

As Introduced

**130th General Assembly
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H. B. No. 320

Representative Young

**Cosponsors: Representatives Amstutz, Becker, Boose, Brenner, Buchy,
Burkley, Derickson, Hood, Roegner, Thompson**

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A B I L L

To amend sections 2305.234, 2305.2341, 4715.42, 1
4723.271, 4731.295, and 5747.01 and to enact 2
sections 5.2290, 4723.26, and 5747.78 of the 3
Revised Code to create a state income tax 4
deduction regarding certain health care services 5
provided at a free clinic; to extend qualified 6
immunity from civil liability for certain 7
volunteer health care services provided to 8
individuals eligible for or receiving Medicaid; to 9
authorize a person practicing under a volunteer's 10
certificate to provide health care services to any 11
person; to create a volunteer's certificate for 12
retired nurses; and to designate December as "Free 13
Clinic Appreciation Month." 14

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

Section 1. That sections 2305.234, 2305.2341, 4715.42, 15
4723.271, 4731.295, and 5747.01 be amended and sections 5.2290, 16
4723.26, and 5747.78 of the Revised Code be enacted to read as 17
follows: 18

Sec. 5.2290. The month of December is designated as "Free
Clinic Appreciation Month."

Sec. 2305.234. (A) As used in this section:

(1) "Chiropractic claim," "medical claim," and "optometric
claim" have the same meanings as in section 2305.113 of the
Revised Code.

(2) "Dental claim" has the same meaning as in section
2305.113 of the Revised Code, except that it does not include any
claim arising out of a dental operation or any derivative claim
for relief that arises out of a dental operation.

(3) "Governmental health care program" has the same meaning
as in section 4731.65 of the Revised Code.

(4) "Health care facility or location" means a hospital,
clinic, ambulatory surgical facility, office of a health care
professional or associated group of health care professionals,
training institution for health care professionals, or any other
place where medical, dental, or other health-related diagnosis,
care, or treatment is provided to a person.

(5) "Health care professional" means any of the following who
provide medical, dental, or other health-related diagnosis, care,
or treatment:

(a) Physicians authorized under Chapter 4731. of the Revised
Code to practice medicine and surgery or osteopathic medicine and
surgery;

(b) Registered nurses and licensed practical nurses licensed
under Chapter 4723. of the Revised Code and individuals who hold a
certificate of authority issued under that chapter that authorizes
the practice of nursing as a certified registered nurse
anesthetist, clinical nurse specialist, certified nurse-midwife,

or certified nurse practitioner;	48
(c) Physician assistants authorized to practice under Chapter 4730. of the Revised Code;	49 50
(d) Dentists and dental hygienists licensed under Chapter 4715. of the Revised Code;	51 52
(e) Physical therapists, physical therapist assistants, occupational therapists, and occupational therapy assistants licensed under Chapter 4755. of the Revised Code;	53 54 55
(f) Chiropractors licensed under Chapter 4734. of the Revised Code;	56 57
(g) Optometrists licensed under Chapter 4725. of the Revised Code;	58 59
(h) Podiatrists authorized under Chapter 4731. of the Revised Code to practice podiatry;	60 61
(i) Dietitians licensed under Chapter 4759. of the Revised Code;	62 63
(j) Pharmacists licensed under Chapter 4729. of the Revised Code;	64 65
(k) Emergency medical technicians-basic, emergency medical technicians-intermediate, and emergency medical technicians-paramedic, certified under Chapter 4765. of the Revised Code;	66 67 68 69
(l) Respiratory care professionals licensed under Chapter 4761. of the Revised Code;	70 71
(m) Speech-language pathologists and audiologists licensed under Chapter 4753. of the Revised Code;	72 73
(n) Professional clinical counselors, professional counselors, independent social workers, social workers, independent marriage and family therapists, and marriage and	74 75 76

family therapists, licensed under Chapter 4757. of the Revised Code;	77 78
(o) Psychologists licensed under Chapter 4732. of the Revised Code;	79 80
(p) Independent chemical dependency counselors, chemical dependency counselors III, chemical dependency counselors II, and chemical dependency counselors I, licensed under Chapter 4758. of the Revised Code.	81 82 83 84
(6) "Health care worker" means a person other than a health care professional who provides medical, dental, or other health-related care or treatment under the direction of a health care professional with the authority to direct that individual's activities, including medical technicians, medical assistants, dental assistants, orderlies, aides, and individuals acting in similar capacities.	85 86 87 88 89 90 91
(7) <u>Except as otherwise provided in division (A)(7) of this section, "Indigent indigent and uninsured person"</u> means a person who meets all <u>both</u> of the following requirements:	92 93 94
(a) The person's income is not greater than two hundred per cent of the current poverty line as defined by the United States office of management and budget and revised in accordance with section 673(2) of the "Omnibus Budget Reconciliation Act of 1981," 95 Stat. 511, 42 U.S.C. 9902, as amended.	95 96 97 98 99
(b) The person is not eligible for the medicaid program or any other governmental health care program.	100 101
(c) Either of the following applies:	102
(i) The person is not a policyholder, certificate holder, insured, contract holder, subscriber, enrollee, member, beneficiary, or other covered individual under a health insurance or health care policy, contract, or plan.	103 104 105 106

(ii) The person is a policyholder, certificate holder, 107
insured, contract holder, subscriber, enrollee, member, 108
beneficiary, or other covered individual under a health insurance 109
or health care policy, contract, or plan, but the insurer, policy, 110
contract, or plan denies coverage or is the subject of insolvency 111
or bankruptcy proceedings in any jurisdiction. 112

"Indigent and uninsured person" includes a person who is 113
eligible for the medicaid program or is a medicaid recipient, but 114
does not include a person who is eligible for or is a recipient, 115
enrollee, or beneficiary of any other governmental health care 116
program. 117

(8) "Nonprofit health care referral organization" means an 118
entity that is not operated for profit and refers patients to, or 119
arranges for the provision of, health-related diagnosis, care, or 120
treatment by a health care professional or health care worker. 121

(9) "Operation" means any procedure that involves cutting or 122
otherwise infiltrating human tissue by mechanical means, including 123
surgery, laser surgery, ionizing radiation, therapeutic 124
ultrasound, or the removal of intraocular foreign bodies. 125
"Operation" does not include the administration of medication by 126
injection, unless the injection is administered in conjunction 127
with a procedure infiltrating human tissue by mechanical means 128
other than the administration of medicine by injection. 129
"Operation" does not include routine dental restorative 130
procedures, the scaling of teeth, or extractions of teeth that are 131
not impacted. 132

(10) "Tort action" means a civil action for damages for 133
injury, death, or loss to person or property other than a civil 134
action for damages for a breach of contract or another agreement 135
between persons or government entities. 136

(11) "Volunteer" means an individual who provides any 137

medical, dental, or other health-care related diagnosis, care, or 138
treatment without the expectation of receiving and without receipt 139
of any compensation or other form of remuneration from an indigent 140
and uninsured person, another person on behalf of an indigent and 141
uninsured person, any health care facility or location, any 142
nonprofit health care referral organization, or any other person 143
or government entity. 144

(12) "Community control sanction" has the same meaning as in 145
section 2929.01 of the Revised Code. 146

(13) "Deep sedation" means a drug-induced depression of 147
consciousness during which a patient cannot be easily aroused but 148
responds purposefully following repeated or painful stimulation, a 149
patient's ability to independently maintain ventilatory function 150
may be impaired, a patient may require assistance in maintaining a 151
patent airway and spontaneous ventilation may be inadequate, and 152
cardiovascular function is usually maintained. 153

(14) "General anesthesia" means a drug-induced loss of 154
consciousness during which a patient is not arousable, even by 155
painful stimulation, the ability to independently maintain 156
ventilatory function is often impaired, a patient often requires 157
assistance in maintaining a patent airway, positive pressure 158
ventilation may be required because of depressed spontaneous 159
ventilation or drug-induced depression of neuromuscular function, 160
and cardiovascular function may be impaired. 161

(B)(1) Subject to divisions (F) and (G)(3) of this section, a 162
health care professional who is a volunteer and complies with 163
division (B)(2) of this section is not liable in damages to any 164
person or government entity in a tort or other civil action, 165
including an action on a medical, dental, chiropractic, 166
optometric, or other health-related claim, for injury, death, or 167
loss to person or property that allegedly arises from an action or 168
omission of the volunteer in the provision to an indigent and 169

uninsured person of medical, dental, or other health-related 170
diagnosis, care, or treatment, including the provision of samples 171
of medicine and other medical products, unless the action or 172
omission constitutes willful or wanton misconduct. 173

(2) To qualify for the immunity described in division (B)(1) 174
of this section, a health care professional shall do all of the 175
following prior to providing diagnosis, care, or treatment: 176

(a) Determine, in good faith, that the indigent and uninsured 177
person is mentally capable of giving informed consent to the 178
provision of the diagnosis, care, or treatment and is not subject 179
to duress or under undue influence; 180

(b) Inform the person of the provisions of this section, 181
including notifying the person that, by giving informed consent to 182
the provision of the diagnosis, care, or treatment, the person 183
cannot hold the health care professional liable for damages in a 184
tort or other civil action, including an action on a medical, 185
dental, chiropractic, optometric, or other health-related claim, 186
unless the action or omission of the health care professional 187
constitutes willful or wanton misconduct; 188

(c) Obtain the informed consent of the person and a written 189
waiver, signed by the person or by another individual on behalf of 190
and in the presence of the person, that states that the person is 191
mentally competent to give informed consent and, without being 192
subject to duress or under undue influence, gives informed consent 193
to the provision of the diagnosis, care, or treatment subject to 194
the provisions of this section. A written waiver under division 195
(B)(2)(c) of this section shall state clearly and in conspicuous 196
type that the person or other individual who signs the waiver is 197
signing it with full knowledge that, by giving informed consent to 198
the provision of the diagnosis, care, or treatment, the person 199
cannot bring a tort or other civil action, including an action on 200
a medical, dental, chiropractic, optometric, or other 201

health-related claim, against the health care professional unless 202
the action or omission of the health care professional constitutes 203
willful or wanton misconduct. 204

(3) A physician or podiatrist who is not covered by medical 205
malpractice insurance, but complies with division (B)(2) of this 206
section, is not required to comply with division (A) of section 207
4731.143 of the Revised Code. 208

(C) Subject to divisions (F) and (G)(3) of this section, 209
health care workers who are volunteers are not liable in damages 210
to any person or government entity in a tort or other civil 211
action, including an action upon a medical, dental, chiropractic, 212
optometric, or other health-related claim, for injury, death, or 213
loss to person or property that allegedly arises from an action or 214
omission of the health care worker in the provision to an indigent 215
and uninsured person of medical, dental, or other health-related 216
diagnosis, care, or treatment, unless the action or omission 217
constitutes willful or wanton misconduct. 218

(D) Subject to divisions (F) and (G)(3) of this section, a 219
nonprofit health care referral organization is not liable in 220
damages to any person or government entity in a tort or other 221
civil action, including an action on a medical, dental, 222
chiropractic, optometric, or other health-related claim, for 223
injury, death, or loss to person or property that allegedly arises 224
from an action or omission of the nonprofit health care referral 225
organization in referring indigent and uninsured persons to, or 226
arranging for the provision of, medical, dental, or other 227
health-related diagnosis, care, or treatment by a health care 228
professional described in division (B)(1) of this section or a 229
health care worker described in division (C) of this section, 230
unless the action or omission constitutes willful or wanton 231
misconduct. 232

(E) Subject to divisions (F) and (G)(3) of this section and 233

to the extent that the registration requirements of section 234
3701.071 of the Revised Code apply, a health care facility or 235
location associated with a health care professional described in 236
division (B)(1) of this section, a health care worker described in 237
division (C) of this section, or a nonprofit health care referral 238
organization described in division (D) of this section is not 239
liable in damages to any person or government entity in a tort or 240
other civil action, including an action on a medical, dental, 241
chiropractic, optometric, or other health-related claim, for 242
injury, death, or loss to person or property that allegedly arises 243
from an action or omission of the health care professional or 244
worker or nonprofit health care referral organization relative to 245
the medical, dental, or other health-related diagnosis, care, or 246
treatment provided to an indigent and uninsured person on behalf 247
of or at the health care facility or location, unless the action 248
or omission constitutes willful or wanton misconduct. 249

(F)(1) Except as provided in division (F)(2) of this section, 250
the immunities provided by divisions (B), (C), (D), and (E) of 251
this section are not available to a health care professional, 252
health care worker, nonprofit health care referral organization, 253
or health care facility or location if, at the time of an alleged 254
injury, death, or loss to person or property, the health care 255
professionals or health care workers involved are providing one of 256
the following: 257

(a) Any medical, dental, or other health-related diagnosis, 258
care, or treatment pursuant to a community service work order 259
entered by a court under division (B) of section 2951.02 of the 260
Revised Code or imposed by a court as a community control 261
sanction; 262

(b) Performance of an operation to which any one of the 263
following applies: 264

(i) The operation requires the administration of deep 265

sedation or general anesthesia.	266
(ii) The operation is a procedure that is not typically performed in an office.	267 268
(iii) The individual involved is a health care professional, and the operation is beyond the scope of practice or the education, training, and competence, as applicable, of the health care professional.	269 270 271 272
(c) Delivery of a baby or any other purposeful termination of a human pregnancy.	273 274
(2) Division (F)(1) of this section does not apply when a health care professional or health care worker provides medical, dental, or other health-related diagnosis, care, or treatment that is necessary to preserve the life of a person in a medical emergency.	275 276 277 278 279
(G)(1) This section does not create a new cause of action or substantive legal right against a health care professional, health care worker, nonprofit health care referral organization, or health care facility or location.	280 281 282 283
(2) This section does not affect any immunities from civil liability or defenses established by another section of the Revised Code or available at common law to which a health care professional, health care worker, nonprofit health care referral organization, or health care facility or location may be entitled in connection with the provision of emergency or other medical, dental, or other health-related diagnosis, care, or treatment.	284 285 286 287 288 289 290
(3) This section does not grant an immunity from tort or other civil liability to a health care professional, health care worker, nonprofit health care referral organization, or health care facility or location for actions that are outside the scope of authority of health care professionals or health care workers.	291 292 293 294 295

(4) This section does not affect any legal responsibility of 296
a health care professional, health care worker, or nonprofit 297
health care referral organization to comply with any applicable 298
law of this state or rule of an agency of this state. 299

(5) This section does not affect any legal responsibility of 300
a health care facility or location to comply with any applicable 301
law of this state, rule of an agency of this state, or local code, 302
ordinance, or regulation that pertains to or regulates building, 303
housing, air pollution, water pollution, sanitation, health, fire, 304
zoning, or safety. 305

Sec. 2305.2341. (A) The medical liability insurance 306
reimbursement program is hereby established. Free clinics and 307
federally qualified health center look-alikes, including the 308
clinics' and centers' staff and volunteer health care 309
professionals and volunteer health care workers, may participate 310
in the medical liability insurance reimbursement program 311
established by this section. The coverage provided under the 312
program shall be limited to claims that arise out of the 313
diagnosis, treatment, and care of patients of free clinics and 314
centers, as defined in division (D) of this section. 315

(B) A free clinic or federally qualified health center 316
look-alike is eligible to receive reimbursement under the medical 317
liability insurance reimbursement program for the premiums that 318
the clinic or center pays for medical liability insurance coverage 319
for the clinic or center, its staff, and volunteer health care 320
professionals and health care workers. Free clinics and federally 321
qualified health center look-alikes shall register with the 322
department of health by the thirty-first day of January of each 323
year in order to participate in and to obtain reimbursement under 324
the program. Clinics that register with the department in 325
accordance with this division shall receive priority over centers 326

that register for reimbursement. 327

Free clinics and federally qualified health center 328
look-alikes shall provide all of the following to the department 329
of health at the time of registration: 330

(1) A statement of the number of volunteer and paid health 331
care professionals and health care workers providing health care 332
services at the free clinic or federally qualified health center 333
look-alike at that time; 334

(2) A statement of the number of health care services 335
rendered by the free clinic or federally qualified health center 336
look-alike during the previous fiscal year; 337

(3) A signed form acknowledging that the free clinic or 338
federally qualified health center look-alike agrees to follow its 339
medical liability insurer's risk management and loss prevention 340
policies; 341

(4) A copy of the medical liability insurance policy 342
purchased by the free clinic or federally qualified health center 343
look-alike, or the policy's declaration page, and documentation of 344
the premiums paid by the clinic or center. 345

(C) The department of health shall reimburse free clinics and 346
federally qualified health center look-alikes participating in the 347
professional liability insurance reimbursement program for up to 348
eighty per cent of the premiums that the clinic or center pays for 349
medical liability insurance coverage up to twenty thousand 350
dollars. Appropriations to the department of health may be made 351
from the general fund of the state for this purpose. 352

(D) As used in this section: 353

(1) "Federally qualified health center look-alike" means a 354
public or not-for-profit health center that meets the eligibility 355
requirements to receive a federal public health services grant 356

under the "Public Health Services Act," 117 Stat. 2020, 42 U.S.C. 357
254b, as amended, but does not receive grant funding. 358

(2) "Free clinic" means a nonprofit organization exempt from 359
federal income taxation under section 501(c)(3) of the "Internal 360
Revenue Code of 1986," as amended, or a program component of a 361
nonprofit organization, whose primary mission is to provide health 362
care services for free or for a minimal administrative fee to 363
individuals with limited resources. A free clinic facilitates the 364
delivery of health care services through the use of volunteer 365
health care professionals and voluntary care networks. For this 366
purpose, a free clinic shall comply with all of the following: 367

(a) If a free clinic does request a minimal administrative 368
fee, a free clinic shall not deny an individual access to its 369
health care services based on an individual's ability to pay the 370
fee. 371

(b) A free clinic shall not bill a patient for health care 372
services rendered. 373

(c) ~~Free clinics shall not perform~~ Except in dental and 374
medical emergencies as provided in sections 4715.42 and 4731.295 375
of the Revised Code, operations, as defined by divisions (A)(9) 376
and (F)(1)(b) of section 2305.234 of the Revised Code shall not be 377
performed in free clinics. 378

A clinic is not a free clinic if the clinic bills medicaid, 379
medicare, or other third-party payers for health care services 380
rendered at the clinic, and receives twenty-five per cent or more 381
of the clinic's annual revenue from the third-party payments. 382

(3) "Health care professional" and "health care worker" have 383
the same meanings as in section 2305.234 of the Revised Code. 384

Sec. 4715.42. (A)(1) As used in this section, ~~"indigent"~~ 385

(a) "Indigent and uninsured person" and "operation" have the 386

same meanings as in section 2305.234 of the Revised Code. 387

(b) "Free clinic" has the same meaning as in section 388
2305.2341 of the Revised Code. 389

(2) For the purposes of this section, a person shall be 390
considered retired from practice if the person's license has been 391
surrendered or allowed to expire with the intention of ceasing to 392
practice as a dentist or dental hygienist for remuneration. 393

(B) Within thirty days after receiving an application for a 394
volunteer's certificate that includes all of the items listed in 395
divisions (C)(1), (2), and (3) of this section, the state dental 396
board shall issue, without examination, a volunteer's certificate 397
to a person who is retired from practice so that the person may 398
provide dental services to ~~indigent and uninsured~~ persons at any 399
location, including a free clinic. 400

(C) An application for a volunteer's certificate shall 401
include all of the following: 402

(1) A copy of the applicant's degree from dental college or 403
dental hygiene school. 404

(2) One of the following, as applicable: 405

(a) A copy of the applicant's most recent license to practice 406
dentistry or dental hygiene issued by a jurisdiction in the United 407
States that licenses persons to practice dentistry or dental 408
hygiene. 409

(b) A copy of the applicant's most recent license equivalent 410
to a license to practice dentistry or dental hygiene in one or 411
more branches of the United States armed services that the United 412
States government issued. 413

(3) Evidence of one of the following, as applicable: 414

(a) The applicant has maintained for at least ten years prior 415
to retirement full licensure in good standing in any jurisdiction 416

in the United States that licenses persons to practice dentistry 417
or dental hygiene. 418

(b) The applicant has practiced as a dentist or dental 419
hygienist in good standing for at least ten years prior to 420
retirement in one or more branches of the United States armed 421
services. 422

(D) The holder of a volunteer's certificate may provide 423
dental services ~~only to indigent and uninsured persons~~ at any 424
location, including a free clinic. The holder shall not accept any 425
form of remuneration for providing dental services while in 426
possession of the certificate. Except in a dental emergency, the 427
holder shall not perform any operation. The board may revoke a 428
volunteer's certificate on receiving proof satisfactory to the 429
board that the holder has engaged in practice in this state 430
outside the scope of the holder's certificate or that there are 431
grounds for action against the person under section 4715.30 of the 432
Revised Code. 433

(E)(1) A volunteer's certificate shall be valid for a period 434
of three years, and may be renewed upon the application of the 435
holder, unless the certificate was previously revoked under 436
division (D) of this section. The board shall maintain a register 437
of all persons who hold volunteer's certificates. The board shall 438
not charge a fee for issuing or renewing a certificate pursuant to 439
this section. 440

(2) To be eligible for renewal of a volunteer's certificate, 441
the holder of the certificate shall certify to the board 442
completion of sixty hours of continuing dental education that 443
meets the requirements of section 4715.141 of the Revised Code and 444
the rules adopted under that section, or completion of eighteen 445
hours of continuing dental hygiene education that meets the 446
requirements of section 4715.25 of the Revised Code and the rules 447
adopted under that section, as the case may be. The board may not 448

renew a certificate if the holder has not complied with the 449
appropriate continuing education requirements. Any entity for 450
which the holder provides dental services may pay for or reimburse 451
the holder for any costs incurred in obtaining the required 452
continuing education credits. 453

(3) The board shall issue to each person who qualifies under 454
this section for a volunteer's certificate a wallet certificate 455
and a wall certificate that state that the certificate holder is 456
authorized to provide dental services pursuant to the laws of this 457
state. The holder shall keep the wallet certificate on the 458
holder's person while providing dental services and shall display 459
the wall certificate prominently at the location where the holder 460
primarily practices. 461

(4) The holder of a volunteer's certificate issued pursuant 462
to this section is subject to the immunity provisions regarding 463
the provision of services to indigent and uninsured persons in 464
section 2305.234 of the Revised Code. 465

(F) The board shall adopt rules in accordance with Chapter 466
119. of the Revised Code to administer and enforce this section. 467

(G) ~~Within ninety days after the effective date of this~~ 468
~~amendment, the~~ The state dental board shall make available through 469
the board's website the application form for a volunteer's 470
certificate under this section, a description of the application 471
process, and a list of all items that are required by division (C) 472
of this section to be submitted with the application. 473

Sec. 4723.26. (A)(1) As used in this section: 474

(a) "Indigent and uninsured person" and "operation" have the 475
same meanings as in section 2305.234 of the Revised Code. 476

(b) "Free clinic" has the same meaning as in section 477
2305.2341 of the Revised Code. 478

(2) For the purposes of this section, a person shall be 479
considered retired from practice if the person's license has been 480
surrendered or allowed to expire with the intention of ceasing to 481
practice nursing as a registered nurse or licensed practical nurse 482
for remuneration. 483

(B) Within thirty days after receiving an application for a 484
volunteer's certificate that includes all of the items listed in 485
divisions (C)(1), (2), and (3) of this section, the board of 486
nursing shall issue, without examination, a volunteer's 487
certificate to a person who is retired from practice so that the 488
person may provide nursing services to persons at any location, 489
including a free clinic. 490

(C) An application for a volunteer's certificate shall 491
include all of the following: 492

(1) A copy of the applicant's degree from a school of 493
registered nursing or practical nursing; 494

(2) One of the following, as applicable: 495

(a) A copy of the applicant's most recent license to practice 496
nursing as a registered nurse or licensed practical nurse issued 497
by a jurisdiction in the United States that licenses persons to 498
practice nursing as a registered nurse or licensed practical 499
nurse; 500

(b) A copy of the applicant's most recent license equivalent 501
to a license to practice nursing as a registered nurse or licensed 502
practical nurse in one or more branches of the United States armed 503
services that the United States government issued. 504

(3) Evidence of one of the following, as applicable: 505

(a) The applicant has maintained for at least ten years prior 506
to retirement full licensure in good standing in any jurisdiction 507
in the United States that licenses persons to practice nursing as 508

a registered nurse or licensed practical nurse. 509

(b) The applicant has practiced nursing as a registered nurse 510
or licensed practical nurse in good standing for at least ten 511
years prior to retirement in one or more branches of the United 512
States armed services. 513

(D) The holder of a volunteer's certificate may provide 514
nursing services to persons at any location, including a free 515
clinic. The holder shall not accept any form of remuneration for 516
providing nursing services while in possession of the certificate. 517
The board may revoke a volunteer's certificate on receiving proof 518
satisfactory to the board that the holder has engaged in practice 519
in this state outside the scope of the holder's certificate or 520
that there are grounds for action against the person under section 521
4723.28 of the Revised Code. 522

(E)(1) A volunteer's certificate shall be valid for a period 523
of three years, and may be renewed upon the application of the 524
holder, unless the certificate was previously revoked under 525
division (D) of this section. The board shall maintain a register 526
of all persons who hold volunteer's certificates. The board shall 527
not charge a fee for issuing or renewing a certificate pursuant to 528
this section. 529

(2) To be eligible for renewal of a volunteer's certificate, 530
the holder of the certificate shall certify to the board 531
completion of continuing nursing education that meets the 532
requirements of section 4723.24 of the Revised Code and the rules 533
adopted under that section. The board may not renew a certificate 534
if the holder has not complied with the appropriate continuing 535
education requirements. Any entity for which the holder provides 536
nursing services may pay for or reimburse the holder for any costs 537
incurred in obtaining the required continuing education hours. 538

(3) The board shall issue to each person who qualifies under 539

this section for a volunteer's certificate a wallet certificate 540
and a wall certificate that state that the certificate holder is 541
authorized to provide nursing services pursuant to the laws of 542
this state. The holder shall keep the wallet certificate on the 543
holder's person while providing nursing services and shall display 544
the wall certificate prominently at the location where the holder 545
primarily practices. 546

(4) The holder of a volunteer's certificate issued pursuant 547
to this section is subject to the immunity provisions regarding 548
the provision of services to indigent and uninsured persons in 549
section 2305.234 of the Revised Code. 550

(F) The board shall adopt rules in accordance with Chapter 551
119. of the Revised Code to administer and enforce this section. 552

Sec. 4723.271. (A) Upon request of the holder of a nursing 553
license, volunteer's certificate, certificate of authority, 554
dialysis technician certificate, medication aide certificate, or 555
community health worker certificate issued under this chapter, the 556
presentment of proper identification as prescribed in rules 557
adopted by the board of nursing, and payment of the fee authorized 558
under section 4723.08 of the Revised Code, the board of nursing 559
shall provide to the requestor a replacement copy of a wall 560
certificate suitable for framing. 561

(B) Upon request of the holder of a nursing license, 562
volunteer's certificate, certificate of authority, certificate to 563
prescribe, dialysis technician certificate, medication aide 564
certificate, or community health worker certificate issued under 565
this chapter and payment of the fee authorized under section 566
4723.08 of the Revised Code, the board shall verify to an agency 567
of another jurisdiction or foreign country the fact that the 568
person holds such nursing license, volunteer's certificate, 569
certificate of authority, certificate to prescribe, dialysis 570

technician certificate, medication aide certificate, or community 571
health worker certificate. 572

Sec. 4731.295. (A)(1) As used in this section, ~~"indigent:~~ 573

(a) "Indigent and uninsured person" and "operation" have the 574
same meanings as in section 2305.234 of the Revised Code. 575

(b) "Free clinic" has the same meaning as in section 576
2305.2341 of the Revised Code. 577

(2) For the purposes of this section, a person shall be 578
considered retired from practice if the person's license or 579
certificate has expired with the person's intention of ceasing to 580
practice medicine and surgery or osteopathic medicine and surgery 581
for remuneration. 582

(B) The state medical board may issue, without examination, a 583
volunteer's certificate to a person who is retired from practice 584
so that the person may provide medical services to ~~indigent and~~ 585
~~uninsured~~ persons at any location, including a free clinic. The 586
board shall deny issuance of a volunteer's certificate to a person 587
who is not qualified under this section to hold a volunteer's 588
certificate. 589

(C) An application for a volunteer's certificate shall 590
include all of the following: 591

(1) A copy of the applicant's degree of medicine or 592
osteopathic medicine. 593

(2) One of the following, as applicable: 594

(a) A copy of the applicant's most recent license or 595
certificate authorizing the practice of medicine and surgery or 596
osteopathic medicine and surgery issued by a jurisdiction in the 597
United States that licenses persons to practice medicine and 598
surgery or osteopathic medicine and surgery. 599

(b) A copy of the applicant's most recent license equivalent to a license to practice medicine and surgery or osteopathic medicine and surgery in one or more branches of the United States armed services that the United States government issued.

(3) Evidence of one of the following, as applicable:

(a) That the applicant has maintained for at least ten years prior to retirement full licensure in good standing in any jurisdiction in the United States that licenses persons to practice medicine and surgery or osteopathic medicine and surgery.

(b) That the applicant has practiced for at least ten years prior to retirement in good standing as a doctor of medicine and surgery or osteopathic medicine and surgery in one or more of the branches of the United States armed services.

(4) A notarized statement from the applicant, on a form prescribed by the board, that the applicant will not accept any form of remuneration for any medical services rendered while in possession of a volunteer's certificate.

(D) The holder of a volunteer's certificate may provide medical services ~~only to indigent and uninsured persons~~ at any location, including a free clinic. The holder shall not accept any form of remuneration for providing medical services while in possession of the certificate. Except in a medical emergency, the holder shall not perform any operation or deliver babies. The board may revoke a volunteer's certificate on receiving proof satisfactory to the board that the holder has engaged in practice in this state outside the scope of the certificate.

(E)(1) A volunteer's certificate shall be valid for a period of three years, unless earlier revoked under division (D) of this section or pursuant to section 4731.22 of the Revised Code. A volunteer's certificate may be renewed upon the application of the holder. The board shall maintain a register of all persons who

hold volunteer's certificates. The board shall not charge a fee 631
for issuing or renewing a certificate pursuant to this section. 632

(2) To be eligible for renewal of a volunteer's certificate 633
the holder of the certificate shall certify to the board 634
completion of one hundred fifty hours of continuing medical 635
education that meets the requirements of section 4731.281 of the 636
Revised Code regarding certification by private associations and 637
approval by the board. The board may not renew a certificate if 638
the holder has not complied with the continuing medical education 639
requirements. Any entity for which the holder provides medical 640
services may pay for or reimburse the holder for any costs 641
incurred in obtaining the required continuing medical education 642
credits. 643

(3) The board shall issue to each person who qualifies under 644
this section for a volunteer's certificate a wallet certificate 645
and a wall certificate that state that the certificate holder is 646
authorized to provide medical services pursuant to the laws of 647
this state. The holder shall keep the wallet certificate on the 648
holder's person while providing medical services and shall display 649
the wall certificate prominently at the location where the holder 650
primarily practices. 651

(4) The holder of a volunteer's certificate issued pursuant 652
to this section is subject to the immunity provisions regarding 653
the provision of services to indigent and uninsured persons in 654
section 2305.234 of the Revised Code. 655

(F) The board shall adopt rules in accordance with Chapter 656
119. of the Revised Code to administer and enforce this section. 657

Sec. 5747.01. Except as otherwise expressly provided or 658
clearly appearing from the context, any term used in this chapter 659
that is not otherwise defined in this section has the same meaning 660
as when used in a comparable context in the laws of the United 661

States relating to federal income taxes or if not used in a 662
comparable context in those laws, has the same meaning as in 663
section 5733.40 of the Revised Code. Any reference in this chapter 664
to the Internal Revenue Code includes other laws of the United 665
States relating to federal income taxes. 666

As used in this chapter: 667

(A) "Adjusted gross income" or "Ohio adjusted gross income" 668
means federal adjusted gross income, as defined and used in the 669
Internal Revenue Code, adjusted as provided in this section: 670

(1) Add interest or dividends on obligations or securities of 671
any state or of any political subdivision or authority of any 672
state, other than this state and its subdivisions and authorities. 673

(2) Add interest or dividends on obligations of any 674
authority, commission, instrumentality, territory, or possession 675
of the United States to the extent that the interest or dividends 676
are exempt from federal income taxes but not from state income 677
taxes. 678

(3) Deduct interest or dividends on obligations of the United 679
States and its territories and possessions or of any authority, 680
commission, or instrumentality of the United States to the extent 681
that the interest or dividends are included in federal adjusted 682
gross income but exempt from state income taxes under the laws of 683
the United States. 684

(4) Deduct disability and survivor's benefits to the extent 685
included in federal adjusted gross income. 686

(5) Deduct benefits under Title II of the Social Security Act 687
and tier 1 railroad retirement benefits to the extent included in 688
federal adjusted gross income under section 86 of the Internal 689
Revenue Code. 690

(6) In the case of a taxpayer who is a beneficiary of a trust 691

that makes an accumulation distribution as defined in section 665 692
of the Internal Revenue Code, add, for the beneficiary's taxable 693
years beginning before 2002, the portion, if any, of such 694
distribution that does not exceed the undistributed net income of 695
the trust for the three taxable years preceding the taxable year 696
in which the distribution is made to the extent that the portion 697
was not included in the trust's taxable income for any of the 698
trust's taxable years beginning in 2002 or thereafter. 699

"Undistributed net income of a trust" means the taxable income of 700
the trust increased by (a)(i) the additions to adjusted gross 701
income required under division (A) of this section and (ii) the 702
personal exemptions allowed to the trust pursuant to section 703
642(b) of the Internal Revenue Code, and decreased by (b)(i) the 704
deductions to adjusted gross income required under division (A) of 705
this section, (ii) the amount of federal income taxes attributable 706
to such income, and (iii) the amount of taxable income that has 707
been included in the adjusted gross income of a beneficiary by 708
reason of a prior accumulation distribution. Any undistributed net 709
income included in the adjusted gross income of a beneficiary 710
shall reduce the undistributed net income of the trust commencing 711
with the earliest years of the accumulation period. 712

(7) Deduct the amount of wages and salaries, if any, not 713
otherwise allowable as a deduction but that would have been 714
allowable as a deduction in computing federal adjusted gross 715
income for the taxable year, had the targeted jobs credit allowed 716
and determined under sections 38, 51, and 52 of the Internal 717
Revenue Code not been in effect. 718

(8) Deduct any interest or interest equivalent on public 719
obligations and purchase obligations to the extent that the 720
interest or interest equivalent is included in federal adjusted 721
gross income. 722

(9) Add any loss or deduct any gain resulting from the sale, 723

exchange, or other disposition of public obligations to the extent 724
that the loss has been deducted or the gain has been included in 725
computing federal adjusted gross income. 726

(10) Deduct or add amounts, as provided under section 5747.70 727
of the Revised Code, related to contributions to variable college 728
savings program accounts made or tuition units purchased pursuant 729
to Chapter 3334. of the Revised Code. 730

(11)(a) Deduct, to the extent not otherwise allowable as a 731
deduction or exclusion in computing federal or Ohio adjusted gross 732
income for the taxable year, the amount the taxpayer paid during 733
the taxable year for medical care insurance and qualified 734
long-term care insurance for the taxpayer, the taxpayer's spouse, 735
and dependents. No deduction for medical care insurance under 736
division (A)(11) of this section shall be allowed either to any 737
taxpayer who is eligible to participate in any subsidized health 738
plan maintained by any employer of the taxpayer or of the 739
taxpayer's spouse, or to any taxpayer who is entitled to, or on 740
application would be entitled to, benefits under part A of Title 741
XVIII of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C. 742
301, as amended. For the purposes of division (A)(11)(a) of this 743
section, "subsidized health plan" means a health plan for which 744
the employer pays any portion of the plan's cost. The deduction 745
allowed under division (A)(11)(a) of this section shall be the net 746
of any related premium refunds, related premium reimbursements, or 747
related insurance premium dividends received during the taxable 748
year. 749

(b) Deduct, to the extent not otherwise deducted or excluded 750
in computing federal or Ohio adjusted gross income during the 751
taxable year, the amount the taxpayer paid during the taxable 752
year, not compensated for by any insurance or otherwise, for 753
medical care of the taxpayer, the taxpayer's spouse, and 754
dependents, to the extent the expenses exceed seven and one-half 755

per cent of the taxpayer's federal adjusted gross income. 756

(c) Deduct, to the extent not otherwise deducted or excluded 757
in computing federal or Ohio adjusted gross income, any amount 758
included in federal adjusted gross income under section 105 or not 759
excluded under section 106 of the Internal Revenue Code solely 760
because it relates to an accident and health plan for a person who 761
otherwise would be a "qualifying relative" and thus a "dependent" 762
under section 152 of the Internal Revenue Code but for the fact 763
that the person fails to meet the income and support limitations 764
under section 152(d)(1)(B) and (C) of the Internal Revenue Code. 765

(d) For purposes of division (A)(11) of this section, 766
"medical care" has the meaning given in section 213 of the 767
Internal Revenue Code, subject to the special rules, limitations, 768
and exclusions set forth therein, and "qualified long-term care" 769
has the same meaning given in section 7702B(c) of the Internal 770
Revenue Code. Solely for purposes of divisions (A)(11)(a) and (c) 771
of this section, "dependent" includes a person who otherwise would 772
be a "qualifying relative" and thus a "dependent" under section 773
152 of the Internal Revenue Code but for the fact that the person 774
fails to meet the income and support limitations under section 775
152(d)(1)(B) and (C) of the Internal Revenue Code. 776

(12)(a) Deduct any amount included in federal adjusted gross 777
income solely because the amount represents a reimbursement or 778
refund of expenses that in any year the taxpayer had deducted as 779
an itemized deduction pursuant to section 63 of the Internal 780
Revenue Code and applicable United States department of the 781
treasury regulations. The deduction otherwise allowed under 782
division (A)(12)(a) of this section shall be reduced to the extent 783
the reimbursement is attributable to an amount the taxpayer 784
deducted under this section in any taxable year. 785

(b) Add any amount not otherwise included in Ohio adjusted 786
gross income for any taxable year to the extent that the amount is 787

attributable to the recovery during the taxable year of any amount 788
deducted or excluded in computing federal or Ohio adjusted gross 789
income in any taxable year. 790

(13) Deduct any portion of the deduction described in section 791
1341(a)(2) of the Internal Revenue Code, for repaying previously 792
reported income received under a claim of right, that meets both 793
of the following requirements: 794

(a) It is allowable for repayment of an item that was 795
included in the taxpayer's adjusted gross income for a prior 796
taxable year and did not qualify for a credit under division (A) 797
or (B) of section 5747.05 of the Revised Code for that year; 798

(b) It does not otherwise reduce the taxpayer's adjusted 799
gross income for the current or any other taxable year. 800

(14) Deduct an amount equal to the deposits made to, and net 801
investment earnings of, a medical savings account during the 802
taxable year, in accordance with section 3924.66 of the Revised 803
Code. The deduction allowed by division (A)(14) of this section 804
does not apply to medical savings account deposits and earnings 805
otherwise deducted or excluded for the current or any other 806
taxable year from the taxpayer's federal adjusted gross income. 807

(15)(a) Add an amount equal to the funds withdrawn from a 808
medical savings account during the taxable year, and the net 809
investment earnings on those funds, when the funds withdrawn were 810
used for any purpose other than to reimburse an account holder 811
for, or to pay, eligible medical expenses, in accordance with 812
section 3924.66 of the Revised Code; 813

(b) Add the amounts distributed from a medical savings 814
account under division (A)(2) of section 3924.68 of the Revised 815
Code during the taxable year. 816

(16) Add any amount claimed as a credit under section 817
5747.059 or 5747.65 of the Revised Code to the extent that such 818

amount satisfies either of the following: 819

(a) The amount was deducted or excluded from the computation 820
of the taxpayer's federal adjusted gross income as required to be 821
reported for the taxpayer's taxable year under the Internal 822
Revenue Code; 823

(b) The amount resulted in a reduction of the taxpayer's 824
federal adjusted gross income as required to be reported for any 825
of the taxpayer's taxable years under the Internal Revenue Code. 826

(17) Deduct the amount contributed by the taxpayer to an 827
individual development account program established by a county 828
department of job and family services pursuant to sections 329.11 829
to 329.14 of the Revised Code for the purpose of matching funds 830
deposited by program participants. On request of the tax 831
commissioner, the taxpayer shall provide any information that, in 832
the tax commissioner's opinion, is necessary to establish the 833
amount deducted under division (A)(17) of this section. 834

(18) Beginning in taxable year 2001 but not for any taxable 835
year beginning after December 31, 2005, if the taxpayer is married 836
and files a joint return and the combined federal adjusted gross 837
income of the taxpayer and the taxpayer's spouse for the taxable 838
year does not exceed one hundred thousand dollars, or if the 839
taxpayer is single and has a federal adjusted gross income for the 840
taxable year not exceeding fifty thousand dollars, deduct amounts 841
paid during the taxable year for qualified tuition and fees paid 842
to an eligible institution for the taxpayer, the taxpayer's 843
spouse, or any dependent of the taxpayer, who is a resident of 844
this state and is enrolled in or attending a program that 845
culminates in a degree or diploma at an eligible institution. The 846
deduction may be claimed only to the extent that qualified tuition 847
and fees are not otherwise deducted or excluded for any taxable 848
year from federal or Ohio adjusted gross income. The deduction may 849
not be claimed for educational expenses for which the taxpayer 850

claims a credit under section 5747.27 of the Revised Code. 851

(19) Add any reimbursement received during the taxable year 852
of any amount the taxpayer deducted under division (A)(18) of this 853
section in any previous taxable year to the extent the amount is 854
not otherwise included in Ohio adjusted gross income. 855

(20)(a)(i) Subject to divisions (A)(20)(a)(iii), (iv), and 856
(v) of this section, add five-sixths of the amount of depreciation 857
expense allowed by subsection (k) of section 168 of the Internal 858
Revenue Code, including the taxpayer's proportionate or 859
distributive share of the amount of depreciation expense allowed 860
by that subsection to a pass-through entity in which the taxpayer 861
has a direct or indirect ownership interest. 862

(ii) Subject to divisions (A)(20)(a)(iii), (iv), and (v) of 863
this section, add five-sixths of the amount of qualifying section 864
179 depreciation expense, including the taxpayer's proportionate 865
or distributive share of the amount of qualifying section 179 866
depreciation expense allowed to any pass-through entity in which 867
the taxpayer has a direct or indirect ownership interest. 868

(iii) Subject to division (A)(20)(a)(v) of this section, for 869
taxable years beginning in 2012 or thereafter, if the increase in 870
income taxes withheld by the taxpayer is equal to or greater than 871
ten per cent of income taxes withheld by the taxpayer during the 872
taxpayer's immediately preceding taxable year, "two-thirds" shall 873
be substituted for "five-sixths" for the purpose of divisions 874
(A)(20)(a)(i) and (ii) of this section. 875

(iv) Subject to division (A)(20)(a)(v) of this section, for 876
taxable years beginning in 2012 or thereafter, a taxpayer is not 877
required to add an amount under division (A)(20) of this section 878
if the increase in income taxes withheld by the taxpayer and by 879
any pass-through entity in which the taxpayer has a direct or 880
indirect ownership interest is equal to or greater than the sum of 881

(I) the amount of qualifying section 179 depreciation expense and 882
(II) the amount of depreciation expense allowed to the taxpayer by 883
subsection (k) of section 168 of the Internal Revenue Code, and 884
including the taxpayer's proportionate or distributive shares of 885
such amounts allowed to any such pass-through entities. 886

(v) If a taxpayer directly or indirectly incurs a net 887
operating loss for the taxable year for federal income tax 888
purposes, to the extent such loss resulted from depreciation 889
expense allowed by subsection (k) of section 168 of the Internal 890
Revenue Code and by qualifying section 179 depreciation expense, 891
"the entire" shall be substituted for "five-sixths of the" for the 892
purpose of divisions (A)(20)(a)(i) and (ii) of this section. 893

The tax commissioner, under procedures established by the 894
commissioner, may waive the add-backs related to a pass-through 895
entity if the taxpayer owns, directly or indirectly, less than 896
five per cent of the pass-through entity. 897

(b) Nothing in division (A)(20) of this section shall be 898
construed to adjust or modify the adjusted basis of any asset. 899

(c) To the extent the add-back required under division 900
(A)(20)(a) of this section is attributable to property generating 901
nonbusiness income or loss allocated under section 5747.20 of the 902
Revised Code, the add-back shall be situated to the same location 903
as the nonbusiness income or loss generated by the property for 904
the purpose of determining the credit under division (A) of 905
section 5747.05 of the Revised Code. Otherwise, the add-back shall 906
be apportioned, subject to one or more of the four alternative 907
methods of apportionment enumerated in section 5747.21 of the 908
Revised Code. 909

(d) For the purposes of division (A)(20)(a)(v) of this 910
section, net operating loss carryback and carryforward shall not 911
include the allowance of any net operating loss deduction 912

carryback or carryforward to the taxable year to the extent such 913
loss resulted from depreciation allowed by section 168(k) of the 914
Internal Revenue Code and by the qualifying section 179 915
depreciation expense amount. 916

(e) For the purposes of divisions (A)(20) and (21) of this 917
section: 918

(i) "Income taxes withheld" means the total amount withheld 919
and remitted under sections 5747.06 and 5747.07 of the Revised 920
Code by an employer during the employer's taxable year. 921

(ii) "Increase in income taxes withheld" means the amount by 922
which the amount of income taxes withheld by an employer during 923
the employer's current taxable year exceeds the amount of income 924
taxes withheld by that employer during the employer's immediately 925
preceding taxable year. 926

(iii) "Qualifying section 179 depreciation expense" means the 927
difference between (I) the amount of depreciation expense directly 928
or indirectly allowed to a taxpayer under section 179 of the 929
Internal Revised Code, and (II) the amount of depreciation expense 930
directly or indirectly allowed to the taxpayer under section 179 931
of the Internal Revenue Code as that section existed on December 932
31, 2002. 933

(21)(a) If the taxpayer was required to add an amount under 934
division (A)(20)(a) of this section for a taxable year, deduct one 935
of the following: 936

(i) One-fifth of the amount so added for each of the five 937
succeeding taxable years if the amount so added was five-sixths of 938
qualifying section 179 depreciation expense or depreciation 939
expense allowed by subsection (k) of section 168 of the Internal 940
Revenue Code; 941

(ii) One-half of the amount so added for each of the two 942
succeeding taxable years if the amount so added was two-thirds of 943

such depreciation expense; 944

(iii) One-sixth of the amount so added for each of the six 945
succeeding taxable years if the entire amount of such depreciation 946
expense was so added. 947

(b) If the amount deducted under division (A)(21)(a) of this 948
section is attributable to an add-back allocated under division 949
(A)(20)(c) of this section, the amount deducted shall be situated 950
to the same location. Otherwise, the add-back shall be apportioned 951
using the apportionment factors for the taxable year in which the 952
deduction is taken, subject to one or more of the four alternative 953
methods of apportionment enumerated in section 5747.21 of the 954
Revised Code. 955

(c) No deduction is available under division (A)(21)(a) of 956
this section with regard to any depreciation allowed by section 957
168(k) of the Internal Revenue Code and by the qualifying section 958
179 depreciation expense amount to the extent that such 959
depreciation results in or increases a federal net operating loss 960
carryback or carryforward. If no such deduction is available for a 961
taxable year, the taxpayer may carry forward the amount not 962
deducted in such taxable year to the next taxable year and add 963
that amount to any deduction otherwise available under division 964
(A)(21)(a) of this section for that next taxable year. The 965
carryforward of amounts not so deducted shall continue until the 966
entire addition required by division (A)(20)(a) of this section 967
has been deducted. 968

(d) No refund shall be allowed as a result of adjustments 969
made by division (A)(21) of this section. 970

(22) Deduct, to the extent not otherwise deducted or excluded 971
in computing federal or Ohio adjusted gross income for the taxable 972
year, the amount the taxpayer received during the taxable year as 973
reimbursement for life insurance premiums under section 5919.31 of 974

the Revised Code. 975

(23) Deduct, to the extent not otherwise deducted or excluded 976
in computing federal or Ohio adjusted gross income for the taxable 977
year, the amount the taxpayer received during the taxable year as 978
a death benefit paid by the adjutant general under section 5919.33 979
of the Revised Code. 980

(24) Deduct, to the extent included in federal adjusted gross 981
income and not otherwise allowable as a deduction or exclusion in 982
computing federal or Ohio adjusted gross income for the taxable 983
year, military pay and allowances received by the taxpayer during 984
the taxable year for active duty service in the United States 985
army, air force, navy, marine corps, or coast guard or reserve 986
components thereof or the national guard. The deduction may not be 987
claimed for military pay and allowances received by the taxpayer 988
while the taxpayer is stationed in this state. 989

(25) Deduct, to the extent not otherwise allowable as a 990
deduction or exclusion in computing federal or Ohio adjusted gross 991
income for the taxable year and not otherwise compensated for by 992
any other source, the amount of qualified organ donation expenses 993
incurred by the taxpayer during the taxable year, not to exceed 994
ten thousand dollars. A taxpayer may deduct qualified organ 995
donation expenses only once for all taxable years beginning with 996
taxable years beginning in 2007. 997

For the purposes of division (A)(25) of this section: 998

(a) "Human organ" means all or any portion of a human liver, 999
pancreas, kidney, intestine, or lung, and any portion of human 1000
bone marrow. 1001

(b) "Qualified organ donation expenses" means travel 1002
expenses, lodging expenses, and wages and salary forgone by a 1003
taxpayer in connection with the taxpayer's donation, while living, 1004
of one or more of the taxpayer's human organs to another human 1005

being. 1006

(26) Deduct, to the extent not otherwise deducted or excluded 1007
in computing federal or Ohio adjusted gross income for the taxable 1008
year, amounts received by the taxpayer as retired personnel pay 1009
for service in the uniformed services or reserve components 1010
thereof, or the national guard, or received by the surviving 1011
spouse or former spouse of such a taxpayer under the survivor 1012
benefit plan on account of such a taxpayer's death. If the 1013
taxpayer receives income on account of retirement paid under the 1014
federal civil service retirement system or federal employees 1015
retirement system, or under any successor retirement program 1016
enacted by the congress of the United States that is established 1017
and maintained for retired employees of the United States 1018
government, and such retirement income is based, in whole or in 1019
part, on credit for the taxpayer's uniformed service, the 1020
deduction allowed under this division shall include only that 1021
portion of such retirement income that is attributable to the 1022
taxpayer's uniformed service, to the extent that portion of such 1023
retirement income is otherwise included in federal adjusted gross 1024
income and is not otherwise deducted under this section. Any 1025
amount deducted under division (A)(26) of this section is not 1026
included in a taxpayer's adjusted gross income for the purposes of 1027
section 5747.055 of the Revised Code. No amount may be deducted 1028
under division (A)(26) of this section on the basis of which a 1029
credit was claimed under section 5747.055 of the Revised Code. 1030

(27) Deduct, to the extent not otherwise deducted or excluded 1031
in computing federal or Ohio adjusted gross income for the taxable 1032
year, the amount the taxpayer received during the taxable year 1033
from the military injury relief fund created in section 5101.98 of 1034
the Revised Code. 1035

(28) Deduct, to the extent not otherwise deducted or excluded 1036
in computing federal or Ohio adjusted gross income for the taxable 1037

year, the amount the taxpayer received as a veterans bonus during 1038
the taxable year from the Ohio department of veterans services as 1039
authorized by Section 2r of Article VIII, Ohio Constitution. 1040

(29) Deduct, to the extent not otherwise deducted or excluded 1041
in computing federal or Ohio adjusted gross income for the taxable 1042
year, any income derived from a transfer agreement or from the 1043
enterprise transferred under that agreement under section 4313.02 1044
of the Revised Code. 1045

(30) Deduct, to the extent not otherwise deducted or excluded 1046
in computing federal or Ohio adjusted gross income for the taxable 1047
year, Ohio college opportunity or federal Pell grant amounts 1048
received by the taxpayer or the taxpayer's spouse or dependent 1049
pursuant to section 3333.122 of the Revised Code or 20 U.S.C. 1050
1070a, et seq., and used to pay room or board furnished by the 1051
educational institution for which the grant was awarded at the 1052
institution's facilities, including meal plans administered by the 1053
institution. For the purposes of this division, receipt of a grant 1054
includes the distribution of a grant directly to an educational 1055
institution and the crediting of the grant to the enrollee's 1056
account with the institution. 1057

(31) Deduct one-half of the taxpayer's Ohio small business 1058
investor income, the deduction not to exceed sixty-two thousand 1059
five hundred dollars for each spouse if spouses file separate 1060
returns under section 5747.08 of the Revised Code or one hundred 1061
twenty-five thousand dollars for all other taxpayers. No 1062
pass-through entity may claim a deduction under this division. 1063

For the purposes of this division, "Ohio small business 1064
investor income" means the portion of a taxpayer's adjusted gross 1065
income that is business income reduced by deductions from business 1066
income and apportioned or allocated to this state under sections 1067
5747.21 and 5747.22 of the Revised Code, to the extent not 1068
otherwise deducted or excluded in computing federal or Ohio 1069

adjusted gross income for the taxable year. 1070

(32) Deduct the amount allowed under section 5747.78 of the 1071
Revised Code for a physician, dentist, nurse, medical assistant, 1072
phlebotomist, or medical secretary who provided services free of 1073
charge to a free clinic during the taxable year. 1074

(B) "Business income" means income, including gain or loss, 1075
arising from transactions, activities, and sources in the regular 1076
course of a trade or business and includes income, gain, or loss 1077
from real property, tangible property, and intangible property if 1078
the acquisition, rental, management, and disposition of the 1079
property constitute integral parts of the regular course of a 1080
trade or business operation. "Business income" includes income, 1081
including gain or loss, from a partial or complete liquidation of 1082
a business, including, but not limited to, gain or loss from the 1083
sale or other disposition of goodwill. 1084

(C) "Nonbusiness income" means all income other than business 1085
income and may include, but is not limited to, compensation, rents 1086
and royalties from real or tangible personal property, capital 1087
gains, interest, dividends and distributions, patent or copyright 1088
royalties, or lottery winnings, prizes, and awards. 1089

(D) "Compensation" means any form of remuneration paid to an 1090
employee for personal services. 1091

(E) "Fiduciary" means a guardian, trustee, executor, 1092
administrator, receiver, conservator, or any other person acting 1093
in any fiduciary capacity for any individual, trust, or estate. 1094

(F) "Fiscal year" means an accounting period of twelve months 1095
ending on the last day of any month other than December. 1096

(G) "Individual" means any natural person. 1097

(H) "Internal Revenue Code" means the "Internal Revenue Code 1098
of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended. 1099

(I) "Resident" means any of the following, provided that 1100
division (I)(3) of this section applies only to taxable years of a 1101
trust beginning in 2002 or thereafter: 1102

(1) An individual who is domiciled in this state, subject to 1103
section 5747.24 of the Revised Code; 1104

(2) The estate of a decedent who at the time of death was 1105
domiciled in this state. The domicile tests of section 5747.24 of 1106
the Revised Code are not controlling for purposes of division 1107
(I)(2) of this section. 1108

(3) A trust that, in whole or part, resides in this state. If 1109
only part of a trust resides in this state, the trust is a 1110
resident only with respect to that part. 1111

For the purposes of division (I)(3) of this section: 1112

(a) A trust resides in this state for the trust's current 1113
taxable year to the extent, as described in division (I)(3)(d) of 1114
this section, that the trust consists directly or indirectly, in 1115
whole or in part, of assets, net of any related liabilities, that 1116
were transferred, or caused to be transferred, directly or 1117
indirectly, to the trust by any of the following: 1118

(i) A person, a court, or a governmental entity or 1119
instrumentality on account of the death of a decedent, but only if 1120
the trust is described in division (I)(3)(e)(i) or (ii) of this 1121
section; 1122

(ii) A person who was domiciled in this state for the 1123
purposes of this chapter when the person directly or indirectly 1124
transferred assets to an irrevocable trust, but only if at least 1125
one of the trust's qualifying beneficiaries is domiciled in this 1126
state for the purposes of this chapter during all or some portion 1127
of the trust's current taxable year; 1128

(iii) A person who was domiciled in this state for the 1129

purposes of this chapter when the trust document or instrument or 1130
part of the trust document or instrument became irrevocable, but 1131
only if at least one of the trust's qualifying beneficiaries is a 1132
resident domiciled in this state for the purposes of this chapter 1133
during all or some portion of the trust's current taxable year. If 1134
a trust document or instrument became irrevocable upon the death 1135
of a person who at the time of death was domiciled in this state 1136
for purposes of this chapter, that person is a person described in 1137
division (I)(3)(a)(iii) of this section. 1138

(b) A trust is irrevocable to the extent that the transferor 1139
is not considered to be the owner of the net assets of the trust 1140
under sections 671 to 678 of the Internal Revenue Code. 1141

(c) With respect to a trust other than a charitable lead 1142
trust, "qualifying beneficiary" has the same meaning as "potential 1143
current beneficiary" as defined in section 1361(e)(2) of the 1144
Internal Revenue Code, and with respect to a charitable lead trust 1145
"qualifying beneficiary" is any current, future, or contingent 1146
beneficiary, but with respect to any trust "qualifying 1147
beneficiary" excludes a person or a governmental entity or 1148
instrumentality to any of which a contribution would qualify for 1149
the charitable deduction under section 170 of the Internal Revenue 1150
Code. 1151

(d) For the purposes of division (I)(3)(a) of this section, 1152
the extent to which a trust consists directly or indirectly, in 1153
whole or in part, of assets, net of any related liabilities, that 1154
were transferred directly or indirectly, in whole or part, to the 1155
trust by any of the sources enumerated in that division shall be 1156
ascertained by multiplying the fair market value of the trust's 1157
assets, net of related liabilities, by the qualifying ratio, which 1158
shall be computed as follows: 1159

(i) The first time the trust receives assets, the numerator 1160
of the qualifying ratio is the fair market value of those assets 1161

at that time, net of any related liabilities, from sources 1162
enumerated in division (I)(3)(a) of this section. The denominator 1163
of the qualifying ratio is the fair market value of all the 1164
trust's assets at that time, net of any related liabilities. 1165

(ii) Each subsequent time the trust receives assets, a 1166
revised qualifying ratio shall be computed. The numerator of the 1167
revised qualifying ratio is the sum of (1) the fair market value 1168
of the trust's assets immediately prior to the subsequent 1169
transfer, net of any related liabilities, multiplied by the 1170
qualifying ratio last computed without regard to the subsequent 1171
transfer, and (2) the fair market value of the subsequently 1172
transferred assets at the time transferred, net of any related 1173
liabilities, from sources enumerated in division (I)(3)(a) of this 1174
section. The denominator of the revised qualifying ratio is the 1175
fair market value of all the trust's assets immediately after the 1176
subsequent transfer, net of any related liabilities. 1177

(iii) Whether a transfer to the trust is by or from any of 1178
the sources enumerated in division (I)(3)(a) of this section shall 1179
be ascertained without regard to the domicile of the trust's 1180
beneficiaries. 1181

(e) For the purposes of division (I)(3)(a)(i) of this 1182
section: 1183

(i) A trust is described in division (I)(3)(e)(i) of this 1184
section if the trust is a testamentary trust and the testator of 1185
that testamentary trust was domiciled in this state at the time of 1186
the testator's death for purposes of the taxes levied under 1187
Chapter 5731. of the Revised Code. 1188

(ii) A trust is described in division (I)(3)(e)(ii) of this 1189
section if the transfer is a qualifying transfer described in any 1190
of divisions (I)(3)(f)(i) to (vi) of this section, the trust is an 1191
irrevocable inter vivos trust, and at least one of the trust's 1192

qualifying beneficiaries is domiciled in this state for purposes 1193
of this chapter during all or some portion of the trust's current 1194
taxable year. 1195

(f) For the purposes of division (I)(3)(e)(ii) of this 1196
section, a "qualifying transfer" is a transfer of assets, net of 1197
any related liabilities, directly or indirectly to a trust, if the 1198
transfer is described in any of the following: 1199

(i) The transfer is made to a trust, created by the decedent 1200
before the decedent's death and while the decedent was domiciled 1201
in this state for the purposes of this chapter, and, prior to the 1202
death of the decedent, the trust became irrevocable while the 1203
decedent was domiciled in this state for the purposes of this 1204
chapter. 1205

(ii) The transfer is made to a trust to which the decedent, 1206
prior to the decedent's death, had directly or indirectly 1207
transferred assets, net of any related liabilities, while the 1208
decedent was domiciled in this state for the purposes of this 1209
chapter, and prior to the death of the decedent the trust became 1210
irrevocable while the decedent was domiciled in this state for the 1211
purposes of this chapter. 1212

(iii) The transfer is made on account of a contractual 1213
relationship existing directly or indirectly between the 1214
transferor and either the decedent or the estate of the decedent 1215
at any time prior to the date of the decedent's death, and the 1216
decedent was domiciled in this state at the time of death for 1217
purposes of the taxes levied under Chapter 5731. of the Revised 1218
Code. 1219

(iv) The transfer is made to a trust on account of a 1220
contractual relationship existing directly or indirectly between 1221
the transferor and another person who at the time of the 1222
decedent's death was domiciled in this state for purposes of this 1223

chapter. 1224

(v) The transfer is made to a trust on account of the will of 1225
a testator who was domiciled in this state at the time of the 1226
testator's death for purposes of the taxes levied under Chapter 1227
5731. of the Revised Code. 1228

(vi) The transfer is made to a trust created by or caused to 1229
be created by a court, and the trust was directly or indirectly 1230
created in connection with or as a result of the death of an 1231
individual who, for purposes of the taxes levied under Chapter 1232
5731. of the Revised Code, was domiciled in this state at the time 1233
of the individual's death. 1234

(g) The tax commissioner may adopt rules to ascertain the 1235
part of a trust residing in this state. 1236

(J) "Nonresident" means an individual or estate that is not a 1237
resident. An individual who is a resident for only part of a 1238
taxable year is a nonresident for the remainder of that taxable 1239
year. 1240

(K) "Pass-through entity" has the same meaning as in section 1241
5733.04 of the Revised Code. 1242

(L) "Return" means the notifications and reports required to 1243
be filed pursuant to this chapter for the purpose of reporting the 1244
tax due and includes declarations of estimated tax when so 1245
required. 1246

(M) "Taxable year" means the calendar year or the taxpayer's 1247
fiscal year ending during the calendar year, or fractional part 1248
thereof, upon which the adjusted gross income is calculated 1249
pursuant to this chapter. 1250

(N) "Taxpayer" means any person subject to the tax imposed by 1251
section 5747.02 of the Revised Code or any pass-through entity 1252
that makes the election under division (D) of section 5747.08 of 1253

the Revised Code.	1254
(O) "Dependents" means dependents as defined in the Internal Revenue Code and as claimed in the taxpayer's federal income tax return for the taxable year or which the taxpayer would have been permitted to claim had the taxpayer filed a federal income tax return.	1255 1256 1257 1258 1259
(P) "Principal county of employment" means, in the case of a nonresident, the county within the state in which a taxpayer performs services for an employer or, if those services are performed in more than one county, the county in which the major portion of the services are performed.	1260 1261 1262 1263 1264
(Q) As used in sections 5747.50 to 5747.55 of the Revised Code:	1265 1266
(1) "Subdivision" means any county, municipal corporation, park district, or township.	1267 1268
(2) "Essential local government purposes" includes all functions that any subdivision is required by general law to exercise, including like functions that are exercised under a charter adopted pursuant to the Ohio Constitution.	1269 1270 1271 1272
(R) "Overpayment" means any amount already paid that exceeds the figure determined to be the correct amount of the tax.	1273 1274
(S) "Taxable income" or "Ohio taxable income" applies only to estates and trusts, and means federal taxable income, as defined and used in the Internal Revenue Code, adjusted as follows:	1275 1276 1277
(1) Add interest or dividends, net of ordinary, necessary, and reasonable expenses not deducted in computing federal taxable income, on obligations or securities of any state or of any political subdivision or authority of any state, other than this state and its subdivisions and authorities, but only to the extent that such net amount is not otherwise includible in Ohio taxable	1278 1279 1280 1281 1282 1283

income and is described in either division (S)(1)(a) or (b) of 1284
this section: 1285

(a) The net amount is not attributable to the S portion of an 1286
electing small business trust and has not been distributed to 1287
beneficiaries for the taxable year; 1288

(b) The net amount is attributable to the S portion of an 1289
electing small business trust for the taxable year. 1290

(2) Add interest or dividends, net of ordinary, necessary, 1291
and reasonable expenses not deducted in computing federal taxable 1292
income, on obligations of any authority, commission, 1293
instrumentality, territory, or possession of the United States to 1294
the extent that the interest or dividends are exempt from federal 1295
income taxes but not from state income taxes, but only to the 1296
extent that such net amount is not otherwise includible in Ohio 1297
taxable income and is described in either division (S)(1)(a) or 1298
(b) of this section; 1299

(3) Add the amount of personal exemption allowed to the 1300
estate pursuant to section 642(b) of the Internal Revenue Code; 1301

(4) Deduct interest or dividends, net of related expenses 1302
deducted in computing federal taxable income, on obligations of 1303
the United States and its territories and possessions or of any 1304
authority, commission, or instrumentality of the United States to 1305
the extent that the interest or dividends are exempt from state 1306
taxes under the laws of the United States, but only to the extent 1307
that such amount is included in federal taxable income and is 1308
described in either division (S)(1)(a) or (b) of this section; 1309

(5) Deduct the amount of wages and salaries, if any, not 1310
otherwise allowable as a deduction but that would have been 1311
allowable as a deduction in computing federal taxable income for 1312
the taxable year, had the targeted jobs credit allowed under 1313
sections 38, 51, and 52 of the Internal Revenue Code not been in 1314

effect, but only to the extent such amount relates either to 1315
income included in federal taxable income for the taxable year or 1316
to income of the S portion of an electing small business trust for 1317
the taxable year; 1318

(6) Deduct any interest or interest equivalent, net of 1319
related expenses deducted in computing federal taxable income, on 1320
public obligations and purchase obligations, but only to the 1321
extent that such net amount relates either to income included in 1322
federal taxable income for the taxable year or to income of the S 1323
portion of an electing small business trust for the taxable year; 1324

(7) Add any loss or deduct any gain resulting from sale, 1325
exchange, or other disposition of public obligations to the extent 1326
that such loss has been deducted or such gain has been included in 1327
computing either federal taxable income or income of the S portion 1328
of an electing small business trust for the taxable year; 1329

(8) Except in the case of the final return of an estate, add 1330
any amount deducted by the taxpayer on both its Ohio estate tax 1331
return pursuant to section 5731.14 of the Revised Code, and on its 1332
federal income tax return in determining federal taxable income; 1333

(9)(a) Deduct any amount included in federal taxable income 1334
solely because the amount represents a reimbursement or refund of 1335
expenses that in a previous year the decedent had deducted as an 1336
itemized deduction pursuant to section 63 of the Internal Revenue 1337
Code and applicable treasury regulations. The deduction otherwise 1338
allowed under division (S)(9)(a) of this section shall be reduced 1339
to the extent the reimbursement is attributable to an amount the 1340
taxpayer or decedent deducted under this section in any taxable 1341
year. 1342

(b) Add any amount not otherwise included in Ohio taxable 1343
income for any taxable year to the extent that the amount is 1344
attributable to the recovery during the taxable year of any amount 1345

deducted or excluded in computing federal or Ohio taxable income 1346
in any taxable year, but only to the extent such amount has not 1347
been distributed to beneficiaries for the taxable year. 1348

(10) Deduct any portion of the deduction described in section 1349
1341(a)(2) of the Internal Revenue Code, for repaying previously 1350
reported income received under a claim of right, that meets both 1351
of the following requirements: 1352

(a) It is allowable for repayment of an item that was 1353
included in the taxpayer's taxable income or the decedent's 1354
adjusted gross income for a prior taxable year and did not qualify 1355
for a credit under division (A) or (B) of section 5747.05 of the 1356
Revised Code for that year. 1357

(b) It does not otherwise reduce the taxpayer's taxable 1358
income or the decedent's adjusted gross income for the current or 1359
any other taxable year. 1360

(11) Add any amount claimed as a credit under section 1361
5747.059 or 5747.65 of the Revised Code to the extent that the 1362
amount satisfies either of the following: 1363

(a) The amount was deducted or excluded from the computation 1364
of the taxpayer's federal taxable income as required to be 1365
reported for the taxpayer's taxable year under the Internal 1366
Revenue Code; 1367

(b) The amount resulted in a reduction in the taxpayer's 1368
federal taxable income as required to be reported for any of the 1369
taxpayer's taxable years under the Internal Revenue Code. 1370

(12) Deduct any amount, net of related expenses deducted in 1371
computing federal taxable income, that a trust is required to 1372
report as farm income on its federal income tax return, but only 1373
if the assets of the trust include at least ten acres of land 1374
satisfying the definition of "land devoted exclusively to 1375
agricultural use" under section 5713.30 of the Revised Code, 1376

regardless of whether the land is valued for tax purposes as such 1377
land under sections 5713.30 to 5713.38 of the Revised Code. If the 1378
trust is a pass-through entity investor, section 5747.231 of the 1379
Revised Code applies in ascertaining if the trust is eligible to 1380
claim the deduction provided by division (S)(12) of this section 1381
in connection with the pass-through entity's farm income. 1382

Except for farm income attributable to the S portion of an 1383
electing small business trust, the deduction provided by division 1384
(S)(12) of this section is allowed only to the extent that the 1385
trust has not distributed such farm income. Division (S)(12) of 1386
this section applies only to taxable years of a trust beginning in 1387
2002 or thereafter. 1388

(13) Add the net amount of income described in section 641(c) 1389
of the Internal Revenue Code to the extent that amount is not 1390
included in federal taxable income. 1391

(14) Add or deduct the amount the taxpayer would be required 1392
to add or deduct under division (A)(20) or (21) of this section if 1393
the taxpayer's Ohio taxable income were computed in the same 1394
manner as an individual's Ohio adjusted gross income is computed 1395
under this section. In the case of a trust, division (S)(14) of 1396
this section applies only to any of the trust's taxable years 1397
beginning in 2002 or thereafter. 1398

(T) "School district income" and "school district income tax" 1399
have the same meanings as in section 5748.01 of the Revised Code. 1400

(U) As used in divisions (A)(8), (A)(9), (S)(6), and (S)(7) 1401
of this section, "public obligations," "purchase obligations," and 1402
"interest or interest equivalent" have the same meanings as in 1403
section 5709.76 of the Revised Code. 1404

(V) "Limited liability company" means any limited liability 1405
company formed under Chapter 1705. of the Revised Code or under 1406
the laws of any other state. 1407

(W) "Pass-through entity investor" means any person who, 1408
during any portion of a taxable year of a pass-through entity, is 1409
a partner, member, shareholder, or equity investor in that 1410
pass-through entity. 1411

(X) "Banking day" has the same meaning as in section 1304.01 1412
of the Revised Code. 1413

(Y) "Month" means a calendar month. 1414

(Z) "Quarter" means the first three months, the second three 1415
months, the third three months, or the last three months of the 1416
taxpayer's taxable year. 1417

(AA)(1) "Eligible institution" means a state university or 1418
state institution of higher education as defined in section 1419
3345.011 of the Revised Code, or a private, nonprofit college, 1420
university, or other post-secondary institution located in this 1421
state that possesses a certificate of authorization issued by the 1422
Ohio board of regents pursuant to Chapter 1713. of the Revised 1423
Code or a certificate of registration issued by the state board of 1424
career colleges and schools under Chapter 3332. of the Revised 1425
Code. 1426

(2) "Qualified tuition and fees" means tuition and fees 1427
imposed by an eligible institution as a condition of enrollment or 1428
attendance, not exceeding two thousand five hundred dollars in 1429
each of the individual's first two years of post-secondary 1430
education. If the individual is a part-time student, "qualified 1431
tuition and fees" includes tuition and fees paid for the academic 1432
equivalent of the first two years of post-secondary education 1433
during a maximum of five taxable years, not exceeding a total of 1434
five thousand dollars. "Qualified tuition and fees" does not 1435
include: 1436

(a) Expenses for any course or activity involving sports, 1437
games, or hobbies unless the course or activity is part of the 1438

individual's degree or diploma program;	1439
(b) The cost of books, room and board, student activity fees, athletic fees, insurance expenses, or other expenses unrelated to the individual's academic course of instruction;	1440 1441 1442
(c) Tuition, fees, or other expenses paid or reimbursed through an employer, scholarship, grant in aid, or other educational benefit program.	1443 1444 1445
(BB)(1) "Modified business income" means the business income included in a trust's Ohio taxable income after such taxable income is first reduced by the qualifying trust amount, if any.	1446 1447 1448
(2) "Qualifying trust amount" of a trust means capital gains and losses from the sale, exchange, or other disposition of equity or ownership interests in, or debt obligations of, a qualifying investee to the extent included in the trust's Ohio taxable income, but only if the following requirements are satisfied:	1449 1450 1451 1452 1453
(a) The book value of the qualifying investee's physical assets in this state and everywhere, as of the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the gain or loss, is available to the trust.	1454 1455 1456 1457 1458
(b) The requirements of section 5747.011 of the Revised Code are satisfied for the trust's taxable year in which the trust recognizes the gain or loss.	1459 1460 1461
Any gain or loss that is not a qualifying trust amount is modified business income, qualifying investment income, or modified nonbusiness income, as the case may be.	1462 1463 1464
(3) "Modified nonbusiness income" means a trust's Ohio taxable income other than modified business income, other than the qualifying trust amount, and other than qualifying investment income, as defined in section 5747.012 of the Revised Code, to the	1465 1466 1467 1468

extent such qualifying investment income is not otherwise part of 1469
modified business income. 1470

(4) "Modified Ohio taxable income" applies only to trusts, 1471
and means the sum of the amounts described in divisions (BB)(4)(a) 1472
to (c) of this section: 1473

(a) The fraction, calculated under section 5747.013, and 1474
applying section 5747.231 of the Revised Code, multiplied by the 1475
sum of the following amounts: 1476

(i) The trust's modified business income; 1477

(ii) The trust's qualifying investment income, as defined in 1478
section 5747.012 of the Revised Code, but only to the extent the 1479
qualifying investment income does not otherwise constitute 1480
modified business income and does not otherwise constitute a 1481
qualifying trust amount. 1482

(b) The qualifying trust amount multiplied by a fraction, the 1483
numerator of which is the sum of the book value of the qualifying 1484
investee's physical assets in this state on the last day of the 1485
qualifying investee's fiscal or calendar year ending immediately 1486
prior to the day on which the trust recognizes the qualifying 1487
trust amount, and the denominator of which is the sum of the book 1488
value of the qualifying investee's total physical assets 1489
everywhere on the last day of the qualifying investee's fiscal or 1490
calendar year ending immediately prior to the day on which the 1491
trust recognizes the qualifying trust amount. If, for a taxable 1492
year, the trust recognizes a qualifying trust amount with respect 1493
to more than one qualifying investee, the amount described in 1494
division (BB)(4)(b) of this section shall equal the sum of the 1495
products so computed for each such qualifying investee. 1496

(c)(i) With respect to a trust or portion of a trust that is 1497
a resident as ascertained in accordance with division (I)(3)(d) of 1498
this section, its modified nonbusiness income. 1499

(ii) With respect to a trust or portion of a trust that is not a resident as ascertained in accordance with division (I)(3)(d) of this section, the amount of its modified nonbusiness income satisfying the descriptions in divisions (B)(2) to (5) of section 5747.20 of the Revised Code, except as otherwise provided in division (BB)(4)(c)(ii) of this section. With respect to a trust or portion of a trust that is not a resident as ascertained in accordance with division (I)(3)(d) of this section, the trust's portion of modified nonbusiness income recognized from the sale, exchange, or other disposition of a debt interest in or equity interest in a section 5747.212 entity, as defined in section 5747.212 of the Revised Code, without regard to division (A) of that section, shall not be allocated to this state in accordance with section 5747.20 of the Revised Code but shall be apportioned to this state in accordance with division (B) of section 5747.212 of the Revised Code without regard to division (A) of that section.

If the allocation and apportionment of a trust's income under divisions (BB)(4)(a) and (c) of this section do not fairly represent the modified Ohio taxable income of the trust in this state, the alternative methods described in division (C) of section 5747.21 of the Revised Code may be applied in the manner and to the same extent provided in that section.

(5)(a) Except as set forth in division (BB)(5)(b) of this section, "qualifying investee" means a person in which a trust has an equity or ownership interest, or a person or unit of government the debt obligations of either of which are owned by a trust. For the purposes of division (BB)(2)(a) of this section and for the purpose of computing the fraction described in division (BB)(4)(b) of this section, all of the following apply:

(i) If the qualifying investee is a member of a qualifying controlled group on the last day of the qualifying investee's

fiscal or calendar year ending immediately prior to the date on 1532
which the trust recognizes the gain or loss, then "qualifying 1533
investee" includes all persons in the qualifying controlled group 1534
on such last day. 1535

(ii) If the qualifying investee, or if the qualifying 1536
investee and any members of the qualifying controlled group of 1537
which the qualifying investee is a member on the last day of the 1538
qualifying investee's fiscal or calendar year ending immediately 1539
prior to the date on which the trust recognizes the gain or loss, 1540
separately or cumulatively own, directly or indirectly, on the 1541
last day of the qualifying investee's fiscal or calendar year 1542
ending immediately prior to the date on which the trust recognizes 1543
the qualifying trust amount, more than fifty per cent of the 1544
equity of a pass-through entity, then the qualifying investee and 1545
the other members are deemed to own the proportionate share of the 1546
pass-through entity's physical assets which the pass-through 1547
entity directly or indirectly owns on the last day of the 1548
pass-through entity's calendar or fiscal year ending within or 1549
with the last day of the qualifying investee's fiscal or calendar 1550
year ending immediately prior to the date on which the trust 1551
recognizes the qualifying trust amount. 1552

(iii) For the purposes of division (BB)(5)(a)(iii) of this 1553
section, "upper level pass-through entity" means a pass-through 1554
entity directly or indirectly owning any equity of another 1555
pass-through entity, and "lower level pass-through entity" means 1556
that other pass-through entity. 1557

An upper level pass-through entity, whether or not it is also 1558
a qualifying investee, is deemed to own, on the last day of the 1559
upper level pass-through entity's calendar or fiscal year, the 1560
proportionate share of the lower level pass-through entity's 1561
physical assets that the lower level pass-through entity directly 1562
or indirectly owns on the last day of the lower level pass-through 1563

entity's calendar or fiscal year ending within or with the last 1564
day of the upper level pass-through entity's fiscal or calendar 1565
year. If the upper level pass-through entity directly and 1566
indirectly owns less than fifty per cent of the equity of the 1567
lower level pass-through entity on each day of the upper level 1568
pass-through entity's calendar or fiscal year in which or with 1569
which ends the calendar or fiscal year of the lower level 1570
pass-through entity and if, based upon clear and convincing 1571
evidence, complete information about the location and cost of the 1572
physical assets of the lower pass-through entity is not available 1573
to the upper level pass-through entity, then solely for purposes 1574
of ascertaining if a gain or loss constitutes a qualifying trust 1575
amount, the upper level pass-through entity shall be deemed as 1576
owning no equity of the lower level pass-through entity for each 1577
day during the upper level pass-through entity's calendar or 1578
fiscal year in which or with which ends the lower level 1579
pass-through entity's calendar or fiscal year. Nothing in division 1580
(BB)(5)(a)(iii) of this section shall be construed to provide for 1581
any deduction or exclusion in computing any trust's Ohio taxable 1582
income. 1583

(b) With respect to a trust that is not a resident for the 1584
taxable year and with respect to a part of a trust that is not a 1585
resident for the taxable year, "qualifying investee" for that 1586
taxable year does not include a C corporation if both of the 1587
following apply: 1588

(i) During the taxable year the trust or part of the trust 1589
recognizes a gain or loss from the sale, exchange, or other 1590
disposition of equity or ownership interests in, or debt 1591
obligations of, the C corporation. 1592

(ii) Such gain or loss constitutes nonbusiness income. 1593

(6) "Available" means information is such that a person is 1594
able to learn of the information by the due date plus extensions, 1595

if any, for filing the return for the taxable year in which the trust recognizes the gain or loss.

(CC) "Qualifying controlled group" has the same meaning as in section 5733.04 of the Revised Code.

(DD) "Related member" has the same meaning as in section 5733.042 of the Revised Code.

(EE)(1) For the purposes of division (EE) of this section:

(a) "Qualifying person" means any person other than a qualifying corporation.

(b) "Qualifying corporation" means any person classified for federal income tax purposes as an association taxable as a corporation, except either of the following:

(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;

(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.

(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.

(FF) For purposes of this chapter and Chapter 5751. of the Revised Code:

(1) "Trust" does not include a qualified pre-income tax trust.

(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.

(3) A "qualifying pre-income tax trust election" is an 1626
election by a pre-income tax trust to subject to the tax imposed 1627
by section 5751.02 of the Revised Code the pre-income tax trust 1628
and all pass-through entities of which the trust owns or controls, 1629
directly, indirectly, or constructively through related interests, 1630
five per cent or more of the ownership or equity interests. The 1631
trustee shall notify the tax commissioner in writing of the 1632
election on or before April 15, 2006. The election, if timely 1633
made, shall be effective on and after January 1, 2006, and shall 1634
apply for all tax periods and tax years until revoked by the 1635
trustee of the trust. 1636

(4) A "pre-income tax trust" is a trust that satisfies all of 1637
the following requirements: 1638

(a) The document or instrument creating the trust was 1639
executed by the grantor before January 1, 1972; 1640

(b) The trust became irrevocable upon the creation of the 1641
trust; and 1642

(c) The grantor was domiciled in this state at the time the 1643
trust was created. 1644

(GG) "Uniformed services" has the same meaning as in 10 1645
U.S.C. 101. 1646

Sec. 5747.78. (A) In computing Ohio adjusted gross income, a 1647
deduction from federal adjusted gross income is allowed for 1648
physicians, dentists, nurses, medical assistants, phlebotomists, 1649
or medical secretaries who provide services free of charge to a 1650
free clinic. The deduction shall equal the sum of the following 1651
amounts: 1652

(1) The number of hours of service that the taxpayer provided 1653
free of charge to the free clinic during the taxable year, 1654
multiplied by eighty-five dollars in the case of a physician or 1655

dentist, thirty dollars in the case of a nurse, eighteen dollars 1656
in the case of a medical assistant or phlebotomist, or thirteen 1657
dollars in the case of a medical secretary; 1658

(2) The number of miles the taxpayer traveled to and from the 1659
free clinic during the taxable year in order to provide the free 1660
services, multiplied by the mileage rate allowed for the 1661
reimbursement of travel expenses of state agents as provided by 1662
rule of the director of budget and management adopted pursuant to 1663
division (B) of section 126.31 of the Revised Code. 1664

(B) As used in this section: 1665

(1) "Free clinic" has the same meaning as in section 1666
2305.2341 of the Revised Code, except that "free clinic" shall not 1667
include a clinic that performs or induces abortions. 1668

(2) "Physician," "dentist," and "nurse" mean an individual 1669
who is duly licensed to practice the respective profession under 1670
the laws of this state. 1671

Section 2. That existing sections 2305.234, 2305.2341, 1672
4715.42, 4723.271, 4731.295, and 5747.01 of the Revised Code are 1673
hereby repealed. 1674

Section 3. The amendment of section 5747.01 and enactment of 1675
section 5747.78 of the Revised Code by this act apply to taxable 1676
years beginning on or after January 1, 2014. 1677