bonds. All premiums paid by minority businesses shall be paid into 697

the minority and small business bonding program administrative and 698
loss reserve fund. 699

(D) The rules of the board shall provide for a retainage of 700
money paid to the minority business or EDGE business enterprise of 701
fifteen per cent for a contract valued at more than fifty thousand 702
dollars and for a retainage of twelve per cent for a contract 703
valued at fifty thousand dollars or less. 704

(E) The penal sum amounts of all outstanding bonds issued by 705
the director shall not exceed the amount of moneys in the minority 706
and small business bonding fund and available to the fund under 707
division (B) of section 169.05 of the Revised Code. 708

(F) The superintendent of insurance shall provide such 709
technical and professional assistance as is considered necessary 710
by the director, including providing advice regarding the standard 711
market rates for bond premiums as described under division (C) of 712
this section. 713

(G) Notwithstanding any provision of the Revised Code to the 714
contrary, a minority business or EDGE business enterprise may bid 715
or enter into a contract with the state or with any 716
instrumentality of the state without being required to provide a 717
bond as follows: 718

(1) For the first contract that a minority business or EDGE 719
business enterprise enters into with the state or with any 720
particular instrumentality of the state, the minority business or 721
EDGE business enterprise may bid or enter into a contract valued 722
at twenty-five thousand dollars or less without being required to 723
provide a bond, but only if the minority business or EDGE business 724
enterprise is participating in a qualified contractor assistance 725
program or has successfully completed a qualified contractor 726
assistance program after ~~the effective date of this amendment~~ 727
October 16, 2009; 728

(2) After the state or any particular instrumentality of the 729
state has accepted the first contract as completed and all 730
subcontractors and suppliers on the contract have been paid, the 731
minority business or EDGE business enterprise may bid or enter 732
into a second contract with the state or with that particular 733
instrumentality of the state valued at fifty thousand dollars or 734
less without being required to provide a bond, but only if the 735
minority business or EDGE business enterprise is participating in 736
a qualified contractor assistance program or has successfully 737
completed a qualified contractor assistance program after ~~the~~ 738
~~effective date of this amendment~~ October 16, 2009; 739

(3) After the state or any particular instrumentality of the 740
state has accepted the second contract as completed and all 741
subcontractors and suppliers on the contract have been paid, the 742
minority business or EDGE business enterprise may bid or enter 743
into a third contract with the state or with that particular 744
instrumentality of the state valued at one hundred thousand 745
dollars or less without being required to provide a bond, but only 746
if the minority business or EDGE business enterprise has 747
successfully completed a qualified contractor assistance program 748
after ~~the effective date of this amendment~~ October 16, 2009; 749

(4) After the state or any particular instrumentality of the 750
state has accepted the third contract as completed and all 751
subcontractors and suppliers on the contract have been paid, the 752
minority business or EDGE business enterprise may bid or enter 753
into a fourth contract with the state or with that particular 754
instrumentality of the state valued at three hundred thousand 755
dollars or less without being required to provide a bond, but only 756
if the minority business or EDGE business enterprise has 757
successfully completed a qualified contractor assistance program 758
after ~~the effective date of this amendment~~ October 16, 2009; 759

(5) After the state or any instrumentality of the state has 760

accepted the fourth contract as completed and all subcontractors 761
and suppliers on the contract have been paid, upon a showing that 762
with respect to a contract valued at four hundred thousand dollars 763
or less with the state or with any particular instrumentality of 764
the state, that the minority business or EDGE business enterprise 765
either has been denied a bond by two surety companies or that the 766
minority business or EDGE business enterprise has applied to two 767
surety companies for a bond and, at the expiration of sixty days 768
after making the application, has neither received nor been denied 769
a bond, the minority business or EDGE business enterprise may 770
repeat its participation in the unbonded state contractor program. 771
Under no circumstances shall a minority business or EDGE business 772
enterprise be permitted to participate in the unbonded state 773
contractor program more than twice. 774

(H) Notwithstanding any provision of the Revised Code to the 775
contrary, a minority business or EDGE business enterprise may bid 776
or enter into a contract with any political subdivision of the 777
state or with any instrumentality of a political subdivision 778
without being required to provide a bond as follows: 779

(1) For the first contract that the minority business or EDGE 780
business enterprise enters into with any particular political 781
subdivision of the state or with any particular instrumentality of 782
a political subdivision, the minority business or EDGE business 783
enterprise may bid or enter into a contract valued at twenty-five 784
thousand dollars or less without being required to provide a bond, 785
but only if the minority business or EDGE business enterprise is 786
participating in a qualified contractor assistance program or has 787
successfully completed a qualified contractor assistance program 788
after ~~the effective date of this amendment~~ October 16, 2009; 789

(2) After any political subdivision of the state or any 790
instrumentality of a political subdivision has accepted the first 791
contract as completed and all subcontractors and suppliers on the 792

contract have been paid, the minority business or EDGE business 793
enterprise may bid or enter into a second contract with that 794
particular political subdivision of the state or with that 795
particular instrumentality of a political subdivision valued at 796
fifty thousand dollars or less without being required to provide a 797
bond, but only if the minority business or EDGE business 798
enterprise is participating in a qualified contractor assistance 799
program or has successfully completed a qualified contractor 800
assistance program after ~~the effective date of this amendment~~ 801
October 16, 2009; 802

(3) After any political subdivision of the state or any 803
instrumentality of a political subdivision has accepted the second 804
contract as completed and all subcontractors and suppliers on the 805
contract have been paid, the minority business or EDGE business 806
enterprise may bid or enter into a third contract with that 807
particular political subdivision of the state or with that 808
particular instrumentality of a political subdivision valued at 809
one hundred thousand dollars or less without being required to 810
provide a bond, but only if the minority business or EDGE business 811
enterprise has successfully completed a qualified contractor 812
assistance program after ~~the effective date of this amendment~~ 813
October 16, 2009; 814

(4) After any political subdivision of the state or any 815
instrumentality of a political subdivision has accepted the third 816
contract as completed and all subcontractors and suppliers on the 817
contract have been paid, the minority business or EDGE business 818
enterprise may bid or enter into a fourth contract with that 819
particular political subdivision of the state or with that 820
particular instrumentality of a political subdivision valued at 821
two hundred thousand dollars or less without being required to 822
provide a bond, but only if the minority business or EDGE business 823
enterprise has successfully completed a qualified contractor 824

assistance program after ~~the effective date of this amendment~~ 825
October 16, 2009; 826

(5) After any political subdivision of the state or any 827
instrumentality of a political subdivision has accepted the fourth 828
contract as completed and all subcontractors and suppliers on the 829
contract have been paid, upon a showing that with respect to a 830
contract valued at three hundred thousand dollars or less with any 831
political subdivision of the state or any instrumentality of a 832
political subdivision, that the minority business or EDGE business 833
enterprise either has been denied a bond by two surety companies 834
or that the minority business or EDGE business enterprise has 835
applied to two surety companies for a bond and, at the expiration 836
of sixty days after making the application, has neither received 837
nor been denied a bond, the minority business or EDGE business 838
enterprise may repeat its participation in the unbonded political 839
subdivision contractor program. Under no circumstances shall a 840
minority business or EDGE business enterprise be permitted to 841
participate in the unbonded political subdivision contractor 842
program more than twice. 843

(I) Notwithstanding any provision of the Revised Code to the 844
contrary, if a minority business or EDGE business enterprise has 845
entered into two or more contracts with the state or with any 846
instrumentality of the state, the minority business or EDGE 847
business enterprise may bid or enter into a contract with a 848
political subdivision of the state or with any instrumentality of 849
a political subdivision valued at the level at which the minority 850
business or EDGE business enterprise would qualify if entering 851
into an additional contract with the state. 852

(J) The director of development shall coordinate and oversee 853
the unbonded state contractor program described in division (G) of 854
this section, the unbonded political subdivision contractor 855
program described in division (H) of this section, and the 856

approval of a qualified contractor assistance program. The 857
director shall prepare an annual report and submit it to the 858
governor and the general assembly on or before the first day of 859
February that includes the following: information on the 860
director's activities for the preceding calendar year regarding 861
the unbonded state contractor program, the unbonded political 862
subdivision contractor program, and the qualified contractor 863
assistance program; a summary and description of the operations 864
and activities of these programs; an assessment of the 865
achievements of these programs; and a recommendation as to whether 866
these programs need to continue. 867

(K) As used in this section: 868

(1) "EDGE business enterprise" means an EDGE business 869
enterprise certified under section 123.152 of the Revised Code. 870

(2) "Qualified contractor assistance program" means an 871
educational program or technical assistance program for business 872
development that is designed to assist a minority business or EDGE 873
business enterprise in becoming eligible for bonding and has been 874
approved by the director of development for use as required under 875
this section. 876

(3) "Successfully completed a qualified contractor assistance 877
program" means the minority business or EDGE business enterprise 878
completed such a program on or after ~~the effective date of this~~ 879
~~amendment~~ October 16, 2009. 880

(4) "Unbonded state contractor program" means the program 881
described in division (G) of this section. 882

(5) "Unbonded political subdivision contractor program" means 883
the program described in division (H) of this section. 884

Sec. 122.891. (A) As used in this section: 885

(1) "Qualified contractor assistance program" means an 886

educational program or technical assistance program for business 887
development that is designed to assist a small business in 888
becoming eligible for bonding and that has been approved by the 889
director of development for operation and attendance as required 890
under this section. 891

(2) "Successfully completed a qualified contractor assistance 892
program" means the small business completed such a program on or 893
after the effective date of this section. 894

(3) "Unbonded state contractor program" means the program 895
described in division (H) of this section. 896

(4) "Unbonded political subdivision contractor program" means 897
the program described in division (I) of this section. 898

(B) The director of development may execute bonds as surety 899
for small businesses as principals on contracts with the state or 900
instrumentality thereof, a political subdivision or 901
instrumentality thereof, or any person as the obligee. The 902
director as surety may exercise all the rights and powers of a 903
company authorized by the department of insurance to execute bonds 904
as surety, but shall not be subject to any requirements of a 905
surety company under Title XXXIX of the Revised Code or to any 906
rules of the department or superintendent of insurance. 907

(C) The director, with the advice of the small business 908
development financing advisory board, shall adopt rules under 909
Chapter 119. of the Revised Code establishing procedures whereby 910
small businesses shall apply for surety bonds, and for the review 911
and approval of applications. The board shall review each 912
application in accordance with the rules and, based upon the bond 913
worthiness of each applicant, shall refer all qualified applicants 914
to the director. Based on the recommendation of the board, the 915
director shall determine whether or not the applicant is entitled 916
to receive bonding. The rules shall establish the maximum amount 917

of any bond issued at two million dollars. 918

(D) The rules shall require the small business to pay a 919
premium in advance for the bond. The premium shall be established 920
by the director, with the advice of the board, after the director 921
has received advice from the superintendent of insurance regarding 922
the standard market rates for premiums for similar bonds. All 923
premiums paid by small businesses shall be paid into the minority 924
and small business bonding program administrative and loss reserve 925
fund. 926

(E) The rules of the board shall provide for a retainage of 927
money paid to the small business of fifteen per cent for a 928
contract valued at more than fifty thousand dollars and for a 929
retainage of twelve per cent for a contract valued at fifty 930
thousand dollars or less. 931

(F) The penal sum amounts of all outstanding bonds issued by 932
the director shall not exceed the amount of money in and available 933
to the minority and small business bonding fund under division (B) 934
of section 169.05 of the Revised Code. 935

(G) The superintendent of insurance shall provide technical 936
and professional assistance as is considered necessary by the 937
director, including providing advice regarding the standard market 938
rates for bond premiums as described under division (D) of this 939
section. 940

(H) Notwithstanding any provision of the Revised Code to the 941
contrary, a small business may bid or enter into a contract with 942
the state or with any instrumentality of the state without being 943
required to provide a bond as follows: 944

(1) For the first contract that a small business enters into 945
with the state or with any particular instrumentality of the 946
state, the small business may bid or enter into a contract valued 947
at twenty-five thousand dollars or less without being required to 948

provide a bond, but only if the small business is participating in 949
a qualified contractor assistance program or has successfully 950
completed a qualified contractor assistance program after the 951
effective date of this section. 952

(2) After the state or the particular instrumentality of the 953
state has accepted the first contract as completed and all 954
subcontractors and suppliers on the contract have been paid, the 955
small business may bid or enter into a second contract with the 956
state or with that particular instrumentality of the state valued 957
at fifty thousand dollars or less without being required to 958
provide a bond, but only if the small business is participating in 959
a qualified contractor assistance program or has successfully 960
completed a qualified contractor assistance program after the 961
effective date of this section. 962

(3) After the state or the particular instrumentality of the 963
state has accepted the second contract as completed and all 964
subcontractors and suppliers on the contract have been paid, the 965
small business may bid or enter into a third contract with the 966
state or with that particular instrumentality of the state valued 967
at one hundred thousand dollars or less without being required to 968
provide a bond, but only if the minority business has successfully 969
completed a qualified contractor assistance program after the 970
effective date of this section. 971

(4) After the state or the particular instrumentality of the 972
state has accepted the third contract as completed and all 973
subcontractors and suppliers on the contract have been paid, the 974
small business may bid or enter into a fourth contract with the 975
state or with that particular instrumentality of the state valued 976
at three hundred thousand dollars or less without being required 977
to provide a bond, but only if the small business has successfully 978
completed a qualified contractor assistance program after the 979
effective date of this section. 980

(5) After the state or the instrumentality of the state has 981
accepted the fourth contract as completed and all subcontractors 982
and suppliers on the contract have been paid, upon a showing that 983
with respect to a contract valued at four hundred thousand dollars 984
or less with the state or with any particular instrumentality of 985
the state, that the small business either has been denied a bond 986
by two surety companies or that the small business has applied to 987
two surety companies for a bond and, at the expiration of sixty 988
days after making the application, has neither received nor been 989
denied a bond, the small business may repeat its participation in 990
the unbonded state contractor program. Under no circumstances 991
shall a small business be permitted to participate in the unbonded 992
state contractor program more than twice. 993

(I) Notwithstanding any provision of the Revised Code to the 994
contrary, a small business may bid or enter into a contract with 995
any political subdivision of the state or with any instrumentality 996
of a political subdivision without being required to provide a 997
bond as follows: 998

(1) For the first contract that the small business enters 999
into with any particular political subdivision of the state or 1000
with any particular instrumentality of a political subdivision, 1001
the small business may bid or enter into a contract valued at 1002
twenty-five thousand dollars or less without being required to 1003
provide a bond, but only if the small business is participating in 1004
a qualified contractor assistance program or has successfully 1005
completed a qualified contractor assistance program after the 1006
effective date of this section. 1007

(2) After the political subdivision or the instrumentality of 1008
a political subdivision has accepted the first contract as 1009
completed and all subcontractors and suppliers on the contract 1010
have been paid, the small business may bid or enter into a second 1011
contract with that particular political subdivision or with that 1012

particular instrumentality of a political subdivision valued at 1013
fifty thousand dollars or less without being required to provide a 1014
bond, but only if the small business is participating in a 1015
qualified contractor assistance program or has successfully 1016
completed a qualified contractor assistance program after the 1017
effective date of this section. 1018

(3) After the political subdivision or the instrumentality of 1019
a political subdivision has accepted the second contract as 1020
completed and all subcontractors and suppliers on the contract 1021
have been paid, the small business may bid or enter into a third 1022
contract with that particular political subdivision or with that 1023
particular instrumentality of a political subdivision valued at 1024
one hundred thousand dollars or less without being required to 1025
provide a bond, but only if the small business has successfully 1026
completed a qualified contractor assistance program after the 1027
effective date of this section. 1028

(4) After the political subdivision or the instrumentality of 1029
a political subdivision has accepted the third contract as 1030
completed and all subcontractors and suppliers on the contract 1031
have been paid, the small business may bid or enter into a fourth 1032
contract with that particular political subdivision of the state 1033
or with that particular instrumentality of a political subdivision 1034
valued at two hundred thousand dollars or less without being 1035
required to provide a bond, but only if the small business has 1036
successfully completed a qualified contractor assistance program 1037
after the effective date of this section. 1038

(5) After the political subdivision or the instrumentality of 1039
a political subdivision has accepted the fourth contract as 1040
completed and all subcontractors and suppliers on the contract 1041
have been paid, upon a showing that with respect to a contract 1042
valued at three hundred thousand dollars or less with any 1043
political subdivision or any instrumentality of a political 1044

subdivision, that the small business either has been denied a bond 1045
by two surety companies or that the small business has applied to 1046
two surety companies for a bond and, at the expiration of sixty 1047
days after making the application, has neither received nor been 1048
denied a bond, the small business may repeat its participation in 1049
the unbonded political subdivision contractor program. Under no 1050
circumstances shall a small business be permitted to participate 1051
in the unbonded political subdivision contractor program more than 1052
twice. 1053

(J) Notwithstanding any provision of the Revised Code to the 1054
contrary, if a small business has entered into two or more 1055
contracts with the state or with any instrumentality of the state, 1056
the small business may bid or enter into a contract with a 1057
political subdivision or with any instrumentality of a political 1058
subdivision valued at the level at which the small business would 1059
qualify if entering into an additional contract with the state. 1060

(K) The director of development shall coordinate and oversee 1061
the unbonded state contractor program described in division (H) of 1062
this section, the unbonded political subdivision contractor 1063
program described in division (I) of this section, and the 1064
approval of a qualified contractor assistance program. The 1065
director shall prepare an annual report and submit it to the 1066
governor and the general assembly on or before the first day of 1067
February that includes the following: information on the 1068
director's activities for the preceding calendar year regarding 1069
the unbonded state contractor program, the unbonded political 1070
subdivision contractor program, and the qualified contractor 1071
assistance program; a summary and description of the operations 1072
and activities of these programs; an assessment of the 1073
achievements of these programs; and a recommendation as to whether 1074
these programs need to continue. 1075

Sec. 122.90. (A) The director of development may guarantee 1076
bonds executed by sureties for minority businesses and EDGE 1077
business enterprises certified under section 123.152 of the 1078
Revised Code as principals on contracts with the state, any 1079
political subdivision or instrumentality, or any person as the 1080
obligee. The director, as guarantor, may exercise all the rights 1081
and powers of a company authorized by the department of insurance 1082
to guarantee bonds under Chapter 3929. of the Revised Code but 1083
otherwise is not subject to any laws related to a guaranty company 1084
under Title XXXIX of the Revised Code nor to any rules of the 1085
department of insurance. 1086

(B) The director shall adopt rules under Chapter 119. of the 1087
Revised Code to establish procedures for the application for bond 1088
guarantees and the review and approval of applications for bond 1089
guarantees submitted by sureties that execute bonds eligible for 1090
guarantees under division (A) of this section. 1091

(C) In accordance with rules adopted pursuant to this 1092
section, the director may guarantee up to ninety per cent of the 1093
loss incurred and paid by sureties on bonds guaranteed under 1094
division (A) of this section. 1095

(D) The penal sum amounts of all outstanding guarantees made 1096
by the director under this section shall not exceed three times 1097
the difference between the amount of moneys in the minority and 1098
small business bonding fund and available to the fund under 1099
division (B) of section 169.05 of the Revised Code and the amount 1100
of all outstanding bonds issued by the director in accordance with 1101
division (A) of section 122.89 of the Revised Code. 1102

(E) The director of development, with controlling board 1103
approval, may approve one application per fiscal year from each 1104
surety bond company for bond guarantees in an amount requested to 1105
support one fiscal year of that company's activity under this 1106

section. A surety bond company that applies for a bond guarantee 1107
under this division, whether or not the guarantee is approved, is 1108
not restricted from also applying for individual bond guarantees 1109
under division (A) of this section. 1110

Sec. 125.831. As used in sections 125.831 to 125.834 of the 1111
Revised Code: 1112

(A) "Alternative fuel" means any of the following fuels used 1113
in a motor vehicle: 1114

(1) E85 blend fuel; 1115

(2) Blended biodiesel; 1116

(3) Natural gas; 1117

(4) Liquefied petroleum gas; 1118

(5) Hydrogen; 1119

(6) Compressed air; 1120

(7) Any power source, including electricity; 1121

(8) Any fuel not described in divisions (A)(1) to (7) of this 1122
section that the United States department of energy determines, by 1123
final rule, to be substantially not petroleum, and that would 1124
yield substantial energy security and environmental benefits. 1125

(B) "Biodiesel" means a mono-alkyl ester combustible liquid 1126
fuel that is derived from vegetable oils or animal fats, or any 1127
combination of those reagents that meets the American society for 1128
testing and materials specification for biodiesel fuel (B100) 1129
blend stock distillate fuels and any other standards that the 1130
director of administrative services adopts by rule. 1131

(C) "Blended biodiesel" means a blend of biodiesel with 1132
petroleum based diesel fuel in which the resultant product 1133
contains not less than twenty per cent biodiesel that meets the 1134
American society for testing and materials specification for 1135

blended diesel fuel and any other standards that the director of
administrative services adopts by rule.

(D) "Diesel fuel" means any liquid fuel that is capable of
use in discrete form or as a blend component in the operation of
engines of the diesel type.

(E) "E85 blend fuel" means fuel containing eighty-five per
cent or more ethanol as defined in section ~~5733.46~~ 122.075 of the
Revised Code or containing any other percentage of not less than
seventy per cent ethanol if the United States department of energy
determines, by rule, that the lower percentage is necessary to
provide for the requirements of cold start, safety, or vehicle
functions, and that meets the American society for testing and
materials specification for E85 blend fuel and any other standards
that the director of administrative services adopts by rule.

(F) "Law enforcement officer" means an officer, agent, or
employee of a state agency upon whom, by statute, a duty to
conserve the peace or to enforce all or certain laws is imposed
and the authority to arrest violators is conferred, within the
limits of that statutory duty and authority, but does not include
such an officer, agent, or employee if that duty and authority is
location specific.

(G)(1) "Motor vehicle" means any automobile, car minivan,
cargo van, passenger van, sport utility vehicle, or pickup truck
with a gross vehicle weight of under twelve thousand pounds.

(2) "Motor vehicle" does not include, except for the purposes
of division (C) of section 125.832 of the Revised Code, any
vehicle described in division (G)(1) of this section that is used
by a law enforcement officer and law enforcement agency or any
vehicle that is so described and that is equipped with specialized
equipment that is not normally found in such a vehicle and that is
used to carry out a state agency's specific and specialized duties

and responsibilities. 1167

(H) "Specialized equipment" does not include standard mobile 1168
radios with no capabilities other than voice communication, 1169
exterior and interior lights, or roof-mounted caution lights. 1170

(I) "State agency" means every organized body, office, board, 1171
authority, commission, or agency established by the laws of the 1172
state for the exercise of any governmental or quasi-governmental 1173
function of state government regardless of the funding source for 1174
that entity, other than any state institution of higher education, 1175
the office of the governor, lieutenant governor, auditor of state, 1176
treasurer of state, secretary of state, or attorney general, the 1177
general assembly or any legislative agency, the courts or any 1178
judicial agency, or any state retirement system or retirement 1179
program established by or referenced in the Revised Code. 1180

(J) "State institution of higher education" has the same 1181
meaning as in section 3345.011 of the Revised Code. 1182

Sec. 169.05. (A) Every holder required to file a report under 1183
section 169.03 of the Revised Code shall, at the time of filing, 1184
pay to the director of commerce ten per cent of the aggregate 1185
amount of unclaimed funds as shown on the report, except for 1186
aggregate amounts of fifty dollars or less in which case one 1187
hundred per cent shall be paid. The funds may be deposited by the 1188
director in the state treasury to the credit of the unclaimed 1189
funds trust fund, which is hereby created, or placed with a 1190
financial organization. Any interest earned on money in the trust 1191
fund shall be credited to the trust fund. The remainder of the 1192
aggregate amount of unclaimed funds as shown on the report, plus 1193
earnings accrued to date of payment to the director, shall, at the 1194
option of the director, be retained by the holder or paid to the 1195
director for deposit as agent for the mortgage funds with a 1196
financial organization as defined in section 169.01 of the Revised 1197

Code, with the funds to be in income-bearing accounts to the 1198
credit of the mortgage funds, or the holder may enter into an 1199
agreement with the director specifying the obligations of the 1200
United States in which funds are to be invested, and agree to pay 1201
the interest on the obligations to the state. Holders retaining 1202
any funds not in obligations of the United States shall enter into 1203
an agreement with the director specifying the classification of 1204
income-bearing account in which the funds will be held and pay the 1205
state interest on the funds at a rate equal to the prevailing 1206
market rate for similar funds. Moneys that the holder is required 1207
to pay to the director rather than to retain may be deposited with 1208
the treasurer of state, or placed with a financial organization. 1209

Securities and other intangible property transferred to the 1210
director shall, within a reasonable time, be converted to cash and 1211
the proceeds deposited as provided for other funds. 1212

One-half of the funds evidenced by agreements, in 1213
income-bearing accounts, or on deposit with the treasurer of state 1214
shall be allocated on the records of the director to the mortgage 1215
insurance fund created by section 122.561 of the Revised Code. Out 1216
of the remaining half, after allocation of sufficient moneys to 1217
the minority and small business bonding fund to meet the 1218
provisions of division (B) of this section, the remainder shall be 1219
allocated on the records of the director to the housing 1220
development fund created by division (A) of section 175.11 of the 1221
Revised Code. 1222

(B) The director shall serve as agent for the director of 1223
development and as agent for the Ohio housing finance agency in 1224
making deposits and withdrawals and maintaining records pertaining 1225
to the minority and small business bonding fund created by section 1226
122.88 of the Revised Code, the mortgage insurance fund, and the 1227
housing development fund created by section 175.11 of the Revised 1228
Code. Funds from the mortgage insurance fund are available to the 1229

director of development when those funds are to be disbursed to 1230
prevent or cure, or upon the occurrence of, a default of a 1231
mortgage insured pursuant to section 122.451 of the Revised Code. 1232
Funds from the housing development fund are available upon request 1233
to the Ohio housing finance agency, in an amount not to exceed the 1234
funds allocated on the records of the director, for the purposes 1235
of section 175.05 of the Revised Code. Funds from the minority and 1236
small business bonding fund are available to the director of 1237
development upon request to pay obligations on bonds the director 1238
writes pursuant to section 122.88 of the Revised Code; except 1239
that, unless the general assembly authorizes additional amounts, 1240
the total maximum amount of moneys that may be allocated to the 1241
minority and small business bonding fund under this division is 1242
ten million dollars. 1243

When funds are to be disbursed, the appropriate agency shall 1244
call upon the director to transfer the necessary funds to it. The 1245
director shall first withdraw the funds paid by the holders and 1246
deposited with the treasurer of state or in a financial 1247
institution as agent for the funds. Whenever these funds are 1248
inadequate to meet the request, the director shall provide for a 1249
withdrawal of funds, within a reasonable time and in the amount 1250
necessary to meet the request, from financial institutions in 1251
which the funds were retained or placed by a holder and from other 1252
holders who have retained funds, in an equitable manner as the 1253
director prescribes. In the event that the amount to be withdrawn 1254
from any one holder is less than five hundred dollars, the amount 1255
to be withdrawn is at the director's discretion. The director 1256
shall then transfer to the agency the amount of funds requested. 1257

Funds deposited in the unclaimed funds trust fund are subject 1258
to call by the director when necessary to pay claims the director 1259
allows under section 169.08 of the Revised Code, in accordance 1260
with the director's rules, to defray the necessary costs of making 1261

publications this chapter requires and to pay other operating and 1262
administrative expenses the department of commerce incurs in the 1263
administration and enforcement of this chapter. 1264

The unclaimed funds trust fund shall be assessed a 1265
proportionate share of the administrative costs of the department 1266
of commerce in accordance with procedures the director of commerce 1267
prescribes and the director of budget and management approves. The 1268
assessment shall be paid from the unclaimed funds trust fund to 1269
the division of administration fund. 1270

(C) Earnings on the accounts in financial organizations to 1271
the credit of the mortgage funds shall, at the option of the 1272
financial organization, be credited to the accounts at times and 1273
at rates as earnings are paid on other accounts of the same 1274
classification held in the financial organization or paid to the 1275
director. The director shall be notified annually, and at other 1276
times as the director may request, of the amount of the earnings 1277
credited to the accounts. Interest on unclaimed funds a holder 1278
retains shall be paid to the director or credited as specified in 1279
the agreement under which the organization retains the funds. 1280
Interest payable to the director under an agreement to invest 1281
unclaimed funds and obligations of the United States shall be paid 1282
annually by the holder to the director. Any earnings or interest 1283
the director receives under this division shall be deposited in 1284
and credited to the mortgage funds. 1285

Sec. 4141.01. As used in this chapter, unless the context 1286
otherwise requires: 1287

(A)(1) "Employer" means the state, its instrumentalities, its 1288
political subdivisions and their instrumentalities, Indian tribes, 1289
and any individual or type of organization including any 1290
partnership, limited liability company, association, trust, 1291
estate, joint-stock company, insurance company, or corporation, 1292

whether domestic or foreign, or the receiver, trustee in 1293
bankruptcy, trustee, or the successor thereof, or the legal 1294
representative of a deceased person who subsequent to December 31, 1295
1971, or in the case of political subdivisions or their 1296
instrumentalities, subsequent to December 31, 1973: 1297

(a) Had in employment at least one individual, or in the case 1298
of a nonprofit organization, subsequent to December 31, 1973, had 1299
not less than four individuals in employment for some portion of a 1300
day in each of twenty different calendar weeks, in either the 1301
current or the preceding calendar year whether or not the same 1302
individual was in employment in each such day; or 1303

(b) Except for a nonprofit organization, had paid for service 1304
in employment wages of fifteen hundred dollars or more in any 1305
calendar quarter in either the current or preceding calendar year; 1306
or 1307

(c) Had paid, subsequent to December 31, 1977, for employment 1308
in domestic service in a local college club, or local chapter of a 1309
college fraternity or sorority, cash remuneration of one thousand 1310
dollars or more in any calendar quarter in the current calendar 1311
year or the preceding calendar year, or had paid subsequent to 1312
December 31, 1977, for employment in domestic service in a private 1313
home cash remuneration of onethousand dollars in any calendar 1314
quarter in the current calendar year or the preceding calendar 1315
year: 1316

(i) For the purposes of divisions (A)(1)(a) and (b) of this 1317
section, there shall not be taken into account any wages paid to, 1318
or employment of, an individual performing domestic service as 1319
described in this division. 1320

(ii) An employer under this division shall not be an employer 1321
with respect to wages paid for any services other than domestic 1322
service unless the employer is also found to be an employer under 1323

division (A)(1)(a), (b), or (d) of this section. 1324

(d) As a farm operator or a crew leader subsequent to 1325
December 31, 1977, had in employment individuals in agricultural 1326
labor; and 1327

(i) During any calendar quarter in the current calendar year 1328
or the preceding calendar year, paid cash remuneration of twenty 1329
thousand dollars or more for the agricultural labor; or 1330

(ii) Had at least ten individuals in employment in 1331
agricultural labor, not including agricultural workers who are 1332
aliens admitted to the United States to perform agricultural labor 1333
pursuant to sections 1184(c) and 1101(a)(15)(H) of the 1334
"Immigration and Nationality Act," 66 Stat. 163, 189, 8 U.S.C.A. 1335
1101(a)(15)(H)(ii)(a), 1184(c), for some portion of a day in each 1336
of the twenty different calendar weeks, in either the current or 1337
preceding calendar year whether or not the same individual was in 1338
employment in each day; or 1339

(e) Is not otherwise an employer as defined under division 1340
(A)(1)(a) or (b) of this section; and 1341

(i) For which, within either the current or preceding 1342
calendar year, service, except for domestic service in a private 1343
home not covered under division (A)(1)(c) of this section, is or 1344
was performed with respect to which such employer is liable for 1345
any federal tax against which credit may be taken for 1346
contributions required to be paid into a state unemployment fund; 1347

(ii) Which, as a condition for approval of this chapter for 1348
full tax credit against the tax imposed by the "Federal 1349
Unemployment Tax Act," 84 Stat. 713, 26 U.S.C.A. 3301 to 3311, is 1350
required, pursuant to such act to be an employer under this 1351
chapter; or 1352

(iii) Who became an employer by election under division 1353
(A)(4) or (5) of this section and for the duration of such 1354

election; or 1355

(f) In the case of the state, its instrumentalities, its 1356
political subdivisions, and their instrumentalities, and Indian 1357
tribes, had in employment, as defined in divisions (B)(2)(a) and 1358
(B)(2)(1) of this section, at least one individual; 1359

(g) For the purposes of division (A)(1)(a) of this section, 1360
if any week includes both the thirty-first day of December and the 1361
first day of January, the days of that week before the first day 1362
of January shall be considered one calendar week and the days 1363
beginning the first day of January another week. 1364

(2) Each individual employed to perform or to assist in 1365
performing the work of any agent or employee of an employer is 1366
employed by such employer for all the purposes of this chapter, 1367
whether such individual was hired or paid directly by such 1368
employer or by such agent or employee, provided the employer had 1369
actual or constructive knowledge of the work. All individuals 1370
performing services for an employer of any person in this state 1371
who maintains two or more establishments within this state are 1372
employed by a single employer for the purposes of this chapter. 1373

(3) An employer subject to this chapter within any calendar 1374
year is subject to this chapter during the whole of such year and 1375
during the next succeeding calendar year. 1376

(4) An employer not otherwise subject to this chapter who 1377
files with the director of job and family services a written 1378
election to become an employer subject to this chapter for not 1379
less than two calendar years shall, with the written approval of 1380
such election by the director, become an employer subject to this 1381
chapter to the same extent as all other employers as of the date 1382
stated in such approval, and shall cease to be subject to this 1383
chapter as of the first day of January of any calendar year 1384
subsequent to such two calendar years only if at least thirty days 1385

prior to such first day of January the employer has filed with the 1386
director a written notice to that effect. 1387

(5) Any employer for whom services that do not constitute 1388
employment are performed may file with the director a written 1389
election that all such services performed by individuals in the 1390
employer's employ in one or more distinct establishments or places 1391
of business shall be deemed to constitute employment for all the 1392
purposes of this chapter, for not less than two calendar years. 1393
Upon written approval of the election by the director, such 1394
services shall be deemed to constitute employment subject to this 1395
chapter from and after the date stated in such approval. Such 1396
services shall cease to be employment subject to this chapter as 1397
of the first day of January of any calendar year subsequent to 1398
such two calendar years only if at least thirty days prior to such 1399
first day of January such employer has filed with the director a 1400
written notice to that effect. 1401

(B)(1) "Employment" means service performed by an individual 1402
for remuneration under any contract of hire, written or oral, 1403
express or implied, including service performed in interstate 1404
commerce and service performed by an officer of a corporation, 1405
without regard to whether such service is executive, managerial, 1406
or manual in nature, and without regard to whether such officer is 1407
a stockholder or a member of the board of directors of the 1408
corporation, unless it is shown to the satisfaction of the 1409
director that such individual has been and will continue to be 1410
free from direction or control over the performance of such 1411
service, both under a contract of service and in fact. The 1412
director shall adopt rules to define "direction or control." 1413

(2) "Employment" includes: 1414

(a) Service performed after December 31, 1977, by an 1415
individual in the employ of the state or any of its 1416
instrumentalities, or any political subdivision thereof or any of 1417

its instrumentalities or any instrumentality of more than one of 1418
the foregoing or any instrumentality of any of the foregoing and 1419
one or more other states or political subdivisions and without 1420
regard to divisions (A)(1)(a) and (b) of this section, provided 1421
that such service is excluded from employment as defined in the 1422
"Federal Unemployment Tax Act," 53 Stat. 183, 26 U.S.C.A. 3301, 1423
3306(c)(7) and is not excluded under division (B)(3) of this 1424
section; or the services of employees covered by voluntary 1425
election, as provided under divisions (A)(4) and (5) of this 1426
section; 1427

(b) Service performed after December 31, 1971, by an 1428
individual in the employ of a religious, charitable, educational, 1429
or other organization which is excluded from the term "employment" 1430
as defined in the "Federal Unemployment Tax Act," 84 Stat. 713, 26 1431
U.S.C.A. 3301 to 3311, solely by reason of section 26 U.S.C.A. 1432
3306(c)(8) of that act and is not excluded under division (B)(3) 1433
of this section; 1434

(c) Domestic service performed after December 31, 1977, for 1435
an employer, as provided in division (A)(1)(c) of this section; 1436

(d) Agricultural labor performed after December 31, 1977, for 1437
a farm operator or a crew leader, as provided in division 1438
(A)(1)(d) of this section; 1439

(e) Service not covered under division (B)(1) of this section 1440
which is performed after December 31, 1971: 1441

(i) As an agent-driver or commission-driver engaged in 1442
distributing meat products, vegetable products, fruit products, 1443
bakery products, beverages other than milk, laundry, or 1444
dry-cleaning services, for the individual's employer or principal; 1445

(ii) As a traveling or city salesperson, other than as an 1446
agent-driver or commission-driver, engaged on a full-time basis in 1447
the solicitation on behalf of and in the transmission to the 1448

salesperson's employer or principal except for sideline sales 1449
activities on behalf of some other person of orders from 1450
wholesalers, retailers, contractors, or operators of hotels, 1451
restaurants, or other similar establishments for merchandise for 1452
resale, or supplies for use in their business operations, provided 1453
that for the purposes of division (B)(2)(e)(ii) of this section, 1454
the services shall be deemed employment if the contract of service 1455
contemplates that substantially all of the services are to be 1456
performed personally by the individual and that the individual 1457
does not have a substantial investment in facilities used in 1458
connection with the performance of the services other than in 1459
facilities for transportation, and the services are not in the 1460
nature of a single transaction that is not a part of a continuing 1461
relationship with the person for whom the services are performed. 1462

(f) An individual's entire service performed within or both 1463
within and without the state if: 1464

(i) The service is localized in this state. 1465

(ii) The service is not localized in any state, but some of 1466
the service is performed in this state and either the base of 1467
operations, or if there is no base of operations then the place 1468
from which such service is directed or controlled, is in this 1469
state or the base of operations or place from which such service 1470
is directed or controlled is not in any state in which some part 1471
of the service is performed but the individual's residence is in 1472
this state. 1473

(g) Service not covered under division (B)(2)(f)(ii) of this 1474
section and performed entirely without this state, with respect to 1475
no part of which contributions are required and paid under an 1476
unemployment compensation law of any other state, the Virgin 1477
Islands, Canada, or of the United States, if the individual 1478
performing such service is a resident of this state and the 1479
director approves the election of the employer for whom such 1480

services are performed; or, if the individual is not a resident of 1481
this state but the place from which the service is directed or 1482
controlled is in this state, the entire services of such 1483
individual shall be deemed to be employment subject to this 1484
chapter, provided service is deemed to be localized within this 1485
state if the service is performed entirely within this state or if 1486
the service is performed both within and without this state but 1487
the service performed without this state is incidental to the 1488
individual's service within the state, for example, is temporary 1489
or transitory in nature or consists of isolated transactions; 1490

(h) Service of an individual who is a citizen of the United 1491
States, performed outside the United States except in Canada after 1492
December 31, 1971, or the Virgin Islands, after December 31, 1971, 1493
and before the first day of January of the year following that in 1494
which the United States secretary of labor approves the Virgin 1495
Islands law for the first time, in the employ of an American 1496
employer, other than service which is "employment" under divisions 1497
(B)(2)(f) and (g) of this section or similar provisions of another 1498
state's law, if: 1499

(i) The employer's principal place of business in the United 1500
States is located in this state; 1501

(ii) The employer has no place of business in the United 1502
States, but the employer is an individual who is a resident of 1503
this state; or the employer is a corporation which is organized 1504
under the laws of this state, or the employer is a partnership or 1505
a trust and the number of partners or trustees who are residents 1506
of this state is greater than the number who are residents of any 1507
other state; or 1508

(iii) None of the criteria of divisions (B)(2)(f)(i) and (ii) 1509
of this section is met but the employer has elected coverage in 1510
this state or the employer having failed to elect coverage in any 1511
state, the individual has filed a claim for benefits, based on 1512

such service, under this chapter. 1513

(i) For the purposes of division (B)(2)(h) of this section, 1514
the term "American employer" means an employer who is an 1515
individual who is a resident of the United States; or a 1516
partnership, if two-thirds or more of the partners are residents 1517
of the United States; or a trust, if all of the trustees are 1518
residents of the United States; or a corporation organized under 1519
the laws of the United States or of any state, provided the term 1520
"United States" includes the states, the District of Columbia, the 1521
Commonwealth of Puerto Rico, and the Virgin Islands. 1522

(j) Notwithstanding any other provisions of divisions (B)(1) 1523
and (2) of this section, service, except for domestic service in a 1524
private home not covered under division (A)(1)(c) of this section, 1525
with respect to which a tax is required to be paid under any 1526
federal law imposing a tax against which credit may be taken for 1527
contributions required to be paid into a state unemployment fund, 1528
or service, except for domestic service in a private home not 1529
covered under division (A)(1)(c) of this section, which, as a 1530
condition for full tax credit against the tax imposed by the 1531
"Federal Unemployment Tax Act," 84 Stat. 713, 26 U.S.C.A. 3301 to 1532
3311, is required to be covered under this chapter. 1533

(k) Construction services performed by any individual under a 1534
construction contract, as defined in section 4141.39 of the 1535
Revised Code, if the director determines that the employer for 1536
whom services are performed has the right to direct or control the 1537
performance of the services and that the individuals who perform 1538
the services receive remuneration for the services performed. The 1539
director shall presume that the employer for whom services are 1540
performed has the right to direct or control the performance of 1541
the services if ten or more of the following criteria apply: 1542

(i) The employer directs or controls the manner or method by 1543
which instructions are given to the individual performing 1544

services;	1545
(ii) The employer requires particular training for the	1546
individual performing services;	1547
(iii) Services performed by the individual are integrated	1548
into the regular functioning of the employer;	1549
(iv) The employer requires that services be provided by a	1550
particular individual;	1551
(v) The employer hires, supervises, or pays the wages of the	1552
individual performing services;	1553
(vi) A continuing relationship between the employer and the	1554
individual performing services exists which contemplates	1555
continuing or recurring work, even if not full-time work;	1556
(vii) The employer requires the individual to perform	1557
services during established hours;	1558
(viii) The employer requires that the individual performing	1559
services be devoted on a full-time basis to the business of the	1560
employer;	1561
(ix) The employer requires the individual to perform services	1562
on the employer's premises;	1563
(x) The employer requires the individual performing services	1564
to follow the order of work established by the employer;	1565
(xi) The employer requires the individual performing services	1566
to make oral or written reports of progress;	1567
(xii) The employer makes payment to the individual for	1568
services on a regular basis, such as hourly, weekly, or monthly;	1569
(xiii) The employer pays expenses for the individual	1570
performing services;	1571
(xiv) The employer furnishes the tools and materials for use	1572
by the individual to perform services;	1573

(xv) The individual performing services has not invested in the facilities used to perform services; 1574
1575

(xvi) The individual performing services does not realize a profit or suffer a loss as a result of the performance of the services; 1576
1577
1578

(xvii) The individual performing services is not performing services for more than two employers simultaneously; 1579
1580

(xviii) The individual performing services does not make the services available to the general public; 1581
1582

(xix) The employer has a right to discharge the individual performing services; 1583
1584

(xx) The individual performing services has the right to end the individual's relationship with the employer without incurring liability pursuant to an employment contract or agreement. 1585
1586
1587

(1) Service performed by an individual in the employ of an Indian tribe as defined by section 4(e) of the "Indian Self-Determination and Education Assistance Act," 88 Stat. 2204 (1975), 25 U.S.C.A. 450b(e), including any subdivision, subsidiary, or business enterprise wholly owned by an Indian tribe provided that the service is excluded from employment as defined in the "Federal Unemployment Tax Act," 53 Stat. 1837 (1939), 26 U.S.C.A. 3301 and 3306(c)(7) and is not excluded under division (B)(3) of this section. 1588
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(3) "Employment" does not include the following services if they are found not subject to the "Federal Unemployment Tax Act," 84 Stat. 713 (1970), 26 U.S.C.A. 3301 to 3311, and if the services are not required to be included under division (B)(2)(j) of this section: 1597
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(a) Service performed after December 31, 1977, in agricultural labor, except as provided in division (A)(1)(d) of 1602
1603

this section; 1604

(b) Domestic service performed after December 31, 1977, in a 1605
private home, local college club, or local chapter of a college 1606
fraternity or sorority except as provided in division (A)(1)(c) of 1607
this section; 1608

(c) Service performed after December 31, 1977, for this state 1609
or a political subdivision as described in division (B)(2)(a) of 1610
this section when performed: 1611

(i) As a publicly elected official; 1612

(ii) As a member of a legislative body, or a member of the 1613
judiciary; 1614

(iii) As a military member of the Ohio national guard; 1615

(iv) As an employee, not in the classified service as defined 1616
in section 124.11 of the Revised Code, serving on a temporary 1617
basis in case of fire, storm, snow, earthquake, flood, or similar 1618
emergency; 1619

(v) In a position which, under or pursuant to law, is 1620
designated as a major nontenured policymaking or advisory 1621
position, not in the classified service of the state, or a 1622
policymaking or advisory position the performance of the duties of 1623
which ordinarily does not require more than eight hours per week. 1624

(d) In the employ of any governmental unit or instrumentality 1625
of the United States; 1626

(e) Service performed after December 31, 1971: 1627

(i) Service in the employ of an educational institution or 1628
institution of higher education, including those operated by the 1629
state or a political subdivision, if such service is performed by 1630
a student who is enrolled and is regularly attending classes at 1631
the educational institution or institution of higher education; or 1632

(ii) By an individual who is enrolled at a nonprofit or 1633

public educational institution which normally maintains a regular 1634
faculty and curriculum and normally has a regularly organized body 1635
of students in attendance at the place where its educational 1636
activities are carried on as a student in a full-time program, 1637
taken for credit at the institution, which combines academic 1638
instruction with work experience, if the service is an integral 1639
part of the program, and the institution has so certified to the 1640
employer, provided that this subdivision shall not apply to 1641
service performed in a program established for or on behalf of an 1642
employer or group of employers; 1643

(f) Service performed by an individual in the employ of the 1644
individual's son, daughter, or spouse and service performed by a 1645
child under the age of eighteen in the employ of the child's 1646
father or mother; 1647

(g) Service performed for one or more principals by an 1648
individual who is compensated on a commission basis, who in the 1649
performance of the work is master of the individual's own time and 1650
efforts, and whose remuneration is wholly dependent on the amount 1651
of effort the individual chooses to expend, and which service is 1652
not subject to the "Federal Unemployment Tax Act," 53 Stat. 183 1653
(1939), 26 U.S.C.A. 3301 to 3311. Service performed after December 1654
31, 1971: 1655

(i) By an individual for an employer as an insurance agent or 1656
as an insurance solicitor, if all this service is performed for 1657
remuneration solely by way of commission; 1658

(ii) As a home worker performing work, according to 1659
specifications furnished by the employer for whom the services are 1660
performed, on materials or goods furnished by such employer which 1661
are required to be returned to the employer or to a person 1662
designated for that purpose. 1663

(h) Service performed after December 31, 1971: 1664

(i) In the employ of a church or convention or association of
churches, or in an organization which is operated primarily for
religious purposes and which is operated, supervised, controlled,
or principally supported by a church or convention or association
of churches;

(ii) By a duly ordained, commissioned, or licensed minister
of a church in the exercise of the individual's ministry or by a
member of a religious order in the exercise of duties required by
such order; or

(iii) In a facility conducted for the purpose of carrying out
a program of rehabilitation for individuals whose earning capacity
is impaired by age or physical or mental deficiency or injury, or
providing remunerative work for individuals who because of their
impaired physical or mental capacity cannot be readily absorbed in
the competitive labor market, by an individual receiving such
rehabilitation or remunerative work+.

(i) Service performed after June 30, 1939, with respect to
which unemployment compensation is payable under the "Railroad
Unemployment Insurance Act," 52 Stat. 1094 (1938), 45 U.S.C. 351;

(j) Service performed by an individual in the employ of any
organization exempt from income tax under section 501 of the
"Internal Revenue Code of 1954," if the remuneration for such
service does not exceed fifty dollars in any calendar quarter, or
if such service is in connection with the collection of dues or
premiums for a fraternal beneficial society, order, or association
and is performed away from the home office or is ritualistic
service in connection with any such society, order, or
association;

(k) Casual labor not in the course of an employer's trade or
business; incidental service performed by an officer, appraiser,
or member of a finance committee of a bank, building and loan

association, savings and loan association, or savings association 1696
when the remuneration for such incidental service exclusive of the 1697
amount paid or allotted for directors' fees does not exceed sixty 1698
dollars per calendar quarter is casual labor; 1699

(l) Service performed in the employ of a voluntary employees' 1700
beneficial association providing for the payment of life, 1701
sickness, accident, or other benefits to the members of such 1702
association or their dependents or their designated beneficiaries, 1703
if admission to a membership in such association is limited to 1704
individuals who are officers or employees of a municipal or public 1705
corporation, of a political subdivision of the state, or of the 1706
United States and no part of the net earnings of such association 1707
inures, other than through such payments, to the benefit of any 1708
private shareholder or individual; 1709

(m) Service performed by an individual in the employ of a 1710
foreign government, including service as a consular or other 1711
officer or employee or of a nondiplomatic representative; 1712

(n) Service performed in the employ of an instrumentality 1713
wholly owned by a foreign government if the service is of a 1714
character similar to that performed in foreign countries by 1715
employees of the United States or of an instrumentality thereof 1716
and if the director finds that the secretary of state of the 1717
United States has certified to the secretary of the treasury of 1718
the United States that the foreign government, with respect to 1719
whose instrumentality exemption is claimed, grants an equivalent 1720
exemption with respect to similar service performed in the foreign 1721
country by employees of the United States and of instrumentalities 1722
thereof; 1723

(o) Service with respect to which unemployment compensation 1724
is payable under an unemployment compensation system established 1725
by an act of congress; 1726

(p) Service performed as a student nurse in the employ of a hospital or a nurses' training school by an individual who is enrolled and is regularly attending classes in a nurses' training school chartered or approved pursuant to state law, and service performed as an intern in the employ of a hospital by an individual who has completed a four years' course in a medical school chartered or approved pursuant to state law;

(q) Service performed by an individual under the age of eighteen in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution;

(r) Service performed in the employ of the United States or an instrumentality of the United States immune under the Constitution of the United States from the contributions imposed by this chapter, except that to the extent that congress permits states to require any instrumentalities of the United States to make payments into an unemployment fund under a state unemployment compensation act, this chapter shall be applicable to such instrumentalities and to services performed for such instrumentalities in the same manner, to the same extent, and on the same terms as to all other employers, individuals, and services, provided that if this state is not certified for any year by the proper agency of the United States under section 3304 of the "Internal Revenue Code of 1954," the payments required of such instrumentalities with respect to such year shall be refunded by the director from the fund in the same manner and within the same period as is provided in division (E) of section 4141.09 of the Revised Code with respect to contributions erroneously collected;

(s) Service performed by an individual as a member of a band or orchestra, provided such service does not represent the principal occupation of such individual, and which service is not

subject to or required to be covered for full tax credit against 1759
the tax imposed by the "Federal Unemployment Tax Act," 53 Stat. 1760
183 (1939), 26 U.S.C.A. 3301 to 3311. 1761

(t) Service performed in the employ of a day camp whose 1762
camping season does not exceed twelve weeks in any calendar year, 1763
and which service is not subject to the "Federal Unemployment Tax 1764
Act," 53 Stat. 183 (1939), 26 U.S.C.A. 3301 to 3311. Service 1765
performed after December 31, 1971: 1766

(i) In the employ of a hospital, if the service is performed 1767
by a patient of the hospital, as defined in division (W) of this 1768
section; 1769

(ii) For a prison or other correctional institution by an 1770
inmate of the prison or correctional institution; 1771

(iii) Service performed after December 31, 1977, by an inmate 1772
of a custodial institution operated by the state, a political 1773
subdivision, or a nonprofit organization. 1774

(u) Service that is performed by a nonresident alien 1775
individual for the period the individual temporarily is present in 1776
the United States as a nonimmigrant under division (F), (J), (M), 1777
or (Q) of section 101(a)(15) of the "Immigration and Nationality 1778
Act," 66 Stat. 163, 8 U.S.C.A. 1101, as amended, that is excluded 1779
under section 3306(c)(19) of the "Federal Unemployment Tax Act," 1780
53 Stat. 183 (1939), 26 U.S.C.A. 3301 to 3311. 1781

(v) Notwithstanding any other provisions of division (B)(3) 1782
of this section, services that are excluded under divisions 1783
(B)(3)(g), (j), (k), and (l) of this section shall not be excluded 1784
from employment when performed for a nonprofit organization, as 1785
defined in division (X) of this section, or for this state or its 1786
instrumentalities, or for a political subdivision or its 1787
instrumentalities or for Indian tribes; 1788

(w) Service that is performed by an individual working as an 1789

election official or election worker if the amount of remuneration 1790
received by the individual during the calendar year for services 1791
as an election official or election worker is less than one 1792
thousand dollars; 1793

(x) Service performed for an elementary or secondary school 1794
that is operated primarily for religious purposes, that is 1795
described in subsection 501(c)(3) and exempt from federal income 1796
taxation under subsection 501(a) of the Internal Revenue Code, 26 1797
U.S.C.A. 501; 1798

(y) Service performed by a person committed to a penal 1799
institution. 1800

(z) Service performed for an Indian tribe as described in 1801
division (B)(2)(1) of this section when performed in any of the 1802
following manners: 1803

(i) As a publicly elected official; 1804

(ii) As a member of an Indian tribal council; 1805

(iii) As a member of a legislative or judiciary body; 1806

(iv) In a position which, pursuant to Indian tribal law, is 1807
designated as a major nontenured policymaking or advisory 1808
position, or a policymaking or advisory position where the 1809
performance of the duties ordinarily does not require more than 1810
eight hours of time per week; 1811

(v) As an employee serving on a temporary basis in the case 1812
of a fire, storm, snow, earthquake, flood, or similar emergency. 1813

(aa) Service performed after December 31, 1971, for a 1814
nonprofit organization, this state or its instrumentalities, a 1815
political subdivision or its instrumentalities, or an Indian tribe 1816
as part of an unemployment work-relief or work-training program 1817
assisted or financed in whole or in part by any federal agency or 1818
an agency of a state or political subdivision, thereof, by an 1819

individual receiving the work-relief or work-training. 1820

(4) If the services performed during one half or more of any 1821
pay period by an employee for the person employing that employee 1822
constitute employment, all the services of such employee for such 1823
period shall be deemed to be employment; but if the services 1824
performed during more than one half of any such pay period by an 1825
employee for the person employing that employee do not constitute 1826
employment, then none of the services of such employee for such 1827
period shall be deemed to be employment. As used in division 1828
(B)(4) of this section, "pay period" means a period, of not more 1829
than thirty-one consecutive days, for which payment of 1830
remuneration is ordinarily made to the employee by the person 1831
employing that employee. Division (B)(4) of this section does not 1832
apply to services performed in a pay period by an employee for the 1833
person employing that employee, if any of such service is excepted 1834
by division (B)(3)(o) of this section. 1835

(C) "Benefits" means money payments payable to an individual 1836
who has established benefit rights, as provided in this chapter, 1837
for loss of remuneration due to the individual's unemployment. 1838

(D) "Benefit rights" means the weekly benefit amount and the 1839
maximum benefit amount that may become payable to an individual 1840
within the individual's benefit year as determined by the 1841
director. 1842

(E) "Claim for benefits" means a claim for waiting period or 1843
benefits for a designated week. 1844

(F) "Additional claim" means the first claim for benefits 1845
filed following any separation from employment during a benefit 1846
year; "continued claim" means any claim other than the first claim 1847
for benefits and other than an additional claim. 1848

(G)(1) "Wages" means remuneration paid to an employee by each 1849
of the employee's employers with respect to employment; except 1850

that wages shall not include that part of remuneration paid during 1851
any calendar year to an individual by an employer or such 1852
employer's predecessor in interest in the same business or 1853
enterprise, which in any calendar year is in excess of eight 1854
thousand two hundred fifty dollars on and after January 1, 1992; 1855
eight thousand five hundred dollars on and after January 1, 1993; 1856
eight thousand seven hundred fifty dollars on and after January 1, 1857
1994; and nine thousand dollars on and after January 1, 1995. 1858
Remuneration in excess of such amounts shall be deemed wages 1859
subject to contribution to the same extent that such remuneration 1860
is defined as wages under the "Federal Unemployment Tax Act," 84 1861
Stat. 714 (1970), 26 U.S.C.A. 3301 to 3311, as amended. The 1862
remuneration paid an employee by an employer with respect to 1863
employment in another state, upon which contributions were 1864
required and paid by such employer under the unemployment 1865
compensation act of such other state, shall be included as a part 1866
of remuneration in computing the amount specified in this 1867
division. 1868

(2) Notwithstanding division (G)(1) of this section, if, as 1869
of the computation date for any calendar year, the director 1870
determines that the level of the unemployment compensation fund is 1871
sixty per cent or more below the minimum safe level as defined in 1872
section 4141.25 of the Revised Code, then, effective the first day 1873
of January of the following calendar year, wages subject to this 1874
chapter shall not include that part of remuneration paid during 1875
any calendar year to an individual by an employer or such 1876
employer's predecessor in interest in the same business or 1877
enterprise which is in excess of nine thousand dollars. The 1878
increase in the dollar amount of wages subject to this chapter 1879
under this division shall remain in effect from the date of the 1880
director's determination pursuant to division (G)(2) of this 1881
section and thereafter notwithstanding the fact that the level in 1882
the fund may subsequently become less than sixty per cent below 1883

the minimum safe level. 1884

(H)(1) "Remuneration" means all compensation for personal 1885
services, including commissions and bonuses and the cash value of 1886
all compensation in any medium other than cash, except that in the 1887
case of agricultural or domestic service, "remuneration" includes 1888
only cash remuneration. Gratuities customarily received by an 1889
individual in the course of the individual's employment from 1890
persons other than the individual's employer and which are 1891
accounted for by such individual to the individual's employer are 1892
taxable wages. 1893

The reasonable cash value of compensation paid in any medium 1894
other than cash shall be estimated and determined in accordance 1895
with rules prescribed by the director, provided that 1896
"remuneration" does not include: 1897

(a) Payments as provided in divisions (b)(2) to (b)(16) of 1898
section 3306 of the "Federal Unemployment Tax Act," 84 Stat. 713, 1899
26 U.S.C.A. 3301 to 3311, as amended; 1900

(b) The payment by an employer, without deduction from the 1901
remuneration of the individual in the employer's employ, of the 1902
tax imposed upon an individual in the employer's employ under 1903
section 3101 of the "Internal Revenue Code of 1954," with respect 1904
to services performed after October 1, 1941. 1905

(2) "Cash remuneration" means all remuneration paid in cash, 1906
including commissions and bonuses, but not including the cash 1907
value of all compensation in any medium other than cash. 1908

(I) "Interested party" means the director and any party to 1909
whom notice of a determination of an application for benefit 1910
rights or a claim for benefits is required to be given under 1911
section 4141.28 of the Revised Code. 1912

(J) "Annual payroll" means the total amount of wages subject 1913
to contributions during a twelve-month period ending with the last 1914

day of the second calendar quarter of any calendar year. 1915

(K) "Average annual payroll" means the average of the last 1916
three annual payrolls of an employer, provided that if, as of any 1917
computation date, the employer has had less than three annual 1918
payrolls in such three-year period, such average shall be based on 1919
the annual payrolls which the employer has had as of such date. 1920

(L)(1) "Contributions" means the money payments to the state 1921
unemployment compensation fund required of employers by section 1922
4141.25 of the Revised Code and of the state and any of its 1923
political subdivisions electing to pay contributions under section 1924
4141.242 of the Revised Code. Employers paying contributions shall 1925
be described as "contributory employers." 1926

(2) "Payments in lieu of contributions" means the money 1927
payments to the state unemployment compensation fund required of 1928
reimbursing employers under sections 4141.241 and 4141.242 of the 1929
Revised Code. 1930

(M) An individual is "totally unemployed" in any week during 1931
which the individual performs no services and with respect to such 1932
week no remuneration is payable to the individual. 1933

(N) An individual is "partially unemployed" in any week if, 1934
due to involuntary loss of work, the total remuneration payable to 1935
the individual for such week is less than the individual's weekly 1936
benefit amount. 1937

(O) "Week" means the calendar week ending at midnight 1938
Saturday unless an equivalent week of seven consecutive calendar 1939
days is prescribed by the director. 1940

(1) "Qualifying week" means any calendar week in an 1941
individual's base period with respect to which the individual 1942
earns or is paid remuneration in employment subject to this 1943
chapter. A calendar week with respect to which an individual earns 1944
remuneration but for which payment was not made within the base 1945

period, when necessary to qualify for benefit rights, may be 1946
considered to be a qualifying week. The number of qualifying weeks 1947
which may be established in a calendar quarter shall not exceed 1948
the number of calendar weeks in the quarter. 1949

(2) "Average weekly wage" means the amount obtained by 1950
dividing an individual's total remuneration for all qualifying 1951
weeks during the base period by the number of such qualifying 1952
weeks, provided that if the computation results in an amount that 1953
is not a multiple of one dollar, such amount shall be rounded to 1954
the next lower multiple of one dollar. 1955

(P) "Weekly benefit amount" means the amount of benefits an 1956
individual would be entitled to receive for one week of total 1957
unemployment. 1958

(Q)(1) "Base period" means the first four of the last five 1959
completed calendar quarters immediately preceding the first day of 1960
an individual's benefit year, except as provided in division 1961
(Q)(2) of this section. 1962

(2) If an individual does not have sufficient qualifying 1963
weeks and wages in the base period to qualify for benefit rights, 1964
the individual's base period shall be the four most recently 1965
completed calendar quarters preceding the first day of the 1966
individual's benefit year. Such base period shall be known as the 1967
"alternate base period." If information as to weeks and wages for 1968
the most recent quarter of the alternate base period is not 1969
available to the director from the regular quarterly reports of 1970
wage information, which are systematically accessible, the 1971
director may, consistent with the provisions of section 4141.28 of 1972
the Revised Code, base the determination of eligibility for 1973
benefits on the affidavit of the claimant with respect to weeks 1974
and wages for that calendar quarter. The claimant shall furnish 1975
payroll documentation, where available, in support of the 1976
affidavit. The determination based upon the alternate base period 1977

as it relates to the claimant's benefit rights, shall be amended 1978
when the quarterly report of wage information from the employer is 1979
timely received and that information causes a change in the 1980
determination. As provided in division (B) of section 4141.28 of 1981
the Revised Code, any benefits paid and charged to an employer's 1982
account, based upon a claimant's affidavit, shall be adjusted 1983
effective as of the beginning of the claimant's benefit year. No 1984
calendar quarter in a base period or alternate base period shall 1985
be used to establish a subsequent benefit year. 1986

(3) The "base period" of a combined wage claim, as described 1987
in division (H) of section 4141.43 of the Revised Code, shall be 1988
the base period prescribed by the law of the state in which the 1989
claim is allowed. 1990

(4) For purposes of determining the weeks that comprise a 1991
completed calendar quarter under this division, only those weeks 1992
ending at midnight Saturday within the calendar quarter shall be 1993
utilized. 1994

(R)(1) "Benefit year" with respect to an individual means the 1995
fifty-two week period beginning with the first day of that week 1996
with respect to which the individual first files a valid 1997
application for determination of benefit rights, and thereafter 1998
the fifty-two week period beginning with the first day of that 1999
week with respect to which the individual next files a valid 2000
application for determination of benefit rights after the 2001
termination of the individual's last preceding benefit year, 2002
except that the application shall not be considered valid unless 2003
the individual has had employment in six weeks that is subject to 2004
this chapter or the unemployment compensation act of another 2005
state, or the United States, and has, since the beginning of the 2006
individual's previous benefit year, in the employment earned three 2007
times the average weekly wage determined for the previous benefit 2008
year. The "benefit year" of a combined wage claim, as described in 2009

division (H) of section 4141.43 of the Revised Code, shall be the
benefit year prescribed by the law of the state in which the claim
is allowed. Any application for determination of benefit rights
made in accordance with section 4141.28 of the Revised Code is
valid if the individual filing such application is unemployed, has
been employed by an employer or employers subject to this chapter
in at least twenty qualifying weeks within the individual's base
period, and has earned or been paid remuneration at an average
weekly wage of not less than twenty-seven and one-half per cent of
the statewide average weekly wage for such weeks. For purposes of
determining whether an individual has had sufficient employment
since the beginning of the individual's previous benefit year to
file a valid application, "employment" means the performance of
services for which remuneration is payable.

(2) Effective for benefit years beginning on and after
December 26, 2004, any application for determination of benefit
rights made in accordance with section 4141.28 of the Revised Code
is valid if the individual satisfies the criteria described in
division (R)(1) of this section, and if the reason for the
individual's separation from employment is not disqualifying
pursuant to division (D)(2) of section 4141.29 or section 4141.291
of the Revised Code. A disqualification imposed pursuant to
division (D)(2) of section 4141.29 or section 4141.291 of the
Revised Code must be removed as provided in those sections as a
requirement of establishing a valid application for benefit years
beginning on and after December 26, 2004.

(3) The statewide average weekly wage shall be calculated by
the director once a year based on the twelve-month period ending
the thirtieth day of June, as set forth in division (B)(3) of
section 4141.30 of the Revised Code, rounded down to the nearest
dollar. Increases or decreases in the amount of remuneration
required to have been earned or paid in order for individuals to

have filed valid applications shall become effective on Sunday of 2042
the calendar week in which the first day of January occurs that 2043
follows the twelve-month period ending the thirtieth day of June 2044
upon which the calculation of the statewide average weekly wage 2045
was based. 2046

(4) As used in this division, an individual is "unemployed" 2047
if, with respect to the calendar week in which such application is 2048
filed, the individual is "partially unemployed" or "totally 2049
unemployed" as defined in this section or if, prior to filing the 2050
application, the individual was separated from the individual's 2051
most recent work for any reason which terminated the individual's 2052
employee-employer relationship, or was laid off indefinitely or 2053
for a definite period of seven or more days. 2054

(S) "Calendar quarter" means the period of three consecutive 2055
calendar months ending on the thirty-first day of March, the 2056
thirtieth day of June, the thirtieth day of September, and the 2057
thirty-first day of December, or the equivalent thereof as the 2058
director prescribes by rule. 2059

(T) "Computation date" means the first day of the third 2060
calendar quarter of any calendar year. 2061

(U) "Contribution period" means the calendar year beginning 2062
on the first day of January of any year. 2063

(V) "Agricultural labor," for the purpose of this division, 2064
means any service performed prior to January 1, 1972, which was 2065
agricultural labor as defined in this division prior to that date, 2066
and service performed after December 31, 1971: 2067

(1) On a farm, in the employ of any person, in connection 2068
with cultivating the soil, or in connection with raising or 2069
harvesting any agricultural or horticultural commodity, including 2070
the raising, shearing, feeding, caring for, training, and 2071
management of livestock, bees, poultry, and fur-bearing animals 2072

and wildlife; 2073

(2) In the employ of the owner or tenant or other operator of 2074
a farm in connection with the operation, management, conservation, 2075
improvement, or maintenance of such farm and its tools and 2076
equipment, or in salvaging timber or clearing land of brush and 2077
other debris left by hurricane, if the major part of such service 2078
is performed on a farm; 2079

(3) In connection with the production or harvesting of any 2080
commodity defined as an agricultural commodity in section 15 (g) 2081
of the "Agricultural Marketing Act," 46 Stat. 1550 (1931), 12 2082
U.S.C. 1141j, as amended, or in connection with the ginning of 2083
cotton, or in connection with the operation or maintenance of 2084
ditches, canals, reservoirs, or waterways, not owned or operated 2085
for profit, used exclusively for supplying and storing water for 2086
farming purposes; 2087

(4) In the employ of the operator of a farm in handling, 2088
planting, drying, packing, packaging, processing, freezing, 2089
grading, storing, or delivering to storage or to market or to a 2090
carrier for transportation to market, in its unmanufactured state, 2091
any agricultural or horticultural commodity, but only if the 2092
operator produced more than one half of the commodity with respect 2093
to which such service is performed; 2094

(5) In the employ of a group of operators of farms, or a 2095
cooperative organization of which the operators are members, in 2096
the performance of service described in division (V)(4) of this 2097
section, but only if the operators produced more than one-half of 2098
the commodity with respect to which the service is performed; 2099

(6) Divisions (V)(4) and (5) of this section shall not be 2100
deemed to be applicable with respect to service performed: 2101

(a) In connection with commercial canning or commercial 2102
freezing or in connection with any agricultural or horticultural 2103

commodity after its delivery to a terminal market for distribution 2104
for consumption; or 2105

(b) On a farm operated for profit if the service is not in 2106
the course of the employer's trade or business. 2107

As used in division (V) of this section, "farm" includes 2108
stock, dairy, poultry, fruit, fur-bearing animal, and truck farms, 2109
plantations, ranches, nurseries, ranges, greenhouses, or other 2110
similar structures used primarily for the raising of agricultural 2111
or horticultural commodities and orchards. 2112

(W) "Hospital" means an institution which has been registered 2113
or licensed by the Ohio department of health as a hospital. 2114

(X) "Nonprofit organization" means an organization, or group 2115
of organizations, described in section 501(c)(3) of the "Internal 2116
Revenue Code of 1954," and exempt from income tax under section 2117
501(a) of that code. 2118

(Y) "Institution of higher education" means a public or 2119
nonprofit educational institution, including an educational 2120
institution operated by an Indian tribe, which: 2121

(1) Admits as regular students only individuals having a 2122
certificate of graduation from a high school, or the recognized 2123
equivalent; 2124

(2) Is legally authorized in this state or by the Indian 2125
tribe to provide a program of education beyond high school; and 2126

(3) Provides an educational program for which it awards a 2127
bachelor's or higher degree, or provides a program which is 2128
acceptable for full credit toward such a degree, a program of 2129
post-graduate or post-doctoral studies, or a program of training 2130
to prepare students for gainful employment in a recognized 2131
occupation. 2132

For the purposes of this division, all colleges and 2133

universities in this state are institutions of higher education. 2134

(Z) For the purposes of this chapter, "states" includes the 2135
District of Columbia, the Commonwealth of Puerto Rico, and the 2136
Virgin Islands. 2137

(AA) "Alien" means, for the purposes of division (A)(1)(d) of 2138
this section, an individual who is an alien admitted to the United 2139
States to perform service in agricultural labor pursuant to 2140
sections 214 (c) and 101 (a)(15)(H) of the "Immigration and 2141
Nationality Act," 66 Stat. 163, 8 U.S.C.A. 1101. 2142

(BB)(1) "Crew leader" means an individual who furnishes 2143
individuals to perform agricultural labor for any other employer 2144
or farm operator, and: 2145

(a) Pays, either on the individual's own behalf or on behalf 2146
of the other employer or farm operator, the individuals so 2147
furnished by the individual for the service in agricultural labor 2148
performed by them; 2149

(b) Has not entered into a written agreement with the other 2150
employer or farm operator under which the agricultural worker is 2151
designated as in the employ of the other employer or farm 2152
operator. 2153

(2) For the purposes of this chapter, any individual who is a 2154
member of a crew furnished by a crew leader to perform service in 2155
agricultural labor for any other employer or farm operator shall 2156
be treated as an employee of the crew leader if: 2157

(a) The crew leader holds a valid certificate of registration 2158
under the "Farm Labor Contractor Registration Act of 1963," 90 2159
Stat. 2668, 7 U.S.C. 2041; or 2160

(b) Substantially all the members of the crew operate or 2161
maintain tractors, mechanized harvesting or crop-dusting 2162
equipment, or any other mechanized equipment, which is provided by 2163

the crew leader; and 2164

(c) If the individual is not in the employment of the other 2165
employer or farm operator within the meaning of division (B)(1) of 2166
this section. 2167

(3) For the purposes of this division, any individual who is 2168
furnished by a crew leader to perform service in agricultural 2169
labor for any other employer or farm operator and who is not 2170
treated as in the employment of the crew leader under division 2171
(BB)(2) of this section shall be treated as the employee of the 2172
other employer or farm operator and not of the crew leader. The 2173
other employer or farm operator shall be treated as having paid 2174
cash remuneration to the individual in an amount equal to the 2175
amount of cash remuneration paid to the individual by the crew 2176
leader, either on the crew leader's own behalf or on behalf of the 2177
other employer or farm operator, for the service in agricultural 2178
labor performed for the other employer or farm operator. 2179

(CC) "Educational institution" means an institution other 2180
than an institution of higher education as defined in division (Y) 2181
of this section, including an educational institution operated by 2182
an Indian tribe, which: 2183

(1) Offers participants, trainees, or students an organized 2184
course of study or training designed to transfer to them 2185
knowledge, skills, information, doctrines, attitudes, or abilities 2186
from, by, or under the guidance of an instructor or teacher; and 2187

(2) Is approved, chartered, or issued a permit to operate as 2188
a school by the state board of education, other government agency, 2189
or Indian tribe that is authorized within the state to approve, 2190
charter, or issue a permit for the operation of a school. 2191

For the purposes of this division, the courses of study or 2192
training which the institution offers may be academic, technical, 2193
trade, or preparation for gainful employment in a recognized 2194

occupation. 2195

(DD) "Cost savings day" means any unpaid day off from work in 2196
which employees continue to accrue employee benefits which have a 2197
determinable value including, but not limited to, vacation, 2198
pension contribution, sick time, and life and health insurance. 2199

(EE) "Affected unit" means a group of two or more employees, 2200
including a department or shift, designated by an employer to 2201
participate in a short-time compensation plan. 2202

(FF) "Fringe benefit" means health insurance or a defined 2203
benefit plan or defined contribution plan as those terms are 2204
defined in the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 2205
U.S.C. 414, as amended. 2206

(GG) "Normal weekly hours of work" means the number of hours 2207
in a week that an employee normally works for an employer or an 2208
average of forty hours per week over a two-week pay period, 2209
whichever is less. 2210

(HH) "Participating employee" means an employee who works a 2211
reduced number of hours under an approved short-time compensation 2212
plan. 2213

(II) "Short-time compensation benefit" means an unemployment 2214
compensation benefit that is payable to an employee participating 2215
in a short-time compensation plan. 2216

(JJ) "Short-time compensation plan" means a plan under which 2217
an employer reduces the normal weekly hours of work of the 2218
employees who are members of an affected unit in lieu of laying 2219
off those employees. 2220

Sec. 4141.241. (A)(1) Any nonprofit organization described in 2221
division (X) of section 4141.01 of the Revised Code, which becomes 2222
subject to this chapter on or after January 1, 1972, shall pay 2223
contributions under section 4141.25 of the Revised Code, unless it 2224

elects, in accordance with this division, to pay to the director 2225
of job and family services for deposit in the unemployment 2226
compensation fund an amount in lieu of contributions equal to the 2227
amount of regular benefits plus one half of extended benefits paid 2228
from that fund that is attributable to service in the employ of 2229
the nonprofit organization to individuals whose service, during 2230
the base period of the claims, was within the effective period of 2231
such election. 2232

(2) Any nonprofit organization which becomes subject to this 2233
chapter after January 1, 1972, may elect to become liable for 2234
payments in lieu of contributions for a period of not less than 2235
the remainder of that calendar year and the next calendar year, 2236
beginning with the date on which such subjectivity begins, by 2237
filing a written notice of its election with the director not 2238
later than thirty days immediately following the date of the 2239
determination of such subjectivity. 2240

(3) Any nonprofit organization which makes an election in 2241
accordance with this division will continue to be liable for 2242
payments in lieu of contributions for the period described in this 2243
division and until it files with the director a written notice 2244
terminating its election. The notice shall be filed not later than 2245
thirty days prior to the beginning of the calendar year for which 2246
the termination is to become effective. 2247

(4) Any nonprofit organization which has been paying 2248
contributions for a period subsequent to January 1, 1972, may 2249
change to a reimbursable basis by filing with the director, not 2250
later than thirty days prior to the beginning of any calendar 2251
year, a written notice of election to become liable for payments 2252
in lieu of contributions. The election shall not be terminable by 2253
the organization during that calendar year and the next calendar 2254
year. 2255

(5) The director, in accordance with any rules the director 2256

prescribes, shall notify each nonprofit organization of any 2257
determination which the director may make of its status as an 2258
employer and of the effective date of any election which it makes 2259
and of any termination of the election. Any determinations shall 2260
be subject to reconsideration, appeal, and review in accordance 2261
with section 4141.26 of the Revised Code. 2262

(B) Except as provided in division ~~(I)~~(J) of section 4141.29 2263
of the Revised Code, benefits based on service with a nonprofit 2264
organization granted a reimbursing status under this section shall 2265
be payable in the same amount, on the same terms, and subject to 2266
the same conditions, as benefits payable on the basis of other 2267
service subject to this chapter. Payments in lieu of contributions 2268
shall be made in accordance with this division and division (D) of 2269
section 4141.24 of the Revised Code. 2270

(1)(a) At the end of each calendar quarter, or at the end of 2271
any other period as determined by the director under division 2272
(D)(4) of section 4141.24 of the Revised Code, the director shall 2273
bill each nonprofit organization or group of such organizations 2274
which has elected to make payments in lieu of contributions for an 2275
amount equal to the full amount of regular benefits plus one half 2276
of the amount of extended benefits paid during such quarter or 2277
other prescribed period which is attributable to service in the 2278
employ of such organization. 2279

(b) In the computation of the amount of benefits to be 2280
charged to employers liable for payments in lieu of contributions, 2281
all benefits attributable to service described in division 2282
(B)(1)(a) of this section shall be computed and charged to such 2283
organization as described in division (D) of section 4141.24 of 2284
the Revised Code, and, except as provided in division (D)(2) of 2285
section 4141.24 of the Revised Code, no portion of the amount may 2286
be charged to the mutualized account established by division (B) 2287
of section 4141.25 of the Revised Code. 2288

(c) The director may prescribe regulations under which 2289
organizations, which have elected to make payments in lieu of 2290
contributions may request permission to make such payments in 2291
equal installments throughout the year with an adjustment at the 2292
end of the year for any excess or shortage of the amount of such 2293
installment payments compared with the total amount of benefits 2294
actually charged the organization's account during the year. In 2295
making any adjustment, where the total installment payments are 2296
less than the actual benefits charged, the organization shall be 2297
liable for payment of the unpaid balance in accordance with 2298
division (B)(2) of this section. If the total installment payments 2299
exceed the actual benefits charged, all or part of the excess may, 2300
at the discretion of the director, be refunded or retained in the 2301
fund as part of the payments which may be required in the next 2302
year. 2303

(2) Payment of any bill rendered under division (B)(1) of 2304
this section shall be made not later than thirty days after the 2305
bill was mailed to the last known address of the organization or 2306
was otherwise delivered to it, unless there has been an 2307
application for review and redetermination in accordance with 2308
division (B)(4) of this section. 2309

(3) Payments made by an organization under this section shall 2310
not be deducted or deductible, in whole or in part, from the 2311
remuneration of individuals in the employ of the organization. 2312

(4) An organization may file an application for review and 2313
redetermination of the amounts appearing on any bill rendered to 2314
such organization under division (B)(1) of this section. The 2315
application shall be filed and determined under division (D)(4) of 2316
section 4141.24 of the Revised Code. 2317

(5) Past-due payments of amounts in lieu of contributions 2318
shall be subject to the same interest rates and collection 2319
procedures that apply to past-due contributions under sections 2320

4141.23 and 414.27 of the Revised Code. In case of failure to file 2321
a required quarterly report within the time prescribed by the 2322
director, the nonprofit organization shall be subject to a 2323
forfeiture pursuant to section 4141.20 of the Revised Code for 2324
each quarterly report that is not timely filed. 2325

All interest and forfeitures collected under this division 2326
shall be paid into the unemployment compensation special 2327
administrative fund as provided in section 4141.11 of the Revised 2328
Code. 2329

(6) All payments in lieu of contributions collected under 2330
this section shall be paid into the unemployment compensation fund 2331
as provided in section 4141.09 of the Revised Code. Any refunds of 2332
such payments shall be paid from the unemployment compensation 2333
fund, as provided in section 4141.09 of the Revised Code. 2334

(C)(1) Any nonprofit organization, or group of such 2335
organizations approved under division (D) of this section, that 2336
elects to become liable for payments in lieu of contributions 2337
shall be required within thirty days after the effective date of 2338
its election, to execute and file with the director a surety bond 2339
approved by the director or it may elect instead to deposit with 2340
the director approved municipal or other bonds, or approved 2341
securities, or a combination thereof, or other forms of collateral 2342
security approved by the director. 2343

(2)(a) The amount of the bond or deposit required shall be 2344
equal to three per cent of the organization's wages paid for 2345
employment as defined in section 4141.01 of the Revised Code that 2346
would have been taxable had the organization been a subject 2347
employer during the four calendar quarters immediately preceding 2348
the effective date of the election, or the amount established by 2349
the director within the limitation provided in division (C)(2)(d) 2350
of this section, whichever is the less. The effective date of the 2351
amount of the bond or other collateral security required after the 2352

employer initially is determined by the director to be liable for 2353
payments in lieu of contributions shall be the renewal date in the 2354
case of a bond or the biennial anniversary of the effective date 2355
of election in the case of deposit of securities or other forms of 2356
collateral security approved by the director, whichever date shall 2357
be most recent and applicable. If the nonprofit organization did 2358
not pay wages in each of such four calendar quarters, the amount 2359
of the bond or deposit shall be as determined by the director 2360
under regulations prescribed for this purpose. 2361

(b) Any bond or other form of collateral security approved by 2362
the director deposited under this division shall be in force for a 2363
period of not less than two calendar years and shall be renewed 2364
with the approval of the director, at such times as the director 2365
may prescribe, but not less frequently than at two-year intervals 2366
as long as the organization continues to be liable for payments in 2367
lieu of contributions. The director shall require adjustments to 2368
be made in a previously filed bond or other form of collateral 2369
security as the director considers appropriate. If the bond or 2370
other form of collateral security is to be increased, the adjusted 2371
bond or collateral security shall be filed by the organization 2372
within thirty days of the date that notice of the required 2373
adjustment was mailed or otherwise delivered to it. Failure by any 2374
organization covered by such bond or collateral security to pay 2375
the full amount of payments in lieu of contributions when due, 2376
together with any applicable interest provided for in division 2377
(B)(5) of this section, shall render the surety liable on the bond 2378
or collateral security to the extent of the bond or collateral 2379
security, as though the surety was the organization. 2380

(c) Any securities accepted in lieu of surety bond by the 2381
director shall be deposited with the treasurer of state who shall 2382
have custody thereof and retain the same in the treasurer of 2383
state's possession, or release them, according to conditions 2384

prescribed by regulations of the director. Income from the 2385
securities, held in custody by the treasurer of state, shall 2386
accrue to the benefit of the depositor and shall be distributed to 2387
the depositor in the absence of any notification from the director 2388
that the depositor is in default on any payment owed to the 2389
director. The director may require the sale of any such bonds to 2390
the extent necessary to satisfy any unpaid payments in lieu of 2391
contributions, together with any applicable interest or 2392
forfeitures provided for in division (B)(5) of this section. The 2393
director shall require the employer within thirty days following 2394
any sale of deposited securities, under this subdivision, to 2395
deposit additional securities, surety bond, or combination of 2396
both, to make whole the employer's security deposit at the 2397
approved level. Any cash remaining from the sale of such 2398
securities may, at the discretion of the director, be refunded in 2399
whole or in part, or be paid into the unemployment compensation 2400
fund to cover future payments required of the organization. 2401

(d) The required bond or deposit for any nonprofit 2402
organization, or group of such organizations approved by the 2403
director under division (D) of this section, that is determined by 2404
the director to be liable for payments in lieu of contributions 2405
effective beginning on and after January 1, 1996, but prior to 2406
January 1, 1998, and the required bond or deposit for any renewed 2407
elections under division (C)(2)(b) of this section effective 2408
during that period shall not exceed one million two hundred fifty 2409
thousand dollars. The required bond or deposit for any nonprofit 2410
organization, or group of such organizations approved by the 2411
director under division (D) of this section, that is determined to 2412
be liable for payments in lieu of contributions effective on and 2413
after January 1, 1998, and the required bond or deposit for any 2414
renewed elections effective on and after January 1, 1998, shall 2415
not exceed two million dollars. 2416

(3) If any nonprofit organization fails to file a bond or 2417
make a deposit, or to file a bond in an increased amount or to 2418
make whole the amount of a previously made deposit, as provided 2419
under this division, the director may terminate the organization's 2420
election to make payments in lieu of contributions effective for 2421
the quarter following such failure and the termination shall 2422
continue for not less than the remainder of that calendar year and 2423
the next calendar year, beginning with the quarter in which the 2424
termination becomes effective; except that the director may extend 2425
for good cause the applicable filing, deposit, or adjustment 2426
period by not more than thirty days. 2427

(D)(1) Two or more nonprofit organizations that have become 2428
liable for payments in lieu of contributions, in accordance with 2429
division (A) of this section, may file a joint application to the 2430
director for the establishment of the group account for the 2431
purpose of sharing the cost of benefits paid that are attributable 2432
to service in the employ of those employers. Notwithstanding 2433
division (E) of section 4141.242 of the Revised Code, hospitals 2434
operated by this state or a political subdivision may participate 2435
in a group account with nonprofit organizations under the 2436
procedures set forth in this section. Each application shall 2437
identify and authorize a group representative to act as the 2438
group's agent for the purposes of this division. 2439

(2) Upon the director's approval of the application, the 2440
director shall establish a group account for the employers 2441
effective as of the beginning of the calendar quarter in which the 2442
director receives the application and shall notify the group's 2443
representative of the effective date of the account. The account 2444
shall remain in effect for not less than two years and thereafter 2445
until terminated by the director or upon application by the group. 2446

(3) Upon establishment of the account, each member of the 2447
group shall be liable, in the event that the group representative 2448

fails to pay any bill issued to it pursuant to division (B) of 2449
this section, for payments in lieu of contributions with respect 2450
to each calendar quarter in the amount that bears the same ratio 2451
to the total benefits paid in the quarter that are attributable to 2452
service performed in the employ of all members of the group as the 2453
total wages paid for service in employment by the member in the 2454
quarter bear to the total wages paid during the quarter for 2455
service performed in the employ of all members of the group. 2456

(4) The director shall adopt regulations as considered 2457
necessary with respect to the following: applications for 2458
establishment, bonding, maintenance, and termination of group 2459
accounts that are authorized by this section; addition of new 2460
members to and withdrawal of active members from such accounts; 2461
and the determination of the amounts that are payable under this 2462
division by the group representative and in the event of default 2463
in payment by the group representative, members of the group, and 2464
the time and manner of payments. 2465

Sec. 4141.29. Each eligible individual shall receive benefits 2466
as compensation for loss of remuneration due to involuntary total 2467
or partial unemployment in the amounts and subject to the 2468
conditions stipulated in this chapter. 2469

(A) No individual is entitled to a waiting period or benefits 2470
for any week unless the individual: 2471

(1) Has filed a valid application for determination of 2472
benefit rights in accordance with section 4141.28 of the Revised 2473
Code; 2474

(2) Has made a claim for benefits in accordance with section 2475
4141.28 of the Revised Code; 2476

(3) Has registered at an employment office or other 2477
registration place maintained or designated by the director of job 2478

and family services. Registration shall be made in accordance with 2479
the time limits, frequency, and manner prescribed by the director. 2480

(4)(a)(i) Is able to work and available for suitable work 2481
and, except as provided in division (A)(4)(a)(ii) of this section, 2482
is actively seeking suitable work either in a locality in which 2483
the individual has earned wages subject to this chapter during the 2484
individual's base period, or if the individual leaves that 2485
locality, then in a locality where suitable work normally is 2486
performed. 2487

(ii) The director may waive the requirement that a claimant 2488
be actively seeking work when the director finds that the 2489
individual has been laid off and the employer who laid the 2490
individual off has notified the director within ten days after the 2491
layoff, that work is expected to be available for the individual 2492
within a specified number of days not to exceed forty-five 2493
calendar days following the last day the individual worked. In the 2494
event the individual is not recalled within the specified period, 2495
this waiver shall cease to be operative with respect to that 2496
layoff. 2497

(b) The individual shall be instructed as to the efforts that 2498
the individual must make in the search for suitable work, except 2499
where the active search for work requirement has been waived under 2500
division (A)(4)(a) of this section, and shall keep a record of 2501
where and when the individual has sought work in complying with 2502
those instructions and, upon request, shall produce that record 2503
for examination by the director. 2504

(c) An individual who is attending a training course approved 2505
by the director meets the requirement of this division, if 2506
attendance was recommended by the director and the individual is 2507
regularly attending the course and is making satisfactory 2508
progress. An individual also meets the requirements of this 2509
division if the individual is participating and advancing in a 2510

training program, as defined in division (P) of section 5709.61 of 2511
the Revised Code, and if an enterprise, defined in division (B) of 2512
section 5709.61 of the Revised Code, is paying all or part of the 2513
cost of the individual's participation in the training program 2514
with the intention of hiring the individual for employment as a 2515
new employee, as defined in division (L) of section 5709.61 of the 2516
Revised Code, for at least ninety days after the individual's 2517
completion of the training program. 2518

(d) An individual who becomes unemployed while attending a 2519
regularly established school and whose base period qualifying 2520
weeks were earned in whole or in part while attending that school, 2521
meets the availability and active search for work requirements of 2522
division (A)(4)(a) of this section if the individual regularly 2523
attends the school during weeks with respect to which the 2524
individual claims unemployment benefits and makes self available 2525
on any shift of hours for suitable employment with the 2526
individual's most recent employer or any other employer in the 2527
individual's base period, or for any other suitable employment to 2528
which the individual is directed, under this chapter. 2529

(e) The director shall adopt any rules that the director 2530
deems necessary for the administration of division (A)(4) of this 2531
section. 2532

(f) Notwithstanding any other provisions of this section, no 2533
otherwise eligible individual shall be denied benefits for any 2534
week because the individual is in training approved under section 2535
236(a)(1) of the "Trade Act of 1974," 88 Stat. 1978, 19 U.S.C.A. 2536
2296, nor shall that individual be denied benefits by reason of 2537
leaving work to enter such training, provided the work left is not 2538
suitable employment, or because of the application to any week in 2539
training of provisions in this chapter, or any applicable federal 2540
unemployment compensation law, relating to availability for work, 2541
active search for work, or refusal to accept work. 2542

For the purposes of division (A)(4)(f) of this section, 2543
"suitable employment" means with respect to an individual, work of 2544
a substantially equal or higher skill level than the individual's 2545
past adversely affected employment, as defined for the purposes of 2546
the "Trade Act of 1974," 88 Stat. 1978, 19 U.S.C.A. 2101, and 2547
wages for such work at not less than eighty per cent of the 2548
individual's average weekly wage as determined for the purposes of 2549
that federal act. 2550

(5) Is unable to obtain suitable work. An individual who is 2551
provided temporary work assignments by the individual's employer 2552
under agreed terms and conditions of employment, and who is 2553
required pursuant to those terms and conditions to inquire with 2554
the individual's employer for available work assignments upon the 2555
conclusion of each work assignment, is not considered unable to 2556
obtain suitable employment if suitable work assignments are 2557
available with the employer but the individual fails to contact 2558
the employer to inquire about work assignments. 2559

(6) Participates in reemployment services, such as job search 2560
assistance services, if the individual has been determined to be 2561
likely to exhaust benefits under this chapter, including 2562
compensation payable pursuant to 5 U.S.C.A. Chapter 85, other than 2563
extended compensation, and needs reemployment services pursuant to 2564
the profiling system established by the director under division 2565
~~(K)~~(L) of this section, unless the director determines that: 2566

(a) The individual has completed such services; or 2567

(b) There is justifiable cause for the claimant's failure to 2568
participate in such services. 2569

(B) An individual suffering total or partial unemployment is 2570
eligible for benefits for unemployment occurring subsequent to a 2571
waiting period of one week and no benefits shall be payable during 2572
this required waiting period. Not more than one week of waiting 2573

period shall be required of any individual in any benefit year in 2574
order to establish the individual's eligibility for total or 2575
partial unemployment benefits. 2576

(C) The waiting period for total or partial unemployment 2577
shall commence on the first day of the first week with respect to 2578
which the individual first files a claim for benefits at an 2579
employment office or other place of registration maintained or 2580
designated by the director or on the first day of the first week 2581
with respect to which the individual has otherwise filed a claim 2582
for benefits in accordance with the rules of the department of job 2583
and family services, provided such claim is allowed by the 2584
director. 2585

(D) Notwithstanding division (A) of this section, no 2586
individual may serve a waiting period or be paid benefits under 2587
the following conditions: 2588

(1) For any week with respect to which the director finds 2589
that: 2590

(a) The individual's unemployment was due to a labor dispute 2591
other than a lockout at any factory, establishment, or other 2592
premises located in this or any other state and owned or operated 2593
by the employer by which the individual is or was last employed; 2594
and for so long as the individual's unemployment is due to such 2595
labor dispute. No individual shall be disqualified under this 2596
provision if either of the following applies: 2597

(i) The individual's employment was with such employer at any 2598
factory, establishment, or premises located in this state, owned 2599
or operated by such employer, other than the factory, 2600
establishment, or premises at which the labor dispute exists, if 2601
it is shown that the individual is not financing, participating 2602
in, or directly interested in such labor dispute; 2603

(ii) The individual's employment was with an employer not 2604

involved in the labor dispute but whose place of business was 2605
located within the same premises as the employer engaged in the 2606
dispute, unless the individual's employer is a wholly owned 2607
subsidiary of the employer engaged in the dispute, or unless the 2608
individual actively participates in or voluntarily stops work 2609
because of such dispute. If it is established that the claimant 2610
was laid off for an indefinite period and not recalled to work 2611
prior to the dispute, or was separated by the employer prior to 2612
the dispute for reasons other than the labor dispute, or that the 2613
individual obtained a bona fide job with another employer while 2614
the dispute was still in progress, such labor dispute shall not 2615
render the employee ineligible for benefits. 2616

(b) The individual has been given a disciplinary layoff for 2617
misconduct in connection with the individual's work. 2618

(2) For the duration of the individual's unemployment if the 2619
director finds that: 2620

(a) The individual quit work without just cause or has been 2621
discharged for just cause in connection with the individual's 2622
work, provided division (D)(2) of this section does not apply to 2623
the separation of a person under any of the following 2624
circumstances: 2625

(i) Separation from employment for the purpose of entering 2626
the armed forces of the United States if the individual is 2627
inducted into the armed forces within one of the following 2628
periods: 2629

(I) Thirty days after separation; 2630

(II) One hundred eighty days after separation if the 2631
individual's date of induction is delayed solely at the discretion 2632
of the armed forces. 2633

(ii) Separation from employment pursuant to a 2634
labor-management contract or agreement, or pursuant to an 2635

established employer plan, program, or policy, which permits the 2636
employee, because of lack of work, to accept a separation from 2637
employment; 2638

(iii) The individual has left employment to accept a recall 2639
from a prior employer or, except as provided in division 2640
(D)(2)(a)(iv) of this section, to accept other employment as 2641
provided under section 4141.291 of the Revised Code, or left or 2642
was separated from employment that was concurrent employment at 2643
the time of the most recent separation or within six weeks prior 2644
to the most recent separation where the remuneration, hours, or 2645
other conditions of such concurrent employment were substantially 2646
less favorable than the individual's most recent employment and 2647
where such employment, if offered as new work, would be considered 2648
not suitable under the provisions of divisions (E) and (F) of this 2649
section. Any benefits that would otherwise be chargeable to the 2650
account of the employer from whom an individual has left 2651
employment or was separated from employment that was concurrent 2652
employment under conditions described in division (D)(2)(a)(iii) 2653
of this section, shall instead be charged to the mutualized 2654
account created by division (B) of section 4141.25 of the Revised 2655
Code, except that any benefits chargeable to the account of a 2656
reimbursing employer under division (D)(2)(a)(iii) of this section 2657
shall be charged to the account of the reimbursing employer and 2658
not to the mutualized account, except as provided in division 2659
(D)(2) of section 4141.24 of the Revised Code. 2660

(iv) When an individual has been issued a definite layoff 2661
date by the individual's employer and before the layoff date, the 2662
individual quits to accept other employment, the provisions of 2663
division (D)(2)(a)(iii) of this section apply and no 2664
disqualification shall be imposed under division (D) of this 2665
section. However, if the individual fails to meet the employment 2666
and earnings requirements of division (A)(2) of section 4141.291 2667

of the Revised Code, then the individual, pursuant to division 2668
(A)(5) of this section, shall be ineligible for benefits for any 2669
week of unemployment that occurs prior to the layoff date. 2670

(b) The individual has refused without good cause to accept 2671
an offer of suitable work when made by an employer either in 2672
person or to the individual's last known address, or has refused 2673
or failed to investigate a referral to suitable work when directed 2674
to do so by a local employment office of this state or another 2675
state, provided that this division shall not cause a 2676
disqualification for a waiting week or benefits under the 2677
following circumstances: 2678

(i) When work is offered by the individual's employer and the 2679
individual is not required to accept the offer pursuant to the 2680
terms of the labor-management contract or agreement; or 2681

(ii) When the individual is attending a training course 2682
pursuant to division (A)(4) of this section except, in the event 2683
of a refusal to accept an offer of suitable work or a refusal or 2684
failure to investigate a referral, benefits thereafter paid to 2685
such individual shall not be charged to the account of any 2686
employer and, except as provided in division (B)(1)(b) of section 2687
4141.241 of the Revised Code, shall be charged to the mutualized 2688
account as provided in division (B) of section 4141.25 of the 2689
Revised Code. 2690

(c) ~~Such~~ Except as otherwise provided in section 4141.293 of 2691
the Revised Code, such individual quit work to marry or because of 2692
marital, parental, filial, or other domestic obligations. 2693

(d) The individual became unemployed by reason of commitment 2694
to any correctional institution. 2695

(e) The individual became unemployed because of dishonesty in 2696
connection with the individual's most recent or any base period 2697
work. Remuneration earned in such work shall be excluded from the 2698

individual's total base period remuneration and qualifying weeks 2699
that otherwise would be credited to the individual for such work 2700
in the individual's base period shall not be credited for the 2701
purpose of determining the total benefits to which the individual 2702
is eligible and the weekly benefit amount to be paid under section 2703
4141.30 of the Revised Code. Such excluded remuneration and 2704
noncredited qualifying weeks shall be excluded from the 2705
calculation of the maximum amount to be charged, under division 2706
(D) of section 4141.24 and section 4141.33 of the Revised Code, 2707
against the accounts of the individual's base period employers. In 2708
addition, no benefits shall thereafter be paid to the individual 2709
based upon such excluded remuneration or noncredited qualifying 2710
weeks. 2711

For purposes of division (D)(2)(e) of this section, 2712
"dishonesty" means the commission of substantive theft, fraud, or 2713
deceitful acts. 2714

(E) No individual otherwise qualified to receive benefits 2715
shall lose the right to benefits by reason of a refusal to accept 2716
new work if: 2717

(1) As a condition of being so employed the individual would 2718
be required to join a company union, or to resign from or refrain 2719
from joining any bona fide labor organization, or would be denied 2720
the right to retain membership in and observe the lawful rules of 2721
any such organization. 2722

(2) The position offered is vacant due directly to a strike, 2723
lockout, or other labor dispute. 2724

(3) The work is at an unreasonable distance from the 2725
individual's residence, having regard to the character of the work 2726
the individual has been accustomed to do, and travel to the place 2727
of work involves expenses substantially greater than that required 2728
for the individual's former work, unless the expense is provided 2729

for. 2730

(4) The remuneration, hours, or other conditions of the work 2731
offered are substantially less favorable to the individual than 2732
those prevailing for similar work in the locality. 2733

(F) Subject to the special exceptions contained in division 2734
(A)(4)(f) of this section and section 4141.301 of the Revised 2735
Code, in determining whether any work is suitable for a claimant 2736
in the administration of this chapter, the director, in addition 2737
to the determination required under division (E) of this section, 2738
shall consider the degree of risk to the claimant's health, 2739
safety, and morals, the individual's physical fitness for the 2740
work, the individual's prior training and experience, the length 2741
of the individual's unemployment, the distance of the available 2742
work from the individual's residence, and the individual's 2743
prospects for obtaining local work. 2744

(G) No claimant shall be denied regular unemployment benefits 2745
under this section due to failing to satisfy the requirement 2746
regarding availability for work, failing to actively search for 2747
suitable work, or refusing to accept suitable work as described 2748
under division (A) of this section, solely because the claimant is 2749
seeking only part-time work. 2750

(H) The "duration of unemployment" as used in this section 2751
means the full period of unemployment next ensuing after a 2752
separation from any base period or subsequent work and until an 2753
individual has become reemployed in employment subject to this 2754
chapter, or the unemployment compensation act of another state, or 2755
of the United States, and until such individual has worked six 2756
weeks and for those weeks has earned or been paid remuneration 2757
equal to six times an average weekly wage of not less than: 2758
eighty-five dollars and ten cents per week beginning on June 26, 2759
1990; and beginning on and after January 1, 1992, twenty-seven and 2760
one-half per cent of the statewide average weekly wage as computed 2761

each first day of January under division (B)(3) of section 4141.30 2762
of the Revised Code, rounded down to the nearest dollar, except 2763
for purposes of division (D)(2)(c) of this section, such term 2764
means the full period of unemployment next ensuing after a 2765
separation from such work and until such individual has become 2766
reemployed subject to the terms set forth above, and has earned 2767
wages equal to one-half of the individual's average weekly wage or 2768
sixty dollars, whichever is less. 2769

~~(H)~~(I) If a claimant is disqualified under division 2770
(D)(2)(a), (c), or (d) of this section or found to be qualified 2771
under the exceptions provided in division (D)(2)(a)(i), (iii), or 2772
(iv) of this section ~~or~~, division (A)(2) of section 4141.291 of 2773
the Revised Code, or section 4141.293 of the Revised Code, then 2774
benefits that may become payable to such claimant, which are 2775
chargeable to the account of the employer from whom the individual 2776
was separated under such conditions, shall be charged to the 2777
mutualized account provided in section 4141.25 of the Revised 2778
Code, provided that no charge shall be made to the mutualized 2779
account for benefits chargeable to a reimbursing employer, except 2780
as provided in division (D)(2) of section 4141.24 of the Revised 2781
Code. In the case of a reimbursing employer, the director shall 2782
refund or credit to the account of the reimbursing employer any 2783
over-paid benefits that are recovered under division (B) of 2784
section 4141.35 of the Revised Code. Amounts chargeable to other 2785
states, the United States, or Canada that are subject to 2786
agreements and arrangements that are established pursuant to 2787
section 4141.43 of the Revised Code shall be credited or 2788
reimbursed according to the agreements and arrangements to which 2789
the chargeable amounts are subject. 2790

~~(I)~~(J)(1) Benefits based on service in employment as provided 2791
in divisions (B)(2)(a) and (b) of section 4141.01 of the Revised 2792
Code shall be payable in the same amount, on the same terms, and 2793

subject to the same conditions as benefits payable on the basis of 2794
other service subject to this chapter; except that after December 2795
31, 1977: 2796

(a) Benefits based on service in an instructional, research, 2797
or principal administrative capacity in an institution of higher 2798
education, as defined in division (Y) of section 4141.01 of the 2799
Revised Code; or for an educational institution as defined in 2800
division (CC) of section 4141.01 of the Revised Code, shall not be 2801
paid to any individual for any week of unemployment that begins 2802
during the period between two successive academic years or terms, 2803
or during a similar period between two regular but not successive 2804
terms or during a period of paid sabbatical leave provided for in 2805
the individual's contract, if the individual performs such 2806
services in the first of those academic years or terms and has a 2807
contract or a reasonable assurance that the individual will 2808
perform services in any such capacity for any such institution in 2809
the second of those academic years or terms. 2810

(b) Benefits based on service for an educational institution 2811
or an institution of higher education in other than an 2812
instructional, research, or principal administrative capacity, 2813
shall not be paid to any individual for any week of unemployment 2814
which begins during the period between two successive academic 2815
years or terms of the employing educational institution or 2816
institution of higher education, provided the individual performed 2817
those services for the educational institution or institution of 2818
higher education during the first such academic year or term and, 2819
there is a reasonable assurance that such individual will perform 2820
those services for any educational institution or institution of 2821
higher education in the second of such academic years or terms. 2822

If compensation is denied to any individual for any week 2823
under division ~~(I)~~(J)(1)(b) of this section and the individual was 2824
not offered an opportunity to perform those services for an 2825

institution of higher education or for an educational institution 2826
for the second of such academic years or terms, the individual is 2827
entitled to a retroactive payment of compensation for each week 2828
for which the individual timely filed a claim for compensation and 2829
for which compensation was denied solely by reason of division 2830
~~(I)~~(J)(1)(b) of this section. An application for retroactive 2831
benefits shall be timely filed if received by the director or the 2832
director's deputy within or prior to the end of the fourth full 2833
calendar week after the end of the period for which benefits were 2834
denied because of reasonable assurance of employment. The 2835
provision for the payment of retroactive benefits under division 2836
~~(I)~~(J)(1)(b) of this section is applicable to weeks of 2837
unemployment beginning on and after November 18, 1983. The 2838
provisions under division ~~(I)~~(J)(1)(b) of this section shall be 2839
retroactive to September 5, 1982, only if, as a condition for full 2840
tax credit against the tax imposed by the "Federal Unemployment 2841
Tax Act," 53 Stat. 183 (1939), 26 U.S.C.A. 3301 to 3311, the 2842
United States secretary of labor determines that retroactivity is 2843
required by federal law. 2844

(c) With respect to weeks of unemployment beginning after 2845
December 31, 1977, benefits shall be denied to any individual for 2846
any week which commences during an established and customary 2847
vacation period or holiday recess, if the individual performs any 2848
services described in divisions ~~(I)~~(J)(1)(a) and (b) of this 2849
section in the period immediately before the vacation period or 2850
holiday recess, and there is a reasonable assurance that the 2851
individual will perform any such services in the period 2852
immediately following the vacation period or holiday recess. 2853

(d) With respect to any services described in division 2854
~~(I)~~(J)(1)(a), (b), or (c) of this section, benefits payable on the 2855
basis of services in any such capacity shall be denied as 2856
specified in division ~~(I)~~(J)(1)(a), (b), or (c) of this section to 2857

any individual who performs such services in an educational 2858
institution or institution of higher education while in the employ 2859
of an educational service agency. For this purpose, the term 2860
"educational service agency" means a governmental agency or 2861
governmental entity that is established and operated exclusively 2862
for the purpose of providing services to one or more educational 2863
institutions or one or more institutions of higher education. 2864

(e) Any individual employed by a public school district or a 2865
county board of developmental disabilities shall be notified by 2866
the thirtieth day of April each year if the individual is not to 2867
be reemployed the following academic year. 2868

(2) No disqualification will be imposed, between academic 2869
years or terms or during a vacation period or holiday recess under 2870
this division, unless the director or the director's deputy has 2871
received a statement in writing from the educational institution 2872
or institution of higher education that the claimant has a 2873
contract for, or a reasonable assurance of, reemployment for the 2874
ensuing academic year or term. 2875

(3) If an individual has employment with an educational 2876
institution or an institution of higher education and employment 2877
with a noneducational employer, during the base period of the 2878
individual's benefit year, then the individual may become eligible 2879
for benefits during the between-term, or vacation or holiday 2880
recess, disqualification period, based on employment performed for 2881
the noneducational employer, provided that the employment is 2882
sufficient to qualify the individual for benefit rights separately 2883
from the benefit rights based on school employment. The weekly 2884
benefit amount and maximum benefits payable during a 2885
disqualification period shall be computed based solely on the 2886
nonschool employment. 2887

~~(J)~~(K) Benefits shall not be paid on the basis of employment 2888
performed by an alien, unless the alien had been lawfully admitted 2889

to the United States for permanent residence at the time the 2890
services were performed, was lawfully present for purposes of 2891
performing the services, or was otherwise permanently residing in 2892
the United States under color of law at the time the services were 2893
performed, under section 212(d)(5) of the "Immigration and 2894
Nationality Act," 66 Stat. 163, 8 U.S.C.A. 1101: 2895

(1) Any data or information required of individuals applying 2896
for benefits to determine whether benefits are not payable to them 2897
because of their alien status shall be uniformly required from all 2898
applicants for benefits. 2899

(2) In the case of an individual whose application for 2900
benefits would otherwise be approved, no determination that 2901
benefits to the individual are not payable because of the 2902
individual's alien status shall be made except upon a 2903
preponderance of the evidence that the individual had not, in 2904
fact, been lawfully admitted to the United States. 2905

~~(K)~~(L) The director shall establish and utilize a system of 2906
profiling all new claimants under this chapter that: 2907

(1) Identifies which claimants will be likely to exhaust 2908
regular compensation and will need job search assistance services 2909
to make a successful transition to new employment; 2910

(2) Refers claimants identified pursuant to division 2911
~~(K)~~(L)(1) of this section to reemployment services, such as job 2912
search assistance services, available under any state or federal 2913
law; 2914

(3) Collects follow-up information relating to the services 2915
received by such claimants and the employment outcomes for such 2916
claimant's subsequent to receiving such services and utilizes such 2917
information in making identifications pursuant to division 2918
~~(K)~~(L)(1) of this section; and 2919

(4) Meets such other requirements as the United States 2920

secretary of labor determines are appropriate. 2921

(M) As used in this section, "seeking only part-time work" 2922
means the claimant is willing and able to work at least twelve 2923
hours per week. 2924

Sec. 4141.293. (A) As used in this section: 2925

(1) "Compelling family circumstances" means any of the 2926
following: 2927

(a) The claimant was separated from employment with the 2928
claimant's employer because of the claimant's illness or 2929
disability and, based upon available information, the director of 2930
job and family services finds that it was medically necessary for 2931
the claimant to stop working or change occupations. 2932

(b) The claimant was separated from work due to an immediate 2933
family member's illness or disability. 2934

(c) The claimant's spouse was transferred or employed in 2935
another city or state, the family is required to move to the 2936
location of that job, the location is outside the commuting 2937
distance of the claimant's previous employment, and the claimant 2938
separates from employment in order to move to the new location 2939
with the claimant's spouse. 2940

(2) "Disability" means a verified disability that 2941
necessitates the care of the disabled person for a period of time 2942
that exceeds the amount of time an employer will provide paid or 2943
unpaid leave. "Disability" includes mental and physical 2944
disabilities, permanent and temporary disabilities, and partial 2945
and total disabilities. 2946

(3) "Immediate family member" means a claimant's spouse, 2947
parent, or child under the age of eighteen. 2948

(4) "Illness" means a verified illness that necessitates the 2949
care of the ill person for a period of time that exceeds the 2950

amount of time an employer will provide paid or unpaid leave. 2951

(B)(1) Notwithstanding section 4141.29 of the Revised Code, a 2952
claimant is eligible for waiting week credit and for unemployment 2953
compensation benefits if the director finds that the claimant has 2954
left work voluntarily or has been discharged because of 2955
circumstances directly resulting from domestic abuse and any of 2956
the following applies: 2957

(a) The claimant reasonably fears future domestic abuse at or 2958
en route to the workplace. 2959

(b) The claimant needs to relocate to avoid future domestic 2960
abuse. 2961

(c) The claimant reasonably believes that leaving work is 2962
necessary for the safety of the claimant or the claimant's family. 2963

(2) When determining if a claimant has experienced domestic 2964
abuse for the purpose of receiving unemployment compensation 2965
benefits, the director shall require the claimant to provide 2966
documentation of domestic abuse that may include police or court 2967
records or other documentation of abuse from a shelter worker, 2968
attorney, member of the clergy, or medical or other professional 2969
from whom the claimant has sought assistance. 2970

(3) The director shall keep confidential any documentation or 2971
evidence of domestic abuse acquired by the director pursuant to 2972
this section unless the claimant gives written consent for 2973
disclosure. 2974

(C) Notwithstanding section 4141.29 of the Revised Code, an 2975
individual is eligible for waiting week credit and for 2976
unemployment compensation benefits if the director determines that 2977
the claimant was separated from employment due to compelling 2978
family circumstances. 2979

Sec. 4141.302. (A) As used in this section: 2980

(1) "Declining occupation" means either of the following 2981
occupations: 2982

(a) An occupation in which a lack of sufficient current 2983
demand in a claimant's labor market area exists for the 2984
occupational skills for which the claimant is qualified by 2985
training and experience or current physical or mental capacity, 2986
and the lack of employment opportunities is expected to continue 2987
for an extended period of time; 2988

(b) An occupation for which a seasonal variation in demand 2989
exists in the labor market and a claimant has no other skills for 2990
which a current demand exists. 2991

(2) "Extended benefits" and "regular benefits" have the same 2992
meanings as in section 4141.301 of the Revised Code. 2993

(3) "High-demand occupation" means an occupation in a labor 2994
market area where work opportunities are available and qualified 2995
applicants are lacking as determined by the use of available labor 2996
market information. 2997

(4) "Similar stipend" means an amount provided under a 2998
program with similar aims, such as providing training to increase 2999
employability, as the program described in division (B)(3) of this 3000
section. 3001

(B) A claimant who otherwise is eligible for regular benefits 3002
is eligible to receive training extension benefits if the director 3003
of job and family services determines that the claimant satisfies 3004
all of the following criteria: 3005

(1) The claimant is unemployed. 3006

(2) The claimant has exhausted all rights to regular 3007
benefits, all rights to extended benefits, and all rights to 3008
benefits under section 2002 of division B, title n, known as "The 3009
Assistance for Unemployed Workers and Struggling Families Act" of 3010

the "American Recovery and Reinvestment Act of 2009," Pub. L. No. 111-5, 123 Stat. 115, as amended.

(3) The claimant is enrolled in a training program approved by the director or in a job training program authorized under the "Workforce Investment Act of 1998," 112 Stat. 936, 29 U.S.C. 2801 et seq., as amended; except that the training program must prepare the claimant for entry into a high-demand occupation if the director determines that the claimant separated from a declining occupation or has been involuntarily and indefinitely separated from employment as a result of a permanent reduction of operations at the claimant's place of employment.

(4) The claimant is making satisfactory progress to complete the training as determined by the director.

(C) The amount of a claimant's weekly training extension benefit shall equal the claimant's weekly benefit amount as determined for the most recent benefit year, less any deductible income as determined under section 4141.31 of the Revised Code and any reduction required by division (D) of this section. The total amount of training extension benefits payable to a claimant shall be equal to twenty-six times the claimant's average weekly benefit amount for the most recent benefit year. A claimant who is receiving training extension benefits shall not be denied training extension benefits because the claimant may not satisfy the requirements of division (A)(4) or (5) of section 4141.29 of the Revised Code. The director shall charge any training extension benefits paid pursuant to this section to the mutualized account created in section 4141.25 of the Revised Code and shall not charge an employer's account for any training extension benefits paid to a claimant.

(D) The amount of a claimant's weekly training extension benefit shall be reduced by the amount of any similar stipend or other training allowances for nontraining costs received by the

claimant for the week that the weekly training extension benefit 3043
is due to the claimant. 3044

Sec. 4141.50. There is hereby created the short-time 3045
compensation program. An employer who wishes to participate in the 3046
program shall submit a plan to the director of job and family 3047
services that satisfies the requirements listed in section 4141.51 3048
of the Revised Code. If an employee the employer covers under the 3049
plan is subject to a collective bargaining agreement, the employer 3050
shall have the employee's collective bargaining agent approve the 3051
plan in writing. The written approval shall include a statement as 3052
to whether the agent believes the implementation of the plan is 3053
consistent with federal law. The employer shall submit that 3054
approval to the director with the employer's proposed plan. 3055

Sec. 4141.51. (A) The director of job and family services 3056
shall approve a short-time compensation plan submitted under 3057
section 4141.50 of the Revised Code if all of the following are 3058
satisfied: 3059

(1) The employer identifies a specific affected unit in the 3060
plan to which the plan will apply. 3061

(2) The employer identifies in the plan the employees in the 3062
affected unit by name and social security number. 3063

(3) The employer includes a provision in the plan that 3064
reduces the normal weekly hours of work for an employee in the 3065
affected unit identified in the plan by at least ten per cent but 3066
not more than sixty per cent. 3067

(4) The employer states in the plan that the participating 3068
employer will continue to provide fringe benefits on the same 3069
basis as the fringe benefits were provided before the reduction in 3070
work hours to implement the plan. 3071

(5) The employer certifies in the plan that the 3072

implementation of a short-time compensation plan and resulting 3073
reduction in work hours is in lieu of temporary layoffs and 3074
includes an estimate of the number of layoffs that would have 3075
occurred absent the ability to participate in the short-time 3076
compensation plan. 3077

(6) The employer agrees in writing in the plan to furnish the 3078
director reports relating to the operation of the plan as the 3079
director requests in accordance with section 4141.54 of the 3080
Revised Code. 3081

(7) The employer describes in the plan the manner in which 3082
the plan will be implemented and includes a plan to give advance 3083
notice, if feasible, to an employee whose normal weekly hours of 3084
work will be reduced under the plan. 3085

(B) An employer that traditionally has used part-time 3086
employees shall not implement a short-time compensation plan to 3087
subsidize the employer's employees. A seasonal employer shall not 3088
implement a shared work plan to subsidize the seasonal employer's 3089
employees during the off-season. As used in this division, 3090
"seasonal employer" has the same meaning as in section 4141.33 of 3091
the Revised Code. 3092

(C) The director shall approve or deny a short-time 3093
compensation plan and shall send a written notice to the employer 3094
stating whether the director approved or denied the plan not later 3095
than thirty days after the director receives the plan. If the 3096
director denies approval of a short-time compensation plan, the 3097
director shall state the reasons for denying approval in the 3098
written notice sent to the employer. 3099

Sec. 4141.52. A short-time compensation plan approved under 3100
section 4141.51 of the Revised Code takes effect on the date the 3101
director of job and family services approves the plan. An approved 3102
plan expires on the last day of the twelfth calendar month 3103

beginning after the effective date of the plan. The director may 3104
terminate any approved plan for good cause if the plan is not 3105
being executed according to the terms and intent of the short-time 3106
compensation program. 3107

Sec. 4141.53. A participating employer may modify a 3108
short-time compensation plan approved under section 4141.51 of the 3109
Revised Code to meet changed conditions regarding the 3110
participating employer's business if the modification conforms to 3111
the basic provisions of the plan as approved by the director of 3112
job and family services. Before implementing the proposed change, 3113
the participating employer shall report the proposed change in 3114
writing to the director. If the director determines that the 3115
proposed change will result in a substantial modification of the 3116
plan approved under section 4141.51 of the Revised Code, the 3117
director shall reevaluate the proposed modified plan to determine 3118
whether the plan continues to satisfy the requirements listed in 3119
divisions (A)(1) to (7) of that section. The director shall 3120
approve or deny the modification in accordance with that section. 3121
If the director determines that the proposed change does not 3122
result in a substantial modification to the approved plan, the 3123
director shall approve the proposed change unless the director 3124
determines that the modification does not conform to the basic 3125
provisions of the approved plan. 3126

Approval of a modified plan does not affect the plan's 3127
original expiration date determined under section 4141.52 of the 3128
Revised Code. 3129

Sec. 4141.54. Upon request of the director of job and family 3130
services, a participating employer shall monitor and evaluate the 3131
operation of the participating employer's short-time compensation 3132
plan and shall report the participating employer's findings to the 3133

director. 3134

Sec. 4141.55. (A) Notwithstanding section 4141.01, 4141.29, 3135
4141.30, or 4141.31 of the Revised Code, an individual is 3136
unemployed for purposes of this chapter in a week during which the 3137
individual is a participating employee under a short-time 3138
compensation plan approved under section 4141.51 of the Revised 3139
Code that is in effect for that week. 3140

(B) An individual is eligible to receive short-time 3141
compensation benefits for a week in which the individual satisfies 3142
all of the following: 3143

(1) The individual is employed as a member of an affected 3144
unit subject to a shared-time compensation plan that was approved 3145
before that week and is in effect for that week. 3146

(2) The individual is able to work and is available for work 3147
with the employer under the employer's short-time compensation 3148
plan. 3149

(3) The individual's normal weekly hours of work have been 3150
reduced by at least ten per cent but not more than sixty per cent 3151
and the individual receives a corresponding reduction in wages. 3152

(C) Notwithstanding section 4141.29 of the Revised Code, the 3153
director of job and family services shall not deny short-time 3154
compensation benefits for a week to an otherwise eligible employee 3155
because the employee is unavailable for work other than as 3156
required under division (B)(2) of this section, is not actively 3157
searching for work, or refuses to apply for or to accept work with 3158
an employer other than with the employer who is implementing the 3159
plan. 3160

(D) The director shall pay an employee who is eligible for a 3161
weekly short-time compensation benefit in an amount equal to the 3162
employee's regular weekly benefit amount for a period of total 3163

unemployment as described in division (D) of section 4141.30 of 3164
the Revised Code multiplied by the nearest full percentage of 3165
reduction of the employee's wages under the employer's short-time 3166
compensation plan. The director shall round the amount of a 3167
short-time compensation benefit that is not a multiple of one 3168
dollar to the next highest dollar amount. 3169

(E) An employee is not entitled to receive short-time 3170
compensation benefits and regular unemployment compensation 3171
benefits that exceed the maximum total benefits payable to the 3172
employee in a benefit year under section 4141.30 of the Revised 3173
Code. An employee shall receive short-time compensation benefits 3174
for a maximum of twenty-six weeks regardless of whether the 3175
employee has received the total maximum benefits payable for the 3176
employee's benefit year. An individual who receives short-time 3177
compensation benefits is not entitled to receive benefits for 3178
partial unemployment under division (C) of section 4141.30 of the 3179
Revised Code for any week during which the individual participates 3180
in a short-time compensation plan. The director shall not pay an 3181
individual short-time compensation benefits for a week during 3182
which the individual performs paid work for the employer 3183
implementing the short-time compensation plan that exceeds the 3184
reduced hours established under the plan. 3185

(F) An individual participating in a short-time compensation 3186
plan may participate in training, including a training program 3187
sponsored by the employer implementing the plan or funded under 3188
the federal "Workforce Development Act of 1998," 112 Stat. 936, 29 3189
U.S.C. 2801 et seq., as amended, to enhance job skills if the 3190
program is approved by the director. 3191

(G) An individual who has received all of the short-time 3192
compensation benefits and regular unemployment compensation 3193
benefits available in a benefit year is an individual who has 3194
exhausted regular benefits under section 4141.30 of the Revised 3195

Code and is entitled to receive extended benefits under section 3196
4141.301 of the Revised Code if the individual is otherwise 3197
eligible to receive benefits under that section. 3198

Sec. 4141.56. (A) As used in this section and sections 3199
4141.57 and 4141.58 of the Revised Code, "regular benefits" has 3200
the same meaning as in section 4141.301 of the Revised Code. 3201

(B) There is hereby created the bridge to work program. An 3202
employer certified to participate in the program under section 3203
4141.57 of the Revised Code shall provide short-term work 3204
experience to a claimant who is receiving regular benefits under 3205
this chapter and who participates. A participating claimant shall 3206
be paid in accordance with division (C) of this section and the 3207
employer is not required to pay the claimant wages. 3208

(C) The regular benefits a claimant receives while 3209
participating in the bridge to work program constitute the 3210
claimant's wages for work performed in that program. 3211

(D) None of the wages paid under division (C) of this section 3212
shall be considered as income for the purposes of determining 3213
eligibility for, and the amount of income transfer and in-kind aid 3214
furnished under, any federal or federally assisted program based 3215
on need. 3216

(E) All wages or other payments to an individual under this 3217
section shall be treated as payments of unemployment insurance for 3218
purposes of section 209 of the "Social Security Act," 49 Stat. 3219
625, 42 U.S.C. 409, as amended, and for purposes of subtitle A and 3220
sections 3101 and 3111 of the "Internal Revenue Code of 1986," 100 3221
Stat. 2085, 26 U.S.C. 1 et seq., as amended. 3222

Sec. 4141.57. (A) The director of job and family services 3223
shall adopt rules in accordance with Chapter 119. of the Revised 3224
Code to establish criteria an employer shall satisfy to 3225

participate in the bridge to work program created under section 3226
4141.56 of the Revised Code. The criteria shall include a 3227
requirement that the employer provide coverage under Chapters 3228
4121., 4123., 4127., and 4131. of the Revised Code to claimants 3229
who participate in the program and who are employed by the 3230
employer under the program. The director shall certify an employer 3231
to participate in the program if the employer satisfies the 3232
criteria established by the director in the rules the director 3233
adopts unless any of the following circumstances apply: 3234

(1) The employer is a federal, state, or local government 3235
agency. 3236

(2) The employer would engage an eligible claimant in work 3237
activities under any employer's grant, contract, or subcontract 3238
with a federal, state, or local government agency, except with 3239
regard to work activities under the employer's supply contract or 3240
subcontract. 3241

(3) The employer is delinquent with respect to any taxes or 3242
employer contributions described under sections 3301 and 3243
3303(a)(1) of the "Internal Revenue Code of 1986," 100 Stat. 2085, 3244
26 U.S.C. 1 et seq., as amended, or with respect to any related 3245
reporting requirements. 3246

(4) The employer is engaged in the business of supplying 3247
workers to other employers and would participate in the program 3248
for the purpose of supplying claimants participating in the 3249
program to other employers. 3250

(5) The employer previously has participated in the program 3251
and the director has determined that the employer failed to abide 3252
by any of the requirements specified in divisions (B), (C), or (D) 3253
of this section, or by any other requirements that the director 3254
establishes for employers under division (A) of this section, 3255
unless the employer provides assurances that it has not displaced 3256

existing workers pursuant to the requirements of division (B) of 3257
this section. 3258

(B) An employer participating in the bridge to work program 3259
shall not use a participant in the program to displace any 3260
employee employed by the employer as of the date the employer 3261
participates in the program, including for any partial 3262
displacement, such as a reduction in the hours of nonovertime 3263
work, wages, or employment benefits. 3264

An employer participating in the program shall not permit a 3265
claimant participating in the program to perform work activities 3266
related to any job for which any of the following circumstances 3267
apply: 3268

(1) Another individual is on layoff from the same or any 3269
substantially equivalent position. 3270

(2) The employer has terminated the employment of any 3271
employee or otherwise reduced the workforce of the employer with 3272
the intention of filling or partially filling the vacancy so 3273
created with the work activities to be performed by a program 3274
participant. 3275

(3) A strike or lockout is occurring at the worksite that is 3276
the place of employment for a claimant participating in the 3277
program. 3278

(4) The position is created in a manner that infringes in any 3279
way upon the promotional opportunities of individuals currently 3280
employed by the employer as of the date of the employer's 3281
participation in the program. 3282

(C) An employer participating in the bridge to work program 3283
shall not, by means of assigning work activities under the 3284
program, impair an existing contract for services or a collective 3285
bargaining agreement. Such an employer shall not undertake any 3286
activity that would be inconsistent with the terms of a collective 3287

bargaining agreement without the written concurrence of the labor 3288
organization that is signatory to the collective bargaining 3289
agreement. 3290

(D) If, after twenty-four weeks of participation in the 3291
program, an employer has not made an offer of suitable long-term 3292
employment to any claimant participating in the program who was 3293
placed with the employer and who has completed the program, the 3294
director shall bar the employer from further participation in the 3295
program. The director may impose additional conditions on 3296
participating employers to ensure that an appropriate number of 3297
participants receive offers of suitable long-term employment. 3298

(E) If the director determines, based on information provided 3299
to the director or acquired by the director by means of the 3300
administration and oversight functions of the director under this 3301
chapter, that an employer participating in the bridge to work 3302
program has violated a requirement of this section or section 3303
4141.56 of the Revised Code, the director shall bar the employer 3304
from further participation in the program. The director shall 3305
adopt rules in accordance with Chapter 119. of the Revised Code to 3306
establish a process to allow a claimant participating in the 3307
program, or any other affected individual or entity, to file a 3308
complaint with the director regarding a violation of any 3309
requirement or prohibition under this section or section 4141.56 3310
of the Revised Code. 3311

Sec. 4141.58. A claimant receiving regular benefits may 3312
participate in the bridge to work program created under section 3313
4141.56 of the Revised Code for not more than eight weeks and may 3314
work for thirty-eight hours per week. A claimant participating in 3315
the program may elect to discontinue participation in the program, 3316
and that election does not affect the claimant's ability to 3317
receive unemployment compensation benefits under this chapter. 3318

Any wages paid to a claimant under section 4141.56 of the 3319
Revised Code, and any work activities performed by the claimant 3320
individual as a participant in the bridge to work program, shall 3321
not be construed so as to render such individual ineligible to 3322
receive emergency unemployment compensation under Title IV of the 3323
"Supplemental Appropriations Act," 2008, Pub. Law 110-252, 26 3324
U.S.C. 3304 note. 3325

Unless otherwise provided in this section or section 4141.56 3326
or 4141.57 of the Revised Code, nothing in this section or section 3327
4141.56 or 4141.57 of the Revised Code shall be construed to alter 3328
or affect the rights or obligations under any federal, state, or 3329
local laws with respect to any claimant or employer participating 3330
in the bridge to work program. 3331

Sec. 4301.20. This chapter and Chapter 4303. of the Revised 3332
Code do not prevent the following: 3333

(A) The storage of intoxicating liquor in bonded warehouses, 3334
established in accordance with the acts of congress and under the 3335
regulation of the United States, located in this state, or the 3336
transportation of intoxicating liquor to or from bonded warehouses 3337
of the United States wherever located; 3338

(B) A bona fide resident of this state who is the owner of a 3339
warehouse receipt from obtaining or transporting to the resident's 3340
residence for the resident's own consumption and not for resale 3341
spirituous liquor stored in a government bonded warehouse in this 3342
state or in another state prior to December 1933, subject to such 3343
terms as are prescribed by the division of liquor control; 3344

(C) The manufacture of cider from fruit for the purpose of 3345
making vinegar, and nonintoxicating cider and fruit juices for use 3346
and sale; 3347

(D) A licensed physician or dentist from administering or 3348

dispensing intoxicating liquor or alcohol to a patient in good 3349
faith in the actual course of the practice of the physician's or 3350
dentist's profession; 3351

(E) The sale of alcohol to physicians, dentists, druggists, 3352
veterinary surgeons, manufacturers, hospitals, infirmaries, or 3353
medical or educational institutions using the alcohol for 3354
medicinal, mechanical, chemical, or scientific purposes; 3355

(F) The sale, gift, or keeping for sale by druggists and 3356
others of any of the medicinal preparations manufactured in 3357
accordance with the formulas prescribed by the United States 3358
Pharmacopoeia and National Formulary, patent or proprietary 3359
preparations, and other bona fide medicinal and technical 3360
preparations, which contain no more alcohol than is necessary to 3361
hold the medicinal agents in solution and to preserve the same, 3362
which are manufactured and sold as medicine and not as beverages, 3363
are unfit for use for beverage purposes, and the sale of which 3364
does not require the payment of a United States liquor dealer's 3365
tax; 3366

(G) The manufacture and sale of tinctures or of toilet, 3367
medicinal, and antiseptic preparations and solutions not intended 3368
for internal human use nor to be sold as beverages, and which are 3369
unfit for beverage purposes, if upon the outside of each bottle, 3370
box, or package of which there is printed in the English language, 3371
conspicuously and legibly, the quantity by volume of alcohol in 3372
the preparation or solution; 3373

(H) The manufacture and keeping for sale of the food products 3374
known as flavoring extracts when manufactured and sold for 3375
cooking, culinary, or flavoring purposes, and which are unfit for 3376
use for beverage purposes; 3377

(I) The lawful sale of wood alcohol or of ethyl alcohol for 3378
external use when combined with other substances as to make it 3379

unfit for internal use; 3380

(J) The manufacture, sale, and transport of ethanol or ethyl 3381
alcohol for use as fuel. As used in this division, "ethanol" has 3382
the same meaning as in section ~~5733.46~~ 122.075 of the Revised 3383
Code. 3384

(K) The purchase and importation into this state or the 3385
purchase at wholesale from A or B permit holders in this state of 3386
beer and intoxicating liquor for use in manufacturing processes of 3387
nonbeverage food products under terms prescribed by the division, 3388
provided that the terms prescribed by the division shall not 3389
increase the cost of the beer or intoxicating liquor to any 3390
person, firm, or corporation purchasing and importing it into this 3391
state or purchasing it from an A or B permit holder for that use; 3392

(L) Any resident of this state or any member of the armed 3393
forces of the United States, who has attained the age of 3394
twenty-one years, from bringing into this state, for personal use 3395
and not for resale, not more than one liter of spirituous liquor, 3396
four and one-half liters of wine, or two hundred eighty-eight 3397
ounces of beer in any thirty-day period, and the same is free of 3398
any tax consent fee when the resident or member of the armed 3399
forces physically possesses and accompanies the spirituous liquor, 3400
wine, or beer on returning from a foreign country, another state, 3401
or an insular possession of the United States; 3402

(M) Persons, at least twenty-one years of age, who collect 3403
ceramic commemorative bottles containing spirituous liquor that 3404
have unbroken federal tax stamps on them from selling or trading 3405
the bottles to other collectors. The bottles shall originally have 3406
been purchased at retail from the division, legally imported under 3407
division (L) of this section, or legally imported pursuant to a 3408
supplier registration issued by the division. The sales shall be 3409
for the purpose of exchanging a ceramic commemorative bottle 3410
between private collectors and shall not be for the purpose of 3411

selling the spirituous liquor for personal consumption. The sale 3412
or exchange authorized by this division shall not occur on the 3413
premises of any permit holder, shall not be made in connection 3414
with the business of any permit holder, and shall not be made in 3415
connection with any mercantile business. 3416

(N) The sale of beer or intoxicating liquor without a liquor 3417
permit at a private residence, not more than five times per 3418
calendar year at a residence address, at an event that has the 3419
following characteristics: 3420

(1) The event is for a charitable, benevolent, or political 3421
purpose, but shall not include any event the proceeds of which are 3422
for the profit or gain of any individual; 3423

(2) The event has in attendance not more than fifty people; 3424

(3) The event shall be for a period not to exceed twelve 3425
hours; 3426

(4) The sale of beer and intoxicating liquor at the event 3427
shall not take place between two-thirty a.m. and five-thirty a.m.; 3428

(5) No person under twenty-one years of age shall purchase or 3429
consume beer or intoxicating liquor at the event and no beer or 3430
intoxicating liquor shall be sold to any person under twenty-one 3431
years of age at the event; and 3432

(6) No person at the event shall sell or furnish beer or 3433
intoxicating liquor to an intoxicated person. 3434

Sec. 4719.01. (A) As used in sections 4719.01 to 4719.18 of 3435
the Revised Code: 3436

(1) "Affiliate" means a business entity that is owned by, 3437
operated by, controlled by, or under common control with another 3438
business entity. 3439

(2) "Communication" means a written or oral notification or 3440

advertisement that meets both of the following criteria, as 3441
applicable: 3442

(a) The notification or advertisement is transmitted by or on 3443
behalf of the seller of goods or services and by or through any 3444
printed, audio, video, cinematic, telephonic, or electronic means. 3445

(b) In the case of a notification or advertisement other than 3446
by telephone, either of the following conditions is met: 3447

(i) The notification or advertisement is followed by a 3448
telephone call from a telephone solicitor or salesperson. 3449

(ii) The notification or advertisement invites a response by 3450
telephone, and, during the course of that response, a telephone 3451
solicitor or salesperson attempts to make or makes a sale of goods 3452
or services. As used in division (A)(2)(b)(ii) of this section, 3453
"invites a response by telephone" excludes the mere listing or 3454
inclusion of a telephone number in a notification or 3455
advertisement. 3456

(3) "Gift, award, or prize" means anything of value that is 3457
offered or purportedly offered, or given or purportedly given by 3458
chance, at no cost to the receiver and with no obligation to 3459
purchase goods or services. As used in this division, "chance" 3460
includes a situation in which a person is guaranteed to receive an 3461
item and, at the time of the offer or purported offer, the 3462
telephone solicitor does not identify the specific item that the 3463
person will receive. 3464

(4) "Goods or services" means any real property or any 3465
tangible or intangible personal property, or services of any kind 3466
provided or offered to a person. "Goods or services" includes, but 3467
is not limited to, advertising; labor performed for the benefit of 3468
a person; personal property intended to be attached to or 3469
installed in any real property, regardless of whether it is so 3470
attached or installed; timeshare estates or licenses; and extended 3471

service contracts. 3472

(5) "Purchaser" means a person that is solicited to become or 3473
does become financially obligated as a result of a telephone 3474
solicitation. 3475

(6) "Salesperson" means an individual who is employed, 3476
appointed, or authorized by a telephone solicitor to make 3477
telephone solicitations but does not mean any of the following: 3478

(a) An individual who comes within one of the exemptions in 3479
division (B) of this section; 3480

(b) An individual employed, appointed, or authorized by a 3481
person who comes within one of the exemptions in division (B) of 3482
this section; 3483

(c) An individual under a written contract with a person who 3484
comes within one of the exemptions in division (B) of this 3485
section, if liability for all transactions with purchasers is 3486
assumed by the person so exempted. 3487

(7) "Telephone solicitation" means a communication to a 3488
person that meets both of the following criteria: 3489

(a) The communication is initiated by or on behalf of a 3490
telephone solicitor or by a salesperson. 3491

(b) The communication either represents a price or the 3492
quality or availability of goods or services or is used to induce 3493
the person to purchase goods or services, including, but not 3494
limited to, inducement through the offering of a gift, award, or 3495
prize. 3496

(8) "Telephone solicitor" means a person that engages in 3497
telephone solicitation directly or through one or more 3498
salespersons either from a location in this state, or from a 3499
location outside this state to persons in this state. "Telephone 3500
solicitor" includes, but is not limited to, any such person that 3501

is an owner, operator, officer, or director of, partner in, or 3502
other individual engaged in the management activities of, a 3503
business. 3504

(9) "Magazines distributed as controlled circulation 3505
publications" means magazines containing at least twenty-four 3506
pages, at least twenty-five per cent editorial content, issued at 3507
regular intervals four or more times a year, and circulated 3508
without charge to the recipient, provided that such magazines are 3509
not owned or controlled by individuals or business concerns which 3510
conduct such publications as an auxiliary to, and essentially for 3511
the advancement of the main business or calling of, those who own 3512
or control them. 3513

(B) A telephone solicitor is exempt from the provisions of 3514
sections 4719.02 to 4719.18 and section 4719.99 of the Revised 3515
Code if the telephone solicitor is any one of the following: 3516

(1) A person engaging in a telephone solicitation that is a 3517
one-time or infrequent transaction not done in the course of a 3518
pattern of repeated transactions of a like nature; 3519

(2) A person engaged in telephone solicitation solely for 3520
religious or political purposes; a charitable organization, 3521
fund-raising counsel, or professional solicitor in compliance with 3522
the registration and reporting requirements of Chapter 1716. of 3523
the Revised Code; or any person or other entity exempt under 3524
section 1716.03 of the Revised Code from filing a registration 3525
statement under section 1716.02 of the Revised Code; 3526

(3) A person, making a telephone solicitation involving a 3527
home solicitation sale as defined in section 1345.21 of the 3528
Revised Code, that makes the sales presentation and completes the 3529
sale at a later, face-to-face meeting between the seller and the 3530
purchaser rather than during the telephone solicitation. However, 3531
if the person, following the telephone solicitation, causes 3532

another person to collect the payment of any money, this exemption 3533
does not apply. 3534

(4) A licensed securities, commodities, or investment broker, 3535
dealer, investment advisor, or associated person when making a 3536
telephone solicitation within the scope of the person's license. 3537
As used in division (B)(4) of this section, "licensed securities, 3538
commodities, or investment broker, dealer, investment advisor, or 3539
associated person" means a person subject to licensure or 3540
registration as such by the securities and exchange commission; 3541
the National Association of Securities Dealers or other 3542
self-regulatory organization, as defined by 15 U.S.C.A. 78c; by 3543
the division of securities under Chapter 1707. of the Revised 3544
Code; or by an official or agency of any other state of the United 3545
States. 3546

(5)(a) A person primarily engaged in soliciting the sale of a 3547
newspaper of general circulation; 3548

(b) As used in division (B)(5)(a) of this section, "newspaper 3549
of general circulation" includes, but is not limited to, both of 3550
the following: 3551

(i) A newspaper that is a daily law journal designated as an 3552
official publisher of court calendars pursuant to section 2701.09 3553
of the Revised Code; 3554

(ii) A newspaper or publication that has at least twenty-five 3555
per cent editorial, non-advertising content, exclusive of inserts, 3556
measured relative to total publication space, and an audited 3557
circulation to at least fifty per cent of the households in the 3558
newspaper's retail trade zone as defined by the audit. 3559

(6)(a) An issuer, or its subsidiary, that has a class of 3560
securities to which all of the following apply: 3561

(i) The class of securities is subject to section 12 of the 3562
"Securities Exchange Act of 1934," 15 U.S.C.A. 78l, and is 3563

registered or is exempt from registration under 15 U.S.C.A. 3564
781(g)(2)(A), (B), (C), (E), (F), (G), or (H); 3565

(ii) The class of securities is listed on the New York stock 3566
exchange, the American stock exchange, or the NASDAQ national 3567
market system; 3568

(iii) The class of securities is a reported security as 3569
defined in 17 C.F.R. 240.11Aa3-1(a)(4). 3570

(b) An issuer, or its subsidiary, that formerly had a class 3571
of securities that met the criteria set forth in division 3572
(B)(6)(a) of this section if the issuer, or its subsidiary, has a 3573
net worth in excess of one hundred million dollars, files or its 3574
parent files with the securities and exchange commission an S.E.C. 3575
form 10-K, and has continued in substantially the same business 3576
since it had a class of securities that met the criteria in 3577
division (B)(6)(a) of this section. As used in division (B)(6)(b) 3578
of this section, "issuer" and "subsidiary" include the successor 3579
to an issuer or subsidiary. 3580

(7) A person soliciting a transaction regulated by the 3581
commodity futures trading commission, if the person is registered 3582
or temporarily registered for that activity with the commission 3583
under 7 U.S.C.A. 1 et. seq. and the registration or temporary 3584
registration has not expired or been suspended or revoked; 3585

(8) A person soliciting the sale of any book, record, audio 3586
tape, compact disc, or video, if the person allows the purchaser 3587
to review the merchandise for at least seven days and provides a 3588
full refund within thirty days to a purchaser who returns the 3589
merchandise or if the person solicits the sale on behalf of a 3590
membership club operating in compliance with regulations adopted 3591
by the federal trade commission in 16 C.F.R. 425; 3592

(9) A supervised financial institution or its subsidiary. As 3593
used in division (B)(9) of this section, "supervised financial 3594

institution" means a bank, trust company, savings and loan 3595
association, savings bank, credit union, industrial loan company, 3596
consumer finance lender, commercial finance lender, or institution 3597
described in section 2(c)(2)(F) of the "Bank Holding Company Act 3598
of 1956," 12 U.S.C.A. 1841(c)(2)(F), as amended, supervised by an 3599
official or agency of the United States, this state, or any other 3600
state of the United States; or a licensee or registrant under 3601
sections 1321.01 to 1321.19, 1321.51 to 1321.60, or 1321.71 to 3602
1321.83 of the Revised Code. 3603

(10)(a) An insurance company, association, or other 3604
organization that is licensed or authorized to conduct business in 3605
this state by the superintendent of insurance pursuant to Title 3606
XXXIX of the Revised Code or Chapter 1751. of the Revised Code, 3607
when soliciting within the scope of its license or authorization. 3608

(b) A licensed insurance broker, agent, or solicitor when 3609
soliciting within the scope of the person's license. As used in 3610
division (B)(10)(b) of this section, "licensed insurance broker, 3611
agent, or solicitor" means any person licensed as an insurance 3612
broker, agent, or solicitor by the superintendent of insurance 3613
pursuant to Title XXXIX of the Revised Code. 3614

(11) A person soliciting the sale of services provided by a 3615
cable television system operating under authority of a 3616
governmental franchise or permit; 3617

(12) A person soliciting a business-to-business sale under 3618
which any of the following conditions are met: 3619

(a) The telephone solicitor has been operating continuously 3620
for at least three years under the same business name under which 3621
it solicits purchasers, and at least fifty-one per cent of its 3622
gross dollar volume of sales consists of repeat sales to existing 3623
customers to whom it has made sales under the same business name. 3624

(b) The purchaser business intends to resell the goods 3625

purchased. 3626

(c) The purchaser business intends to use the goods or 3627
services purchased in a recycling, reuse, manufacturing, or 3628
remanufacturing process. 3629

(d) The telephone solicitor is a publisher of a periodical or 3630
of magazines distributed as controlled circulation publications ~~as~~ 3631
~~defined in division (CC) of section 5739.01 of the Revised Code~~ 3632
and is soliciting sales of advertising, subscriptions, reprints, 3633
lists, information databases, conference participation or 3634
sponsorships, trade shows or media products related to the 3635
periodical or magazine, or other publishing services provided by 3636
the controlled circulation publication. 3637

(13) A person that, not less often than once each year, 3638
publishes and delivers to potential purchasers a catalog that 3639
complies with both of the following: 3640

(a) It includes all of the following: 3641

(i) The business address of the seller; 3642

(ii) A written description or illustration of each good or 3643
service offered for sale; 3644

(iii) A clear and conspicuous disclosure of the sale price of 3645
each good or service; shipping, handling, and other charges; and 3646
return policy~~+~~. 3647

(b) One of the following applies: 3648

(i) The catalog includes at least twenty-four pages of 3649
written material and illustrations, is distributed in more than 3650
one state, and has an annual postage-paid mail circulation of not 3651
less than two hundred fifty thousand households; 3652

(ii) The catalog includes at least ten pages of written 3653
material or an equivalent amount of material in electronic form on 3654
the internet or an on-line computer service, the person does not 3655

solicit customers by telephone but solely receives telephone calls 3656
made in response to the catalog, and during the calls the person 3657
takes orders but does not engage in further solicitation of the 3658
purchaser. As used in division (B)(13)(b)(ii) of this section, 3659
"further solicitation" does not include providing the purchaser 3660
with information about, or attempting to sell, any other item in 3661
the catalog that prompted the purchaser's call or in a 3662
substantially similar catalog issued by the seller. 3663

(14) A political subdivision or instrumentality of the United 3664
States, this state, or any state of the United States; 3665

(15) A college or university or any other public or private 3666
institution of higher education in this state; 3667

(16) A public utility as defined in section 4905.02 of the 3668
Revised Code or a retail natural gas supplier as defined in 3669
section 4929.01 of the Revised Code, if the utility or supplier is 3670
subject to regulation by the public utilities commission, or the 3671
affiliate of the utility or supplier; 3672

(17) A person that solicits sales through a television 3673
program or advertisement that is presented in the same market area 3674
no fewer than twenty days per month or offers for sale no fewer 3675
than ten distinct items of goods or services; and offers to the 3676
purchaser an unconditional right to return any good or service 3677
purchased within a period of at least seven days and to receive a 3678
full refund within thirty days after the purchaser returns the 3679
good or cancels the service; 3680

(18)(a) A person that, for at least one year, has been 3681
operating a retail business under the same name as that used in 3682
connection with telephone solicitation and both of the following 3683
occur on a continuing basis: 3684

(i) The person either displays goods and offers them for 3685
retail sale at the person's business premises or offers services 3686

for sale and provides them at the person's business premises. 3687

(ii) At least fifty-one per cent of the person's gross dollar 3688
volume of retail sales involves purchases of goods or services at 3689
the person's business premises. 3690

(b) An affiliate of a person that meets the requirements in 3691
division (B)(18)(a) of this section if the affiliate meets all of 3692
the following requirements: 3693

(i) The affiliate has operated a retail business for a period 3694
of less than one year; 3695

(ii) The affiliate either displays goods and offers them for 3696
retail sale at the affiliate's business premises or offers 3697
services for sale and provides them at the affiliate's business 3698
premises; 3699

(iii) At least fifty-one per cent of the affiliate's gross 3700
dollar volume of retail sales involves purchases of goods or 3701
services at the affiliate's business premises. 3702

(c) A person that, for a period of less than one year, has 3703
been operating a retail business in this state under the same name 3704
as that used in connection with telephone solicitation, as long as 3705
all of the following requirements are met: 3706

(i) The person either displays goods and offers them for 3707
retail sale at the person's business premises or offers services 3708
for sale and provides them at the person's business premises; 3709

(ii) The goods or services that are the subject of telephone 3710
solicitation are sold at the person's business premises, and at 3711
least sixty-five per cent of the person's gross dollar volume of 3712
retail sales involves purchases of goods or services at the 3713
person's business premises; 3714

(iii) The person conducts all telephone solicitation 3715
activities according to sections 310.3, 310.4, and 310.5 of the 3716

telemarketing sales rule adopted by the federal trade commission 3717
in 16 C.F.R. part 310. 3718

(19) A person who performs telephone solicitation sales 3719
services on behalf of other persons and to whom one of the 3720
following applies: 3721

(a) The person has operated under the same ownership, 3722
control, and business name for at least five years, and the person 3723
receives at least seventy-five per cent of its gross revenues from 3724
written telephone solicitation contracts with persons who come 3725
within one of the exemptions in division (B) of this section. 3726

(b) The person is an affiliate of one or more exempt persons 3727
and makes telephone solicitations on behalf of only the exempt 3728
persons of which it is an affiliate. 3729

(c) The person makes telephone solicitations on behalf of 3730
only exempt persons, the person and each exempt person on whose 3731
behalf telephone solicitations are made have entered into a 3732
written contract that specifies the manner in which the telephone 3733
solicitations are to be conducted and that at a minimum requires 3734
compliance with the telemarketing sales rule adopted by the 3735
federal trade commission in 16 C.F.R. part 310, and the person 3736
conducts the telephone solicitations in the manner specified in 3737
the written contract. 3738

(d) The person performs telephone solicitation for religious 3739
or political purposes, a charitable organization, a fund-raising 3740
council, or a professional solicitor in compliance with the 3741
registration and reporting requirements of Chapter 1716. of the 3742
Revised Code; and meets all of the following requirements: 3743

(i) The person has operated under the same ownership, 3744
control, and business name for at least five years, and the person 3745
receives at least fifty-one per cent of its gross revenues from 3746
written telephone solicitation contracts with persons who come 3747

within the exemption in division (B)(2) of this section; 3748

(ii) The person does not conduct a prize promotion or offer 3749
the sale of an investment opportunity; 3750

(iii) The person conducts all telephone solicitation 3751
activities according to sections 310.3, 310.4, and 310.5 of the 3752
telemarketing sales rules adopted by the federal trade commission 3753
in 16 C.F.R. part 310. 3754

(20) A person that is a licensed real estate salesperson or 3755
broker under Chapter 4735. of the Revised Code when soliciting 3756
within the scope of the person's license; 3757

(21)(a) Either of the following: 3758

(i) A publisher that solicits the sale of the publisher's 3759
periodical or magazine of general, paid circulation, or a person 3760
that solicits a sale of that nature on behalf of a publisher under 3761
a written agreement directly between the publisher and the person. 3762

(ii) A publisher that solicits the sale of the publisher's 3763
periodical or magazine of general, paid circulation, or a person 3764
that solicits a sale of that nature as authorized by a publisher 3765
under a written agreement directly with a publisher's 3766
clearinghouse provided the person is a resident of Ohio for more 3767
than three years and initiates all telephone solicitations from 3768
Ohio and the person conducts the solicitation and sale in 3769
compliance with 16 C.F.R. part 310, as adopted by the federal 3770
trade commission. 3771

(b) As used in division (B)(21) of this section, "periodical 3772
or magazine of general, paid circulation" excludes a periodical or 3773
magazine circulated only as part of a membership package or given 3774
as a free gift or prize from the publisher or person. 3775

(22) A person that solicits the sale of food, as defined in 3776
section 3715.01 of the Revised Code, or the sale of products of 3777

horticulture, as defined in section 5739.01 of the Revised Code, 3778
if the person does not intend the solicitation to result in, or 3779
the solicitation actually does not result in, a sale that costs 3780
the purchaser an amount greater than five hundred dollars. 3781

(23) A funeral director licensed pursuant to Chapter 4717. of 3782
the Revised Code when soliciting within the scope of that license, 3783
if both of the following apply: 3784

(a) The solicitation and sale are conducted in compliance 3785
with 16 C.F.R. part 453, as adopted by the federal trade 3786
commission, and with sections 1107.33 and 1345.21 to 1345.28 of 3787
the Revised Code; 3788

(b) The person provides to the purchaser of any preneed 3789
funeral contract a notice that clearly and conspicuously sets 3790
forth the cancellation rights specified in division (G) of section 3791
1107.33 of the Revised Code, and retains a copy of the notice 3792
signed by the purchaser. 3793

(24) A person, or affiliate thereof, licensed to sell or 3794
issue Ohio instruments designated as travelers checks pursuant to 3795
sections 1315.01 to 1315.18 of the Revised Code. 3796

(25) A person that solicits sales from its previous 3797
purchasers and meets all of the following requirements: 3798

(a) The solicitation is made under the same business name 3799
that was previously used to sell goods or services to the 3800
purchaser; 3801

(b) The person has, for a period of not less than three 3802
years, operated a business under the same business name as that 3803
used in connection with telephone solicitation; 3804

(c) The person does not conduct a prize promotion or offer 3805
the sale of an investment opportunity; 3806

(d) The person conducts all telephone solicitation activities 3807

according to sections 310.3, 310.4, and 310.5 of the telemarketing 3808
sales rules adopted by the federal trade commission in 16 C.F.R. 3809
part 310; 3810

(e) Neither the person nor any of its principals has been 3811
convicted of, pleaded guilty to, or has entered a plea of no 3812
contest for a felony or a theft offense as defined in sections 3813
2901.02 and 2913.01 of the Revised Code or similar law of another 3814
state or of the United States; 3815

(f) Neither the person nor any of its principals has had 3816
entered against them an injunction or a final judgment or order, 3817
including an agreed judgment or order, an assurance of voluntary 3818
compliance, or any similar instrument, in any civil or 3819
administrative action involving engaging in a pattern of corrupt 3820
practices, fraud, theft, embezzlement, fraudulent conversion, or 3821
misappropriation of property; the use of any untrue, deceptive, or 3822
misleading representation; or the use of any unfair, unlawful, 3823
deceptive, or unconscionable trade act or practice. 3824

(26) An institution defined as a home health agency in 3825
section 3701.881 of the Revised Code, that conducts all telephone 3826
solicitation activities according to sections 310.3, 310.4, and 3827
310.5 of the telemarketing sales rules adopted by the federal 3828
trade commission in 16 C.F.R. part 310, and engages in telephone 3829
solicitation only within the scope of the institution's 3830
certification, accreditation, contract with the department of 3831
aging, or status as a home health agency; and that meets one of 3832
the following requirements: 3833

(a) The institution is certified as a provider of home health 3834
services under Title XVIII of the Social Security Act, 49 Stat. 3835
620, 42 U.S.C. 301, as amended; 3836

(b) The institution is accredited by either the joint 3837
commission on accreditation of health care organizations or the 3838

community health accreditation program; 3839

(c) The institution is providing passport services under the 3840
direction of the Ohio department of aging under section 173.40 of 3841
the Revised Code; 3842

(d) An affiliate of an institution that meets the 3843
requirements of division (B)(26)(a), (b), or (c) of this section 3844
when offering for sale substantially the same goods and services 3845
as those that are offered by the institution that meets the 3846
requirements of division (B)(26)(a), (b), or (c) of this section. 3847

(27) A person licensed to provide a hospice care program by 3848
the department of health pursuant to section 3712.04 of the 3849
Revised Code when conducting telephone solicitations within the 3850
scope of the person's license and according to sections 310.3, 3851
310.4, and 310.5 of the telemarketing sales rules adopted by the 3852
federal trade commission in 16 C.F.R. part 310. 3853

Sec. 5709.29. (A) As used in this section: 3854

(1) "Distressed residential or commercial property" means 3855
real property that was or is used exclusively for residential or 3856
commercial purposes as classified in the county real property tax 3857
records and that is vacant, abandoned, foreclosed-upon, or located 3858
in a blighted area. 3859

(2) "Blighted area" has the same meaning as in section 1.08 3860
of the Revised Code. 3861

(3) "Qualifying improvement" means the increase in the 3862
assessed value of distressed residential or commercial property as 3863
shown on the tax list for a tax year after the tax year in which 3864
the owner of that property remodels the property. 3865

(4) "Remodel" means to make any change to a building that 3866
constitutes distressed residential or commercial property for the 3867
purpose of making it structurally more sound or more habitable or 3868

to improve its appearance. 3869

(B) If the owner of distressed residential or commercial 3870
property remodels the property within one year after first 3871
acquiring title to the property, the qualifying improvement is 3872
exempt from taxation until the tax year immediately following the 3873
tax year in which that owner transfers title to the property to 3874
another person. 3875

Sec. 5733.01. (A) The tax provided by this chapter for 3876
domestic corporations shall be the amount charged against each 3877
corporation organized for profit under the laws of this state and 3878
each nonprofit corporation organized pursuant to Chapter 1729. of 3879
the Revised Code, except as provided in sections 5733.09 and 3880
5733.10 of the Revised Code, for the privilege of exercising its 3881
franchise during the calendar year in which that amount is 3882
payable, and the tax provided by this chapter for foreign 3883
corporations shall be the amount charged against each corporation 3884
organized for profit and each nonprofit corporation organized or 3885
operating in the same or similar manner as nonprofit corporations 3886
organized under Chapter 1729. of the Revised Code, under the laws 3887
of any state or country other than this state, except as provided 3888
in sections 5733.09 and 5733.10 of the Revised Code, for the 3889
privilege of doing business in this state, owning or using a part 3890
or all of its capital or property in this state, holding a 3891
certificate of compliance with the laws of this state authorizing 3892
it to do business in this state, or otherwise having nexus in or 3893
with this state under the Constitution of the United States, 3894
during the calendar year in which that amount is payable. 3895

(B) A corporation is subject to the tax imposed by section 3896
5733.06 of the Revised Code for each calendar year that it is so 3897
organized, doing business, owning or using a part or all of its 3898
capital or property, holding a certificate of compliance, or 3899

otherwise having nexus in or with this state under the 3900
Constitution of the United States, on the first day of January of 3901
that calendar year. 3902

(C) Any corporation subject to this chapter that is not 3903
subject to the federal income tax shall file its returns and 3904
compute its tax liability as required by this chapter in the same 3905
manner as if that corporation were subject to the federal income 3906
tax. 3907

(D) For purposes of this chapter, a federally chartered 3908
financial institution shall be deemed to be organized under the 3909
laws of the state within which its principal office is located. 3910

(E) For purposes of this chapter, any person, as defined in 3911
section 5701.01 of the Revised Code, shall be treated as a 3912
corporation if the person is classified for federal income tax 3913
purposes as an association taxable as a corporation, and an equity 3914
interest in the person shall be treated as capital stock of the 3915
person. 3916

(F) For the purposes of this chapter, "disregarded entity" 3917
has the same meaning as in division (D) of section 5745.01 of the 3918
Revised Code. 3919

(1) A person's interest in a disregarded entity, whether held 3920
directly or indirectly, shall be treated as the person's ownership 3921
of the assets and liabilities of the disregarded entity, and the 3922
income, including gain or loss, shall be included in the person's 3923
net income under this chapter. 3924

(2) Any sale, exchange, or other disposition of the person's 3925
interest in the disregarded entity, whether held directly or 3926
indirectly, shall be treated as a sale, exchange, or other 3927
disposition of the person's share of the disregarded entity's 3928
underlying assets or liabilities, and the gain or loss from such 3929
sale, exchange, or disposition shall be included in the person's 3930

net income under this chapter. 3931

(3) The disregarded entity's payroll, property, and sales 3932
factors shall be included in the person's factors. 3933

(G) The tax a corporation is required to pay under this 3934
chapter shall be as follows: 3935

(1)(a) For financial institutions, the greater of the minimum 3936
payment required under division (E) of section 5733.06 of the 3937
Revised Code or the difference between all taxes charged the 3938
financial institution under this chapter, without regard to 3939
division (G)(2) of this section, less any credits allowable 3940
against such tax. 3941

(b) A corporation satisfying the description in division 3942
(E)(5), (6), (7), (8), or (10) of section 5751.01 of the Revised 3943
Code that is not a financial institution, insurance company, or 3944
dealer in intangibles is subject to the taxes imposed under this 3945
chapter as a corporation and not subject to tax as a financial 3946
institution, and shall pay the greater of the minimum payment 3947
required under division (E) of section 5733.06 of the Revised Code 3948
or the difference between all the taxes charged under this 3949
chapter, without regard to division (G)(2) of this section, less 3950
any credits allowable against such tax. 3951

(2) For all corporations other than those persons described 3952
in division (G)(1)(a) or (b) of this section, the amount under 3953
division (G)(2)(a) of this section applicable to the tax year 3954
specified less the amount under division (G)(2)(b) of this 3955
section: 3956

(a)(i) For tax year 2005, the greater of the minimum payment 3957
required under division (E) of section 5733.06 of the Revised Code 3958
or the difference between all taxes charged the corporation under 3959
this chapter and any credits allowable against such tax; 3960

(ii) For tax year 2006, the greater of the minimum payment 3961

required under division (E) of section 5733.06 of the Revised Code 3962
or four-fifths of the difference between all taxes charged the 3963
corporation under this chapter and any credits allowable against 3964
such tax, except the qualifying pass-through entity tax credit 3965
described in division (A)(30) and the refundable credits described 3966
in divisions (A)(31) to (35) of section 5733.98 of the Revised 3967
Code; 3968

(iii) For tax year 2007, the greater of the minimum payment 3969
required under division (E) of section 5733.06 of the Revised Code 3970
or three-fifths of the difference between all taxes charged the 3971
corporation under this chapter and any credits allowable against 3972
such tax, except the qualifying pass-through entity tax credit 3973
described in division (A)~~(30)~~(28) and the refundable credits 3974
described in divisions (A)~~(31)~~(29) to ~~(35)~~(33) of section 5733.98 3975
of the Revised Code; 3976

(iv) For tax year 2008, the greater of the minimum payment 3977
required under division (E) of section 5733.06 of the Revised Code 3978
or two-fifths of the difference between all taxes charged the 3979
corporation under this chapter and any credits allowable against 3980
such tax, except the qualifying pass-through entity tax credit 3981
described in division (A)(30) and the refundable credits described 3982
in divisions (A)(31) to (35) of section 5733.98 of the Revised 3983
Code; 3984

(v) For tax year 2009, the greater of the minimum payment 3985
required under division (E) of section 5733.06 of the Revised Code 3986
or one-fifth of the difference between all taxes charged the 3987
corporation under this chapter and any credits allowable against 3988
such tax, except the qualifying pass-through entity tax credit 3989
described in division (A)(30) and the refundable credits described 3990
in divisions (A)(31), (32), (33), and (34) of section 5733.98 of 3991
the Revised Code; 3992

(vi) For tax year 2010 and each tax year thereafter, no tax. 3993

(b) A corporation shall subtract from the amount calculated 3994
under division (G)(2)(a)(ii), (iii), (iv), or (v) of this section 3995
any qualifying pass-through entity tax credit described in 3996
division (A)(30) and any refundable credits described in divisions 3997
(A)(31) to (35) of section 5733.98 of the Revised Code to which 3998
the corporation is entitled. Any unused qualifying pass-through 3999
entity tax credit is not refundable. 4000

(c) For the purposes of computing the amount of a credit that 4001
may be carried forward to a subsequent tax year under division 4002
(G)(2) of this section, a credit is utilized against the tax for a 4003
tax year to the extent the credit applies against the tax for that 4004
tax year, even if the difference is then multiplied by the 4005
applicable fraction under division (G)(2)(a) of this section. 4006

(3) Nothing in division (G) of this section eliminates or 4007
reduces the tax imposed by section 5733.41 of the Revised Code on 4008
a qualifying pass-through entity. 4009

Sec. 5733.98. (A) To provide a uniform procedure for 4010
calculating the amount of tax imposed by section 5733.06 of the 4011
Revised Code that is due under this chapter, a taxpayer shall 4012
claim any credits to which it is entitled in the following order, 4013
except as otherwise provided in section 5733.058 of the Revised 4014
Code: 4015

(1) For tax year 2005, the credit for taxes paid by a 4016
qualifying pass-through entity allowed under section 5733.0611 of 4017
the Revised Code; 4018

(2) The credit allowed for financial institutions under 4019
section 5733.45 of the Revised Code; 4020

(3) The credit for qualifying affiliated groups under section 4021
5733.068 of the Revised Code; 4022

(4) The subsidiary corporation credit under section 5733.067 4023

of the Revised Code;	4024
(5) The savings and loan assessment credit under section 5733.063 of the Revised Code;	4025 4026
(6) The credit for recycling and litter prevention donations under section 5733.064 of the Revised Code;	4027 4028
(7) The credit for employers that enter into agreements with child day-care centers under section 5733.36 of the Revised Code;	4029 4030
(8) The credit for employers that reimburse employee child care expenses under section 5733.38 of the Revised Code;	4031 4032
(9) The credit for maintaining railroad active grade crossing warning devices under section 5733.43 of the Revised Code;	4033 4034
(10) The credit for purchases of lights and reflectors under section 5733.44 of the Revised Code;	4035 4036
(11) The nonrefundable job retention credit under division (B) of section 5733.0610 of the Revised Code;	4037 4038
(12) The credit for tax years 2008 and 2009 for selling alternative fuel under section 5733.48 of the Revised Code;	4039 4040
(13) The second credit for purchases of new manufacturing machinery and equipment under section 5733.33 of the Revised Code;	4041 4042
(14) <u>(13)</u> The job training credit under section 5733.42 of the Revised Code;	4043 4044
(15) <u>(14)</u> The credit for qualified research expenses under section 5733.351 of the Revised Code;	4045 4046
(16) <u>(15)</u> The enterprise zone credit under section 5709.66 of the Revised Code;	4047 4048
(17) <u>(16)</u> The credit for the eligible costs associated with a voluntary action under section 5733.34 of the Revised Code;	4049 4050
(18) <u>(17)</u> The credit for employers that establish on-site child day-care centers under section 5733.37 of the Revised Code;	4051 4052

(19) The ethanol plant investment credit under section	4053
5733.46 of the Revised Code;	4054
(20) <u>(18)</u> The credit for purchases of qualifying grape	4055
production property under section 5733.32 of the Revised Code;	4056
(21) <u>(19)</u> The export sales credit under section 5733.069 of	4057
the Revised Code;	4058
(22) <u>(20)</u> The credit for research and development and	4059
technology transfer investors under section 5733.35 of the Revised	4060
Code;	4061
(23) <u>(21)</u> The enterprise zone credits under section 5709.65 of	4062
the Revised Code;	4063
(24) <u>(22)</u> The credit for using Ohio coal under section 5733.39	4064
of the Revised Code;	4065
(25) <u>(23)</u> The credit for purchases of qualified low-income	4066
community investments under section 5733.58 of the Revised Code;	4067
(26) <u>(24)</u> The credit for small telephone companies under	4068
section 5733.57 of the Revised Code;	4069
(27) <u>(25)</u> The credit for eligible nonrecurring 9-1-1 charges	4070
under section 5733.55 of the Revised Code;	4071
(28) <u>(26)</u> For tax year 2005, the credit for providing programs	4072
to aid the communicatively impaired under division (A) of section	4073
5733.56 of the Revised Code;	4074
(29) <u>(27)</u> The research and development credit under section	4075
5733.352 of the Revised Code;	4076
(30) <u>(28)</u> For tax years 2006 and subsequent tax years, the	4077
credit for taxes paid by a qualifying pass-through entity allowed	4078
under section 5733.0611 of the Revised Code;	4079
(31) <u>(29)</u> The refundable credit for rehabilitating a historic	4080
building under section 5733.47 of the Revised Code;	4081

~~(32)~~(30) The refundable jobs creation credit or job retention credit under division (A) of section 5733.0610 of the Revised Code;

~~(33)~~(31) The refundable credit for tax withheld under division (B)(2) of section 5747.062 of the Revised Code;

~~(34)~~(32) 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;

~~(35)~~(33) For tax years 2006, 2007, and 2008, the refundable credit allowable under division (B) of section 5733.56 of the Revised Code;

~~(36)~~(34) The refundable motion picture production credit under section 5733.59 of the Revised Code.

(B) For any credit except the refundable credits enumerated in 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.

Sec. 5739.01. As used in this chapter:

(A) "Person" includes individuals, receivers, assignees, trustees in bankruptcy, estates, firms, partnerships, associations, joint-stock companies, joint ventures, clubs, societies, corporations, the state and its political subdivisions, and combinations of individuals of any form.

(B) "Sale" and "selling" include all of the following transactions for a consideration in any manner, whether absolutely or conditionally, whether for a price or rental, in money or by exchange, and by any means whatsoever:

(1) All transactions by which title or possession, or both,

of tangible personal property, is or is to be transferred, or a 4112
license to use or consume tangible personal property is or is to 4113
be granted; 4114

(2) All transactions by which lodging by a hotel is or is to 4115
be furnished to transient guests; 4116

(3) All transactions by which: 4117

(a) An item of tangible personal property is or is to be 4118
repaired, except property, the purchase of which would not be 4119
subject to the tax imposed by section 5739.02 of the Revised Code; 4120

(b) An item of tangible personal property is or is to be 4121
installed, except property, the purchase of which would not be 4122
subject to the tax imposed by section 5739.02 of the Revised Code 4123
or property that is or is to be incorporated into and will become 4124
a part of a production, transmission, transportation, or 4125
distribution system for the delivery of a public utility service; 4126

(c) The service of washing, cleaning, waxing, polishing, or 4127
painting a motor vehicle is or is to be furnished; 4128

(d) Until August 1, 2003, industrial laundry cleaning 4129
services are or are to be provided and, on and after August 1, 4130
2003, laundry and dry cleaning services are or are to be provided; 4131

(e) Automatic data processing, computer services, or 4132
electronic information services are or are to be provided for use 4133
in business when the true object of the transaction is the receipt 4134
by the consumer of automatic data processing, computer services, 4135
or electronic information services rather than the receipt of 4136
personal or professional services to which automatic data 4137
processing, computer services, or electronic information services 4138
are incidental or supplemental. Notwithstanding any other 4139
provision of this chapter, such transactions that occur between 4140
members of an affiliated group are not sales. An "affiliated 4141
group" means two or more persons related in such a way that one 4142

person owns or controls the business operation of another member 4143
of the group. In the case of corporations with stock, one 4144
corporation owns or controls another if it owns more than fifty 4145
per cent of the other corporation's common stock with voting 4146
rights. 4147

(f) Telecommunications service, including prepaid calling 4148
service, prepaid wireless calling service, or ancillary service, 4149
is or is to be provided, but not including coin-operated telephone 4150
service; 4151

(g) Landscaping and lawn care service is or is to be 4152
provided; 4153

(h) Private investigation and security service is or is to be 4154
provided; 4155

(i) Information services or tangible personal property is 4156
provided or ordered by means of a nine hundred telephone call; 4157

(j) Building maintenance and janitorial service is or is to 4158
be provided; 4159

(k) Employment service is or is to be provided; 4160

(l) Employment placement service is or is to be provided; 4161

(m) Exterminating service is or is to be provided; 4162

(n) Physical fitness facility service is or is to be 4163
provided; 4164

(o) Recreation and sports club service is or is to be 4165
provided; 4166

(p) On and after August 1, 2003, satellite broadcasting 4167
service is or is to be provided; 4168

(q) On and after August 1, 2003, personal care service is or 4169
is to be provided to an individual. As used in this division, 4170
"personal care service" includes skin care, the application of 4171

cosmetics, manicuring, pedicuring, hair removal, tattooing, body 4172
piercing, tanning, massage, and other similar services. "Personal 4173
care service" does not include a service provided by or on the 4174
order of a licensed physician or licensed chiropractor, or the 4175
cutting, coloring, or styling of an individual's hair. 4176

(r) On and after August 1, 2003, the transportation of 4177
persons by motor vehicle or aircraft is or is to be provided, when 4178
the transportation is entirely within this state, except for 4179
transportation provided by an ambulance service, by a transit bus, 4180
as defined in section 5735.01 of the Revised Code, and 4181
transportation provided by a citizen of the United States holding 4182
a certificate of public convenience and necessity issued under 49 4183
U.S.C. 41102; 4184

(s) On and after August 1, 2003, motor vehicle towing service 4185
is or is to be provided. As used in this division, "motor vehicle 4186
towing service" means the towing or conveyance of a wrecked, 4187
disabled, or illegally parked motor vehicle. 4188

(t) On and after August 1, 2003, snow removal service is or 4189
is to be provided. As used in this division, "snow removal 4190
service" means the removal of snow by any mechanized means, but 4191
does not include the providing of such service by a person that 4192
has less than five thousand dollars in sales of such service 4193
during the calendar year. 4194

(u) Electronic publishing service is or is to be provided to 4195
a consumer for use in business, except that such transactions 4196
occurring between members of an affiliated group, as defined in 4197
division (B)(3)(e) of this section, are not sales. 4198

(4) All transactions by which printed, imprinted, 4199
overprinted, lithographic, multilithic, blueprinted, photostatic, 4200
or other productions or reproductions of written or graphic matter 4201
are or are to be furnished or transferred; 4202

(5) The production or fabrication of tangible personal 4203
property for a consideration for consumers who furnish either 4204
directly or indirectly the materials used in the production of 4205
fabrication work; and include the furnishing, preparing, or 4206
serving for a consideration of any tangible personal property 4207
consumed on the premises of the person furnishing, preparing, or 4208
serving such tangible personal property. Except as provided in 4209
section 5739.03 of the Revised Code, a construction contract 4210
pursuant to which tangible personal property is or is to be 4211
incorporated into a structure or improvement on and becoming a 4212
part of real property is not a sale of such tangible personal 4213
property. The construction contractor is the consumer of such 4214
tangible personal property, provided that the sale and 4215
installation of carpeting, ~~the sale and installation of~~ 4216
~~agricultural land tile, the sale and erection or installation of~~ 4217
~~portable grain bins,~~ or the provision of landscaping and lawn care 4218
service and the transfer of property as part of such service is 4219
never a construction contract. 4220

~~As used in division (B)(5) of this section:~~ 4221

~~(a) "Agricultural land tile" means fired clay or concrete 4222
tile, or flexible or rigid perforated plastic pipe or tubing, 4223
incorporated or to be incorporated into a subsurface drainage 4224
system appurtenant to land used or to be used primarily in 4225
production by farming, agriculture, horticulture, or floriculture. 4226
The term does not include such materials when they are or are to 4227
be incorporated into a drainage system appurtenant to a building 4228
or structure even if the building or structure is used or to be 4229
used in such production. 4230~~

~~(b) "Portable grain bin" means a structure that is used or to 4231
be used by a person engaged in farming or agriculture to shelter 4232
the person's grain and that is designed to be disassembled without 4233
significant damage to its component parts. 4234~~

(6) All transactions in which all of the shares of stock of a 4235
closely held corporation are transferred, if the corporation is 4236
not engaging in business and its entire assets consist of boats, 4237
planes, motor vehicles, or other tangible personal property 4238
operated primarily for the use and enjoyment of the shareholders; 4239

(7) All transactions in which a warranty, maintenance or 4240
service contract, or similar agreement by which the vendor of the 4241
warranty, contract, or agreement agrees to repair or maintain the 4242
tangible personal property of the consumer is or is to be 4243
provided; 4244

(8) The transfer of copyrighted motion picture films ~~used~~ 4245
~~solely for advertising purposes, except that the transfer of such~~ 4246
~~films for exhibition purposes is not a sale;~~ 4247

(9) On and after August 1, 2003, all transactions by which 4248
tangible personal property is or is to be stored, except such 4249
property that the consumer of the storage holds for sale in the 4250
regular course of business; 4251

(10) All transactions in which "guaranteed auto protection" 4252
is provided whereby a person promises to pay to the consumer the 4253
difference between the amount the consumer receives from motor 4254
vehicle insurance and the amount the consumer owes to a person 4255
holding title to or a lien on the consumer's motor vehicle in the 4256
event the consumer's motor vehicle suffers a total loss under the 4257
terms of the motor vehicle insurance policy or is stolen and not 4258
recovered, if the protection and its price are included in the 4259
purchase or lease agreement; 4260

(11)(a) Except as provided in division (B)(11)(b) of this 4261
section, on and after October 1, 2009, all transactions by which 4262
health care services are paid for, reimbursed, provided, 4263
delivered, arranged for, or otherwise made available by a medicaid 4264
health insuring corporation pursuant to the corporation's contract 4265

with the state. 4266

(b) If the centers for medicare and medicaid services of the 4267
United States department of health and human services determines 4268
that the taxation of transactions described in division (B)(11)(a) 4269
of this section constitutes an impermissible health care-related 4270
tax under section 1903(w) of the "Social Security Act," 49 Stat. 4271
620 (1935), 42 U.S.C. 1396b(w), as amended, and regulations 4272
adopted thereunder, the director of job and family services shall 4273
notify the tax commissioner of that determination. Beginning with 4274
the first day of the month following that notification, the 4275
transactions described in division (B)(11)(a) of this section are 4276
not sales for the purposes of this chapter or Chapter 5741. of the 4277
Revised Code. The tax commissioner shall order that the collection 4278
of taxes under sections 5739.02, 5739.021, 5739.023, 5739.026, 4279
5741.02, 5741.021, 5741.022, and 5741.023 of the Revised Code 4280
shall cease for transactions occurring on or after that date. 4281

Except as provided in this section, "sale" and "selling" do 4282
not include transfers of interest in leased property where the 4283
original lessee and the terms of the original lease agreement 4284
remain unchanged, or professional, insurance, or personal service 4285
transactions that involve the transfer of tangible personal 4286
property as an inconsequential element, for which no separate 4287
charges are made. 4288

(C) "Vendor" means the person providing the service or by 4289
whom the transfer effected or license given by a sale is or is to 4290
be made or given and, for sales described in division (B)(3)(i) of 4291
this section, the telecommunications service vendor that provides 4292
the nine hundred telephone service; if two or more persons are 4293
engaged in business at the same place of business under a single 4294
trade name in which all collections on account of sales by each 4295
are made, such persons shall constitute a single vendor. 4296

Physicians, dentists, hospitals, and veterinarians who are 4297

engaged in selling tangible personal property as received from 4298
others, such as eyeglasses, mouthwashes, dentifrices, or similar 4299
articles, are vendors. Veterinarians who are engaged in 4300
transferring to others for a consideration drugs, the dispensing 4301
of which does not require an order of a licensed veterinarian or 4302
physician under federal law, are vendors. 4303

(D)(1) "Consumer" means the person for whom the service is 4304
provided, to whom the transfer effected or license given by a sale 4305
is or is to be made or given, to whom the service described in 4306
division (B)(3)(f) or (i) of this section is charged, or to whom 4307
the admission is granted. 4308

(2) Physicians, dentists, hospitals, and blood banks operated 4309
by nonprofit institutions and persons licensed to practice 4310
veterinary medicine, surgery, and dentistry are consumers of all 4311
tangible personal property and services purchased by them in 4312
connection with the practice of medicine, dentistry, the rendition 4313
of hospital or blood bank service, or the practice of veterinary 4314
medicine, surgery, and dentistry. In addition to being consumers 4315
of drugs administered by them or by their assistants according to 4316
their direction, veterinarians also are consumers of drugs that 4317
under federal law may be dispensed only by or upon the order of a 4318
licensed veterinarian or physician, when transferred by them to 4319
others for a consideration to provide treatment to animals as 4320
directed by the veterinarian. 4321

(3) A person who performs a facility management, or similar 4322
service contract for a contractee is a consumer of all tangible 4323
personal property and services purchased for use in connection 4324
with the performance of such contract, regardless of whether title 4325
to any such property vests in the contractee. The purchase of such 4326
property and services is not subject to the exception for resale 4327
under division (E)(1) of this section. 4328

(4)(a) In the case of a person who purchases printed matter 4329

for the purpose of distributing it or having it distributed to the public or to a designated segment of the public, free of charge, that person is the consumer of that printed matter, and the purchase of that printed matter for that purpose is a sale.

(b) In the case of a person who produces, rather than purchases, printed matter for the purpose of distributing it or having it distributed to the public or to a designated segment of the public, free of charge, that person is the consumer of all tangible personal property and services purchased for use or consumption in the production of that printed matter. That person is not entitled to claim exemption under division (B)(42)(f) of section 5739.02 of the Revised Code for any material incorporated into the printed matter or any equipment, supplies, or services primarily used to produce the printed matter.

(c) The distribution of printed matter to the public or to a designated segment of the public, free of charge, is not a sale to the members of the public to whom the printed matter is distributed or to any persons who purchase space in the printed matter for advertising or other purposes.

(5) A person who makes sales of any of the services listed in division (B)(3) of this section is the consumer of any tangible personal property used in performing the service. The purchase of that property is not subject to the resale exception under division (E)(1) of this section.

(6) A person who engages in highway transportation for hire is the consumer of all packaging materials purchased by that person and used in performing the service, except for packaging materials sold by such person in a transaction separate from the service.

(7) In the case of a transaction for health care services under division (B)(11) of this section, a medicaid health insuring

corporation is the consumer of such services. The purchase of such 4361
services by a medicaid health insuring corporation is not subject 4362
to the exception for resale under division (E)(1) of this section 4363
or to the exemptions provided under divisions (B)(12), (18), (19), 4364
and (22) of section 5739.02 of the Revised Code. 4365

(E) "Retail sale" and "sales at retail" include all sales, 4366
except those in which the purpose of the consumer is to resell the 4367
thing transferred or benefit of the service provided, by a person 4368
engaging in business, in the form in which the same is, or is to 4369
be, received by the person. 4370

(F) "Business" includes any activity engaged in by any person 4371
with the object of gain, benefit, or advantage, either direct or 4372
indirect. "Business" does not include the activity of a person in 4373
managing and investing the person's own funds. 4374

(G) "Engaging in business" means commencing, conducting, or 4375
continuing in business, and liquidating a business when the 4376
liquidator thereof holds itself out to the public as conducting 4377
such business. Making a casual sale is not engaging in business. 4378

(H)(1)(a) "Price," except as provided in divisions (H)(2), 4379
(3), and (4) of this section, means the total amount of 4380
consideration, including cash, credit, property, and services, for 4381
which tangible personal property or services are sold, leased, or 4382
rented, valued in money, whether received in money or otherwise, 4383
without any deduction for any of the following: 4384

(i) The vendor's cost of the property sold; 4385

(ii) The cost of materials used, labor or service costs, 4386
interest, losses, all costs of transportation to the vendor, all 4387
taxes imposed on the vendor, including the tax imposed under 4388
Chapter 5751. of the Revised Code, and any other expense of the 4389
vendor; 4390

(iii) Charges by the vendor for any services necessary to 4391

complete the sale; 4392

(iv) On and after August 1, 2003, delivery charges. As used 4393
in this division, "delivery charges" means charges by the vendor 4394
for preparation and delivery to a location designated by the 4395
consumer of tangible personal property or a service, including 4396
transportation, shipping, postage, handling, crating, and packing. 4397

(v) Installation charges; 4398

(vi) Credit for any trade-in. 4399

(b) "Price" includes consideration received by the vendor 4400
from a third party, if the vendor actually receives the 4401
consideration from a party other than the consumer, and the 4402
consideration is directly related to a price reduction or discount 4403
on the sale; the vendor has an obligation to pass the price 4404
reduction or discount through to the consumer; the amount of the 4405
consideration attributable to the sale is fixed and determinable 4406
by the vendor at the time of the sale of the item to the consumer; 4407
and one of the following criteria is met: 4408

(i) The consumer presents a coupon, certificate, or other 4409
document to the vendor to claim a price reduction or discount 4410
where the coupon, certificate, or document is authorized, 4411
distributed, or granted by a third party with the understanding 4412
that the third party will reimburse any vendor to whom the coupon, 4413
certificate, or document is presented; 4414

(ii) The consumer identifies the consumer's self to the 4415
seller as a member of a group or organization entitled to a price 4416
reduction or discount. A preferred customer card that is available 4417
to any patron does not constitute membership in such a group or 4418
organization. 4419

(iii) The price reduction or discount is identified as a 4420
third party price reduction or discount on the invoice received by 4421
the consumer, or on a coupon, certificate, or other document 4422

presented by the consumer. 4423

(c) "Price" does not include any of the following: 4424

(i) Discounts, including cash, term, or coupons that are not 4425
reimbursed by a third party that are allowed by a vendor and taken 4426
by a consumer on a sale; 4427

(ii) Interest, financing, and carrying charges from credit 4428
extended on the sale of tangible personal property or services, if 4429
the amount is separately stated on the invoice, bill of sale, or 4430
similar document given to the purchaser; 4431

(iii) Any taxes legally imposed directly on the consumer that 4432
are separately stated on the invoice, bill of sale, or similar 4433
document given to the consumer. For the purpose of this division, 4434
the tax imposed under Chapter 5751. of the Revised Code is not a 4435
tax directly on the consumer, even if the tax or a portion thereof 4436
is separately stated. 4437

(iv) Notwithstanding divisions (H)(1)(b)(i) to (iii) of this 4438
section, any discount allowed by an automobile manufacturer to its 4439
employee, or to the employee of a supplier, on the purchase of a 4440
new motor vehicle from a new motor vehicle dealer in this state. 4441

(v) The dollar value of a gift card that is not sold by a 4442
vendor or purchased by a consumer and that is redeemed by the 4443
consumer in purchasing tangible personal property or services if 4444
the vendor is not reimbursed and does not receive compensation 4445
from a third party to cover all or part of the gift card value. 4446
For the purposes of this division, a gift card is not sold by a 4447
vendor or purchased by a consumer if it is distributed pursuant to 4448
an awards, loyalty, or promotional program. Past and present 4449
purchases of tangible personal property or services by the 4450
consumer shall not be treated as consideration exchanged for a 4451
gift card. 4452

(2) In the case of a sale of any new motor vehicle by a new 4453

motor vehicle dealer, as defined in section 4517.01 of the Revised 4454
Code, in which another motor vehicle is accepted by the dealer as 4455
part of the consideration received, "price" has the same meaning 4456
as in division (H)(1) of this section, reduced by the credit 4457
afforded the consumer by the dealer for the motor vehicle received 4458
in trade. 4459

(3) In the case of a sale of any watercraft or outboard motor 4460
by a watercraft dealer licensed in accordance with section 4461
1547.543 of the Revised Code, in which another watercraft, 4462
watercraft and trailer, or outboard motor is accepted by the 4463
dealer as part of the consideration received, "price" has the same 4464
meaning as in division (H)(1) of this section, reduced by the 4465
credit afforded the consumer by the dealer for the watercraft, 4466
watercraft and trailer, or outboard motor received in trade. As 4467
used in this division, "watercraft" includes an outdrive unit 4468
attached to the watercraft. 4469

(4) In the case of transactions for health care services 4470
under division (B)(11) of this section, "price" means the amount 4471
of managed care premiums received each month by a medicaid health 4472
insuring corporation. 4473

(I) "Receipts" means the total amount of the prices of the 4474
sales of vendors, provided that the dollar value of gift cards 4475
distributed pursuant to an awards, loyalty, or promotional 4476
program, and cash discounts allowed and taken on sales at the time 4477
they are consummated are not included, minus any amount deducted 4478
as a bad debt pursuant to section 5739.121 of the Revised Code. 4479
"Receipts" does not include the sale price of property returned or 4480
services rejected by consumers when the full sale price and tax 4481
are refunded either in cash or by credit. 4482

(J) "Place of business" means any location at which a person 4483
engages in business. 4484

(K) "Premises" includes any real property or portion thereof 4485
upon which any person engages in selling tangible personal 4486
property at retail or making retail sales and also includes any 4487
real property or portion thereof designated for, or devoted to, 4488
use in conjunction with the business engaged in by such person. 4489

(L) "Casual sale" means a sale of an item of tangible 4490
personal property that was obtained by the person making the sale, 4491
through purchase or otherwise, for the person's own use and was 4492
previously subject to any state's taxing jurisdiction on its sale 4493
or use, and includes such items acquired for the seller's use that 4494
are sold by an auctioneer employed directly by the person for such 4495
purpose, provided the location of such sales is not the 4496
auctioneer's permanent place of business. As used in this 4497
division, "permanent place of business" includes any location 4498
where such auctioneer has conducted more than two auctions during 4499
the year. 4500

(M) "Hotel" means every establishment kept, used, maintained, 4501
advertised, or held out to the public to be a place where sleeping 4502
accommodations are offered to guests, in which five or more rooms 4503
are used for the accommodation of such guests, whether the rooms 4504
are in one or several structures, except as otherwise provided in 4505
division (G) of section 5739.09 of the Revised Code. 4506

(N) "Transient guests" means persons occupying a room or 4507
rooms for sleeping accommodations for less than thirty consecutive 4508
days. 4509

(O) "Making retail sales" means the effecting of transactions 4510
wherein one party is obligated to pay the price and the other 4511
party is obligated to provide a service or to transfer title to or 4512
possession of the item sold. "Making retail sales" does not 4513
include the preliminary acts of promoting or soliciting the retail 4514
sales, other than the distribution of printed matter which 4515
displays or describes and prices the item offered for sale, nor 4516

does it include delivery of a predetermined quantity of tangible 4517
personal property or transportation of property or personnel to or 4518
from a place where a service is performed, regardless of whether 4519
the vendor is a delivery vendor. 4520

(P) "Used directly in the rendition of a public utility 4521
service" means that property that is to be incorporated into and 4522
will become a part of the consumer's production, transmission, 4523
transportation, or distribution system and that retains its 4524
classification as tangible personal property after such 4525
incorporation; fuel or power used in the production, transmission, 4526
transportation, or distribution system; and tangible personal 4527
property used in the repair and maintenance of the production, 4528
transmission, transportation, or distribution system, including 4529
only such motor vehicles as are specially designed and equipped 4530
for such use. Tangible personal property and services used 4531
primarily in providing highway transportation for hire are not 4532
used directly in the rendition of a public utility service. In 4533
this definition, "public utility" includes a citizen of the United 4534
States holding, and required to hold, a certificate of public 4535
convenience and necessity issued under 49 U.S.C. 41102. 4536

(Q) "Refining" means removing or separating a desirable 4537
product from raw or contaminated materials by distillation or 4538
physical, mechanical, or chemical processes. 4539

(R) "Assembly" and "assembling" mean attaching or fitting 4540
together parts to form a product, but do not include packaging a 4541
product. 4542

(S) "Manufacturing operation" means a process in which 4543
materials are changed, converted, or transformed into a different 4544
state or form from which they previously existed and includes 4545
refining materials, assembling parts, and preparing raw materials 4546
and parts by mixing, measuring, blending, or otherwise committing 4547
such materials or parts to the manufacturing process. 4548

"Manufacturing operation" does not include packaging. 4549

(T) "Fiscal officer" means, with respect to a regional 4550
transit authority, the secretary-treasurer thereof, and with 4551
respect to a county that is a transit authority, the fiscal 4552
officer of the county transit board if one is appointed pursuant 4553
to section 306.03 of the Revised Code or the county auditor if the 4554
board of county commissioners operates the county transit system. 4555

(U) "Transit authority" means a regional transit authority 4556
created pursuant to section 306.31 of the Revised Code or a county 4557
in which a county transit system is created pursuant to section 4558
306.01 of the Revised Code. For the purposes of this chapter, a 4559
transit authority must extend to at least the entire area of a 4560
single county. A transit authority that includes territory in more 4561
than one county must include all the area of the most populous 4562
county that is a part of such transit authority. County population 4563
shall be measured by the most recent census taken by the United 4564
States census bureau. 4565

(V) "Legislative authority" means, with respect to a regional 4566
transit authority, the board of trustees thereof, and with respect 4567
to a county that is a transit authority, the board of county 4568
commissioners. 4569

(W) "Territory of the transit authority" means all of the 4570
area included within the territorial boundaries of a transit 4571
authority as they from time to time exist. Such territorial 4572
boundaries must at all times include all the area of a single 4573
county or all the area of the most populous county that is a part 4574
of such transit authority. County population shall be measured by 4575
the most recent census taken by the United States census bureau. 4576

(X) "Providing a service" means providing or furnishing 4577
anything described in division (B)(3) of this section for 4578
consideration. 4579

(Y)(1)(a) "Automatic data processing" means processing of 4580
others' data, including keypunching or similar data entry services 4581
together with verification thereof, or providing access to 4582
computer equipment for the purpose of processing data. 4583

(b) "Computer services" means providing services consisting 4584
of specifying computer hardware configurations and evaluating 4585
technical processing characteristics, computer programming, and 4586
training of computer programmers and operators, provided in 4587
conjunction with and to support the sale, lease, or operation of 4588
taxable computer equipment or systems. 4589

(c) "Electronic information services" means providing access 4590
to computer equipment by means of telecommunications equipment for 4591
the purpose of either of the following: 4592

(i) Examining or acquiring data stored in or accessible to 4593
the computer equipment; 4594

(ii) Placing data into the computer equipment to be retrieved 4595
by designated recipients with access to the computer equipment. 4596

For transactions occurring on or after the effective date of 4597
the amendment of this section by H.B. 157 of the 127th general 4598
assembly, December 21, 2007, "electronic information services" 4599
does not include electronic publishing as defined in division 4600
(LLL) of this section. 4601

(d) "Automatic data processing, computer services, or 4602
electronic information services" shall not include personal or 4603
professional services. 4604

(2) As used in divisions (B)(3)(e) and (Y)(1) of this 4605
section, "personal and professional services" means all services 4606
other than automatic data processing, computer services, or 4607
electronic information services, including but not limited to: 4608

(a) Accounting and legal services such as advice on tax 4609

matters, asset management, budgetary matters, quality control, 4610
information security, and auditing and any other situation where 4611
the service provider receives data or information and studies, 4612
alters, analyzes, interprets, or adjusts such material; 4613

(b) Analyzing business policies and procedures; 4614

(c) Identifying management information needs; 4615

(d) Feasibility studies, including economic and technical 4616
analysis of existing or potential computer hardware or software 4617
needs and alternatives; 4618

(e) Designing policies, procedures, and custom software for 4619
collecting business information, and determining how data should 4620
be summarized, sequenced, formatted, processed, controlled, and 4621
reported so that it will be meaningful to management; 4622

(f) Developing policies and procedures that document how 4623
business events and transactions are to be authorized, executed, 4624
and controlled; 4625

(g) Testing of business procedures; 4626

(h) Training personnel in business procedure applications; 4627

(i) Providing credit information to users of such information 4628
by a consumer reporting agency, as defined in the "Fair Credit 4629
Reporting Act," 84 Stat. 1114, 1129 (1970), 15 U.S.C. 1681a(f), or 4630
as hereafter amended, including but not limited to gathering, 4631
organizing, analyzing, recording, and furnishing such information 4632
by any oral, written, graphic, or electronic medium; 4633

(j) Providing debt collection services by any oral, written, 4634
graphic, or electronic means. 4635

The services listed in divisions (Y)(2)(a) to (j) of this 4636
section are not automatic data processing or computer services. 4637

(Z) "Highway transportation for hire" means the 4638
transportation of personal property belonging to others for 4639

consideration by any of the following: 4640

(1) The holder of a permit or certificate issued by this 4641
state or the United States authorizing the holder to engage in 4642
transportation of personal property belonging to others for 4643
consideration over or on highways, roadways, streets, or any 4644
similar public thoroughfare; 4645

(2) A person who engages in the transportation of personal 4646
property belonging to others for consideration over or on 4647
highways, roadways, streets, or any similar public thoroughfare 4648
but who could not have engaged in such transportation on December 4649
11, 1985, unless the person was the holder of a permit or 4650
certificate of the types described in division (Z)(1) of this 4651
section; 4652

(3) A person who leases a motor vehicle to and operates it 4653
for a person described by division (Z)(1) or (2) of this section. 4654

(AA)(1) "Telecommunications service" means the electronic 4655
transmission, conveyance, or routing of voice, data, audio, video, 4656
or any other information or signals to a point, or between or 4657
among points. "Telecommunications service" includes such 4658
transmission, conveyance, or routing in which computer processing 4659
applications are used to act on the form, code, or protocol of the 4660
content for purposes of transmission, conveyance, or routing 4661
without regard to whether the service is referred to as voice-over 4662
internet protocol service or is classified by the federal 4663
communications commission as enhanced or value-added. 4664
"Telecommunications service" does not include any of the 4665
following: 4666

(a) Data processing and information services that allow data 4667
to be generated, acquired, stored, processed, or retrieved and 4668
delivered by an electronic transmission to a consumer where the 4669
consumer's primary purpose for the underlying transaction is the 4670

processed data or information; 4671

(b) Installation or maintenance of wiring or equipment on a 4672
customer's premises; 4673

(c) Tangible personal property; 4674

(d) Advertising, including directory advertising; 4675

(e) Billing and collection services provided to third 4676
parties; 4677

(f) Internet access service; 4678

(g) Radio and television audio and video programming 4679
services, regardless of the medium, including the furnishing of 4680
transmission, conveyance, and routing of such services by the 4681
programming service provider. Radio and television audio and video 4682
programming services include, but are not limited to, cable 4683
service, as defined in 47 U.S.C. 522(6), and audio and video 4684
programming services delivered by commercial mobile radio service 4685
providers, as defined in 47 C.F.R. 20.3; 4686

(h) Ancillary service; 4687

(i) Digital products delivered electronically, including 4688
software, music, video, reading materials, or ring tones. 4689

(2) "Ancillary service" means a service that is associated 4690
with or incidental to the provision of telecommunications service, 4691
including conference bridging service, detailed telecommunications 4692
billing service, directory assistance, vertical service, and voice 4693
mail service. As used in this division: 4694

(a) "Conference bridging service" means an ancillary service 4695
that links two or more participants of an audio or video 4696
conference call, including providing a telephone number. 4697
"Conference bridging service" does not include telecommunications 4698
services used to reach the conference bridge. 4699

(b) "Detailed telecommunications billing service" means an 4700

ancillary service of separately stating information pertaining to 4701
individual calls on a customer's billing statement. 4702

(c) "Directory assistance" means an ancillary service of 4703
providing telephone number or address information. 4704

(d) "Vertical service" means an ancillary service that is 4705
offered in connection with one or more telecommunications 4706
services, which offers advanced calling features that allow 4707
customers to identify callers and manage multiple calls and call 4708
connections, including conference bridging service. 4709

(e) "Voice mail service" means an ancillary service that 4710
enables the customer to store, send, or receive recorded messages. 4711
"Voice mail service" does not include any vertical services that 4712
the customer may be required to have in order to utilize the voice 4713
mail service. 4714

(3) "900 service" means an inbound toll telecommunications 4715
service purchased by a subscriber that allows the subscriber's 4716
customers to call in to the subscriber's prerecorded announcement 4717
or live service, and which is typically marketed under the name 4718
"900" service and any subsequent numbers designated by the federal 4719
communications commission. "900 service" does not include the 4720
charge for collection services provided by the seller of the 4721
telecommunications service to the subscriber, or services or 4722
products sold by the subscriber to the subscriber's customer. 4723

(4) "Prepaid calling service" means the right to access 4724
exclusively telecommunications services, which must be paid for in 4725
advance and which enables the origination of calls using an access 4726
number or authorization code, whether manually or electronically 4727
dialed, and that is sold in predetermined units of dollars of 4728
which the number declines with use in a known amount. 4729

(5) "Prepaid wireless calling service" means a 4730
telecommunications service that provides the right to utilize 4731

mobile telecommunications service as well as other 4732
non-telecommunications services, including the download of digital 4733
products delivered electronically, and content and ancillary 4734
services, that must be paid for in advance and that is sold in 4735
predetermined units of dollars of which the number declines with 4736
use in a known amount. 4737

(6) "Value-added non-voice data service" means a 4738
telecommunications service in which computer processing 4739
applications are used to act on the form, content, code, or 4740
protocol of the information or data primarily for a purpose other 4741
than transmission, conveyance, or routing. 4742

(7) "Coin-operated telephone service" means a 4743
telecommunications service paid for by inserting money into a 4744
telephone accepting direct deposits of money to operate. 4745

(8) "Customer" has the same meaning as in section 5739.034 of 4746
the Revised Code. 4747

(BB) "Laundry and dry cleaning services" means removing soil 4748
or dirt from towels, linens, articles of clothing, or other fabric 4749
items that belong to others and supplying towels, linens, articles 4750
of clothing, or other fabric items. "Laundry and dry cleaning 4751
services" does not include the provision of self-service 4752
facilities for use by consumers to remove soil or dirt from 4753
towels, linens, articles of clothing, or other fabric items. 4754

(CC) "Magazines distributed as controlled circulation 4755
publications" means magazines containing at least twenty-four 4756
pages, at least twenty-five per cent editorial content, issued at 4757
regular intervals four or more times a year, and circulated 4758
without charge to the recipient, provided that such magazines are 4759
not owned or controlled by individuals or business concerns which 4760
conduct such publications as an auxiliary to, and essentially for 4761
the advancement of the main business or calling of, those who own 4762

or control them. 4763

(DD) "Landscaping and lawn care service" means the services 4764
of planting, seeding, sodding, removing, cutting, trimming, 4765
pruning, mulching, aerating, applying chemicals, watering, 4766
fertilizing, and providing similar services to establish, promote, 4767
or control the growth of trees, shrubs, flowers, grass, ground 4768
cover, and other flora, or otherwise maintaining a lawn or 4769
landscape grown or maintained by the owner for ornamentation or 4770
other nonagricultural purpose. However, "landscaping and lawn care 4771
service" does not include the providing of such services by a 4772
person who has less than five thousand dollars in sales of such 4773
services during the calendar year. 4774

(EE) "Private investigation and security service" means the 4775
performance of any activity for which the provider of such service 4776
is required to be licensed pursuant to Chapter 4749. of the 4777
Revised Code, or would be required to be so licensed in performing 4778
such services in this state, and also includes the services of 4779
conducting polygraph examinations and of monitoring or overseeing 4780
the activities on or in, or the condition of, the consumer's home, 4781
business, or other facility by means of electronic or similar 4782
monitoring devices. "Private investigation and security service" 4783
does not include special duty services provided by off-duty police 4784
officers, deputy sheriffs, and other peace officers regularly 4785
employed by the state or a political subdivision. 4786

(FF) "Information services" means providing conversation, 4787
giving consultation or advice, playing or making a voice or other 4788
recording, making or keeping a record of the number of callers, 4789
and any other service provided to a consumer by means of a nine 4790
hundred telephone call, except when the nine hundred telephone 4791
call is the means by which the consumer makes a contribution to a 4792
recognized charity. 4793

(GG) "Research and development" means designing, creating, or 4794

formulating new or enhanced products, equipment, or manufacturing 4795
processes, and also means conducting scientific or technological 4796
inquiry and experimentation in the physical sciences with the goal 4797
of increasing scientific knowledge which may reveal the bases for 4798
new or enhanced products, equipment, or manufacturing processes. 4799

(HH) "Qualified research and development equipment" means 4800
capitalized tangible personal property, and leased personal 4801
property that would be capitalized if purchased, used by a person 4802
primarily to perform research and development. Tangible personal 4803
property primarily used in testing, as defined in division (A)(4) 4804
of section 5739.011 of the Revised Code, or used for recording or 4805
storing test results, is not qualified research and development 4806
equipment unless such property is primarily used by the consumer 4807
in testing the product, equipment, or manufacturing process being 4808
created, designed, or formulated by the consumer in the research 4809
and development activity or in recording or storing such test 4810
results. 4811

(II) "Building maintenance and janitorial service" means 4812
cleaning the interior or exterior of a building and any tangible 4813
personal property located therein or thereon, including any 4814
services incidental to such cleaning for which no separate charge 4815
is made. However, "building maintenance and janitorial service" 4816
does not include the providing of such service by a person who has 4817
less than five thousand dollars in sales of such service during 4818
the calendar year. 4819

(JJ) "Employment service" means providing or supplying 4820
personnel, on a temporary or long-term basis, to perform work or 4821
labor under the supervision or control of another, when the 4822
personnel so provided or supplied receive their wages, salary, or 4823
other compensation from the provider or supplier of the employment 4824
service or from a third party that provided or supplied the 4825
personnel to the provider or supplier. "Employment service" does 4826

not include: 4827

(1) Acting as a contractor or subcontractor, where the 4828
personnel performing the work are not under the direct control of 4829
the purchaser. 4830

(2) Medical and health care services. 4831

(3) Supplying personnel to a purchaser pursuant to a contract 4832
of at least one year between the service provider and the 4833
purchaser that specifies that each employee covered under the 4834
contract is assigned to the purchaser on a permanent basis. 4835

(4) Transactions between members of an affiliated group, as 4836
defined in division (B)(3)(e) of this section. 4837

(5) Transactions where the personnel so provided or supplied 4838
by a provider or supplier to a purchaser of an employment service 4839
are then provided or supplied by that purchaser to a third party 4840
as an employment service, except "employment service" does include 4841
the transaction between that purchaser and the third party. 4842

(KK) "Employment placement service" means locating or finding 4843
employment for a person or finding or locating an employee to fill 4844
an available position. 4845

(LL) "Exterminating service" means eradicating or attempting 4846
to eradicate vermin infestations from a building or structure, or 4847
the area surrounding a building or structure, and includes 4848
activities to inspect, detect, or prevent vermin infestation of a 4849
building or structure. 4850

(MM) "Physical fitness facility service" means all 4851
transactions by which a membership is granted, maintained, or 4852
renewed, including initiation fees, membership dues, renewal fees, 4853
monthly minimum fees, and other similar fees and dues, by a 4854
physical fitness facility such as an athletic club, health spa, or 4855
gymnasium, which entitles the member to use the facility for 4856

physical exercise. 4857

(NN) "Recreation and sports club service" means all 4858
transactions by which a membership is granted, maintained, or 4859
renewed, including initiation fees, membership dues, renewal fees, 4860
monthly minimum fees, and other similar fees and dues, by a 4861
recreation and sports club, which entitles the member to use the 4862
facilities of the organization. "Recreation and sports club" means 4863
an organization that has ownership of, or controls or leases on a 4864
continuing, long-term basis, the facilities used by its members 4865
and includes an aviation club, gun or shooting club, yacht club, 4866
card club, swimming club, tennis club, golf club, country club, 4867
riding club, amateur sports club, or similar organization. 4868

(OO) "Livestock" means farm animals commonly raised for food, 4869
food production, or other agricultural purposes, including, but 4870
not limited to, cattle, sheep, goats, swine, poultry, and captive 4871
deer. "Livestock" does not include invertebrates, amphibians, 4872
reptiles, domestic pets, animals for use in laboratories or for 4873
exhibition, or other animals not commonly raised for food or food 4874
production. 4875

(PP) "Livestock structure" means a building or structure used 4876
exclusively for the housing, raising, feeding, or sheltering of 4877
livestock, and includes feed storage or handling structures and 4878
structures for livestock waste handling. 4879

(QQ) "Horticulture" means the growing, cultivation, and 4880
production of flowers, fruits, herbs, vegetables, sod, mushrooms, 4881
and nursery stock. As used in this division, "nursery stock" has 4882
the same meaning as in section 927.51 of the Revised Code. 4883

(RR) "Horticulture structure" means a building or structure 4884
used exclusively for the commercial growing, raising, or 4885
overwintering of horticultural products, and includes the area 4886
used for stocking, storing, and packing horticultural products 4887

when done in conjunction with the production of those products. 4888

(SS) "Newspaper" means an unbound publication bearing a title 4889
or name that is regularly published, at least as frequently as 4890
biweekly, and distributed from a fixed place of business to the 4891
public in a specific geographic area, and that contains a 4892
substantial amount of news matter of international, national, or 4893
local events of interest to the general public. 4894

~~(TT) "Professional racing team" means a person that employs 4895
at least twenty full time employees for the purpose of conducting 4896
a motor vehicle racing business for profit. The person must 4897
conduct the business with the purpose of racing one or more motor 4898
racing vehicles in at least ten competitive professional racing 4899
events each year that comprise all or part of a motor racing 4900
series sanctioned by one or more motor racing sanctioning 4901
organizations. A "motor racing vehicle" means a vehicle for which 4902
the chassis, engine, and parts are designed exclusively for motor 4903
racing, and does not include a stock or production model vehicle 4904
that may be modified for use in racing. For the purposes of this 4905
division:~~ 4906

~~(1) A "competitive professional racing event" is a motor 4907
vehicle racing event sanctioned by one or more motor racing 4908
sanctioning organizations, at which aggregate cash prizes in 4909
excess of eight hundred thousand dollars are awarded to the 4910
competitors.~~ 4911

~~(2) "Full-time employee" means an individual who is employed 4912
for consideration for thirty five or more hours a week, or who 4913
renders any other standard of service generally accepted by custom 4914
or specified by contract as full time employment~~ "Managed care 4915
premium" means any premium, capitation, or other payment a 4916
medicaid health insuring corporation receives for providing or 4917
arranging for the provision of health care services to its members 4918
or enrollees residing in this state. 4919

(UU)(1) "Lease" or "rental" means any transfer of the 4920
possession or control of tangible personal property for a fixed or 4921
indefinite term, for consideration. "Lease" or "rental" includes 4922
future options to purchase or extend, and agreements described in 4923
26 U.S.C. 7701(h)(1) covering motor vehicles and trailers where 4924
the amount of consideration may be increased or decreased by 4925
reference to the amount realized upon the sale or disposition of 4926
the property. "Lease" or "rental" does not include: 4927

(a) A transfer of possession or control of tangible personal 4928
property under a security agreement or a deferred payment plan 4929
that requires the transfer of title upon completion of the 4930
required payments; 4931

(b) A transfer of possession or control of tangible personal 4932
property under an agreement that requires the transfer of title 4933
upon completion of required payments and payment of an option 4934
price that does not exceed the greater of one hundred dollars or 4935
one per cent of the total required payments; 4936

(c) Providing tangible personal property along with an 4937
operator for a fixed or indefinite period of time, if the operator 4938
is necessary for the property to perform as designed. For purposes 4939
of this division, the operator must do more than maintain, 4940
inspect, or set-up the tangible personal property. 4941

(2) "Lease" and "rental," as defined in division (UU) of this 4942
section, shall not apply to leases or rentals that exist before 4943
June 26, 2003. 4944

(3) "Lease" and "rental" have the same meaning as in division 4945
(UU)(1) of this section regardless of whether a transaction is 4946
characterized as a lease or rental under generally accepted 4947
accounting principles, the Internal Revenue Code, Title XIII of 4948
the Revised Code, or other federal, state, or local laws. 4949

(VV) "Mobile telecommunications service" has the same meaning 4950

as in the "Mobile Telecommunications Sourcing Act," Pub. L. No. 4951
106-252, 114 Stat. 631 (2000), 4 U.S.C.A. 124(7), as amended, and, 4952
on and after August 1, 2003, includes related fees and ancillary 4953
services, including universal service fees, detailed billing 4954
service, directory assistance, service initiation, voice mail 4955
service, and vertical services, such as caller ID and three-way 4956
calling. 4957

(WW) "Certified service provider" has the same meaning as in 4958
section 5740.01 of the Revised Code. 4959

(XX) "Satellite broadcasting service" means the distribution 4960
or broadcasting of programming or services by satellite directly 4961
to the subscriber's receiving equipment without the use of ground 4962
receiving or distribution equipment, except the subscriber's 4963
receiving equipment or equipment used in the uplink process to the 4964
satellite, and includes all service and rental charges, premium 4965
channels or other special services, installation and repair 4966
service charges, and any other charges having any connection with 4967
the provision of the satellite broadcasting service. 4968

(YY) "Tangible personal property" means personal property 4969
that can be seen, weighed, measured, felt, or touched, or that is 4970
in any other manner perceptible to the senses. For purposes of 4971
this chapter and Chapter 5741. of the Revised Code, "tangible 4972
personal property" includes motor vehicles, electricity, water, 4973
gas, steam, and prewritten computer software. 4974

(ZZ) "Direct mail" means printed material delivered or 4975
distributed by United States mail or other delivery service to a 4976
mass audience or to addressees on a mailing list provided by the 4977
consumer or at the direction of the consumer when the cost of the 4978
items are not billed directly to the recipients. "Direct mail" 4979
includes tangible personal property supplied directly or 4980
indirectly by the consumer to the direct mail vendor for inclusion 4981
in the package containing the printed material. "Direct mail" does 4982

not include multiple items of printed material delivered to a 4983
single address. 4984

(AAA) "Computer" means an electronic device that accepts 4985
information in digital or similar form and manipulates it for a 4986
result based on a sequence of instructions. 4987

(BBB) "Computer software" means a set of coded instructions 4988
designed to cause a computer or automatic data processing 4989
equipment to perform a task. 4990

(CCC) "Delivered electronically" means delivery of computer 4991
software from the seller to the purchaser by means other than 4992
tangible storage media. 4993

(DDD) "Prewritten computer software" means computer software, 4994
including prewritten upgrades, that is not designed and developed 4995
by the author or other creator to the specifications of a specific 4996
purchaser. The combining of two or more prewritten computer 4997
software programs or prewritten portions thereof does not cause 4998
the combination to be other than prewritten computer software. 4999
"Prewritten computer software" includes software designed and 5000
developed by the author or other creator to the specifications of 5001
a specific purchaser when it is sold to a person other than the 5002
purchaser. If a person modifies or enhances computer software of 5003
which the person is not the author or creator, the person shall be 5004
deemed to be the author or creator only of such person's 5005
modifications or enhancements. Prewritten computer software or a 5006
prewritten portion thereof that is modified or enhanced to any 5007
degree, where such modification or enhancement is designed and 5008
developed to the specifications of a specific purchaser, remains 5009
prewritten computer software; provided, however, that where there 5010
is a reasonable, separately stated charge or an invoice or other 5011
statement of the price given to the purchaser for the modification 5012
or enhancement, the modification or enhancement shall not 5013
constitute prewritten computer software. 5014

(EEE)(1) "Food" means substances, whether in liquid, 5015
concentrated, solid, frozen, dried, or dehydrated form, that are 5016
sold for ingestion or chewing by humans and are consumed for their 5017
taste or nutritional value. "Food" does not include alcoholic 5018
beverages, dietary supplements, soft drinks, or tobacco. 5019

(2) As used in division (EEE)(1) of this section: 5020

(a) "Alcoholic beverages" means beverages that are suitable 5021
for human consumption and contain one-half of one per cent or more 5022
of alcohol by volume. 5023

(b) "Dietary supplements" means any product, other than 5024
tobacco, that is intended to supplement the diet and that is 5025
intended for ingestion in tablet, capsule, powder, softgel, 5026
gelcap, or liquid form, or, if not intended for ingestion in such 5027
a form, is not represented as conventional food for use as a sole 5028
item of a meal or of the diet; that is required to be labeled as a 5029
dietary supplement, identifiable by the "supplement facts" box 5030
found on the label, as required by 21 C.F.R. 101.36; and that 5031
contains one or more of the following dietary ingredients: 5032

(i) A vitamin; 5033

(ii) A mineral; 5034

(iii) An herb or other botanical; 5035

(iv) An amino acid; 5036

(v) A dietary substance for use by humans to supplement the 5037
diet by increasing the total dietary intake; 5038

(vi) A concentrate, metabolite, constituent, extract, or 5039
combination of any ingredient described in divisions 5040
(EEE)(2)(b)(i) to (v) of this section. 5041

(c) "Soft drinks" means nonalcoholic beverages that contain 5042
natural or artificial sweeteners. "Soft drinks" does not include 5043
beverages that contain milk or milk products, soy, rice, or 5044

similar milk substitutes, or that contains greater than fifty per 5045
cent vegetable or fruit juice by volume. 5046

(d) "Tobacco" means cigarettes, cigars, chewing or pipe 5047
tobacco, or any other item that contains tobacco. 5048

(FFF) "Drug" means a compound, substance, or preparation, and 5049
any component of a compound, substance, or preparation, other than 5050
food, dietary supplements, or alcoholic beverages that is 5051
recognized in the official United States pharmacopoeia, official 5052
homeopathic pharmacopoeia of the United States, or official 5053
national formulary, and supplements to them; is intended for use 5054
in the diagnosis, cure, mitigation, treatment, or prevention of 5055
disease; or is intended to affect the structure or any function of 5056
the body. 5057

(GGG) "Prescription" means an order, formula, or recipe 5058
issued in any form of oral, written, electronic, or other means of 5059
transmission by a duly licensed practitioner authorized by the 5060
laws of this state to issue a prescription. 5061

(HHH) "Durable medical equipment" means equipment, including 5062
repair and replacement parts for such equipment, that can 5063
withstand repeated use, is primarily and customarily used to serve 5064
a medical purpose, generally is not useful to a person in the 5065
absence of illness or injury, and is not worn in or on the body. 5066
"Durable medical equipment" does not include mobility enhancing 5067
equipment. 5068

(III) "Mobility enhancing equipment" means equipment, 5069
including repair and replacement parts for such equipment, that is 5070
primarily and customarily used to provide or increase the ability 5071
to move from one place to another and is appropriate for use 5072
either in a home or a motor vehicle, that is not generally used by 5073
persons with normal mobility, and that does not include any motor 5074
vehicle or equipment on a motor vehicle normally provided by a 5075

motor vehicle manufacturer. "Mobility enhancing equipment" does 5076
not include durable medical equipment. 5077

(JJJ) "Prosthetic device" means a replacement, corrective, or 5078
supportive device, including repair and replacement parts for the 5079
device, worn on or in the human body to artificially replace a 5080
missing portion of the body, prevent or correct physical deformity 5081
or malfunction, or support a weak or deformed portion of the body. 5082
As used in this division, "prosthetic device" does not include 5083
corrective eyeglasses, contact lenses, or dental prosthesis. 5084

~~(KKK)(1) "Fractional aircraft ownership program" means a 5085
program in which persons within an affiliated group sell and 5086
manage fractional ownership program aircraft, provided that at 5087
least one hundred airworthy aircraft are operated in the program 5088
and the program meets all of the following criteria:~~ 5089

~~(a) Management services are provided by at least one program 5090
manager within an affiliated group on behalf of the fractional 5091
owners. 5092~~

~~(b) Each program aircraft is owned or possessed by at least 5093
one fractional owner. 5094~~

~~(c) Each fractional owner owns or possesses at least a 5095
one sixteenth interest in at least one fixed wing program 5096
aircraft. 5097~~

~~(d) A dry lease aircraft interchange arrangement is in effect 5098
among all of the fractional owners. 5099~~

~~(e) Multi-year program agreements are in effect regarding the 5100
fractional ownership, management services, and dry lease aircraft 5101
interchange arrangement aspects of the program. 5102~~

~~(2) As used in division (KKK)(1) of this section:~~ 5103

~~(a) "Affiliated group" has the same meaning as in division 5104
(B)(3)(c) of this section. 5105~~

~~(b) "Fractional owner" means a person that owns or possesses at least a one sixteenth interest in a program aircraft and has entered into the agreements described in division (KKK)(1)(c) of this section.~~

~~(c) "Fractional ownership program aircraft" or "program aircraft" means a turbojet aircraft that is owned or possessed by a fractional owner and that has been included in a dry lease aircraft interchange arrangement and agreement under divisions (KKK)(1)(d) and (e) of this section, or an aircraft a program manager owns or possesses primarily for use in a fractional aircraft ownership program.~~

~~(d) "Management services" means administrative and aviation support services furnished under a fractional aircraft ownership program in accordance with a management services agreement under division (KKK)(1)(c) of this section, and offered by the program manager to the fractional owners, including, at a minimum, the establishment and implementation of safety guidelines; the coordination of the scheduling of the program aircraft and crews; program aircraft maintenance; program aircraft insurance; crew training for crews employed, furnished, or contracted by the program manager or the fractional owner; the satisfaction of record keeping requirements; and the development and use of an operations manual and a maintenance manual for the fractional aircraft ownership program.~~

~~(e) "Program manager" means the person that offers management services to fractional owners pursuant to a management services agreement under division (KKK)(1)(c) of this section~~ "Captive deer" means deer and other cervidae that have been legally acquired, or their offspring, that are privately owned for agricultural or farming purposes.

(LLL) "Electronic publishing" means providing access to one or more of the following primarily for business customers,

including the federal government or a state government or a 5138
political subdivision thereof, to conduct research: news; 5139
business, financial, legal, consumer, or credit materials; 5140
editorials, columns, reader commentary, or features; photos or 5141
images; archival or research material; legal notices, identity 5142
verification, or public records; scientific, educational, 5143
instructional, technical, professional, trade, or other literary 5144
materials; or other similar information which has been gathered 5145
and made available by the provider to the consumer in an 5146
electronic format. Providing electronic publishing includes the 5147
functions necessary for the acquisition, formatting, editing, 5148
storage, and dissemination of data or information that is the 5149
subject of a sale. 5150

(MMM) "Medicaid health insuring corporation" means a health 5151
insuring corporation that holds a certificate of authority under 5152
Chapter 1751. of the Revised Code and is under contract with the 5153
department of job and family services pursuant to section 5111.17 5154
of the Revised Code. 5155

~~(NNN) "Managed care premium" means any premium, capitation,~~ 5156
~~or other payment a medicaid health insuring corporation receives~~ 5157
~~for providing or arranging for the provision of health care~~ 5158
~~services to its members or enrollees residing in this state.~~ 5159

~~(OOO) "Captive deer" means deer and other cervidae that have~~ 5160
~~been legally acquired, or their offspring, that are privately~~ 5161
~~owned for agricultural or farming purposes.~~ 5162

~~(PPP)~~ "Gift card" means a document, card, certificate, or 5163
other record, whether tangible or intangible, that may be redeemed 5164
by a consumer for a dollar value when making a purchase of 5165
tangible personal property or services. 5166

Sec. 5739.02. For the purpose of providing revenue with which 5167
to meet the needs of the state, for the use of the general revenue 5168

fund of the state, for the purpose of securing a thorough and 5169
efficient system of common schools throughout the state, for the 5170
purpose of affording revenues, in addition to those from general 5171
property taxes, permitted under constitutional limitations, and 5172
from other sources, for the support of local governmental 5173
functions, and for the purpose of reimbursing the state for the 5174
expense of administering this chapter, an excise tax is hereby 5175
levied on each retail sale made in this state. 5176

(A)(1) The tax shall be collected as provided in section 5177
5739.025 of the Revised Code. The rate of the tax shall be five 5178
and one-half per cent. The tax applies and is collectible when the 5179
sale is made, regardless of the time when the price is paid or 5180
delivered. 5181

(2) In the case of the lease or rental, with a fixed term of 5182
more than thirty days or an indefinite term with a minimum period 5183
of more than thirty days, of any motor vehicles designed by the 5184
manufacturer to carry a load of not more than one ton, watercraft, 5185
outboard motor, or aircraft, or of any tangible personal property, 5186
other than motor vehicles designed by the manufacturer to carry a 5187
load of more than one ton, to be used by the lessee or renter 5188
primarily for business purposes, the tax shall be collected by the 5189
vendor at the time the lease or rental is consummated and shall be 5190
calculated by the vendor on the basis of the total amount to be 5191
paid by the lessee or renter under the lease agreement. If the 5192
total amount of the consideration for the lease or rental includes 5193
amounts that are not calculated at the time the lease or rental is 5194
executed, the tax shall be calculated and collected by the vendor 5195
at the time such amounts are billed to the lessee or renter. In 5196
the case of an open-end lease or rental, the tax shall be 5197
calculated by the vendor on the basis of the total amount to be 5198
paid during the initial fixed term of the lease or rental, and for 5199
each subsequent renewal period as it comes due. As used in this 5200

division, "motor vehicle" has the same meaning as in section 5201
4501.01 of the Revised Code, and "watercraft" includes an outdrive 5202
unit attached to the watercraft. 5203

A lease with a renewal clause and a termination penalty or 5204
similar provision that applies if the renewal clause is not 5205
exercised is presumed to be a sham transaction. In such a case, 5206
the tax shall be calculated and paid on the basis of the entire 5207
length of the lease period, including any renewal periods, until 5208
the termination penalty or similar provision no longer applies. 5209
The taxpayer shall bear the burden, by a preponderance of the 5210
evidence, that the transaction or series of transactions is not a 5211
sham transaction. 5212

(3) Except as provided in division (A)(2) of this section, in 5213
the case of a sale, the price of which consists in whole or in 5214
part of the lease or rental of tangible personal property, the tax 5215
shall be measured by the installments of that lease or rental. 5216

(4) In the case of a sale of a physical fitness facility 5217
service or recreation and sports club service, the price of which 5218
consists in whole or in part of a membership for the receipt of 5219
the benefit of the service, the tax applicable to the sale shall 5220
be measured by the installments thereof. 5221

(B) The tax does not apply to the following: 5222

(1) Sales to the state or any of its political subdivisions, 5223
or to any other state or its political subdivisions if the laws of 5224
that state exempt from taxation sales made to this state and its 5225
political subdivisions; 5226

(2) Sales of food for human consumption off the premises 5227
where sold; 5228

(3) Sales of food sold to students only in a cafeteria, 5229
dormitory, fraternity, or sorority maintained in a private, 5230
public, or parochial school, college, or university; 5231

(4) Sales of newspapers and of magazine subscriptions and	5232
sales or transfers of magazines distributed as controlled	5233
circulation publications;	5234
(5) The furnishing, preparing, or serving of meals without	5235
charge by an employer to an employee provided the employer records	5236
the meals as part compensation for services performed or work	5237
done;	5238
(6) Sales of motor fuel upon receipt, use, distribution, or	5239
sale of which in this state a tax is imposed by the law of this	5240
state, but this exemption shall not apply to the sale of motor	5241
fuel on which a refund of the tax is allowable under division (A)	5242
of section 5735.14 of the Revised Code; and the tax commissioner	5243
may deduct the amount of tax levied by this section applicable to	5244
the price of motor fuel when granting a refund of motor fuel tax	5245
pursuant to division (A) of section 5735.14 of the Revised Code	5246
and shall cause the amount deducted to be paid into the general	5247
revenue fund of this state;	5248
(7) Sales of natural gas by a natural gas company, of water	5249
by a water-works company, or of steam by a heating company, if in	5250
each case the thing sold is delivered to consumers through pipes	5251
or conduits, and all sales of communications services by a	5252
telegraph company, all terms as defined in section 5727.01 of the	5253
Revised Code, and sales of electricity delivered through wires;	5254
(8) Casual sales by a person, or auctioneer employed directly	5255
by the person to conduct such sales, except as to such sales of	5256
motor vehicles, watercraft or outboard motors required to be	5257
titled under section 1548.06 of the Revised Code, watercraft	5258
documented with the United States coast guard, snowmobiles, and	5259
all-purpose vehicles as defined in section 4519.01 of the Revised	5260
Code;	5261
(9)(a) Sales of services or tangible personal property, other	5262

than motor vehicles, mobile homes, and manufactured homes, by 5263
churches, organizations exempt from taxation under section 5264
501(c)(3) of the Internal Revenue Code of 1986, or nonprofit 5265
organizations operated exclusively for charitable purposes as 5266
defined in division (B)(12) of this section, provided that the 5267
number of days on which such tangible personal property or 5268
services, other than items never subject to the tax, are sold does 5269
not exceed six in any calendar year, except as otherwise provided 5270
in division (B)(9)(b) of this section. If the number of days on 5271
which such sales are made exceeds six in any calendar year, the 5272
church or organization shall be considered to be engaged in 5273
business and all subsequent sales by it shall be subject to the 5274
tax. In counting the number of days, all sales by groups within a 5275
church or within an organization shall be considered to be sales 5276
of that church or organization. 5277

(b) The limitation on the number of days on which tax-exempt 5278
sales may be made by a church or organization under division 5279
(B)(9)(a) of this section does not apply to sales made by student 5280
clubs and other groups of students of a primary or secondary 5281
school, or a parent-teacher association, booster group, or similar 5282
organization that raises money to support or fund curricular or 5283
extracurricular activities of a primary or secondary school. 5284

(c) Divisions (B)(9)(a) and (b) of this section do not apply 5285
to sales by a noncommercial educational radio or television 5286
broadcasting station. 5287

(10) Sales not within the taxing power of this state under 5288
the Constitution of the United States; 5289

(11) Except for transactions that are sales under division 5290
(B)(3)(r) of section 5739.01 of the Revised Code, the 5291
transportation of persons or property, unless the transportation 5292
is by a private investigation and security service; 5293

(12) Sales of tangible personal property or services to churches, to organizations exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986, and to any other nonprofit organizations operated exclusively for charitable purposes in this state, no part of the net income of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which consists of carrying on propaganda or otherwise attempting to influence legislation; sales to offices administering one or more homes for the aged or one or more hospital facilities exempt under section 140.08 of the Revised Code; and sales to organizations described in division (D) of section 5709.12 of the Revised Code.

"Charitable purposes" means the relief of poverty; the improvement of health through the alleviation of illness, disease, or injury; the operation of an organization exclusively for the provision of professional, laundry, printing, and purchasing services to hospitals or charitable institutions; the operation of a home for the aged, as defined in section 5701.13 of the Revised Code; the operation of a radio or television broadcasting station that is licensed by the federal communications commission as a noncommercial educational radio or television station; the operation of a nonprofit animal adoption service or a county humane society; the promotion of education by an institution of learning that maintains a faculty of qualified instructors, teaches regular continuous courses of study, and confers a recognized diploma upon completion of a specific curriculum; the operation of a parent-teacher association, booster group, or similar organization primarily engaged in the promotion and support of the curricular or extracurricular activities of a primary or secondary school; the operation of a community or area center in which presentations in music, dramatics, the arts, and related fields are made in order to foster public interest and education therein; the production of performances in music,

dramatics, and the arts; or the promotion of education by an 5327
organization engaged in carrying on research in, or the 5328
dissemination of, scientific and technological knowledge and 5329
information primarily for the public. 5330

Nothing in this division shall be deemed to exempt sales to 5331
any organization for use in the operation or carrying on of a 5332
trade or business, or sales to a home for the aged for use in the 5333
operation of independent living facilities as defined in division 5334
(A) of section 5709.12 of the Revised Code. 5335

(13) Building and construction materials and services sold to 5336
construction contractors for incorporation into a structure or 5337
improvement to real property under a construction contract with 5338
this state or a political subdivision of this state, or with the 5339
United States government or any of its agencies; building and 5340
construction materials and services sold to construction 5341
contractors for incorporation into a structure or improvement to 5342
real property that are accepted for ownership by this state or any 5343
of its political subdivisions, or by the United States government 5344
or any of its agencies at the time of completion of the structures 5345
or improvements; building and construction materials sold to 5346
construction contractors for incorporation into a horticulture 5347
structure or livestock structure for a person engaged in the 5348
business of horticulture or producing livestock; building 5349
materials and services sold to a construction contractor for 5350
incorporation into a house of public worship or religious 5351
education, or a building used exclusively for charitable purposes 5352
under a construction contract with an organization whose purpose 5353
is as described in division (B)(12) of this section; building 5354
materials and services sold to a construction contractor for 5355
incorporation into a building under a construction contract with 5356
an organization exempt from taxation under section 501(c)(3) of 5357
the Internal Revenue Code of 1986 when the building is to be used 5358

exclusively for the organization's exempt purposes; building and 5359
construction materials sold for incorporation into the original 5360
construction of a sports facility under section 307.696 of the 5361
Revised Code; building and construction materials and services 5362
sold to a construction contractor for incorporation into real 5363
property outside this state if such materials and services, when 5364
sold to a construction contractor in the state in which the real 5365
property is located for incorporation into real property in that 5366
state, would be exempt from a tax on sales levied by that state; 5367
and, until one calendar year after the construction of a 5368
convention center that qualifies for property tax exemption under 5369
section 5709.084 of the Revised Code is completed, building and 5370
construction materials and services sold to a construction 5371
contractor for incorporation into the real property comprising 5372
that convention center; 5373

(14) Sales of ships or vessels or rail rolling stock used or 5374
to be used principally in interstate or foreign commerce, and 5375
repairs, alterations, fuel, and lubricants for such ships or 5376
vessels or rail rolling stock; 5377

(15) Sales to persons primarily engaged in any of the 5378
activities mentioned in division (B)(42)(a), (g), or (h) of this 5379
section, to persons engaged in making retail sales, or to persons 5380
who purchase for sale from a manufacturer tangible personal 5381
property that was produced by the manufacturer in accordance with 5382
specific designs provided by the purchaser, of packages, including 5383
material, labels, and parts for packages, and of machinery, 5384
equipment, and material for use primarily in packaging tangible 5385
personal property produced for sale, including any machinery, 5386
equipment, and supplies used to make labels or packages, to 5387
prepare packages or products for labeling, or to label packages or 5388
products, by or on the order of the person doing the packaging, or 5389
sold at retail. "Packages" includes bags, baskets, cartons, 5390

crates, boxes, cans, bottles, bindings, wrappings, and other 5391
similar devices and containers, but does not include motor 5392
vehicles or bulk tanks, trailers, or similar devices attached to 5393
motor vehicles. "Packaging" means placing in a package. Division 5394
(B)(15) of this section does not apply to persons engaged in 5395
highway transportation for hire. 5396

(16) Sales of food to persons using supplemental nutrition 5397
assistance program benefits to purchase the food. As used in this 5398
division, "food" has the same meaning as in 7 U.S.C. 2012 and 5399
federal regulations adopted pursuant to the Food and Nutrition Act 5400
of 2008. 5401

(17) Sales to persons engaged in farming, agriculture, 5402
horticulture, or floriculture, of tangible personal property for 5403
use or consumption primarily in the production by farming, 5404
agriculture, horticulture, or floriculture of other tangible 5405
personal property for use or consumption primarily in the 5406
production of tangible personal property for sale by farming, 5407
agriculture, horticulture, or floriculture; or material and parts 5408
for incorporation into any such tangible personal property for use 5409
or consumption in production; and of tangible personal property 5410
for such use or consumption in the conditioning or holding of 5411
products produced by and for such use, consumption, or sale by 5412
persons engaged in farming, agriculture, horticulture, or 5413
floriculture, except where such property is incorporated into real 5414
property; 5415

(18) Sales of drugs for a human being that may be dispensed 5416
only pursuant to a prescription; insulin as recognized in the 5417
official United States pharmacopoeia; urine and blood testing 5418
materials when used by diabetics or persons with hypoglycemia to 5419
test for glucose or acetone; hypodermic syringes and needles when 5420
used by diabetics for insulin injections; epoetin alfa when 5421
purchased for use in the treatment of persons with medical 5422

disease; hospital beds when purchased by hospitals, nursing homes, 5423
or other medical facilities; and medical oxygen and medical 5424
oxygen-dispensing equipment when purchased by hospitals, nursing 5425
homes, or other medical facilities; 5426

(19) Sales of prosthetic devices, durable medical equipment 5427
for home use, or mobility enhancing equipment, when made pursuant 5428
to a prescription and when such devices or equipment are for use 5429
by a human being. 5430

(20) Sales of emergency and fire protection vehicles and 5431
equipment to nonprofit organizations for use solely in providing 5432
fire protection and emergency services, including trauma care and 5433
emergency medical services, for political subdivisions of the 5434
state; 5435

(21) Sales of tangible personal property manufactured in this 5436
state, if sold by the manufacturer in this state to a retailer for 5437
use in the retail business of the retailer outside of this state 5438
and if possession is taken from the manufacturer by the purchaser 5439
within this state for the sole purpose of immediately removing the 5440
same from this state in a vehicle owned by the purchaser; 5441

(22) Sales of services provided by the state or any of its 5442
political subdivisions, agencies, instrumentalities, institutions, 5443
or authorities, or by governmental entities of the state or any of 5444
its political subdivisions, agencies, instrumentalities, 5445
institutions, or authorities; 5446

(23) Sales of motor vehicles to nonresidents of this state 5447
under the circumstances described in division (B) of section 5448
5739.029 of the Revised Code; 5449

(24) Sales to persons engaged in the preparation of eggs for 5450
sale of tangible personal property used or consumed directly in 5451
such preparation, including such tangible personal property used 5452
for cleaning, sanitizing, preserving, grading, sorting, and 5453

classifying by size; packages, including material and parts for 5454
packages, and machinery, equipment, and material for use in 5455
packaging eggs for sale; and handling and transportation equipment 5456
and parts therefor, except motor vehicles licensed to operate on 5457
public highways, used in intraplant or interplant transfers or 5458
shipment of eggs in the process of preparation for sale, when the 5459
plant or plants within or between which such transfers or 5460
shipments occur are operated by the same person. "Packages" 5461
includes containers, cases, baskets, flats, fillers, filler flats, 5462
cartons, closure materials, labels, and labeling materials, and 5463
"packaging" means placing therein. 5464

(25)(a) Sales of water to a consumer for residential use, 5465
except the sale of bottled water, distilled water, mineral water, 5466
carbonated water, or ice; 5467

(b) Sales of water by a nonprofit corporation engaged 5468
exclusively in the treatment, distribution, and sale of water to 5469
consumers, if such water is delivered to consumers through pipes 5470
or tubing. 5471

(26) Fees charged for inspection or reinspection of motor 5472
vehicles under section 3704.14 of the Revised Code; 5473

~~(27) Sales to persons licensed to conduct a food service 5474
operation pursuant to section 3717.43 of the Revised Code, of 5475
tangible personal property primarily used directly for the 5476
following: 5477~~

~~(a) To prepare food for human consumption for sale; 5478~~

~~(b) To preserve food that has been or will be prepared for 5479
human consumption for sale by the food service operator, not 5480
including tangible personal property used to display food for 5481
selection by the consumer; 5482~~

~~(c) To clean tangible personal property used to prepare or 5483
serve food for human consumption for sale. Sales of 5484~~

telecommunications service that is used directly and primarily to 5485
perform the functions of a call center. As used in this division, 5486
"call center" means any physical location where telephone calls 5487
are placed or received in high volume for the purpose of making 5488
sales, marketing, customer service, technical support, or other 5489
specialized business activity, and that employs at least fifty 5490
individuals that engage in call center activities on a full-time 5491
basis, or sufficient individuals to fill fifty full-time 5492
equivalent positions; 5493

(28) Sales of animals by nonprofit animal adoption services 5494
or county humane societies; 5495

(29) Sales of services to a corporation described in division 5496
(A) of section 5709.72 of the Revised Code, and sales of tangible 5497
personal property that qualifies for exemption from taxation under 5498
section 5709.72 of the Revised Code; 5499

(30) ~~Sales and installation of agricultural land tile, as~~ 5500
~~defined in division (B)(5)(a) of section 5739.01 of the Revised~~ 5501
~~Code by a telecommunications service vendor of 900 service to a~~ 5502
subscriber. This division does not apply to information services, 5503
as defined in division (FF) of section 5739.01 of the Revised 5504
Code; 5505

(31) ~~Sales and erection or installation of portable grain~~ 5506
~~bins, as defined in division (B)(5)(b) of section 5739.01 of the~~ 5507
~~Revised Code~~ of value-added non-voice data service. This division 5508
does not apply to any similar service that is not otherwise a 5509
telecommunications service; 5510

(32) The sale, lease, repair, and maintenance of, parts for, 5511
or items attached to or incorporated in, motor vehicles that are 5512
primarily used for transporting tangible personal property 5513
belonging to others by a person engaged in highway transportation 5514
for hire, except for packages and packaging used for the 5515

transportation of tangible personal property; 5516

(33) Sales to the state headquarters of any veterans' 5517
organization in this state that is either incorporated and issued 5518
a charter by the congress of the United States or is recognized by 5519
the United States veterans administration, for use by the 5520
headquarters; 5521

(34) Sales to a telecommunications service vendor, mobile 5522
telecommunications service vendor, or satellite broadcasting 5523
service vendor of tangible personal property and services used 5524
directly and primarily in transmitting, receiving, switching, or 5525
recording any interactive, one- or two-way electromagnetic 5526
communications, including voice, image, data, and information, 5527
through the use of any medium, including, but not limited to, 5528
poles, wires, cables, switching equipment, computers, and record 5529
storage devices and media, and component parts for the tangible 5530
personal property. The exemption provided in this division shall 5531
be in lieu of all other exemptions under division (B)(42)(a) or 5532
(n) of this section to which the vendor may otherwise be entitled, 5533
based upon the use of the thing purchased in providing the 5534
telecommunications, mobile telecommunications, or satellite 5535
broadcasting service. 5536

~~(35)(a) Sales where the purpose of the consumer is to use or 5537
consume the things transferred in making retail sales and 5538
consisting of newspaper inserts, catalogues, coupons, flyers, gift 5539
certificates, or other advertising material that prices and 5540
describes tangible personal property offered for retail sale. 5541~~

~~(b) Sales to direct marketing vendors of preliminary 5542
materials such as photographs, artwork, and typesetting that will 5543
be used in printing advertising material; of printed matter that 5544
offers free merchandise or chances to win sweepstake prizes and 5545
that is mailed to potential customers with advertising material 5546
described in division (B)(35)(a) of this section; and of equipment 5547~~

~~such as telephones, computers, facsimile machines, and similar~~ 5548
~~tangible personal property primarily used to accept orders for~~ 5549
~~direct marketing retail sales.~~ 5550

~~(c) Sales of automatic food vending machines that preserve~~ 5551
~~food with a shelf life of forty five days or less by refrigeration~~ 5552
~~and dispense it to the consumer.~~ 5553

~~For purposes of division (B)(35) of this section, "direct~~ 5554
~~marketing" means the method of selling where consumers order~~ 5555
~~tangible personal property by United States mail, delivery~~ 5556
~~service, or telecommunication and the vendor delivers or ships the~~ 5557
~~tangible personal property sold to the consumer from a warehouse,~~ 5558
~~catalogue distribution center, or similar fulfillment facility by~~ 5559
~~means of the United States mail, delivery service, or common~~ 5560
~~carrier of machinery, equipment, and software to a qualified~~ 5561
~~direct selling entity for use in a warehouse or distribution~~ 5562
~~center primarily for storing, transporting, or otherwise handling~~ 5563
~~inventory that is held for sale to independent salespersons who~~ 5564
~~operate as direct sellers and that is held primarily for~~ 5565
~~distribution outside this state;~~ 5566

(b) As used in division (B)(35)(a) of this section: 5567

(i) "Direct seller" means a person selling consumer products 5568
to individuals for personal or household use and not from a fixed 5569
retail location, including selling such product at in-home product 5570
demonstrations, parties, and other one-on-one selling. 5571

(ii) "Qualified direct selling entity" means an entity 5572
selling to direct sellers at the time the entity enters into a tax 5573
credit agreement with the tax credit authority pursuant to section 5574
122.17 of the Revised Code, provided that the agreement was 5575
entered into on or after January 1, 2007. Neither contingencies 5576
relevant to the granting of, nor later developments with respect 5577
to, the tax credit shall impair the status of the qualified direct 5578

selling entity under division (B)(35) of this section after 5579
execution of the tax credit agreement by the tax credit authority. 5580

(c) Division (B)(35) of this section is limited to machinery, 5581
equipment, and software first stored, used, or consumed in this 5582
state within the period commencing June 24, 2008, and ending June 5583
24, 2013. 5584

(36) Sales to a person engaged in the business of 5585
horticulture or producing livestock of materials to be 5586
incorporated into a horticulture structure or livestock structure; 5587

(37) Sales of personal computers, computer monitors, computer 5588
keyboards, modems, and other peripheral computer equipment to an 5589
individual who is licensed or certified to teach in an elementary 5590
or a secondary school in this state for use by that individual in 5591
preparation for teaching elementary or secondary school students; 5592

~~(38) Sales to a professional racing team of any of the~~ 5593
~~following:~~ 5594

~~(a) Motor racing vehicles;~~ 5595

~~(b) Repair services for motor racing vehicles;~~ 5596

~~(c) Items of property that are attached to or incorporated in~~ 5597
~~motor racing vehicles, including engines, chassis, and all other~~ 5598
~~components of the vehicles, and all spare, replacement, and~~ 5599
~~rebuilt parts or components of the vehicles; except not including~~ 5600
~~tires, consumable fluids, paint, and accessories consisting of~~ 5601
~~instrumentation sensors and related items added to the vehicle to~~ 5602
~~collect and transmit data by means of telemetry and other forms of~~ 5603
~~communication~~ Any transfer or lease of tangible personal property 5604
between the state and a successful proposer in accordance with 5605
sections 126.60 to 126.605 of the Revised Code, provided the 5606
property is part of a project as defined in section 126.60 of the 5607
Revised Code and the state retains ownership of the project or 5608
part thereof that is being transferred or leased, between the 5609

state and JobsOhio in accordance with section 4313.02 of the 5610
Revised Code. 5611

(39) Sales of used manufactured homes and used mobile homes, 5612
as defined in section 5739.0210 of the Revised Code, made on or 5613
after January 1, 2000; 5614

(40) Sales of tangible personal property and services to a 5615
provider of electricity used or consumed directly and primarily in 5616
generating, transmitting, or distributing electricity for use by 5617
others, including property that is or is to be incorporated into 5618
and will become a part of the consumer's production, transmission, 5619
or distribution system and that retains its classification as 5620
tangible personal property after incorporation; fuel or power used 5621
in the production, transmission, or distribution of electricity; 5622
energy conversion equipment as defined in section 5727.01 of the 5623
Revised Code; and tangible personal property and services used in 5624
the repair and maintenance of the production, transmission, or 5625
distribution system, including only those motor vehicles as are 5626
specially designed and equipped for such use. The exemption 5627
provided in this division shall be in lieu of all other exemptions 5628
in division (B)(42)(a) or (n) of this section to which a provider 5629
of electricity may otherwise be entitled based on the use of the 5630
tangible personal property or service purchased in generating, 5631
transmitting, or distributing electricity. 5632

(41) Sales to a person providing services under division 5633
(B)(3)(r) of section 5739.01 of the Revised Code of tangible 5634
personal property and services used directly and primarily in 5635
providing taxable services under that section. 5636

(42) Sales where the purpose of the purchaser is to do any of 5637
the following: 5638

(a) To incorporate the thing transferred as a material or a 5639
part into tangible personal property to be produced for sale by 5640

manufacturing, assembling, processing, or refining; or to use or 5641
consume the thing transferred directly in producing tangible 5642
personal property for sale by mining, including, without 5643
limitation, the extraction from the earth of all substances that 5644
are classed geologically as minerals, production of crude oil and 5645
natural gas, or directly in the rendition of a public utility 5646
service, except that the sales tax levied by this section shall be 5647
collected upon all meals, drinks, and food for human consumption 5648
sold when transporting persons. Persons engaged in rendering 5649
services in the exploration for, and production of, crude oil and 5650
natural gas for others are deemed engaged directly in the 5651
exploration for, and production of, crude oil and natural gas. 5652
This paragraph does not exempt from "retail sale" or "sales at 5653
retail" the sale of tangible personal property that is to be 5654
incorporated into a structure or improvement to real property. 5655

(b) To hold the thing transferred as security for the 5656
performance of an obligation of the vendor; 5657

(c) To resell, hold, use, or consume the thing transferred as 5658
evidence of a contract of insurance; 5659

(d) To use or consume the thing directly in commercial 5660
fishing; 5661

(e) To incorporate the thing transferred as a material or a 5662
part into, or to use or consume the thing transferred directly in 5663
the production of, magazines distributed as controlled circulation 5664
publications; 5665

(f) To use or consume the thing transferred in the production 5666
and preparation in suitable condition for market and sale of 5667
printed, imprinted, overprinted, lithographic, multilithic, 5668
blueprinted, photostatic, or other productions or reproductions of 5669
written or graphic matter; 5670

(g) To use the thing transferred, as described in section 5671

5739.011 of the Revised Code, primarily in a manufacturing 5672
operation to produce tangible personal property for sale; 5673

(h) To use the benefit of a warranty, maintenance or service 5674
contract, or similar agreement, as described in division (B)(7) of 5675
section 5739.01 of the Revised Code, to repair or maintain 5676
tangible personal property, if all of the property that is the 5677
subject of the warranty, contract, or agreement would not be 5678
subject to the tax imposed by this section; 5679

(i) To use the thing transferred as qualified research and 5680
development equipment; 5681

(j) To use or consume the thing transferred primarily in 5682
storing, transporting, mailing, or otherwise handling purchased 5683
sales inventory in a warehouse, distribution center, or similar 5684
facility when the inventory is primarily distributed outside this 5685
state to retail stores of the person who owns or controls the 5686
warehouse, distribution center, or similar facility, to retail 5687
stores of an affiliated group of which that person is a member, or 5688
by means of direct marketing. This division does not apply to 5689
motor vehicles registered for operation on the public highways. As 5690
used in this division, "affiliated group" has the same meaning as 5691
in division (B)(3)(e) of section 5739.01 of the Revised Code and 5692
~~"direct marketing" has the same meaning as in division (B)(35) of~~ 5693
~~this section~~ means the method of selling where consumers order 5694
tangible personal property by United States mail, delivery 5695
service, or telecommunication and the vendor delivers or ships the 5696
tangible personal property sold to the consumer from a warehouse, 5697
catalogue distribution center, or similar fulfillment facility by 5698
means of the United States mail, delivery service, or common 5699
carrier. 5700

(k) To use or consume the thing transferred to fulfill a 5701
contractual obligation incurred by a warrantor pursuant to a 5702
warranty provided as a part of the price of the tangible personal 5703

property sold or by a vendor of a warranty, maintenance or service 5704
contract, or similar agreement the provision of which is defined 5705
as a sale under division (B)(7) of section 5739.01 of the Revised 5706
Code; 5707

(l) To use or consume the thing transferred in the production 5708
of a newspaper for distribution to the public; 5709

(m) To use tangible personal property to perform a service 5710
listed in division (B)(3) of section 5739.01 of the Revised Code, 5711
if the property is or is to be permanently transferred to the 5712
consumer of the service as an integral part of the performance of 5713
the service; 5714

(n) To use or consume the thing transferred primarily in 5715
producing tangible personal property for sale by farming, 5716
agriculture, horticulture, or floriculture. Persons engaged in 5717
rendering farming, agriculture, horticulture, or floriculture 5718
services for others are deemed engaged primarily in farming, 5719
agriculture, horticulture, or floriculture. This paragraph does 5720
not exempt from "retail sale" or "sales at retail" the sale of 5721
tangible personal property that is to be incorporated into a 5722
structure or improvement to real property. 5723

~~(o) To use or consume the thing transferred in acquiring, 5724
formatting, editing, storing, and disseminating data or 5725
information by electronic publishing. 5726~~

As used in division (B)(42) of this section, "thing" includes 5727
all transactions included in divisions (B)(3)(a), (b), and (e) of 5728
section 5739.01 of the Revised Code. 5729

(43) Sales conducted through a coin operated device that 5730
activates vacuum equipment or equipment that dispenses water, 5731
whether or not in combination with soap or other cleaning agents 5732
or wax, to the consumer for the consumer's use on the premises in 5733
washing, cleaning, or waxing a motor vehicle, provided no other 5734

personal property or personal service is provided as part of the 5735
transaction. 5736

~~(44) Sales of replacement and modification parts for engines, 5737
airframes, instruments, and interiors in, and paint for, aircraft 5738
used primarily in a fractional aircraft ownership program, and 5739
sales of services for the repair, modification, and maintenance of 5740
such aircraft, and machinery, equipment, and supplies primarily 5741
used to provide those services. 5742~~

~~(45) Sales of telecommunications service that is used 5743
directly and primarily to perform the functions of a call center. 5744
As used in this division, "call center" means any physical 5745
location where telephone calls are placed or received in high 5746
volume for the purpose of making sales, marketing, customer 5747
service, technical support, or other specialized business 5748
activity, and that employs at least fifty individuals that engage 5749
in call center activities on a full-time basis, or sufficient 5750
individuals to fill fifty full-time equivalent positions. 5751~~

~~(46) Sales by a telecommunications service vendor of 900 5752
service to a subscriber. This division does not apply to 5753
information services, as defined in division (FF) of section 5754
5739.01 of the Revised Code. 5755~~

~~(47) Sales of value-added non-voice data service. This 5756
division does not apply to any similar service that is not 5757
otherwise a telecommunications service. 5758~~

~~(48)(a) Sales of machinery, equipment, and software to a 5759
qualified direct selling entity for use in a warehouse or 5760
distribution center primarily for storing, transporting, or 5761
otherwise handling inventory that is held for sale to independent 5762
salespersons who operate as direct sellers and that is held 5763
primarily for distribution outside this state; 5764~~

~~(b) As used in division (B)(48)(a) of this section: 5765~~

~~(i) "Direct seller" means a person selling consumer products to individuals for personal or household use and not from a fixed retail location, including selling such product at in-home product demonstrations, parties, and other one-on-one selling.~~

~~(ii) "Qualified direct selling entity" means an entity selling to direct sellers at the time the entity enters into a tax credit agreement with the tax credit authority pursuant to section 122.17 of the Revised Code, provided that the agreement was entered into on or after January 1, 2007. Neither contingencies relevant to the granting of, nor later developments with respect to, the tax credit shall impair the status of the qualified direct selling entity under division (B)(48) of this section after execution of the tax credit agreement by the tax credit authority.~~

~~(c) Division (B)(48) of this section is limited to machinery, equipment, and software first stored, used, or consumed in this state within the period commencing June 24, 2008, and ending on the date that is five years after that date.~~

~~(49) Sales of materials, parts, equipment, or engines used in the repair or maintenance of aircraft or avionics systems of such aircraft, and sales of repair, remodeling, replacement, or maintenance services in this state performed on aircraft or on an aircraft's avionics, engine, or component materials or parts. As used in division (B)(49) of this section, "aircraft" means aircraft of more than six thousand pounds maximum certified takeoff weight or used exclusively in general aviation.~~

~~(50) Sales of full flight simulators that are used for pilot or flight crew training, sales of repair or replacement parts or components, and sales of repair or maintenance services for such full flight simulators. "Full flight simulator" means a replica of a specific type, or make, model, and series of aircraft cockpit. It includes the assemblage of equipment and computer programs necessary to represent aircraft operations in ground and flight~~

~~conditions, a visual system providing an out of the cockpit view, 5798~~
~~and a system that provides cues at least equivalent to those of a 5799~~
~~three degree of freedom motion system, and has the full range of 5800~~
~~capabilities of the systems installed in the device as described 5801~~
~~in appendices A and B of part 60 of chapter 1 of title 14 of the 5802~~
~~Code of Federal Regulations. 5803~~

~~(51) Any transfer or lease of tangible personal property 5804~~
~~between the state and a successful proposer in accordance with 5805~~
~~sections 126.60 to 126.605 of the Revised Code, provided the 5806~~
~~property is part of a project as defined in section 126.60 of the 5807~~
~~Revised Code and the state retains ownership of the project or 5808~~
~~part thereof that is being transferred or leased, between the 5809~~
~~state and JobsOhio in accordance with section 4313.02 of the 5810~~
~~Revised Code. 5811~~

(C) For the purpose of the proper administration of this 5812
chapter, and to prevent the evasion of the tax, it is presumed 5813
that all sales made in this state are subject to the tax until the 5814
contrary is established. 5815

(D) The levy of this tax on retail sales of recreation and 5816
sports club service shall not prevent a municipal corporation from 5817
levying any tax on recreation and sports club dues or on any 5818
income generated by recreation and sports club dues. 5819

(E) The tax collected by the vendor from the consumer under 5820
this chapter is not part of the price, but is a tax collection for 5821
the benefit of the state, and of counties levying an additional 5822
sales tax pursuant to section 5739.021 or 5739.026 of the Revised 5823
Code and of transit authorities levying an additional sales tax 5824
pursuant to section 5739.023 of the Revised Code. Except for the 5825
discount authorized under section 5739.12 of the Revised Code and 5826
the effects of any rounding pursuant to section 5703.055 of the 5827
Revised Code, no person other than the state or such a county or 5828
transit authority shall derive any benefit from the collection or 5829

payment of the tax levied by this section or section 5739.021, 5830
5739.023, or 5739.026 of the Revised Code. 5831

Sec. 5739.025. As used in this section, "local tax" means a 5832
tax imposed pursuant to section 5739.021, 5739.023, 5739.026, 5833
5741.021, 5741.022, or 5741.023 of the Revised Code. 5834

(A) The taxes levied by sections 5739.02 and 5741.02 of the 5835
Revised Code shall be collected as follows: 5836

(1) On and after July 1, 2003, and on or before June 30, 5837
2005, in accordance with the following schedule: 5838

If the price		The amount of	
is at least		the tax is	
	But not more than		
\$.01	\$.15	No tax	5841
.16	.16	1¢	5842
.17	.33	2¢	5843
.34	.50	3¢	5844
.51	.66	4¢	5845
.67	.83	5¢	5846
.84	1.00	6¢	5847

If the price exceeds one dollar, the tax is six cents on each 5848
one dollar. If the price exceeds one dollar or a multiple thereof 5849
by not more than seventeen cents, the amount of tax is six cents 5850
for each one dollar plus one cent. If the price exceeds one dollar 5851
or a multiple thereof by more than seventeen cents, the amount of 5852
tax is six cents for each one dollar plus the amount of tax for 5853
prices eighteen cents through ninety-nine cents in accordance with 5854
the schedule above. 5855

(2) On and after July 1, 2005, and on and before December 31, 5856
2005, in accordance with the following schedule: 5857

If the price	But not	The amount	
is at least	more than	of the tax is	

\$.01	\$.15	No tax	5860
.16	.18	1¢	5861
.19	.36	2¢	5862
.37	.54	3¢	5863
.55	.72	4¢	5864
.73	.90	5¢	5865
.91	1.09	6¢	5866
1.10	1.27	7¢	5867
1.28	1.46	8¢	5868
1.47	1.64	9¢	5869
1.65	1.82	10¢	5870
1.83	2.00	11¢	5871

If the price exceeds two dollars, the tax is eleven cents on 5872
each two dollars. If the price exceeds two dollars or a multiple 5873
thereof by not more than eighteen cents, the amount of tax is 5874
eleven cents for each two dollars plus one cent. If the price 5875
exceeds two dollars or a multiple thereof by more than eighteen 5876
cents, the amount of tax is eleven cents for each two dollars plus 5877
the amount of tax for prices nineteen cents through one dollar and 5878
ninety-nine cents in accordance with the schedule above. 5879

(B) On and after July 1, 2003, and on and before June 30, 5880
2005, the combined taxes levied by sections 5739.02 and 5741.02 5881
and pursuant to sections 5739.021, 5739.023, 5739.026, 5741.021, 5882
5741.022, and 5741.023 of the Revised Code shall be collected in 5883
accordance with the following schedules: 5884

(1) When the combined rate of state and local tax is six and 5885
one-fourth per cent: 5886

If the price		The amount of	5887
is at least	But not more than	the tax is	5888
\$.01	\$.15	No tax	5889
.16	.16	1¢	5890
.17	.32	2¢	5891

.33	.48	3¢	5892
.49	.64	4¢	5893
.65	.80	5¢	5894
.81	.96	6¢	5895
.97	1.12	7¢	5896
1.13	1.28	8¢	5897
1.29	1.44	9¢	5898
1.45	1.60	10¢	5899
1.61	1.76	11¢	5900
1.77	1.92	12¢	5901
1.93	2.08	13¢	5902
2.09	2.24	14¢	5903
2.25	2.40	15¢	5904
2.41	2.56	16¢	5905
2.57	2.72	17¢	5906
2.73	2.88	18¢	5907
2.89	3.04	19¢	5908
3.05	3.20	20¢	5909
3.21	3.36	21¢	5910
3.37	3.52	22¢	5911
3.53	3.68	23¢	5912
3.69	3.84	24¢	5913
3.85	4.00	25¢	5914

If the price exceeds four dollars, the tax is twenty-five cents on each four dollars. If the price exceeds four dollars or a multiple thereof by not more than sixteen cents, the amount of tax is twenty-five cents for each four dollars plus one cent. If the price exceeds four dollars or a multiple thereof by more than sixteen cents, the amount of tax is twenty-five cents for each four dollars plus the amount of tax for prices seventeen cents through three dollars and ninety-nine cents in accordance with the schedule above.

(2) When the combined rate of state and local tax is six and

one-half per cent:			5925
If the price		The amount of	5926
is at least	But not more than	the tax is	5927
\$.01	\$.15	No tax	5928
.16	.30	2¢	5929
.31	.46	3¢	5930
.47	.61	4¢	5931
.62	.76	5¢	5932
.77	.92	6¢	5933
.93	1.07	7¢	5934
1.08	1.23	8¢	5935
1.24	1.38	9¢	5936
1.39	1.53	10¢	5937
1.54	1.69	11¢	5938
1.70	1.84	12¢	5939
1.85	2.00	13¢	5940
If the price exceeds two dollars, the tax is thirteen cents			5941
on each two dollars. If the price exceeds two dollars or a			5942
multiple thereof by not more than fifteen cents, the amount of tax			5943
is thirteen cents for each two dollars plus one cent. If the price			5944
exceeds two dollars or a multiple thereof by more than fifteen			5945
cents, the amount of tax is thirteen cents for each two dollars			5946
plus the amount of tax for prices sixteen cents through one dollar			5947
and ninety-nine cents in accordance with the schedule above.			5948
(3) When the combined rate of state and local tax is six and			5949
three-fourths per cent:			5950
If the price		The amount of	5951
is at least	But not more than	the tax is	5952
\$.01	\$.15	No tax	5953
.16	.29	2¢	5954
.30	.44	3¢	5955
.45	.59	4¢	5956

.60	.74	5¢	5957
.75	.88	6¢	5958
.89	1.03	7¢	5959
1.04	1.18	8¢	5960
1.19	1.33	9¢	5961
1.34	1.48	10¢	5962
1.49	1.62	11¢	5963
1.63	1.77	12¢	5964
1.78	1.92	13¢	5965
1.93	2.07	14¢	5966
2.08	2.22	15¢	5967
2.23	2.37	16¢	5968
2.38	2.51	17¢	5969
2.52	2.66	18¢	5970
2.67	2.81	19¢	5971
2.82	2.96	20¢	5972
2.97	3.11	21¢	5973
3.12	3.25	22¢	5974
3.26	3.40	23¢	5975
3.41	3.55	24¢	5976
3.56	3.70	25¢	5977
3.71	3.85	26¢	5978
3.86	4.00	27¢	5979

If the price exceeds four dollars, the tax is twenty-seven 5980
cents on each four dollars. If the price exceeds four dollars or a 5981
multiple thereof by not more than fourteen cents, the amount of 5982
tax is twenty-seven cents for each four dollars plus one cent. If 5983
the price exceeds four dollars or a multiple thereof by more than 5984
fourteen but by not more than twenty-nine cents, the amount of tax 5985
is twenty-seven cents for each four dollars plus two cents. If the 5986
price exceeds four dollars or a multiple thereof by more than 5987
twenty-nine cents the amount of tax is twenty-seven cents for each 5988
four dollars plus the amount of tax for prices thirty cents 5989

through three dollars and ninety-nine cents in accordance with the 5990
schedule above. 5991

(4) When the combined rate of state and local tax is seven 5992
per cent: 5993

If the price		The amount of	5994
is at least	But not more than	the tax is	5995
\$.01	\$.15	No tax	5996
.16	.28	2¢	5997
.29	.42	3¢	5998
.43	.57	4¢	5999
.58	.71	5¢	6000
.72	.85	6¢	6001
.86	1.00	7¢	6002

If the price exceeds one dollar, the tax is seven cents on 6003
each one dollar. If the price exceeds one dollar or a multiple 6004
thereof by not more than fifteen cents, the amount of tax is seven 6005
cents for each one dollar plus one cent. If the price exceeds one 6006
dollar or a multiple thereof by more than fifteen cents, the 6007
amount of tax is seven cents for each one dollar plus the amount 6008
of tax for prices sixteen cents through ninety-nine cents in 6009
accordance with the schedule above. 6010

(5) When the combined rate of state and local tax is seven 6011
and one-fourth per cent: 6012

If the price		The amount of	6013
is at least	But not more than	the tax is	6014
\$.01	\$.15	No tax	6015
.16	.27	2¢	6016
.28	.41	3¢	6017
.42	.55	4¢	6018
.56	.68	5¢	6019
.69	.82	6¢	6020
.83	.96	7¢	6021

.97	1.10	8¢	6022
1.11	1.24	9¢	6023
1.25	1.37	10¢	6024
1.38	1.51	11¢	6025
1.52	1.65	12¢	6026
1.66	1.79	13¢	6027
1.80	1.93	14¢	6028
1.94	2.06	15¢	6029
2.07	2.20	16¢	6030
2.21	2.34	17¢	6031
2.35	2.48	18¢	6032
2.49	2.62	19¢	6033
2.63	2.75	20¢	6034
2.76	2.89	21¢	6035
2.90	3.03	22¢	6036
3.04	3.17	23¢	6037
3.18	3.31	24¢	6038
3.32	3.44	25¢	6039
3.45	3.58	26¢	6040
3.59	3.72	27¢	6041
3.73	3.86	28¢	6042
3.87	4.00	29¢	6043

If the price exceeds four dollars, the tax is twenty-nine cents on each four dollars. If the price exceeds four dollars or a multiple thereof by not more than thirteen cents, the amount of tax is twenty-nine cents for each four dollars plus one cent. If the price exceeds four dollars or a multiple thereof by more than thirteen cents but by not more than twenty-seven cents, the amount of tax is twenty-nine cents for each four dollars plus two cents. If the price exceeds four dollars or a multiple thereof by more than twenty-seven cents, the amount of tax is twenty-nine cents for each four dollars plus the amount of tax for prices twenty-eight cents through three dollars and ninety-nine cents in

accordance with the schedule above. 6055

(6) When the combined rate of state and local tax is seven 6056
and one-half per cent: 6057

If the price		The amount of	6058
is at least	But not more than	the tax is	6059
\$.01	\$.15	No tax	6060
.16	.26	2¢	6061
.27	.40	3¢	6062
.41	.53	4¢	6063
.54	.65	5¢	6064
.66	.80	6¢	6065
.81	.93	7¢	6066
.94	1.06	8¢	6067
1.07	1.20	9¢	6068
1.21	1.33	10¢	6069
1.34	1.46	11¢	6070
1.47	1.60	12¢	6071
1.61	1.73	13¢	6072
1.74	1.86	14¢	6073
1.87	2.00	15¢	6074

If the price exceeds two dollars, the tax is fifteen cents on 6075
each two dollars. If the price exceeds two dollars or a multiple 6076
thereof by not more than fifteen cents, the amount of tax is 6077
fifteen cents for each two dollars plus one cent. If the price 6078
exceeds two dollars or a multiple thereof by more than fifteen 6079
cents, the amount of tax is fifteen cents for each two dollars 6080
plus the amount of tax for prices sixteen cents through one dollar 6081
and ninety-nine cents in accordance with the schedule above. 6082

(7) When the combined rate of state and local tax is seven 6083
and three-fourths per cent: 6084

If the price		The amount of	6085
is at least	But not more than	the tax is	6086

\$.01	\$.15	No tax	6087
.16	.25	2¢	6088
.26	.38	3¢	6089
.39	.51	4¢	6090
.52	.64	5¢	6091
.65	.77	6¢	6092
.78	.90	7¢	6093
.91	1.03	8¢	6094
1.04	1.16	9¢	6095
1.17	1.29	10¢	6096
1.30	1.41	11¢	6097
1.42	1.54	12¢	6098
1.55	1.67	13¢	6099
1.68	1.80	14¢	6100
1.81	1.93	15¢	6101
1.94	2.06	16¢	6102
2.07	2.19	17¢	6103
2.20	2.32	18¢	6104
2.33	2.45	19¢	6105
2.46	2.58	20¢	6106
2.59	2.70	21¢	6107
2.71	2.83	22¢	6108
2.84	2.96	23¢	6109
2.97	3.09	24¢	6110
3.10	3.22	25¢	6111
3.23	3.35	26¢	6112
3.36	3.48	27¢	6113
3.49	3.61	28¢	6114
3.62	3.74	29¢	6115
3.75	3.87	30¢	6116
3.88	4.00	31¢	6117

If the price exceeds four dollars, the tax is thirty-one 6118
cents on each four dollars. If the price exceeds four dollars or a 6119

multiple thereof by not more than twelve cents, the amount of tax 6120
is thirty-one cents for each four dollars plus one cent. If the 6121
price exceeds four dollars or a multiple thereof by more than 6122
twelve cents but by not more than twenty-five cents, the amount of 6123
tax is thirty-one cents for each four dollars plus two cents. If 6124
the price exceeds four dollars or a multiple thereof by more than 6125
twenty-five cents, the amount of tax is thirty-one cents for each 6126
four dollars plus the amount of tax for prices twenty-six cents 6127
through three dollars and ninety-nine cents in accordance with the 6128
schedule above. 6129

(8) When the combined rate of state and local tax is eight 6130
per cent: 6131

If the price		The amount of	
is at least	But not more than	the tax is	
\$.01	\$.15	No tax	6134
.16	.25	2¢	6135
.26	.37	3¢	6136
.38	.50	4¢	6137
.51	.62	5¢	6138
.63	.75	6¢	6139
.76	.87	7¢	6140
.88	1.00	8¢	6141

If the price exceeds one dollar, the tax is eight cents on 6142
each one dollar. If the price exceeds one dollar or a multiple 6143
thereof by not more than twelve cents, the amount of tax is eight 6144
cents for each one dollar plus one cent. If the price exceeds one 6145
dollar or a multiple thereof by more than twelve cents but not 6146
more than twenty-five cents, the amount of tax is eight cents for 6147
each one dollar plus two cents. If the price exceeds one dollar or 6148
a multiple thereof by more than twenty-five cents, the amount of 6149
tax is eight cents for each one dollar plus the amount of tax for 6150
prices twenty-six cents through ninety-nine cents in accordance 6151

with the schedule above. 6152

(9) When the combined rate of state and local tax is eight 6153
and one-fourth per cent: 6154

If the price The amount of 6155

is at least But not more than the tax is 6156

\$.01	\$.15	No tax	6157
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.16	.24	2¢	6158
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.25	.36	3¢	6159
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.37	.48	4¢	6160
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.49	.60	5¢	6161
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.61	.72	6¢	6162
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.73	.84	7¢	6163
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.85	.96	8¢	6164
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.97	1.09	9¢	6165
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1.10	1.21	10¢	6166
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1.22	1.33	11¢	6167
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1.34	1.45	12¢	6168
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1.46	1.57	13¢	6169
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1.58	1.69	14¢	6170
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1.70	1.81	15¢	6171
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1.82	1.93	16¢	6172
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1.94	2.06	17¢	6173
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2.07	2.18	18¢	6174
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2.19	2.30	19¢	6175
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2.31	2.42	20¢	6176
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2.43	2.54	21¢	6177
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2.55	2.66	22¢	6178
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2.67	2.78	23¢	6179
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2.79	2.90	24¢	6180
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2.91	3.03	25¢	6181
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3.04	3.15	26¢	6182
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3.16	3.27	27¢	6183
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3.28	3.39	28¢	6184
3.40	3.51	29¢	6185
3.52	3.63	30¢	6186
3.64	3.75	31¢	6187
3.76	3.87	32¢	6188
3.88	4.00	33¢	6189

If the price exceeds four dollars, the tax is thirty-three cents on each four dollars. If the price exceeds four dollars or a multiple thereof by not more than eleven cents, the amount of tax is thirty-three cents for each four dollars plus one cent. If the price exceeds four dollars or a multiple thereof by more than eleven cents but by not more than twenty-four cents, the amount of tax is thirty-three cents for each four dollars plus two cents. If the price exceeds four dollars or a multiple thereof by more than twenty-four cents, the amount of tax is thirty-three cents for each four dollars plus the amount of tax for prices twenty-six cents through three dollars and ninety-nine cents in accordance with the schedule above.

(10) When the combined rate of state and local tax is eight and one-half per cent:

If the price		The amount of	6204
is at least		the tax is	6205
But not more than			
\$.01	\$.15	No tax	6206
.16	.23	2¢	6207
.24	.35	3¢	6208
.36	.47	4¢	6209
.48	.58	5¢	6210
.59	.70	6¢	6211
.71	.82	7¢	6212
.83	.94	8¢	6213
.95	1.05	9¢	6214
1.06	1.17	10¢	6215

1.18	1.29	11¢	6216
1.30	1.41	12¢	6217
1.42	1.52	13¢	6218
1.53	1.64	14¢	6219
1.65	1.76	15¢	6220
1.77	1.88	16¢	6221
1.89	2.00	17¢	6222

If the price exceeds two dollars, the tax is seventeen cents 6223
on each two dollars. If the price exceeds two dollars or a 6224
multiple thereof by not more than eleven cents, the amount of tax 6225
is seventeen cents for each two dollars plus one cent. If the 6226
price exceeds two dollars or a multiple thereof by more than 6227
eleven cents but by not more than twenty-three cents, the amount 6228
of tax is seventeen cents for each two dollars plus two cents. If 6229
the price exceeds two dollars or a multiple thereof by more than 6230
twenty-three cents, the amount of tax is seventeen cents for each 6231
two dollars plus the amount of tax for prices twenty-four cents 6232
through one dollar and ninety-nine cents in accordance with the 6233
schedule above. 6234

(11) When the combined rate of state and local tax is eight 6235
and three-fourths per cent: 6236

If the price		The amount of	6237
is at least	But not more than	the tax is	6238
\$.01	\$.15	No tax	6239
.16	.22	2¢	6240
.23	.34	3¢	6241
.35	.45	4¢	6242
.46	.57	5¢	6243
.58	.68	6¢	6244
.69	.80	7¢	6245
.81	.91	8¢	6246
.92	1.02	9¢	6247

1.03	1.14	10¢	6248
1.15	1.25	11¢	6249
1.26	1.37	12¢	6250
1.38	1.48	13¢	6251
1.49	1.60	14¢	6252
1.61	1.71	15¢	6253
1.72	1.82	16¢	6254
1.83	1.94	17¢	6255
1.95	2.05	18¢	6256
2.06	2.17	19¢	6257
2.18	2.28	20¢	6258
2.29	2.40	21¢	6259
2.41	2.51	22¢	6260
2.52	2.62	23¢	6261
2.63	2.74	24¢	6262
2.75	2.85	25¢	6263
2.86	2.97	26¢	6264
2.98	3.08	27¢	6265
3.09	3.20	28¢	6266
3.21	3.31	29¢	6267
3.32	3.42	30¢	6268
3.43	3.54	31¢	6269
3.55	3.65	32¢	6270
3.66	3.77	33¢	6271
3.78	3.88	34¢	6272
3.89	4.00	35¢	6273

If the price exceeds four dollars, the tax is thirty-five 6274
cents on each four dollars. If the price exceeds four dollars or a 6275
multiple thereof by not more than eleven cents, the amount of tax 6276
is thirty-five cents for each four dollars plus one cent. If the 6277
price exceeds four dollars or a multiple thereof by more than 6278
eleven cents but by not more than twenty-two cents, the amount of 6279
tax is thirty-five cents for each four dollars plus two cents. If 6280

the price exceeds four dollars or a multiple thereof by more than 6281
twenty-two cents, the amount of tax is thirty-five cents for each 6282
four dollars plus the amount of tax for prices twenty-three cents 6283
through three dollars and ninety-nine cents in accordance with the 6284
schedule above. 6285

(12) When the combined rate of state and local tax is nine 6286
per cent: 6287

If the price		The amount of	
is at least	But not more than	the tax is	
\$.01	\$.15	No tax	6290
.16	.22	2¢	6291
.23	.33	3¢	6292
.34	.44	4¢	6293
.45	.55	5¢	6294
.56	.66	6¢	6295
.67	.77	7¢	6296
.78	.88	8¢	6297
.89	1.00	9¢	6298

If the price exceeds one dollar, the tax is nine cents on 6299
each one dollar. If the price exceeds one dollar or a multiple 6300
thereof by not more than eleven cents, the amount of tax is nine 6301
cents for each one dollar plus one cent. If the price exceeds one 6302
dollar or a multiple thereof by more than eleven cents but by not 6303
more than twenty-two cents, the amount of tax is nine cents for 6304
each one dollar plus two cents. If the price exceeds one dollar or 6305
a multiple thereof by more than twenty-two cents, the amount of 6306
tax is nine cents for each one dollar plus the amount of tax for 6307
prices twenty-three cents through ninety-nine cents in accordance 6308
with the schedule above. 6309

(C) On and after July 1, 2005, and on and before December 31, 6310
2005, the combined taxes levied by sections 5739.02 and 5741.02 6311
and pursuant to sections 5739.021, 5739.023, 5739.026, 5741.021, 6312

5741.022, and 5741.023 of the Revised Code shall be collected in 6313
accordance with the following schedules: 6314

(1) When the total rate of local tax is one-fourth per cent: 6315

If the price	But not	The amount	
is at least	more than	of the tax is	
\$.01	\$.15	No tax	6318
.16	.17	1¢	6319
.18	.34	2¢	6320
.35	.52	3¢	6321
.53	.69	4¢	6322
.70	.86	5¢	6323
.87	1.04	6¢	6324
1.05	1.21	7¢	6325
1.22	1.39	8¢	6326
1.40	1.56	9¢	6327
1.57	1.73	10¢	6328
1.74	1.91	11¢	6329
1.92	2.08	12¢	6330
2.09	2.26	13¢	6331
2.27	2.43	14¢	6332
2.44	2.60	15¢	6333
2.61	2.78	16¢	6334
2.79	2.95	17¢	6335
2.96	3.13	18¢	6336
3.14	3.30	19¢	6337
3.31	3.47	20¢	6338
3.48	3.65	21¢	6339
3.66	3.82	22¢	6340
3.83	4.00	23¢	6341

If the price exceeds four dollars, the tax is twenty-three 6342
cents on each four dollars. If the price exceeds four dollars or a 6343
multiple thereof by not more than seventeen cents, the amount of 6344

tax is twenty-three cents for each four dollars plus one cent. If 6345
the price exceeds four dollars or a multiple thereof by more than 6346
seventeen cents, the amount of tax is twenty-three cents for each 6347
four dollars plus the amount of tax for prices eighteen cents 6348
through three dollars and ninety-nine cents in accordance with the 6349
schedule above. 6350

(2) When the combined rate of local tax is one-half per cent: 6351

If the price	But not	The amount	
is at least	more than	of the tax is	
\$.01	\$.15	No tax	6354
.16	.17	1¢	6355
.18	.34	2¢	6356
.35	.50	3¢	6357
.51	.67	4¢	6358
.68	.83	5¢	6359
.84	1.00	6¢	6360

If the price exceeds one dollar, the tax is six cents on each 6361
one dollar. If the price exceeds one dollar or a multiple thereof 6362
by not more than seventeen cents, the amount of tax is six cents 6363
for each one dollar plus one cent. If the price exceeds one dollar 6364
or a multiple thereof by more than seventeen cents, the amount of 6365
tax is six cents for each one dollar plus the amount of tax for 6366
prices eighteen cents through ninety-nine cents in accordance with 6367
the schedule above. 6368

(3) When the combined rate of local tax is three-fourths per 6369
cent: 6370

If the price	But not	The amount	
is at least	more than	of the tax is	
\$.01	\$.15	No tax	6373
.16	.16	1¢	6374
.17	.32	2¢	6375
.33	.48	3¢	6376

.49	.64	4¢	6377
.65	.80	5¢	6378
.81	.96	6¢	6379
.97	1.12	7¢	6380
1.13	1.28	8¢	6381
1.29	1.44	9¢	6382
1.45	1.60	10¢	6383
1.61	1.76	11¢	6384
1.77	1.92	12¢	6385
1.93	2.08	13¢	6386
2.09	2.24	14¢	6387
2.25	2.40	15¢	6388
2.41	2.56	16¢	6389
2.57	2.72	17¢	6390
2.73	2.88	18¢	6391
2.89	3.04	19¢	6392
3.05	3.20	20¢	6393
3.21	3.36	21¢	6394
3.37	3.52	22¢	6395
3.53	3.68	23¢	6396
3.69	3.84	24¢	6397
3.85	4.00	25¢	6398

If the price exceeds four dollars, the tax is twenty-five cents on each four dollars. If the price exceeds four dollars or a multiple thereof by not more than sixteen cents, the amount of tax is twenty-five cents for each four dollars plus one cent. If the price exceeds four dollars or a multiple thereof by more than sixteen cents, the amount of tax is twenty-five cents for each four dollars plus the amount of tax for prices seventeen cents through three dollars and ninety-nine cents in accordance with the schedule above.

(4) When the combined rate of local tax is one per cent:

If the price	But not	The amount	6409
is at least	more than	of the tax is	6410
\$.01	\$.15	No tax	6411
.16	.30	2¢	6412
.31	.46	3¢	6413
.47	.61	4¢	6414
.62	.76	5¢	6415
.77	.92	6¢	6416
.93	1.07	7¢	6417
1.08	1.23	8¢	6418
1.24	1.38	9¢	6419
1.39	1.53	10¢	6420
1.54	1.69	11¢	6421
1.70	1.84	12¢	6422
1.85	2.00	13¢	6423

If the price exceeds two dollars, the tax is thirteen cents 6424
on each two dollars. If the price exceeds two dollars or a 6425
multiple thereof by not more than fifteen cents, the amount of tax 6426
is thirteen cents for each two dollars plus one cent. If the price 6427
exceeds two dollars or a multiple thereof by more than fifteen 6428
cents, the amount of tax is thirteen cents for each two dollars 6429
plus the amount of tax for prices sixteen cents through one dollar 6430
and ninety-nine cents in accordance with the schedule above. 6431

(5) When the combined rate of local tax is one and one-fourth 6432
per cent: 6433

If the price	But not	The amount	6434
is at least	more than	of the tax is	6435
\$.01	\$.15	No tax	6436
.16	.29	2¢	6437
.30	.44	3¢	6438
.45	.59	4¢	6439
.60	.74	5¢	6440

.75	.88	6¢	6441
.89	1.03	7¢	6442
1.04	1.18	8¢	6443
1.19	1.33	9¢	6444
1.34	1.48	10¢	6445
1.49	1.62	11¢	6446
1.63	1.77	12¢	6447
1.78	1.92	13¢	6448
1.93	2.07	14¢	6449
2.08	2.22	15¢	6450
2.23	2.37	16¢	6451
2.38	2.51	17¢	6452
2.52	2.66	18¢	6453
2.67	2.81	19¢	6454
2.82	2.96	20¢	6455
2.97	3.11	21¢	6456
3.12	3.25	22¢	6457
3.26	3.40	23¢	6458
3.41	3.55	24¢	6459
3.56	3.70	25¢	6460
3.71	3.85	26¢	6461
3.86	4.00	27¢	6462

If the price exceeds four dollars, the tax is twenty-seven 6463
cents on each four dollars. If the price exceeds four dollars or a 6464
multiple thereof by not more than fourteen cents, the amount of 6465
tax is twenty-seven cents for each four dollars plus one cent. If 6466
the price exceeds four dollars or a multiple thereof by more than 6467
fourteen but by not more than twenty-nine cents, the amount of tax 6468
is twenty-seven cents for each four dollars plus two cents. If the 6469
price exceeds four dollars or a multiple thereof by more than 6470
twenty-nine cents the amount of tax is twenty-seven cents for each 6471
four dollars plus the amount of tax for prices thirty cents 6472
through three dollars and ninety-nine cents in accordance with the 6473

schedule above. 6474

(6) When the combined rate of local tax is one and one-half 6475
per cent: 6476

If the price	But not	The amount	6477
is at least	more than	of the tax is	6478
\$.01	\$.15	No tax	6479
.16	.28	2¢	6480
.29	.42	3¢	6481
.43	.57	4¢	6482
.58	.71	5¢	6483
.72	.85	6¢	6484
.86	1.00	7¢	6485

If the price exceeds one dollar, the tax is seven cents on 6486
each one dollar. If the price exceeds one dollar or a multiple 6487
thereof by not more than fifteen cents, the amount of tax is seven 6488
cents for each one dollar plus one cent. If the price exceeds one 6489
dollar or a multiple thereof by more than fifteen cents, the 6490
amount of tax is seven cents for each one dollar plus the amount 6491
of tax for prices sixteen cents through ninety-nine cents in 6492
accordance with the schedule above. 6493

(7) When the combined rate of local tax is one and 6494
three-fourths per cent: 6495

If the price	But not	The amount	6496
is at least	more than	of the tax is	6497
\$.01	\$.15	No tax	6498
.16	.27	2¢	6499
.28	.41	3¢	6500
.42	.55	4¢	6501
.56	.68	5¢	6502
.69	.82	6¢	6503
.83	.96	7¢	6504
.97	1.10	8¢	6505

1.11	1.24	9¢	6506
1.25	1.37	10¢	6507
1.38	1.51	11¢	6508
1.52	1.65	12¢	6509
1.66	1.79	13¢	6510
1.80	1.93	14¢	6511
1.94	2.06	15¢	6512
2.07	2.20	16¢	6513
2.21	2.34	17¢	6514
2.35	2.48	18¢	6515
2.49	2.62	19¢	6516
2.63	2.75	20¢	6517
2.76	2.89	21¢	6518
2.90	3.03	22¢	6519
3.04	3.17	23¢	6520
3.18	3.31	24¢	6521
3.32	3.44	25¢	6522
3.45	3.58	26¢	6523
3.59	3.72	27¢	6524
3.73	3.86	28¢	6525
3.87	4.00	29¢	6526

If the price exceeds four dollars, the tax is twenty-nine cents on each four dollars. If the price exceeds four dollars or a multiple thereof by not more than thirteen cents, the amount of tax is twenty-nine cents for each four dollars plus one cent. If the price exceeds four dollars or a multiple thereof by more than thirteen cents but by not more than twenty-seven cents, the amount of tax is twenty-nine cents for each four dollars plus two cents. If the price exceeds four dollars or a multiple thereof by more than twenty-seven cents, the amount of tax is twenty-nine cents for each four dollars plus the amount of tax for prices twenty-eight cents through three dollars and ninety-nine cents in accordance with the schedule above.

(8) When the combined rate of local tax is two per cent:			6539
If the price	But not	The amount	6540
is at least	more than	of the tax is	6541
\$.01	\$.15	No tax	6542
.16	.26	2¢	6543
.27	.40	3¢	6544
.41	.53	4¢	6545
.54	.65	5¢	6546
.66	.80	6¢	6547
.81	.93	7¢	6548
.94	1.06	8¢	6549
1.07	1.20	9¢	6550
1.21	1.33	10¢	6551
1.34	1.46	11¢	6552
1.47	1.60	12¢	6553
1.61	1.73	13¢	6554
1.74	1.86	14¢	6555
1.87	2.00	15¢	6556

If the price exceeds two dollars, the tax is fifteen cents on 6557
each two dollars. If the price exceeds two dollars or a multiple 6558
thereof by not more than fifteen cents, the amount of tax is 6559
fifteen cents for each two dollars plus one cent. If the price 6560
exceeds two dollars or a multiple thereof by more than fifteen 6561
cents, the amount of tax is fifteen cents for each two dollars 6562
plus the amount of tax for prices sixteen cents through one dollar 6563
and ninety-nine cents in accordance with the schedule above. 6564

(9) When the combined rate of local tax is two and one-fourth			6565
per cent:			6566
If the price	But not	The amount	6567
is at least	more than	of the tax is	6568
\$.01	\$.15	No tax	6569
.16	.25	2¢	6570

.26	.38	3¢	6571
.39	.51	4¢	6572
.52	.64	5¢	6573
.65	.77	6¢	6574
.78	.90	7¢	6575
.91	1.03	8¢	6576
1.04	1.16	9¢	6577
1.17	1.29	10¢	6578
1.30	1.41	11¢	6579
1.42	1.54	12¢	6580
1.55	1.67	13¢	6581
1.68	1.80	14¢	6582
1.81	1.93	15¢	6583
1.94	2.06	16¢	6584
2.07	2.19	17¢	6585
2.20	2.32	18¢	6586
2.33	2.45	19¢	6587
2.46	2.58	20¢	6588
2.59	2.70	21¢	6589
2.71	2.83	22¢	6590
2.84	2.96	23¢	6591
2.97	3.09	24¢	6592
3.10	3.22	25¢	6593
3.23	3.35	26¢	6594
3.36	3.48	27¢	6595
3.49	3.61	28¢	6596
3.62	3.74	29¢	6597
3.75	3.87	30¢	6598
3.88	4.00	31¢	6599

If the price exceeds four dollars, the tax is thirty-one 6600
cents on each four dollars. If the price exceeds four dollars or a 6601
multiple thereof by not more than twelve cents, the amount of tax 6602
is thirty-one cents for each four dollars plus one cent. If the 6603

price exceeds four dollars or a multiple thereof by more than 6604
twelve cents but not more than twenty-five cents, the amount of 6605
tax is thirty-one cents for each four dollars plus two cents. If 6606
the price exceeds four dollars or a multiple thereof by more than 6607
twenty-five cents, the amount of tax is thirty-one cents for each 6608
four dollars plus the amount of tax for prices twenty-six cents 6609
through three dollars and ninety-nine cents in accordance with the 6610
schedule above. 6611

(10) When the combined rate of local tax is two and one-half 6612
per cent: 6613

If the price	But not	The amount	
is at least	more than	of the tax is	
\$.01	\$.15	No tax	6616
.16	.25	2¢	6617
.26	.37	3¢	6618
.38	.50	4¢	6619
.51	.62	5¢	6620
.63	.75	6¢	6621
.76	.87	7¢	6622
.88	1.00	8¢	6623

If the price exceeds one dollar, the tax is eight cents on 6624
each one dollar. If the price exceeds one dollar or a multiple 6625
thereof by not more than twelve cents, the amount of tax is eight 6626
cents for each one dollar plus one cent. If the price exceeds one 6627
dollar or a multiple thereof by more than twelve cents but not 6628
more than twenty-five cents, the amount of tax is eight cents for 6629
each one dollar plus two cents. If the price exceeds one dollar or 6630
a multiple thereof by more than twenty-five cents, the amount of 6631
tax is eight cents for each one dollar plus the amount of tax for 6632
prices twenty-six cents through ninety-nine cents in accordance 6633
with the schedule above. 6634

(11) When the combined rate of local tax is two and 6635

three-fourths per cent:			6636
If the price	But not	The amount	6637
is at least	more than	of the tax is	6638
\$.01	\$.15	No tax	6639
.16	.24	2¢	6640
.25	.36	3¢	6641
.37	.48	4¢	6642
.49	.60	5¢	6643
.61	.72	6¢	6644
.73	.84	7¢	6645
.85	.96	8¢	6646
.97	1.09	9¢	6647
1.10	1.21	10¢	6648
1.22	1.33	11¢	6649
1.34	1.45	12¢	6650
1.46	1.57	13¢	6651
1.58	1.69	14¢	6652
1.70	1.81	15¢	6653
1.82	1.93	16¢	6654
1.94	2.06	17¢	6655
2.07	2.18	18¢	6656
2.19	2.30	19¢	6657
2.31	2.42	20¢	6658
2.43	2.54	21¢	6659
2.55	2.66	22¢	6660
2.67	2.78	23¢	6661
2.79	2.90	24¢	6662
2.91	3.03	25¢	6663
3.04	3.15	26¢	6664
3.16	3.27	27¢	6665
3.28	3.39	28¢	6666
3.40	3.51	29¢	6667
3.52	3.63	30¢	6668

3.64	3.75	31¢	6669
3.76	3.87	32¢	6670
3.88	4.00	33¢	6671

If the price exceeds four dollars, the tax is thirty-three cents on each four dollars. If the price exceeds four dollars or a multiple thereof by not more than eleven cents, the amount of tax is thirty-three cents for each four dollars plus one cent. If the price exceeds four dollars or a multiple thereof by more than eleven cents but not more than twenty-four cents, the amount of tax is thirty-three cents for each four dollars plus two cents. If the price exceeds four dollars or a multiple thereof by more than twenty-four cents, the amount of tax is thirty-three cents for each four dollars plus the amount of tax for prices twenty-six cents through three dollars and ninety-nine cents in accordance with the schedule above.

(12) When the combined rate of local tax is three per cent:

If the price is at least	But not more than	The amount of the tax is	
\$.01	\$.15	No tax	6687
.16	.23	2¢	6688
.24	.35	3¢	6689
.36	.47	4¢	6690
.48	.58	5¢	6691
.59	.70	6¢	6692
.71	.82	7¢	6693
.83	.94	8¢	6694
.95	1.05	9¢	6695
1.06	1.17	10¢	6696
1.18	1.29	11¢	6697
1.30	1.41	12¢	6698
1.42	1.52	13¢	6699
1.53	1.64	14¢	6700

1.65	1.76	15¢	6701
1.77	1.88	16¢	6702
1.89	2.00	17¢	6703

If the price exceeds two dollars, the tax is seventeen cents 6704
on each two dollars. If the price exceeds two dollars or a 6705
multiple thereof by not more than eleven cents, the amount of tax 6706
is seventeen cents for each two dollars plus one cent. If the 6707
price exceeds two dollars or a multiple thereof by more than 6708
eleven cents but not more than twenty-three cents, the amount of 6709
tax is seventeen cents for each two dollars plus two cents. If the 6710
price exceeds two dollars or a multiple thereof by more than 6711
twenty-three cents, the amount of tax is seventeen cents for each 6712
two dollars plus the amount of tax for prices twenty-four cents 6713
through one dollar and ninety-nine cents in accordance with the 6714
schedule above. 6715

(D) In lieu of collecting the tax pursuant to the schedules 6716
set forth in divisions (A), (B), and (C) of this section, a vendor 6717
may compute the tax on each sale as follows: 6718

(1) On sales of fifteen cents or less, no tax shall apply. 6719

(2) On sales in excess of fifteen cents, multiply the price 6720
by the aggregate rate of taxes in effect under sections 5739.02 6721
and 5741.02 and sections 5739.021, 5739.023, 5739.026, 5741.021, 6722
5741.022, and 5741.023 of the Revised Code. The computation shall 6723
be carried out to six decimal places. If the result is a 6724
fractional amount of a cent, the calculated tax shall be increased 6725
to the next highest cent and that amount shall be collected by the 6726
vendor. 6727

(E) On and after January 1, 2006, a vendor shall compute the 6728
tax on each sale by multiplying the price by the aggregate rate of 6729
taxes in effect under sections 5739.02 and 5741.02, and sections 6730
5739.021, 5739.023, 5739.026, 5741.021, 5741.022, and 5741.023 of 6731
the Revised Code. The computation shall be carried out to three 6732

decimal places. If the result is a fractional amount of a cent, 6733
the calculated tax shall be rounded to a whole cent using a method 6734
that rounds up to the next cent whenever the third decimal place 6735
is greater than four. A vendor may elect to compute the tax due on 6736
a transaction on an item or an invoice basis. 6737

(F) In auditing a vendor, the tax commissioner shall consider 6738
the method prescribed by this section that was used by the vendor 6739
in determining and collecting the tax due under this chapter on 6740
taxable transactions. If the vendor correctly collects and remits 6741
the tax due under this chapter in accordance with the schedules in 6742
divisions (A), (B), and (C) of this section or in accordance with 6743
the computation prescribed in division (D) or (E) of this section, 6744
the commissioner shall not assess any additional tax on those 6745
transactions. 6746

~~(G)(1) With respect to a sale of a fractional ownership 6747
program aircraft used primarily in a fractional aircraft ownership 6748
program, including all accessories attached to such aircraft, the 6749
tax shall be calculated pursuant to divisions (A) to (E) of this 6750
section, provided that the tax commissioner shall modify those 6751
calculations so that the maximum tax on each program aircraft is 6752
eight hundred dollars. In the case of a sale of a fractional 6753
interest that is less than one hundred per cent of the program 6754
aircraft, the tax charged on the transaction shall be eight 6755
hundred dollars multiplied by a fraction, the numerator of which 6756
is the percentage of ownership or possession in the aircraft being 6757
purchased in the transaction, and the denominator of which is one 6758
hundred per cent. 6759~~

~~(2) Notwithstanding any other provision of law to the 6760
contrary, the tax calculated under division (G)(1) of this section 6761
and paid with respect to the sale of a fractional ownership 6762
program aircraft used primarily in a fractional aircraft ownership 6763
program shall be credited to the general revenue fund. 6764~~

Sec. 5739.03. (A) Except as provided in section 5739.05 or 6765
section 5739.051 of the Revised Code, the tax imposed by or 6766
pursuant to section 5739.02, 5739.021, 5739.023, or 5739.026 of 6767
the Revised Code shall be paid by the consumer to the vendor, and 6768
each vendor shall collect from the consumer, as a trustee for the 6769
state of Ohio, the full and exact amount of the tax payable on 6770
each taxable sale, in the manner and at the times provided as 6771
follows: 6772

(1) If the price is, at or prior to the provision of the 6773
service or the delivery of possession of the thing sold to the 6774
consumer, paid in currency passed from hand to hand by the 6775
consumer or the consumer's agent to the vendor or the vendor's 6776
agent, the vendor or the vendor's agent shall collect the tax with 6777
and at the same time as the price; 6778

(2) If the price is otherwise paid or to be paid, the vendor 6779
or the vendor's agent shall, at or prior to the provision of the 6780
service or the delivery of possession of the thing sold to the 6781
consumer, charge the tax imposed by or pursuant to section 6782
5739.02, 5739.021, 5739.023, or 5739.026 of the Revised Code to 6783
the account of the consumer, which amount shall be collected by 6784
the vendor from the consumer in addition to the price. Such sale 6785
shall be reported on and the amount of the tax applicable thereto 6786
shall be remitted with the return for the period in which the sale 6787
is made, and the amount of the tax shall become a legal charge in 6788
favor of the vendor and against the consumer. 6789

(B)(1)(a) If any sale is claimed to be exempt under division 6790
(E) of section 5739.01 of the Revised Code or under section 6791
5739.02 of the Revised Code, with the exception of divisions 6792
(B)(1) to (3), (5) to (11), or (28) of section 5739.02 of the 6793
Revised Code, the consumer must provide to the vendor, and the 6794
vendor must obtain from the consumer, a certificate specifying the 6795

reason that the sale is not legally subject to the tax. The 6796
certificate shall be in such form, and shall be provided either in 6797
a hard copy form or electronic form, as the tax commissioner 6798
prescribes. 6799

(b) A vendor that obtains a fully completed exemption 6800
certificate from a consumer is relieved of liability for 6801
collecting and remitting tax on any sale covered by that 6802
certificate. If it is determined the exemption was improperly 6803
claimed, the consumer shall be liable for any tax due on that sale 6804
under section 5739.02, 5739.021, 5739.023, or 5739.026 or Chapter 6805
5741. of the Revised Code. Relief under this division from 6806
liability does not apply to any of the following: 6807

(i) A vendor that fraudulently fails to collect tax; 6808

(ii) A vendor that solicits consumers to participate in the 6809
unlawful claim of an exemption; 6810

(iii) A vendor that accepts an exemption certificate from a 6811
consumer that claims an exemption based on who purchases or who 6812
sells property or a service, when the subject of the transaction 6813
sought to be covered by the exemption certificate is actually 6814
received by the consumer at a location operated by the vendor in 6815
this state, and this state has posted to its web site an exemption 6816
certificate form that clearly and affirmatively indicates that the 6817
claimed exemption is not available in this state; 6818

(iv) A vendor that accepts an exemption certificate from a 6819
consumer who claims a multiple points of use exemption under 6820
division (D) of section 5739.033 of the Revised Code, if the item 6821
purchased is tangible personal property, other than prewritten 6822
computer software. 6823

(2) The vendor shall maintain records, including exemption 6824
certificates, of all sales on which a consumer has claimed an 6825
exemption, and provide them to the tax commissioner on request. 6826

(3) The tax commissioner may establish an identification 6827
system whereby the commissioner issues an identification number to 6828
a consumer that is exempt from payment of the tax. The consumer 6829
must present the number to the vendor, if any sale is claimed to 6830
be exempt as provided in this section. 6831

(4) If no certificate is provided or obtained within ninety 6832
days after the date on which such sale is consummated, it shall be 6833
presumed that the tax applies. Failure to have so provided or 6834
obtained a certificate shall not preclude a vendor, within one 6835
hundred twenty days after the tax commissioner gives written 6836
notice of intent to levy an assessment, from either establishing 6837
that the sale is not subject to the tax, or obtaining, in good 6838
faith, a fully completed exemption certificate. 6839

(5) Certificates need not be obtained nor provided where the 6840
identity of the consumer is such that the transaction is never 6841
subject to the tax imposed or where the item of tangible personal 6842
property sold or the service provided is never subject to the tax 6843
imposed, regardless of use, or when the sale is in interstate 6844
commerce. 6845

(6) If a transaction is claimed to be exempt under division 6846
(B)(13) of section 5739.02 of the Revised Code, the contractor 6847
shall obtain certification of the claimed exemption from the 6848
contractee. This certification shall be in addition to an 6849
exemption certificate provided by the contractor to the vendor. A 6850
contractee that provides a certification under this division shall 6851
be deemed to be the consumer of all items purchased by the 6852
contractor under the claim of exemption, if it is subsequently 6853
determined that the exemption is not properly claimed. The 6854
certification shall be in such form as the tax commissioner 6855
prescribes. 6856

(C) As used in this division, "contractee" means a person who 6857
seeks to enter or enters into a contract or agreement with a 6858

contractor or vendor for the construction of real property or for 6859
the sale and installation onto real property of tangible personal 6860
property. 6861

Any contractor or vendor may request from any contractee a 6862
certification of what portion of the property to be transferred 6863
under such contract or agreement is to be incorporated into the 6864
realty and what portion will retain its status as tangible 6865
personal property after installation is completed. The contractor 6866
or vendor shall request the certification by certified mail 6867
delivered to the contractee, return receipt requested. Upon 6868
receipt of such request and prior to entering into the contract or 6869
agreement, the contractee shall provide to the contractor or 6870
vendor a certification sufficiently detailed to enable the 6871
contractor or vendor to ascertain the resulting classification of 6872
all materials purchased or fabricated by the contractor or vendor 6873
and transferred to the contractee. This requirement applies to a 6874
contractee regardless of whether the contractee holds a direct 6875
payment permit under section 5739.031 of the Revised Code or 6876
provides to the contractor or vendor an exemption certificate as 6877
provided under this section. 6878

For the purposes of the taxes levied by this chapter and 6879
Chapter 5741. of the Revised Code, the contractor or vendor may in 6880
good faith rely on the contractee's certification. Notwithstanding 6881
division (B) of section 5739.01 of the Revised Code, if the tax 6882
commissioner determines that certain property certified by the 6883
contractee as tangible personal property pursuant to this division 6884
is, in fact, real property, the contractee shall be considered to 6885
be the consumer of all materials so incorporated into that real 6886
property and shall be liable for the applicable tax, and the 6887
contractor or vendor shall be excused from any liability on those 6888
materials. 6889

If a contractee fails to provide such certification upon the 6890

request of the contractor or vendor, the contractor or vendor 6891
shall comply with the provisions of this chapter and Chapter 5741. 6892
of the Revised Code without the certification. If the tax 6893
commissioner determines that such compliance has been performed in 6894
good faith and that certain property treated as tangible personal 6895
property by the contractor or vendor is, in fact, real property, 6896
the contractee shall be considered to be the consumer of all 6897
materials so incorporated into that real property and shall be 6898
liable for the applicable tax, and the construction contractor or 6899
vendor shall be excused from any liability on those materials. 6900

This division does not apply to any contract or agreement 6901
where the tax commissioner determines as a fact that a 6902
certification under this division was made solely on the decision 6903
or advice of the contractor or vendor. 6904

(D) Notwithstanding division (B) of section 5739.01 of the 6905
Revised Code, whenever the total rate of tax imposed under this 6906
chapter is increased after the date after a construction contract 6907
is entered into, the contractee shall reimburse the construction 6908
contractor for any additional tax paid on tangible property 6909
consumed or services received pursuant to the contract. 6910

(E) A vendor who files a petition for reassessment contesting 6911
the assessment of tax on sales for which the vendor obtained no 6912
valid exemption certificates and for which the vendor failed to 6913
establish that the sales were properly not subject to the tax 6914
during the one-hundred-twenty-day period allowed under division 6915
(B) of this section, may present to the tax commissioner 6916
additional evidence to prove that the sales were properly subject 6917
to a claim of exception or exemption. The vendor shall file such 6918
evidence within ninety days of the receipt by the vendor of the 6919
notice of assessment, except that, upon application and for 6920
reasonable cause, the period for submitting such evidence shall be 6921
extended thirty days. 6922

The commissioner shall consider such additional evidence in 6923
reaching the final determination on the assessment and petition 6924
for reassessment. 6925

(F) Whenever a vendor refunds the price, minus any separately 6926
stated delivery charge, of an item of tangible personal property 6927
on which the tax imposed under this chapter has been paid, the 6928
vendor shall also refund the amount of tax paid, minus the amount 6929
of tax attributable to the delivery charge. 6930

Sec. 5741.02. (A)(1) For the use of the general revenue fund 6931
of the state, an excise tax is hereby levied on the storage, use, 6932
or other consumption in this state of tangible personal property 6933
or the benefit realized in this state of any service provided. The 6934
tax shall be collected as provided in section 5739.025 of the 6935
Revised Code, provided that on and after July 1, 2003, and on or 6936
before June 30, 2005, the rate of the tax shall be six per cent. 6937
On and after July 1, 2005, the rate of the tax shall be five and 6938
one-half per cent. 6939

(2) In the case of the lease or rental, with a fixed term of 6940
more than thirty days or an indefinite term with a minimum period 6941
of more than thirty days, of any motor vehicles designed by the 6942
manufacturer to carry a load of not more than one ton, watercraft, 6943
outboard motor, or aircraft, or of any tangible personal property, 6944
other than motor vehicles designed by the manufacturer to carry a 6945
load of more than one ton, to be used by the lessee or renter 6946
primarily for business purposes, the tax shall be collected by the 6947
seller at the time the lease or rental is consummated and shall be 6948
calculated by the seller on the basis of the total amount to be 6949
paid by the lessee or renter under the lease or rental agreement. 6950
If the total amount of the consideration for the lease or rental 6951
includes amounts that are not calculated at the time the lease or 6952
rental is executed, the tax shall be calculated and collected by 6953

the seller at the time such amounts are billed to the lessee or 6954
renter. In the case of an open-end lease or rental, the tax shall 6955
be calculated by the seller on the basis of the total amount to be 6956
paid during the initial fixed term of the lease or rental, and for 6957
each subsequent renewal period as it comes due. As used in this 6958
division, "motor vehicle" has the same meaning as in section 6959
4501.01 of the Revised Code, and "watercraft" includes an outdrive 6960
unit attached to the watercraft. 6961

(3) Except as provided in division (A)(2) of this section, in 6962
the case of a transaction, the price of which consists in whole or 6963
part of the lease or rental of tangible personal property, the tax 6964
shall be measured by the installments of those leases or rentals. 6965

(B) Each consumer, storing, using, or otherwise consuming in 6966
this state tangible personal property or realizing in this state 6967
the benefit of any service provided, shall be liable for the tax, 6968
and such liability shall not be extinguished until the tax has 6969
been paid to this state; provided, that the consumer shall be 6970
relieved from further liability for the tax if the tax has been 6971
paid to a seller in accordance with section 5741.04 of the Revised 6972
Code or prepaid by the seller in accordance with section 5741.06 6973
of the Revised Code. 6974

(C) The tax does not apply to the storage, use, or 6975
consumption in this state of the following described tangible 6976
personal property or services, nor to the storage, use, or 6977
consumption or benefit in this state of tangible personal property 6978
or services purchased under the following described circumstances: 6979

(1) When the sale of property or service in this state is 6980
subject to the excise tax imposed by sections 5739.01 to 5739.31 6981
of the Revised Code, provided said tax has been paid; 6982

(2) Except as provided in division (D) of this section, 6983
tangible personal property or services, the acquisition of which, 6984

if made in Ohio, would be a sale not subject to the tax imposed by 6985
sections 5739.01 to 5739.31 of the Revised Code; 6986

(3) Property or services, the storage, use, or other 6987
consumption of or benefit from which this state is prohibited from 6988
taxing by the Constitution of the United States, laws of the 6989
United States, or the Constitution of this state. This exemption 6990
shall not exempt from the application of the tax imposed by this 6991
section the storage, use, or consumption of tangible personal 6992
property that was purchased in interstate commerce, but that has 6993
come to rest in this state, provided that fuel to be used or 6994
transported in carrying on interstate commerce that is stopped 6995
within this state pending transfer from one conveyance to another 6996
is exempt from the excise tax imposed by this section and section 6997
5739.02 of the Revised Code; 6998

(4) Transient use of tangible personal property in this state 6999
by a nonresident tourist or vacationer, or a nonbusiness use 7000
within this state by a nonresident of this state, if the property 7001
so used was purchased outside this state for use outside this 7002
state and is not required to be registered or licensed under the 7003
laws of this state; 7004

(5) Tangible personal property or services rendered, upon 7005
which taxes have been paid to another jurisdiction to the extent 7006
of the amount of the tax paid to such other jurisdiction. Where 7007
the amount of the tax imposed by this section and imposed pursuant 7008
to section 5741.021, 5741.022, or 5741.023 of the Revised Code 7009
exceeds the amount paid to another jurisdiction, the difference 7010
shall be allocated between the tax imposed by this section and any 7011
tax imposed by a county or a transit authority pursuant to section 7012
5741.021, 5741.022, or 5741.023 of the Revised Code, in proportion 7013
to the respective rates of such taxes. 7014

As used in this subdivision, "taxes paid to another 7015
jurisdiction" means the total amount of retail sales or use tax or 7016

similar tax based upon the sale, purchase, or use of tangible 7017
personal property or services rendered legally, levied by and paid 7018
to another state or political subdivision thereof, or to the 7019
District of Columbia, where the payment of such tax does not 7020
entitle the taxpayer to any refund or credit for such payment. 7021

(6) The transfer of a used manufactured home or used mobile 7022
home, as defined by section 5739.0210 of the Revised Code, made on 7023
or after January 1, 2000; 7024

(7) Drugs that are or are intended to be distributed free of 7025
charge to a practitioner licensed to prescribe, dispense, and 7026
administer drugs to a human being in the course of a professional 7027
practice and that by law may be dispensed only by or upon the 7028
order of such a practitioner. 7029

(8) Computer equipment and related software leased from a 7030
lessor located outside this state and initially received in this 7031
state on behalf of the consumer by a third party that will retain 7032
possession of such property for not more than ninety days and that 7033
will, within that ninety-day period, deliver such property to the 7034
consumer at a location outside this state. Division (C)(8) of this 7035
section does not provide exemption from taxation for any otherwise 7036
taxable charges associated with such property while it is in this 7037
state or for any subsequent storage, use, or consumption of such 7038
property in this state by or on behalf of the consumer. 7039

(9) Tangible personal property held for sale by a person but 7040
not for that person's own use and donated by that person, without 7041
charge or other compensation, to either of the following: 7042

(a) A nonprofit organization operated exclusively for 7043
charitable purposes in this state, no part of the net income of 7044
which inures to the benefit of any private shareholder or 7045
individual and no substantial part of the activities of which 7046
consists of carrying on propaganda or otherwise attempting to 7047

influence legislation; or 7048

(b) This state or any political subdivision of this state, 7049
but only if donated for exclusively public purposes. 7050

For the purposes of division (C)(10) of this section, 7051
"charitable purposes" has the same meaning as in division (B)(12) 7052
of section 5739.02 of the Revised Code. 7053

(D) The tax applies to the storage, use, or other consumption 7054
in this state of tangible personal property or services, the 7055
acquisition of which at the time of sale was excepted under 7056
division (E) of section 5739.01 of the Revised Code from the tax 7057
imposed by section 5739.02 of the Revised Code, but which has 7058
subsequently been temporarily or permanently stored, used, or 7059
otherwise consumed in a taxable manner. 7060

(E)(1)(a) If any transaction is claimed to be exempt under 7061
division (E) of section 5739.01 of the Revised Code or under 7062
section 5739.02 of the Revised Code, with the exception of 7063
divisions (B)(1) to (3), (5) to (11), or (28) of section 5739.02 7064
of the Revised Code, the consumer shall provide to the seller, and 7065
the seller shall obtain from the consumer, a certificate 7066
specifying the reason that the transaction is not subject to the 7067
tax. The certificate shall be in such form, and shall be provided 7068
either in a hard copy form or electronic form, as the tax 7069
commissioner prescribes. 7070

(b) A seller that obtains a fully completed exemption 7071
certificate from a consumer is relieved of liability for 7072
collecting and remitting tax on any sale covered by that 7073
certificate. If it is determined the exemption was improperly 7074
claimed, the consumer shall be liable for any tax due on that sale 7075
under this chapter. Relief under this division from liability does 7076
not apply to any of the following: 7077

(i) A seller that fraudulently fails to collect tax; 7078

(ii) A seller that solicits consumers to participate in the 7079
unlawful claim of an exemption; 7080

(iii) A seller that accepts an exemption certificate from a 7081
consumer that claims an exemption based on who purchases or who 7082
sells property or a service, when the subject of the transaction 7083
sought to be covered by the exemption certificate is actually 7084
received by the consumer at a location operated by the seller in 7085
this state, and this state has posted to its web site an exemption 7086
certificate form that clearly and affirmatively indicates that the 7087
claimed exemption is not available in this state; 7088

(iv) A seller that accepts an exemption certificate from a 7089
consumer who claims a multiple points of use exemption under 7090
division (D) of section 5739.033 of the Revised Code, if the item 7091
purchased is tangible personal property, other than prewritten 7092
computer software. 7093

(2) The seller shall maintain records, including exemption 7094
certificates, of all sales on which a consumer has claimed an 7095
exemption, and provide them to the tax commissioner on request. 7096

(3) If no certificate is provided or obtained within ninety 7097
days after the date on which the transaction is consummated, it 7098
shall be presumed that the tax applies. Failure to have so 7099
provided or obtained a certificate shall not preclude a seller, 7100
within one hundred twenty days after the tax commissioner gives 7101
written notice of intent to levy an assessment, from either 7102
establishing that the transaction is not subject to the tax, or 7103
obtaining, in good faith, a fully completed exemption certificate. 7104

(4) If a transaction is claimed to be exempt under division 7105
(B)(13) of section 5739.02 of the Revised Code, the contractor 7106
shall obtain certification of the claimed exemption from the 7107
contractee. This certification shall be in addition to an 7108
exemption certificate provided by the contractor to the seller. A 7109

contractee that provides a certification under this division shall 7110
be deemed to be the consumer of all items purchased by the 7111
contractor under the claim of exemption, if it is subsequently 7112
determined that the exemption is not properly claimed. The 7113
certification shall be in such form as the tax commissioner 7114
prescribes. 7115

(F) A seller who files a petition for reassessment contesting 7116
the assessment of tax on transactions for which the seller 7117
obtained no valid exemption certificates, and for which the seller 7118
failed to establish that the transactions were not subject to the 7119
tax during the one-hundred-twenty-day period allowed under 7120
division (E) of this section, may present to the tax commissioner 7121
additional evidence to prove that the transactions were exempt. 7122
The seller shall file such evidence within ninety days of the 7123
receipt by the seller of the notice of assessment, except that, 7124
upon application and for reasonable cause, the tax commissioner 7125
may extend the period for submitting such evidence thirty days. 7126

(G) For the purpose of the proper administration of sections 7127
5741.01 to 5741.22 of the Revised Code, and to prevent the evasion 7128
of the tax hereby levied, it shall be presumed that any use, 7129
storage, or other consumption of tangible personal property in 7130
this state is subject to the tax until the contrary is 7131
established. 7132

(H) The tax collected by the seller from the consumer under 7133
this chapter is not part of the price, but is a tax collection for 7134
the benefit of the state, and of counties levying an additional 7135
use tax pursuant to section 5741.021 or 5741.023 of the Revised 7136
Code and of transit authorities levying an additional use tax 7137
pursuant to section 5741.022 of the Revised Code. Except for the 7138
discount authorized under section 5741.12 of the Revised Code and 7139
the effects of any rounding pursuant to section 5703.055 of the 7140
Revised Code, no person other than the state or such a county or 7141

transit authority shall derive any benefit from the collection of 7142
such tax. 7143

Sec. 5747.01. Except as otherwise expressly provided or 7144
clearly appearing from the context, any term used in this chapter 7145
that is not otherwise defined in this section has the same meaning 7146
as when used in a comparable context in the laws of the United 7147
States relating to federal income taxes or if not used in a 7148
comparable context in those laws, has the same meaning as in 7149
section 5733.40 of the Revised Code. Any reference in this chapter 7150
to the Internal Revenue Code includes other laws of the United 7151
States relating to federal income taxes. 7152

As used in this chapter: 7153

(A) "Adjusted gross income" or "Ohio adjusted gross income" 7154
means federal adjusted gross income, as defined and used in the 7155
Internal Revenue Code, adjusted as provided in this section: 7156

(1) Add interest or dividends on obligations or securities of 7157
any state or of any political subdivision or authority of any 7158
state, other than this state and its subdivisions and authorities. 7159

(2) Add interest or dividends on obligations of any 7160
authority, commission, instrumentality, territory, or possession 7161
of the United States to the extent that the interest or dividends 7162
are exempt from federal income taxes but not from state income 7163
taxes. 7164

(3) Deduct interest or dividends on obligations of the United 7165
States and its territories and possessions or of any authority, 7166
commission, or instrumentality of the United States to the extent 7167
that the interest or dividends are included in federal adjusted 7168
gross income but exempt from state income taxes under the laws of 7169
the United States. 7170

(4) Deduct disability and survivor's benefits to the extent 7171

included in federal adjusted gross income. 7172

(5) Deduct benefits under Title II of the Social Security Act 7173
and tier 1 railroad retirement benefits to the extent included in 7174
federal adjusted gross income under section 86 of the Internal 7175
Revenue Code. 7176

(6) In the case of a taxpayer who is a beneficiary of a trust 7177
that makes an accumulation distribution as defined in section 665 7178
of the Internal Revenue Code, add, for the beneficiary's taxable 7179
years beginning before 2002, the portion, if any, of such 7180
distribution that does not exceed the undistributed net income of 7181
the trust for the three taxable years preceding the taxable year 7182
in which the distribution is made to the extent that the portion 7183
was not included in the trust's taxable income for any of the 7184
trust's taxable years beginning in 2002 or thereafter. 7185

"Undistributed net income of a trust" means the taxable income of 7186
the trust increased by (a)(i) the additions to adjusted gross 7187
income required under division (A) of this section and (ii) the 7188
personal exemptions allowed to the trust pursuant to section 7189
642(b) of the Internal Revenue Code, and decreased by (b)(i) the 7190
deductions to adjusted gross income required under division (A) of 7191
this section, (ii) the amount of federal income taxes attributable 7192
to such income, and (iii) the amount of taxable income that has 7193
been included in the adjusted gross income of a beneficiary by 7194
reason of a prior accumulation distribution. Any undistributed net 7195
income included in the adjusted gross income of a beneficiary 7196
shall reduce the undistributed net income of the trust commencing 7197
with the earliest years of the accumulation period. 7198

(7) Deduct the amount of wages and salaries, if any, not 7199
otherwise allowable as a deduction but that would have been 7200
allowable as a deduction in computing federal adjusted gross 7201
income for the taxable year, had the targeted jobs credit allowed 7202
and determined under sections 38, 51, and 52 of the Internal 7203

Revenue Code not been in effect. 7204

(8) Deduct any interest or interest equivalent on public 7205
obligations and purchase obligations to the extent that the 7206
interest or interest equivalent is included in federal adjusted 7207
gross income. 7208

(9) Add any loss or deduct any gain resulting from the sale, 7209
exchange, or other disposition of public obligations to the extent 7210
that the loss has been deducted or the gain has been included in 7211
computing federal adjusted gross income. 7212

(10) ~~Deduct or add amounts, as provided under section 5747.70~~ 7213
~~of the Revised Code, related to contributions to variable college~~ 7214
~~savings program accounts made or tuition units purchased pursuant~~ 7215
~~to Chapter 3334. of the Revised Code~~ For a taxpayer that provides 7216
broadband service, deduct the taxpayer's net profits from 7217
providing broadband service in this state multiplied by a 7218
fraction, the numerator of which is the original cost of tangible 7219
personal property necessary for the provision of broadband service 7220
in rural areas of this state installed on or after the effective 7221
date of this amendment, and the denominator of which is the 7222
original cost of tangible personal property necessary for the 7223
provision of broadband service in this state and installed on or 7224
after that date. A taxpayer that is an equity owner of a 7225
pass-through entity that provides broadband service may deduct the 7226
taxpayer's distributive or proportionate share of the entity's net 7227
profits from providing such service multiplied by that fraction. A 7228
deduction is not allowed under this division if the taxpayer 7229
claims the exclusion under division (F)(2)(11) of section 5751.01 7230
of the Revised Code for any tax period that is included partly or 7231
wholly in the taxable year. For the purposes of this division, 7232
"broadband service" and "rural area" have the same meanings as in 7233
7 U.S.C. 950bb. 7234

(11)(a) Deduct, to the extent not otherwise allowable as a 7235

deduction or exclusion in computing federal or Ohio adjusted gross 7236
income for the taxable year, the amount the taxpayer paid during 7237
the taxable year for medical care insurance and qualified 7238
long-term care insurance for the taxpayer, the taxpayer's spouse, 7239
and dependents. No deduction for medical care insurance under 7240
division (A)(11) of this section shall be allowed either to any 7241
taxpayer who is eligible to participate in any subsidized health 7242
plan maintained by any employer of the taxpayer or of the 7243
taxpayer's spouse, or to any taxpayer who is entitled to, or on 7244
application would be entitled to, benefits under part A of Title 7245
XVIII of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C. 7246
301, as amended. For the purposes of division (A)(11)(a) of this 7247
section, "subsidized health plan" means a health plan for which 7248
the employer pays any portion of the plan's cost. The deduction 7249
allowed under division (A)(11)(a) of this section shall be the net 7250
of any related premium refunds, related premium reimbursements, or 7251
related insurance premium dividends received during the taxable 7252
year. 7253

(b) Deduct, to the extent not otherwise deducted or excluded 7254
in computing federal or Ohio adjusted gross income during the 7255
taxable year, the amount the taxpayer paid during the taxable 7256
year, not compensated for by any insurance or otherwise, for 7257
medical care of the taxpayer, the taxpayer's spouse, and 7258
dependents, to the extent the expenses exceed seven and one-half 7259
per cent of the taxpayer's federal adjusted gross income. 7260

(c) Deduct, to the extent not otherwise deducted or excluded 7261
in computing federal or Ohio adjusted gross income, any amount 7262
included in federal adjusted gross income under section 105 or not 7263
excluded under section 106 of the Internal Revenue Code solely 7264
because it relates to an accident and health plan for a person who 7265
otherwise would be a "qualifying relative" and thus a "dependent" 7266
under section 152 of the Internal Revenue Code but for the fact 7267

that the person fails to meet the income and support limitations 7268
under section 152(d)(1)(B) and (C) of the Internal Revenue Code. 7269

(d) For purposes of division (A)(11) of this section, 7270
"medical care" has the meaning given in section 213 of the 7271
Internal Revenue Code, subject to the special rules, limitations, 7272
and exclusions set forth therein, and "qualified long-term care" 7273
has the same meaning given in section 7702B(c) of the Internal 7274
Revenue Code. Solely for purposes of divisions (A)(11)(a) and (c) 7275
of this section, "dependent" includes a person who otherwise would 7276
be a "qualifying relative" and thus a "dependent" under section 7277
152 of the Internal Revenue Code but for the fact that the person 7278
fails to meet the income and support limitations under section 7279
152(d)(1)(B) and (C) of the Internal Revenue Code. 7280

(12)(a) Deduct any amount included in federal adjusted gross 7281
income solely because the amount represents a reimbursement or 7282
refund of expenses that in any year the taxpayer had deducted as 7283
an itemized deduction pursuant to section 63 of the Internal 7284
Revenue Code and applicable United States department of the 7285
treasury regulations. The deduction otherwise allowed under 7286
division (A)(12)(a) of this section shall be reduced to the extent 7287
the reimbursement is attributable to an amount the taxpayer 7288
deducted under this section in any taxable year. 7289

(b) Add any amount not otherwise included in Ohio adjusted 7290
gross income for any taxable year to the extent that the amount is 7291
attributable to the recovery during the taxable year of any amount 7292
deducted or excluded in computing federal or Ohio adjusted gross 7293
income in any taxable year. 7294

(13) Deduct any portion of the deduction described in section 7295
1341(a)(2) of the Internal Revenue Code, for repaying previously 7296
reported income received under a claim of right, that meets both 7297
of the following requirements: 7298

(a) It is allowable for repayment of an item that was 7299
included in the taxpayer's adjusted gross income for a prior 7300
taxable year and did not qualify for a credit under division (A) 7301
or (B) of section 5747.05 of the Revised Code for that year; 7302

(b) It does not otherwise reduce the taxpayer's adjusted 7303
gross income for the current or any other taxable year. 7304

(14) Deduct an amount equal to the deposits made to, and net 7305
investment earnings of, a medical savings account during the 7306
taxable year, in accordance with section 3924.66 of the Revised 7307
Code. The deduction allowed by division (A)(14) of this section 7308
does not apply to medical savings account deposits and earnings 7309
otherwise deducted or excluded for the current or any other 7310
taxable year from the taxpayer's federal adjusted gross income. 7311

(15)(a) Add an amount equal to the funds withdrawn from a 7312
medical savings account during the taxable year, and the net 7313
investment earnings on those funds, when the funds withdrawn were 7314
used for any purpose other than to reimburse an account holder 7315
for, or to pay, eligible medical expenses, in accordance with 7316
section 3924.66 of the Revised Code; 7317

(b) Add the amounts distributed from a medical savings 7318
account under division (A)(2) of section 3924.68 of the Revised 7319
Code during the taxable year. 7320

(16) Add any amount claimed as a credit under section 7321
5747.059 of the Revised Code to the extent that such amount 7322
satisfies either of the following: 7323

(a) The amount was deducted or excluded from the computation 7324
of the taxpayer's federal adjusted gross income as required to be 7325
reported for the taxpayer's taxable year under the Internal 7326
Revenue Code; 7327

(b) The amount resulted in a reduction of the taxpayer's 7328
federal adjusted gross income as required to be reported for any 7329

of the taxpayer's taxable years under the Internal Revenue Code. 7330

(17) Deduct the amount contributed by the taxpayer to an 7331
individual development account program established by a county 7332
department of job and family services pursuant to sections 329.11 7333
to 329.14 of the Revised Code for the purpose of matching funds 7334
deposited by program participants. On request of the tax 7335
commissioner, the taxpayer shall provide any information that, in 7336
the tax commissioner's opinion, is necessary to establish the 7337
amount deducted under division (A)(17) of this section. 7338

(18) Beginning in taxable year 2001 but not for any taxable 7339
year beginning after December 31, 2005, if the taxpayer is married 7340
and files a joint return and the combined federal adjusted gross 7341
income of the taxpayer and the taxpayer's spouse for the taxable 7342
year does not exceed one hundred thousand dollars, or if the 7343
taxpayer is single and has a federal adjusted gross income for the 7344
taxable year not exceeding fifty thousand dollars, deduct amounts 7345
paid during the taxable year for qualified tuition and fees paid 7346
to an eligible institution for the taxpayer, the taxpayer's 7347
spouse, or any dependent of the taxpayer, who is a resident of 7348
this state and is enrolled in or attending a program that 7349
culminates in a degree or diploma at an eligible institution. The 7350
deduction may be claimed only to the extent that qualified tuition 7351
and fees are not otherwise deducted or excluded for any taxable 7352
year from federal or Ohio adjusted gross income. The deduction may 7353
not be claimed for educational expenses for which the taxpayer 7354
claims a credit under section 5747.27 of the Revised Code. 7355

(19) Add any reimbursement received during the taxable year 7356
of any amount the taxpayer deducted under division (A)(18) of this 7357
section in any previous taxable year to the extent the amount is 7358
not otherwise included in Ohio adjusted gross income. 7359

(20)(a)(i) Add five-sixths of the amount of depreciation 7360
expense allowed by subsection (k) of section 168 of the Internal 7361

Revenue Code, including the taxpayer's proportionate or 7362
distributive share of the amount of depreciation expense allowed 7363
by that subsection to a pass-through entity in which the taxpayer 7364
has a direct or indirect ownership interest. 7365

(ii) Add five-sixths of the amount of qualifying section 179 7366
depreciation expense, including a person's proportionate or 7367
distributive share of the amount of qualifying section 179 7368
depreciation expense allowed to any pass-through entity in which 7369
the person has a direct or indirect ownership. For the purposes of 7370
this division, "qualifying section 179 depreciation expense" means 7371
the difference between (I) the amount of depreciation expense 7372
directly or indirectly allowed to the taxpayer under section 179 7373
of the Internal Revenue Code, and (II) the amount of depreciation 7374
expense directly or indirectly allowed to the taxpayer under 7375
section 179 of the Internal Revenue Code as that section existed 7376
on December 31, 2002. 7377

The tax commissioner, under procedures established by the 7378
commissioner, may waive the add-backs related to a pass-through 7379
entity if the taxpayer owns, directly or indirectly, less than 7380
five per cent of the pass-through entity. 7381

(b) Nothing in division (A)(20) of this section shall be 7382
construed to adjust or modify the adjusted basis of any asset. 7383

(c) To the extent the add-back required under division 7384
(A)(20)(a) of this section is attributable to property generating 7385
nonbusiness income or loss allocated under section 5747.20 of the 7386
Revised Code, the add-back shall be situated to the same location 7387
as the nonbusiness income or loss generated by the property for 7388
the purpose of determining the credit under division (A) of 7389
section 5747.05 of the Revised Code. Otherwise, the add-back shall 7390
be apportioned, subject to one or more of the four alternative 7391
methods of apportionment enumerated in section 5747.21 of the 7392
Revised Code. 7393

(d) For the purposes of division (A) of this section, net operating loss carryback and carryforward shall not include five-sixths of the allowance of any net operating loss deduction carryback or carryforward to the taxable year to the extent such loss resulted from depreciation allowed by section 168(k) of the Internal Revenue Code and by the qualifying section 179 depreciation expense amount.

(21)(a) If the taxpayer was required to add an amount under division (A)(20)(a) of this section for a taxable year, deduct one-fifth of the amount so added for each of the five succeeding taxable years.

(b) If the amount deducted under division (A)(21)(a) of this section is attributable to an add-back allocated under division (A)(20)(c) of this section, the amount deducted shall be situated to the same location. Otherwise, the add-back shall be apportioned using the apportionment factors for the taxable year in which the deduction is taken, subject to one or more of the four alternative methods of apportionment enumerated in section 5747.21 of the Revised Code.

(c) No deduction is available under division (A)(21)(a) of this section with regard to any depreciation allowed by section 168(k) of the Internal Revenue Code and by the qualifying section 179 depreciation expense amount to the extent that such depreciation resulted in or increased a federal net operating loss carryback or carryforward to a taxable year to which division (A)(20)(d) of this section does not apply.

(22) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, the amount the taxpayer received during the taxable year as reimbursement for life insurance premiums under section 5919.31 of the Revised Code.

(23) Deduct, to the extent not otherwise deducted or excluded 7425
in computing federal or Ohio adjusted gross income for the taxable 7426
year, the amount the taxpayer received during the taxable year as 7427
a death benefit paid by the adjutant general under section 5919.33 7428
of the Revised Code. 7429

(24) Deduct, to the extent included in federal adjusted gross 7430
income and not otherwise allowable as a deduction or exclusion in 7431
computing federal or Ohio adjusted gross income for the taxable 7432
year, military pay and allowances received by the taxpayer during 7433
the taxable year for active duty service in the United States 7434
army, air force, navy, marine corps, or coast guard or reserve 7435
components thereof or the national guard. The deduction may not be 7436
claimed for military pay and allowances received by the taxpayer 7437
while the taxpayer is stationed in this state. 7438

(25) Deduct, to the extent not otherwise allowable as a 7439
deduction or exclusion in computing federal or Ohio adjusted gross 7440
income for the taxable year and not otherwise compensated for by 7441
any other source, the amount of qualified organ donation expenses 7442
incurred by the taxpayer during the taxable year, not to exceed 7443
ten thousand dollars. A taxpayer may deduct qualified organ 7444
donation expenses only once for all taxable years beginning with 7445
taxable years beginning in 2007. 7446

For the purposes of division (A)(25) of this section: 7447

(a) "Human organ" means all or any portion of a human liver, 7448
pancreas, kidney, intestine, or lung, and any portion of human 7449
bone marrow. 7450

(b) "Qualified organ donation expenses" means travel 7451
expenses, lodging expenses, and wages and salary forgone by a 7452
taxpayer in connection with the taxpayer's donation, while living, 7453
of one or more of the taxpayer's human organs to another human 7454
being. 7455

(26) Deduct, to the extent not otherwise deducted or excluded 7456
in computing federal or Ohio adjusted gross income for the taxable 7457
year, amounts received by the taxpayer as retired military 7458
personnel pay for service in the United States army, navy, air 7459
force, coast guard, or marine corps or reserve components thereof, 7460
or the national guard, or received by the surviving spouse or 7461
former spouse of such a taxpayer under the survivor benefit plan 7462
on account of such a taxpayer's death. If the taxpayer receives 7463
income on account of retirement paid under the federal civil 7464
service retirement system or federal employees retirement system, 7465
or under any successor retirement program enacted by the congress 7466
of the United States that is established and maintained for 7467
retired employees of the United States government, and such 7468
retirement income is based, in whole or in part, on credit for the 7469
taxpayer's military service, the deduction allowed under this 7470
division shall include only that portion of such retirement income 7471
that is attributable to the taxpayer's military service, to the 7472
extent that portion of such retirement income is otherwise 7473
included in federal adjusted gross income and is not otherwise 7474
deducted under this section. Any amount deducted under division 7475
(A)(26) of this section is not included in a taxpayer's adjusted 7476
gross income for the purposes of section 5747.055 of the Revised 7477
Code. No amount may be deducted under division (A)(26) of this 7478
section on the basis of which a credit was claimed under section 7479
5747.055 of the Revised Code. 7480

(27) Deduct, to the extent not otherwise deducted or excluded 7481
in computing federal or Ohio adjusted gross income for the taxable 7482
year, the amount the taxpayer received during the taxable year 7483
from the military injury relief fund created in section 5101.98 of 7484
the Revised Code. 7485

(28) Deduct, to the extent not otherwise deducted or excluded 7486
in computing federal or Ohio adjusted gross income for the taxable 7487

year, the amount the taxpayer received as a veterans bonus during 7488
the taxable year from the Ohio department of veterans services as 7489
authorized by Section 2r of Article VIII, Ohio Constitution. 7490

(29) Deduct, to the extent not otherwise deducted or excluded 7491
in computing federal or Ohio adjusted gross income for the taxable 7492
year, any loss from wagering transactions that is allowed as an 7493
itemized deduction under section 165 of the Internal Revenue Code 7494
and that the taxpayer deducted in computing federal taxable 7495
income. 7496

(30) Deduct, to the extent not otherwise deducted or excluded 7497
in computing federal or Ohio adjusted gross income for the taxable 7498
year, any income derived from providing public services under a 7499
contract through a project owned by the state, as described in 7500
section 126.604 of the Revised Code or derived from a transfer 7501
agreement or from the enterprise transferred under that agreement 7502
under section 4313.02 of the Revised Code. 7503

(31) Deduct, to the extent not otherwise deducted or excluded 7504
in computing federal or Ohio adjusted gross income for the taxable 7505
year, income a qualifying landlord received from the lease or 7506
rental of qualifying residential rental property during the first 7507
taxable year in which the qualifying landlord received rental 7508
income from the property and during the four succeeding years. 7509

For purposes of division (A)(31) of this section: 7510

(a) "Distressed property" means real property that is vacant, 7511
abandoned, foreclosed-upon, or located in a blighted area and that 7512
is not currently in use as residential rental property. 7513

(b) "Blighted area" has the same meaning as in section 1.08 7514
of the Revised Code. 7515

(c) "Residential rental property" means real property on 7516
which is located one or more dwelling units leased or otherwise 7517
rented to tenants solely for residential use by those tenants. 7518

(d) "Qualifying residential rental property" means 7519
residential rental property that is leased or otherwise rented 7520
exclusively to individuals or families whose annual incomes do not 7521
exceed one hundred twenty per cent of the median income for the 7522
county in which they live, as determined by the department of 7523
development under section 174.04 of the Revised Code. 7524

(e) "Qualifying landlord" means a taxpayer that converts 7525
distressed property into qualifying residential rental property. 7526

(B) "Business income" means income, including gain or loss, 7527
arising from transactions, activities, and sources in the regular 7528
course of a trade or business and includes income, gain, or loss 7529
from real property, tangible property, and intangible property if 7530
the acquisition, rental, management, and disposition of the 7531
property constitute integral parts of the regular course of a 7532
trade or business operation. "Business income" includes income, 7533
including gain or loss, from a partial or complete liquidation of 7534
a business, including, but not limited to, gain or loss from the 7535
sale or other disposition of goodwill. 7536

(C) "Nonbusiness income" means all income other than business 7537
income and may include, but is not limited to, compensation, rents 7538
and royalties from real or tangible personal property, capital 7539
gains, interest, dividends and distributions, patent or copyright 7540
royalties, or lottery winnings, prizes, and awards. 7541

(D) "Compensation" means any form of remuneration paid to an 7542
employee for personal services. 7543

(E) "Fiduciary" means a guardian, trustee, executor, 7544
administrator, receiver, conservator, or any other person acting 7545
in any fiduciary capacity for any individual, trust, or estate. 7546

(F) "Fiscal year" means an accounting period of twelve months 7547
ending on the last day of any month other than December. 7548

(G) "Individual" means any natural person. 7549

(H) "Internal Revenue Code" means the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended.

(I) "Resident" means any of the following, provided that division (I)(3) of this section applies only to taxable years of a trust beginning in 2002 or thereafter:

(1) An individual who is domiciled in this state, subject to section 5747.24 of the Revised Code;

(2) The estate of a decedent who at the time of death was domiciled in this state. The domicile tests of section 5747.24 of the Revised Code are not controlling for purposes of division (I)(2) of this section.

(3) A trust that, in whole or part, resides in this state. If only part of a trust resides in this state, the trust is a resident only with respect to that part.

For the purposes of division (I)(3) of this section:

(a) A trust resides in this state for the trust's current taxable year to the extent, as described in division (I)(3)(d) of this section, that the trust consists directly or indirectly, in whole or in part, of assets, net of any related liabilities, that were transferred, or caused to be transferred, directly or indirectly, to the trust by any of the following:

(i) A person, a court, or a governmental entity or instrumentality on account of the death of a decedent, but only if the trust is described in division (I)(3)(e)(i) or (ii) of this section;

(ii) A person who was domiciled in this state for the purposes of this chapter when the person directly or indirectly transferred assets to an irrevocable trust, but only if at least one of the trust's qualifying beneficiaries is domiciled in this state for the purposes of this chapter during all or some portion

of the trust's current taxable year; 7580

(iii) A person who was domiciled in this state for the 7581
purposes of this chapter when the trust document or instrument or 7582
part of the trust document or instrument became irrevocable, but 7583
only if at least one of the trust's qualifying beneficiaries is a 7584
resident domiciled in this state for the purposes of this chapter 7585
during all or some portion of the trust's current taxable year. If 7586
a trust document or instrument became irrevocable upon the death 7587
of a person who at the time of death was domiciled in this state 7588
for purposes of this chapter, that person is a person described in 7589
division (I)(3)(a)(iii) of this section. 7590

(b) A trust is irrevocable to the extent that the transferor 7591
is not considered to be the owner of the net assets of the trust 7592
under sections 671 to 678 of the Internal Revenue Code. 7593

(c) With respect to a trust other than a charitable lead 7594
trust, "qualifying beneficiary" has the same meaning as "potential 7595
current beneficiary" as defined in section 1361(e)(2) of the 7596
Internal Revenue Code, and with respect to a charitable lead trust 7597
"qualifying beneficiary" is any current, future, or contingent 7598
beneficiary, but with respect to any trust "qualifying 7599
beneficiary" excludes a person or a governmental entity or 7600
instrumentality to any of which a contribution would qualify for 7601
the charitable deduction under section 170 of the Internal Revenue 7602
Code. 7603

(d) For the purposes of division (I)(3)(a) of this section, 7604
the extent to which a trust consists directly or indirectly, in 7605
whole or in part, of assets, net of any related liabilities, that 7606
were transferred directly or indirectly, in whole or part, to the 7607
trust by any of the sources enumerated in that division shall be 7608
ascertained by multiplying the fair market value of the trust's 7609
assets, net of related liabilities, by the qualifying ratio, which 7610
shall be computed as follows: 7611

(i) The first time the trust receives assets, the numerator 7612
of the qualifying ratio is the fair market value of those assets 7613
at that time, net of any related liabilities, from sources 7614
enumerated in division (I)(3)(a) of this section. The denominator 7615
of the qualifying ratio is the fair market value of all the 7616
trust's assets at that time, net of any related liabilities. 7617

(ii) Each subsequent time the trust receives assets, a 7618
revised qualifying ratio shall be computed. The numerator of the 7619
revised qualifying ratio is the sum of (1) the fair market value 7620
of the trust's assets immediately prior to the subsequent 7621
transfer, net of any related liabilities, multiplied by the 7622
qualifying ratio last computed without regard to the subsequent 7623
transfer, and (2) the fair market value of the subsequently 7624
transferred assets at the time transferred, net of any related 7625
liabilities, from sources enumerated in division (I)(3)(a) of this 7626
section. The denominator of the revised qualifying ratio is the 7627
fair market value of all the trust's assets immediately after the 7628
subsequent transfer, net of any related liabilities. 7629

(iii) Whether a transfer to the trust is by or from any of 7630
the sources enumerated in division (I)(3)(a) of this section shall 7631
be ascertained without regard to the domicile of the trust's 7632
beneficiaries. 7633

(e) For the purposes of division (I)(3)(a)(i) of this 7634
section: 7635

(i) A trust is described in division (I)(3)(e)(i) of this 7636
section if the trust is a testamentary trust and the testator of 7637
that testamentary trust was domiciled in this state at the time of 7638
the testator's death for purposes of the taxes levied under 7639
Chapter 5731. of the Revised Code. 7640

(ii) A trust is described in division (I)(3)(e)(ii) of this 7641
section if the transfer is a qualifying transfer described in any 7642

of divisions (I)(3)(f)(i) to (vi) of this section, the trust is an 7643
irrevocable inter vivos trust, and at least one of the trust's 7644
qualifying beneficiaries is domiciled in this state for purposes 7645
of this chapter during all or some portion of the trust's current 7646
taxable year. 7647

(f) For the purposes of division (I)(3)(e)(ii) of this 7648
section, a "qualifying transfer" is a transfer of assets, net of 7649
any related liabilities, directly or indirectly to a trust, if the 7650
transfer is described in any of the following: 7651

(i) The transfer is made to a trust, created by the decedent 7652
before the decedent's death and while the decedent was domiciled 7653
in this state for the purposes of this chapter, and, prior to the 7654
death of the decedent, the trust became irrevocable while the 7655
decedent was domiciled in this state for the purposes of this 7656
chapter. 7657

(ii) The transfer is made to a trust to which the decedent, 7658
prior to the decedent's death, had directly or indirectly 7659
transferred assets, net of any related liabilities, while the 7660
decedent was domiciled in this state for the purposes of this 7661
chapter, and prior to the death of the decedent the trust became 7662
irrevocable while the decedent was domiciled in this state for the 7663
purposes of this chapter. 7664

(iii) The transfer is made on account of a contractual 7665
relationship existing directly or indirectly between the 7666
transferor and either the decedent or the estate of the decedent 7667
at any time prior to the date of the decedent's death, and the 7668
decedent was domiciled in this state at the time of death for 7669
purposes of the taxes levied under Chapter 5731. of the Revised 7670
Code. 7671

(iv) The transfer is made to a trust on account of a 7672
contractual relationship existing directly or indirectly between 7673

the transferor and another person who at the time of the 7674
decedent's death was domiciled in this state for purposes of this 7675
chapter. 7676

(v) The transfer is made to a trust on account of the will of 7677
a testator who was domiciled in this state at the time of the 7678
testator's death for purposes of the taxes levied under Chapter 7679
5731. of the Revised Code. 7680

(vi) The transfer is made to a trust created by or caused to 7681
be created by a court, and the trust was directly or indirectly 7682
created in connection with or as a result of the death of an 7683
individual who, for purposes of the taxes levied under Chapter 7684
5731. of the Revised Code, was domiciled in this state at the time 7685
of the individual's death. 7686

(g) The tax commissioner may adopt rules to ascertain the 7687
part of a trust residing in this state. 7688

(J) "Nonresident" means an individual or estate that is not a 7689
resident. An individual who is a resident for only part of a 7690
taxable year is a nonresident for the remainder of that taxable 7691
year. 7692

(K) "Pass-through entity" has the same meaning as in section 7693
5733.04 of the Revised Code. 7694

(L) "Return" means the notifications and reports required to 7695
be filed pursuant to this chapter for the purpose of reporting the 7696
tax due and includes declarations of estimated tax when so 7697
required. 7698

(M) "Taxable year" means the calendar year or the taxpayer's 7699
fiscal year ending during the calendar year, or fractional part 7700
thereof, upon which the adjusted gross income is calculated 7701
pursuant to this chapter. 7702

(N) "Taxpayer" means any person subject to the tax imposed by 7703

section 5747.02 of the Revised Code or any pass-through entity 7704
that makes the election under division (D) of section 5747.08 of 7705
the Revised Code. 7706

(O) "Dependents" means dependents as defined in the Internal 7707
Revenue Code and as claimed in the taxpayer's federal income tax 7708
return for the taxable year or which the taxpayer would have been 7709
permitted to claim had the taxpayer filed a federal income tax 7710
return. 7711

(P) "Principal county of employment" means, in the case of a 7712
nonresident, the county within the state in which a taxpayer 7713
performs services for an employer or, if those services are 7714
performed in more than one county, the county in which the major 7715
portion of the services are performed. 7716

(Q) As used in sections 5747.50 to 5747.55 of the Revised 7717
Code: 7718

(1) "Subdivision" means any county, municipal corporation, 7719
park district, or township. 7720

(2) "Essential local government purposes" includes all 7721
functions that any subdivision is required by general law to 7722
exercise, including like functions that are exercised under a 7723
charter adopted pursuant to the Ohio Constitution. 7724

(R) "Overpayment" means any amount already paid that exceeds 7725
the figure determined to be the correct amount of the tax. 7726

(S) "Taxable income" or "Ohio taxable income" applies only to 7727
estates and trusts, and means federal taxable income, as defined 7728
and used in the Internal Revenue Code, adjusted as follows: 7729

(1) Add interest or dividends, net of ordinary, necessary, 7730
and reasonable expenses not deducted in computing federal taxable 7731
income, on obligations or securities of any state or of any 7732
political subdivision or authority of any state, other than this 7733

state and its subdivisions and authorities, but only to the extent 7734
that such net amount is not otherwise includible in Ohio taxable 7735
income and is described in either division (S)(1)(a) or (b) of 7736
this section: 7737

(a) The net amount is not attributable to the S portion of an 7738
electing small business trust and has not been distributed to 7739
beneficiaries for the taxable year; 7740

(b) The net amount is attributable to the S portion of an 7741
electing small business trust for the taxable year. 7742

(2) Add interest or dividends, net of ordinary, necessary, 7743
and reasonable expenses not deducted in computing federal taxable 7744
income, on obligations of any authority, commission, 7745
instrumentality, territory, or possession of the United States to 7746
the extent that the interest or dividends are exempt from federal 7747
income taxes but not from state income taxes, but only to the 7748
extent that such net amount is not otherwise includible in Ohio 7749
taxable income and is described in either division (S)(1)(a) or 7750
(b) of this section; 7751

(3) Add the amount of personal exemption allowed to the 7752
estate pursuant to section 642(b) of the Internal Revenue Code; 7753

(4) Deduct interest or dividends, net of related expenses 7754
deducted in computing federal taxable income, on obligations of 7755
the United States and its territories and possessions or of any 7756
authority, commission, or instrumentality of the United States to 7757
the extent that the interest or dividends are exempt from state 7758
taxes under the laws of the United States, but only to the extent 7759
that such amount is included in federal taxable income and is 7760
described in either division (S)(1)(a) or (b) of this section; 7761

(5) Deduct the amount of wages and salaries, if any, not 7762
otherwise allowable as a deduction but that would have been 7763
allowable as a deduction in computing federal taxable income for 7764

the taxable year, had the targeted jobs credit allowed under 7765
sections 38, 51, and 52 of the Internal Revenue Code not been in 7766
effect, but only to the extent such amount relates either to 7767
income included in federal taxable income for the taxable year or 7768
to income of the S portion of an electing small business trust for 7769
the taxable year; 7770

(6) Deduct any interest or interest equivalent, net of 7771
related expenses deducted in computing federal taxable income, on 7772
public obligations and purchase obligations, but only to the 7773
extent that such net amount relates either to income included in 7774
federal taxable income for the taxable year or to income of the S 7775
portion of an electing small business trust for the taxable year; 7776

(7) Add any loss or deduct any gain resulting from sale, 7777
exchange, or other disposition of public obligations to the extent 7778
that such loss has been deducted or such gain has been included in 7779
computing either federal taxable income or income of the S portion 7780
of an electing small business trust for the taxable year; 7781

(8) Except in the case of the final return of an estate, add 7782
any amount deducted by the taxpayer on both its Ohio estate tax 7783
return pursuant to section 5731.14 of the Revised Code, and on its 7784
federal income tax return in determining federal taxable income; 7785

(9)(a) Deduct any amount included in federal taxable income 7786
solely because the amount represents a reimbursement or refund of 7787
expenses that in a previous year the decedent had deducted as an 7788
itemized deduction pursuant to section 63 of the Internal Revenue 7789
Code and applicable treasury regulations. The deduction otherwise 7790
allowed under division (S)(9)(a) of this section shall be reduced 7791
to the extent the reimbursement is attributable to an amount the 7792
taxpayer or decedent deducted under this section in any taxable 7793
year. 7794

(b) Add any amount not otherwise included in Ohio taxable 7795

income for any taxable year to the extent that the amount is 7796
attributable to the recovery during the taxable year of any amount 7797
deducted or excluded in computing federal or Ohio taxable income 7798
in any taxable year, but only to the extent such amount has not 7799
been distributed to beneficiaries for the taxable year. 7800

(10) Deduct any portion of the deduction described in section 7801
1341(a)(2) of the Internal Revenue Code, for repaying previously 7802
reported income received under a claim of right, that meets both 7803
of the following requirements: 7804

(a) It is allowable for repayment of an item that was 7805
included in the taxpayer's taxable income or the decedent's 7806
adjusted gross income for a prior taxable year and did not qualify 7807
for a credit under division (A) or (B) of section 5747.05 of the 7808
Revised Code for that year. 7809

(b) It does not otherwise reduce the taxpayer's taxable 7810
income or the decedent's adjusted gross income for the current or 7811
any other taxable year. 7812

(11) Add any amount claimed as a credit under section 7813
5747.059 of the Revised Code to the extent that the amount 7814
satisfies either of the following: 7815

(a) The amount was deducted or excluded from the computation 7816
of the taxpayer's federal taxable income as required to be 7817
reported for the taxpayer's taxable year under the Internal 7818
Revenue Code; 7819

(b) The amount resulted in a reduction in the taxpayer's 7820
federal taxable income as required to be reported for any of the 7821
taxpayer's taxable years under the Internal Revenue Code. 7822

(12) Deduct any amount, net of related expenses deducted in 7823
computing federal taxable income, that a trust is required to 7824
report as farm income on its federal income tax return, but only 7825
if the assets of the trust include at least ten acres of land 7826

satisfying the definition of "land devoted exclusively to
agricultural use" under section 5713.30 of the Revised Code,
regardless of whether the land is valued for tax purposes as such
land under sections 5713.30 to 5713.38 of the Revised Code. If the
trust is a pass-through entity investor, section 5747.231 of the
Revised Code applies in ascertaining if the trust is eligible to
claim the deduction provided by division (S)(12) of this section
in connection with the pass-through entity's farm income.

Except for farm income attributable to the S portion of an
electing small business trust, the deduction provided by division
(S)(12) of this section is allowed only to the extent that the
trust has not distributed such farm income. Division (S)(12) of
this section applies only to taxable years of a trust beginning in
2002 or thereafter.

(13) Add the net amount of income described in section 641(c)
of the Internal Revenue Code to the extent that amount is not
included in federal taxable income.

(14) Add or deduct the amount the taxpayer would be required
to add or deduct under division (A)(20) or (21) of this section if
the taxpayer's Ohio taxable income were computed in the same
manner as an individual's Ohio adjusted gross income is computed
under this section. In the case of a trust, division (S)(14) of
this section applies only to any of the trust's taxable years
beginning in 2002 or thereafter.

(15) Deduct, to the extent not otherwise deducted or excluded
in computing federal or Ohio taxable income for the taxable year,
income a qualifying landlord received from the lease or rental of
qualifying residential rental property during the first taxable
year in which the qualifying landlord received rental income from
the property and during the four succeeding years. As used in this
division, "qualifying landlord" and "qualifying residential rental
property" have the same meanings as in division (A)(31) of this

section. 7859

(16) For a taxpayer that provides broadband service, deduct 7860
the taxpayer's net profits from providing broadband service in 7861
this state multiplied by a fraction, the numerator of which is the 7862
original cost of tangible personal property necessary for the 7863
provision of broadband service in rural areas of this state 7864
installed on or after the effective date of this amendment, and 7865
the denominator of which is the original cost of tangible personal 7866
property necessary for the provision of broadband service in this 7867
state and installed on or after that date. A taxpayer that is an 7868
equity owner of a pass-through entity that provides broadband 7869
service may deduct the taxpayer's distributive or proportionate 7870
share of the entity's net profits from providing such service 7871
multiplied by that fraction. A deduction is not allowed under this 7872
division if the taxpayer claims the exclusion under division 7873
(F)(2)(11) of section 5751.01 of the Revised Code for any tax 7874
period that is included partly or wholly in the taxable year. For 7875
the purposes of this division, "broadband service" and "rural 7876
area" have the same meanings as in 7 U.S.C. 950bb. 7877

(T) "School district income" and "school district income tax" 7878
have the same meanings as in section 5748.01 of the Revised Code. 7879

(U) As used in divisions (A)(8), (A)(9), (S)(6), and (S)(7) 7880
of this section, "public obligations," "purchase obligations," and 7881
"interest or interest equivalent" have the same meanings as in 7882
section 5709.76 of the Revised Code. 7883

(V) "Limited liability company" means any limited liability 7884
company formed under Chapter 1705. of the Revised Code or under 7885
the laws of any other state. 7886

(W) "Pass-through entity investor" means any person who, 7887
during any portion of a taxable year of a pass-through entity, is 7888
a partner, member, shareholder, or equity investor in that 7889

pass-through entity. 7890

(X) "Banking day" has the same meaning as in section 1304.01 7891
of the Revised Code. 7892

(Y) "Month" means a calendar month. 7893

(Z) "Quarter" means the first three months, the second three 7894
months, the third three months, or the last three months of the 7895
taxpayer's taxable year. 7896

(AA)(1) "Eligible institution" means a state university or 7897
state institution of higher education as defined in section 7898
3345.011 of the Revised Code, or a private, nonprofit college, 7899
university, or other post-secondary institution located in this 7900
state that possesses a certificate of authorization issued by the 7901
Ohio board of regents pursuant to Chapter 1713. of the Revised 7902
Code or a certificate of registration issued by the state board of 7903
career colleges and schools under Chapter 3332. of the Revised 7904
Code. 7905

(2) "Qualified tuition and fees" means tuition and fees 7906
imposed by an eligible institution as a condition of enrollment or 7907
attendance, not exceeding two thousand five hundred dollars in 7908
each of the individual's first two years of post-secondary 7909
education. If the individual is a part-time student, "qualified 7910
tuition and fees" includes tuition and fees paid for the academic 7911
equivalent of the first two years of post-secondary education 7912
during a maximum of five taxable years, not exceeding a total of 7913
five thousand dollars. "Qualified tuition and fees" does not 7914
include: 7915

(a) Expenses for any course or activity involving sports, 7916
games, or hobbies unless the course or activity is part of the 7917
individual's degree or diploma program; 7918

(b) The cost of books, room and board, student activity fees, 7919
athletic fees, insurance expenses, or other expenses unrelated to 7920

the individual's academic course of instruction; 7921

(c) Tuition, fees, or other expenses paid or reimbursed 7922
through an employer, scholarship, grant in aid, or other 7923
educational benefit program. 7924

(BB)(1) "Modified business income" means the business income 7925
included in a trust's Ohio taxable income after such taxable 7926
income is first reduced by the qualifying trust amount, if any. 7927

(2) "Qualifying trust amount" of a trust means capital gains 7928
and losses from the sale, exchange, or other disposition of equity 7929
or ownership interests in, or debt obligations of, a qualifying 7930
investee to the extent included in the trust's Ohio taxable 7931
income, but only if the following requirements are satisfied: 7932

(a) The book value of the qualifying investee's physical 7933
assets in this state and everywhere, as of the last day of the 7934
qualifying investee's fiscal or calendar year ending immediately 7935
prior to the date on which the trust recognizes the gain or loss, 7936
is available to the trust. 7937

(b) The requirements of section 5747.011 of the Revised Code 7938
are satisfied for the trust's taxable year in which the trust 7939
recognizes the gain or loss. 7940

Any gain or loss that is not a qualifying trust amount is 7941
modified business income, qualifying investment income, or 7942
modified nonbusiness income, as the case may be. 7943

(3) "Modified nonbusiness income" means a trust's Ohio 7944
taxable income other than modified business income, other than the 7945
qualifying trust amount, and other than qualifying investment 7946
income, as defined in section 5747.012 of the Revised Code, to the 7947
extent such qualifying investment income is not otherwise part of 7948
modified business income. 7949

(4) "Modified Ohio taxable income" applies only to trusts, 7950

and means the sum of the amounts described in divisions (BB)(4)(a) 7951
to (c) of this section: 7952

(a) The fraction, calculated under section 5747.013, and 7953
applying section 5747.231 of the Revised Code, multiplied by the 7954
sum of the following amounts: 7955

(i) The trust's modified business income; 7956

(ii) The trust's qualifying investment income, as defined in 7957
section 5747.012 of the Revised Code, but only to the extent the 7958
qualifying investment income does not otherwise constitute 7959
modified business income and does not otherwise constitute a 7960
qualifying trust amount. 7961

(b) The qualifying trust amount multiplied by a fraction, the 7962
numerator of which is the sum of the book value of the qualifying 7963
investee's physical assets in this state on the last day of the 7964
qualifying investee's fiscal or calendar year ending immediately 7965
prior to the day on which the trust recognizes the qualifying 7966
trust amount, and the denominator of which is the sum of the book 7967
value of the qualifying investee's total physical assets 7968
everywhere on the last day of the qualifying investee's fiscal or 7969
calendar year ending immediately prior to the day on which the 7970
trust recognizes the qualifying trust amount. If, for a taxable 7971
year, the trust recognizes a qualifying trust amount with respect 7972
to more than one qualifying investee, the amount described in 7973
division (BB)(4)(b) of this section shall equal the sum of the 7974
products so computed for each such qualifying investee. 7975

(c)(i) With respect to a trust or portion of a trust that is 7976
a resident as ascertained in accordance with division (I)(3)(d) of 7977
this section, its modified nonbusiness income. 7978

(ii) With respect to a trust or portion of a trust that is 7979
not a resident as ascertained in accordance with division 7980
(I)(3)(d) of this section, the amount of its modified nonbusiness 7981

income satisfying the descriptions in divisions (B)(2) to (5) of 7982
section 5747.20 of the Revised Code, except as otherwise provided 7983
in division (BB)(4)(c)(ii) of this section. With respect to a 7984
trust or portion of a trust that is not a resident as ascertained 7985
in accordance with division (I)(3)(d) of this section, the trust's 7986
portion of modified nonbusiness income recognized from the sale, 7987
exchange, or other disposition of a debt interest in or equity 7988
interest in a section 5747.212 entity, as defined in section 7989
5747.212 of the Revised Code, without regard to division (A) of 7990
that section, shall not be allocated to this state in accordance 7991
with section 5747.20 of the Revised Code but shall be apportioned 7992
to this state in accordance with division (B) of section 5747.212 7993
of the Revised Code without regard to division (A) of that 7994
section. 7995

If the allocation and apportionment of a trust's income under 7996
divisions (BB)(4)(a) and (c) of this section do not fairly 7997
represent the modified Ohio taxable income of the trust in this 7998
state, the alternative methods described in division (C) of 7999
section 5747.21 of the Revised Code may be applied in the manner 8000
and to the same extent provided in that section. 8001

(5)(a) Except as set forth in division (BB)(5)(b) of this 8002
section, "qualifying investee" means a person in which a trust has 8003
an equity or ownership interest, or a person or unit of government 8004
the debt obligations of either of which are owned by a trust. For 8005
the purposes of division (BB)(2)(a) of this section and for the 8006
purpose of computing the fraction described in division (BB)(4)(b) 8007
of this section, all of the following apply: 8008

(i) If the qualifying investee is a member of a qualifying 8009
controlled group on the last day of the qualifying investee's 8010
fiscal or calendar year ending immediately prior to the date on 8011
which the trust recognizes the gain or loss, then "qualifying 8012
investee" includes all persons in the qualifying controlled group 8013

on such last day. 8014

(ii) If the qualifying investee, or if the qualifying 8015
investee and any members of the qualifying controlled group of 8016
which the qualifying investee is a member on the last day of the 8017
qualifying investee's fiscal or calendar year ending immediately 8018
prior to the date on which the trust recognizes the gain or loss, 8019
separately or cumulatively own, directly or indirectly, on the 8020
last day of the qualifying investee's fiscal or calendar year 8021
ending immediately prior to the date on which the trust recognizes 8022
the qualifying trust amount, more than fifty per cent of the 8023
equity of a pass-through entity, then the qualifying investee and 8024
the other members are deemed to own the proportionate share of the 8025
pass-through entity's physical assets which the pass-through 8026
entity directly or indirectly owns on the last day of the 8027
pass-through entity's calendar or fiscal year ending within or 8028
with the last day of the qualifying investee's fiscal or calendar 8029
year ending immediately prior to the date on which the trust 8030
recognizes the qualifying trust amount. 8031

(iii) For the purposes of division (BB)(5)(a)(iii) of this 8032
section, "upper level pass-through entity" means a pass-through 8033
entity directly or indirectly owning any equity of another 8034
pass-through entity, and "lower level pass-through entity" means 8035
that other pass-through entity. 8036

An upper level pass-through entity, whether or not it is also 8037
a qualifying investee, is deemed to own, on the last day of the 8038
upper level pass-through entity's calendar or fiscal year, the 8039
proportionate share of the lower level pass-through entity's 8040
physical assets that the lower level pass-through entity directly 8041
or indirectly owns on the last day of the lower level pass-through 8042
entity's calendar or fiscal year ending within or with the last 8043
day of the upper level pass-through entity's fiscal or calendar 8044
year. If the upper level pass-through entity directly and 8045

indirectly owns less than fifty per cent of the equity of the 8046
lower level pass-through entity on each day of the upper level 8047
pass-through entity's calendar or fiscal year in which or with 8048
which ends the calendar or fiscal year of the lower level 8049
pass-through entity and if, based upon clear and convincing 8050
evidence, complete information about the location and cost of the 8051
physical assets of the lower pass-through entity is not available 8052
to the upper level pass-through entity, then solely for purposes 8053
of ascertaining if a gain or loss constitutes a qualifying trust 8054
amount, the upper level pass-through entity shall be deemed as 8055
owning no equity of the lower level pass-through entity for each 8056
day during the upper level pass-through entity's calendar or 8057
fiscal year in which or with which ends the lower level 8058
pass-through entity's calendar or fiscal year. Nothing in division 8059
(BB)(5)(a)(iii) of this section shall be construed to provide for 8060
any deduction or exclusion in computing any trust's Ohio taxable 8061
income. 8062

(b) With respect to a trust that is not a resident for the 8063
taxable year and with respect to a part of a trust that is not a 8064
resident for the taxable year, "qualifying investee" for that 8065
taxable year does not include a C corporation if both of the 8066
following apply: 8067

(i) During the taxable year the trust or part of the trust 8068
recognizes a gain or loss from the sale, exchange, or other 8069
disposition of equity or ownership interests in, or debt 8070
obligations of, the C corporation. 8071

(ii) Such gain or loss constitutes nonbusiness income. 8072

(6) "Available" means information is such that a person is 8073
able to learn of the information by the due date plus extensions, 8074
if any, for filing the return for the taxable year in which the 8075
trust recognizes the gain or loss. 8076

(CC) "Qualifying controlled group" has the same meaning as in section 5733.04 of the Revised Code. 8077
8078

(DD) "Related member" has the same meaning as in section 5733.042 of the Revised Code. 8079
8080

(EE)(1) For the purposes of division (EE) of this section: 8081

(a) "Qualifying person" means any person other than a qualifying corporation. 8082
8083

(b) "Qualifying corporation" means any person classified for federal income tax purposes as an association taxable as a corporation, except either of the following: 8084
8085
8086

(i) A corporation that has made an election under subchapter S, chapter one, subtitle A, of the Internal Revenue Code for its taxable year ending within, or on the last day of, the investor's taxable year; 8087
8088
8089
8090

(ii) A subsidiary that is wholly owned by any corporation that has made an election under subchapter S, chapter one, subtitle A of the Internal Revenue Code for its taxable year ending within, or on the last day of, the investor's taxable year. 8091
8092
8093
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(2) For the purposes of this chapter, unless expressly stated otherwise, no qualifying person indirectly owns any asset directly or indirectly owned by any qualifying corporation. 8095
8096
8097

(FF) For purposes of this chapter and Chapter 5751. of the Revised Code: 8098
8099

(1) "Trust" does not include a qualified pre-income tax trust. 8100
8101

(2) A "qualified pre-income tax trust" is any pre-income tax trust that makes a qualifying pre-income tax trust election as described in division (FF)(3) of this section. 8102
8103
8104

(3) A "qualifying pre-income tax trust election" is an election by a pre-income tax trust to subject to the tax imposed 8105
8106

by section 5751.02 of the Revised Code the pre-income tax trust 8107
and all pass-through entities of which the trust owns or controls, 8108
directly, indirectly, or constructively through related interests, 8109
five per cent or more of the ownership or equity interests. The 8110
trustee shall notify the tax commissioner in writing of the 8111
election on or before April 15, 2006. The election, if timely 8112
made, shall be effective on and after January 1, 2006, and shall 8113
apply for all tax periods and tax years until revoked by the 8114
trustee of the trust. 8115

(4) A "pre-income tax trust" is a trust that satisfies all of 8116
the following requirements: 8117

(a) The document or instrument creating the trust was 8118
executed by the grantor before January 1, 1972; 8119

(b) The trust became irrevocable upon the creation of the 8120
trust; and 8121

(c) The grantor was domiciled in this state at the time the 8122
trust was created. 8123

Sec. 5747.61. (A) As used in this section: 8124

(1) "Qualified unemployed individual" means an individual who 8125
was not a student for at least six months during the one-year 8126
period preceding the date the employer hired the individual and 8127
who was unemployed for at least six months during that one-year 8128
period. 8129

(2) "Qualified unemployed veteran" means a veteran who was 8130
unemployed for at least six months during the one-year period 8131
ending on the date the employer hired the veteran. 8132

(3) "Qualified unemployed disabled veteran" means a disabled 8133
veteran who was unemployed for at least six months during the 8134
one-year period ending on the date the employer hired the disabled 8135
veteran. 8136

(4) "Student" means an individual enrolled at least half-time 8137
in a program that leads to a degree, certificate, or other 8138
recognized educational credential. 8139

(5) "Veteran" means an individual who was not serving 8140
extended active duty in the armed forces of the United States at 8141
any time during the sixty-day period ending on the day the 8142
individual was hired and who either (a) served on active military 8143
duty in the armed forces for more than one hundred eighty days and 8144
has not received a discharge or separation under dishonorable 8145
conditions, or (b) is a former member of the armed forces who has 8146
been discharged or released from active duty in the armed forces 8147
for a service-connected disability. 8148

(6) "Disabled veteran" means a veteran who is entitled to 8149
compensation for a service-connected disability. 8150

(7) "Extended active duty" has the same meaning as in section 8151
51 of the Internal Revenue Code. 8152

(8) "Compensation" means a monthly payment made by the United 8153
States secretary of veterans affairs to a veteran. 8154

(9) "Service-connected disability" means a disability that 8155
was incurred or aggravated in line of duty in the active service 8156
to the armed forces of the United States. 8157

(B) There is hereby allowed a nonrefundable credit against 8158
the tax imposed by section 5747.02 of the Revised Code for a 8159
taxpayer who is an employer required to deduct and withhold income 8160
tax from an employee's compensation and remit such amounts under 8161
sections 5747.06 and 5747.07 of the Revised Code and who hires a 8162
qualified unemployed individual, a qualified unemployed veteran, 8163
or a qualified unemployed disabled veteran. The amount of the 8164
credit shall be as follows: 8165

(1) For the hiring of a qualified unemployed individual, four 8166
thousand dollars. 8167

(2) For the hiring of a qualified unemployed veteran, five 8168
thousand six hundred dollars. 8169

(3) For the hiring of a qualified unemployed disabled 8170
veteran, nine thousand six hundred dollars. 8171

The credit shall be claimed for the taxable year in which the 8172
qualified unemployed individual, qualified unemployed veteran, or 8173
qualified unemployed disabled veteran is hired. The credit shall 8174
be claimed in the order required under section 5747.98 of the 8175
Revised Code. The amount of credit claimed may not exceed the tax 8176
otherwise due after allowing for all preceding credits in that 8177
order. 8178

A credit may be claimed under this section only once for any 8179
individual employee. A person that claims the credit under section 8180
5751.55 of the Revised Code may not claim the credit under this 8181
section for the same qualified unemployed individual, qualified 8182
unemployed veteran, or qualified unemployed disabled veteran. 8183

Nothing in this section limits or disallows pass-through 8184
treatment of the credit. 8185

Sec. 5747.98. (A) To provide a uniform procedure for 8186
calculating the amount of tax due under section 5747.02 of the 8187
Revised Code, a taxpayer shall claim any credits to which the 8188
taxpayer is entitled in the following order: 8189

(1) The retirement income credit under division (B) of 8190
section 5747.055 of the Revised Code; 8191

(2) The senior citizen credit under division (C) of section 8192
5747.05 of the Revised Code; 8193

(3) The lump sum distribution credit under division (D) of 8194
section 5747.05 of the Revised Code; 8195

(4) The dependent care credit under section 5747.054 of the 8196
Revised Code; 8197

(5) The lump sum retirement income credit under division (C) of section 5747.055 of the Revised Code;	8198 8199
(6) The lump sum retirement income credit under division (D) of section 5747.055 of the Revised Code;	8200 8201
(7) The lump sum retirement income credit under division (E) of section 5747.055 of the Revised Code;	8202 8203
(8) The low-income credit under section 5747.056 of the Revised Code;	8204 8205
(9) The credit for displaced workers who pay for job training under section 5747.27 of the Revised Code;	8206 8207
(10) The campaign contribution credit under section 5747.29 of the Revised Code;	8208 8209
(11) The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;	8210 8211
(12) <u>(11)</u> The joint filing credit under division (G) of section 5747.05 of the Revised Code;	8212 8213
(13) <u>(12)</u> The nonresident credit under division (A) of section 5747.05 of the Revised Code;	8214 8215
(14) <u>(13)</u> The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	8216 8217
(15) <u>(14)</u> The credit for employers that enter into agreements with child day-care centers under section 5747.34 of the Revised Code;	8218 8219 8220
(16) <u>(15)</u> The credit for employers that reimburse employee child care expenses under section 5747.36 of the Revised Code;	8221 8222
(17) <u>(16)</u> The credit for adoption of a minor child under section 5747.37 of the Revised Code;	8223 8224
(18) <u>(17)</u> The credit for purchases of lights and reflectors under section 5747.38 of the Revised Code;	8225 8226

(19) <u>(18)</u> The nonrefundable job retention credit under	8227
division (B) of section 5747.058 of the Revised Code;	8228
(20) The credit for selling alternative fuel under section	8229
5747.77 of the Revised Code;	8230
(21) <u>(19)</u> The nonrefundable credit for hiring a qualified	8231
<u>unemployed individual, qualified unemployed veteran, or qualified</u>	8232
<u>unemployed disabled veteran under section 5747.61 of the Revised</u>	8233
<u>Code;</u>	8234
<u>(20)</u> The second credit for purchases of new manufacturing	8235
machinery and equipment and the credit for using Ohio coal under	8236
section 5747.31 of the Revised Code;	8237
(22) <u>(21)</u> The job training credit under section 5747.39 of the	8238
Revised Code;	8239
(23) <u>(22)</u> The enterprise zone credit under section 5709.66 of	8240
the Revised Code;	8241
(24) <u>(23)</u> The credit for the eligible costs associated with a	8242
voluntary action under section 5747.32 of the Revised Code;	8243
(25) <u>(24)</u> The credit for employers that establish on-site	8244
child day-care centers under section 5747.35 of the Revised Code;	8245
(26) The ethanol plant investment credit under section	8246
5747.75 of the Revised Code;	8247
(27) The credit for purchases of qualifying grape production	8248
property under section 5747.28 of the Revised Code;	8249
(28) <u>(25)</u> The small business investment credit under section	8250
5747.81 of the Revised Code;	8251
(29) <u>(26)</u> The credit for research and development and	8252
technology transfer investors under section 5747.33 of the Revised	8253
Code;	8254
(30) <u>(27)</u> The enterprise zone credits under section 5709.65 of	8255

the Revised Code;	8256
(31) <u>(28)</u> The research and development credit under section 5747.331 of the Revised Code;	8257 8258
(32) <u>(29)</u> The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	8259 8260
(33) <u>(30)</u> The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	8261 8262
(34) <u>(31)</u> The refundable jobs creation credit or job retention credit under division (A) of section 5747.058 of the Revised Code;	8263 8264
(35) <u>(32)</u> The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	8265 8266
(36) <u>(33)</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;	8267 8268 8269
(37) <u>(34)</u> The refundable credit for tax withheld under division (B)(1) of section 5747.062 of the Revised Code;	8270 8271
(38) <u>(35)</u> The refundable credit for tax withheld under section 5747.063 of the Revised Code;	8272 8273
(39) <u>(36)</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;	8274 8275 8276
(40) <u>(37)</u> The refundable motion picture production credit under section 5747.66 of the Revised Code.	8277 8278
(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.	8279 8280 8281 8282 8283 8284 8285

Nothing in this chapter shall be construed to allow a taxpayer to 8286
claim, directly or indirectly, a credit more than once for a 8287
taxable year. 8288

Sec. 5751.01. As used in this chapter: 8289

(A) "Person" means, but is not limited to, individuals, 8290
combinations of individuals of any form, receivers, assignees, 8291
trustees in bankruptcy, firms, companies, joint-stock companies, 8292
business trusts, estates, partnerships, limited liability 8293
partnerships, limited liability companies, associations, joint 8294
ventures, clubs, societies, for-profit corporations, S 8295
corporations, qualified subchapter S subsidiaries, qualified 8296
subchapter S trusts, trusts, entities that are disregarded for 8297
federal income tax purposes, and any other entities. 8298

(B) "Consolidated elected taxpayer" means a group of two or 8299
more persons treated as a single taxpayer for purposes of this 8300
chapter as the result of an election made under section 5751.011 8301
of the Revised Code. 8302

(C) "Combined taxpayer" means a group of two or more persons 8303
treated as a single taxpayer for purposes of this chapter under 8304
section 5751.012 of the Revised Code. 8305

(D) "Taxpayer" means any person, or any group of persons in 8306
the case of a consolidated elected taxpayer or combined taxpayer 8307
treated as one taxpayer, required to register or pay tax under 8308
this chapter. "Taxpayer" does not include excluded persons. 8309

(E) "Excluded person" means any of the following: 8310

(1) Any person with not more than one hundred fifty thousand 8311
dollars of taxable gross receipts during the calendar year. 8312
Division (E)(1) of this section does not apply to a person that is 8313
a member of a consolidated elected taxpayer; 8314

(2) A public utility that paid the excise tax imposed by 8315

section 5727.24 or 5727.30 of the Revised Code based on one or 8316
more measurement periods that include the entire tax period under 8317
this chapter, except that a public utility that is a combined 8318
company is a taxpayer with regard to the following gross receipts: 8319

(a) Taxable gross receipts directly attributed to a public 8320
utility activity, but not directly attributed to an activity that 8321
is subject to the excise tax imposed by section 5727.24 or 5727.30 8322
of the Revised Code; 8323

(b) Taxable gross receipts that cannot be directly attributed 8324
to any activity, multiplied by a fraction whose numerator is the 8325
taxable gross receipts described in division (E)(2)(a) of this 8326
section and whose denominator is the total taxable gross receipts 8327
that can be directly attributed to any activity; 8328

(c) Except for any differences resulting from the use of an 8329
accrual basis method of accounting for purposes of determining 8330
gross receipts under this chapter and the use of the cash basis 8331
method of accounting for purposes of determining gross receipts 8332
under section 5727.24 of the Revised Code, the gross receipts 8333
directly attributed to the activity of a natural gas company shall 8334
be determined in a manner consistent with division (D) of section 8335
5727.03 of the Revised Code. 8336

As used in division (E)(2) of this section, "combined 8337
company" and "public utility" have the same meanings as in section 8338
5727.01 of the Revised Code. 8339

(3) A financial institution, as defined in section 5725.01 of 8340
the Revised Code, that paid the corporation franchise tax charged 8341
by division (D) of section 5733.06 of the Revised Code based on 8342
one or more taxable years that include the entire tax period under 8343
this chapter; 8344

(4) A dealer in intangibles, as defined in section 5725.01 of 8345
the Revised Code, that paid the dealer in intangibles tax levied 8346

by division (D) of section 5707.03 of the Revised Code based on 8347
one or more measurement periods that include the entire tax period 8348
under this chapter; 8349

(5) A financial holding company as defined in the "Bank 8350
Holding Company Act," 12 U.S.C. 1841(p); 8351

(6) A bank holding company as defined in the "Bank Holding 8352
Company Act," 12 U.S.C. 1841(a); 8353

(7) A savings and loan holding company as defined in the 8354
"Home Owners Loan Act," 12 U.S.C. 1467a(a)(1)(D) that is engaging 8355
only in activities or investments permissible for a financial 8356
holding company under 12 U.S.C. 1843(k); 8357

(8) A person directly or indirectly owned by one or more 8358
financial institutions, financial holding companies, bank holding 8359
companies, or savings and loan holding companies described in 8360
division (E)(3), (5), (6), or (7) of this section that is engaged 8361
in activities permissible for a financial holding company under 12 8362
U.S.C. 1843(k), except that any such person held pursuant to 8363
merchant banking authority under 12 U.S.C. 1843(k)(4)(H) or 12 8364
U.S.C. 1843(k)(4)(I) is not an excluded person, or a person 8365
directly or indirectly owned by one or more insurance companies 8366
described in division (E)(9) of this section that is authorized to 8367
do the business of insurance in this state. 8368

For the purposes of division (E)(8) of this section, a person 8369
owns another person under the following circumstances: 8370

(a) In the case of corporations issuing capital stock, one 8371
corporation owns another corporation if it owns fifty per cent or 8372
more of the other corporation's capital stock with current voting 8373
rights; 8374

(b) In the case of a limited liability company, one person 8375
owns the company if that person's membership interest, as defined 8376
in section 1705.01 of the Revised Code, is fifty per cent or more 8377

of the combined membership interests of all persons owning such 8378
interests in the company; 8379

(c) In the case of a partnership, trust, or other 8380
unincorporated business organization other than a limited 8381
liability company, one person owns the organization if, under the 8382
articles of organization or other instrument governing the affairs 8383
of the organization, that person has a beneficial interest in the 8384
organization's profits, surpluses, losses, or distributions of 8385
fifty per cent or more of the combined beneficial interests of all 8386
persons having such an interest in the organization; 8387

(d) In the case of multiple ownership, the ownership 8388
interests of more than one person may be aggregated to meet the 8389
fifty per cent ownership tests in this division only when each 8390
such owner is described in division (E)(3), (5), (6), or (7) of 8391
this section and is engaged in activities permissible for a 8392
financial holding company under 12 U.S.C. 1843(k) or is a person 8393
directly or indirectly owned by one or more insurance companies 8394
described in division (E)(9) of this section that is authorized to 8395
do the business of insurance in this state. 8396

(9) A domestic insurance company or foreign insurance 8397
company, as defined in section 5725.01 of the Revised Code, that 8398
paid the insurance company premiums tax imposed by section 5725.18 8399
or Chapter 5729. of the Revised Code based on one or more 8400
measurement periods that include the entire tax period under this 8401
chapter; 8402

(10) A person that solely facilitates or services one or more 8403
securitizations or similar transactions for any person described 8404
in division (E)(3), (5), (6), (7), (8), or (9) of this section. 8405
For purposes of this division, "securitization" means transferring 8406
one or more assets to one or more persons and then issuing 8407
securities backed by the right to receive payment from the asset 8408
or assets so transferred. 8409

(11) Except as otherwise provided in this division, a 8410
pre-income tax trust as defined in division (FF)(4) of section 8411
5747.01 of the Revised Code and any pass-through entity of which 8412
such pre-income tax trust owns or controls, directly, indirectly, 8413
or constructively through related interests, more than five per 8414
cent of the ownership or equity interests. If the pre-income tax 8415
trust has made a qualifying pre-income tax trust election under 8416
division (FF)(3) of section 5747.01 of the Revised Code, then the 8417
trust and the pass-through entities of which it owns or controls, 8418
directly, indirectly, or constructively through related interests, 8419
more than five per cent of the ownership or equity interests, 8420
shall not be excluded persons for purposes of the tax imposed 8421
under section 5751.02 of the Revised Code. 8422

(12) Nonprofit organizations or the state and its agencies, 8423
instrumentalities, or political subdivisions. 8424

(F) Except as otherwise provided in divisions (F)(2), (3), 8425
and (4) of this section, "gross receipts" means the total amount 8426
realized by a person, without deduction for the cost of goods sold 8427
or other expenses incurred, that contributes to the production of 8428
gross income of the person, including the fair market value of any 8429
property and any services received, and any debt transferred or 8430
forgiven as consideration. 8431

(1) The following are examples of gross receipts: 8432

(a) Amounts realized from the sale, exchange, or other 8433
disposition of the taxpayer's property to or with another; 8434

(b) Amounts realized from the taxpayer's performance of 8435
services for another; 8436

(c) Amounts realized from another's use or possession of the 8437
taxpayer's property or capital; 8438

(d) Any combination of the foregoing amounts. 8439

(2) "Gross receipts" excludes the following amounts:	8440
(a) Interest income except interest on credit sales;	8441
(b) Dividends and distributions from corporations, and	8442
distributive or proportionate shares of receipts and income from a	8443
pass-through entity as defined under section 5733.04 of the	8444
Revised Code;	8445
(c) Receipts from the sale, exchange, or other disposition of	8446
an asset described in section 1221 or 1231 of the Internal Revenue	8447
Code, without regard to the length of time the person held the	8448
asset. Notwithstanding section 1221 of the Internal Revenue Code,	8449
receipts from hedging transactions also are excluded to the extent	8450
the transactions are entered into primarily to protect a financial	8451
position, such as managing the risk of exposure to (i) foreign	8452
currency fluctuations that affect assets, liabilities, profits,	8453
losses, equity, or investments in foreign operations; (ii)	8454
interest rate fluctuations; or (iii) commodity price fluctuations.	8455
As used in division (F)(2)(c) of this section, "hedging	8456
transaction" has the same meaning as used in section 1221 of the	8457
Internal Revenue Code and also includes transactions accorded	8458
hedge accounting treatment under statement of financial accounting	8459
standards number 133 of the financial accounting standards board.	8460
For the purposes of division (F)(2)(c) of this section, the actual	8461
transfer of title of real or tangible personal property to another	8462
entity is not a hedging transaction.	8463
(d) Proceeds received attributable to the repayment,	8464
maturity, or redemption of the principal of a loan, bond, mutual	8465
fund, certificate of deposit, or marketable instrument;	8466
(e) The principal amount received under a repurchase	8467
agreement or on account of any transaction properly characterized	8468
as a loan to the person;	8469
(f) Contributions received by a trust, plan, or other	8470

arrangement, any of which is described in section 501(a) of the 8471
Internal Revenue Code, or to which Title 26, Subtitle A, Chapter 8472
1, Subchapter (D) of the Internal Revenue Code applies; 8473

(g) Compensation, whether current or deferred, and whether in 8474
cash or in kind, received or to be received by an employee, former 8475
employee, or the employee's legal successor for services rendered 8476
to or for an employer, including reimbursements received by or for 8477
an individual for medical or education expenses, health insurance 8478
premiums, or employee expenses, or on account of a dependent care 8479
spending account, legal services plan, any cafeteria plan 8480
described in section 125 of the Internal Revenue Code, or any 8481
similar employee reimbursement; 8482

(h) Proceeds received from the issuance of the taxpayer's own 8483
stock, options, warrants, puts, or calls, or from the sale of the 8484
taxpayer's treasury stock; 8485

(i) Proceeds received on the account of payments from 8486
insurance policies, except those proceeds received for the loss of 8487
business revenue; 8488

(j) Gifts or charitable contributions received; membership 8489
dues received by trade, professional, homeowners', or condominium 8490
associations; and payments received for educational courses, 8491
meetings, meals, or similar payments to a trade, professional, or 8492
other similar association; and fundraising receipts received by 8493
any person when any excess receipts are donated or used 8494
exclusively for charitable purposes; 8495

(k) Damages received as the result of litigation in excess of 8496
amounts that, if received without litigation, would be gross 8497
receipts; 8498

(l) Property, money, and other amounts received or acquired 8499
by an agent on behalf of another in excess of the agent's 8500
commission, fee, or other remuneration; 8501

(m) Tax refunds, other tax benefit recoveries, and 8502
reimbursements for the tax imposed under this chapter made by 8503
entities that are part of the same combined taxpayer or 8504
consolidated elected taxpayer group, and reimbursements made by 8505
entities that are not members of a combined taxpayer or 8506
consolidated elected taxpayer group that are required to be made 8507
for economic parity among multiple owners of an entity whose tax 8508
obligation under this chapter is required to be reported and paid 8509
entirely by one owner, pursuant to the requirements of sections 8510
5751.011 and 5751.012 of the Revised Code; 8511

(n) Pension reversions; 8512

(o) Contributions to capital; 8513

(p) Sales or use taxes collected as a vendor or an 8514
out-of-state seller on behalf of the taxing jurisdiction from a 8515
consumer or other taxes the taxpayer is required by law to collect 8516
directly from a purchaser and remit to a local, state, or federal 8517
tax authority; 8518

(q) In the case of receipts from the sale of cigarettes or 8519
tobacco products by a wholesale dealer, retail dealer, 8520
distributor, manufacturer, or seller, all as defined in section 8521
5743.01 of the Revised Code, an amount equal to the federal and 8522
state excise taxes paid by any person on or for such cigarettes or 8523
tobacco products under subtitle E of the Internal Revenue Code or 8524
Chapter 5743. of the Revised Code; 8525

(r) In the case of receipts from the sale of motor fuel by a 8526
licensed motor fuel dealer, licensed retail dealer, or licensed 8527
permissive motor fuel dealer, all as defined in section 5735.01 of 8528
the Revised Code, an amount equal to federal and state excise 8529
taxes paid by any person on such motor fuel under section 4081 of 8530
the Internal Revenue Code or Chapter 5735. of the Revised Code; 8531

(s) In the case of receipts from the sale of beer or 8532

intoxicating liquor, as defined in section 4301.01 of the Revised 8533
Code, by a person holding a permit issued under Chapter 4301. or 8534
4303. of the Revised Code, an amount equal to federal and state 8535
excise taxes paid by any person on or for such beer or 8536
intoxicating liquor under subtitle E of the Internal Revenue Code 8537
or Chapter 4301. or 4305. of the Revised Code; 8538

(t) Receipts realized by a new motor vehicle dealer or used 8539
motor vehicle dealer, as defined in section 4517.01 of the Revised 8540
Code, from the sale or other transfer of a motor vehicle, as 8541
defined in that section, to another motor vehicle dealer for the 8542
purpose of resale by the transferee motor vehicle dealer, but only 8543
if the sale or other transfer was based upon the transferee's need 8544
to meet a specific customer's preference for a motor vehicle; 8545

(u) Receipts from a financial institution described in 8546
division (E)(3) of this section for services provided to the 8547
financial institution in connection with the issuance, processing, 8548
servicing, and management of loans or credit accounts, if such 8549
financial institution and the recipient of such receipts have at 8550
least fifty per cent of their ownership interests owned or 8551
controlled, directly or constructively through related interests, 8552
by common owners; 8553

(v) Receipts realized from administering anti-neoplastic 8554
drugs and other cancer chemotherapy, biologicals, therapeutic 8555
agents, and supportive drugs in a physician's office to patients 8556
with cancer; 8557

(w) Funds received or used by a mortgage broker that is not a 8558
dealer in intangibles, other than fees or other consideration, 8559
pursuant to a table-funding mortgage loan or warehouse-lending 8560
mortgage loan. Terms used in division (F)(2)(w) of this section 8561
have the same meanings as in section 1322.01 of the Revised Code, 8562
except "mortgage broker" means a person assisting a buyer in 8563
obtaining a mortgage loan for a fee or other consideration paid by 8564

the buyer or a lender, or a person engaged in table-funding or 8565
warehouse-lending mortgage loans that are first lien mortgage 8566
loans. 8567

(x) Property, money, and other amounts received by a 8568
professional employer organization, as defined in section 4125.01 8569
of the Revised Code, from a client employer, as defined in that 8570
section, in excess of the administrative fee charged by the 8571
professional employer organization to the client employer; 8572

(y) In the case of amounts retained as commissions by a 8573
permit holder under Chapter 3769. of the Revised Code, an amount 8574
equal to the amounts specified under that chapter that must be 8575
paid to or collected by the tax commissioner as a tax and the 8576
amounts specified under that chapter to be used as purse money; 8577

(z) Qualifying distribution center receipts. 8578

(i) For purposes of division (F)(2)(z) of this section: 8579

(I) "Qualifying distribution center receipts" means receipts 8580
of a supplier from qualified property that is delivered to a 8581
qualified distribution center, multiplied by a quantity that 8582
equals one minus the Ohio delivery percentage. 8583

(II) "Qualified property" means tangible personal property 8584
delivered to a qualified distribution center that is shipped to 8585
that qualified distribution center solely for further shipping by 8586
the qualified distribution center to another location in this 8587
state or elsewhere. "Further shipping" includes storing and 8588
repackaging such property into smaller or larger bundles, so long 8589
as such property is not subject to further manufacturing or 8590
processing. 8591

(III) "Qualified distribution center" means a warehouse or 8592
other similar facility in this state that, for the qualifying 8593
year, is operated by a person that is not part of a combined 8594
taxpayer group and that has a qualifying certificate. However, all 8595

warehouses or other similar facilities that are operated by 8596
persons in the same taxpayer group and that are located within one 8597
mile of each other shall be treated as one qualified distribution 8598
center. 8599

(IV) "Qualifying year" means the calendar year to which the 8600
qualifying certificate applies. 8601

(V) "Qualifying period" means the period of the first day of 8602
July of the second year preceding the qualifying year through the 8603
thirtieth day of June of the year preceding the qualifying year. 8604

(VI) "Qualifying certificate" means the certificate issued by 8605
the tax commissioner after the operator of a distribution center 8606
files an annual application with the commissioner. The application 8607
and annual fee shall be filed and paid for each qualified 8608
distribution center on or before the first day of September before 8609
the qualifying year or within forty-five days after the 8610
distribution center opens, whichever is later. 8611

The applicant must substantiate to the commissioner's 8612
satisfaction that, for the qualifying period, all persons 8613
operating the distribution center have more than fifty per cent of 8614
the cost of the qualified property shipped to a location such that 8615
it would be situated outside this state under the provisions of 8616
division (E) of section 5751.033 of the Revised Code. The 8617
applicant must also substantiate that the distribution center 8618
cumulatively had costs from its suppliers equal to or exceeding 8619
five hundred million dollars during the qualifying period. (For 8620
purposes of division (F)(2)(z)(i)(VI) of this section, "supplier" 8621
excludes any person that is part of the consolidated elected 8622
taxpayer group, if applicable, of the operator of the qualified 8623
distribution center.) The commissioner may require the applicant 8624
to have an independent certified public accountant certify that 8625
the calculation of the minimum thresholds required for a qualified 8626
distribution center by the operator of a distribution center has 8627

been made in accordance with generally accepted accounting 8628
principles. The commissioner shall issue or deny the issuance of a 8629
certificate within sixty days after the receipt of the 8630
application. A denial is subject to appeal under section 5717.02 8631
of the Revised Code. If the operator files a timely appeal under 8632
section 5717.02 of the Revised Code, the operator shall be granted 8633
a qualifying certificate, provided that the operator is liable for 8634
any tax, interest, or penalty upon amounts claimed as qualifying 8635
distribution center receipts, other than those receipts exempt 8636
under division (C)(1) of section 5751.011 of the Revised Code, 8637
that would have otherwise not been owed by its suppliers if the 8638
qualifying certificate was valid. 8639

(VII) "Ohio delivery percentage" means the proportion of the 8640
total property delivered to a destination inside Ohio from the 8641
qualified distribution center during the qualifying period 8642
compared with total deliveries from such distribution center 8643
everywhere during the qualifying period. 8644

(ii) If the distribution center is new and was not open for 8645
the entire qualifying period, the operator of the distribution 8646
center may request that the commissioner grant a qualifying 8647
certificate. If the certificate is granted and it is later 8648
determined that more than fifty per cent of the qualified property 8649
during that year was not shipped to a location such that it would 8650
be situated outside of this state under the provisions of division 8651
(E) of section 5751.033 of the Revised Code or if it is later 8652
determined that the person that operates the distribution center 8653
had average monthly costs from its suppliers of less than forty 8654
million dollars during that year, then the operator of the 8655
distribution center shall be liable for any tax, interest, or 8656
penalty upon amounts claimed as qualifying distribution center 8657
receipts, other than those receipts exempt under division (C)(1) 8658
of section 5751.011 of the Revised Code, that would have not 8659

otherwise been owed by its suppliers during the qualifying year if 8660
the qualifying certificate was valid. (For purposes of division 8661
(F)(2)(z)(ii) of this section, "supplier" excludes any person that 8662
is part of the consolidated elected taxpayer group, if applicable, 8663
of the operator of the qualified distribution center.) 8664

(iii) When filing an application for a qualifying certificate 8665
under division (F)(2)(z)(i)(VI) of this section, the operator of a 8666
qualified distribution center also shall provide documentation, as 8667
the commissioner requires, for the commissioner to ascertain the 8668
Ohio delivery percentage. The commissioner, upon issuing the 8669
qualifying certificate, also shall certify the Ohio delivery 8670
percentage. The operator of the qualified distribution center may 8671
appeal the commissioner's certification of the Ohio delivery 8672
percentage in the same manner as an appeal is taken from the 8673
denial of a qualifying certificate under division (F)(2)(z)(i)(VI) 8674
of this section. 8675

Within thirty days after all appeals have been exhausted, the 8676
operator of the qualified distribution center shall notify the 8677
affected suppliers of qualified property that such suppliers are 8678
required to file, within sixty days after receiving notice from 8679
the operator of the qualified distribution center, amended reports 8680
for the impacted calendar quarter or quarters or calendar year, 8681
whichever the case may be. Any additional tax liability or tax 8682
overpayment shall be subject to interest but shall not be subject 8683
to the imposition of any penalty so long as the amended returns 8684
are timely filed. The supplier of tangible personal property 8685
delivered to the qualified distribution center shall include in 8686
its report of taxable gross receipts the receipts from the total 8687
sales of property delivered to the qualified distribution center 8688
for the calendar quarter or calendar year, whichever the case may 8689
be, multiplied by the Ohio delivery percentage for the qualifying 8690
year. Nothing in division (F)(2)(z)(iii) of this section shall be 8691

construed as imposing liability on the operator of a qualified 8692
distribution center for the tax imposed by this chapter arising 8693
from any change to the Ohio delivery percentage. 8694

(iv) In the case where the distribution center is new and not 8695
open for the entire qualifying period, the operator shall make a 8696
good faith estimate of an Ohio delivery percentage for use by 8697
suppliers in their reports of taxable gross receipts for the 8698
remainder of the qualifying period. The operator of the facility 8699
shall disclose to the suppliers that such Ohio delivery percentage 8700
is an estimate and is subject to recalculation. By the due date of 8701
the next application for a qualifying certificate, the operator 8702
shall determine the actual Ohio delivery percentage for the 8703
estimated qualifying period and proceed as provided in division 8704
(F)(2)(z)(iii) of this section with respect to the calculation and 8705
recalculation of the Ohio delivery percentage. The supplier is 8706
required to file, within sixty days after receiving notice from 8707
the operator of the qualified distribution center, amended reports 8708
for the impacted calendar quarter or quarters or calendar year, 8709
whichever the case may be. Any additional tax liability or tax 8710
overpayment shall be subject to interest but shall not be subject 8711
to the imposition of any penalty so long as the amended returns 8712
are timely filed. 8713

(v) Qualifying certificates and Ohio delivery percentages 8714
issued by the commissioner shall be open to public inspection and 8715
shall be timely published by the commissioner. A supplier relying 8716
in good faith on a certificate issued under this division shall 8717
not be subject to tax on the qualifying distribution center 8718
receipts under division (F)(2)(z) of this section. A person 8719
receiving a qualifying certificate is responsible for paying the 8720
tax, interest, and penalty upon amounts claimed as qualifying 8721
distribution center receipts that would not otherwise have been 8722
owed by the supplier if the qualifying certificate were available 8723

when it is later determined that the qualifying certificate should 8724
not have been issued because the statutory requirements were in 8725
fact not met. 8726

(vi) The annual fee for a qualifying certificate shall be one 8727
hundred thousand dollars for each qualified distribution center. 8728
If a qualifying certificate is not issued, the annual fee is 8729
subject to refund after the exhaustion of all appeals provided for 8730
in division (F)(2)(z)(i)(VI) of this section. The fee imposed 8731
under this division may be assessed in the same manner as the tax 8732
imposed under this chapter. The first one hundred thousand dollars 8733
of the annual application fees collected each calendar year shall 8734
be credited to the commercial activity tax administrative fund. 8735
The remainder of the annual application fees collected shall be 8736
distributed in the same manner required under section 5751.20 of 8737
the Revised Code. 8738

(vii) The tax commissioner may require that adequate security 8739
be posted by the operator of the distribution center on appeal 8740
when the commissioner disagrees that the applicant has met the 8741
minimum thresholds for a qualified distribution center as set 8742
forth in divisions (F)(2)(z)(i)(VI) and (F)(2)(z)(ii) of this 8743
section. 8744

(aa) Receipts of an employer from payroll deductions relating 8745
to the reimbursement of the employer for advancing moneys to an 8746
unrelated third party on an employee's behalf; 8747

(bb) Cash discounts allowed and taken; 8748

(cc) Returns and allowances; 8749

(dd) Bad debts from receipts on the basis of which the tax 8750
imposed by this chapter was paid in a prior quarterly tax payment 8751
period. For the purpose of this division, "bad debts" means any 8752
debts that have become worthless or uncollectible between the 8753
preceding and current quarterly tax payment periods, have been 8754

uncollected for at least six months, and that may be claimed as a 8755
deduction under section 166 of the Internal Revenue Code and the 8756
regulations adopted under that section, or that could be claimed 8757
as such if the taxpayer kept its accounts on the accrual basis. 8758
"Bad debts" does not include repossessed property, uncollectible 8759
amounts on property that remains in the possession of the taxpayer 8760
until the full purchase price is paid, or expenses in attempting 8761
to collect any account receivable or for any portion of the debt 8762
recovered; 8763

(ee) Any amount realized from the sale of an account 8764
receivable to the extent the receipts from the underlying 8765
transaction giving rise to the account receivable were included in 8766
the gross receipts of the taxpayer; 8767

(ff) Any receipts directly attributed to providing public 8768
services pursuant to sections 126.60 to 126.605 of the Revised 8769
Code, or any receipts directly attributed to a transfer agreement 8770
or to the enterprise transferred under that agreement under 8771
section 4313.02 of the Revised Code. 8772

(gg) Any receipts for which the tax imposed by this chapter 8773
is prohibited by the Constitution or laws of the United States or 8774
the Constitution of Ohio. 8775

(hh)(i) As used in this division: 8776

(I) "Qualified uranium receipts" means receipts from the 8777
sale, exchange, lease, loan, production, processing, or other 8778
disposition of uranium within a uranium enrichment zone certified 8779
by the tax commissioner under division (F)(2)(hh)(ii) of this 8780
section. "Qualified uranium receipts" does not include any 8781
receipts with a situs in this state outside a uranium enrichment 8782
zone certified by the tax commissioner under division 8783
(F)(2)(hh)(ii) of this section. 8784

(II) "Uranium enrichment zone" means all real property that 8785

is part of a uranium enrichment facility licensed by the United 8786
States nuclear regulatory commission and that was or is owned or 8787
controlled by the United States department of energy or its 8788
successor. 8789

(ii) Any person that owns, leases, or operates real or 8790
tangible personal property constituting or located within a 8791
uranium enrichment zone may apply to the tax commissioner to have 8792
the uranium enrichment zone certified for the purpose of excluding 8793
qualified uranium receipts under division (F)(2)(hh) of this 8794
section. The application shall include such information that the 8795
tax commissioner prescribes. Within sixty days after receiving the 8796
application, the tax commissioner shall certify the zone for that 8797
purpose if the commissioner determines that the property qualifies 8798
as a uranium enrichment zone as defined in division (F)(2)(hh) of 8799
this section, or, if the tax commissioner determines that the 8800
property does not qualify, the commissioner shall deny the 8801
application or request additional information from the applicant. 8802
If the tax commissioner denies an application, the commissioner 8803
shall state the reasons for the denial. The applicant may appeal 8804
the denial of an application to the board of tax appeals pursuant 8805
to section 5717.02 of the Revised Code. If the applicant files a 8806
timely appeal, the tax commissioner shall conditionally certify 8807
the applicant's property. The conditional certification shall 8808
expire when all of the applicant's appeals are exhausted. Until 8809
final resolution of the appeal, the applicant shall retain the 8810
applicant's records in accordance with section 5751.12 of the 8811
Revised Code, notwithstanding any time limit on the preservation 8812
of records under that section. 8813

(ii) Amounts realized by licensed motor fuel dealers or 8814
licensed permissive motor fuel dealers from the exchange of 8815
petroleum products, including motor fuel, between such dealers, 8816
provided that delivery of the petroleum products occurs at a 8817

refinery, terminal, pipeline, or marine vessel and that the 8818
exchanging dealers agree neither dealer shall require monetary 8819
compensation from the other for the value of the exchanged 8820
petroleum products other than such compensation for differences in 8821
product location or grade. Division (F)(2)(ii) of this section 8822
does not apply to amounts realized as a result of differences in 8823
location or grade of exchanged petroleum products or from 8824
handling, lubricity, dye, or other additive injections fees, 8825
pipeline security fees, or similar fees. As used in this division, 8826
"motor fuel," "licensed motor fuel dealer," "licensed permissive 8827
motor fuel dealer," and "terminal" have the same meanings as in 8828
section 5735.01 of the Revised Code. 8829

~~(hh)~~(jj) In the case of amounts collected by a licensed 8830
casino operator from casino gaming, amounts in excess of the 8831
casino operator's gross casino revenue. In this division, "casino 8832
operator" and "casino gaming" have the meanings defined in section 8833
3772.01 of the Revised Code, and "gross casino revenue" has the 8834
meaning defined in section 5753.01 of the Revised Code. 8835

(kk) Receipts realized by a qualifying landlord from the 8836
lease or rental of qualifying residential rental property during 8837
the first tax period in which the qualifying landlord received 8838
rental income from the property and, if the qualifying landlord is 8839
a calendar quarter taxpayer, during the nineteen succeeding tax 8840
periods or, if the qualifying landlord is a calendar year 8841
taxpayer, during the four succeeding tax periods. As used in this 8842
division, "qualifying landlord" and "qualifying residential rental 8843
property" have the same meanings as in division (A)(31) of section 8844
5747.01 of the Revised Code. 8845

(ll) Receipts realized from providing broadband service 8846
multiplied by a fraction, the numerator of which is the original 8847
cost of tangible personal property necessary for the provision of 8848
broadband service in rural areas of this state installed on or 8849

after the effective date of this amendment, and the denominator of 8850
which is the original cost of tangible personal property necessary 8851
for the provision of broadband service in this state on or after 8852
that date. An exclusion is not allowed under this division if the 8853
taxpayer claims a deduction under division (A)(10) or (S)(16) of 8854
section 5747.01 of the Revised Code for a taxable year that 8855
includes all or any part of the tax period. For the purposes of 8856
this division, "broadband service" and "rural area" have the same 8857
meanings as in 7 U.S.C. 950bb. 8858

(3) In the case of a taxpayer when acting as a real estate 8859
broker, "gross receipts" includes only the portion of any fee for 8860
the service of a real estate broker, or service of a real estate 8861
salesperson associated with that broker, that is retained by the 8862
broker and not paid to an associated real estate salesperson or 8863
another real estate broker. For the purposes of this division, 8864
"real estate broker" and "real estate salesperson" have the same 8865
meanings as in section 4735.01 of the Revised Code. 8866

(4) A taxpayer's method of accounting for gross receipts for 8867
a tax period shall be the same as the taxpayer's method of 8868
accounting for federal income tax purposes for the taxpayer's 8869
federal taxable year that includes the tax period. If a taxpayer's 8870
method of accounting for federal income tax purposes changes, its 8871
method of accounting for gross receipts under this chapter shall 8872
be changed accordingly. 8873

(G) "Taxable gross receipts" means gross receipts situated to 8874
this state under section 5751.033 of the Revised Code. 8875

(H) A person has "substantial nexus with this state" if any 8876
of the following applies. The person: 8877

(1) Owns or uses a part or all of its capital in this state; 8878

(2) Holds a certificate of compliance with the laws of this 8879
state authorizing the person to do business in this state; 8880

(3) Has bright-line presence in this state;	8881
(4) Otherwise has nexus with this state to an extent that the person can be required to remit the tax imposed under this chapter under the Constitution of the United States.	8882 8883 8884
(I) A person has "bright-line presence" in this state for a reporting period and for the remaining portion of the calendar year if any of the following applies. The person:	8885 8886 8887
(1) Has at any time during the calendar year property in this state with an aggregate value of at least fifty thousand dollars. For the purpose of division (I)(1) of this section, owned property is valued at original cost and rented property is valued at eight times the net annual rental charge.	8888 8889 8890 8891 8892
(2) Has during the calendar year payroll in this state of at least fifty thousand dollars. Payroll in this state includes all of the following:	8893 8894 8895
(a) Any amount subject to withholding by the person under section 5747.06 of the Revised Code;	8896 8897
(b) Any other amount the person pays as compensation to an individual under the supervision or control of the person for work done in this state; and	8898 8899 8900
(c) Any amount the person pays for services performed in this state on its behalf by another.	8901 8902
(3) Has during the calendar year taxable gross receipts of at least five hundred thousand dollars.	8903 8904
(4) Has at any time during the calendar year within this state at least twenty-five per cent of the person's total property, total payroll, or total gross receipts.	8905 8906 8907
(5) Is domiciled in this state as an individual or for corporate, commercial, or other business purposes.	8908 8909
(J) "Tangible personal property" has the same meaning as in	8910

section 5739.01 of the Revised Code. 8911

(K) "Internal Revenue Code" means the Internal Revenue Code 8912
of 1986, 100 Stat. 2085, 26 U.S.C. 1, as amended. Any term used in 8913
this chapter that is not otherwise defined has the same meaning as 8914
when used in a comparable context in the laws of the United States 8915
relating to federal income taxes unless a different meaning is 8916
clearly required. Any reference in this chapter to the Internal 8917
Revenue Code includes other laws of the United States relating to 8918
federal income taxes. 8919

(L) "Calendar quarter" means a three-month period ending on 8920
the thirty-first day of March, the thirtieth day of June, the 8921
thirtieth day of September, or the thirty-first day of December. 8922

(M) "Tax period" means the calendar quarter or calendar year 8923
on the basis of which a taxpayer is required to pay the tax 8924
imposed under this chapter. 8925

(N) "Calendar year taxpayer" means a taxpayer for which the 8926
tax period is a calendar year. 8927

(O) "Calendar quarter taxpayer" means a taxpayer for which 8928
the tax period is a calendar quarter. 8929

(P) "Agent" means a person authorized by another person to 8930
act on its behalf to undertake a transaction for the other, 8931
including any of the following: 8932

(1) A person receiving a fee to sell financial instruments; 8933

(2) A person retaining only a commission from a transaction 8934
with the other proceeds from the transaction being remitted to 8935
another person; 8936

(3) A person issuing licenses and permits under section 8937
1533.13 of the Revised Code; 8938

(4) A lottery sales agent holding a valid license issued 8939
under section 3770.05 of the Revised Code; 8940

(5) A person acting as an agent of the division of liquor control under section 4301.17 of the Revised Code. 8941
8942

(Q) "Received" includes amounts accrued under the accrual method of accounting. 8943
8944

(R) "Reporting person" means a person in a consolidated elected taxpayer or combined taxpayer group that is designated by that group to legally bind the group for all filings and tax liabilities and to receive all legal notices with respect to matters under this chapter, or, for the purposes of section 5751.04 of the Revised Code, a separate taxpayer that is not a member of such a group. 8945
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Sec. 5751.55. (A) As used in this section, "qualified unemployed individual," "qualified unemployed veteran," and "qualified unemployed disabled veteran" have the same meanings as in section 5747.61 of the Revised Code. 8952
8953
8954
8955

(B) There is hereby allowed a nonrefundable credit against the tax imposed by section 5751.02 of the Revised Code for a taxpayer that is an employer required to deduct and withhold income tax from an employee's compensation and remit such amounts under sections 5747.06 and 5747.07 of the Revised Code and who hires a qualified unemployed individual, a qualified unemployed veteran, or a qualified unemployed disabled veteran. The amount of the credit shall be as follows: 8956
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(1) For the hiring of a qualified unemployed individual, four thousand dollars. 8964
8965

(2) For the hiring of a qualified unemployed veteran, five thousand six hundred dollars. 8966
8967

(3) For the hiring of a qualified unemployed disabled veteran, nine thousand six hundred dollars. 8968
8969

The credit shall be claimed with the annual return required 8970

under section 5751.051 of the Revised Code for the calendar year 8971
that includes the hiring date of the qualified unemployed 8972
individual, qualified unemployed veteran, or qualified unemployed 8973
disabled veteran. The credit shall be claimed in the order 8974
required under section 5751.98 of the Revised Code. The amount of 8975
credit claimed may not exceed the tax otherwise due after allowing 8976
for all preceding credits in that order. 8977

A credit may be claimed under this section only once for any 8978
individual employee. A person that claims the credit under section 8979
5747.61 of the Revised Code may not claim the credit under this 8980
section for the same qualified unemployed individual, qualified 8981
unemployed veteran, or qualified unemployed disabled veteran. 8982

Nothing in this section limits or disallows pass-through 8983
treatment of the credit. 8984

Sec. 5751.98. (A) To provide a uniform procedure for 8985
calculating the amount of tax due under this chapter, a taxpayer 8986
shall claim any credits to which it is entitled in the following 8987
order: 8988

(1) The nonrefundable jobs retention credit under division 8989
(B) of section 5751.50 of the Revised Code; 8990

(2) The nonrefundable credit for hiring a qualified 8991
unemployed individual, qualified unemployed veteran, or qualified 8992
unemployed disabled veteran under section 5751.55 of the Revised 8993
Code; 8994

(3) The nonrefundable credit for qualified research expenses 8995
under division (B) of section 5751.51 of the Revised Code; 8996

~~+(3)+(4)~~ The nonrefundable credit for a borrower's qualified 8997
research and development loan payments under division (B) of 8998
section 5751.52 of the Revised Code; 8999

~~+(4) The nonrefundable credit for calendar years 2010 to 2029~~ 9000

~~for unused net operating losses under division (B) of section 9001~~
~~5751.53 of the Revised Code; 9002~~

(5) The refundable credit for calendar year 2030 for unused 9003
net operating losses under division (C) of section 5751.53 of the 9004
Revised Code; 9005

(6) The refundable jobs creation credit or job retention 9006
credit under division (A) of section 5751.50 of the Revised Code. 9007

(B) For any credit except the refundable credits enumerated 9008
in this section, the amount of the credit for a tax period shall 9009
not exceed the tax due after allowing for any other credit that 9010
precedes it in the order required under this section. Any excess 9011
amount of a particular credit may be carried forward if authorized 9012
under the section creating the credit. 9013

Sec. 6301.021. The office of workforce development, under the 9014
department of job and family services, shall provide assistance to 9015
local workforce policy boards to do all of the following: 9016
9017

(A) Work with entities as necessary to identify and track 9018
local skill shortages; 9019

(B) Work with community colleges and other educational 9020
agencies in the local area served by the board to develop 9021
curricula and programs to meet workforce demands, including 9022
industry-recognized credentialing; 9023

(C) Regularly and systematically interview employers in 9024
industries experiencing skill shortages to do both of the 9025
following: 9026

(1) Determine what skills are necessary for an individual to 9027
gain employment in the industry; 9028

(2) Quantify and describe those necessary skills to the 9029
extent possible. 9030

Sec. 6301.06. (A) The chief elected officials of a local area 9031
shall create a workforce policy board, which shall consist of the 9032
following individuals: 9033

(1) The chief elected official from the municipal corporation 9034
with the largest population in the local area, except that if the 9035
municipal corporation is a local area as defined in division 9036
(A)(1) of section 6301.01 of the Revised Code, the chief elected 9037
official of that municipal corporation may determine whether to be 9038
a member of the board. Notwithstanding division (B) of section 9039
6301.01 of the Revised Code, as used in division (A)(1) of this 9040
section, "municipal corporation" means any municipal corporation. 9041

(2) The following individuals appointed to the board by the 9042
chief elected officials of the local area, who shall make those 9043
appointments according to all of the following specifications: 9044

(a) At least five members of the board shall be 9045
representatives of private sector businesses in the general labor 9046
market area that includes that local area, and shall be appointed 9047
from among individuals nominated by local business organizations 9048
and business trade associations. Among these members, at least one 9049
shall represent small businesses, at least one shall represent 9050
medium-sized businesses, and at least one shall represent large 9051
businesses. When determining what constitutes small, medium-sized, 9052
and large businesses for purposes of this division, the chief 9053
elected officials of the local area shall define those sizes as 9054
those sizes are generally understood within the labor market area 9055
that includes that local area. A majority of the members of the 9056
board shall be representatives of private sector businesses. 9057

(b) At least two members of the board shall represent 9058
organized labor and shall be appointed from nominations submitted 9059
by local federations of labor representing workers employed in the 9060
local area. 9061

(c) At least two members of the board shall be 9062
representatives of local educational entities. For purposes of 9063
this division, "local educational entities" includes local 9064
educational agencies, school district boards of education, 9065
entities providing educational and literacy activities, and 9066
post-secondary educational institutions. 9067

(d)(i) At least one member shall be a representative of a 9068
community college or university branch that is located within the 9069
local area served by the board. 9070

(ii) A chief elected official is exempted from the 9071
requirement of division (A)(2)(d)(i) of this section if no 9072
community college or university branch is located within the local 9073
area served by the board. 9074

(e) At least one member of the board shall be a 9075
representative of consumers of workforce development activities. 9076

~~(e)~~(f) Any other individuals the chief elected officials of 9077
the local area determine are necessary. 9078

(B) Members of the board serve at the pleasure of the chief 9079
elected officials of the local area. Members shall not be 9080
compensated but may be reimbursed for actual, reasonable, and 9081
necessary expenses incurred in the performance of their duties as 9082
board members. Those expenses shall be paid from funds allocated 9083
pursuant to section 6301.03 of the Revised Code. 9084

The chief elected officials of a local area may provide 9085
office space, staff, or other administrative support as needed to 9086
the board. For purposes of section 102.02 of the Revised Code, 9087
members of the board are not public officials or employees. 9088

(C) The chief elected officials of a local area other than a 9089
local area as defined in division (A)(1) of section 6301.01 of the 9090
Revised Code, shall coordinate the workforce development 9091
activities of the county family services planning committees and 9092

the workforce policy boards in the local area in any manner that 9093
is efficient and effective to meet the needs of the local area. 9094
The chief elected officials of the local area may, but are not 9095
required to, consolidate all boards and committees as they 9096
determine appropriate into a single board for purposes of 9097
workforce development activities. A majority of the members of 9098
that consolidated board shall represent private sector businesses. 9099
The membership of that consolidated board shall include a 9100
representative from each group granted representation as described 9101
in division (A) of this section and also a member who represents 9102
consumers of family services and a member who represents the 9103
county department of job and family services. The membership of 9104
that consolidated board may include a representative of one or 9105
more groups and entities that may be represented on a county 9106
family services planning committee, as specified in section 329.06 9107
of the Revised Code. 9108

Sec. 6303.01. (A) As used in this section: 9109

(1) "Eligible youth" means an individual aged eighteen to 9110
twenty-four who fulfills either of the following: 9111

(a) The individual is not enrolled in secondary or 9112
post-secondary school. 9113

(b) The individual is or has been subject to any stage of the 9114
criminal justice process. 9115

(2) "Recidivism" means a tendency to return to criminal 9116
behavior. 9117

(3) "Unsubsidized job" means an employment position with an 9118
employer who fulfills both of the following: 9119

(a) The employer pays the wages for the position. 9120

(b) The employer does not receive public funds for the 9121
creation and maintenance of the employment position. 9122

(B) The director of job and family services may adopt rules to make grants, on a competitive basis, to nonprofit organizations for the purpose of carrying out urban jobs programs that provide a comprehensive set of services to eligible youth in urban communities to provide such youth with a pathway to employment, or education leading to employment.

(C) To be eligible to receive a grant under this section, a nonprofit organization shall submit an application at such time, in such manner, and accompanied by such information as the director may require in rules the director adopts under division (B) of this section.

(D) The director shall require, in the rules the director adopts pursuant to division (B) of this section, that the application contain all of the following:

(1) A request for the grant, specifying the amount of the grant requested and proposed uses of the grant funds;

(2) A description of how the nonprofit organization will fulfill, for participants in the urban jobs program, goals consisting of all of the following:

(a) Increased long-term employment in unsubsidized jobs;

(b) Reduced recidivism;

(c) Increased attainment of a certificate of high school equivalence or other recognized equivalent of a high school diploma;

(d) Improved literacy and numeracy;

(e) Increased attainment of industry-recognized certificates or credentials, or preparation for entry into an institution of higher education without need for further remediation.

(3) A description of underlying supports for the program, including all of the following:

<u>(a) Engaged community partners;</u>	9153
<u>(b) Staff expertise in youth development;</u>	9154
<u>(c) Demonstrated understanding of youth characteristics.</u>	9155
<u>(4) A description of how the program will enable program</u>	9156
<u>participants to achieve outcomes consisting of all of the</u>	9157
<u>following:</u>	9158
<u>(a) Creation of caring relationships with peers and staff;</u>	9159
<u>(b) Creation of goals, such as the attainment described in</u>	9160
<u>division (D)(2)(c) of this section, attainment of employment,</u>	9161
<u>admission to or completion of a degree at an institution of higher</u>	9162
<u>education, attainment of industry-recognized certificates or</u>	9163
<u>credentials, or preparation for entry into an institution of</u>	9164
<u>higher education without need for further remediation;</u>	9165
<u>(c) Participation in opportunities to contribute to the</u>	9166
<u>community through service or volunteerism;</u>	9167
<u>(d) Development of twenty-first century workplace skills,</u>	9168
<u>including critical thinking and collaboration;</u>	9169
<u>(e) Development of a sense of responsibility for the future</u>	9170
<u>of an individual;</u>	9171
<u>(f) Development of plans or strategies to meet the goals of</u>	9172
<u>an individual;</u>	9173
<u>(g) Reduction of risk-taking behaviors;</u>	9174
<u>(h) Achievement of improved educational outcomes, such as</u>	9175
<u>numeracy, literacy, or the attainment described in division</u>	9176
<u>(D)(2)(b) of this section;</u>	9177
<u>(i) Achievement of improved employment outcomes;</u>	9178
<u>(j) Reduction of recidivism.</u>	9179
<u>(5) A description of activities to be provided through the</u>	9180
<u>urban jobs program that lead to the attainment of</u>	9181

industry-recognized certificates or credentials described in 9182
division (E) of this section. 9183

(E) A nonprofit organization that receives a grant under this 9184
section shall use the funds made available through the grant to 9185
carry out an urban jobs program, which shall include the following 9186
comprehensive set of services: 9187

(1) Case management, through an individual responsible for 9188
helping participants navigate the urban jobs program activities; 9189

(2) Educational services, including skill assessment, reading 9190
and math remediation, educational enrichment, services involving 9191
preparation for and opportunities for attainment of the recognized 9192
equivalent of a high school diploma, services that connect to 9193
career pathways such as opportunities for attainment of 9194
industry-recognized certificates or credentials or for preparation 9195
for entry into an institution of higher education without the need 9196
for further remediation, and postsecondary education; 9197

(3) Employment and job readiness activities, including 9198
mentoring, community service opportunities, internships, 9199
on-the-job training, occupational skills training, personal 9200
development, and unsubsidized jobs; 9201

(4) Support services, health and nutrition service referral, 9202
substance abuse counseling and treatment, and provision of housing 9203
assistance, interpersonal and basic living skills, and 9204
transportation, child care, clothing, and other assistance as 9205
needed. 9206

Sec. 6303.02. (A) As used in this section, "eligible youth" 9207
means an individual who is at least sixteen years of age but not 9208
more than twenty-one years of age and who resides in an area of 9209
high poverty. 9210

(B) The director of job and family services shall adopt rules 9211

to create a program to award competitive grants to nonprofit or 9212
for-profit organizations, or coalitions thereof, to fund programs 9213
that provide summer employment opportunities for eligible youth in 9214
this state. The director shall require any recipient of a grant 9215
under this section to provide matching funds in an amount equal to 9216
at least twenty per cent of the amount of the grant. 9217

Section 2. That existing sections 122.075, 122.71, 122.72, 9218
122.74, 122.75, 122.88, 122.89, 122.90, 125.831, 169.05, 4141.01, 9219
4141.241, 4141.29, 4301.20, 4719.01, 5733.01, 5733.98, 5739.01, 9220
5739.02, 5739.025, 5739.03, 5741.02, 5747.01, 5747.98, 5751.01, 9221
5751.98, and 6301.06 and sections 901.13, 5733.46, 5733.48, 9222
5747.28, 5747.29, 5747.70, 5747.75, 5747.77, and 5751.53 of the 9223
Revised Code are hereby repealed. 9224

Section 3. Except as otherwise provided by this act, all 9225
appropriation items in this act are hereby appropriated as 9226
designated out of any moneys in the state treasury to the credit 9227
of the General Revenue Fund and the State Special Revenue Fund 9228
Group. For all appropriations made in this act, those in the first 9229
column are for fiscal year 2012 and those in the second column are 9230
for fiscal year 2013. The appropriations made in Sections 4 to 7 9231
of this act are in addition to any other appropriations made for 9232
the FY 2012-FY 2013 biennium. 9233

Section 4. 9234

Appropriations

DEV DEPARTMENT OF DEVELOPMENT 9235

General Revenue Fund 9236

GRF 195529 Neighborhood \$ 70,000,000 \$ 0 9237

Revitalization Block

Grants

TOTAL GRF General Revenue Fund \$ 70,000,000 \$ 0 9238

State Special Revenue Fund Group				9239
5KS0 195666 Small Business	\$	40,000,000	\$	0 9240
Revolving Microloans				
TOTAL SSR State Special Revenue	\$	40,000,000	\$	0 9241
Fund Group				
TOTAL ALL BUDGET FUND GROUPS	\$	110,000,000	\$	0 9242
NEIGHBORHOOD REVITALIZATION BLOCK GRANTS				9243
The foregoing appropriation item 195529, Neighborhood				9244
Revitalization Block Grants, shall be used to provide block grants				9245
to counties for eligible revitalization purposes as set forth in				9246
this section. A county receiving funds shall make awards to				9247
political subdivisions, nonprofit organizations, or for-profit				9248
organizations for the following purposes:				9249
(A) Providing capital infusions to county land banks;				9250
(B) Rehabilitating, rebuilding, or repurposing distressed				9251
commercial and residential real estate, with special emphasis on				9252
using local sources of labor;				9253
(C) Creating property maintenance programs to mitigate				9254
visible scars left by foreclosure and abandonment, with special				9255
emphasis on using local sources of labor and providing youth				9256
employment.				9257
SMALL BUSINESS REVOLVING MICROLOANS				9258
On the effective date of this section, or as soon as possible				9259
thereafter, the Director of Budget and Management shall transfer				9260
\$40,000,000 cash from the General Revenue Fund to the Microloan				9261
Revolving Fund (Fund 5KS0). The foregoing appropriation item				9262
195666, Small Business Revolving Microloans, shall be used for the				9263
purposes of section 122.084 of the Revised Code.				9264
Section 5. Notwithstanding section 122.658 of the Revised				9265
Code, on the effective date of this section, or as soon as				9266

possible thereafter, the Director of Budget and Management shall 9267
transfer \$30,000,000 cash from the General Revenue Fund to the 9268
Clean Ohio Revitalization Fund (Fund 7003). The amount transferred 9269
is hereby appropriated for fiscal year 2012 in appropriation item 9270
C19500, Clean Ohio Revitalization, for the purposes of the Clean 9271
Ohio Revitalization Program. 9272

Section 6. 9273

Appropriations

PWC PUBLIC WORKS COMMISSION 9274

State Special Revenue Fund Group 9275

5KV0 150601 Infrastructure \$ 40,000,000 \$ 0 9276

Development Loans

TOTAL SSR State Special Revenue \$ 40,000,000 \$ 0 9277

Fund Group

TOTAL ALL BUDGET FUND GROUPS \$ 40,000,000 \$ 0 9278

INFRASTRUCTURE DEVELOPMENT LOANS 9279

On the effective date of this section, or as soon as possible 9280
thereafter, the Director of Budget and Management shall transfer 9281
\$40,000,000 cash from the General Revenue Fund to the 9282
Infrastructure Development Loan Fund (Fund 5KV0), which is hereby 9283
created in the state treasury. The foregoing appropriation item 9284
150601, Infrastructure Development Loans, shall be used in 9285
accordance with the remainder of this section. 9286

As used in the following paragraph, "local subdivision," 9287
"capital improvement project," and "costs of capital improvement 9288
project" have the same meanings as in section 164.01 of the 9289
Revised Code. 9290

Money to the credit of the Infrastructure Development Loan 9291
Fund (Fund 5KV0) shall be provided as loans or grants to local 9292
subdivisions solely for the costs of capital improvement projects 9293

undertaken within the territory of the subdivision. Loans or 9294
grants shall be made by the Public Works Commission on a 9295
competitive basis and upon application by local subdivisions in a 9296
manner to be prescribed by the Commission. A local subdivision 9297
receiving a loan or grant under this section may use the proceeds 9298
of its loan or grant to satisfy any requirement to provide a 9299
matching contribution to draw federal funds either directly or 9300
through the state. Loans shall be made according to terms 9301
established by the Commission. All loan repayments, including 9302
principal and interest, shall be credited to the Infrastructure 9303
Development Loan Fund (Fund 5KV0) and made available for further 9304
lending under this section. Any county, township, or municipal 9305
corporation receiving a loan under this division shall agree, as a 9306
condition for receiving a loan, to adopt one or more resolutions 9307
or ordinances under section 5709.40, 5709.73, or 5709.78 of the 9308
Revised Code declaring improvements that benefit from the projects 9309
financed by the loan to be exempted from taxation under that 9310
section, and requiring the owners of such improvements to make 9311
payments in lieu of taxes as provided in section 5709.42, 5709.74, 9312
or 5709.79 of the Revised Code. The payments in lieu of taxes 9313
shall be used to repay the loan to the extent of the loan amount, 9314
notwithstanding those sections. 9315

Section 7. Within the limits set forth in this act, the 9316
Director of Budget and Management shall establish accounts 9317
indicating the source and amount of funds for each appropriation 9318
made in this act, and shall determine the form and manner in which 9319
appropriation accounts shall be maintained. Expenditures from 9320
appropriations contained in this act shall be accounted for as 9321
though made in Am. Sub. H.B. 153 of the 129th General Assembly. 9322

The appropriations made in this act are subject to all 9323
provisions of Am. Sub. H.B. 153 of the 129th General Assembly that 9324
are generally applicable to such appropriations. 9325

Section 8. That Sections 267.10, 267.30.30, 309.10, 309.60, 9326
371.10, 371.40.50, 371.50.20, 379.10, 387.10, 387.20, and 757.10 9327
of Am. Sub. H.B. 153 of the 129th General Assembly be amended to 9328
read as follows: 9329

Sec. 267.10. EDU DEPARTMENT OF EDUCATION 9330

General Revenue Fund 9331

GRF 200100 Personal Services \$ 8,579,178 \$ 8,579,178 9332

GRF 200320 Maintenance and \$ 2,830,407 \$ 2,830,407 9333
Equipment

GRF 200408 Early Childhood \$ 23,268,341 \$ 23,268,341 9334
Education

GRF 200416 Career-Technical \$ 2,233,195 \$ 2,233,195 9335
Education Match

GRF 200420 Computer/Application/ \$ 4,241,296 \$ 4,241,296 9336
Network Development

GRF 200421 Alternative Education \$ 7,403,998 \$ 7,403,998 9337
Programs

GRF 200422 School Management \$ 2,842,812 \$ 3,000,000 9338
Assistance

GRF 200424 Policy Analysis \$ 328,558 \$ 328,558 9339

GRF 200425 Tech Prep Consortia \$ 260,542 \$ 260,542 9340
Support

GRF 200426 Ohio Educational \$ 17,974,489 \$ 17,974,489 9341
Computer Network

GRF 200427 Academic Standards \$ 4,346,060 \$ 3,700,000 9342

GRF 200437 Student Assessment \$ 55,002,167 \$ 55,002,167 9343

GRF 200439 Accountability/Report \$ 3,579,279 \$ 3,579,279 9344
Cards

GRF 200442 Child Care Licensing \$ 827,140 \$ 827,140 9345

GRF 200446 Education Management \$ 6,833,070 \$ 6,833,070 9346
Information System

GRF 200447	GED Testing	\$	879,551	\$	879,551	9347
GRF 200448	Educator Preparation	\$	786,737	\$	786,737	9348
GRF 200455	Community Schools and Choice Programs	\$	2,200,000	\$	2,200,000	9349
GRF 200502	Pupil Transportation	\$	438,248,936	\$	442,113,527	9350
GRF 200505	School Lunch Match	\$	9,100,000	\$	9,100,000	9351
GRF 200511	Auxiliary Services	\$	124,194,099	\$	126,194,099	9352
GRF 200532	Nonpublic Administrative Cost Reimbursement	\$	56,164,384	\$	57,006,850	9353
GRF 200540	Special Education Enhancements	\$	135,820,668	\$	135,820,668	9354
GRF 200545	Career-Technical Education Enhancements	\$	8,802,699 <u>27,802,699</u>	\$	8,802,699	9355
GRF 200550	Foundation Funding	\$	5,536,347,861 <u>5,586,347,861</u>	\$	5,610,290,686	9356
GRF 200901	Property Tax Allocation - Education	\$	1,086,500,000	\$	1,095,000,000	9357
TOTAL GRF General Revenue Fund		\$	7,539,595,467 <u>7,608,595,467</u>	\$	7,628,256,477	9358
General Services Fund Group						9359
1380 200606	Computer Services-Operational Support	\$	7,600,090	\$	7,600,090	9360
4520 200638	Miscellaneous Educational Services	\$	300,000	\$	300,000	9361
4L20 200681	Teacher Certification and Licensure	\$	8,147,756	\$	8,147,756	9362
5960 200656	Ohio Career Information System	\$	529,761	\$	529,761	9363
5H30 200687	School District Solvency Assistance	\$	25,000,000	\$	25,000,000	9364
TOTAL GSF General Services						9365

Fund Group	\$	41,577,607	\$	41,577,607	9366
Federal Special Revenue Fund Group					9367
3090 200601 Neglected and Delinquent Education	\$	2,168,642	\$	2,168,642	9368
3670 200607 School Food Services	\$	6,803,472	\$	6,959,906	9369
3690 200616 Career-Technical Education Federal Enhancement	\$	5,000,000	\$	5,000,000	9370
3700 200624 Education of Exceptional Children	\$	1,905,000	\$	0	9371
3780 200660 Learn and Serve	\$	619,211	\$	619,211	9372
3AF0 200603 Schools Medicaid Administrative Claims	\$	639,000	\$	639,000	9373
3AN0 200671 School Improvement Grants	\$	20,400,000	\$	20,400,000	9374
3AX0 200698 Improving Health and Educational Outcomes of Young People	\$	630,954	\$	630,954	9375
3BK0 200628 Longitudinal Data Systems	\$	500,000	\$	250,000	9376
3C50 200661 Early Childhood Education	\$	14,554,749	\$	14,554,749	9377
3CG0 200646 Teacher Incentive Fund	\$	1,925,881	\$	0	9378
3D10 200664 Drug Free Schools	\$	1,500,000	\$	0	9379
3D20 200667 Math Science Partnerships	\$	9,500,001	\$	9,500,001	9380
3DG0 200630 Federal Stimulus - McKinney Vento Grants	\$	330,512	\$	0	9381
3DJ0 200699 IDEA Part B - Federal Stimulus	\$	21,886,803	\$	0	9382
3DK0 200642 Title 1A - Federal Stimulus	\$	18,633,673	\$	0	9383

3DL0	200650	IDEA Preschool - Federal Stimulus	\$	670,000	\$	0	9384
3DM0	200651	Title IID Technology - Federal Stimulus	\$	1,195,100	\$	0	9385
3DP0	200652	Title I School Improvement - Federal Stimulus	\$	48,500,000	\$	30,000,000	9386
3EC0	200653	Teacher Incentive - Federal Stimulus	\$	7,500,000	\$	7,500,000	9387
3EH0	200620	Migrant Education	\$	2,645,905	\$	2,645,905	9388
3EJ0	200622	Homeless Children Education	\$	1,759,782	\$	1,759,782	9389
3EN0	200655	State Data Systems - Federal Stimulus	\$	2,500,000	\$	2,500,000	9390
3ES0	200657	General Supervisory Enhancement Grant	\$	500,000	\$	500,000	9391
3ET0	200658	Education Jobs Fund	\$	300,000,000	\$	50,000,000	9392
3FD0	200665	Race to the Top	\$	100,000,000	\$	100,000,000	9393
3FE0	200669	Striving Readers	\$	180,000	\$	100,000	9394
3H90	200605	Head Start Collaboration Project	\$	225,000	\$	225,000	9395
3L60	200617	Federal School Lunch	\$	327,516,539	\$	337,323,792	9396
3L70	200618	Federal School Breakfast	\$	87,596,850	\$	90,224,756	9397
3L80	200619	Child/Adult Food Programs	\$	100,850,833	\$	103,876,359	9398
3L90	200621	Career-Technical Education Basic Grant	\$	48,466,864	\$	48,466,864	9399
3M00	200623	ESEA Title 1A	\$	530,010,000	\$	530,010,000	9400
3M20	200680	Individuals with Disabilities Education Act	\$	443,170,050	\$	443,170,050	9401
3S20	200641	Education Technology	\$	9,487,397	\$	9,487,397	9402

3T40	200613	Public Charter Schools	\$	14,291,353	\$	14,291,353	9403
3Y20	200688	21st Century Community Learning Centers	\$	43,720,462	\$	45,906,485	9404
3Y60	200635	Improving Teacher Quality	\$	101,900,000	\$	101,900,000	9405
3Y70	200689	English Language Acquisition	\$	8,373,995	\$	8,373,995	9406
3Y80	200639	Rural and Low Income Technical Assistance	\$	1,500,000	\$	1,500,000	9407
3Z20	200690	State Assessments	\$	11,882,258	\$	11,882,258	9408
3Z30	200645	Consolidated Federal Grant Administration	\$	8,949,280	\$	8,949,280	9409
TOTAL FED Federal Special							9410
Revenue Fund Group			\$	2,310,389,566	\$	2,011,315,739	9411
State Special Revenue Fund Group							9412
4540	200610	Guidance and Testing	\$	1,050,000	\$	1,050,000	9413
4550	200608	Commodity Foods	\$	24,000,000	\$	24,000,000	9414
4R70	200695	Indirect Operational Support	\$	6,500,000	\$	6,600,000	9415
4V70	200633	Interagency Operational Support	\$	1,117,725	\$	1,117,725	9416
5980	200659	Auxiliary Services Reimbursement	\$	1,328,910	\$	1,328,910	9417
5BB0	200696	State Action for Education Leadership	\$	231,300	\$	0	9418
5BJ0	200626	Half-Mill Maintenance Equalization	\$	17,300,000	\$	18,000,000	9419
5U20	200685	National Education Statistics	\$	300,000	\$	300,000	9420
6200	200615	Educational Improvement Grants	\$	3,000,000	\$	3,000,000	9421

TOTAL SSR State Special Revenue					9422
Fund Group			\$ 54,827,935	\$ 55,396,635	9423
Lottery Profits Education Fund Group					9424
7017 200612	Foundation Funding		\$ 717,500,000	\$ 680,500,000	9425
TOTAL LPE Lottery Profits					9426
Education Fund Group			\$ 717,500,000	\$ 680,500,000	9427
Revenue Distribution Fund Group					9428
7047 200909	School District		\$ 722,000,000	\$ 475,000,000	9429
	Property Tax				
	Replacement-Business				
7053 200900	School District		\$ 34,000,000	\$ 30,000,000	9430
	Property Tax				
	Replacement-Utility				
TOTAL RDF Revenue Distribution					9431
Fund Group			\$ 756,000,000	\$ 505,000,000	9432
TOTAL ALL BUDGET FUND GROUPS					9433
			\$11,419,890,575	\$10,922,046,458	
			<u>11,488,890,575</u>		

Sec. 267.30.30. CAREER-TECHNICAL EDUCATION ENHANCEMENTS 9435

Of the foregoing appropriation item 200545, Career-Technical 9436
Education Enhancements, up to \$2,563,568 in each fiscal year shall 9437
be used to fund secondary career-technical education at 9438
institutions using a grant-based methodology, notwithstanding 9439
sections 3317.05, 3317.052, and 3317.053 of the Revised Code. 9440

Of the foregoing appropriation item 200545, Career-Technical 9441
Education Enhancements, up to \$2,838,281 in each fiscal year shall 9442
be used by the Department of Education to fund competitive grants 9443
to tech prep consortia that expand the number of students enrolled 9444
in tech prep programs. These grant funds shall be used to directly 9445
support expanded tech prep programs provided to students enrolled 9446
in school districts, including joint vocational school districts, 9447
and affiliated higher education institutions. This support may 9448

include the purchase of equipment. 9449

Of the foregoing appropriation item 200545, Career-Technical 9450
Education Enhancements, up to \$3,100,850 in each fiscal year shall 9451
be used by the Department of Education to support existing High 9452
Schools That Work (HSTW) sites, develop and support new sites, 9453
fund technical assistance, and support regional centers and middle 9454
school programs. The purpose of HSTW is to combine challenging 9455
academic courses and modern career-technical studies to raise the 9456
academic achievement of students. HSTW provides intensive 9457
technical assistance, focused staff development, targeted 9458
assessment services, and ongoing communications and networking 9459
opportunities. 9460

Of the foregoing appropriation item 200545, Career-Technical 9461
Education Enhancements, up to \$300,000 in each fiscal year shall 9462
be used by the Department of Education to enable students in 9463
agricultural programs to enroll in a fifth quarter of instruction 9464
based on the agricultural education model of delivering work-based 9465
learning through supervised agricultural experience. The 9466
Department of Education shall determine eligibility criteria and 9467
the reporting process for the Agriculture 5th Quarter Project and 9468
shall fund as many programs as possible given the set aside. 9469

Of the foregoing appropriation item 200545, Career-Technical 9470
Education Enhancements, \$19,000,000 in fiscal year 2012 shall be 9471
used to support the High School Job Training Grants Program. The 9472
High School Job Training Grants Program shall provide grants to 9473
school districts and community colleges partnering with sponsoring 9474
local employers to create or strengthen 11th and 12th grade 9475
career-technical job training programs. Sponsoring employers shall 9476
be involved in the design of the career-technical job training 9477
curricula and classroom education. Sponsoring employers and school 9478
district administrators shall ensure that the career-technical job 9479
training curricula includes the development of skills that are 9480

transferable to the workplace and on the job experience with the 9481
sponsoring employer. The Superintendent of Public Instruction 9482
shall administer the High School Job Training Grants Program and 9483
shall establish a method of awarding grants to school districts 9484
and community colleges. Sponsoring employers must match at least 9485
25 per cent of awarded grant amounts. 9486

Sec. 309.10. JFS DEPARTMENT OF JOB AND FAMILY SERVICES 9487

General Revenue Fund 9488

GRF 600321 Support Services 9489

State \$ 34,801,760 \$ 31,932,117 9490

Federal \$ 9,322,222 \$ 9,207,441 9491

Support Services Total \$ 44,123,982 \$ 41,139,558 9492

GRF 600410 TANF State \$ 151,386,934 \$ 151,386,934 9493

GRF 600413 Child Care \$ 84,732,730 \$ 84,732,730 9494

Match/Maintenance of
Effort

GRF 600416 Computer Projects 9495

State \$ 67,955,340 \$ 69,263,506 9496

Federal \$ 13,105,167 \$ 12,937,222 9497

Computer Projects Total \$ 81,060,507 \$ 82,200,728 9498

GRF 600417 Medicaid Provider \$ 1,312,992 \$ 1,312,992 9499

Audits

GRF 600420 Child Support \$ 6,163,534 \$ 6,065,588 9500

Administration

GRF 600421 Office of Family \$ 3,768,929 \$ 3,757,493 9501

Stability

GRF 600423 Office of Children and \$ 5,123,406 \$ 4,978,756 9502

Families

GRF 600425 Office of Ohio Health 9503

Plans

State \$ 13,149,582 \$ 15,740,987 9504

	Federal	\$	12,556,921	\$	12,286,234	9505
	Office of Ohio Health	\$	25,706,503	\$	28,027,221	9506
	Plans Total					
GRF 600502	Administration - Local	\$	23,814,103	\$	23,814,103	9507
GRF 600511	Disability Financial	\$	26,599,666	\$	27,108,734	9508
	Assistance					
GRF 600521	Entitlement	\$	72,200,721	\$	72,200,721	9509
	Administration - Local					
GRF 600523	Children and Families	\$	53,605,323	\$	53,105,323	9510
	Services					
GRF 600525	Health Care/Medicaid					9511
	State	\$	4,313,761,372	\$	4,689,051,017	9512
	Federal	\$	7,530,008,024	\$	8,429,762,527	9513
	Health Care Total	\$	11,843,769,396	\$	13,118,813,544	9514
GRF 600526	Medicare Part D	\$	277,996,490	\$	296,964,743	9515
GRF 600528	Adoption Services					9516
	State	\$	29,257,932	\$	29,257,932	9517
	Federal	\$	41,085,169	\$	41,085,169	9518
	Adoption Services Total	\$	70,343,101	\$	70,343,101	9519
GRF 600533	Child, Family, and	\$	13,500,000	\$	13,500,000	9520
	Adult Community & Protective Services					
GRF 600534	Adult Protective	\$	366,003	\$	366,003	9521
	Services					
GRF 600535	Early Care and	\$	123,596,474	\$	123,596,474	9522
	Education					
<u>GRF 600536</u>	<u>Youth Employment</u>	<u>\$</u>	<u>17,000,000</u>	<u>\$</u>	<u>0</u>	9523
	<u>Programs</u>					
GRF 600537	Children's Hospital	\$	6,000,000	\$	6,000,000	9524
GRF 600540	Second Harvest Food	\$	4,000,000	\$	4,000,000	9525
	Banks					
GRF 600541	Kinship Permanency	\$	2,500,000	\$	3,500,000	9526
	Incentive Program					

TOTAL GRF General Revenue Fund				9527
State	\$	5,315,593,291	\$ 5,711,636,153	9528
		<u>5,332,593,291</u>		
Federal	\$	7,606,077,503	\$ 8,505,278,593	9529
GRF Total	\$	12,921,670,794	\$14,216,914,746	9530
		<u>12,938,670,794</u>		
General Services Fund Group				9531
4A80 600658 Public Assistance	\$	34,000,000	\$ 34,000,000	9532
Activities				
5C90 600671 Medicaid Program	\$	85,800,878	\$ 82,839,266	9533
Support				
5DL0 600639 Medicaid Revenue and	\$	89,256,974	\$ 84,156,974	9534
Collections				
5DM0 600633 Administration &	\$	20,392,173	\$ 19,858,928	9535
Operating				
5FX0 600638 Medicaid Payment	\$	5,000,000	\$ 6,000,000	9536
Withholding				
5HL0 600602 State and County	\$	3,020,000	\$ 3,020,000	9537
Shared services				
5P50 600692 Prescription Drug	\$	220,600,000	\$ 242,600,000	9538
Rebate - State				
6130 600645 Training Activities	\$	500,000	\$ 500,000	9539
TOTAL GSF General Services				9540
Fund Group	\$	458,570,025	\$ 472,975,168	9541
Federal Special Revenue Fund Group				9542
3270 600606 Child Welfare	\$	29,769,865	\$ 29,769,866	9543
3310 600686 Federal Operating	\$	49,128,140	\$ 48,203,023	9544
3840 600610 Food Assistance and	\$	180,381,394	\$ 180,381,394	9545
State Administration				
3850 600614 Refugee Services	\$	11,582,440	\$ 12,564,952	9546
3950 600616 Special	\$	2,259,264	\$ 2,259,264	9547
Activities/Child and				

		Family Services				
3960	600620	Social Services Block Grant	\$	64,999,999	\$	64,999,998 9548
3970	600626	Child Support	\$	255,812,837	\$	255,813,528 9549
3980	600627	Adoption Maintenance/ Administration	\$	352,183,862	\$	352,184,253 9550
3A20	600641	Emergency Food Distribution	\$	5,000,000	\$	5,000,000 9551
3AW0	600675	Faith Based Initiatives	\$	544,140	\$	544,140 9552
3D30	600648	Children's Trust Fund Federal	\$	2,040,524	\$	2,040,524 9553
3ER0	600603	Health Information Technology	\$	411,661,286	\$	416,395,286 9554
3F00	600623	Health Care Federal	\$	2,637,061,505	\$	2,720,724,869 9555
3F00	600650	Hospital Care Assurance Match	\$	372,784,046	\$	380,645,627 9556
3FA0	600680	Ohio Health Care Grants	\$	9,405,000	\$	20,000,000 9557
3G50	600655	Interagency Reimbursement	\$	1,621,305,787	\$	1,380,391,478 9558
3H70	600617	Child Care Federal	\$	208,290,036	\$	204,813,731 9559
3N00	600628	IV-E Foster Care Maintenance	\$	133,963,142	\$	133,963,142 9560
3S50	600622	Child Support Projects	\$	534,050	\$	534,050 9561
3V00	600688	Workforce Investment Act	\$	176,496,250	\$	172,805,562 9562
3V40	600678	Federal Unemployment Programs	\$	188,680,096	\$	186,723,415 9563
3V40	600679	Unemployment Compensation Review Commission - Federal	\$	4,166,988	\$	4,068,758 9564
3V60	600689	TANF Block Grant	\$	727,968,260	\$	727,968,260 9565

TOTAL FED Federal Special Revenue				9566
Fund Group		\$ 7,446,018,911	\$ 7,302,795,120	9567
State Special Revenue Fund Group				9568
1980 600647 Children's Trust Fund	\$	5,873,637	\$ 5,873,848	9569
4A90 600607 Unemployment	\$	21,924,998	\$ 21,424,998	9570
Compensation				
Administration Fund				
4A90 600694 Unemployment	\$	2,173,167	\$ 2,117,031	9571
Compensation Review				
Commission				
4E30 600605 Nursing Home	\$	2,878,320	\$ 2,878,319	9572
Assessments				
4E70 600604 Child and Family	\$	400,000	\$ 400,000	9573
Services Collections				
4F10 600609 Children and Family	\$	683,359	\$ 683,549	9574
Services Activities				
4K10 600621 ICF/MR Bed Assessments	\$	41,405,596	\$ 44,372,874	9575
4Z10 600625 HealthCare Compliance	\$	11,551,076	\$ 14,582,000	9576
5AJ0 600631 Money Follows the	\$	5,483,080	\$ 4,733,080	9577
Person				
5DB0 600637 Military Injury Grants	\$	2,000,000	\$ 2,000,000	9578
5DP0 600634 Adoption Assistance	\$	500,000	\$ 500,000	9579
Loan				
5ES0 600630 Food Assistance	\$	500,000	\$ 500,000	9580
5GF0 600656 Medicaid - Hospital	\$	436,000,000	\$ 436,000,000	9581
5KC0 600682 Health Care Special	\$	10,000,000	\$ 10,000,000	9582
Activities				
5R20 600608 Medicaid-Nursing	\$	402,489,308	\$ 407,100,746	9583
Facilities				
5S30 600629 MR/DD Medicaid	\$	9,252,738	\$ 9,147,791	9584
Administration and				
Oversight				
5U30 600654 Health Care Services	\$	24,400,000	\$ 24,400,000	9585

Administration					
5U60	600663	Children and Family	\$	4,000,000	\$ 4,000,000 9586
Support					
6510	600649	Hospital Care	\$	212,526,123	\$ 217,008,050 9587
Assurance Program Fund					
TOTAL SSR State Special Revenue					9588
Fund Group			\$	1,194,041,402	\$ 1,207,722,286 9589
Agency Fund Group					9590
1920	600646	Support Intercept -	\$	130,000,000	\$ 130,000,000 9591
Federal					
5830	600642	Support Intercept -	\$	16,000,000	\$ 16,000,000 9592
State					
5B60	600601	Food Assistance	\$	2,000,000	\$ 2,000,000 9593
Intercept					
TOTAL AGY Agency Fund Group			\$	148,000,000	\$ 148,000,000 9594
Holding Account Redistribution Fund Group					9595
R012	600643	Refunds and Audit	\$	2,200,000	\$ 2,200,000 9596
Settlements					
R013	600644	Forgery Collections	\$	10,000	\$ 10,000 9597
TOTAL 090 Holding Account			\$	2,210,000	\$ 2,210,000 9598
Redistribution Fund Group					
TOTAL ALL BUDGET FUND GROUPS			\$	22,170,511,132	\$23,350,617,320 9599
				<u>22,187,511,132</u>	

Sec. 309.60. WORKFORCE DEVELOPMENT AND UNEMPLOYMENT 9601
COMPENSATION 9602

YOUTH EMPLOYMENT PROGRAMS 9603

Of the foregoing appropriation item 600536, Youth Employment 9604
Programs, \$12,000,000 in fiscal year 2012 shall be used to provide 9605
services to urban youth in accordance with section 6303.01 of the 9606
Revised Code and \$5,000,000 in fiscal year 2012 shall be used to 9607
provide summer employment opportunities for youth in accordance 9608

with section 6303.02 of the Revised Code. 9609

Sec. 371.10. BOR BOARD OF REGENTS 9610

General Revenue Fund 9611

GRF 235321 Operating Expenses \$ 2,300,000 \$ 2,300,000 9612

GRF 235401 Lease Rental Payments \$ 83,151,600 \$ 57,634,400 9613

GRF 235402 Sea Grants \$ 285,000 \$ 285,000 9614

GRF 235406 Articulation and \$ 2,000,000 \$ 2,000,000 9615
Transfer

GRF 235408 Midwest Higher \$ 95,000 \$ 95,000 9616
Education Compact

GRF 235409 Information System \$ 800,000 \$ 800,000 9617

GRF 235414 State Grants and \$ 1,230,000 \$ 1,230,000 9618
Scholarship
Administration

GRF 235417 Ohio Learning Network \$ 2,532,688 \$ 2,532,688 9619

GRF 235428 Appalachian New \$ 737,366 \$ 737,366 9620
Economy Partnership

GRF 235433 Economic Growth \$ 440,000 \$ 440,000 9621
Challenge

GRF 235438 Choose Ohio First \$ 15,750,085 \$ 15,750,085 9622
Scholarship

GRF 235443 Adult Basic and \$ 7,302,416 \$ 7,302,416 9623
Literacy Education -
State

GRF 235444 Post-Secondary Adult \$ 15,317,547 \$ 15,317,547 9624
Career-Technical
Education

GRF 235474 Area Health Education \$ 900,000 \$ 900,000 9625
Centers Program
Support

GRF 235501 State Share of \$ 1,735,530,031 \$ 1,751,225,497 9626

	Instruction				
GRF 235502	Student Support Services	\$	632,974	\$	632,974 9627
GRF 235504	War Orphans Scholarships	\$	4,787,833	\$	4,787,833 9628
GRF 235507	OhioLINK	\$	6,100,000	\$	6,100,000 9629
GRF 235508	Air Force Institute of Technology	\$	1,740,803	\$	1,740,803 9630
GRF 235510	Ohio Supercomputer Center	\$	3,347,418	\$	3,347,418 9631
GRF 235511	Cooperative Extension Service	\$	22,220,910	\$	22,220,910 9632
GRF 235514	Central State Supplement	\$	11,503,651	\$	10,928,468 9633
GRF 235515	Case Western Reserve University School of Medicine	\$	2,146,253	\$	2,146,253 9634
GRF 235519	Family Practice	\$	3,166,185	\$	3,166,185 9635
GRF 235520	Shawnee State Supplement	\$	2,448,523	\$	2,326,097 9636
GRF 235524	Police and Fire Protection	\$	107,814	\$	107,814 9637
GRF 235525	Geriatric Medicine	\$	522,151	\$	522,151 9638
GRF 235526	Primary Care Residencies	\$	1,500,000	\$	1,500,000 9639
GRF 235535	Ohio Agricultural Research and Development Center	\$	33,100,000	\$	33,100,000 9640
GRF 235536	The Ohio State University Clinical Teaching	\$	9,668,941	\$	9,668,941 9641
GRF 235537	University of Cincinnati Clinical	\$	7,952,573	\$	7,952,573 9642

	Teaching					
GRF 235538	University of Toledo	\$	6,198,600	\$	6,198,600	9643
	Clinical Teaching					
GRF 235539	Wright State	\$	3,011,400	\$	3,011,400	9644
	University Clinical					
	Teaching					
GRF 235540	Ohio University	\$	2,911,212	\$	2,911,212	9645
	Clinical Teaching					
GRF 235541	Northeast Ohio Medical	\$	2,994,178	\$	2,994,178	9646
	University Clinical					
	Teaching					
<u>GRF 235551</u>	<u>Workforce Realignment</u>	<u>\$</u>	<u>45,000,000</u>	<u>\$</u>	<u>0</u>	9647
	<u>Program</u>					
GRF 235552	Capital Component	\$	20,638,274	\$	20,638,274	9648
GRF 235555	Library Depositories	\$	1,440,342	\$	1,440,342	9649
GRF 235556	Ohio Academic	\$	3,172,519	\$	3,172,519	9650
	Resources Network					
GRF 235558	Long-term Care	\$	195,300	\$	195,300	9651
	Research					
GRF 235563	Ohio College	\$	80,284,265	\$	80,284,265	9652
	Opportunity Grant					
GRF 235572	The Ohio State	\$	766,533	\$	766,533	9653
	University Clinic					
	Support					
<u>GRF 235598</u>	<u>Ohio Skills Bank Grant</u>	<u>\$</u>	<u>9,000,000</u>	<u>\$</u>	<u>0</u>	9654
GRF 235599	National Guard	\$	16,912,271	\$	18,143,293	9655
	Scholarship Program					
GRF 235909	Higher Education	\$	108,262,500	\$	201,555,000	9656
	General Obligation					
	Debt Service					
TOTAL GRF General Revenue Fund		\$	2,226,105,156	\$	2,310,109,335	9657
			<u>2,280,105,156</u>			
General Services Fund Group						9658

2200	235614	Program Approval and Reauthorization	\$	1,311,567	\$	1,457,959	9659
4560	235603	Sales and Services	\$	199,250	\$	199,250	9660
5JC0	235649	Co-op Internship Program	\$	12,000,000	\$	12,000,000	9661
5JC0	235667	Ohio College Opportunity Grant-Proprietary	\$	6,000,000	\$	6,000,000	9662
5JC0	235668	Air Force Institute of Technology - Defense/Aerospace Graduate Studies Institute	\$	4,000,000	\$	4,000,000	9663
TOTAL GSF General Services							9664
Fund Group			\$	23,510,817	\$	23,657,209	9665
Federal Special Revenue Fund Group							9666
3120	235609	Tech Prep	\$	183,850	\$	183,850	9667
3120	235611	Gear-up Grant	\$	3,900,000	\$	3,900,000	9668
3120	235612	Carl D. Perkins Grant/Plan Administration	\$	912,961	\$	912,961	9669
3120	235617	Improving Teacher Quality Grant	\$	3,200,000	\$	3,200,000	9670
3120	235641	Adult Basic and Literacy Education - Federal	\$	14,835,671	\$	14,835,671	9671
3120	235659	Race to the Top Scholarship Program	\$	2,400,000	\$	3,780,000	9672
3120	235660	Race to the Top Educator Preparation Reform Initiative	\$	448,000	\$	1,120,000	9673
3120	235661	Americorps Grant	\$	260,000	\$	260,000	9674
3H20	235608	Human Services	\$	3,500,000	\$	3,500,000	9675

Project				
3N60	235638	College Access	\$ 4,381,431	\$ 4,381,431 9676
Challenge Grant				
TOTAL FED Federal Special Revenue				9677
Fund Group			\$ 34,021,913	\$ 36,073,913 9678
State Special Revenue Fund Group				9679
4E80	235602	Higher Educational	\$ 29,100	\$ 29,100 9680
Facility Commission				
Administration				
5FR0	235640	Joyce Foundation Grant	\$ 919,719	\$ 919,719 9681
5FR0	235647	Developmental	\$ 135,000	\$ 135,000 9682
Education Initiatives				
5FR0	235657	Win-Win Grant	\$ 37,000	\$ 15,000 9683
5P30	235663	Variable Savings Plan	\$ 8,946,994	\$ 9,072,136 9684
6450	235664	Guaranteed Savings	\$ 900,293	\$ 907,514 9685
Plan				
6820	235606	Nursing Loan Program	\$ 891,320	\$ 891,320 9686
TOTAL SSR State Special Revenue				9687
Fund Group			\$ 11,859,426	\$ 11,969,789 9688
Third Frontier Research & Development Fund Group				9689
7011	235634	Research Incentive	\$ 8,000,000	\$ 8,000,000 9690
Third Frontier Fund				
TOTAL 011 Third Frontier Research &			\$ 8,000,000	\$ 8,000,000 9691
Development Fund Group				
TOTAL ALL BUDGET FUND GROUPS			\$ 2,303,497,312	\$ 2,389,810,246 9692
			<u>2,357,497,312</u>	

Sec. 371.40.50. STATE UNIVERSITY CLINICAL TEACHING 9694

The foregoing appropriation items 235536, The Ohio State 9695
University Clinical Teaching; 235537, University of Cincinnati 9696
Clinical Teaching; 235538, University of Toledo Clinical Teaching; 9697
235539, Wright State University Clinical Teaching; 235540, Ohio 9698

University Clinical Teaching; and 235541, Northeast Ohio Medical 9699
University Clinical Teaching, shall be distributed through the 9700
Chancellor of the Board of Regents. 9701

WORKFORCE REALIGNMENT PROGRAM 9702

The foregoing appropriation item, 235551, Workforce 9703
Realignment Program, shall be used to support the Workforce 9704
Realignment Program in fiscal year 2012. The Workforce Realignment 9705
Program shall provide scholarships and grants that assist 9706
unemployed individuals in obtaining the necessary 9707
industry-recognized credentials to find employment in high-growth 9708
fields. The Chancellor of the Board of Regents shall administer 9709
the Workforce Realignment Program and shall establish a method of 9710
awarding scholarships to individuals who have remained unemployed 9711
for six consecutive months or longer. The Chancellor's method of 9712
awarding scholarships shall target community colleges, 9713
career-technical schools, and other institutions that offer 9714
degrees or certificates in two years or fewer. 9715

Sec. 371.50.20. THE OHIO STATE UNIVERSITY CLINIC SUPPORT 9716

The foregoing appropriation item 235572, The Ohio State 9717
University Clinic Support, shall be distributed through the 9718
Chancellor of the Board of Regents to The Ohio State University 9719
for support of dental and veterinary medicine clinics. 9720

OHIO SKILLS BANK GRANT 9721

The foregoing appropriation item, 235598, Ohio Skills Bank 9722
Grant, shall be used to support the activities of the Ohio Skills 9723
Bank Grant Program in fiscal year 2012. The Ohio Skills Bank Grant 9724
Program shall provide competitive grants to partnerships and 9725
coalitions between institutions of higher education and industry 9726
actors. The Chancellor of the Board of Regents shall establish a 9727
method of awarding grants to partnerships and coalitions that 9728

identify and mitigate critical skill shortages within targeted 9729
industries and facilitate worker training opportunities. Recipient 9730
partnerships and coalitions shall obtain matching private sector 9731
funding equal to 25% of grant amounts. 9732

Sec. 379.10. RDF REVENUE DISTRIBUTION FUNDS 9733

Volunteer Firefighters' Dependents Fund 9734

7085 800985 Volunteer Firemen's \$ 300,000 \$ 300,000 9735

Dependents Fund

TOTAL 085 Volunteer Firefighters' 9736

Dependents Fund \$ 300,000 \$ 300,000 9737

Agency Fund Group 9738

4P80 001698 Cash Management \$ 3,100,000 \$ 3,100,000 9739

Improvement Fund

5JG0 110633 Gross Casino Revenue \$ 5,778,617 \$ 138,882,294 9740

County Fund

5JH0 110634 Gross Casino Revenue \$ 3,852,412 \$ 92,588,196 9741

County Student Fund

5JJ0 110636 Gross Casino Revenue \$ 566,531 \$ 13,615,911 9742

Host City Fund

5JK0 875610 Ohio State Racing \$ 339,919 \$ 8,169,547 9743

Commission Fund

5JL0 038629 Problem Casino \$ 226,612 \$ 5,446,364 9744

Gambling and

Addictions Fund

5JN0 055654 Ohio Law Enforcement \$ 226,612 \$ 5,446,364 9745

Training Fund

6080 001699 Investment Earnings \$ 50,000,000 \$ 150,000,000 9746

7062 110962 Resort Area Excise \$ 1,000,000 \$ 1,000,000 9747

Tax

7063 110963 Permissive Tax \$ 1,904,500,000 \$ 1,980,700,000 9748

Distribution

7067	110967	School District	\$	317,000,000	\$	330,000,000	9749
		Income Tax					
TOTAL AGY		Agency Fund Group	\$	2,286,590,703	\$	2,728,948,676	9750
		Holding Account Redistribution					9751
R045	110617	International Fuel	\$	40,000,000	\$	40,000,000	9752
		Tax Distribution					
TOTAL 090		Holding Account					9753
		Redistribution Fund					
Revenue Distribution		Fund Group	\$	40,000,000	\$	40,000,000	9754
7049	038900	Indigent Drivers	\$	2,200,000	\$	2,200,000	9755
		Alcohol Treatment					
7050	762900	International	\$	30,000,000	\$	30,000,000	9756
		Registration Plan					
		Distribution					
7051	762901	Auto Registration	\$	539,000,000	\$	539,000,000	9757
		Distribution					
7054	110954	Local Government	\$	16,000,000	\$	11,000,000	9758
		Property Tax					
		Replacement - Utility					
7060	110960	Gasoline Excise Tax	\$	393,000,000	\$	395,000,000	9759
		Fund					
7065	110965	Public Library Fund	\$	354,000,000	\$	345,000,000	9760
7066	800966	Undivided Liquor	\$	14,100,000	\$	14,100,000	9761
		Permits					
7068	110968	State and Local	\$	193,000,000	\$	196,000,000	9762
		Government Highway					
		Distribution					
7069	110969	Local Government Fund	\$	577,000,000	\$	348,000,000	9763
				<u>627,000,000</u>			
7081	110981	Local Government	\$	291,000,000	\$	181,000,000	9764
		Property Tax					
		Replacement-Business					
7082	110982	Horse Racing Tax	\$	100,000	\$	100,000	9765

7083 700900 Ohio Fairs Fund	\$ 1,400,000	\$ 1,400,000	9766
TOTAL RDF Revenue Distribution			9767
Fund Group	\$ 2,410,800,000	\$ 2,062,800,000	9768
	<u>2,460,800,000</u>		
TOTAL ALL BUDGET FUND GROUPS	\$ 4,737,690,703	\$ 4,832,048,676	9769
	<u>4,787,690,703</u>		

ADDITIONAL APPROPRIATIONS 9770

Appropriation items in this section shall be used for the 9771
purpose of administering and distributing the designated revenue 9772
distribution funds according to the Revised Code. If it is 9773
determined that additional appropriations are necessary for this 9774
purpose, such amounts are hereby appropriated. 9775

GENERAL REVENUE FUND TRANSFERS 9776

Notwithstanding any provision of law to the contrary, in 9777
fiscal year 2012 and fiscal year 2013, the Director of Budget and 9778
Management may transfer from the General Revenue Fund to the Local 9779
Government Tangible Property Tax Replacement Fund (Fund 7081) in 9780
the Revenue Distribution Fund Group, those amounts necessary to 9781
reimburse local taxing units under section 5751.22 of the Revised 9782
Code. Also, in fiscal year 2012 and fiscal year 2013, the Director 9783
of Budget and Management may make temporary transfers from the 9784
General Revenue Fund to ensure sufficient balances in the Local 9785
Government Tangible Property Tax Replacement Fund (Fund 7081) and 9786
to replenish the General Revenue Fund for such transfers. 9787

Sec. 387.10. SFC SCHOOL FACILITIES COMMISSION 9788

General Revenue Fund 9789

GRF 230525 <u>Energy Efficiency</u>	\$ 30,000,000	\$ 0	9790
<u>Grants</u>			

GRF 230908 Common Schools	\$ 150,604,900	\$ 341,919,400	9791
General Obligation			

Debt Service

TOTAL GRF General Revenue Fund	\$	150,604,900	\$	341,919,400	9792
		<u>180,604,900</u>			
State Special Revenue Fund Group					9793
5E30 230644 Operating Expenses	\$	8,950,000	\$	8,550,000	9794
TOTAL SSR State Special Revenue					9795
Fund Group	\$	8,950,000	\$	8,550,000	9796
TOTAL ALL BUDGET FUND GROUPS	\$	159,554,900	\$	350,469,400	9797
		<u>189,554,900</u>			

Sec. 387.20. ENERGY EFFICIENCY GRANTS 9799

The foregoing appropriation item 230525, Energy Efficiency 9800
Grants, shall be used for grants to assist schools in becoming 9801
more energy efficient. 9802

COMMON SCHOOLS GENERAL OBLIGATION DEBT SERVICE 9803

The foregoing appropriation item 230908, Common Schools 9804
General Obligation Debt Service, shall be used to pay all debt 9805
service and related financing costs at the times they are required 9806
to be made during the period from July 1, 2011, through June 30, 9807
2013, for obligations issued under sections 151.01 and 151.03 of 9808
the Revised Code. 9809

OPERATING EXPENSES 9810

The foregoing appropriation item 230644, Operating Expenses, 9811
shall be used by the Ohio School Facilities Commission to carry 9812
out its responsibilities under this section and Chapter 3318. of 9813
the Revised Code. 9814

In both fiscal years 2012 and 2013, the Executive Director of 9815
the Ohio School Facilities Commission shall certify on a quarterly 9816
basis to the Director of Budget and Management the amount of cash 9817
from interest earnings to be transferred from the School Building 9818
Assistance Fund (Fund 7032), the Public School Building Fund (Fund 9819

7021), and the Educational Facilities Trust Fund (Fund N087) to 9820
the Ohio School Facilities Commission Fund (Fund 5E30). The amount 9821
transferred from the School Building Assistance Fund (Fund 7032) 9822
may not exceed investment earnings credited to the fund, less any 9823
amount required to be paid for federal arbitrage rebate purposes. 9824

If the Executive Director of the Ohio School Facilities 9825
Commission determines that transferring cash from interest 9826
earnings is insufficient to support operations and carry out its 9827
responsibilities under this section and Chapter 3318. of the 9828
Revised Code, the Commission may, with the approval of the 9829
Controlling Board, transfer cash not generated from interest from 9830
the Public School Building Fund (Fund 7021) and the Educational 9831
Trust Fund (Fund N087) to the Ohio School Facilities Commission 9832
Fund (Fund 5E30). 9833

SCHOOL FACILITIES ENCUMBRANCES AND REAPPROPRIATION 9834

At the request of the Executive Director of the Ohio School 9835
Facilities Commission, the Director of Budget and Management may 9836
cancel encumbrances for school district projects from a previous 9837
biennium if the district has not raised its local share of project 9838
costs within thirteen months of receiving Controlling Board 9839
approval under section 3318.05 or 3318.41 of the Revised Code. The 9840
Executive Director of the Ohio School Facilities Commission shall 9841
certify the amounts of the canceled encumbrances to the Director 9842
of Budget and Management on a quarterly basis. The amounts of the 9843
canceled encumbrances are hereby appropriated. 9844

Sec. 757.10. ADJUSTMENT TO LOCAL GOVERNMENT DISTRIBUTIONS 9845

(A) On or before the tenth day of each month of the period 9846
beginning August 1, 2011, and ending June 30, 2013, the Tax 9847
Commissioner shall determine and certify to the Director of Budget 9848
and Management the amount to be credited during that month to the 9849
Local Government Fund and Public Library Fund pursuant to 9850

divisions (B) to (D) of this section. 9851

(B) Notwithstanding any provision of section 131.51 of the 9852
Revised Code to the contrary, for each month in the period 9853
beginning August 1, 2011, and ending June 30, 2013: 9854

(1) The amount credited first to the Local Government Fund 9855
shall be as provided in division (C) of this section; 9856

(2) The amount credited next to the Public Library Fund shall 9857
be according to the schedule in division (D) of this section. 9858

(C) Pursuant to division (B)(1) of this section, amounts 9859
shall be credited from revenue arising from the personal income 9860
tax levied under Chapter 5747. of the Revised Code to the Local 9861
Government Fund as follows: 9862

(1)(a) In August 2011, seventy-five per cent of the amount 9863
credited in August 2010; in August 2012, fifty per cent of the 9864
amount credited in August 2010; 9865

(b) In September 2011, seventy-five per cent of the amount 9866
credited in September 2010; in September 2012, fifty per cent of 9867
the amount credited in September 2010; 9868

(c) In October 2011, seventy-five per cent of the amount 9869
credited in October 2010; in October 2012, fifty per cent of the 9870
amount credited in October 2010; 9871

(d) In November 2011, seventy-five per cent of the amount 9872
credited in November 2010; in November 2012, fifty per cent of the 9873
amount credited in November 2010; 9874

(e) In December 2011, seventy-five per cent of the amount 9875
credited in December 2010; in December 2012, fifty per cent of the 9876
amount credited in December 2010; 9877

(f) In January 2012, seventy-five per cent of the amount 9878
credited in January 2011; in January 2013, fifty per cent of the 9879
amount credited in January 2011; 9880

(g) In February 2012, seventy-five per cent of the amount 9881
credited in February 2011; in February 2013, fifty per cent of the 9882
amount credited in February 2011; 9883

(h) In March 2012, seventy-five per cent of the amount 9884
credited in March 2011; in March 2013, fifty per cent of the 9885
amount credited in March 2011; 9886

(i) In April 2012, seventy-five per cent of the amount 9887
credited in April 2011; in April 2013, fifty per cent of the 9888
amount credited in April 2011; 9889

(j) In May 2012, seventy-five per cent of the amount credited 9890
in May 2011; in May 2013, fifty per cent of the amount credited in 9891
May 2011; 9892

(k) In June 2012, seventy-five per cent of the amount 9893
credited in June 2011; in June 2013, fifty per cent of the amount 9894
credited in June 2011; 9895

(1) In July 2012, fifty per cent of the amount credited in 9896
July 2010. 9897

(2) For each month in the period beginning August 1, 2011, 9898
and ending June 30, 2013, an amount sufficient to make the 9899
distributions required for that month under divisions (E)(2)(a), 9900
(b), and (c) of this section. 9901

(3) For each month in the period beginning August 1, 2011, 9902
and ending June 30, 2012, an amount equal to one-eleventh of 9903
forty-nine million two hundred seventy thousand dollars. 9904

(D) Pursuant to division (B)(2) of this section, amounts 9905
shall be credited from revenue arising from the kilowatt-hour tax 9906
and sales tax levied under section 5727.81 or 5739.02 of the 9907
Revised Code, respectively, to the Public Library Fund as follows: 9908

(1) In August 2011 and in August 2012, ninety-five per cent 9909
of the amount credited in August 2010; 9910

(2) In September 2011 and in September 2012, ninety-five per 9911
cent of the amount credited in September 2010; 9912

(3) In October 2011 and in October 2012, ninety-five per cent 9913
of the amount credited in October 2010; 9914

(4) In November 2011 and in November 2012, ninety-five per 9915
cent of the amount credited in November 2010; 9916

(5) In December 2011 and in December 2012, ninety-five per 9917
cent of the amount credited in December 2010; 9918

(6) In January 2012 and in January 2013, ninety-five per cent 9919
of the amount credited in January 2011; 9920

(7) In February 2012 and in February 2013, ninety-five per 9921
cent of the amount credited in February 2011; 9922

(8) In March 2012 and in March 2013, ninety-five per cent of 9923
the amount credited in March 2011; 9924

(9) In April 2012 and in April 2013, ninety-five per cent of 9925
the amount credited in April 2011; 9926

(10) In May 2012 and in May 2013, ninety-five per cent of the 9927
amount credited in May 2011; 9928

(11) In June 2012 and in June 2013, ninety-five per cent of 9929
the amount credited in June 2011; 9930

(12) In July 2012, ninety-five per cent of the amount 9931
credited in July 2010. 9932

(E) Notwithstanding any other provision of the Revised Code 9933
to the contrary, the total amount credited to the Local Government 9934
Fund in each month shall be distributed by the tenth day of that 9935
month in the following manner: 9936

(1) The total amount credited to the Local Government Fund in 9937
each month for the period beginning August 1, 2011, and ending 9938
June 30, 2013, pursuant to division (C)(1) of this section shall 9939

be distributed as follows: 9940

(a) Each county undivided local government fund shall receive 9941
a distribution from the Local Government Fund based on its 9942
proportionate share of the total amount received from the fund in 9943
that respective month in fiscal year 2011. As used in this 9944
section, "total amount received" does not include payments 9945
received in fiscal year 2011 under division (C) of section 5725.24 9946
of the Revised Code. 9947

(b) Each municipal corporation that received a direct 9948
distribution in fiscal year 2011 from the Local Government Fund 9949
under division (C) of section 5747.50 of the Revised Code shall 9950
receive a distribution based on its proportionate share of the 9951
total amount of direct distributions made to municipal 9952
corporations from the fund in that respective month in fiscal year 9953
2011. 9954

(2) The total amount credited to the Local Government Fund in 9955
each month for the period beginning August 1, 2011, and ending 9956
June 30, 2013, pursuant to division (C)(2) of this section shall 9957
be distributed as follows: 9958

(a) If a county undivided local government fund's total 9959
distribution in fiscal year 2011 was equal to or less than seven 9960
hundred fifty thousand dollars, the fund shall receive a 9961
distribution equal to the difference between the amount 9962
distributed to the fund in that respective month in fiscal year 9963
2011 and the amount allocated to the fund for the month under 9964
divisions (E)(1)(a) and (3) of this section during fiscal year 9965
2012, and division (E)(1)(a) of this section during fiscal year 9966
2013. 9967

(b) For each month in the period beginning August 1, 2011, 9968
and ending June 30, 2012, if a county undivided local government 9969
fund's total distribution in fiscal year 2011 exceeded seven 9970

hundred fifty thousand dollars and if the sum of the amount 9971
allocated to the fund in July 2011 and the amounts to be allocated 9972
to the fund between August 1, 2011, and June 30, 2012, under 9973
divisions (E)(1)(a) and (3) of this section is less than seven 9974
hundred fifty thousand dollars, the fund shall receive a 9975
distribution equal to one-eleventh of the difference between seven 9976
hundred fifty thousand dollars and that sum. 9977

(c) For each month in the period beginning July 1, 2012, and 9978
ending June 30, 2013, if a county undivided local government 9979
fund's total distribution in fiscal year 2011 exceeded seven 9980
hundred fifty thousand dollars and if the total amount to be 9981
allocated to the fund in fiscal year 2013 under division (E)(1)(a) 9982
of this section is less than seven hundred fifty thousand dollars, 9983
the fund shall receive a distribution equal to one-twelfth of the 9984
difference between seven hundred fifty thousand dollars and the 9985
total amount to be allocated to the fund in fiscal year 2013 under 9986
division (E)(1)(a) of this section. 9987

(3) The total amount credited to the Local Government Fund in 9988
each month for the period beginning August 1, 2011, and ending 9989
June 30, 2012, pursuant to division (C)(3) of this section shall 9990
be distributed to each county undivided local government fund 9991
based on each fund's proportionate share of the total amount 9992
received from the Local Government Fund in that respective month 9993
in fiscal year 2011. As used in this section, "total amount 9994
received" does not include payments received in fiscal year 2011 9995
under division (C) of section 5725.24 of the Revised Code. 9996

(F) Notwithstanding any other provision of the Revised Code 9997
to the contrary, by the tenth day of each month of the period 9998
beginning July 1, 2011, and ending December 31, 2011, each county 9999
undivided public library fund shall receive a distribution from 10000
the Public Library Fund equal to the product derived by 10001
multiplying the following amounts: 10002

(1) The total amount credited to the Public Library Fund in 10003
that month; 10004

(2) A percentage calculated by multiplying one hundred by the 10005
quotient obtained by dividing the sum of the county's 10006
distributions from the Public Library Fund during calendar year 10007
2010 by the sum of distributions made to all counties from the 10008
Public Library Fund during calendar year 2010. 10009

(G) Notwithstanding any other provision of the Revised Code 10010
to the contrary, by the tenth day of each month of the period 10011
beginning January 1, 2012, and ending June 30, 2013, each county 10012
undivided public library fund shall receive a distribution from 10013
the Public Library Fund equal to the product derived by 10014
multiplying the following amounts: 10015

(1) The total amount credited to the Public Library Fund in 10016
that month; 10017

(2) A percentage calculated by multiplying one hundred by the 10018
quotient obtained by dividing the sum of the county's 10019
distributions from the Public Library Fund during calendar year 10020
2011 by the sum of distributions made to all counties from the 10021
Public Library Fund during calendar year 2011. 10022

(H) For the 2012 and 2013 distribution years, the Tax 10023
Commissioner is not required to issue the certifications otherwise 10024
required by sections 5747.47, 5747.501, and 5747.51 of the Revised 10025
Code, but shall provide to each county auditor by July 20, 2011, 10026
and July 20, 2012, an estimate of the amounts to be received by 10027
the county in the ensuing year from the Public Library Fund and 10028
the Local Government Fund pursuant to this section and any other 10029
section of the Revised Code. The Tax Commissioner may report to 10030
each county auditor additional revised estimates of the 2011, 10031
2012, or 2013 distributions at any time during fiscal years 2012 10032
and 2013. 10033

(I) In addition to the amounts credited to the Local 10034
Government Fund pursuant to division (C) of this section, the 10035
Director of Budget and Management shall transfer, in fiscal year 10036
2012, \$50,000,000 cash from the General Revenue Fund to the Local 10037
Government Fund. The transfer shall take place on the effective 10038
date of this section, or as soon as possible thereafter. 10039
Notwithstanding any provision of the Revised Code to the contrary, 10040
the amounts transferred to the Local Government Fund under this 10041
division shall be distributed in the manner described in division 10042
(E)(1) of this section as if the amounts transferred were credited 10043
pursuant to division (C)(1) of this section. 10044

Section 9. That existing Sections 267.10, 267.30.30, 309.10, 10045
309.60, 371.10, 371.40.50, 371.50.20, 379.10, 387.10, 387.20, and 10046
757.10 of Am. Sub. H.B. 153 of the 129th General Assembly are 10047
hereby repealed. 10048

Section 10. Sections 3 to 9 of this act, and the items of law 10049
of which they are composed, are not subject to the referendum 10050
because they are or relate to an appropriation for current 10051
expenses within the meaning of Ohio Constitution, Article II, 10052
Section 1d and section 1.471 of the Revised Code and, therefore, 10053
go into immediate effect when this act becomes law. 10054

Section 11. (A) TRANSFER TO GRF FROM BUDGET STABILIZATION 10055
FUND 10056

Notwithstanding sections 131.43 and 131.44 of the Revised 10057
Code, on the effective date of this section, or as soon as 10058
possible thereafter, the Director of Budget and Management shall 10059
transfer \$68,500,000 cash from the Budget Stabilization Fund (Fund 10060
7013) to the General Revenue Fund. 10061

(B) CASH TRANSFER FROM THE ECONOMIC DEVELOPMENT PROGRAMS FUND 10062
TO THE GRF 10063

As soon as possible in fiscal year 2012, the Director of 10064
Budget and Management shall transfer up to \$100,000,000 in cash 10065
from the Economic Development Programs Fund (Fund 5JC0) created in 10066
section 3772.17 of the Revised Code to the GRF. Amounts 10067
transferred to the GRF shall be used for various workforce 10068
development initiatives in this act. 10069

(C) TRANSFERS OF UNCLAIMED FUNDS TO GRF 10070

Notwithstanding division (A) of section 169.05 of the Revised 10071
Code, prior to June 30, 2012, and upon the request of the Director 10072
of Budget and Management, the Director of Commerce shall transfer 10073
to the General Revenue Fund \$12,100,000 of unclaimed funds that 10074
have been reported by holders of unclaimed funds under section 10075
169.05 of the Revised Code, irrespective of the allocation of the 10076
unclaimed funds under that section. 10077

Notwithstanding division (A) of section 169.05 of the Revised 10078
Code, prior to June 30, 2013, and upon the request of the Director 10079
of Budget and Management, the Director of Commerce shall transfer 10080
to the General Revenue Fund \$63,000,000 of unclaimed funds that 10081
have been reported by holders of unclaimed funds under section 10082
169.05 of the Revised Code, irrespective of the allocation of the 10083
unclaimed funds under that section. 10084

The transfers of unclaimed funds made pursuant to this act 10085
are in addition to any other transfers of unclaimed funds 10086
authorized for the FY 2012-FY 2013 biennium. 10087

Section 12.01. As used in this section: 10088

(A) "Local chief elected official" means the chief elected 10089
executive officer of a unit of local government in a local 10090
workforce investment area or in the case where there is more than 10091
one unit of general government, the individuals designated under 10092
an agreement described in section 117(c)(1)(B) of the "Workforce 10093

Investment Act of 1998," 112 Stat. 936, 29 U.S.C. 2801, as 10094
amended. 10095

(B) "Local workforce investment area" means such area 10096
designated under section 116 of the "Workforce Investment Act of 10097
1998," 112 Stat. 936, 29 U.S.C. 2801, as amended. 10098

(C) "Local workforce investment board" means such board 10099
established under section 117 of the "Workforce Investment Act of 10100
1998," 112 Stat. 936, 29 U.S.C. 2801, as amended. 10101

(D) "Low-income youth" means an individual who is aged 10102
sixteen through twenty-four, is in one or more of the categories 10103
specified in section 101(13)(C) of the "Workforce Investment Act 10104
of 1998," 112 Stat. 936, 29 U.S.C. 2801, as amended, and meets the 10105
definition of a low-income individual provided in section 101(25) 10106
of the "Workforce Investment Act of 1998," 112 Stat. 936, 29 10107
U.S.C. 2801, as amended, except that local workforce investment 10108
areas and eligible entities subject to approval in the applicable 10109
local plans and applications for funds may increase the income 10110
level specified in subparagraph (B)(i) of that section to an 10111
amount not in excess of two hundred per cent of the poverty line 10112
for purposes of determining eligibility for participation in 10113
activities under Sections 12.05 and 12.06 of this act. 10114

(E) "Unemployed, low-income adult" means an individual who 10115
fulfills all of the following: 10116

(1) Is age eighteen or older; 10117

(2) Is without employment and is seeking assistance under 10118
this chapter to obtain employment; 10119

(3) Meets the definition of a "low-income individual" under 10120
section 101(25) of the "Workforce Investment Act of 1998," 112 10121
Stat. 936, 29 U.S.C. 2801, as amended, except that for local 10122
entities and eligible entities, subject to approval in the 10123
applicable local plans and applications for funds, may increase 10124

the income level specified in subparagraph (B)(i) of that section 10125
to an amount not in excess of two hundred per cent of the poverty 10126
line for purposes of determining eligibility for participation in 10127
activities under Sections 12.04 and 12.06 of this act. 10128

Section 12.02. There is hereby created in the state treasury 10129
the Pathways Back to Work Fund. All moneys that are deposited or 10130
paid into this fund are available to the Director of Job and 10131
Family Services only for the administration of Sections 12.01 to 10132
12.07 of this act. All moneys in this fund that are received from 10133
the United States or any agency thereof or that are appropriated 10134
by this state shall be expended solely for the purposes of the 10135
proper and efficient administration of those sections. The fund 10136
shall consist of all moneys appropriated by this state, and all 10137
moneys received from the United States or any agency thereof for 10138
such purpose. All moneys in this fund shall be deposited, 10139
administered, and disbursed in the same manner and under the same 10140
conditions and requirements as are other special funds in the 10141
state treasury. The Treasurer of State is liable on the Treasurer 10142
of State's official bond for the faithful performance of the 10143
Treasurer of State's duties in connection with this fund. Any 10144
balances in this fund shall not lapse at any time, but shall be 10145
continuously available to the Director for expenditure. 10146

Section 12.03. Of the funds available in the Pathways Back to 10147
Work Fund under Section 12.02 of this act, the Director of Job and 10148
Family Services shall do all of the following: 10149

(A) Provide subsidized employment to unemployed and 10150
low-income adults under Section 12.04 of this act; 10151

(B) Provide summer and year-round employment opportunities to 10152
low-income youth under Section 12.05 of this act; 10153

(C) Provide competitive grants to local entities to carry out 10154

work-based training and other work-related and educational 10155
strategies and activities of demonstrated effectiveness to 10156
unemployed, low-income adults and low-income youth to provide the 10157
skills and assistance needed to obtain employment under Section 10158
12.06 of this act. 10159

Section 12.04. (A) From the Pathways Back to Work Fund, the 10160
Director of Job and Family Services shall make a grant to each 10161
local workforce investment board that has a plan approved under 10162
division (C) of this section for the purpose of providing 10163
subsidized employment opportunities to unemployed, low-income 10164
adults. 10165

(B) Not later than thirty days after the effective date of 10166
this section, the Director shall adopt rules regarding the 10167
implementation of this section. The rules shall, consistent with 10168
this section, include procedures for the submission and approval 10169
of plans and the grant of funds that promote the expeditious and 10170
effective implementation of the activities authorized under this 10171
section. 10172

(C) For a board to be eligible to receive a grant of the 10173
funds under division (A) of this section, the board shall submit 10174
to the Director a plan in such form and containing such 10175
information as the Director may require. At a minimum, such plan 10176
shall include all of the following: 10177

(1) A description of the strategies and activities to be 10178
carried out by the board, in coordination with employers in the 10179
state, to provide subsidized employment opportunities to 10180
unemployed, low-income adults, including strategies relating to 10181
the level and duration of subsidies; 10182

(2) A description of the requirements the board will apply 10183
relating to the eligibility of unemployed, low-income adults for 10184
subsidized employment opportunities, which may include criteria to 10185

target assistance to particular categories of such adults, such as 10186
individuals with disabilities or individuals who have exhausted 10187
all rights to unemployment compensation; 10188

(3) A description of how the funds granted to provide 10189
subsidized employment opportunities will be administered by the 10190
board; 10191

(4) A description of the performance outcomes to be achieved 10192
by the board through the activities carried out under this section 10193
and the processes the board will use to track performance, 10194
consistent with rules adopted by the Director regarding such 10195
outcomes and processes; 10196

(5) A description of the coordination of activities to be 10197
carried out with the grant provided under this section with 10198
activities under Title I of the "Workforce Investment Act of 10199
1998," 112 Stat. 936, 29 U.S.C. 2801, as amended, the temporary 10200
assistance for needy families program under Part A of Title IV of 10201
the "Social Security Act," 110 Stat. 2113 (1996), 42 U.S.C. 601, 10202
as amended, and other appropriate federal and state programs that 10203
may assist unemployed, low-income adults in obtaining and 10204
retaining employment; 10205

(6) A description of the timelines for implementation of the 10206
activities and the number of unemployed, low-income adults 10207
expected to be placed in subsidized employment by quarter; 10208

(7) Assurances that the board will report such information as 10209
the Director may require relating to fiscal, performance, and 10210
other matters that the Director determines is necessary to 10211
effectively monitor the activities carried out under this section; 10212

(8) Assurances that the board will ensure compliance with the 10213
labor standards and protections described in Section 12.07 of this 10214
act. 10215

(D) The board shall submit a plan to the Director not later 10216

than thirty days after the effective date of this section and the 10217
Director shall make a determination regarding the approval or 10218
disapproval of such plans not later than thirty days after the 10219
submission of such plan. If the plan is disapproved, the Director 10220
may provide a reasonable period of time in which a disapproved 10221
plan may be amended and resubmitted for approval. 10222

(E) The Director shall approve a plan that the Director 10223
determines is consistent with requirements of this section and 10224
reasonably appropriate and adequate to carry out the purposes of 10225
this section. If the plan is approved, the Director shall grant 10226
funds to the board within thirty days after such approval. 10227

(F) The board may submit a modification to a plan consistent 10228
with the requirements of this section. 10229

(G) The funds granted under this section shall be used to 10230
provide subsidized employment for unemployed, low-income adults. 10231
The board may use a variety of strategies in recruiting employers 10232
and identifying appropriate employment opportunities, with a 10233
priority to be provided to employment opportunities likely to lead 10234
to unsubsidized employment in emerging or in-demand occupations in 10235
the local area. Funds under this section may be used to provide 10236
support services, such as transportation and child care, that are 10237
necessary to enable the participation of individuals in subsidized 10238
employment opportunities. 10239

(H) The board may determine the percentage of the wages and 10240
costs of employing a participant for which an employer may receive 10241
a subsidy with the funds provided under this section, and the 10242
duration of such subsidy, in accordance with guidance issued by 10243
the Director. The board may establish criteria for determining 10244
such percentage or duration using appropriate factors such as the 10245
size of the employer and types of employment. 10246

Section 12.05. (A) From the Pathways Back to Work Fund, the 10247

Director of Job and Family Services shall make a grant to each 10248
local workforce investment board that has a plan that meets the 10249
requirements of this section for the purpose of providing summer 10250
employment and year-round employment opportunities to low-income 10251
youth. 10252

(B) Not later than twenty days after the effective date of 10253
this section, the Director shall adopt rules regarding the 10254
implementation of this section. The rules shall, consistent with 10255
this section, include procedures for the submission and approval 10256
of plans and the grant of funds that promote the expeditious and 10257
effective implementation of the activities authorized under this 10258
section. 10259

(C) For a board to be eligible to receive a grant of funds 10260
under division (A) of this section, the board shall submit to the 10261
Director a plan in such form and containing such information as 10262
the Director may require. At a minimum, such plan shall include 10263
all of the following: 10264

(1) A description of the strategies and activities to be 10265
carried out to provide summer employment opportunities and 10266
year-round employment opportunities, including the linkages to 10267
educational activities; 10268

(2) A description of the requirements the board will apply 10269
relating to the eligibility of low-income youth for summer 10270
employment opportunities and year-round employment opportunities, 10271
which may include criteria to target assistance to particular 10272
categories of such low-income youth, such as youth with 10273
disabilities; 10274

(3) A description of the performance outcomes to be achieved 10275
by the board through the activities carried out under this section 10276
and the processes the board will use to track performance, 10277
consistent with rules adopted by the Director regarding such 10278

outcomes and processes and with Section 12.07 of this act; 10279

(4) A description of the timelines for implementation of the 10280
activities described in division (C)(1) of this section, and the 10281
number of low-income youth expected to be placed in summer 10282
employment opportunities, and year-round employment opportunities, 10283
respectively, by quarter; 10284

(5) Assurances that the board will report such information as 10285
the Director may require relating to fiscal, performance, and 10286
other matters that the Director determines is necessary to 10287
effectively monitor the activities carried out under this section; 10288

(6) Assurances that the board will ensure compliance with the 10289
labor standards protections described in Section 12.07 of this 10290
act. 10291

(D) The board shall submit a plan described in rules adopted 10292
by the Director to the Director not later than thirty days after 10293
the rules are adopted. The plan required under this division may 10294
be submitted in conjunction with the plan required under Section 10295
12.04 of this act. 10296

(E) The Director shall approve the plan submitted under 10297
division (D) of this section within thirty days after submission, 10298
unless the Director determines that the plan is inconsistent with 10299
the requirements of this section. If the Director has not made a 10300
determination within thirty days, the plan shall be considered 10301
approved. If the plan is disapproved, the Director may provide a 10302
reasonable period of time in which a disapproved plan may be 10303
amended and resubmitted for approval. If the plan is approved, the 10304
Director shall grant funds to the board within thirty days after 10305
such approval. 10306

(F) The funds provided under this section shall be used for 10307
both of the following: 10308

(1) To provide summer employment opportunities for low-income 10309

youth, ages sixteen through twenty-four, with direct linkages to 10310
academic and occupational learning, and may include the provision 10311
of supportive services, such as transportation or child care, 10312
necessary to enable such youth to participate; 10313

(2) To provide year-round employment opportunities, which may 10314
be combined with other activities authorized under section 129 of 10315
the "Workforce Investment Act of 1998," 112 Stat. 936, 29 U.S.C. 10316
2801, as amended, to low-income youth, ages sixteen through 10317
twenty-four, with a priority to out-of-school youth who are high 10318
school dropouts or recipients of a high school diploma or 10319
certificate of high school equivalence but who are basic skills 10320
deficient and unemployed or underemployed. 10321

(G) In administering the funds under this section, the board 10322
shall give a priority to both of the following: 10323

(1) Identifying employment opportunities that are in emerging 10324
or in-demand occupations in the local workforce investment area or 10325
in the public or nonprofit sector that meet community needs; 10326

(2) Linking year-round program participants to training and 10327
educational activities that will provide such participants an 10328
industry-recognized certificate or credential. 10329

(H) For activities funded under this section, the board shall 10330
provide such reports as the Director may require regarding the 10331
performance outcomes described in Section 12.07 of this act. 10332

Section 12.06. (A) From the Pathways Back to Work Fund the 10333
Director of Job and Family services shall award grants on a 10334
competitive basis to eligible entities to carry out work-based 10335
strategies of demonstrated effectiveness. 10336

(B) The grants awarded under this section shall be used to 10337
support strategies and activities of demonstrated effectiveness 10338
that are designed to provide unemployed, low-income adults or 10339

low-income youth with the skills that will lead to employment as 10340
part of or upon completion of participation in such activities. 10341
Such strategies and activities may include any of the following: 10342

(1) On-the-job training, registered apprenticeship programs, 10343
or other programs that combine work with skills development; 10344

(2) Sector-based training programs that have been designed to 10345
meet the specific requirements of an employer or group of 10346
employers in that sector and where employers are committed to 10347
hiring individuals upon successful completion of the training; 10348

(3) Training that supports an industry sector or an 10349
employer-based or labor-management committee industry partnership 10350
which includes a significant work-experience component; 10351

(4) Acquisition of industry-recognized credentials in a field 10352
identified by the local workforce investment area as a growth 10353
sector or demand industry in which there are likely to be 10354
significant job opportunities in the short-term; 10355

(5) Connections to immediate work opportunities, including 10356
subsidized employment opportunities, or summer employment 10357
opportunities for youth, that include concurrent skills training 10358
and other supports; 10359

(6) Career academies that provide students with the academic 10360
preparation and training, including paid internships and 10361
concurrent enrollment in community colleges or other postsecondary 10362
institutions, needed to pursue a career pathway that leads to 10363
postsecondary credentials and high-demand jobs; 10364

(7) Adult basic education and integrated basic education and 10365
training models for low-skilled adults, hosted at community 10366
colleges or at other sites, to prepare individuals for jobs that 10367
are in demand in a local area. 10368

(C) An eligible entity shall include a local chief elected 10369

official, in collaboration with the local workforce investment 10370
board for the local workforce investment area involved, which may 10371
include a partnership with such officials and boards in the region 10372
and in the state, or an entity eligible to apply for an Indian and 10373
Native American grant under section 166 of the "Workforce 10374
Investment Act of 1998," 112 Stat. 936, 29 U.S.C. 2801, as 10375
amended, and may include, in partnership with such officials, 10376
boards, and entities, any of the following: 10377

(1) Employers or employer associations; 10378

(2) Adult education providers and postsecondary educational 10379
institutions, including community colleges; 10380

(3) Community-based organizations; 10381

(4) Joint labor-management committees; 10382

(5) Work-related intermediaries; 10383

(6) Other appropriate organizations. 10384

(D) An eligible entity seeking to receive a grant under this 10385
section shall submit to the Director an application at such time, 10386
in such manner, and containing such information as the Director 10387
may require. At a minimum, the application shall do all of the 10388
following: 10389

(1) Describe the strategies and activities of demonstrated 10390
effectiveness that the eligible entities will carry out to provide 10391
unemployed, low-income adults and low-income youth with the skills 10392
that will lead to employment upon completion of participation in 10393
such activities; 10394

(2) Describe the requirements that will apply relating to the 10395
eligibility of unemployed, low-income adults or low-income youth 10396
for activities carried out under this section, which may include 10397
criteria to target assistance to particular categories of such 10398
adults and youth, such as individuals with disabilities or 10399

individuals who have exhausted all rights to unemployment	10400
compensation;	10401
(3) Describe how the strategies and activities address the	10402
needs of the target populations identified in division (D)(2) of	10403
this section and the needs of employers in the local area;	10404
(4) Describe the expected outcomes to be achieved by	10405
implementing the strategies and activities;	10406
(5) Provide evidence that the funds provided may be expended	10407
expeditiously and efficiently to implement the strategies and	10408
activities;	10409
(6) Describe how the strategies and activities will be	10410
coordinated with other federal, state, and local programs	10411
providing employment, education, and supportive activities;	10412
(7) Provide evidence of employer commitment to participate in	10413
the activities funded under this section, including identification	10414
of anticipated occupational and skill needs;	10415
(8) Provide assurances that the grant recipient will report	10416
such information as the Director may require relating to fiscal,	10417
performance, and other matters that the Director determines is	10418
necessary to effectively monitor the activities carried out under	10419
this section;	10420
(9) Provide assurances that the use of the funds provided	10421
under this section will comply with the labor standards and	10422
protections described in Section 12.07 of this act.	10423
(E) In awarding grants under this section, the Director shall	10424
give a priority to applications submitted by eligible entities	10425
from areas of high poverty and high unemployment, as defined by	10426
the Director, such as public use microdata areas as designated by	10427
the United States census bureau.	10428
(F) The Director shall administer this section in	10429

coordination with other appropriate agency heads, to ensure the 10430
effective implementation of this section. 10431

Section 12.07. (A) Activities provided with funds under 10432
Sections 12.01 to 12.07 of this act shall be subject to the 10433
requirements and restrictions, including the labor standards, 10434
described in section 181 of the "Workforce Investment Act of 10435
1998," 112 Stat. 936, 29 U.S.C. 2801, as amended, and the 10436
nondiscrimination provisions of section 188 of that Act, in 10437
addition to other applicable laws. 10438

(B) The Director of Job and Family Services may require the 10439
reporting of information relating to fiscal, performance, and 10440
other matters that the Director determines is necessary to 10441
effectively monitor the activities carried out with funds provided 10442
under Sections 12.01 to 12.07 of this act. At a minimum, grantees 10443
and subgrantees shall provide information relating to all of the 10444
following: 10445

(1) The number of individuals participating in activities 10446
with funds provided under those sections and the number of such 10447
individuals who have completed such participation; 10448

(2) The expenditures of funds provided under those sections; 10449

(3) The number of jobs created pursuant to the activities 10450
carried out under those sections; 10451

(4) The demographic characteristics of individuals 10452
participating in activities under those sections; 10453

(5) The performance outcomes of individuals participating in 10454
activities under those sections for all of the following: 10455

(a) For adults participating in activities funded under those 10456
sections, entry in unsubsidized employment, retention in 10457
unsubsidized employment, and earnings in unsubsidized employment; 10458

(b) For low-income youth participating in summer employment 10459

activities, work readiness skill attainment using an employer 10460
validated checklist, placement in or return to secondary or 10461
postsecondary education or training, or entry into unsubsidized 10462
employment; 10463

(c) For low-income youth participating in year-round 10464
employment activities, placement in or return to post-secondary 10465
education, attainment of a high school diploma or a certificate of 10466
high school equivalence, attainment of an industry-recognized 10467
credential, and entry into unsubsidized employment, retention, and 10468
earnings; 10469

(d) For unemployed, low-income adults participating in 10470
activities under Section 12.06 of this act, entry into 10471
unsubsidized employment, retention, and earnings and the 10472
attainment of industry-recognized credentials. 10473

(C) Funds provided under Sections 12.01 to 12.07 of this act 10474
shall be used only for activities that are in addition to 10475
activities that would otherwise be available in the area in the 10476
absence of such funds. 10477

(D) The Director may establish such additional requirements 10478
as the Director determines may be necessary to ensure fiscal 10479
integrity, effective monitoring, and the appropriate and prompt 10480
implementation of the activities under Sections 12.01 to 12.07 of 10481
this act. 10482

(E) The Director shall provide to the appropriate committees 10483
of the General Assembly and make available to the public the 10484
information reported pursuant to division (B) of this section. 10485

Section 13. The property tax exemption authorized by section 10486
5709.29 of the Revised Code as enacted by this act applies to tax 10487
years beginning on or after the effective date of this act. 10488

Section 14. The amendment or repeal by this act of sections 10489

5733.46, 5733.48, 5747.01, 5747.28, 5747.29, 5747.70, 5747.75, 10490
5747.77, 5747.98, 5751.01, 5751.53, and 5751.98 of the Revised 10491
Code applies to taxable years or tax periods beginning on or after 10492
the effective date of this act. 10493

Section 15. The amendment by this act of sections 5739.01, 10494
5739.02, 5739.025, 5739.033, 5739.051, and 5741.02 of the Revised 10495
Code applies on and after the first day of the first month that 10496
begins on or after the effective date of this act. 10497

Section 16. The General Assembly, applying the principle 10498
stated in division (B) of section 1.52 of the Revised Code that 10499
amendments are to be harmonized if reasonably capable of 10500
simultaneous operation, finds that the following sections, 10501
presented in this act as composites of the sections as amended by 10502
the acts indicated, are the resulting versions of the sections in 10503
effect prior to the effective date of the sections as presented in 10504
this act: 10505

Section 4301.20 of the Revised Code as amended by both Am. 10506
Sub. H.B. 114 and S.B. 73 of the 129th General Assembly. 10507

Section 5751.01 of the Revised Code as amended by both Am. 10508
Sub. H.B. 153 and Sub. H.B. 277 of the 129th General Assembly. 10509