

As Introduced

**130th General Assembly
Regular Session
2013-2014**

S. B. No. 14

Senator Kearney

**Cosponsors: Senators Brown, Gentile, Sawyer, Schiavoni, Skindell, Smith,
Tavares, Turner**

—

A BILL

To amend sections 122.075, 122.71, 122.72, 122.74, 1
122.75, 122.87, 122.88, 122.89, 122.90, 125.831, 2
169.05, 4141.01, 4141.09, 4141.241, 4141.29, 3
4141.291, 4141.293, 4301.20, 5733.01, 5733.98, 4
5739.01, 5739.02, 5739.025, 5747.01, 5747.98, 5
5751.01, 5751.98, and 6301.06, to enact sections 6
122.084, 122.721, 122.731, 122.891, 4141.294, 7
4141.302, 4141.50 to 4141.57, 5709.29, 5747.61, 8
5751.55, 6301.021, 6303.01, and 6303.02, and to 9
repeal sections 901.13, 5733.46, 5733.48, 5747.28, 10
5747.29, 5747.70, 5747.75, 5747.77, and 5751.53 of 11
the Revised Code to authorize programs and tax 12
credits to encourage the hiring of unemployed 13
individuals, to make changes to the Unemployment 14
Compensation Law, to authorize grants and tax 15
credits for the rehabilitation of distressed areas 16
and the expansion of broadband connections to 17
rural areas, to create a revolving loan fund and a 18
bonding program for small businesses, to make 19
changes to the Minority Business Bonding Program, 20
to levy taxes, and to make an appropriation. 21

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

Section 1. That sections 122.075, 122.71, 122.72, 122.74, 22
122.75, 122.87, 122.88, 122.89, 122.90, 125.831, 169.05, 4141.01, 23
4141.09, 4141.241, 4141.29, 4141.291, 4141.293, 4301.20, 5733.01, 24
5733.98, 5739.01, 5739.02, 5739.025, 5747.01, 5747.98, 5751.01, 25
5751.98, and 6301.06 be amended and sections 122.084, 122.721, 26
122.731, 122.891, 4141.294, 4141.302, 4141.50, 4141.51, 4141.52, 27
4141.53, 4141.54, 4141.55, 4141.56, 4141.57, 5709.29, 5747.61, 28
5751.55, 6301.021, 6303.01, and 6303.02 of the Revised Code be 29
enacted to read as follows: 30

Sec. 122.075. (A) As used in this section: 31

(1) "Alternative fuel" has the same meaning as in section 32
125.831 of the Revised Code. 33

(2) "Biodiesel" means a mono-alkyl ester combustible liquid 34
fuel that is derived from vegetable oils or animal fats, or any 35
combination of those reagents, and that meets American society for 36
testing and materials specification D6751-03a for biodiesel fuel 37
(B100) blend stock distillate fuels. 38

(3) "Diesel fuel" and "gasoline" have the same meanings as in 39
section 5735.01 of the Revised Code. 40

(4) "Ethanol" ~~has the same meaning as in section 5733.46 of~~ 41
~~the Revised Code~~ means fermentation ethyl alcohol derived from 42
agricultural products, including potatoes, cereal, grains, cheese 43
whey, and sugar beets; forest products; or other renewable 44
resources, including residue and waste generated from the 45
production, processing, and marketing of agricultural products, 46
forest products, and other renewable resources that meet all of 47
the specifications in the American society for testing and 48
materials (ASTM) specification D 4806-88 and is denatured as 49

specified in Parts 20 and 21 of Title 27 of the Code of Federal Regulations. 50
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(5) "Blended biodiesel" means diesel fuel containing at least 52
twenty per cent biodiesel by volume. 53

(6) "Blended gasoline" means gasoline containing at least 54
eighty-five per cent ethanol by volume. 55

(7) "Incremental cost" means either of the following: 56

(a) The difference in cost between blended gasoline and 57
gasoline containing ten per cent or less ethanol at the time that 58
the blended gasoline is purchased; 59

(b) The difference in cost between blended biodiesel and 60
diesel fuel containing two per cent or less biodiesel at the time 61
that the blended biodiesel is purchased. 62

(B) For the purpose of improving the air quality in this 63
state, the director of development services shall establish an 64
alternative fuel transportation program under which the director 65
may make grants and loans to businesses, nonprofit organizations, 66
public school systems, or local governments for the purchase and 67
installation of alternative fuel refueling or distribution 68
facilities and terminals, for the purchase and use of alternative 69
fuel, and to pay the costs of educational and promotional 70
materials and activities intended for prospective alternative fuel 71
consumers, fuel marketers, and others in order to increase the 72
availability and use of alternative fuel. 73

(C) The director, in consultation with the director of 74
agriculture, shall adopt rules in accordance with Chapter 119. of 75
the Revised Code that are necessary for the administration of the 76
alternative fuel transportation program. The rules shall establish 77
at least all of the following: 78

(1) An application form and procedures governing the 79

application process for receiving funds under the program;	80
(2) A procedure for prioritizing the award of grants and	81
loans under the program. The procedures shall give preference to	82
all of the following:	83
(a) Publicly accessible refueling facilities;	84
(b) Entities applying to the program that have secured	85
funding from other sources, including, but not limited to, private	86
or federal incentives;	87
(c) Entities that have presented compelling evidence of	88
demand in the market in which the facilities or terminals will be	89
located;	90
(d) Entities that have committed to utilizing purchased or	91
installed facilities or terminals for the greatest number of	92
years;	93
(e) Entities that will be purchasing or installing facilities	94
or terminals for any type of alternative fuel.	95
(3) A requirement that the maximum incentive for the purchase	96
and installation of an alternative fuel refueling or distribution	97
facility or terminal be eighty per cent of the cost of the	98
facility or terminal, except that at least twenty per cent of the	99
total net cost of the facility or terminal shall be incurred by	100
the recipient and not compensated for by any other source;	101
(4) A requirement that the maximum incentive for the purchase	102
of alternative fuel be eighty per cent of the cost of the fuel or,	103
in the case of blended biodiesel or blended gasoline, eighty per	104
cent of the incremental cost of the blended biodiesel or blended	105
gasoline;	106
(5) Any other criteria, procedures, or guidelines that the	107
director determines are necessary to administer the program,	108
including fees, charges, interest rates, and payment schedules.	109

(D) An applicant for a grant or loan under this section that sells motor vehicle fuel at retail shall agree that if the applicant receives funding, the applicant will report to the director the gallon or gallon equivalent amounts of alternative fuel the applicant sells at retail in this state for a period of three years after the project is completed.

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

(E) There is hereby created in the state treasury the alternative fuel transportation fund. The fund shall consist of money transferred to the fund under division (C) of section 125.836 and under division (B)(2) of section 3706.27 of the Revised Code, money that is appropriated to it by the general assembly, and money as may be specified by the general assembly from the advanced energy fund created by section 4928.61 of the Revised Code. Money in the fund shall be used to make grants and loans under the alternative fuel transportation program and by the director in the administration of that program.

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

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

(A) Qualifications to be met by small businesses that seek to

<u>receive microloans through the program;</u>	141
<u>(B) Procedures according to which small businesses shall apply for microloans through the program;</u>	142
<u>(C) Criteria for reviewing applications for microloans, and criteria for selecting small businesses that are entitled to receive microloans;</u>	143
<u>(D) Standards for determining the amount of microloans;</u>	144
<u>(E) Specifications identifying the purposes to which microloans may be applied, and methods through which the use of microloans can be accounted for;</u>	145
<u>(F) Standards for setting the interest to be paid on microloans, and standards for fixing the terms according to which microloans are to be repaid;</u>	146
<u>(G) Procedures to be implemented upon default in repayment of microloans;</u>	147
<u>(H) Qualifications to be met by, and procedures for approving, business training programs in which individuals having control of small businesses are required to have participated in as a condition of receiving microloans; and</u>	148
<u>(I) Any other qualifications, procedures, criteria, specifications, methods, or standards necessary and proper for efficient and successful establishment and administration of the small business microloan revolving loan program as a coherent program to assist small businesses.</u>	149
<u>The director may prescribe forms that are necessary for efficient and successful administration of the small business microloan revolving loan program. The forms do not need to be prescribed by rule.</u>	150
<u>The small business microloan revolving loan program is for the general purposes of assisting small businesses to meet</u>	151

capitalization requirements, expand business operations, and 171
create and retain jobs. A small business may not use a microloan 172
to pay debts that are outstanding at the time the microloan is 173
disbursed to the small business. 174

The amount of a microloan may not exceed fifty thousand 175
dollars. The interest charged on a microloan shall be a fixed rate 176
that is at or below the market rate in the community in which the 177
microloan applicant is doing business. 178

The director shall disburse microloans through the several 179
Ohio small business development centers. The individual or 180
individuals having control of a small business, as a condition of 181
receiving a microloan, shall have participated in and successfully 182
completed an approved business training program provided by or 183
through a small business development center or the development 184
services agency. 185

There is hereby created the small business microloan 186
revolving loan fund in the state treasury. The fund consists of 187
money appropriated to the fund, money received in repayment of 188
microloans made from the fund, and investment earnings on money in 189
the fund. The director shall use money in the fund to make 190
microloans to qualified small businesses through the small 191
business microloan revolving loan program, and to pay reasonable 192
costs of administering the program. All investment earnings on 193
money in the fund shall be credited to the fund. 194

Sec. 122.71. As used in sections 122.71 to 122.83 of the 195
Revised Code: 196

(A) "Financial institution" means any banking corporation, 197
trust company, insurance company, savings and loan association, 198
building and loan association, or corporation, partnership, 199
federal lending agency, foundation, or other institution engaged 200
in lending or investing funds for industrial or business purposes. 201

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

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

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

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

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

this section.	234
(F) "Community improvement corporation" means a corporation organized under Chapter 1724. of the Revised Code.	235 236
(G) "Ohio development corporation" means a corporation organized under Chapter 1726. of the Revised Code.	237 238
(H) "Minority contractors business assistance organization" means an entity engaged in the provision of management and technical business assistance to minority business enterprise entrepreneurs.	239 240 241 242
(I) "Minority business supplier development council" means a nonprofit organization established as an affiliate of the national minority supplier development council.	243 244 245
(J) "Regional economic development entity" means an entity that is under contract with the director of development <u>services</u> to administer a loan program under this chapter in a particular area of the state.	246 247 248 249
(K) "Community development corporation" means a corporation organized under Chapter 1702. of the Revised Code that consists of residents of the community and business and civic leaders and that has as a principal purpose one or more of the following: the revitalization and development of a low- to moderate-income neighborhood or community; the creation of jobs for low- to moderate-income residents; the development of commercial facilities and services; providing training, technical assistance, and financial assistance to small businesses; and planning, developing, or managing low-income housing or other community development activities.	250 251 252 253 254 255 256 257 258 259 260
(L) " <u>Small business" means a business operating in this state having five million dollars or less in annual payroll expenditures.</u>	261 262 263

Sec. 122.72. (A) There is hereby created the minority 264
development financing advisory board to assist in carrying out the 265
programs created pursuant to sections 122.71 to 122.89 of the 266
Revised Code. 267

(B) The board shall consist of ten members. The director of 268
development services or the director's designee shall be a voting 269
member on the board. Seven members shall be appointed by the 270
governor with the advice and consent of the senate and selected 271
because of their knowledge of and experience in industrial, 272
business, and commercial financing, suretyship, construction, and 273
their understanding of the problems of minority business 274
enterprises; one member also shall be a member of the senate and 275
appointed by the president of the senate, and one member also 276
shall be a member of the house of representatives and appointed by 277
the speaker of the house of representatives. With respect to the 278
board, all of the following apply: 279

(1) Not more than four of the members of the board appointed 280
by the governor shall be of the same political party. 281

(2) Each member shall hold office from the date of the 282
member's appointment until the end of the term for which the 283
member was appointed. 284

(3) The terms of office for the seven members appointed by 285
the governor shall be for seven years, commencing on the first day 286
of October and ending on the thirtieth day of September of the 287
seventh year, except that of the original seven members, three 288
shall be appointed for three years and two shall be appointed for 289
five years. 290

(4) Any member of the board is eligible for reappointment. 291

(5) Any member appointed to fill a vacancy occurring prior to 292
the expiration of the term for which the member's predecessor was 293

appointed shall hold office for the remainder of the predecessor's term. 294
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(6) Any member shall continue in office subsequent to the expiration date of the member's term until the member's successor takes office, or until a period of sixty days has elapsed, whichever occurs first. 296
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(7) Before entering upon official duties as a member of the board, each member shall take an oath as provided by Section 7 of Article XV, Ohio Constitution. 300
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(8) The governor may, at any time, remove any member appointed by the governor pursuant to section 3.04 of the Revised Code. 303
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(9) Notwithstanding section 101.26 of the Revised Code, members shall receive their necessary and actual expenses while engaged in the business of the board and shall be paid at the per diem rate of step 1 of pay range 31 of section 124.15 of the Revised Code. 306
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(10) Six members of the board constitute a quorum and the affirmative vote of six members is necessary for any action taken by the board. 311
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(11) In the event of the absence of a member appointed by the president of the senate or by the speaker of the house of representatives, either of the following persons may serve in the member's absence: 314
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(a) The president of the senate or the speaker of the house of representatives, whoever appointed the absent member; 318
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(b) A member of the senate or of the house of representatives of the same political party as the absent member, as designated by the president of the senate or the speaker of the house of representatives, whoever appointed the absent member. 320
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(12) The board shall annually elect one of its members as chairperson and another as vice-chairperson. 324
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(13) The board shall meet on the second Tuesday of each month. 326
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Sec. 122.721. The small business development financing advisory board is established to assist in carrying out the programs created under section 122.891 of the Revised Code. 328
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The board consists of ten members. The director of development services or the director's designee is a voting member of the board. Seven members shall be appointed by the governor with the advice and consent of the senate, and shall have knowledge of and experience in industrial, business, and commercial financing, suretyship, and construction, and an understanding of the problems of small businesses. One member shall be a member of the senate appointed by the president of the senate, and one member shall be a member of the house of representatives appointed by the speaker of the house of representatives. 331
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Not more than four members appointed by the governor shall be members of the same political party. 342
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The terms of office for the seven members appointed by the governor shall be seven years, commencing on the first day of October and ending on the thirtieth day of September of the seventh year, except that of the original seven members, three shall be appointed for three years and two shall be appointed for five years. 344
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Each member shall hold office from the date of the member's appointment until the end of the term for which the member was appointed. 350
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A member is eligible for reappointment. 353

A member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall hold office for the remainder of the predecessor's term. 354
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A member shall continue in office subsequent to the expiration date of the member's term until the member's successor takes office, or until a period of sixty days has elapsed, whichever occurs first. 358
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Before entering upon official duties as a member, the member shall take an oath as provided by Ohio Constitution, Article XV, Section 7. 362
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The governor, at any time under section 3.04 of the Revised Code, may remove a member appointed by the governor. 365
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Notwithstanding section 101.26 of the Revised Code, members are entitled to their necessary and actual expenses while engaged in the business of the board and shall be paid at the per diem rate of step 1 of pay range 31 of section 124.15 of the Revised Code. 367
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Six members of the board constitute a quorum, and the affirmative vote of six members is necessary for any action taken by the board. 372
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In the event a member appointed by the president of the senate or by the speaker of the house of representatives is absent, either of the following persons may serve in the member's absence: the president of the senate or the speaker of the house of representatives, whoever appointed the absent member, or a member of the senate or of the house of representatives of the same political party as the absent member, as designated by the president of the senate or the speaker of the house of representatives, whoever appointed the absent member. 375
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The board shall annually elect one of its members as 384

chairperson and another member as vice-chairperson. 385

The board shall meet on the second Tuesday of each month. 386

Sec. 122.731. (A) The powers and duties provided in section 387
122.891 of the Revised Code are established in order to promote 388
the welfare of the people of the state by encouraging the 389
establishment and expansion of small businesses; to stabilize the 390
economy; to provide employment; to assist in the development 391
within the state of industrial, commercial, distribution, and 392
research activities required for the people of the state, and for 393
their gainful employment; and otherwise to create or preserve jobs 394
and employment opportunities and to improve the economic welfare 395
of the people of the state. It is determined that the 396
accomplishment of those purposes is essential so that the people 397
of the state may maintain their present high standards of living 398
in comparison with the people of other states and so that 399
opportunities for employment and for favorable markets for the 400
products of the state's natural resources, agriculture, and 401
manufacturing will be improved. It further is determined that it 402
therefore is necessary to establish the program authorized under 403
section 122.891 of the Revised Code, to establish the small 404
business development financing advisory board, and to vest it and 405
the director of development services with the powers and duties 406
provided in that section. 407

(B) The small business development financing advisory board 408
shall do all of the following: 409

(1) Make recommendations to the director with regard to 410
applications for assistance under section 122.891 of the Revised 411
Code; 412

(2) Advise the director in the administration of section 413
122.891 of the Revised Code; and 414

(3) Adopt bylaws to govern the conduct of the business of the 415
board. 416

The board may revise its recommendations to reflect any 417
changes in the proposed assistance made by the director. 418

Sec. 122.74. (A)(1) The director of development services 419
shall do all of the following: 420

(a) Receive applications for assistance under sections 122.71 421
to ~~122.89~~ 122.891 of the Revised Code and applications from surety 422
companies for bond guarantees under section 122.90 of the Revised 423
Code, and, after processing but subject to division (A)(2) of this 424
section, forward them to the minority development financing 425
advisory board or small business development financing advisory 426
board, as applicable, together with necessary supporting 427
information; 428

(b) Receive the recommendations of the ~~board~~ respective 429
boards and make a final determination whether to approve the 430
application for assistance; 431

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

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

(2) The director is not required to submit any determination, 443
data, terms, or any other application materials or information to 444

the minority development financing advisory board when provision 445
of the assistance has been recommended to the director by a 446
regional economic development entity or when an application for a 447
surety company for bond guarantees under section 122.90 of the 448
Revised Code has been previously approved by the controlling 449
board. 450

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

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

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

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

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

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

lessor of it; 476

(6)(a) When the cost of any contract for the maintenance, 477
protection, repair, or improvement of any property held by the 478
director, other than compensation for personal services, involves 479
an expenditure of more than fifty thousand dollars, the director 480
shall make a written contract with the lowest responsive and 481
responsible bidder in accordance with section 9.312 of the Revised 482
Code after advertisement for not less than two consecutive weeks 483
in a newspaper of general circulation in the county where such 484
contract, or some substantial part of it, is to be performed, and 485
in such other publications as the director determines, which 486
notice shall state the general character of the work and the 487
general character of the materials to be furnished, the place 488
where plans and specifications therefor may be examined, and the 489
time and place of receiving bids. 490

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

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

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

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

(7) Employ or contract with financial consultants, 507
appraisers, consulting engineers, superintendents, managers, 508
construction and accounting experts, attorneys, and other 509
employees and agents as are necessary in the director's judgment 510
and fix their compensation; 511

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

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

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

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

(C)(1) All expenses and obligations incurred by the director 533
in carrying out the director's powers and in exercising the 534
director's duties under sections 122.71 to 122.90 of the Revised 535
Code shall be payable solely from revenues or other receipts or 536
income of the director, from grants, gifts, and contributions, or 537

funds established in accordance with such sections. Such sections 538
do not authorize the director to incur indebtedness or to impose 539
liability on the state or any political subdivision of the state. 540

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

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

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

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

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

indebtedness of or impose liability upon the state or any 569
political subdivision. 570

(D) Establish funds with the treasurer of state in addition 571
to the minority and small business bonding fund created under 572
section 122.88 of the Revised Code; 573

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

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

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

the general character of the work and the general character of the materials to be furnished, the place where plans and specifications for the work and materials may be examined, and the time and place of receiving bids.

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

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

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

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

Sec. 122.87. As used in sections 122.87 to 122.90 of the Revised Code:

(A) "Surety company" means a company that is authorized by the department of insurance to issue bonds as surety.

(B) "Minority business" means any of the following

occupations:	631
(1) Minority construction contractor;	632
(2) Minority seller;	633
(3) Minority service vendor.	634
(C) "Minority construction contractor" means a person who is	635
both a construction contractor and an owner of a minority business	636
enterprise certified under division (B) of section 123.151 of the	637
Revised Code.	638
(D) "Minority seller" means a person who is both a seller of	639
goods and an owner of a minority business enterprise listed on the	640
special minority business enterprise bid notification list under	641
division (B) of section 125.08 of the Revised Code.	642
(E) "Minority service vendor" means a person who is both a	643
vendor of services and an owner of a minority business enterprise	644
listed on the special minority business enterprise bid	645
notification list under division (B) of section 125.08 of the	646
Revised Code.	647
(F) "Minority business enterprise" has the meaning given in	648
section 122.71 of the Revised Code.	649
(G) "EDGE business enterprise" means a sole proprietorship,	650
association, partnership, corporation, limited liability	651
corporation, or joint venture certified as a participant in the	652
encouraging diversity, growth, and equity program by the director	653
of administrative services under section 123.152 of the Revised	654
Code.	655
(H) <u>"Small business" means a business operating in this state</u>	656
<u>having five million dollars or less in annual payroll</u>	657
<u>expenditures.</u>	658
Sec. 122.88. (A) There is hereby created in the state	659

treasury the minority and small business bonding fund, consisting 660
of moneys deposited or credited to it pursuant to section 169.05 661
of the Revised Code; all grants, gifts, and contributions received 662
pursuant to division (B)(9) of section 122.74 of the Revised Code; 663
all moneys recovered following defaults; and any other moneys 664
obtained by the director of development services for the purposes 665
of sections 122.87 to 122.90 of the Revised Code. The fund shall 666
be administered by the director. Moneys in the fund shall be held 667
in trust for the purposes of sections 122.87 to 122.90 of the 668
Revised Code. 669

(B) Any claims against the state arising from defaults shall 670
be payable from the minority and small business bonding program 671
administrative and loss reserve fund as provided in division (C) 672
of this section or from the minority and small business bonding 673
fund. Nothing in sections 122.87 to 122.90 of the Revised Code 674
grants or pledges to any obligee or other person any state moneys 675
other than the moneys in the minority and small business bonding 676
program administrative and loss reserve fund or the minority and 677
small business bonding fund, or moneys available to the minority 678
and small business bonding fund upon request of the director in 679
accordance with division (B) of section 169.05 of the Revised 680
Code. 681

(C) There is hereby created in the state treasury the 682
minority and small business bonding program administrative and 683
loss reserve fund, consisting of all premiums charged and 684
collected in accordance with ~~section~~ sections 122.89 and 122.891 685
of the Revised Code and any interest income earned from the moneys 686
in the minority and small business bonding fund. All expenses of 687
the director ~~and~~, the minority development financing advisory 688
board, and the small business development financing advisory board 689
in carrying out the purposes of sections 122.87 to 122.90 of the 690
Revised Code shall be paid from the minority and small business 691

bonding program administrative and loss reserve fund. 692

Any moneys to the credit of the minority and small business 693
bonding program administrative and loss reserve fund in excess of 694
the amount necessary to fund the appropriation authority for the 695
minority and small business bonding program administrative and 696
loss reserve fund shall be held as a loss reserve to pay claims 697
arising from defaults on surety bonds underwritten in accordance 698
with section 122.89 or 122.891 of the Revised Code or guaranteed 699
in accordance with section 122.90 of the Revised Code. If the 700
balance of funds in the minority and small business bonding 701
program administrative and loss reserve fund is insufficient to 702
pay a claim against the state arising from default, then such 703
claim shall be payable from the minority and small business 704
bonding fund. 705

Sec. 122.89. (A) The director of development services may 706
execute bonds as surety for minority businesses as principals, on 707
contracts with the state, any political subdivision or 708
instrumentality thereof, or any person as the obligee. The 709
director as surety may exercise all the rights and powers of a 710
company authorized by the department of insurance to execute bonds 711
as surety but shall not be subject to any requirements of a surety 712
company under Title XXXIX of the Revised Code nor to any rules of 713
the department of insurance. 714

(B) The director, with the advice of the minority development 715
financing advisory board, shall adopt rules under Chapter 119. of 716
the Revised Code establishing procedures for application for 717
surety bonds by minority businesses and for review and approval of 718
applications. The board shall review each application in 719
accordance with the rules and, based on the bond worthiness of 720
each applicant, shall refer all qualified applicants to the 721
director. Based on the recommendation of the board, the director 722

shall determine whether or not the applicant shall receive 723
bonding. The rules shall establish the maximum amount of any bond 724
issued at two million dollars. 725

(C) The rules of the board shall require the minority 726
business to pay a premium in advance for the bond to be 727
established by the director, with the advice of the board after 728
the director receives advice from the superintendent of insurance 729
regarding the standard market rates for premiums for similar 730
bonds. All premiums paid by minority businesses shall be paid into 731
the minority and small business bonding program administrative and 732
loss reserve fund. 733

(D) The rules of the board shall provide for a retainage of 734
money paid to the minority business or EDGE business enterprise of 735
fifteen per cent for a contract valued at more than fifty thousand 736
dollars and for a retainage of twelve per cent for a contract 737
valued at fifty thousand dollars or less. 738

(E) The penal sum amounts of all outstanding bonds issued by 739
the director shall not exceed the amount of moneys in the minority 740
and small business bonding fund and available to the fund under 741
division (B) of section 169.05 of the Revised Code. 742

(F) The superintendent of insurance shall provide such 743
technical and professional assistance as is considered necessary 744
by the director, including providing advice regarding the standard 745
market rates for bond premiums as described under division (C) of 746
this section. 747

(G) Notwithstanding any provision of the Revised Code to the 748
contrary, a minority business or EDGE business enterprise may bid 749
or enter into a contract with the state or with any 750
instrumentality of the state without being required to provide a 751
bond as follows: 752

(1) For the first contract that a minority business or EDGE 753

business enterprise enters into with the state or with any 754
particular instrumentality of the state, the minority business or 755
EDGE business enterprise may bid or enter into a contract valued 756
at twenty-five thousand dollars or less without being required to 757
provide a bond, but only if the minority business or EDGE business 758
enterprise is participating in a qualified contractor assistance 759
program or has successfully completed a qualified contractor 760
assistance program after ~~the effective date of this amendment~~ 761
October 16, 2009; 762

(2) After the state or any particular instrumentality of the 763
state has accepted the first contract as completed and all 764
subcontractors and suppliers on the contract have been paid, the 765
minority business or EDGE business enterprise may bid or enter 766
into a second contract with the state or with that particular 767
instrumentality of the state valued at fifty thousand dollars or 768
less without being required to provide a bond, but only if the 769
minority business or EDGE business enterprise is participating in 770
a qualified contractor assistance program or has successfully 771
completed a qualified contractor assistance program after ~~the~~ 772
~~effective date of this amendment~~ October 16, 2009; 773

(3) After the state or any particular instrumentality of the 774
state has accepted the second contract as completed and all 775
subcontractors and suppliers on the contract have been paid, the 776
minority business or EDGE business enterprise may bid or enter 777
into a third contract with the state or with that particular 778
instrumentality of the state valued at one hundred thousand 779
dollars or less without being required to provide a bond, but only 780
if the minority business or EDGE business enterprise has 781
successfully completed a qualified contractor assistance program 782
after ~~the effective date of this amendment~~ October 16, 2009; 783

(4) After the state or any particular instrumentality of the 784
state has accepted the third contract as completed and all 785

subcontractors and suppliers on the contract have been paid, the 786
minority business or EDGE business enterprise may bid or enter 787
into a fourth contract with the state or with that particular 788
instrumentality of the state valued at three hundred thousand 789
dollars or less without being required to provide a bond, but only 790
if the minority business or EDGE business enterprise has 791
successfully completed a qualified contractor assistance program 792
after ~~the effective date of this amendment~~ October 16, 2009; 793

(5) After the state or any instrumentality of the state has 794
accepted the fourth contract as completed and all subcontractors 795
and suppliers on the contract have been paid, upon a showing that 796
with respect to a contract valued at four hundred thousand dollars 797
or less with the state or with any particular instrumentality of 798
the state, that the minority business or EDGE business enterprise 799
either has been denied a bond by two surety companies or that the 800
minority business or EDGE business enterprise has applied to two 801
surety companies for a bond and, at the expiration of sixty days 802
after making the application, has neither received nor been denied 803
a bond, the minority business or EDGE business enterprise may 804
repeat its participation in the unbonded state contractor program. 805
Under no circumstances shall a minority business or EDGE business 806
enterprise be permitted to participate in the unbonded state 807
contractor program more than twice. 808

(H) Notwithstanding any provision of the Revised Code to the 809
contrary, a minority business or EDGE business enterprise may bid 810
or enter into a contract with any political subdivision of the 811
state or with any instrumentality of a political subdivision 812
without being required to provide a bond as follows: 813

(1) For the first contract that the minority business or EDGE 814
business enterprise enters into with any particular political 815
subdivision of the state or with any particular instrumentality of 816
a political subdivision, the minority business or EDGE business 817

enterprise may bid or enter into a contract valued at twenty-five 818
thousand dollars or less without being required to provide a bond, 819
but only if the minority business or EDGE business enterprise is 820
participating in a qualified contractor assistance program or has 821
successfully completed a qualified contractor assistance program 822
after ~~the effective date of this amendment~~ October 16, 2009; 823

(2) After any political subdivision of the state or any 824
instrumentality of a political subdivision has accepted the first 825
contract as completed and all subcontractors and suppliers on the 826
contract have been paid, the minority business or EDGE business 827
enterprise may bid or enter into a second contract with that 828
particular political subdivision of the state or with that 829
particular instrumentality of a political subdivision valued at 830
fifty thousand dollars or less without being required to provide a 831
bond, but only if the minority business or EDGE business 832
enterprise is participating in a qualified contractor assistance 833
program or has successfully completed a qualified contractor 834
assistance program after ~~the effective date of this amendment~~ 835
October 16, 2009; 836

(3) After any political subdivision of the state or any 837
instrumentality of a political subdivision has accepted the second 838
contract as completed and all subcontractors and suppliers on the 839
contract have been paid, the minority business or EDGE business 840
enterprise may bid or enter into a third contract with that 841
particular political subdivision of the state or with that 842
particular instrumentality of a political subdivision valued at 843
one hundred thousand dollars or less without being required to 844
provide a bond, but only if the minority business or EDGE business 845
enterprise has successfully completed a qualified contractor 846
assistance program after ~~the effective date of this amendment~~ 847
October 16, 2009; 848

(4) After any political subdivision of the state or any 849

instrumentality of a political subdivision has accepted the third 850
contract as completed and all subcontractors and suppliers on the 851
contract have been paid, the minority business or EDGE business 852
enterprise may bid or enter into a fourth contract with that 853
particular political subdivision of the state or with that 854
particular instrumentality of a political subdivision valued at 855
two hundred thousand dollars or less without being required to 856
provide a bond, but only if the minority business or EDGE business 857
enterprise has successfully completed a qualified contractor 858
assistance program after ~~the effective date of this amendment~~ 859
October 16, 2009; 860

(5) After any political subdivision of the state or any 861
instrumentality of a political subdivision has accepted the fourth 862
contract as completed and all subcontractors and suppliers on the 863
contract have been paid, upon a showing that with respect to a 864
contract valued at three hundred thousand dollars or less with any 865
political subdivision of the state or any instrumentality of a 866
political subdivision, that the minority business or EDGE business 867
enterprise either has been denied a bond by two surety companies 868
or that the minority business or EDGE business enterprise has 869
applied to two surety companies for a bond and, at the expiration 870
of sixty days after making the application, has neither received 871
nor been denied a bond, the minority business or EDGE business 872
enterprise may repeat its participation in the unbonded political 873
subdivision contractor program. Under no circumstances shall a 874
minority business or EDGE business enterprise be permitted to 875
participate in the unbonded political subdivision contractor 876
program more than twice. 877

(I) Notwithstanding any provision of the Revised Code to the 878
contrary, if a minority business or EDGE business enterprise has 879
entered into two or more contracts with the state or with any 880
instrumentality of the state, the minority business or EDGE 881

business enterprise may bid or enter into a contract with a 882
political subdivision of the state or with any instrumentality of 883
a political subdivision valued at the level at which the minority 884
business or EDGE business enterprise would qualify if entering 885
into an additional contract with the state. 886

(J) The director of development services shall coordinate and 887
oversee the unbonded state contractor program described in 888
division (G) of this section, the unbonded political subdivision 889
contractor program described in division (H) of this section, and 890
the approval of a qualified contractor assistance program. The 891
director shall prepare an annual report and submit it to the 892
governor and the general assembly on or before the first day of 893
February that includes the following: information on the 894
director's activities for the preceding calendar year regarding 895
the unbonded state contractor program, the unbonded political 896
subdivision contractor program, and the qualified contractor 897
assistance program; a summary and description of the operations 898
and activities of these programs; an assessment of the 899
achievements of these programs; and a recommendation as to whether 900
these programs need to continue. 901

(K) As used in this section: 902

(1) "EDGE business enterprise" means an EDGE business 903
enterprise certified under section 123.152 of the Revised Code. 904

(2) "Qualified contractor assistance program" means an 905
educational program or technical assistance program for business 906
development that is designed to assist a minority business or EDGE 907
business enterprise in becoming eligible for bonding and has been 908
approved by the director of development services for use as 909
required under this section. 910

(3) "Successfully completed a qualified contractor assistance 911
program" means the minority business or EDGE business enterprise 912

completed such a program on or after ~~the effective date of this~~ 913
~~amendment~~ October 16, 2009. 914

(4) "Unbonded state contractor program" means the program 915
described in division (G) of this section. 916

(5) "Unbonded political subdivision contractor program" means 917
the program described in division (H) of this section. 918

Sec. 122.891. (A) As used in this section: 919

(1) "Qualified contractor assistance program" means an 920
educational program or technical assistance program for business 921
development that is designed to assist a small business in 922
becoming eligible for bonding and that has been approved by the 923
director of development services for operation and attendance as 924
required under this section. 925

(2) "Successfully completed a qualified contractor assistance 926
program" means the small business completed such a program on or 927
after the effective date of this section. 928

(3) "Unbonded state contractor program" means the program 929
described in division (H) of this section. 930

(4) "Unbonded political subdivision contractor program" means 931
the program described in division (I) of this section. 932

(B) The director may execute bonds as surety for small 933
businesses as principals on contracts with the state or 934
instrumentality thereof, a political subdivision or 935
instrumentality thereof, or any person as the obligee. The 936
director as surety may exercise all the rights and powers of a 937
company authorized by the department of insurance to execute bonds 938
as surety, but shall not be subject to any requirements of a 939
surety company under Title XXXIX of the Revised Code or to any 940
rules of the department or superintendent of insurance. 941

(C) The director, with the advice of the small business 942

development financing advisory board, shall adopt rules under 943
Chapter 119. of the Revised Code establishing procedures whereby 944
small businesses shall apply for surety bonds, and for the review 945
and approval of applications. The board shall review each 946
application in accordance with the rules and, based upon the bond 947
worthiness of each applicant, shall refer all qualified applicants 948
to the director. Based on the recommendation of the board, the 949
director shall determine whether or not the applicant is entitled 950
to receive bonding. The rules shall establish the maximum amount 951
of any bond issued at two million dollars. 952

(D) The rules shall require the small business to pay a 953
premium in advance for the bond. The premium shall be established 954
by the director, with the advice of the board, after the director 955
has received advice from the superintendent of insurance regarding 956
the standard market rates for premiums for similar bonds. All 957
premiums paid by small businesses shall be paid into the minority 958
and small business bonding program administrative and loss reserve 959
fund. 960

(E) The rules shall provide for a retainage of money paid to 961
the small business of fifteen per cent for a contract valued at 962
more than fifty thousand dollars and for a retainage of twelve per 963
cent for a contract valued at fifty thousand dollars or less. 964

(F) The penal sum amounts of all outstanding bonds issued by 965
the director shall not exceed the amount of money in and available 966
to the minority and small business bonding fund under division (B) 967
of section 169.05 of the Revised Code. 968

(G) The superintendent of insurance shall provide technical 969
and professional assistance as is considered necessary by the 970
director, including providing advice regarding the standard market 971
rates for bond premiums as described under division (D) of this 972
section. 973

(H) Notwithstanding any provision of the Revised Code to the contrary, a small business may bid or enter into a contract with the state or with any instrumentality of the state without being required to provide a bond as follows: 974
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(1) For the first contract that a small business enters into with the state or with any particular instrumentality of the state, the small business may bid or enter into a contract valued at twenty-five thousand dollars or less without being required to provide a bond, but only if the small business is participating in a qualified contractor assistance program or has successfully completed a qualified contractor assistance program after the effective date of this section. 978
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(2) After the state or the particular instrumentality of the state has accepted the first contract as completed and all subcontractors and suppliers on the contract have been paid, the small business may bid or enter into a second contract with the state or with that particular instrumentality of the state valued at fifty thousand dollars or less without being required to provide a bond, but only if the small business is participating in a qualified contractor assistance program or has successfully completed a qualified contractor assistance program after the effective date of this section. 986
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(3) After the state or the particular instrumentality of the state has accepted the second contract as completed and all subcontractors and suppliers on the contract have been paid, the small business may bid or enter into a third contract with the state or with that particular instrumentality of the state valued at one hundred thousand dollars or less without being required to provide a bond, but only if the small business has successfully completed a qualified contractor assistance program after the effective date of this section. 996
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(4) After the state or the particular instrumentality of the 1005

state has accepted the third contract as completed and all 1006
subcontractors and suppliers on the contract have been paid, the 1007
small business may bid or enter into a fourth contract with the 1008
state or with that particular instrumentality of the state valued 1009
at three hundred thousand dollars or less without being required 1010
to provide a bond, but only if the small business has successfully 1011
completed a qualified contractor assistance program after the 1012
effective date of this section. 1013

(5) After the state or the instrumentality of the state has 1014
accepted the fourth contract as completed and all subcontractors 1015
and suppliers on the contract have been paid, upon a showing that 1016
with respect to a contract valued at four hundred thousand dollars 1017
or less with the state or with any particular instrumentality of 1018
the state, that the small business either has been denied a bond 1019
by two surety companies or that the small business has applied to 1020
two surety companies for a bond and, at the expiration of sixty 1021
days after making the application, has neither received nor been 1022
denied a bond, the small business may repeat its participation in 1023
the unbonded state contractor program. Under no circumstances 1024
shall a small business be permitted to participate in the unbonded 1025
state contractor program more than twice. 1026

(I) Notwithstanding any provision of the Revised Code to the 1027
contrary, a small business may bid or enter into a contract with 1028
any political subdivision of the state or with any instrumentality 1029
of a political subdivision without being required to provide a 1030
bond as follows: 1031

(1) For the first contract that the small business enters 1032
into with any particular political subdivision of the state or 1033
with any particular instrumentality of a political subdivision, 1034
the small business may bid or enter into a contract valued at 1035
twenty-five thousand dollars or less without being required to 1036
provide a bond, but only if the small business is participating in 1037

a qualified contractor assistance program or has successfully 1038
completed a qualified contractor assistance program after the 1039
effective date of this section. 1040

(2) After the political subdivision or the instrumentality of 1041
a political subdivision has accepted the first contract as 1042
completed and all subcontractors and suppliers on the contract 1043
have been paid, the small business may bid or enter into a second 1044
contract with that particular political subdivision or with that 1045
particular instrumentality of a political subdivision valued at 1046
fifty thousand dollars or less without being required to provide a 1047
bond, but only if the small business is participating in a 1048
qualified contractor assistance program or has successfully 1049
completed a qualified contractor assistance program after the 1050
effective date of this section. 1051

(3) After the political subdivision or the instrumentality of 1052
a political subdivision has accepted the second contract as 1053
completed and all subcontractors and suppliers on the contract 1054
have been paid, the small business may bid or enter into a third 1055
contract with that particular political subdivision or with that 1056
particular instrumentality of a political subdivision valued at 1057
one hundred thousand dollars or less without being required to 1058
provide a bond, but only if the small business has successfully 1059
completed a qualified contractor assistance program after the 1060
effective date of this section. 1061

(4) After the political subdivision or the instrumentality of 1062
a political subdivision has accepted the third contract as 1063
completed and all subcontractors and suppliers on the contract 1064
have been paid, the small business may bid or enter into a fourth 1065
contract with that particular political subdivision of the state 1066
or with that particular instrumentality of a political subdivision 1067
valued at two hundred thousand dollars or less without being 1068
required to provide a bond, but only if the small business has 1069

successfully completed a qualified contractor assistance program 1070
after the effective date of this section. 1071

(5) After the political subdivision or the instrumentality of 1072
a political subdivision has accepted the fourth contract as 1073
completed and all subcontractors and suppliers on the contract 1074
have been paid, upon a showing that with respect to a contract 1075
valued at three hundred thousand dollars or less with any 1076
political subdivision or any instrumentality of a political 1077
subdivision, that the small business either has been denied a bond 1078
by two surety companies or that the small business has applied to 1079
two surety companies for a bond and, at the expiration of sixty 1080
days after making the application, has neither received nor been 1081
denied a bond, the small business may repeat its participation in 1082
the unbonded political subdivision contractor program. Under no 1083
circumstances shall a small business be permitted to participate 1084
in the unbonded political subdivision contractor program more than 1085
twice. 1086

(J) Notwithstanding any provision of the Revised Code to the 1087
contrary, if a small business has entered into two or more 1088
contracts with the state or with any instrumentality of the state, 1089
the small business may bid or enter into a contract with a 1090
political subdivision or with any instrumentality of a political 1091
subdivision valued at the level at which the small business would 1092
qualify if entering into an additional contract with the state. 1093

(K) The director of development services shall coordinate and 1094
oversee the unbonded state contractor program described in 1095
division (H) of this section, the unbonded political subdivision 1096
contractor program described in division (I) of this section, and 1097
the approval of a qualified contractor assistance program. The 1098
director shall prepare an annual report and submit it to the 1099
governor and the general assembly on or before the first day of 1100
February that includes the following: information on the 1101

director's activities for the preceding calendar year regarding 1102
the unbonded state contractor program, the unbonded political 1103
subdivision contractor program, and the qualified contractor 1104
assistance program; a summary and description of the operations 1105
and activities of these programs; an assessment of the 1106
achievements of these programs; and a recommendation as to whether 1107
these programs need to continue. 1108

Sec. 122.90. (A) The director of development services may 1109
guarantee bonds executed by sureties for minority businesses and 1110
EDGE business enterprises certified under section 123.152 of the 1111
Revised Code as principals on contracts with the state, any 1112
political subdivision or instrumentality, or any person as the 1113
obligee. The director, as guarantor, may exercise all the rights 1114
and powers of a company authorized by the department of insurance 1115
to guarantee bonds under Chapter 3929. of the Revised Code but 1116
otherwise is not subject to any laws related to a guaranty company 1117
under Title XXXIX of the Revised Code nor to any rules of the 1118
department of insurance. 1119

(B) The director shall adopt rules under Chapter 119. of the 1120
Revised Code to establish procedures for the application for bond 1121
guarantees and the review and approval of applications for bond 1122
guarantees submitted by sureties that execute bonds eligible for 1123
guarantees under division (A) of this section. 1124

(C) In accordance with rules adopted pursuant to this 1125
section, the director may guarantee up to ninety per cent of the 1126
loss incurred and paid by sureties on bonds guaranteed under 1127
division (A) of this section. 1128

(D) The penal sum amounts of all outstanding guarantees made 1129
by the director under this section shall not exceed three times 1130
the difference between the amount of moneys in the minority and 1131
small business bonding fund and available to the fund under 1132

division (B) of section 169.05 of the Revised Code and the amount 1133
of all outstanding bonds issued by the director in accordance with 1134
division (A) of section 122.89 of the Revised Code. 1135

(E) The director ~~of development~~, with controlling board 1136
approval, may approve one application per fiscal year from each 1137
surety bond company for bond guarantees in an amount requested to 1138
support one fiscal year of that company's activity under this 1139
section. A surety bond company that applies for a bond guarantee 1140
under this division, whether or not the guarantee is approved, is 1141
not restricted from also applying for individual bond guarantees 1142
under division (A) of this section. 1143

Sec. 125.831. As used in sections 125.831 to 125.834 of the 1144
Revised Code: 1145

(A) "Alternative fuel" means any of the following fuels used 1146
in a motor vehicle: 1147

(1) E85 blend fuel; 1148

(2) Blended biodiesel; 1149

(3) Natural gas; 1150

(4) Liquefied petroleum gas; 1151

(5) Hydrogen; 1152

(6) Compressed air; 1153

(7) Any power source, including electricity; 1154

(8) Any fuel not described in divisions (A)(1) to (7) of this 1155
section that the United States department of energy determines, by 1156
final rule, to be substantially not petroleum, and that would 1157
yield substantial energy security and environmental benefits. 1158

(B) "Biodiesel" means a mono-alkyl ester combustible liquid 1159
fuel that is derived from vegetable oils or animal fats, or any 1160
combination of those reagents that meets the American society for 1161

testing and materials specification for biodiesel fuel (B100) 1162
blend stock distillate fuels and any other standards that the 1163
director of administrative services adopts by rule. 1164

(C) "Blended biodiesel" means a blend of biodiesel with 1165
petroleum based diesel fuel in which the resultant product 1166
contains not less than twenty per cent biodiesel that meets the 1167
American society for testing and materials specification for 1168
blended diesel fuel and any other standards that the director of 1169
administrative services adopts by rule. 1170

(D) "Diesel fuel" means any liquid fuel that is capable of 1171
use in discrete form or as a blend component in the operation of 1172
engines of the diesel type. 1173

(E) "E85 blend fuel" means fuel containing eighty-five per 1174
cent or more ethanol as defined in section ~~5733.46~~ 122.075 of the 1175
Revised Code or containing any other percentage of not less than 1176
seventy per cent ethanol if the United States department of energy 1177
determines, by rule, that the lower percentage is necessary to 1178
provide for the requirements of cold start, safety, or vehicle 1179
functions, and that meets the American society for testing and 1180
materials specification for E85 blend fuel and any other standards 1181
that the director of administrative services adopts by rule. 1182

(F) "Law enforcement officer" means an officer, agent, or 1183
employee of a state agency upon whom, by statute, a duty to 1184
conserve the peace or to enforce all or certain laws is imposed 1185
and the authority to arrest violators is conferred, within the 1186
limits of that statutory duty and authority, but does not include 1187
such an officer, agent, or employee if that duty and authority is 1188
location specific. 1189

(G)(1) "Motor vehicle" means any automobile, car minivan, 1190
cargo van, passenger van, sport utility vehicle, or pickup truck 1191
with a gross vehicle weight of under twelve thousand pounds. 1192

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

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

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

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

Sec. 169.05. (A) Every holder required to file a report under section 169.03 of the Revised Code shall, at the time of filing, pay to the director of commerce ten per cent of the aggregate amount of unclaimed funds as shown on the report, except for aggregate amounts of fifty dollars or less in which case one hundred per cent shall be paid. The funds may be deposited by the director in the state treasury to the credit of the unclaimed funds trust fund, which is hereby created, or placed with a

financial organization. Any interest earned on money in the trust 1224
fund shall be credited to the trust fund. The remainder of the 1225
aggregate amount of unclaimed funds as shown on the report, plus 1226
earnings accrued to date of payment to the director, shall, at the 1227
option of the director, be retained by the holder or paid to the 1228
director for deposit as agent for the mortgage funds with a 1229
financial organization as defined in section 169.01 of the Revised 1230
Code, with the funds to be in income-bearing accounts to the 1231
credit of the mortgage funds, or the holder may enter into an 1232
agreement with the director specifying the obligations of the 1233
United States in which funds are to be invested, and agree to pay 1234
the interest on the obligations to the state. Holders retaining 1235
any funds not in obligations of the United States shall enter into 1236
an agreement with the director specifying the classification of 1237
income-bearing account in which the funds will be held and pay the 1238
state interest on the funds at a rate equal to the prevailing 1239
market rate for similar funds. Moneys that the holder is required 1240
to pay to the director rather than to retain may be deposited with 1241
the treasurer of state, or placed with a financial organization. 1242

Securities and other intangible property transferred to the 1243
director shall, within a reasonable time, be converted to cash and 1244
the proceeds deposited as provided for other funds. 1245

One-half of the funds evidenced by agreements, in 1246
income-bearing accounts, or on deposit with the treasurer of state 1247
shall be allocated on the records of the director to the mortgage 1248
insurance fund created by section 122.561 of the Revised Code. Out 1249
of the remaining half, after allocation of sufficient moneys to 1250
the minority and small business bonding fund to meet the 1251
provisions of division (B) of this section, the remainder shall be 1252
allocated on the records of the director to the housing 1253
development fund created by division (A) of section 175.11 of the 1254
Revised Code. 1255

(B) The director shall serve as agent for the director of 1256
development services and as agent for the Ohio housing finance 1257
agency in making deposits and withdrawals and maintaining records 1258
pertaining to the minority and small business bonding fund created 1259
by section 122.88 of the Revised Code, the mortgage insurance 1260
fund, and the housing development fund created by section 175.11 1261
of the Revised Code. Funds from the mortgage insurance fund are 1262
available to the director of development services when those funds 1263
are to be disbursed to prevent or cure, or upon the occurrence of, 1264
a default of a mortgage insured pursuant to section 122.451 of the 1265
Revised Code. Funds from the housing development fund are 1266
available upon request to the Ohio housing finance agency, in an 1267
amount not to exceed the funds allocated on the records of the 1268
director, for the purposes of section 175.05 of the Revised Code. 1269
Funds from the minority and small business bonding fund are 1270
available to the director of development services upon request to 1271
pay obligations on bonds the director writes pursuant to section 1272
122.88 of the Revised Code; except that, unless the general 1273
assembly authorizes additional amounts, the total maximum amount 1274
of moneys that may be allocated to the minority and small business 1275
bonding fund under this division is ten million dollars. 1276

When funds are to be disbursed, the appropriate agency shall 1277
call upon the director to transfer the necessary funds to it. The 1278
director shall first withdraw the funds paid by the holders and 1279
deposited with the treasurer of state or in a financial 1280
institution as agent for the funds. Whenever these funds are 1281
inadequate to meet the request, the director shall provide for a 1282
withdrawal of funds, within a reasonable time and in the amount 1283
necessary to meet the request, from financial institutions in 1284
which the funds were retained or placed by a holder and from other 1285
holders who have retained funds, in an equitable manner as the 1286
director prescribes. In the event that the amount to be withdrawn 1287
from any one holder is less than five hundred dollars, the amount 1288

to be withdrawn is at the director's discretion. The director 1289
shall then transfer to the agency the amount of funds requested. 1290

Funds deposited in the unclaimed funds trust fund are subject 1291
to call by the director when necessary to pay claims the director 1292
allows under section 169.08 of the Revised Code, in accordance 1293
with the director's rules, to defray the necessary costs of making 1294
publications this chapter requires and to pay other operating and 1295
administrative expenses the department of commerce incurs in the 1296
administration and enforcement of this chapter. 1297

The unclaimed funds trust fund shall be assessed a 1298
proportionate share of the administrative costs of the department 1299
of commerce in accordance with procedures the director of commerce 1300
prescribes and the director of budget and management approves. The 1301
assessment shall be paid from the unclaimed funds trust fund to 1302
the division of administration fund. 1303

(C) Earnings on the accounts in financial organizations to 1304
the credit of the mortgage funds shall, at the option of the 1305
financial organization, be credited to the accounts at times and 1306
at rates as earnings are paid on other accounts of the same 1307
classification held in the financial organization or paid to the 1308
director. The director shall be notified annually, and at other 1309
times as the director may request, of the amount of the earnings 1310
credited to the accounts. Interest on unclaimed funds a holder 1311
retains shall be paid to the director or credited as specified in 1312
the agreement under which the organization retains the funds. 1313
Interest payable to the director under an agreement to invest 1314
unclaimed funds and obligations of the United States shall be paid 1315
annually by the holder to the director. Any earnings or interest 1316
the director receives under this division shall be deposited in 1317
and credited to the mortgage funds. 1318

Sec. 4141.01. As used in this chapter, unless the context 1319

otherwise requires: 1320

(A)(1) "Employer" means the state, its instrumentalities, its 1321
political subdivisions and their instrumentalities, Indian tribes, 1322
and any individual or type of organization including any 1323
partnership, limited liability company, association, trust, 1324
estate, joint-stock company, insurance company, or corporation, 1325
whether domestic or foreign, or the receiver, trustee in 1326
bankruptcy, trustee, or the successor thereof, or the legal 1327
representative of a deceased person who subsequent to December 31, 1328
1971, or in the case of political subdivisions or their 1329
instrumentalities, subsequent to December 31, 1973: 1330

(a) Had in employment at least one individual, or in the case 1331
of a nonprofit organization, subsequent to December 31, 1973, had 1332
not less than four individuals in employment for some portion of a 1333
day in each of twenty different calendar weeks, in either the 1334
current or the preceding calendar year whether or not the same 1335
individual was in employment in each such day; or 1336

(b) Except for a nonprofit organization, had paid for service 1337
in employment wages of fifteen hundred dollars or more in any 1338
calendar quarter in either the current or preceding calendar year; 1339
or 1340

(c) Had paid, subsequent to December 31, 1977, for employment 1341
in domestic service in a local college club, or local chapter of a 1342
college fraternity or sorority, cash remuneration of one thousand 1343
dollars or more in any calendar quarter in the current calendar 1344
year or the preceding calendar year, or had paid subsequent to 1345
December 31, 1977, for employment in domestic service in a private 1346
home cash remuneration of one thousand dollars in any calendar 1347
quarter in the current calendar year or the preceding calendar 1348
year: 1349

(i) For the purposes of divisions (A)(1)(a) and (b) of this 1350

section, there shall not be taken into account any wages paid to, 1351
or employment of, an individual performing domestic service as 1352
described in this division. 1353

(ii) An employer under this division shall not be an employer 1354
with respect to wages paid for any services other than domestic 1355
service unless the employer is also found to be an employer under 1356
division (A)(1)(a), (b), or (d) of this section. 1357

(d) As a farm operator or a crew leader subsequent to 1358
December 31, 1977, had in employment individuals in agricultural 1359
labor; and 1360

(i) During any calendar quarter in the current calendar year 1361
or the preceding calendar year, paid cash remuneration of twenty 1362
thousand dollars or more for the agricultural labor; or 1363

(ii) Had at least ten individuals in employment in 1364
agricultural labor, not including agricultural workers who are 1365
aliens admitted to the United States to perform agricultural labor 1366
pursuant to sections 1184(c) and 1101(a)(15)(H) of the 1367
"Immigration and Nationality Act," 66 Stat. 163, 189, 8 U.S.C.A. 1368
1101(a)(15)(H)(ii)(a), 1184(c), for some portion of a day in each 1369
of the twenty different calendar weeks, in either the current or 1370
preceding calendar year whether or not the same individual was in 1371
employment in each day; or 1372

(e) Is not otherwise an employer as defined under division 1373
(A)(1)(a) or (b) of this section; and 1374

(i) For which, within either the current or preceding 1375
calendar year, service, except for domestic service in a private 1376
home not covered under division (A)(1)(c) of this section, is or 1377
was performed with respect to which such employer is liable for 1378
any federal tax against which credit may be taken for 1379
contributions required to be paid into a state unemployment fund; 1380

(ii) Which, as a condition for approval of this chapter for 1381

full tax credit against the tax imposed by the "Federal
Unemployment Tax Act," 84 Stat. 713, 26 U.S.C.A. 3301 to 3311, is
required, pursuant to such act to be an employer under this
chapter; or

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

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

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

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

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

(4) An employer not otherwise subject to this chapter who
files with the director of job and family services a written
election to become an employer subject to this chapter for not

less than two calendar years shall, with the written approval of 1413
such election by the director, become an employer subject to this 1414
chapter to the same extent as all other employers as of the date 1415
stated in such approval, and shall cease to be subject to this 1416
chapter as of the first day of January of any calendar year 1417
subsequent to such two calendar years only if at least thirty days 1418
prior to such first day of January the employer has filed with the 1419
director a written notice to that effect. 1420

(5) Any employer for whom services that do not constitute 1421
employment are performed may file with the director a written 1422
election that all such services performed by individuals in the 1423
employer's employ in one or more distinct establishments or places 1424
of business shall be deemed to constitute employment for all the 1425
purposes of this chapter, for not less than two calendar years. 1426
Upon written approval of the election by the director, such 1427
services shall be deemed to constitute employment subject to this 1428
chapter from and after the date stated in such approval. Such 1429
services shall cease to be employment subject to this chapter as 1430
of the first day of January of any calendar year subsequent to 1431
such two calendar years only if at least thirty days prior to such 1432
first day of January such employer has filed with the director a 1433
written notice to that effect. 1434

(B)(1) "Employment" means service performed by an individual 1435
for remuneration under any contract of hire, written or oral, 1436
express or implied, including service performed in interstate 1437
commerce and service performed by an officer of a corporation, 1438
without regard to whether such service is executive, managerial, 1439
or manual in nature, and without regard to whether such officer is 1440
a stockholder or a member of the board of directors of the 1441
corporation, unless it is shown to the satisfaction of the 1442
director that such individual has been and will continue to be 1443
free from direction or control over the performance of such 1444

service, both under a contract of service and in fact. The 1445
director shall adopt rules to define "direction or control." 1446

(2) "Employment" includes: 1447

(a) Service performed after December 31, 1977, by an 1448
individual in the employ of the state or any of its 1449
instrumentalities, or any political subdivision thereof or any of 1450
its instrumentalities or any instrumentality of more than one of 1451
the foregoing or any instrumentality of any of the foregoing and 1452
one or more other states or political subdivisions and without 1453
regard to divisions (A)(1)(a) and (b) of this section, provided 1454
that such service is excluded from employment as defined in the 1455
"Federal Unemployment Tax Act," 53 Stat. 183, 26 U.S.C.A. 3301, 1456
3306(c)(7) and is not excluded under division (B)(3) of this 1457
section; or the services of employees covered by voluntary 1458
election, as provided under divisions (A)(4) and (5) of this 1459
section; 1460

(b) Service performed after December 31, 1971, by an 1461
individual in the employ of a religious, charitable, educational, 1462
or other organization which is excluded from the term "employment" 1463
as defined in the "Federal Unemployment Tax Act," 84 Stat. 713, 26 1464
U.S.C.A. 3301 to 3311, solely by reason of section 26 U.S.C.A. 1465
3306(c)(8) of that act and is not excluded under division (B)(3) 1466
of this section; 1467

(c) Domestic service performed after December 31, 1977, for 1468
an employer, as provided in division (A)(1)(c) of this section; 1469

(d) Agricultural labor performed after December 31, 1977, for 1470
a farm operator or a crew leader, as provided in division 1471
(A)(1)(d) of this section; 1472

(e) Service not covered under division (B)(1) of this section 1473
which is performed after December 31, 1971: 1474

(i) As an agent-driver or commission-driver engaged in 1475

distributing meat products, vegetable products, fruit products, 1476
bakery products, beverages other than milk, laundry, or 1477
dry-cleaning services, for the individual's employer or principal; 1478

(ii) As a traveling or city salesperson, other than as an 1479
agent-driver or commission-driver, engaged on a full-time basis in 1480
the solicitation on behalf of and in the transmission to the 1481
salesperson's employer or principal except for sideline sales 1482
activities on behalf of some other person of orders from 1483
wholesalers, retailers, contractors, or operators of hotels, 1484
restaurants, or other similar establishments for merchandise for 1485
resale, or supplies for use in their business operations, provided 1486
that for the purposes of division (B)(2)(e)(ii) of this section, 1487
the services shall be deemed employment if the contract of service 1488
contemplates that substantially all of the services are to be 1489
performed personally by the individual and that the individual 1490
does not have a substantial investment in facilities used in 1491
connection with the performance of the services other than in 1492
facilities for transportation, and the services are not in the 1493
nature of a single transaction that is not a part of a continuing 1494
relationship with the person for whom the services are performed. 1495

(f) An individual's entire service performed within or both 1496
within and without the state if: 1497

(i) The service is localized in this state. 1498

(ii) The service is not localized in any state, but some of 1499
the service is performed in this state and either the base of 1500
operations, or if there is no base of operations then the place 1501
from which such service is directed or controlled, is in this 1502
state or the base of operations or place from which such service 1503
is directed or controlled is not in any state in which some part 1504
of the service is performed but the individual's residence is in 1505
this state. 1506

(g) Service not covered under division (B)(2)(f)(ii) of this 1507
section and performed entirely without this state, with respect to 1508
no part of which contributions are required and paid under an 1509
unemployment compensation law of any other state, the Virgin 1510
Islands, Canada, or of the United States, if the individual 1511
performing such service is a resident of this state and the 1512
director approves the election of the employer for whom such 1513
services are performed; or, if the individual is not a resident of 1514
this state but the place from which the service is directed or 1515
controlled is in this state, the entire services of such 1516
individual shall be deemed to be employment subject to this 1517
chapter, provided service is deemed to be localized within this 1518
state if the service is performed entirely within this state or if 1519
the service is performed both within and without this state but 1520
the service performed without this state is incidental to the 1521
individual's service within the state, for example, is temporary 1522
or transitory in nature or consists of isolated transactions; 1523

(h) Service of an individual who is a citizen of the United 1524
States, performed outside the United States except in Canada after 1525
December 31, 1971, or the Virgin Islands, after December 31, 1971, 1526
and before the first day of January of the year following that in 1527
which the United States secretary of labor approves the Virgin 1528
Islands law for the first time, in the employ of an American 1529
employer, other than service which is "employment" under divisions 1530
(B)(2)(f) and (g) of this section or similar provisions of another 1531
state's law, if: 1532

(i) The employer's principal place of business in the United 1533
States is located in this state; 1534

(ii) The employer has no place of business in the United 1535
States, but the employer is an individual who is a resident of 1536
this state; or the employer is a corporation which is organized 1537
under the laws of this state, or the employer is a partnership or 1538

a trust and the number of partners or trustees who are residents 1539
of this state is greater than the number who are residents of any 1540
other state; or 1541

(iii) None of the criteria of divisions (B)(2)(f)(i) and (ii) 1542
of this section is met but the employer has elected coverage in 1543
this state or the employer having failed to elect coverage in any 1544
state, the individual has filed a claim for benefits, based on 1545
such service, under this chapter. 1546

(i) For the purposes of division (B)(2)(h) of this section, 1547
the term "American employer" means an employer who is an 1548
individual who is a resident of the United States; or a 1549
partnership, if two-thirds or more of the partners are residents 1550
of the United States; or a trust, if all of the trustees are 1551
residents of the United States; or a corporation organized under 1552
the laws of the United States or of any state, provided the term 1553
"United States" includes the states, the District of Columbia, the 1554
Commonwealth of Puerto Rico, and the Virgin Islands. 1555

(j) Notwithstanding any other provisions of divisions (B)(1) 1556
and (2) of this section, service, except for domestic service in a 1557
private home not covered under division (A)(1)(c) of this section, 1558
with respect to which a tax is required to be paid under any 1559
federal law imposing a tax against which credit may be taken for 1560
contributions required to be paid into a state unemployment fund, 1561
or service, except for domestic service in a private home not 1562
covered under division (A)(1)(c) of this section, which, as a 1563
condition for full tax credit against the tax imposed by the 1564
"Federal Unemployment Tax Act," 84 Stat. 713, 26 U.S.C.A. 3301 to 1565
3311, is required to be covered under this chapter. 1566

(k) Construction services performed by any individual under a 1567
construction contract, as defined in section 4141.39 of the 1568
Revised Code, if the director determines that the employer for 1569
whom services are performed has the right to direct or control the 1570

performance of the services and that the individuals who perform 1571
the services receive remuneration for the services performed. The 1572
director shall presume that the employer for whom services are 1573
performed has the right to direct or control the performance of 1574
the services if ten or more of the following criteria apply: 1575

(i) The employer directs or controls the manner or method by 1576
which instructions are given to the individual performing 1577
services; 1578

(ii) The employer requires particular training for the 1579
individual performing services; 1580

(iii) Services performed by the individual are integrated 1581
into the regular functioning of the employer; 1582

(iv) The employer requires that services be provided by a 1583
particular individual; 1584

(v) The employer hires, supervises, or pays the wages of the 1585
individual performing services; 1586

(vi) A continuing relationship between the employer and the 1587
individual performing services exists which contemplates 1588
continuing or recurring work, even if not full-time work; 1589

(vii) The employer requires the individual to perform 1590
services during established hours; 1591

(viii) The employer requires that the individual performing 1592
services be devoted on a full-time basis to the business of the 1593
employer; 1594

(ix) The employer requires the individual to perform services 1595
on the employer's premises; 1596

(x) The employer requires the individual performing services 1597
to follow the order of work established by the employer; 1598

(xi) The employer requires the individual performing services 1599
to make oral or written reports of progress; 1600

(xii) The employer makes payment to the individual for services on a regular basis, such as hourly, weekly, or monthly;	1601 1602
(xiii) The employer pays expenses for the individual performing services;	1603 1604
(xiv) The employer furnishes the tools and materials for use by the individual to perform services;	1605 1606
(xv) The individual performing services has not invested in the facilities used to perform services;	1607 1608
(xvi) The individual performing services does not realize a profit or suffer a loss as a result of the performance of the services;	1609 1610 1611
(xvii) The individual performing services is not performing services for more than two employers simultaneously;	1612 1613
(xviii) The individual performing services does not make the services available to the general public;	1614 1615
(xix) The employer has a right to discharge the individual performing services;	1616 1617
(xx) The individual performing services has the right to end the individual's relationship with the employer without incurring liability pursuant to an employment contract or agreement.	1618 1619 1620
(1) Service performed by an individual in the employ of an Indian tribe as defined by section 4(e) of the "Indian Self-Determination and Education Assistance Act," 88 Stat. 2204 (1975), 25 U.S.C.A. 450b(e), including any subdivision, subsidiary, or business enterprise wholly owned by an Indian tribe provided that the service is excluded from employment as defined in the "Federal Unemployment Tax Act," 53 Stat. 183 (1939), 26 U.S.C.A. 3301 and 3306(c)(7) and is not excluded under division (B)(3) of this section.	1621 1622 1623 1624 1625 1626 1627 1628 1629
(3) "Employment" does not include the following services if	1630

they are found not subject to the "Federal Unemployment Tax Act," 1631
84 Stat. 713 (1970), 26 U.S.C.A. 3301 to 3311, and if the services 1632
are not required to be included under division (B)(2)(j) of this 1633
section: 1634

(a) Service performed after December 31, 1977, in 1635
agricultural labor, except as provided in division (A)(1)(d) of 1636
this section; 1637

(b) Domestic service performed after December 31, 1977, in a 1638
private home, local college club, or local chapter of a college 1639
fraternity or sorority except as provided in division (A)(1)(c) of 1640
this section; 1641

(c) Service performed after December 31, 1977, for this state 1642
or a political subdivision as described in division (B)(2)(a) of 1643
this section when performed: 1644

(i) As a publicly elected official; 1645

(ii) As a member of a legislative body, or a member of the 1646
judiciary; 1647

(iii) As a military member of the Ohio national guard; 1648

(iv) As an employee, not in the classified service as defined 1649
in section 124.11 of the Revised Code, serving on a temporary 1650
basis in case of fire, storm, snow, earthquake, flood, or similar 1651
emergency; 1652

(v) In a position which, under or pursuant to law, is 1653
designated as a major nontenured policymaking or advisory 1654
position, not in the classified service of the state, or a 1655
policymaking or advisory position the performance of the duties of 1656
which ordinarily does not require more than eight hours per week. 1657

(d) In the employ of any governmental unit or instrumentality 1658
of the United States; 1659

(e) Service performed after December 31, 1971: 1660

(i) Service in the employ of an educational institution or 1661
institution of higher education, including those operated by the 1662
state or a political subdivision, if such service is performed by 1663
a student who is enrolled and is regularly attending classes at 1664
the educational institution or institution of higher education; or 1665

(ii) By an individual who is enrolled at a nonprofit or 1666
public educational institution which normally maintains a regular 1667
faculty and curriculum and normally has a regularly organized body 1668
of students in attendance at the place where its educational 1669
activities are carried on as a student in a full-time program, 1670
taken for credit at the institution, which combines academic 1671
instruction with work experience, if the service is an integral 1672
part of the program, and the institution has so certified to the 1673
employer, provided that this subdivision shall not apply to 1674
service performed in a program established for or on behalf of an 1675
employer or group of employers. 1676

(f) Service performed by an individual in the employ of the 1677
individual's son, daughter, or spouse and service performed by a 1678
child under the age of eighteen in the employ of the child's 1679
father or mother; 1680

(g) Service performed for one or more principals by an 1681
individual who is compensated on a commission basis, who in the 1682
performance of the work is master of the individual's own time and 1683
efforts, and whose remuneration is wholly dependent on the amount 1684
of effort the individual chooses to expend, and which service is 1685
not subject to the "Federal Unemployment Tax Act," 53 Stat. 183 1686
(1939), 26 U.S.C.A. 3301 to 3311. Service performed after December 1687
31, 1971: 1688

(i) By an individual for an employer as an insurance agent or 1689
as an insurance solicitor, if all this service is performed for 1690
remuneration solely by way of commission; 1691

(ii) As a home worker performing work, according to 1692
specifications furnished by the employer for whom the services are 1693
performed, on materials or goods furnished by such employer which 1694
are required to be returned to the employer or to a person 1695
designated for that purpose. 1696

(h) Service performed after December 31, 1971: 1697

(i) In the employ of a church or convention or association of 1698
churches, or in an organization which is operated primarily for 1699
religious purposes and which is operated, supervised, controlled, 1700
or principally supported by a church or convention or association 1701
of churches; 1702

(ii) By a duly ordained, commissioned, or licensed minister 1703
of a church in the exercise of the individual's ministry or by a 1704
member of a religious order in the exercise of duties required by 1705
such order; or 1706

(iii) In a facility conducted for the purpose of carrying out 1707
a program of rehabilitation for individuals whose earning capacity 1708
is impaired by age or physical or mental deficiency or injury, or 1709
providing remunerative work for individuals who because of their 1710
impaired physical or mental capacity cannot be readily absorbed in 1711
the competitive labor market, by an individual receiving such 1712
rehabilitation or remunerative work. 1713

(i) Service performed after June 30, 1939, with respect to 1714
which unemployment compensation is payable under the "Railroad 1715
Unemployment Insurance Act," 52 Stat. 1094 (1938), 45 U.S.C. 351; 1716

(j) Service performed by an individual in the employ of any 1717
organization exempt from income tax under section 501 of the 1718
"Internal Revenue Code of 1954," if the remuneration for such 1719
service does not exceed fifty dollars in any calendar quarter, or 1720
if such service is in connection with the collection of dues or 1721
premiums for a fraternal beneficial society, order, or association 1722

and is performed away from the home office or is ritualistic 1723
service in connection with any such society, order, or 1724
association; 1725

(k) Casual labor not in the course of an employer's trade or 1726
business; incidental service performed by an officer, appraiser, 1727
or member of a finance committee of a bank, building and loan 1728
association, savings and loan association, or savings association 1729
when the remuneration for such incidental service exclusive of the 1730
amount paid or allotted for directors' fees does not exceed sixty 1731
dollars per calendar quarter is casual labor; 1732

(l) Service performed in the employ of a voluntary employees' 1733
beneficial association providing for the payment of life, 1734
sickness, accident, or other benefits to the members of such 1735
association or their dependents or their designated beneficiaries, 1736
if admission to a membership in such association is limited to 1737
individuals who are officers or employees of a municipal or public 1738
corporation, of a political subdivision of the state, or of the 1739
United States and no part of the net earnings of such association 1740
inures, other than through such payments, to the benefit of any 1741
private shareholder or individual; 1742

(m) Service performed by an individual in the employ of a 1743
foreign government, including service as a consular or other 1744
officer or employee or of a nondiplomatic representative; 1745

(n) Service performed in the employ of an instrumentality 1746
wholly owned by a foreign government if the service is of a 1747
character similar to that performed in foreign countries by 1748
employees of the United States or of an instrumentality thereof 1749
and if the director finds that the secretary of state of the 1750
United States has certified to the secretary of the treasury of 1751
the United States that the foreign government, with respect to 1752
whose instrumentality exemption is claimed, grants an equivalent 1753
exemption with respect to similar service performed in the foreign 1754

country by employees of the United States and of instrumentalities 1755
thereof; 1756

(o) Service with respect to which unemployment compensation 1757
is payable under an unemployment compensation system established 1758
by an act of congress; 1759

(p) Service performed as a student nurse in the employ of a 1760
hospital or a nurses' training school by an individual who is 1761
enrolled and is regularly attending classes in a nurses' training 1762
school chartered or approved pursuant to state law, and service 1763
performed as an intern in the employ of a hospital by an 1764
individual who has completed a four years' course in a medical 1765
school chartered or approved pursuant to state law; 1766

(q) Service performed by an individual under the age of 1767
eighteen in the delivery or distribution of newspapers or shopping 1768
news, not including delivery or distribution to any point for 1769
subsequent delivery or distribution; 1770

(r) Service performed in the employ of the United States or 1771
an instrumentality of the United States immune under the 1772
Constitution of the United States from the contributions imposed 1773
by this chapter, except that to the extent that congress permits 1774
states to require any instrumentalities of the United States to 1775
make payments into an unemployment fund under a state unemployment 1776
compensation act, this chapter shall be applicable to such 1777
instrumentalities and to services performed for such 1778
instrumentalities in the same manner, to the same extent, and on 1779
the same terms as to all other employers, individuals, and 1780
services, provided that if this state is not certified for any 1781
year by the proper agency of the United States under section 3304 1782
of the "Internal Revenue Code of 1954," the payments required of 1783
such instrumentalities with respect to such year shall be refunded 1784
by the director from the fund in the same manner and within the 1785
same period as is provided in division (E) of section 4141.09 of 1786

the Revised Code with respect to contributions erroneously collected; 1787
1788

(s) Service performed by an individual as a member of a band or orchestra, provided such service does not represent the principal occupation of such individual, and which service is not subject to or required to be covered for full tax credit against the tax imposed by the "Federal Unemployment Tax Act," 53 Stat. 183 (1939), 26 U.S.C.A. 3301 to 3311. 1789
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(t) Service performed in the employ of a day camp whose camping season does not exceed twelve weeks in any calendar year, and which service is not subject to the "Federal Unemployment Tax Act," 53 Stat. 183 (1939), 26 U.S.C.A. 3301 to 3311. Service performed after December 31, 1971: 1795
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(i) In the employ of a hospital, if the service is performed by a patient of the hospital, as defined in division (W) of this section; 1800
1801
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(ii) For a prison or other correctional institution by an inmate of the prison or correctional institution; 1803
1804

(iii) Service performed after December 31, 1977, by an inmate of a custodial institution operated by the state, a political subdivision, or a nonprofit organization. 1805
1806
1807

(u) Service that is performed by a nonresident alien individual for the period the individual temporarily is present in the United States as a nonimmigrant under division (F), (J), (M), or (Q) of section 101(a)(15) of the "Immigration and Nationality Act," 66 Stat. 163, 8 U.S.C.A. 1101, as amended, that is excluded under section 3306(c)(19) of the "Federal Unemployment Tax Act," 53 Stat. 183 (1939), 26 U.S.C.A. 3301 to 3311. 1808
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(v) Notwithstanding any other provisions of division (B)(3) of this section, services that are excluded under divisions (B)(3)(g), (j), (k), and (l) of this section shall not be excluded 1815
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1817

from employment when performed for a nonprofit organization, as 1818
defined in division (X) of this section, or for this state or its 1819
instrumentalities, or for a political subdivision or its 1820
instrumentalities or for Indian tribes; 1821

(w) Service that is performed by an individual working as an 1822
election official or election worker if the amount of remuneration 1823
received by the individual during the calendar year for services 1824
as an election official or election worker is less than one 1825
thousand dollars; 1826

(x) Service performed for an elementary or secondary school 1827
that is operated primarily for religious purposes, that is 1828
described in subsection 501(c)(3) and exempt from federal income 1829
taxation under subsection 501(a) of the Internal Revenue Code, 26 1830
U.S.C.A. 501; 1831

(y) Service performed by a person committed to a penal 1832
institution. 1833

(z) Service performed for an Indian tribe as described in 1834
division (B)(2)(1) of this section when performed in any of the 1835
following manners: 1836

(i) As a publicly elected official; 1837

(ii) As a member of an Indian tribal council; 1838

(iii) As a member of a legislative or judiciary body; 1839

(iv) In a position which, pursuant to Indian tribal law, is 1840
designated as a major nontenured policymaking or advisory 1841
position, or a policymaking or advisory position where the 1842
performance of the duties ordinarily does not require more than 1843
eight hours of time per week; 1844

(v) As an employee serving on a temporary basis in the case 1845
of a fire, storm, snow, earthquake, flood, or similar emergency. 1846

(aa) Service performed after December 31, 1971, for a 1847

nonprofit organization, this state or its instrumentalities, a 1848
political subdivision or its instrumentalities, or an Indian tribe 1849
as part of an unemployment work-relief or work-training program 1850
assisted or financed in whole or in part by any federal agency or 1851
an agency of a state or political subdivision, thereof, by an 1852
individual receiving the work-relief or work-training. 1853

(bb) Participation in a learn to earn program as defined in 1854
section 4141.293 of the Revised Code. 1855

(4) If the services performed during one half or more of any 1856
pay period by an employee for the person employing that employee 1857
constitute employment, all the services of such employee for such 1858
period shall be deemed to be employment; but if the services 1859
performed during more than one half of any such pay period by an 1860
employee for the person employing that employee do not constitute 1861
employment, then none of the services of such employee for such 1862
period shall be deemed to be employment. As used in division 1863
(B)(4) of this section, "pay period" means a period, of not more 1864
than thirty-one consecutive days, for which payment of 1865
remuneration is ordinarily made to the employee by the person 1866
employing that employee. Division (B)(4) of this section does not 1867
apply to services performed in a pay period by an employee for the 1868
person employing that employee, if any of such service is excepted 1869
by division (B)(3)(o) of this section. 1870

(C) "Benefits" means money payments payable to an individual 1871
who has established benefit rights, as provided in this chapter, 1872
for loss of remuneration due to the individual's unemployment. 1873

(D) "Benefit rights" means the weekly benefit amount and the 1874
maximum benefit amount that may become payable to an individual 1875
within the individual's benefit year as determined by the 1876
director. 1877

(E) "Claim for benefits" means a claim for waiting period or 1878

benefits for a designated week. 1879

(F) "Additional claim" means the first claim for benefits 1880
filed following any separation from employment during a benefit 1881
year; "continued claim" means any claim other than the first claim 1882
for benefits and other than an additional claim. 1883

(G)(1) "Wages" means remuneration paid to an employee by each 1884
of the employee's employers with respect to employment; except 1885
that wages shall not include that part of remuneration paid during 1886
any calendar year to an individual by an employer or such 1887
employer's predecessor in interest in the same business or 1888
enterprise, which in any calendar year is in excess of eight 1889
thousand two hundred fifty dollars on and after January 1, 1992; 1890
eight thousand five hundred dollars on and after January 1, 1993; 1891
eight thousand seven hundred fifty dollars on and after January 1, 1892
1994; and nine thousand dollars on and after January 1, 1995. 1893
Remuneration in excess of such amounts shall be deemed wages 1894
subject to contribution to the same extent that such remuneration 1895
is defined as wages under the "Federal Unemployment Tax Act," 84 1896
Stat. 714 (1970), 26 U.S.C.A. 3301 to 3311, as amended. The 1897
remuneration paid an employee by an employer with respect to 1898
employment in another state, upon which contributions were 1899
required and paid by such employer under the unemployment 1900
compensation act of such other state, shall be included as a part 1901
of remuneration in computing the amount specified in this 1902
division. 1903

(2) Notwithstanding division (G)(1) of this section, if, as 1904
of the computation date for any calendar year, the director 1905
determines that the level of the unemployment compensation fund is 1906
sixty per cent or more below the minimum safe level as defined in 1907
section 4141.25 of the Revised Code, then, effective the first day 1908
of January of the following calendar year, wages subject to this 1909
chapter shall not include that part of remuneration paid during 1910

any calendar year to an individual by an employer or such 1911
employer's predecessor in interest in the same business or 1912
enterprise which is in excess of nine thousand dollars. The 1913
increase in the dollar amount of wages subject to this chapter 1914
under this division shall remain in effect from the date of the 1915
director's determination pursuant to division (G)(2) of this 1916
section and thereafter notwithstanding the fact that the level in 1917
the fund may subsequently become less than sixty per cent below 1918
the minimum safe level. 1919

(H)(1) "Remuneration" means all compensation for personal 1920
services, including commissions and bonuses and the cash value of 1921
all compensation in any medium other than cash, except that in the 1922
case of agricultural or domestic service, "remuneration" includes 1923
only cash remuneration. Gratuities customarily received by an 1924
individual in the course of the individual's employment from 1925
persons other than the individual's employer and which are 1926
accounted for by such individual to the individual's employer are 1927
taxable wages. 1928

The reasonable cash value of compensation paid in any medium 1929
other than cash shall be estimated and determined in accordance 1930
with rules prescribed by the director, provided that 1931
"remuneration" does not include: 1932

(a) Payments as provided in divisions (b)(2) to (b)(16) of 1933
section 3306 of the "Federal Unemployment Tax Act," 84 Stat. 713, 1934
26 U.S.C.A. 3301 to 3311, as amended; 1935

(b) The payment by an employer, without deduction from the 1936
remuneration of the individual in the employer's employ, of the 1937
tax imposed upon an individual in the employer's employ under 1938
section 3101 of the "Internal Revenue Code of 1954," with respect 1939
to services performed after October 1, 1941. 1940

(2) "Cash remuneration" means all remuneration paid in cash, 1941

including commissions and bonuses, but not including the cash 1942
value of all compensation in any medium other than cash. 1943

(I) "Interested party" means the director and any party to 1944
whom notice of a determination of an application for benefit 1945
rights or a claim for benefits is required to be given under 1946
section 4141.28 of the Revised Code. 1947

(J) "Annual payroll" means the total amount of wages subject 1948
to contributions during a twelve-month period ending with the last 1949
day of the second calendar quarter of any calendar year. 1950

(K) "Average annual payroll" means the average of the last 1951
three annual payrolls of an employer, provided that if, as of any 1952
computation date, the employer has had less than three annual 1953
payrolls in such three-year period, such average shall be based on 1954
the annual payrolls which the employer has had as of such date. 1955

(L)(1) "Contributions" means the money payments to the state 1956
unemployment compensation fund required of employers by section 1957
4141.25 of the Revised Code and of the state and any of its 1958
political subdivisions electing to pay contributions under section 1959
4141.242 of the Revised Code. Employers paying contributions shall 1960
be described as "contributory employers." 1961

(2) "Payments in lieu of contributions" means the money 1962
payments to the state unemployment compensation fund required of 1963
reimbursing employers under sections 4141.241 and 4141.242 of the 1964
Revised Code. 1965

(M) An individual is "totally unemployed" in any week during 1966
which the individual performs no services and with respect to such 1967
week no remuneration is payable to the individual. 1968

(N) An individual is "partially unemployed" in any week if, 1969
due to involuntary loss of work, the total remuneration payable to 1970
the individual for such week is less than the individual's weekly 1971
benefit amount. 1972

(O) "Week" means the calendar week ending at midnight 1973
Saturday unless an equivalent week of seven consecutive calendar 1974
days is prescribed by the director. 1975

(1) "Qualifying week" means any calendar week in an 1976
individual's base period with respect to which the individual 1977
earns or is paid remuneration in employment subject to this 1978
chapter. A calendar week with respect to which an individual earns 1979
remuneration but for which payment was not made within the base 1980
period, when necessary to qualify for benefit rights, may be 1981
considered to be a qualifying week. The number of qualifying weeks 1982
which may be established in a calendar quarter shall not exceed 1983
the number of calendar weeks in the quarter. 1984

(2) "Average weekly wage" means the amount obtained by 1985
dividing an individual's total remuneration for all qualifying 1986
weeks during the base period by the number of such qualifying 1987
weeks, provided that if the computation results in an amount that 1988
is not a multiple of one dollar, such amount shall be rounded to 1989
the next lower multiple of one dollar. 1990

(P) "Weekly benefit amount" means the amount of benefits an 1991
individual would be entitled to receive for one week of total 1992
unemployment. 1993

(Q)(1) "Base period" means the first four of the last five 1994
completed calendar quarters immediately preceding the first day of 1995
an individual's benefit year, except as provided in division 1996
(Q)(2) of this section. 1997

(2) If an individual does not have sufficient qualifying 1998
weeks and wages in the base period to qualify for benefit rights, 1999
the individual's base period shall be the four most recently 2000
completed calendar quarters preceding the first day of the 2001
individual's benefit year. Such base period shall be known as the 2002
"alternate base period." If information as to weeks and wages for 2003

the most recent quarter of the alternate base period is not 2004
available to the director from the regular quarterly reports of 2005
wage information, which are systematically accessible, the 2006
director may, consistent with the provisions of section 4141.28 of 2007
the Revised Code, base the determination of eligibility for 2008
benefits on the affidavit of the claimant with respect to weeks 2009
and wages for that calendar quarter. The claimant shall furnish 2010
payroll documentation, where available, in support of the 2011
affidavit. The determination based upon the alternate base period 2012
as it relates to the claimant's benefit rights, shall be amended 2013
when the quarterly report of wage information from the employer is 2014
timely received and that information causes a change in the 2015
determination. As provided in division (B) of section 4141.28 of 2016
the Revised Code, any benefits paid and charged to an employer's 2017
account, based upon a claimant's affidavit, shall be adjusted 2018
effective as of the beginning of the claimant's benefit year. No 2019
calendar quarter in a base period or alternate base period shall 2020
be used to establish a subsequent benefit year. 2021

(3) The "base period" of a combined wage claim, as described 2022
in division (H) of section 4141.43 of the Revised Code, shall be 2023
the base period prescribed by the law of the state in which the 2024
claim is allowed. 2025

(4) For purposes of determining the weeks that comprise a 2026
completed calendar quarter under this division, only those weeks 2027
ending at midnight Saturday within the calendar quarter shall be 2028
utilized. 2029

(R)(1) "Benefit year" with respect to an individual means the 2030
fifty-two week period beginning with the first day of that week 2031
with respect to which the individual first files a valid 2032
application for determination of benefit rights, and thereafter 2033
the fifty-two week period beginning with the first day of that 2034
week with respect to which the individual next files a valid 2035

application for determination of benefit rights after the 2036
termination of the individual's last preceding benefit year, 2037
except that the application shall not be considered valid unless 2038
the individual has had employment in six weeks that is subject to 2039
this chapter or the unemployment compensation act of another 2040
state, or the United States, and has, since the beginning of the 2041
individual's previous benefit year, in the employment earned three 2042
times the average weekly wage determined for the previous benefit 2043
year. The "benefit year" of a combined wage claim, as described in 2044
division (H) of section 4141.43 of the Revised Code, shall be the 2045
benefit year prescribed by the law of the state in which the claim 2046
is allowed. Any application for determination of benefit rights 2047
made in accordance with section 4141.28 of the Revised Code is 2048
valid if the individual filing such application is unemployed, has 2049
been employed by an employer or employers subject to this chapter 2050
in at least twenty qualifying weeks within the individual's base 2051
period, and has earned or been paid remuneration at an average 2052
weekly wage of not less than twenty-seven and one-half per cent of 2053
the statewide average weekly wage for such weeks. For purposes of 2054
determining whether an individual has had sufficient employment 2055
since the beginning of the individual's previous benefit year to 2056
file a valid application, "employment" means the performance of 2057
services for which remuneration is payable. 2058

(2) Effective for benefit years beginning on and after 2059
December 26, 2004, any application for determination of benefit 2060
rights made in accordance with section 4141.28 of the Revised Code 2061
is valid if the individual satisfies the criteria described in 2062
division (R)(1) of this section, and if the reason for the 2063
individual's separation from employment is not disqualifying 2064
pursuant to division (D)(2) of section 4141.29 or section 4141.291 2065
of the Revised Code. A disqualification imposed pursuant to 2066
division (D)(2) of section 4141.29 or section 4141.291 of the 2067
Revised Code must be removed as provided in those sections as a 2068

requirement of establishing a valid application for benefit years 2069
beginning on and after December 26, 2004. 2070

(3) The statewide average weekly wage shall be calculated by 2071
the director once a year based on the twelve-month period ending 2072
the thirtieth day of June, as set forth in division (B)(3) of 2073
section 4141.30 of the Revised Code, rounded down to the nearest 2074
dollar. Increases or decreases in the amount of remuneration 2075
required to have been earned or paid in order for individuals to 2076
have filed valid applications shall become effective on Sunday of 2077
the calendar week in which the first day of January occurs that 2078
follows the twelve-month period ending the thirtieth day of June 2079
upon which the calculation of the statewide average weekly wage 2080
was based. 2081

(4) As used in this division, an individual is "unemployed" 2082
if, with respect to the calendar week in which such application is 2083
filed, the individual is "partially unemployed" or "totally 2084
unemployed" as defined in this section or if, prior to filing the 2085
application, the individual was separated from the individual's 2086
most recent work for any reason which terminated the individual's 2087
employee-employer relationship, or was laid off indefinitely or 2088
for a definite period of seven or more days. 2089

(S) "Calendar quarter" means the period of three consecutive 2090
calendar months ending on the thirty-first day of March, the 2091
thirtieth day of June, the thirtieth day of September, and the 2092
thirty-first day of December, or the equivalent thereof as the 2093
director prescribes by rule. 2094

(T) "Computation date" means the first day of the third 2095
calendar quarter of any calendar year. 2096

(U) "Contribution period" means the calendar year beginning 2097
on the first day of January of any year. 2098

(V) "Agricultural labor," for the purpose of this division, 2099

means any service performed prior to January 1, 1972, which was 2100
agricultural labor as defined in this division prior to that date, 2101
and service performed after December 31, 1971: 2102

(1) On a farm, in the employ of any person, in connection 2103
with cultivating the soil, or in connection with raising or 2104
harvesting any agricultural or horticultural commodity, including 2105
the raising, shearing, feeding, caring for, training, and 2106
management of livestock, bees, poultry, and fur-bearing animals 2107
and wildlife; 2108

(2) In the employ of the owner or tenant or other operator of 2109
a farm in connection with the operation, management, conservation, 2110
improvement, or maintenance of such farm and its tools and 2111
equipment, or in salvaging timber or clearing land of brush and 2112
other debris left by hurricane, if the major part of such service 2113
is performed on a farm; 2114

(3) In connection with the production or harvesting of any 2115
commodity defined as an agricultural commodity in section 15 (g) 2116
of the "Agricultural Marketing Act," 46 Stat. 1550 (1931), 12 2117
U.S.C. 1141j, as amended, or in connection with the ginning of 2118
cotton, or in connection with the operation or maintenance of 2119
ditches, canals, reservoirs, or waterways, not owned or operated 2120
for profit, used exclusively for supplying and storing water for 2121
farming purposes; 2122

(4) In the employ of the operator of a farm in handling, 2123
planting, drying, packing, packaging, processing, freezing, 2124
grading, storing, or delivering to storage or to market or to a 2125
carrier for transportation to market, in its unmanufactured state, 2126
any agricultural or horticultural commodity, but only if the 2127
operator produced more than one half of the commodity with respect 2128
to which such service is performed; 2129

(5) In the employ of a group of operators of farms, or a 2130

cooperative organization of which the operators are members, in 2131
the performance of service described in division (V)(4) of this 2132
section, but only if the operators produced more than one-half of 2133
the commodity with respect to which the service is performed; 2134

(6) Divisions (V)(4) and (5) of this section shall not be 2135
deemed to be applicable with respect to service performed: 2136

(a) In connection with commercial canning or commercial 2137
freezing or in connection with any agricultural or horticultural 2138
commodity after its delivery to a terminal market for distribution 2139
for consumption; or 2140

(b) On a farm operated for profit if the service is not in 2141
the course of the employer's trade or business. 2142

As used in division (V) of this section, "farm" includes 2143
stock, dairy, poultry, fruit, fur-bearing animal, and truck farms, 2144
plantations, ranches, nurseries, ranges, greenhouses, or other 2145
similar structures used primarily for the raising of agricultural 2146
or horticultural commodities and orchards. 2147

(W) "Hospital" means an institution which has been registered 2148
or licensed by the Ohio department of health as a hospital. 2149

(X) "Nonprofit organization" means an organization, or group 2150
of organizations, described in section 501(c)(3) of the "Internal 2151
Revenue Code of 1954," and exempt from income tax under section 2152
501(a) of that code. 2153

(Y) "Institution of higher education" means a public or 2154
nonprofit educational institution, including an educational 2155
institution operated by an Indian tribe, which: 2156

(1) Admits as regular students only individuals having a 2157
certificate of graduation from a high school, or the recognized 2158
equivalent; 2159

(2) Is legally authorized in this state or by the Indian 2160

tribe to provide a program of education beyond high school; and 2161

(3) Provides an educational program for which it awards a 2162
bachelor's or higher degree, or provides a program which is 2163
acceptable for full credit toward such a degree, a program of 2164
post-graduate or post-doctoral studies, or a program of training 2165
to prepare students for gainful employment in a recognized 2166
occupation. 2167

For the purposes of this division, all colleges and 2168
universities in this state are institutions of higher education. 2169

(Z) For the purposes of this chapter, "states" includes the 2170
District of Columbia, the Commonwealth of Puerto Rico, and the 2171
Virgin Islands. 2172

(AA) "Alien" means, for the purposes of division (A)(1)(d) of 2173
this section, an individual who is an alien admitted to the United 2174
States to perform service in agricultural labor pursuant to 2175
sections 214 (c) and 101 (a)(15)(H) of the "Immigration and 2176
Nationality Act," 66 Stat. 163, 8 U.S.C.A. 1101. 2177

(BB)(1) "Crew leader" means an individual who furnishes 2178
individuals to perform agricultural labor for any other employer 2179
or farm operator, and: 2180

(a) Pays, either on the individual's own behalf or on behalf 2181
of the other employer or farm operator, the individuals so 2182
furnished by the individual for the service in agricultural labor 2183
performed by them; 2184

(b) Has not entered into a written agreement with the other 2185
employer or farm operator under which the agricultural worker is 2186
designated as in the employ of the other employer or farm 2187
operator. 2188

(2) For the purposes of this chapter, any individual who is a 2189
member of a crew furnished by a crew leader to perform service in 2190

agricultural labor for any other employer or farm operator shall 2191
be treated as an employee of the crew leader if: 2192

(a) The crew leader holds a valid certificate of registration 2193
under the "Farm Labor Contractor Registration Act of 1963," 90 2194
Stat. 2668, 7 U.S.C. 2041; or 2195

(b) Substantially all the members of the crew operate or 2196
maintain tractors, mechanized harvesting or crop-dusting 2197
equipment, or any other mechanized equipment, which is provided by 2198
the crew leader; and 2199

(c) If the individual is not in the employment of the other 2200
employer or farm operator within the meaning of division (B)(1) of 2201
this section. 2202

(3) For the purposes of this division, any individual who is 2203
furnished by a crew leader to perform service in agricultural 2204
labor for any other employer or farm operator and who is not 2205
treated as in the employment of the crew leader under division 2206
(BB)(2) of this section shall be treated as the employee of the 2207
other employer or farm operator and not of the crew leader. The 2208
other employer or farm operator shall be treated as having paid 2209
cash remuneration to the individual in an amount equal to the 2210
amount of cash remuneration paid to the individual by the crew 2211
leader, either on the crew leader's own behalf or on behalf of the 2212
other employer or farm operator, for the service in agricultural 2213
labor performed for the other employer or farm operator. 2214

(CC) "Educational institution" means an institution other 2215
than an institution of higher education as defined in division (Y) 2216
of this section, including an educational institution operated by 2217
an Indian tribe, which: 2218

(1) Offers participants, trainees, or students an organized 2219
course of study or training designed to transfer to them 2220
knowledge, skills, information, doctrines, attitudes, or abilities 2221

from, by, or under the guidance of an instructor or teacher; and 2222

(2) Is approved, chartered, or issued a permit to operate as 2223
a school by the state board of education, other government agency, 2224
or Indian tribe that is authorized within the state to approve, 2225
charter, or issue a permit for the operation of a school. 2226

For the purposes of this division, the courses of study or 2227
training which the institution offers may be academic, technical, 2228
trade, or preparation for gainful employment in a recognized 2229
occupation. 2230

(DD) "Cost savings day" means any unpaid day off from work in 2231
which employees continue to accrue employee benefits which have a 2232
determinable value including, but not limited to, vacation, 2233
pension contribution, sick time, and life and health insurance. 2234

(EE) "Affected unit" means a definable group of two or more 2235
employees, including a department or shift, designated by an 2236
employer to participate in a short-time compensation plan. 2237

(FF) "Fringe benefit" means health insurance or a defined 2238
benefit plan or defined contribution plan as those terms are 2239
defined in the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 2240
U.S.C. 414, as amended, which is an incident to employment in 2241
addition to the cash remuneration earned. 2242

(GG) "Normal weekly hours of work" means the number of hours 2243
in a week that an employee normally works for an employer, not to 2244
exceed forty hours and not including hours of overtime work. 2245

(HH) "Participating employee" means an employee who works a 2246
reduced number of hours under an approved short-time compensation 2247
plan. 2248

(II) "Short-time compensation benefit" means an unemployment 2249
compensation benefit that is payable to an employee participating 2250
in a short-time compensation plan. 2251

(JJ) "Short-time compensation plan" means a plan submitted by an employer, for approval by the director, under which an employer reduces the normal weekly hours of work of the employees who are members of an affected unit in lieu of laying off those employees.

(KK) "Unemployment compensation benefit" means the benefits payable under this chapter, other than short-time compensation benefits, and includes any amount payable pursuant to an agreement under federal law providing for compensation, assistance, or allowances with respect to unemployment.

Sec. 4141.09. (A) There is hereby created an unemployment compensation fund to be administered by the state without liability on the part of the state beyond the amounts paid into the fund and earned by the fund. The unemployment compensation fund shall consist of all contributions, payments in lieu of contributions described in sections 4141.241 and 4141.242 of the Revised Code, reimbursements of the federal share of extended benefits described in section 4141.301 of the Revised Code, collected under sections 4141.01 to ~~4141.46~~ 4141.57 of the Revised Code, together with all interest earned upon any moneys deposited with the secretary of the treasury of the United States to the credit of the account of this state in the unemployment trust fund established and maintained pursuant to section 904 of the "Social Security Act," any property or securities acquired through the use of moneys belonging to the fund, and all earnings of such property or securities. The unemployment compensation fund shall be used to pay benefits, short-time compensation benefits, and refunds as provided by such sections and for no other purpose.

(B) The treasurer of state shall be the custodian of the unemployment compensation fund and shall administer such fund in accordance with the directions of the director of job and family services. All disbursements therefrom shall be paid by the

treasurer of state on warrants drawn by the director. Such 2283
warrants may bear the facsimile signature of the director printed 2284
thereon and that of a deputy or other employee of the director 2285
charged with the duty of keeping the account of the unemployment 2286
compensation fund and with the preparation of warrants for the 2287
payment of benefits to the persons entitled thereto. Moneys in the 2288
clearing and benefit accounts shall not be commingled with other 2289
state funds, except as provided in division (C) of this section, 2290
but shall be maintained in separate accounts on the books of the 2291
depository bank. Such money shall be secured by the depository 2292
bank to the same extent and in the same manner as required by 2293
sections 135.01 to 135.21 of the Revised Code; and collateral 2294
pledged for this purpose shall be kept separate and distinct from 2295
any collateral pledged to secure other funds of this state. All 2296
sums recovered for losses sustained by the unemployment 2297
compensation fund shall be deposited therein. The treasurer of 2298
state shall be liable on the treasurer's official bond for the 2299
faithful performance of the treasurer's duties in connection with 2300
the unemployment compensation fund, such liability to exist in 2301
addition to any liability upon any separate bond. 2302

(C) The treasurer of state shall maintain within the 2303
unemployment compensation fund three separate accounts which shall 2304
be a clearing account, a trust fund account, and a benefit 2305
account. All moneys payable to the unemployment compensation fund, 2306
upon receipt by the director, shall be forwarded to the treasurer 2307
of state, who shall immediately deposit them in the clearing 2308
account. Refunds of contributions, or payments in lieu of 2309
contributions, payable pursuant to division (E) of this section 2310
may be paid from the clearing account upon warrants signed by a 2311
deputy or other employee of the director charged with the duty of 2312
keeping the record of the clearing account and with the 2313
preparation of warrants for the payment of refunds to persons 2314
entitled thereto. After clearance thereof, all moneys in the 2315

clearing account shall be deposited with the secretary of the 2316
treasury of the United States to the credit of the account of this 2317
state in the unemployment trust fund established and maintained 2318
pursuant to section 904 of the "Social Security Act," in 2319
accordance with requirements of the "Federal Unemployment Tax 2320
Act," 53 Stat. 183 (1939), 26 U.S.C.A. 3301, 3304(a)(3), any law 2321
in this state relating to the deposit, administration, release, or 2322
disbursement of moneys in the possession or custody of this state 2323
to the contrary notwithstanding. The benefit account shall consist 2324
of all moneys requisitioned from this state's account in the 2325
unemployment trust fund. Federal funds may be deposited, at the 2326
director's discretion, into the benefit account. Any funds 2327
deposited into the benefit account shall be disbursed solely for 2328
payment of benefits under a federal program administered by this 2329
state and for no other purpose. Moneys in the clearing and benefit 2330
accounts may be deposited by the treasurer of state, under the 2331
direction of the director, in any bank or public depository in 2332
which general funds of the state may be deposited, but no public 2333
deposit insurance charge or premium shall be paid out of the fund. 2334

(D) Moneys shall be requisitioned from this state's account 2335
in the unemployment trust fund solely for the payment of benefits 2336
and in accordance with regulations prescribed by the director. The 2337
director shall requisition from the unemployment trust fund such 2338
amounts, not exceeding the amount standing to this state's account 2339
therein, as are deemed necessary for the payment of benefits for a 2340
reasonable future period. Upon receipt thereof, the treasurer of 2341
state shall deposit such moneys in the benefit account. 2342
Expenditures of such money in the benefit account and refunds from 2343
the clearing account shall not require specific appropriations or 2344
other formal release by state officers of money in their custody. 2345
Any balance of moneys requisitioned from the unemployment trust 2346
fund which remains unclaimed or unpaid in the benefit account 2347
after the expiration of the period for which such sums were 2348

requisitioned shall either be deducted from estimates for and may 2349
be utilized for the payment of benefits during succeeding periods, 2350
or, in the discretion of the director, shall be redeposited with 2351
the secretary of the treasury of the United States to the credit 2352
of this state's account in the unemployment trust fund, as 2353
provided in division (C) of this section. Unclaimed or unpaid 2354
federal funds redeposited with the secretary of the treasury of 2355
the United States shall be credited to the appropriate federal 2356
account. 2357

(E) No claim for an adjustment or a refund on contribution, 2358
payment in lieu of contributions, interest, or forfeiture alleged 2359
to have been erroneously or illegally assessed or collected, or 2360
alleged to have been collected without authority, and no claim for 2361
an adjustment or a refund of any sum alleged to have been 2362
excessive or in any manner wrongfully collected shall be allowed 2363
unless an application, in writing, therefor is made within four 2364
years from the date on which such payment was made. If the 2365
director determines that such contribution, payment in lieu of 2366
contributions, interest, or forfeiture, or any portion thereof, 2367
was erroneously collected, the director shall allow such employer 2368
to make an adjustment thereof without interest in connection with 2369
subsequent contribution payments, or payments in lieu of 2370
contributions, by the employer, or the director may refund said 2371
amount, without interest, from the clearing account of the 2372
unemployment compensation fund, except as provided in division (B) 2373
of section 4141.11 of the Revised Code. For like cause and within 2374
the same period, adjustment or refund may be so made on the 2375
director's own initiative. An overpayment of contribution, payment 2376
in lieu of contributions, interest, or forfeiture for which an 2377
employer has not made application for refund prior to the date of 2378
sale of the employer's business shall accrue to the employer's 2379
successor in interest. 2380

An application for an adjustment or a refund, or any portion thereof, that is rejected is binding upon the employer unless, within thirty days after the mailing of a written notice of rejection to the employer's last known address, or, in the absence of mailing of such notice, within thirty days after the delivery of such notice, the employer files an application for a review and redetermination setting forth the reasons therefor. The director shall promptly examine the application for review and redetermination, and if a review is granted, the employer shall be promptly notified thereof, and shall be granted an opportunity for a prompt hearing.

(F) If the director finds that contributions have been paid to the director in error, and that such contributions should have been paid to a department of another state or of the United States charged with the administration of an unemployment compensation law, the director may upon request by such department or upon the director's own initiative transfer to such department the amount of such contributions, less any benefits paid to claimants whose wages were the basis for such contributions. The director may request and receive from such department any contributions or adjusted contributions paid in error to such department which should have been paid to the director.

(G) In accordance with section 303(c)(3) of the Social Security Act, and section 3304(a)(17) of the Internal Revenue Code of 1954 for continuing certification of Ohio unemployment compensation laws for administrative grants and for tax credits, any interest required to be paid on advances under Title XII of the Social Security Act shall be paid in a timely manner and shall not be paid, directly or indirectly, by an equivalent reduction in the Ohio unemployment taxes or otherwise, by the state from amounts in the unemployment compensation fund.

(H) The treasurer of state, under the direction of the

director and in accordance with the "Cash Management Improvement 2413
Act of 1990," 104 Stat. 1061, 31 U.S.C.A. 335, 6503, shall deposit 2414
amounts of interest earned by the state on funds in the benefit 2415
account established pursuant to division (C) of this section into 2416
the department of job and family services banking fees fund, which 2417
is hereby created in the state treasury for the purpose of paying 2418
related banking costs incurred by the state for the period for 2419
which the interest is calculated, except that if the deposited 2420
interest exceeds the banking costs incurred by the state for the 2421
period for which the interest is calculated, the treasurer of 2422
state shall deposit the excess interest into the unemployment 2423
trust fund. 2424

(I) The treasurer of state, under the direction of the 2425
director, shall deposit federal funds received by the director for 2426
training and administration and for payment of benefits, job 2427
search, relocation, transportation, and subsistence allowances 2428
pursuant to the "Trade Act of 1974," 88 Stat. 1978, 19 U.S.C.A. 2429
2101, as amended; the "North American Free Trade Agreement 2430
Implementation Act," 107 Stat. 2057 (1993), 19 U.S.C.A. 3301, as 2431
amended; and the "Trade Act of 2002," 116 Stat. 993, 19 U.S.C.A. 2432
3801, as amended, into the Trade Act training and administration 2433
account, which is hereby created for the purpose of making 2434
payments specified under those acts. The treasurer of state, under 2435
the direction of the director, may transfer funds from the Trade 2436
Act training and administration account to the benefit account for 2437
the purpose of making any payments directly to claimants for 2438
benefits, job search, relocation, transportation, and subsistence 2439
allowances, as specified by those acts. 2440

Sec. 4141.241. (A)(1) Any nonprofit organization described in 2441
division (X) of section 4141.01 of the Revised Code, which becomes 2442
subject to this chapter on or after January 1, 1972, shall pay 2443
contributions under section 4141.25 of the Revised Code, unless it 2444

elects, in accordance with this division, to pay to the director 2445
of job and family services for deposit in the unemployment 2446
compensation fund an amount in lieu of contributions equal to the 2447
amount of regular benefits plus one half of extended benefits paid 2448
from that fund that is attributable to service in the employ of 2449
the nonprofit organization to individuals whose service, during 2450
the base period of the claims, was within the effective period of 2451
such election. 2452

(2) Any nonprofit organization which becomes subject to this 2453
chapter after January 1, 1972, may elect to become liable for 2454
payments in lieu of contributions for a period of not less than 2455
the remainder of that calendar year and the next calendar year, 2456
beginning with the date on which such subjectivity begins, by 2457
filing a written notice of its election with the director not 2458
later than thirty days immediately following the date of the 2459
determination of such subjectivity. 2460

(3) Any nonprofit organization which makes an election in 2461
accordance with this division will continue to be liable for 2462
payments in lieu of contributions for the period described in this 2463
division and until it files with the director a written notice 2464
terminating its election. The notice shall be filed not later than 2465
thirty days prior to the beginning of the calendar year for which 2466
the termination is to become effective. 2467

(4) Any nonprofit organization which has been paying 2468
contributions for a period subsequent to January 1, 1972, may 2469
change to a reimbursable basis by filing with the director, not 2470
later than thirty days prior to the beginning of any calendar 2471
year, a written notice of election to become liable for payments 2472
in lieu of contributions. The election shall not be terminable by 2473
the organization during that calendar year and the next calendar 2474
year. 2475

(5) The director, in accordance with any rules the director 2476

prescribes, shall notify each nonprofit organization of any 2477
determination which the director may make of its status as an 2478
employer and of the effective date of any election which it makes 2479
and of any termination of the election. Any determinations shall 2480
be subject to reconsideration, appeal, and review in accordance 2481
with section 4141.26 of the Revised Code. 2482

(B) Except as provided in division ~~(I)~~(J) of section 4141.29 2483
of the Revised Code, benefits based on service with a nonprofit 2484
organization granted a reimbursing status under this section shall 2485
be payable in the same amount, on the same terms, and subject to 2486
the same conditions, as benefits payable on the basis of other 2487
service subject to this chapter. Payments in lieu of contributions 2488
shall be made in accordance with this division and division (D) of 2489
section 4141.24 of the Revised Code. 2490

(1)(a) At the end of each calendar quarter, or at the end of 2491
any other period as determined by the director under division 2492
(D)(4) of section 4141.24 of the Revised Code, the director shall 2493
bill each nonprofit organization or group of such organizations 2494
which has elected to make payments in lieu of contributions for an 2495
amount equal to the full amount of regular benefits plus one half 2496
of the amount of extended benefits paid during such quarter or 2497
other prescribed period which is attributable to service in the 2498
employ of such organization. 2499

(b) In the computation of the amount of benefits to be 2500
charged to employers liable for payments in lieu of contributions, 2501
all benefits attributable to service described in division 2502
(B)(1)(a) of this section shall be computed and charged to such 2503
organization as described in division (D) of section 4141.24 of 2504
the Revised Code, and, except as provided in division (D)(2) of 2505
section 4141.24 of the Revised Code, no portion of the amount may 2506
be charged to the mutualized account established by division (B) 2507
of section 4141.25 of the Revised Code. 2508

(c) The director may prescribe regulations under which 2509
organizations, which have elected to make payments in lieu of 2510
contributions may request permission to make such payments in 2511
equal installments throughout the year with an adjustment at the 2512
end of the year for any excess or shortage of the amount of such 2513
installment payments compared with the total amount of benefits 2514
actually charged the organization's account during the year. In 2515
making any adjustment, where the total installment payments are 2516
less than the actual benefits charged, the organization shall be 2517
liable for payment of the unpaid balance in accordance with 2518
division (B)(2) of this section. If the total installment payments 2519
exceed the actual benefits charged, all or part of the excess may, 2520
at the discretion of the director, be refunded or retained in the 2521
fund as part of the payments which may be required in the next 2522
year. 2523

(2) Payment of any bill rendered under division (B)(1) of 2524
this section shall be made not later than thirty days after the 2525
bill was mailed to the last known address of the organization or 2526
was otherwise delivered to it, unless there has been an 2527
application for review and redetermination in accordance with 2528
division (B)(4) of this section. 2529

(3) Payments made by an organization under this section shall 2530
not be deducted or deductible, in whole or in part, from the 2531
remuneration of individuals in the employ of the organization. 2532

(4) An organization may file an application for review and 2533
redetermination of the amounts appearing on any bill rendered to 2534
such organization under division (B)(1) of this section. The 2535
application shall be filed and determined under division (D)(4) of 2536
section 4141.24 of the Revised Code. 2537

(5) Past-due payments of amounts in lieu of contributions 2538
shall be subject to the same interest rates and collection 2539
procedures that apply to past-due contributions under sections 2540

4141.23 and 414.27 of the Revised Code. In case of failure to file 2541
a required quarterly report within the time prescribed by the 2542
director, the nonprofit organization shall be subject to a 2543
forfeiture pursuant to section 4141.20 of the Revised Code for 2544
each quarterly report that is not timely filed. 2545

All interest and forfeitures collected under this division 2546
shall be paid into the unemployment compensation special 2547
administrative fund as provided in section 4141.11 of the Revised 2548
Code. 2549

(6) All payments in lieu of contributions collected under 2550
this section shall be paid into the unemployment compensation fund 2551
as provided in section 4141.09 of the Revised Code. Any refunds of 2552
such payments shall be paid from the unemployment compensation 2553
fund, as provided in section 4141.09 of the Revised Code. 2554

(C)(1) Any nonprofit organization, or group of such 2555
organizations approved under division (D) of this section, that 2556
elects to become liable for payments in lieu of contributions 2557
shall be required within thirty days after the effective date of 2558
its election, to execute and file with the director a surety bond 2559
approved by the director or it may elect instead to deposit with 2560
the director approved municipal or other bonds, or approved 2561
securities, or a combination thereof, or other forms of collateral 2562
security approved by the director. 2563

(2)(a) The amount of the bond or deposit required shall be 2564
equal to three per cent of the organization's wages paid for 2565
employment as defined in section 4141.01 of the Revised Code that 2566
would have been taxable had the organization been a subject 2567
employer during the four calendar quarters immediately preceding 2568
the effective date of the election, or the amount established by 2569
the director within the limitation provided in division (C)(2)(d) 2570
of this section, whichever is the less. The effective date of the 2571
amount of the bond or other collateral security required after the 2572

employer initially is determined by the director to be liable for 2573
payments in lieu of contributions shall be the renewal date in the 2574
case of a bond or the biennial anniversary of the effective date 2575
of election in the case of deposit of securities or other forms of 2576
collateral security approved by the director, whichever date shall 2577
be most recent and applicable. If the nonprofit organization did 2578
not pay wages in each of such four calendar quarters, the amount 2579
of the bond or deposit shall be as determined by the director 2580
under regulations prescribed for this purpose. 2581

(b) Any bond or other form of collateral security approved by 2582
the director deposited under this division shall be in force for a 2583
period of not less than two calendar years and shall be renewed 2584
with the approval of the director, at such times as the director 2585
may prescribe, but not less frequently than at two-year intervals 2586
as long as the organization continues to be liable for payments in 2587
lieu of contributions. The director shall require adjustments to 2588
be made in a previously filed bond or other form of collateral 2589
security as the director considers appropriate. If the bond or 2590
other form of collateral security is to be increased, the adjusted 2591
bond or collateral security shall be filed by the organization 2592
within thirty days of the date that notice of the required 2593
adjustment was mailed or otherwise delivered to it. Failure by any 2594
organization covered by such bond or collateral security to pay 2595
the full amount of payments in lieu of contributions when due, 2596
together with any applicable interest provided for in division 2597
(B)(5) of this section, shall render the surety liable on the bond 2598
or collateral security to the extent of the bond or collateral 2599
security, as though the surety was the organization. 2600

(c) Any securities accepted in lieu of surety bond by the 2601
director shall be deposited with the treasurer of state who shall 2602
have custody thereof and retain the same in the treasurer of 2603
state's possession, or release them, according to conditions 2604

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

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

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

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

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

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

fails to pay any bill issued to it pursuant to division (B) of 2669
this section, for payments in lieu of contributions with respect 2670
to each calendar quarter in the amount that bears the same ratio 2671
to the total benefits paid in the quarter that are attributable to 2672
service performed in the employ of all members of the group as the 2673
total wages paid for service in employment by the member in the 2674
quarter bear to the total wages paid during the quarter for 2675
service performed in the employ of all members of the group. 2676

(4) The director shall adopt regulations as considered 2677
necessary with respect to the following: applications for 2678
establishment, bonding, maintenance, and termination of group 2679
accounts that are authorized by this section; addition of new 2680
members to and withdrawal of active members from such accounts; 2681
and the determination of the amounts that are payable under this 2682
division by the group representative and in the event of default 2683
in payment by the group representative, members of the group, and 2684
the time and manner of payments. 2685

Sec. 4141.29. Each eligible individual shall receive benefits 2686
as compensation for loss of remuneration due to involuntary total 2687
or partial unemployment in the amounts and subject to the 2688
conditions stipulated in this chapter. 2689

(A) No individual is entitled to a waiting period or benefits 2690
for any week unless the individual: 2691

(1) Has filed a valid application for determination of 2692
benefit rights in accordance with section 4141.28 of the Revised 2693
Code; 2694

(2) Has made a claim for benefits in accordance with section 2695
4141.28 of the Revised Code; 2696

(3) Has registered at an employment office or other 2697
registration place maintained or designated by the director of job 2698

and family services. Registration shall be made in accordance with 2699
the time limits, frequency, and manner prescribed by the director. 2700

(4)(a)(i) Is able to work and available for suitable work 2701
and, except as provided in division (A)(4)(a)(ii) of this section, 2702
is actively seeking suitable work either in a locality in which 2703
the individual has earned wages subject to this chapter during the 2704
individual's base period, or if the individual leaves that 2705
locality, then in a locality where suitable work normally is 2706
performed. 2707

(ii) The director may waive the requirement that a claimant 2708
be actively seeking work when the director finds that the 2709
individual has been laid off and the employer who laid the 2710
individual off has notified the director within ten days after the 2711
layoff, that work is expected to be available for the individual 2712
within a specified number of days not to exceed forty-five 2713
calendar days following the last day the individual worked. In the 2714
event the individual is not recalled within the specified period, 2715
this waiver shall cease to be operative with respect to that 2716
layoff. 2717

(b) The individual shall be instructed as to the efforts that 2718
the individual must make in the search for suitable work, except 2719
where the active search for work requirement has been waived under 2720
division (A)(4)(a) of this section, and shall keep a record of 2721
where and when the individual has sought work in complying with 2722
those instructions and, upon request, shall produce that record 2723
for examination by the director. 2724

(c) An individual who is attending a training course approved 2725
by the director meets the requirement of this division, if 2726
attendance was recommended by the director and the individual is 2727
regularly attending the course and is making satisfactory 2728
progress. An individual also meets the requirements of this 2729
division if the individual is participating and advancing in a 2730

training program, as defined in division (P) of section 5709.61 of 2731
the Revised Code, and if an enterprise, defined in division (B) of 2732
section 5709.61 of the Revised Code, is paying all or part of the 2733
cost of the individual's participation in the training program 2734
with the intention of hiring the individual for employment as a 2735
new employee, as defined in division (L) of section 5709.61 of the 2736
Revised Code, for at least ninety days after the individual's 2737
completion of the training program. 2738

(d) An individual who becomes unemployed while attending a 2739
regularly established school and whose base period qualifying 2740
weeks were earned in whole or in part while attending that school, 2741
meets the availability and active search for work requirements of 2742
division (A)(4)(a) of this section if the individual regularly 2743
attends the school during weeks with respect to which the 2744
individual claims unemployment benefits and makes self available 2745
on any shift of hours for suitable employment with the 2746
individual's most recent employer or any other employer in the 2747
individual's base period, or for any other suitable employment to 2748
which the individual is directed, under this chapter. 2749

(e) The director shall adopt any rules that the director 2750
deems necessary for the administration of division (A)(4) of this 2751
section. 2752

(f) Notwithstanding any other provisions of this section, no 2753
otherwise eligible individual shall be denied benefits for any 2754
week because the individual is in training approved under section 2755
236(a)(1) of the "Trade Act of 1974," 88 Stat. 1978, 19 U.S.C.A. 2756
2296, nor shall that individual be denied benefits by reason of 2757
leaving work to enter such training, provided the work left is not 2758
suitable employment, or because of the application to any week in 2759
training of provisions in this chapter, or any applicable federal 2760
unemployment compensation law, relating to availability for work, 2761
active search for work, or refusal to accept work. 2762

For the purposes of division (A)(4)(f) of this section, 2763
"suitable employment" means with respect to an individual, work of 2764
a substantially equal or higher skill level than the individual's 2765
past adversely affected employment, as defined for the purposes of 2766
the "Trade Act of 1974," 88 Stat. 1978, 19 U.S.C.A. 2101, and 2767
wages for such work at not less than eighty per cent of the 2768
individual's average weekly wage as determined for the purposes of 2769
that federal act. 2770

(5) Is unable to obtain suitable work. An individual who is 2771
provided temporary work assignments by the individual's employer 2772
under agreed terms and conditions of employment, and who is 2773
required pursuant to those terms and conditions to inquire with 2774
the individual's employer for available work assignments upon the 2775
conclusion of each work assignment, is not considered unable to 2776
obtain suitable employment if suitable work assignments are 2777
available with the employer but the individual fails to contact 2778
the employer to inquire about work assignments. 2779

(6) Participates in reemployment services, such as job search 2780
assistance services, if the individual has been determined to be 2781
likely to exhaust benefits under this chapter, including 2782
compensation payable pursuant to 5 U.S.C.A. Chapter 85, other than 2783
extended compensation, and needs reemployment services pursuant to 2784
the profiling system established by the director under division 2785
~~(K)~~(L) of this section, unless the director determines that: 2786

(a) The individual has completed such services; or 2787

(b) There is justifiable cause for the claimant's failure to 2788
participate in such services. 2789

(B) An individual suffering total or partial unemployment is 2790
eligible for benefits for unemployment occurring subsequent to a 2791
waiting period of one week and no benefits shall be payable during 2792
this required waiting period. Not more than one week of waiting 2793

period shall be required of any individual in any benefit year in 2794
order to establish the individual's eligibility for total or 2795
partial unemployment benefits. 2796

(C) The waiting period for total or partial unemployment 2797
shall commence on the first day of the first week with respect to 2798
which the individual first files a claim for benefits at an 2799
employment office or other place of registration maintained or 2800
designated by the director or on the first day of the first week 2801
with respect to which the individual has otherwise filed a claim 2802
for benefits in accordance with the rules of the department of job 2803
and family services, provided such claim is allowed by the 2804
director. 2805

(D) Notwithstanding division (A) of this section, no 2806
individual may serve a waiting period or be paid benefits under 2807
the following conditions: 2808

(1) For any week with respect to which the director finds 2809
that: 2810

(a) The individual's unemployment was due to a labor dispute 2811
other than a lockout at any factory, establishment, or other 2812
premises located in this or any other state and owned or operated 2813
by the employer by which the individual is or was last employed; 2814
and for so long as the individual's unemployment is due to such 2815
labor dispute. No individual shall be disqualified under this 2816
provision if either of the following applies: 2817

(i) The individual's employment was with such employer at any 2818
factory, establishment, or premises located in this state, owned 2819
or operated by such employer, other than the factory, 2820
establishment, or premises at which the labor dispute exists, if 2821
it is shown that the individual is not financing, participating 2822
in, or directly interested in such labor dispute; 2823

(ii) The individual's employment was with an employer not 2824

involved in the labor dispute but whose place of business was 2825
located within the same premises as the employer engaged in the 2826
dispute, unless the individual's employer is a wholly owned 2827
subsidiary of the employer engaged in the dispute, or unless the 2828
individual actively participates in or voluntarily stops work 2829
because of such dispute. If it is established that the claimant 2830
was laid off for an indefinite period and not recalled to work 2831
prior to the dispute, or was separated by the employer prior to 2832
the dispute for reasons other than the labor dispute, or that the 2833
individual obtained a bona fide job with another employer while 2834
the dispute was still in progress, such labor dispute shall not 2835
render the employee ineligible for benefits. 2836

(b) The individual has been given a disciplinary layoff for 2837
misconduct in connection with the individual's work. 2838

(2) For the duration of the individual's unemployment if the 2839
director finds that: 2840

(a) The individual quit work without just cause or has been 2841
discharged for just cause in connection with the individual's 2842
work, provided division (D)(2) of this section does not apply to 2843
the separation of a person under any of the following 2844
circumstances: 2845

(i) Separation from employment for the purpose of entering 2846
the armed forces of the United States if the individual is 2847
inducted into the armed forces within one of the following 2848
periods: 2849

(I) Thirty days after separation; 2850

(II) One hundred eighty days after separation if the 2851
individual's date of induction is delayed solely at the discretion 2852
of the armed forces. 2853

(ii) Separation from employment pursuant to a 2854
labor-management contract or agreement, or pursuant to an 2855

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

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

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

of the Revised Code, then the individual, pursuant to division 2888
(A)(5) of this section, shall be ineligible for benefits for any 2889
week of unemployment that occurs prior to the layoff date. 2890

(b) The individual has refused without good cause to accept 2891
an offer of suitable work when made by an employer either in 2892
person or to the individual's last known address, or has refused 2893
or failed to investigate a referral to suitable work when directed 2894
to do so by a local employment office of this state or another 2895
state, provided that this division shall not cause a 2896
disqualification for a waiting week or benefits under the 2897
following circumstances: 2898

(i) When work is offered by the individual's employer and the 2899
individual is not required to accept the offer pursuant to the 2900
terms of the labor-management contract or agreement; or 2901

(ii) When the individual is attending a training course 2902
pursuant to division (A)(4) of this section except, in the event 2903
of a refusal to accept an offer of suitable work or a refusal or 2904
failure to investigate a referral, benefits thereafter paid to 2905
such individual shall not be charged to the account of any 2906
employer and, except as provided in division (B)(1)(b) of section 2907
4141.241 of the Revised Code, shall be charged to the mutualized 2908
account as provided in division (B) of section 4141.25 of the 2909
Revised Code. 2910

(c) ~~Such~~ Except as otherwise provided in section 4141.294 of 2911
the Revised Code, such individual quit work to marry or because of 2912
marital, parental, filial, or other domestic obligations. 2913

(d) The individual became unemployed by reason of commitment 2914
to any correctional institution. 2915

(e) The individual became unemployed because of dishonesty in 2916
connection with the individual's most recent or any base period 2917
work. Remuneration earned in such work shall be excluded from the 2918

individual's total base period remuneration and qualifying weeks 2919
that otherwise would be credited to the individual for such work 2920
in the individual's base period shall not be credited for the 2921
purpose of determining the total benefits to which the individual 2922
is eligible and the weekly benefit amount to be paid under section 2923
4141.30 of the Revised Code. Such excluded remuneration and 2924
noncredited qualifying weeks shall be excluded from the 2925
calculation of the maximum amount to be charged, under division 2926
(D) of section 4141.24 and section 4141.33 of the Revised Code, 2927
against the accounts of the individual's base period employers. In 2928
addition, no benefits shall thereafter be paid to the individual 2929
based upon such excluded remuneration or noncredited qualifying 2930
weeks. 2931

For purposes of division (D)(2)(e) of this section, 2932
"dishonesty" means the commission of substantive theft, fraud, or 2933
deceitful acts. 2934

(E) No individual otherwise qualified to receive benefits 2935
shall lose the right to benefits by reason of a refusal to accept 2936
new work if: 2937

(1) As a condition of being so employed the individual would 2938
be required to join a company union, or to resign from or refrain 2939
from joining any bona fide labor organization, or would be denied 2940
the right to retain membership in and observe the lawful rules of 2941
any such organization. 2942

(2) The position offered is vacant due directly to a strike, 2943
lockout, or other labor dispute. 2944

(3) The work is at an unreasonable distance from the 2945
individual's residence, having regard to the character of the work 2946
the individual has been accustomed to do, and travel to the place 2947
of work involves expenses substantially greater than that required 2948
for the individual's former work, unless the expense is provided 2949

for. 2950

(4) The remuneration, hours, or other conditions of the work 2951
offered are substantially less favorable to the individual than 2952
those prevailing for similar work in the locality. 2953

(F) Subject to the special exceptions contained in division 2954
(A)(4)(f) of this section and section 4141.301 of the Revised 2955
Code, in determining whether any work is suitable for a claimant 2956
in the administration of this chapter, the director, in addition 2957
to the determination required under division (E) of this section, 2958
shall consider the degree of risk to the claimant's health, 2959
safety, and morals, the individual's physical fitness for the 2960
work, the individual's prior training and experience, the length 2961
of the individual's unemployment, the distance of the available 2962
work from the individual's residence, and the individual's 2963
prospects for obtaining local work. 2964

(G) No claimant shall be denied regular unemployment benefits 2965
under this section due to failing to satisfy the requirement 2966
regarding availability for work, failing to actively search for 2967
suitable work, or refusing to accept suitable work as described 2968
under division (A) of this section, solely because the claimant is 2969
seeking only part-time work. 2970

(H) The "duration of unemployment" as used in this section 2971
means the full period of unemployment next ensuing after a 2972
separation from any base period or subsequent work and until an 2973
individual has become reemployed in employment subject to this 2974
chapter, or the unemployment compensation act of another state, or 2975
of the United States, and until such individual has worked six 2976
weeks and for those weeks has earned or been paid remuneration 2977
equal to six times an average weekly wage of not less than: 2978
eighty-five dollars and ten cents per week beginning on June 26, 2979
1990; and beginning on and after January 1, 1992, twenty-seven and 2980
one-half per cent of the statewide average weekly wage as computed 2981

each first day of January under division (B)(3) of section 4141.30 2982
of the Revised Code, rounded down to the nearest dollar, except 2983
for purposes of division (D)(2)(c) of this section, such term 2984
means the full period of unemployment next ensuing after a 2985
separation from such work and until such individual has become 2986
reemployed subject to the terms set forth above, and has earned 2987
wages equal to one-half of the individual's average weekly wage or 2988
sixty dollars, whichever is less. 2989

~~(H)~~(I) If a claimant is disqualified under division 2990
(D)(2)(a), (c), or (d) of this section or found to be qualified 2991
under the exceptions provided in division (D)(2)(a)(i), (iii), or 2992
(iv) of this section ~~or~~ division (A)(2) of section 4141.291 of 2993
the Revised Code, or section 4141.294 of the Revised Code, then 2994
benefits that may become payable to such claimant, which are 2995
chargeable to the account of the employer from whom the individual 2996
was separated under such conditions, shall be charged to the 2997
mutualized account provided in section 4141.25 of the Revised 2998
Code, provided that no charge shall be made to the mutualized 2999
account for benefits chargeable to a reimbursing employer, except 3000
as provided in division (D)(2) of section 4141.24 of the Revised 3001
Code. In the case of a reimbursing employer, the director shall 3002
refund or credit to the account of the reimbursing employer any 3003
over-paid benefits that are recovered under division (B) of 3004
section 4141.35 of the Revised Code. Amounts chargeable to other 3005
states, the United States, or Canada that are subject to 3006
agreements and arrangements that are established pursuant to 3007
section 4141.43 of the Revised Code shall be credited or 3008
reimbursed according to the agreements and arrangements to which 3009
the chargeable amounts are subject. 3010

~~(I)~~(J)(1) Benefits based on service in employment as provided 3011
in divisions (B)(2)(a) and (b) of section 4141.01 of the Revised 3012
Code shall be payable in the same amount, on the same terms, and 3013

subject to the same conditions as benefits payable on the basis of 3014
other service subject to this chapter; except that after December 3015
31, 1977: 3016

(a) Benefits based on service in an instructional, research, 3017
or principal administrative capacity in an institution of higher 3018
education, as defined in division (Y) of section 4141.01 of the 3019
Revised Code; or for an educational institution as defined in 3020
division (CC) of section 4141.01 of the Revised Code, shall not be 3021
paid to any individual for any week of unemployment that begins 3022
during the period between two successive academic years or terms, 3023
or during a similar period between two regular but not successive 3024
terms or during a period of paid sabbatical leave provided for in 3025
the individual's contract, if the individual performs such 3026
services in the first of those academic years or terms and has a 3027
contract or a reasonable assurance that the individual will 3028
perform services in any such capacity for any such institution in 3029
the second of those academic years or terms. 3030

(b) Benefits based on service for an educational institution 3031
or an institution of higher education in other than an 3032
instructional, research, or principal administrative capacity, 3033
shall not be paid to any individual for any week of unemployment 3034
which begins during the period between two successive academic 3035
years or terms of the employing educational institution or 3036
institution of higher education, provided the individual performed 3037
those services for the educational institution or institution of 3038
higher education during the first such academic year or term and, 3039
there is a reasonable assurance that such individual will perform 3040
those services for any educational institution or institution of 3041
higher education in the second of such academic years or terms. 3042

If compensation is denied to any individual for any week 3043
under division ~~(I)~~(J)(1)(b) of this section and the individual was 3044
not offered an opportunity to perform those services for an 3045

institution of higher education or for an educational institution 3046
for the second of such academic years or terms, the individual is 3047
entitled to a retroactive payment of compensation for each week 3048
for which the individual timely filed a claim for compensation and 3049
for which compensation was denied solely by reason of division 3050
~~(I)~~(J)(1)(b) of this section. An application for retroactive 3051
benefits shall be timely filed if received by the director or the 3052
director's deputy within or prior to the end of the fourth full 3053
calendar week after the end of the period for which benefits were 3054
denied because of reasonable assurance of employment. The 3055
provision for the payment of retroactive benefits under division 3056
~~(I)~~(J)(1)(b) of this section is applicable to weeks of 3057
unemployment beginning on and after November 18, 1983. The 3058
provisions under division ~~(I)~~(J)(1)(b) of this section shall be 3059
retroactive to September 5, 1982, only if, as a condition for full 3060
tax credit against the tax imposed by the "Federal Unemployment 3061
Tax Act," 53 Stat. 183 (1939), 26 U.S.C.A. 3301 to 3311, the 3062
United States secretary of labor determines that retroactivity is 3063
required by federal law. 3064

(c) With respect to weeks of unemployment beginning after 3065
December 31, 1977, benefits shall be denied to any individual for 3066
any week which commences during an established and customary 3067
vacation period or holiday recess, if the individual performs any 3068
services described in divisions ~~(I)~~(J)(1)(a) and (b) of this 3069
section in the period immediately before the vacation period or 3070
holiday recess, and there is a reasonable assurance that the 3071
individual will perform any such services in the period 3072
immediately following the vacation period or holiday recess. 3073

(d) With respect to any services described in division 3074
~~(I)~~(J)(1)(a), (b), or (c) of this section, benefits payable on the 3075
basis of services in any such capacity shall be denied as 3076
specified in division ~~(I)~~(J)(1)(a), (b), or (c) of this section to 3077

any individual who performs such services in an educational 3078
institution or institution of higher education while in the employ 3079
of an educational service agency. For this purpose, the term 3080
"educational service agency" means a governmental agency or 3081
governmental entity that is established and operated exclusively 3082
for the purpose of providing services to one or more educational 3083
institutions or one or more institutions of higher education. 3084

(e) Any individual employed by a county board of 3085
developmental disabilities shall be notified by the thirtieth day 3086
of April each year if the individual is not to be reemployed the 3087
following academic year. 3088

(f) Any individual employed by a school district, other than 3089
a municipal school district as defined in section 3311.71 of the 3090
Revised Code, shall be notified by the first day of June each year 3091
if the individual is not to be reemployed the following academic 3092
year. 3093

(2) No disqualification will be imposed, between academic 3094
years or terms or during a vacation period or holiday recess under 3095
this division, unless the director or the director's deputy has 3096
received a statement in writing from the educational institution 3097
or institution of higher education that the claimant has a 3098
contract for, or a reasonable assurance of, reemployment for the 3099
ensuing academic year or term. 3100

(3) If an individual has employment with an educational 3101
institution or an institution of higher education and employment 3102
with a noneducational employer, during the base period of the 3103
individual's benefit year, then the individual may become eligible 3104
for benefits during the between-term, or vacation or holiday 3105
recess, disqualification period, based on employment performed for 3106
the noneducational employer, provided that the employment is 3107
sufficient to qualify the individual for benefit rights separately 3108
from the benefit rights based on school employment. The weekly 3109

benefit amount and maximum benefits payable during a 3110
disqualification period shall be computed based solely on the 3111
nonschool employment. 3112

~~(J)~~(K) Benefits shall not be paid on the basis of employment 3113
performed by an alien, unless the alien had been lawfully admitted 3114
to the United States for permanent residence at the time the 3115
services were performed, was lawfully present for purposes of 3116
performing the services, or was otherwise permanently residing in 3117
the United States under color of law at the time the services were 3118
performed, under section 212(d)(5) of the "Immigration and 3119
Nationality Act," 66 Stat. 163, 8 U.S.C.A. 1101: 3120

(1) Any data or information required of individuals applying 3121
for benefits to determine whether benefits are not payable to them 3122
because of their alien status shall be uniformly required from all 3123
applicants for benefits. 3124

(2) In the case of an individual whose application for 3125
benefits would otherwise be approved, no determination that 3126
benefits to the individual are not payable because of the 3127
individual's alien status shall be made except upon a 3128
preponderance of the evidence that the individual had not, in 3129
fact, been lawfully admitted to the United States. 3130

~~(K)~~(L) The director shall establish and utilize a system of 3131
profiling all new claimants under this chapter that: 3132

(1) Identifies which claimants will be likely to exhaust 3133
regular compensation and will need job search assistance services 3134
to make a successful transition to new employment; 3135

(2) Refers claimants identified pursuant to division 3136
~~(K)~~(L)(1) of this section to reemployment services, such as job 3137
search assistance services, available under any state or federal 3138
law; 3139

(3) Collects follow-up information relating to the services 3140

received by such claimants and the employment outcomes for such 3141
claimant's subsequent to receiving such services and utilizes such 3142
information in making identifications pursuant to division 3143
~~(K)~~(L)(1) of this section; and 3144

(4) Meets such other requirements as the United States 3145
secretary of labor determines are appropriate. 3146

(M) As used in this section, "seeking only part-time work" 3147
means the claimant is willing and able to work at least twelve 3148
hours per week. 3149

Sec. 4141.291. (A) Notwithstanding section 4141.29 of the 3150
Revised Code, an individual who voluntarily quits work: 3151

(1) To accept a recall from a prior employer and establishes 3152
that the refusal or failure to accept the recall would have 3153
resulted in a substantial loss of employment rights, benefits, or 3154
pension, under a labor-management agreement or company policy; 3155

(2) To accept a recall to employment from a prior employer 3156
and cannot establish that a substantial loss of employment rights, 3157
benefits, or pension was involved in the recall, or to accept 3158
other employment subject to this chapter, or the unemployment 3159
compensation act of another state, or of the United States, where 3160
the individual obtains such employment while still employed or 3161
commences such employment within seven calendar days after the 3162
last day of employment with the prior employer, and subsequent to 3163
the last day of the employment with the prior employer, works 3164
three weeks in the new employment and earns wages equal to one and 3165
one-half times the individual's average weekly wage or one hundred 3166
eighty dollars, whichever is less; 3167

(3) Shall, under the conditions specified in either division 3168
(A)(1) or (2) of this section, remove the disqualification imposed 3169
by division (D)(2)(a) of section 4141.29 of the Revised Code and 3170

shall be deemed to have fully complied with division ~~(G)~~(H) of 3171
such section. 3172

(B) Benefits which may become payable to such individual 3173
because of the individual's subsequent separation from the 3174
employer who recalled that individual shall be charged to employer 3175
accounts as provided in division (D) of section 4141.24 of the 3176
Revised Code. 3177

(C) Any benefits which would be chargeable to the account of 3178
the employer from whom such individual voluntarily quit to accept 3179
such recall or other employment which are not chargeable to the 3180
recalling employer as provided in this section shall be charged to 3181
the mutualized account provided in section 4141.25 of the Revised 3182
Code; except that any benefits chargeable to the account of a 3183
reimbursing employer under this division shall be charged to the 3184
account of the reimbursing employer and not the mutualized 3185
account, except as provided in division (D)(2) of section 4141.24 3186
of the Revised Code. 3187

Sec. 4141.293. (A) As used in this section, "learn to earn 3188
program" means any program established by the department of job 3189
and family services that offers a structured, supervised training 3190
opportunity to an eligible unemployment compensation claimant with 3191
a designated worksite training provider. 3192

(B) Participation in a learn to earn program is voluntary. 3193

(C) If a learn to earn program participant is otherwise 3194
eligible for unemployment compensation benefits, the participant 3195
shall continue to receive unemployment compensation benefits 3196
pursuant to this chapter during participation in the program. 3197

(D) A participant in a learn to earn program shall be 3198
registered at an employment office or other registration place 3199
maintained or designated by the director of job and family 3200

services according to the procedure set forth in division (A)(3) 3201
of section 4141.29 of the Revised Code. 3202

(E) A learn to earn program participant may participate in a 3203
learn to earn program for a period not to exceed twenty-four hours 3204
a week for a maximum of six weeks. 3205

(F) A designated worksite training provider participating in 3206
a learn to earn program shall not use a participant in the program 3207
to displace any employee employed by the provider as of the date 3208
the provider participates in the program, including for any 3209
partial displacement, such as a reduction in the hours of 3210
nonovertime work, wages, or employment benefits. 3211

A designated worksite training provider participating in a 3212
learn to earn program shall not permit a claimant participating in 3213
the program to perform work activities related to any job for 3214
which any of the following circumstances apply: 3215

(1) Another individual is on layoff from the same or any 3216
substantially equivalent position. 3217

(2) The provider has terminated the employment of any 3218
employee or otherwise reduced the workforce of the provider with 3219
the intention of filling or partially filling the vacancy so 3220
created with the work activities to be performed by a program 3221
participant. 3222

(3) A strike or lockout is occurring at the worksite that is 3223
the designated worksite for a claimant participating in the 3224
program. 3225

(4) The position is created in a manner that infringes in any 3226
way upon the promotional opportunities of individuals currently 3227
employed by the provider as of the date of the employer's 3228
participation in a learn to earn program. 3229

(G) A designated worksite training provider participating in 3230

a learn to earn program shall not, by means of assigning work 3231
activities under the program, impair an existing contract for 3232
services or a collective bargaining agreement. Such a provider 3233
shall not undertake any activity that would be inconsistent with 3234
the terms of a collective bargaining agreement without the written 3235
concurrence of the labor organization that is signatory to the 3236
collective bargaining agreement. 3237

Sec. 4141.294. (A) As used in this section: 3238

(1) "Compelling family circumstances" means any of the 3239
following: 3240

(a) The claimant was separated from employment with the 3241
claimant's employer because of the claimant's illness or 3242
disability and, based upon available information, the director of 3243
job and family services finds that it was medically necessary for 3244
the claimant to stop working or change occupations. 3245

(b) The claimant was separated from work due to an immediate 3246
family member's illness or disability. 3247

(c) The claimant's spouse was transferred or employed in 3248
another city or state, the family is required to move to the 3249
location of that job, the location is outside the commuting 3250
distance of the claimant's previous employment, and the claimant 3251
separates from employment in order to move to the new location 3252
with the claimant's spouse. 3253

(2) "Disability" means a verified disability that 3254
necessitates the care of the disabled person for a period of time 3255
that exceeds the amount of time an employer will provide paid or 3256
unpaid leave. "Disability" includes mental and physical 3257
disabilities, permanent and temporary disabilities, and partial 3258
and total disabilities. 3259

(3) "Immediate family member" means a claimant's spouse, 3260

parent, or child under the age of eighteen. 3261

(4) "Illness" means a verified illness that necessitates the 3262
care of the ill person for a period of time that exceeds the 3263
amount of time an employer will provide paid or unpaid leave. 3264

(B)(1) Notwithstanding section 4141.29 of the Revised Code, a 3265
claimant is eligible for waiting week credit and for unemployment 3266
compensation benefits if the director finds that the claimant has 3267
left work voluntarily or has been discharged because of 3268
circumstances directly resulting from domestic abuse and any of 3269
the following applies: 3270

(a) The claimant reasonably fears future domestic abuse at or 3271
en route to the workplace. 3272

(b) The claimant needs to relocate to avoid future domestic 3273
abuse. 3274

(c) The claimant reasonably believes that leaving work is 3275
necessary for the safety of the claimant or the claimant's family. 3276

(2) When determining if a claimant has experienced domestic 3277
abuse for the purpose of receiving unemployment compensation 3278
benefits, the director shall require the claimant to provide 3279
documentation of domestic abuse that may include police or court 3280
records or other documentation of abuse from a shelter worker, 3281
attorney, member of the clergy, or medical or other professional 3282
from whom the claimant has sought assistance. 3283

(3) The director shall keep confidential any documentation or 3284
evidence of domestic abuse acquired by the director pursuant to 3285
this section unless the claimant gives written consent for 3286
disclosure. 3287

(C) Notwithstanding section 4141.29 of the Revised Code, an 3288
individual is eligible for waiting week credit and for 3289
unemployment compensation benefits if the director determines that 3290

the claimant was separated from employment due to compelling 3291
family circumstances. 3292

Sec. 4141.302. (A) As used in this section: 3293

(1) "Declining occupation" means either of the following 3294
occupations: 3295

(a) An occupation in which a lack of sufficient current 3296
demand in a claimant's labor market area exists for the 3297
occupational skills for which the claimant is qualified by 3298
training and experience or current physical or mental capacity, 3299
and the lack of employment opportunities is expected to continue 3300
for an extended period of time; 3301

(b) An occupation for which a seasonal variation in demand 3302
exists in the labor market and a claimant has no other skills for 3303
which a current demand exists. 3304

(2) "Extended benefits" and "regular benefits" have the same 3305
meanings as in section 4141.301 of the Revised Code. 3306

(3) "High-demand occupation" means an occupation in a labor 3307
market area where work opportunities are available and qualified 3308
applicants are lacking as determined by the use of available labor 3309
market information. 3310

(4) "Similar stipend" means an amount provided under a 3311
program with similar aims, such as providing training to increase 3312
employability, as the program described in division (B)(3) of this 3313
section. 3314

(B) A claimant who otherwise is eligible for regular benefits 3315
is eligible to receive training extension benefits if the director 3316
of job and family services determines that the claimant satisfies 3317
all of the following criteria: 3318

(1) The claimant is unemployed. 3319

(2) The claimant has exhausted all rights to regular 3320
benefits, all rights to extended benefits, and all rights to 3321
benefits under section 2002 of division B, title n, known as "The 3322
Assistance for Unemployed Workers and Struggling Families Act" of 3323
the "American Recovery and Reinvestment Act of 2009," Pub. L. No. 3324
111-5, 123 Stat. 115, as amended. 3325

(3) The claimant is enrolled in a training program approved 3326
by the director or in a job training program authorized under the 3327
"Workforce Investment Act of 1998," 112 Stat. 936, 29 U.S.C. 2801 3328
et seq., as amended; except that the training program must prepare 3329
the claimant for entry into a high-demand occupation if the 3330
director determines that the claimant separated from a declining 3331
occupation or has been involuntarily and indefinitely separated 3332
from employment as a result of a permanent reduction of operations 3333
at the claimant's place of employment. 3334

(4) The claimant is making satisfactory progress to complete 3335
the training as determined by the director. 3336

(C) The amount of a claimant's weekly training extension 3337
benefit shall equal the claimant's weekly benefit amount as 3338
determined for the most recent benefit year, less any deductible 3339
income as determined under section 4141.31 of the Revised Code and 3340
any reduction required by division (D) of this section. The total 3341
amount of training extension benefits payable to a claimant shall 3342
be equal to twenty-six times the claimant's average weekly benefit 3343
amount for the most recent benefit year. A claimant who is 3344
receiving training extension benefits shall not be denied training 3345
extension benefits because the claimant may not satisfy the 3346
requirements of division (A)(4) or (5) of section 4141.29 of the 3347
Revised Code. The director shall charge any training extension 3348
benefits paid pursuant to this section to the mutualized account 3349
created in section 4141.25 of the Revised Code and shall not 3350
charge an employer's account for any training extension benefits 3351

paid to a claimant. 3352

(D) The amount of a claimant's weekly training extension benefit shall be reduced by the amount of any similar stipend or other training allowances for nontraining costs received by the claimant for the week that the weekly training extension benefit is due to the claimant. 3353
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Sec. 4141.50. (A) There is hereby created the short-time compensation program. An employer who wishes to participate in the program shall submit, on an application form provided by the director of job and family services, a plan to the director that satisfies the requirements listed in section 4141.51 of the Revised Code. If an employee the employer covers under the plan is subject to a collective bargaining agreement, the employer shall have the employee's collective bargaining agent approve the plan in writing. The written approval shall include a statement as to whether the agent believes the implementation of the plan is consistent with federal law. The employer shall submit that approval to the director with the employer's proposed plan. 3358
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(B) The director may adopt rules as the director determines necessary, including additional plan requirements, to administer the short-time compensation program in accordance with any guidance issued by the United States secretary of labor with respect to the short-time compensation program. 3370
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Sec. 4141.51. (A) The director of job and family services shall approve a short-time compensation plan submitted by an employer under section 4141.50 of the Revised Code in which the employer does all of the following: 3375
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(1) Identifies the specific affected unit or units to which the plan will apply, including the number of full-time or part-time workers in each affected unit and the percentage of 3379
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<u>workers in each affected unit who are to be covered by the plan;</u>	3382
<u>(2) Identifies in the plan the employees in the affected unit</u>	3383
<u>by name, social security number, the employer's unemployment tax</u>	3384
<u>identification number, and any other information required by the</u>	3385
<u>director to identify plan participants;</u>	3386
<u>(3) Identifies the normal weekly hours of work for each</u>	3387
<u>employee in the affected unit or units identified in the plan;</u>	3388
<u>(4) Includes the specific percentage by which the hours of</u>	3389
<u>each employee in the affected unit or units will be reduced, which</u>	3390
<u>shall be at least ten per cent but not more than sixty per cent;</u>	3391
<u>(5) Includes a certification by the employer that if the</u>	3392
<u>employer provides fringe benefits, the employer will continue to</u>	3393
<u>provide fringe benefits to participating employees under the same</u>	3394
<u>terms and conditions as though the normal weekly hours of work of</u>	3395
<u>those employees had not been reduced, or to the same extent as the</u>	3396
<u>benefits are provided to other employees not participating in the</u>	3397
<u>short-time compensation program;</u>	3398
<u>(6) Includes a certification by the employer that the</u>	3399
<u>implementation of a short-time compensation plan and resulting</u>	3400
<u>reduction in work hours is in lieu of temporary layoffs and</u>	3401
<u>includes an estimate of the number of layoffs that would have</u>	3402
<u>occurred absent the ability to participate in the short-time</u>	3403
<u>compensation plan.</u>	3404
<u>(7) Agrees in writing to furnish the director reports</u>	3405
<u>relating to the operation of the plan as the director requests in</u>	3406
<u>accordance with section 4141.54 of the Revised Code, to allow the</u>	3407
<u>director access to all records necessary to approve, disapprove,</u>	3408
<u>or evaluate the plan, and to follow any other directive that the</u>	3409
<u>director determines to be necessary to implement the plan and that</u>	3410
<u>is consistent with the requirements for plan approval provided in</u>	3411
<u>division (A) of this section;</u>	3412

(8) Describes the manner in which the plan will be implemented, includes a plan to give advance notice, if feasible, to an employee whose normal weekly hours of work will be reduced under the plan, and, if advanced notice is not feasible, provides an explanation of why that notice is not feasible; 3413
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(9) Identifies any week during the effective period of the plan for which the employer regularly provides no work, such as a holiday or other regularly scheduled plant closing; 3418
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(10) Includes a certification by the employer that the employer's participation in the short-time compensation plan and the plan's implementation are consistent with the employer's obligations under applicable federal and state laws; 3421
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(11) Includes the proposed effective date for the plan and a termination date, which shall be not more than twelve calendar months later than the proposed effective date; 3425
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(12) Includes any other provision added to the application form by the director that the United States secretary of labor determines to be appropriate for purposes of a short-time compensation program. 3428
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(B)(1) An employer shall not include in the employer's short-time compensation plan any employee employed by the employer on a seasonal, temporary, or intermittent basis. 3432
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(2) As used in this division: 3435

(a) "Seasonal basis" has the same meaning as "seasonal employment" as defined in section 4141.33 of the Revised Code. 3436
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(b) "Temporary basis" means any employment where an employee is expected to remain in a position for only a limited period of time or is hired by a temporary agency to fill a gap in the employer's workforce. 3438
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(c) "Intermittent basis" means employment that is not 3442

continuous but may consist of periodic intervals of weekly work 3443
and intervals of no weekly work. 3444

(C) The director shall approve or deny a short-time 3445
compensation plan and shall send a written notice to the employer 3446
stating whether the director approved or denied the plan not later 3447
than thirty days after the director receives the plan. If the 3448
director denies approval of a short-time compensation plan, the 3449
director shall state the reasons for denying approval in the 3450
written notice sent to the employer. A decision denying a plan 3451
shall be final, but an employer subject to a denial shall be 3452
allowed to submit another short-time compensation plan for 3453
approval not earlier than fifteen days after the date of the 3454
denial. 3455

Sec. 4141.52. (A) A short-time compensation plan approved 3456
under section 4141.51 of the Revised Code takes effect on the 3457
later of the date the director of job and family services approves 3458
the plan or the date specified in the plan as the effective date. 3459
Except as otherwise provided in division (B) of this section, an 3460
approved plan expires on the termination date specified in the 3461
plan. 3462

(B) The director may terminate an approved plan for good 3463
cause at any time, including upon the request of any employees in 3464
the affected unit. A termination order issued under this division 3465
shall be in writing and shall specify the reasons for the 3466
revocation and the effective date of the revocation. 3467

(C) The director may periodically review the operation of 3468
each employer's short-time compensation plan to assure that no 3469
good cause exists for termination of the plan pursuant to division 3470
(B) of this section. For purposes of this section, good cause 3471
shall include any of the following: 3472

(1) An employer's failure to comply with assurances given in 3473

<u>the plan;</u>	3474
<u>(2) An employer's unreasonable revision of productivity standards for the affected unit;</u>	3475 3476
<u>(3) An employer's violation of any criteria on which approval of the plan was based;</u>	3477 3478
<u>(4) Circumstances tending to defeat the intent and effective operation of the employer's short-time compensation plan.</u>	3479 3480
<u>(D) An employer may terminate a short-time compensation plan at any time upon written notice to the director. Upon receipt of a termination notice from an employer, the director shall promptly notify each member of the affected unit of the plan's termination date.</u>	3481 3482 3483 3484 3485
<u>(E) An employer may submit a new application to participate in a short-time compensation plan at any time after the expiration or termination date of an existing plan.</u>	3486 3487 3488
Sec. 4141.53. <u>A participating employer may modify a short-time compensation plan approved under section 4141.51 of the Revised Code to meet changed conditions regarding the participating employer's business if the modification conforms to the basic provisions of the plan as approved by the director of job and family services. Before implementing the proposed change, the participating employer shall report the proposed change in writing to the director. If the director determines that the proposed change will result in a substantial modification of the plan approved under section 4141.51 of the Revised Code, the director shall reevaluate the proposed modified plan to determine whether the plan continues to satisfy the requirements listed in divisions (A)(1) to (12) of that section. The director shall approve or deny the modification in accordance with that section.</u>	3489 3490 3491 3492 3493 3494 3495 3496 3497 3498 3499 3500 3501 3502
<u>The director shall approve or deny a proposed modification in</u>	3503

writing, within thirty days after a modification request is 3504
received by the director. Any decision to approve or deny a 3505
proposed modification shall be promptly communicated to the 3506
employer. If a proposed modification is approved, the director 3507
shall notify the employer of the effective date of the 3508
modification. 3509

An employer is not required to request approval of a plan 3510
modification from the director if the change is not substantial, 3511
but the employer shall report every change to the director 3512
promptly and in writing. The director may terminate an employer's 3513
plan if the employer fails to comply with this reporting 3514
requirement. 3515

If an employer has reported a change to the director and has 3516
not requested approval of a plan modification, the director shall 3517
require the employer to request a modification to the plan if the 3518
director determines that the change is substantial. 3519

Approval of a modified plan does not affect the plan's 3520
original expiration date determined under section 4141.52 of the 3521
Revised Code. 3522

Sec. 4141.54. Upon request of the director of job and family 3523
services, a participating employer shall monitor and evaluate the 3524
operation of the participating employer's short-time compensation 3525
plan and shall report the participating employer's findings to the 3526
director. 3527

Sec. 4141.55. (A) Notwithstanding section 4141.01, 4141.29, 3528
4141.30, or 4141.31 of the Revised Code, an individual is 3529
unemployed for purposes of this chapter in a week during which the 3530
individual is a participating employee under a short-time 3531
compensation plan approved under section 4141.51 of the Revised 3532
Code that is in effect for that week. 3533

(B) An individual is eligible to receive short-time compensation benefits for a week in which the individual satisfies all of the following: 3534
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(1) The individual is employed as a member of an affected unit subject to a shared-time compensation plan that was approved before that week and is in effect for that week. 3537
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(2) The individual is able to work and is available for the individual's normal weekly hours of work with the short-time compensation employer, which may include, for purposes of this section, participating in training that is approved by the director to enhance job skills, such as employer-sponsored training, or training funded by the "Workforce Investment Act of 1998," 112 Stat. 936, 29 U.S.C. 2832, as amended. 3540
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(3) The individual's normal weekly hours of work have been reduced by at least ten per cent but not more than sixty per cent and the individual receives a corresponding reduction in wages. 3547
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(4) The individual has been employed by an employer or employers subject to this chapter in at least twenty qualifying weeks within the individual's base period and has earned or been paid remuneration at an average weekly wage of not less than twenty-seven and one-half per cent of the statewide average weekly wage for those weeks. 3550
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(5) The individual has been subject to a short-time compensation plan for at least one week prior to the week for which the short-time compensation benefits are to be paid, or otherwise satisfies the waiting period requirement of division (B) of section 4141.29 of the Revised Code for the individual's benefit year. 3556
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(6) The individual otherwise satisfies the requirements of this chapter and is not otherwise disqualified from receiving unemployment compensation benefits. 3562
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(C) Notwithstanding section 4141.29 of the Revised Code, the director of job and family services shall not deny short-time compensation benefits for a week to an otherwise eligible employee because the employee is unavailable for work other than as required under division (B)(2) of this section, is not actively searching for work, or refuses to apply for or to accept work with an employer other than with the employer who is implementing the plan. 3565
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(D) The director shall pay an employee who is eligible for a weekly short-time compensation benefit in an amount equal to the employee's regular weekly benefit amount for a period of total unemployment as described in division (B) of section 4141.30 of the Revised Code multiplied by the nearest full percentage of reduction of the employee's normal weekly hours of work under the employer's short-time compensation plan. The director shall round the amount of a short-time compensation benefit that is not a multiple of one dollar to the next highest dollar amount. 3573
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(E) An employee is not entitled to receive short-time compensation benefits and regular unemployment compensation benefits that, when combined, exceed the maximum total benefits payable to the employee in a benefit year under section 4141.30 of the Revised Code. An employee shall receive short-time compensation benefits for a maximum of fifty-two weeks regardless of whether the employee has received the total maximum benefits payable for the employee's benefit year. An individual who receives short-time compensation benefits is not entitled to receive benefits for partial unemployment under division (C) of section 4141.30 of the Revised Code for any week during which the individual participates in a short-time compensation plan. The director shall not pay an individual short-time compensation benefits for a week during which the individual performs paid work for the employer implementing the short-time compensation plan 3582
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that exceeds the reduced hours established under the plan. Any 3597
short-time compensation benefits paid to an individual shall be 3598
deducted from the total benefits available to the individual for 3599
the individual's benefit year, as described in division (D) of 3600
section 4141.30 of the Revised Code. 3601

(F) An individual participating in a short-time compensation 3602
plan may participate in training, including a training program 3603
sponsored by the employer implementing the plan or funded under 3604
the federal "Workforce Development Act of 1998," 112 Stat. 936, 29 3605
U.S.C. 2801 et seq., as amended, to enhance job skills if the 3606
program is approved by the director. 3607

(G) An individual who has received all of the short-time 3608
compensation benefits and regular unemployment compensation 3609
benefits available in a benefit year is an individual who has 3610
exhausted regular benefits under section 4141.30 of the Revised 3611
Code and is entitled to receive extended benefits under section 3612
4141.301 of the Revised Code if the individual is otherwise 3613
eligible to receive benefits under that section. 3614

Sec. 4141.56. (A) Notwithstanding section 4141.55 of the 3615
Revised Code: 3616

(1) An individual who is otherwise eligible to receive 3617
short-time compensation benefits pursuant to section 4141.55 of 3618
the Revised Code is ineligible to receive short-time compensation 3619
benefits for any week in which the employee performs work for a 3620
short-time compensation employer and another employer, and the 3621
individual's combined hours of work in the week exceed ninety per 3622
cent of the individual's normal weekly hours of work with the 3623
short-time employer. 3624

(2) An individual who is otherwise eligible to receive 3625
short-time compensation benefits pursuant to section 4141.55 of 3626
the Revised Code is eligible to receive a reduced benefit for any 3627

week in which the employee performs work for a short-time 3628
compensation employer and another employer, and the individual's 3629
combined hours of work in the week do not exceed ninety per cent 3630
of the individual's normal weekly hours of work with the 3631
short-time compensation employer. The reduced benefit amount shall 3632
be calculated by multiplying the employee's regular weekly benefit 3633
amount for a period of total unemployment, as described in 3634
division (B) of section 4141.30 of the Revised Code, by the 3635
nearest full percentage by which the employee's combined hours of 3636
work are less than the individual's normal weekly hours of work 3637
with the short-time compensation employer. 3638

(B) An individual who is not provided any work during a week 3639
by the individual's short-time compensation employer, or any other 3640
employer, and who is otherwise eligible, shall be paid benefits 3641
for being totally unemployed for that week. 3642

(C) An individual who is not provided any work by the 3643
individual's short-time compensation employer during a week, but 3644
who works for another employer during that time and is otherwise 3645
eligible may be paid benefits for being partially unemployed for 3646
that week. 3647

Sec. 4141.57. Any short-time compensation benefits paid to an 3648
individual pursuant to sections 4141.55 and 4141.56 of the Revised 3649
Code shall be charged to an employer's account in accordance with 3650
division (D) of section 4141.24 of the Revised Code. 3651

Sec. 4301.20. This chapter and Chapter 4303. of the Revised 3653
Code do not prevent the following: 3654

(A) The storage of intoxicating liquor in bonded warehouses, 3655
established in accordance with the acts of congress and under the 3656
regulation of the United States, located in this state, or the 3657

transportation of intoxicating liquor to or from bonded warehouses 3658
of the United States wherever located; 3659

(B) A bona fide resident of this state who is the owner of a 3660
warehouse receipt from obtaining or transporting to the resident's 3661
residence for the resident's own consumption and not for resale 3662
spirituous liquor stored in a government bonded warehouse in this 3663
state or in another state prior to December 1933, subject to such 3664
terms as are prescribed by the division of liquor control; 3665

(C) The manufacture of cider from fruit for the purpose of 3666
making vinegar, and nonintoxicating cider and fruit juices for use 3667
and sale; 3668

(D) A licensed physician or dentist from administering or 3669
dispensing intoxicating liquor or alcohol to a patient in good 3670
faith in the actual course of the practice of the physician's or 3671
dentist's profession; 3672

(E) The sale of alcohol to physicians, dentists, druggists, 3673
veterinary surgeons, manufacturers, hospitals, infirmaries, or 3674
medical or educational institutions using the alcohol for 3675
medicinal, mechanical, chemical, or scientific purposes; 3676

(F) The sale, gift, or keeping for sale by druggists and 3677
others of any of the medicinal preparations manufactured in 3678
accordance with the formulas prescribed by the United States 3679
Pharmacopoeia and National Formulary, patent or proprietary 3680
preparations, and other bona fide medicinal and technical 3681
preparations, which contain no more alcohol than is necessary to 3682
hold the medicinal agents in solution and to preserve the same, 3683
which are manufactured and sold as medicine and not as beverages, 3684
are unfit for use for beverage purposes, and the sale of which 3685
does not require the payment of a United States liquor dealer's 3686
tax; 3687

(G) The manufacture and sale of tinctures or of toilet, 3688

medicinal, and antiseptic preparations and solutions not intended 3689
for internal human use nor to be sold as beverages, and which are 3690
unfit for beverage purposes, if upon the outside of each bottle, 3691
box, or package of which there is printed in the English language, 3692
conspicuously and legibly, the quantity by volume of alcohol in 3693
the preparation or solution; 3694

(H) The manufacture and keeping for sale of the food products 3695
known as flavoring extracts when manufactured and sold for 3696
cooking, culinary, or flavoring purposes, and which are unfit for 3697
use for beverage purposes; 3698

(I) The lawful sale of wood alcohol or of ethyl alcohol for 3699
external use when combined with other substances as to make it 3700
unfit for internal use; 3701

(J) The manufacture, sale, and transport of ethanol or ethyl 3702
alcohol for use as fuel. As used in this division, "ethanol" has 3703
the same meaning as in section ~~5733.46~~ 122.075 of the Revised 3704
Code. 3705

(K) The purchase and importation into this state or the 3706
purchase at wholesale from A or B permit holders in this state of 3707
beer and intoxicating liquor for use in manufacturing processes of 3708
nonbeverage food products under terms prescribed by the division, 3709
provided that the terms prescribed by the division shall not 3710
increase the cost of the beer or intoxicating liquor to any 3711
person, firm, or corporation purchasing and importing it into this 3712
state or purchasing it from an A or B permit holder for that use; 3713

(L) Any resident of this state or any member of the armed 3714
forces of the United States, who has attained the age of 3715
twenty-one years, from bringing into this state, for personal use 3716
and not for resale, not more than one liter of spirituous liquor, 3717
four and one-half liters of wine, or two hundred eighty-eight 3718
ounces of beer in any thirty-day period, and the same is free of 3719

any tax consent fee when the resident or member of the armed 3720
forces physically possesses and accompanies the spirituous liquor, 3721
wine, or beer on returning from a foreign country, another state, 3722
or an insular possession of the United States; 3723

(M) Persons, at least twenty-one years of age, who collect 3724
ceramic commemorative bottles containing spirituous liquor that 3725
have unbroken federal tax stamps on them from selling or trading 3726
the bottles to other collectors. The bottles shall originally have 3727
been purchased at retail from the division, legally imported under 3728
division (L) of this section, or legally imported pursuant to a 3729
supplier registration issued by the division. The sales shall be 3730
for the purpose of exchanging a ceramic commemorative bottle 3731
between private collectors and shall not be for the purpose of 3732
selling the spirituous liquor for personal consumption. The sale 3733
or exchange authorized by this division shall not occur on the 3734
premises of any permit holder, shall not be made in connection 3735
with the business of any permit holder, and shall not be made in 3736
connection with any mercantile business. 3737

(N) The sale of beer or intoxicating liquor without a liquor 3738
permit at a private residence, not more than five times per 3739
calendar year at a residence address, at an event that has the 3740
following characteristics: 3741

(1) The event is for a charitable, benevolent, or political 3742
purpose, but shall not include any event the proceeds of which are 3743
for the profit or gain of any individual; 3744

(2) The event has in attendance not more than fifty people; 3745

(3) The event shall be for a period not to exceed twelve 3746
hours; 3747

(4) The sale of beer and intoxicating liquor at the event 3748
shall not take place between two-thirty a.m. and five-thirty a.m.; 3749

(5) No person under twenty-one years of age shall purchase or 3750

consume beer or intoxicating liquor at the event and no beer or 3751
intoxicating liquor shall be sold to any person under twenty-one 3752
years of age at the event; and 3753

(6) No person at the event shall sell or furnish beer or 3754
intoxicating liquor to an intoxicated person. 3755

(0) The possession or consumption of beer or intoxicating 3756
liquor by a person who is under twenty-one years of age and who is 3757
a student at an accredited college or university, provided that 3758
both of the following apply: 3759

(1) The person is required to taste and expectorate the beer 3760
or intoxicating liquor for a culinary, food service, or 3761
hospitality course. 3762

(2) The person is under the direct supervision of the 3763
instructor of the culinary, food service, or hospitality course. 3764

Sec. 5709.29. (A) As used in this section: 3765

(1) "Distressed residential or commercial property" means 3766
real property that was or is used exclusively for residential or 3767
commercial purposes as classified in the county real property tax 3768
records and that is vacant, abandoned, foreclosed-upon, or located 3769
in a blighted area. 3770

(2) "Blighted area" has the same meaning as in section 1.08 3771
of the Revised Code. 3772

(3) "Qualifying improvement" means the increase in the 3773
assessed value of distressed residential or commercial property as 3774
shown on the tax list for a tax year after the tax year in which 3775
the owner of that property remodels the property. 3776

(4) "Remodel" means to make any change to a building that 3777
constitutes distressed residential or commercial property for the 3778
purpose of making it structurally more sound or more habitable or 3779
to improve its appearance. 3780

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

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

(B) A corporation is subject to the tax imposed by section 5733.06 of the Revised Code for each calendar year prior to 2014 that it is so organized, doing business, owning or using a part or all of its capital or property, holding a certificate of compliance, or otherwise having nexus in or with this state under the Constitution of the United States, on the first day of January

of that calendar year. No credit authorized by this chapter may be 3813
claimed for tax year 2014 or any tax year thereafter. 3814

(C) Any corporation subject to this chapter that is not 3815
subject to the federal income tax shall file its returns and 3816
compute its tax liability as required by this chapter in the same 3817
manner as if that corporation were subject to the federal income 3818
tax. 3819

(D) For purposes of this chapter, a federally chartered 3820
financial institution shall be deemed to be organized under the 3821
laws of the state within which its principal office is located. 3822

(E) For purposes of this chapter, any person, as defined in 3823
section 5701.01 of the Revised Code, shall be treated as a 3824
corporation if the person is classified for federal income tax 3825
purposes as an association taxable as a corporation, and an equity 3826
interest in the person shall be treated as capital stock of the 3827
person. 3828

(F) For the purposes of this chapter, "disregarded entity" 3829
has the same meaning as in division (D) of section 5745.01 of the 3830
Revised Code. 3831

(1) A person's interest in a disregarded entity, whether held 3832
directly or indirectly, shall be treated as the person's ownership 3833
of the assets and liabilities of the disregarded entity, and the 3834
income, including gain or loss, shall be included in the person's 3835
net income under this chapter. 3836

(2) Any sale, exchange, or other disposition of the person's 3837
interest in the disregarded entity, whether held directly or 3838
indirectly, shall be treated as a sale, exchange, or other 3839
disposition of the person's share of the disregarded entity's 3840
underlying assets or liabilities, and the gain or loss from such 3841
sale, exchange, or disposition shall be included in the person's 3842
net income under this chapter. 3843

(3) The disregarded entity's payroll, property, and sales factors shall be included in the person's factors.	3844
(G) The tax a corporation is required to pay under this chapter shall be as follows:	3845
(1)(a) For financial institutions, the greater of the minimum payment required under division (E) of section 5733.06 of the Revised Code or the difference between all taxes charged the financial institution under this chapter, without regard to division (G)(2) of this section, less any credits allowable against such tax.	3846
(b) A corporation satisfying the description in division (E)(5), (6), (7), (8), or (10) of section 5751.01 of the Revised Code, as that section existed before its amendment by H.B. 510 of the 129th general assembly, that is not a financial institution, insurance company, or dealer in intangibles is subject to the taxes imposed under this chapter as a corporation and not subject to tax as a financial institution, and shall pay the greater of the minimum payment required under division (E) of section 5733.06 of the Revised Code or the difference between all the taxes charged under this chapter, without regard to division (G)(2) of this section, less any credits allowable against such tax.	3847
(2) For all corporations other than those persons described in division (G)(1)(a) or (b) of this section, the amount under division (G)(2)(a) of this section applicable to the tax year specified less the amount under division (G)(2)(b) of this section:	3848
(a)(i) For tax year 2005, the greater of the minimum payment required under division (E) of section 5733.06 of the Revised Code or the difference between all taxes charged the corporation under this chapter and any credits allowable against such tax;	3849
(ii) For tax year 2006, the greater of the minimum payment	3850
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required under division (E) of section 5733.06 of the Revised Code 3875
or four-fifths of the difference between all taxes charged the 3876
corporation under this chapter and any credits allowable against 3877
such tax, except the qualifying pass-through entity tax credit 3878
described in division (A)(30) and the refundable credits described 3879
in divisions (A)(31) to (35) of section 5733.98 of the Revised 3880
Code; 3881

(iii) For tax year 2007, the greater of the minimum payment 3882
required under division (E) of section 5733.06 of the Revised Code 3883
or three-fifths of the difference between all taxes charged the 3884
corporation under this chapter and any credits allowable against 3885
such tax, except the qualifying pass-through entity tax credit 3886
described in division (A)(30) and the refundable credits described 3887
in divisions (A)(31) to (35) of section 5733.98 of the Revised 3888
Code; 3889

(iv) For tax year 2008, the greater of the minimum payment 3890
required under division (E) of section 5733.06 of the Revised Code 3891
or two-fifths of the difference between all taxes charged the 3892
corporation under this chapter and any credits allowable against 3893
such tax, except the qualifying pass-through entity tax credit 3894
described in division (A)(30) and the refundable credits described 3895
in divisions (A)(31) to (35) of section 5733.98 of the Revised 3896
Code; 3897

(v) For tax year 2009, the greater of the minimum payment 3898
required under division (E) of section 5733.06 of the Revised Code 3899
or one-fifth of the difference between all taxes charged the 3900
corporation under this chapter and any credits allowable against 3901
such tax, except the qualifying pass-through entity tax credit 3902
described in division (A)(30) and the refundable credits described 3903
in divisions (A)(31), (32), (33), and (34) of section 5733.98 of 3904
the Revised Code; 3905

(vi) For tax year 2010 and each tax year thereafter, no tax. 3906

(b) A corporation shall subtract from the amount calculated 3907
under division (G)(2)(a)(ii), (iii), (iv), or (v) of this section 3908
any qualifying pass-through entity tax credit described in 3909
division (A)~~(30)~~(28) and any refundable credits described in 3910
divisions (A)~~(31)~~(29) to ~~(35)~~(33) of section 5733.98 of the 3911
Revised Code to which the corporation is entitled. Any unused 3912
qualifying pass-through entity tax credit is not refundable. 3913

(c) For the purposes of computing the amount of a credit that 3914
may be carried forward to a subsequent tax year under division 3915
(G)(2) of this section, a credit is utilized against the tax for a 3916
tax year to the extent the credit applies against the tax for that 3917
tax year, even if the difference is then multiplied by the 3918
applicable fraction under division (G)(2)(a) of this section. 3919

(3) Nothing in division (G) of this section eliminates or 3920
reduces the tax imposed by section 5733.41 of the Revised Code on 3921
a qualifying pass-through entity. 3922

Sec. 5733.98. (A) To provide a uniform procedure for 3923
calculating the amount of tax imposed by section 5733.06 of the 3924
Revised Code that is due under this chapter, a taxpayer shall 3925
claim any credits to which it is entitled in the following order, 3926
except as otherwise provided in section 5733.058 of the Revised 3927
Code: 3928

(1) For tax year 2005, the credit for taxes paid by a 3929
qualifying pass-through entity allowed under section 5733.0611 of 3930
the Revised Code; 3931

(2) The credit allowed for financial institutions under 3932
section 5733.45 of the Revised Code; 3933

(3) The credit for qualifying affiliated groups under section 3934
5733.068 of the Revised Code; 3935

(4) The subsidiary corporation credit under section 5733.067 3936

of the Revised Code;	3937
(5) The savings and loan assessment credit under section 5733.063 of the Revised Code;	3938 3939
(6) The credit for recycling and litter prevention donations under section 5733.064 of the Revised Code;	3940 3941
(7) The credit for employers that enter into agreements with child day-care centers under section 5733.36 of the Revised Code;	3942 3943
(8) The credit for employers that reimburse employee child care expenses under section 5733.38 of the Revised Code;	3944 3945
(9) The credit for maintaining railroad active grade crossing warning devices under section 5733.43 of the Revised Code;	3946 3947
(10) The credit for purchases of lights and reflectors under section 5733.44 of the Revised Code;	3948 3949
(11) The nonrefundable job retention credit under division (B) of section 5733.0610 of the Revised Code;	3950 3951
(12) The credit for tax years 2008 and 2009 for selling alternative fuel under section 5733.48 of the Revised Code;	3952 3953
(13) The second credit for purchases of new manufacturing machinery and equipment under section 5733.33 of the Revised Code;	3954 3955
(14) <u>(13)</u> The job training credit under section 5733.42 of the Revised Code;	3956 3957
(15) <u>(14)</u> The credit for qualified research expenses under section 5733.351 of the Revised Code;	3958 3959
(16) <u>(15)</u> The enterprise zone credit under section 5709.66 of the Revised Code;	3960 3961
(17) <u>(16)</u> The credit for the eligible costs associated with a voluntary action under section 5733.34 of the Revised Code;	3962 3963
(18) <u>(17)</u> The credit for employers that establish on-site child day-care centers under section 5733.37 of the Revised Code;	3964 3965

(19) The ethanol plant investment credit under section 5733.46 of the Revised Code;	3966 3967
(20) <u>(18)</u> The credit for purchases of qualifying grape production property under section 5733.32 of the Revised Code;	3968 3969
(21) <u>(19)</u> The export sales credit under section 5733.069 of the Revised Code;	3970 3971
(22) <u>(20)</u> The credit for research and development and technology transfer investors under section 5733.35 of the Revised Code;	3972 3973 3974
(23) <u>(21)</u> The enterprise zone credits under section 5709.65 of the Revised Code;	3975 3976
(24) <u>(22)</u> The credit for using Ohio coal under section 5733.39 of the Revised Code;	3977 3978
(25) <u>(23)</u> The credit for purchases of qualified low-income community investments under section 5733.58 of the Revised Code;	3979 3980
(26) <u>(24)</u> The credit for small telephone companies under section 5733.57 of the Revised Code;	3981 3982
(27) <u>(25)</u> The credit for eligible nonrecurring 9-1-1 charges under section 5733.55 of the Revised Code;	3983 3984
(28) <u>(26)</u> For tax year 2005, the credit for providing programs to aid the communicatively impaired under division (A) of section 5733.56 of the Revised Code;	3985 3986 3987
(29) <u>(27)</u> The research and development credit under section 5733.352 of the Revised Code;	3988 3989
(30) <u>(28)</u> For tax years 2006 and subsequent tax years, the credit for taxes paid by a qualifying pass-through entity allowed under section 5733.0611 of the Revised Code;	3990 3991 3992
(31) <u>(29)</u> The refundable credit for rehabilitating a historic building under section 5733.47 of the Revised Code;	3993 3994

(32) (30) The refundable jobs creation credit or job retention credit under division (A) of section 5733.0610 of the Revised Code;	3995 3996 3997
(33) (31) The refundable credit for tax withheld under division (B)(2) of section 5747.062 of the Revised Code;	3998 3999
(34) (32) The refundable credit under section 5733.49 of the Revised Code for losses on loans made to the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code;	4000 4001 4002
(35) (33) For tax years 2006, 2007, and 2008, the refundable credit allowable under division (B) of section 5733.56 of the Revised Code;	4003 4004 4005
(36) (34) The refundable motion picture production credit under section 5733.59 of the Revised Code.	4006 4007
(B) For any credit except the refundable credits enumerated in this section, the amount of the credit for a tax year shall not exceed the tax due after allowing for any other credit that precedes it in the order required under this section. Any excess amount of a particular credit may be carried forward if authorized under the section creating that credit.	4008 4009 4010 4011 4012 4013
Sec. 5739.01. As used in this chapter:	4014
(A) "Person" includes individuals, receivers, assignees, trustees in bankruptcy, estates, firms, partnerships, associations, joint-stock companies, joint ventures, clubs, societies, corporations, the state and its political subdivisions, and combinations of individuals of any form.	4015 4016 4017 4018 4019
(B) "Sale" and "selling" include all of the following transactions for a consideration in any manner, whether absolutely or conditionally, whether for a price or rental, in money or by exchange, and by any means whatsoever:	4020 4021 4022 4023
(1) All transactions by which title or possession, or both,	4024

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

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

(3) All transactions by which:

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

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

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

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

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

person owns or controls the business operation of another member 4056
of the group. In the case of corporations with stock, one 4057
corporation owns or controls another if it owns more than fifty 4058
per cent of the other corporation's common stock with voting 4059
rights. 4060

(f) Telecommunications service, including prepaid calling 4061
service, prepaid wireless calling service, or ancillary service, 4062
is or is to be provided, but not including coin-operated telephone 4063
service; 4064

(g) Landscaping and lawn care service is or is to be 4065
provided; 4066

(h) Private investigation and security service is or is to be 4067
provided; 4068

(i) Information services or tangible personal property is 4069
provided or ordered by means of a nine hundred telephone call; 4070

(j) Building maintenance and janitorial service is or is to 4071
be provided; 4072

(k) Employment service is or is to be provided; 4073

(l) Employment placement service is or is to be provided; 4074

(m) Exterminating service is or is to be provided; 4075

(n) Physical fitness facility service is or is to be 4076
provided; 4077

(o) Recreation and sports club service is or is to be 4078
provided; 4079

(p) On and after August 1, 2003, satellite broadcasting 4080
service is or is to be provided; 4081

(q) On and after August 1, 2003, personal care service is or 4082
is to be provided to an individual. As used in this division, 4083
"personal care service" includes skin care, the application of 4084

cosmetics, manicuring, pedicuring, hair removal, tattooing, body 4085
piercing, tanning, massage, and other similar services. "Personal 4086
care service" does not include a service provided by or on the 4087
order of a licensed physician or licensed chiropractor, or the 4088
cutting, coloring, or styling of an individual's hair. 4089

(r) On and after August 1, 2003, the transportation of 4090
persons by motor vehicle or aircraft is or is to be provided, when 4091
the transportation is entirely within this state, except for 4092
transportation provided by an ambulance service, by a transit bus, 4093
as defined in section 5735.01 of the Revised Code, and 4094
transportation provided by a citizen of the United States holding 4095
a certificate of public convenience and necessity issued under 49 4096
U.S.C. 41102; 4097

(s) On and after August 1, 2003, motor vehicle towing service 4098
is or is to be provided. As used in this division, "motor vehicle 4099
towing service" means the towing or conveyance of a wrecked, 4100
disabled, or illegally parked motor vehicle. 4101

(t) On and after August 1, 2003, snow removal service is or 4102
is to be provided. As used in this division, "snow removal 4103
service" means the removal of snow by any mechanized means, but 4104
does not include the providing of such service by a person that 4105
has less than five thousand dollars in sales of such service 4106
during the calendar year. 4107

(u) Electronic publishing service is or is to be provided to 4108
a consumer for use in business, except that such transactions 4109
occurring between members of an affiliated group, as defined in 4110
division (B)(3)(e) of this section, are not sales. 4111

(4) All transactions by which printed, imprinted, 4112
overprinted, lithographic, multilithic, blueprinted, photostatic, 4113
or other productions or reproductions of written or graphic matter 4114
are or are to be furnished or transferred; 4115

(5) The production or fabrication of tangible personal 4116
property for a consideration for consumers who furnish either 4117
directly or indirectly the materials used in the production of 4118
fabrication work; and include the furnishing, preparing, or 4119
serving for a consideration of any tangible personal property 4120
consumed on the premises of the person furnishing, preparing, or 4121
serving such tangible personal property. Except as provided in 4122
section 5739.03 of the Revised Code, a construction contract 4123
pursuant to which tangible personal property is or is to be 4124
incorporated into a structure or improvement on and becoming a 4125
part of real property is not a sale of such tangible personal 4126
property. The construction contractor is the consumer of such 4127
tangible personal property, provided that the sale and 4128
installation of carpeting, ~~the sale and installation of~~ 4129
~~agricultural land tile, the sale and erection or installation of~~ 4130
~~portable grain bins,~~ or the provision of landscaping and lawn care 4131
service and the transfer of property as part of such service is 4132
never a construction contract. 4133

~~As used in division (B)(5) of this section:~~ 4134

~~(a) "Agricultural land tile" means fired clay or concrete 4135
tile, or flexible or rigid perforated plastic pipe or tubing, 4136
incorporated or to be incorporated into a subsurface drainage 4137
system appurtenant to land used or to be used primarily in 4138
production by farming, agriculture, horticulture, or floriculture. 4139
The term does not include such materials when they are or are to 4140
be incorporated into a drainage system appurtenant to a building 4141
or structure even if the building or structure is used or to be 4142
used in such production. 4143~~

~~(b) "Portable grain bin" means a structure that is used or to 4144
be used by a person engaged in farming or agriculture to shelter 4145
the person's grain and that is designed to be disassembled without 4146
significant damage to its component parts. 4147~~

(6) All transactions in which all of the shares of stock of a 4148
closely held corporation are transferred, or an ownership interest 4149
in a pass-through entity, as defined in section 5733.04 of the 4150
Revised Code, is transferred, if the corporation or pass-through 4151
entity is not engaging in business and its entire assets consist 4152
of boats, planes, motor vehicles, or other tangible personal 4153
property operated primarily for the use and enjoyment of the 4154
shareholders or owners; 4155

(7) All transactions in which a warranty, maintenance or 4156
service contract, or similar agreement by which the vendor of the 4157
warranty, contract, or agreement agrees to repair or maintain the 4158
tangible personal property of the consumer is or is to be 4159
provided; 4160

(8) The transfer of copyrighted motion picture films ~~used~~ 4161
~~solely for advertising purposes, except that the transfer of such~~ 4162
~~films for exhibition purposes is not a sale;~~ 4163

(9) On and after August 1, 2003, all transactions by which 4164
tangible personal property is or is to be stored, except such 4165
property that the consumer of the storage holds for sale in the 4166
regular course of business; 4167

(10) All transactions in which "guaranteed auto protection" 4168
is provided whereby a person promises to pay to the consumer the 4169
difference between the amount the consumer receives from motor 4170
vehicle insurance and the amount the consumer owes to a person 4171
holding title to or a lien on the consumer's motor vehicle in the 4172
event the consumer's motor vehicle suffers a total loss under the 4173
terms of the motor vehicle insurance policy or is stolen and not 4174
recovered, if the protection and its price are included in the 4175
purchase or lease agreement; 4176

(11)(a) Except as provided in division (B)(11)(b) of this 4177
section, on and after October 1, 2009, all transactions by which 4178

health care services are paid for, reimbursed, provided, 4179
delivered, arranged for, or otherwise made available by a medicaid 4180
health insuring corporation pursuant to the corporation's contract 4181
with the state. 4182

(b) If the centers for medicare and medicaid services of the 4183
United States department of health and human services determines 4184
that the taxation of transactions described in division (B)(11)(a) 4185
of this section constitutes an impermissible health care-related 4186
tax under section 1903(w) of the "Social Security Act," 49 Stat. 4187
620 (1935), 42 U.S.C. 1396b(w), as amended, and regulations 4188
adopted thereunder, the director of job and family services shall 4189
notify the tax commissioner of that determination. Beginning with 4190
the first day of the month following that notification, the 4191
transactions described in division (B)(11)(a) of this section are 4192
not sales for the purposes of this chapter or Chapter 5741. of the 4193
Revised Code. The tax commissioner shall order that the collection 4194
of taxes under sections 5739.02, 5739.021, 5739.023, 5739.026, 4195
5741.02, 5741.021, 5741.022, and 5741.023 of the Revised Code 4196
shall cease for transactions occurring on or after that date. 4197

Except as provided in this section, "sale" and "selling" do 4198
not include transfers of interest in leased property where the 4199
original lessee and the terms of the original lease agreement 4200
remain unchanged, or professional, insurance, or personal service 4201
transactions that involve the transfer of tangible personal 4202
property as an inconsequential element, for which no separate 4203
charges are made. 4204

(C) "Vendor" means the person providing the service or by 4205
whom the transfer effected or license given by a sale is or is to 4206
be made or given and, for sales described in division (B)(3)(i) of 4207
this section, the telecommunications service vendor that provides 4208
the nine hundred telephone service; if two or more persons are 4209
engaged in business at the same place of business under a single 4210

trade name in which all collections on account of sales by each 4211
are made, such persons shall constitute a single vendor. 4212

Physicians, dentists, hospitals, and veterinarians who are 4213
engaged in selling tangible personal property as received from 4214
others, such as eyeglasses, mouthwashes, dentifrices, or similar 4215
articles, are vendors. Veterinarians who are engaged in 4216
transferring to others for a consideration drugs, the dispensing 4217
of which does not require an order of a licensed veterinarian or 4218
physician under federal law, are vendors. 4219

(D)(1) "Consumer" means the person for whom the service is 4220
provided, to whom the transfer effected or license given by a sale 4221
is or is to be made or given, to whom the service described in 4222
division (B)(3)(f) or (i) of this section is charged, or to whom 4223
the admission is granted. 4224

(2) Physicians, dentists, hospitals, and blood banks operated 4225
by nonprofit institutions and persons licensed to practice 4226
veterinary medicine, surgery, and dentistry are consumers of all 4227
tangible personal property and services purchased by them in 4228
connection with the practice of medicine, dentistry, the rendition 4229
of hospital or blood bank service, or the practice of veterinary 4230
medicine, surgery, and dentistry. In addition to being consumers 4231
of drugs administered by them or by their assistants according to 4232
their direction, veterinarians also are consumers of drugs that 4233
under federal law may be dispensed only by or upon the order of a 4234
licensed veterinarian or physician, when transferred by them to 4235
others for a consideration to provide treatment to animals as 4236
directed by the veterinarian. 4237

(3) A person who performs a facility management, or similar 4238
service contract for a contractee is a consumer of all tangible 4239
personal property and services purchased for use in connection 4240
with the performance of such contract, regardless of whether title 4241
to any such property vests in the contractee. The purchase of such 4242

property and services is not subject to the exception for resale 4243
under division (E)(1) of this section. 4244

(4)(a) In the case of a person who purchases printed matter 4245
for the purpose of distributing it or having it distributed to the 4246
public or to a designated segment of the public, free of charge, 4247
that person is the consumer of that printed matter, and the 4248
purchase of that printed matter for that purpose is a sale. 4249

(b) In the case of a person who produces, rather than 4250
purchases, printed matter for the purpose of distributing it or 4251
having it distributed to the public or to a designated segment of 4252
the public, free of charge, that person is the consumer of all 4253
tangible personal property and services purchased for use or 4254
consumption in the production of that printed matter. That person 4255
is not entitled to claim exemption under division (B)(42)(f) of 4256
section 5739.02 of the Revised Code for any material incorporated 4257
into the printed matter or any equipment, supplies, or services 4258
primarily used to produce the printed matter. 4259

(c) The distribution of printed matter to the public or to a 4260
designated segment of the public, free of charge, is not a sale to 4261
the members of the public to whom the printed matter is 4262
distributed or to any persons who purchase space in the printed 4263
matter for advertising or other purposes. 4264

(5) A person who makes sales of any of the services listed in 4265
division (B)(3) of this section is the consumer of any tangible 4266
personal property used in performing the service. The purchase of 4267
that property is not subject to the resale exception under 4268
division (E)(1) of this section. 4269

(6) A person who engages in highway transportation for hire 4270
is the consumer of all packaging materials purchased by that 4271
person and used in performing the service, except for packaging 4272
materials sold by such person in a transaction separate from the 4273

service. 4274

(7) In the case of a transaction for health care services 4275
under division (B)(11) of this section, a medicaid health insuring 4276
corporation is the consumer of such services. The purchase of such 4277
services by a medicaid health insuring corporation is not subject 4278
to the exception for resale under division (E)(1) of this section 4279
or to the exemptions provided under divisions (B)(12), (18), (19), 4280
and (22) of section 5739.02 of the Revised Code. 4281

(E) "Retail sale" and "sales at retail" include all sales, 4282
except those in which the purpose of the consumer is to resell the 4283
thing transferred or benefit of the service provided, by a person 4284
engaging in business, in the form in which the same is, or is to 4285
be, received by the person. 4286

(F) "Business" includes any activity engaged in by any person 4287
with the object of gain, benefit, or advantage, either direct or 4288
indirect. "Business" does not include the activity of a person in 4289
managing and investing the person's own funds. 4290

(G) "Engaging in business" means commencing, conducting, or 4291
continuing in business, and liquidating a business when the 4292
liquidator thereof holds itself out to the public as conducting 4293
such business. Making a casual sale is not engaging in business. 4294

(H)(1)(a) "Price," except as provided in divisions (H)(2), 4295
(3), and (4) of this section, means the total amount of 4296
consideration, including cash, credit, property, and services, for 4297
which tangible personal property or services are sold, leased, or 4298
rented, valued in money, whether received in money or otherwise, 4299
without any deduction for any of the following: 4300

(i) The vendor's cost of the property sold; 4301

(ii) The cost of materials used, labor or service costs, 4302
interest, losses, all costs of transportation to the vendor, all 4303
taxes imposed on the vendor, including the tax imposed under 4304

Chapter 5751. of the Revised Code, and any other expense of the	4305
vendor;	4306
(iii) Charges by the vendor for any services necessary to	4307
complete the sale;	4308
(iv) On and after August 1, 2003, delivery charges. As used	4309
in this division, "delivery charges" means charges by the vendor	4310
for preparation and delivery to a location designated by the	4311
consumer of tangible personal property or a service, including	4312
transportation, shipping, postage, handling, crating, and packing.	4313
(v) Installation charges;	4314
(vi) Credit for any trade-in.	4315
(b) "Price" includes consideration received by the vendor	4316
from a third party, if the vendor actually receives the	4317
consideration from a party other than the consumer, and the	4318
consideration is directly related to a price reduction or discount	4319
on the sale; the vendor has an obligation to pass the price	4320
reduction or discount through to the consumer; the amount of the	4321
consideration attributable to the sale is fixed and determinable	4322
by the vendor at the time of the sale of the item to the consumer;	4323
and one of the following criteria is met:	4324
(i) The consumer presents a coupon, certificate, or other	4325
document to the vendor to claim a price reduction or discount	4326
where the coupon, certificate, or document is authorized,	4327
distributed, or granted by a third party with the understanding	4328
that the third party will reimburse any vendor to whom the coupon,	4329
certificate, or document is presented;	4330
(ii) The consumer identifies the consumer's self to the	4331
seller as a member of a group or organization entitled to a price	4332
reduction or discount. A preferred customer card that is available	4333
to any patron does not constitute membership in such a group or	4334
organization.	4335

(iii) The price reduction or discount is identified as a 4336
third party price reduction or discount on the invoice received by 4337
the consumer, or on a coupon, certificate, or other document 4338
presented by the consumer. 4339

(c) "Price" does not include any of the following: 4340

(i) Discounts, including cash, term, or coupons that are not 4341
reimbursed by a third party that are allowed by a vendor and taken 4342
by a consumer on a sale; 4343

(ii) Interest, financing, and carrying charges from credit 4344
extended on the sale of tangible personal property or services, if 4345
the amount is separately stated on the invoice, bill of sale, or 4346
similar document given to the purchaser; 4347

(iii) Any taxes legally imposed directly on the consumer that 4348
are separately stated on the invoice, bill of sale, or similar 4349
document given to the consumer. For the purpose of this division, 4350
the tax imposed under Chapter 5751. of the Revised Code is not a 4351
tax directly on the consumer, even if the tax or a portion thereof 4352
is separately stated. 4353

(iv) Notwithstanding divisions (H)(1)(b)(i) to (iii) of this 4354
section, any discount allowed by an automobile manufacturer to its 4355
employee, or to the employee of a supplier, on the purchase of a 4356
new motor vehicle from a new motor vehicle dealer in this state. 4357

(v) The dollar value of a gift card that is not sold by a 4358
vendor or purchased by a consumer and that is redeemed by the 4359
consumer in purchasing tangible personal property or services if 4360
the vendor is not reimbursed and does not receive compensation 4361
from a third party to cover all or part of the gift card value. 4362
For the purposes of this division, a gift card is not sold by a 4363
vendor or purchased by a consumer if it is distributed pursuant to 4364
an awards, loyalty, or promotional program. Past and present 4365
purchases of tangible personal property or services by the 4366

consumer shall not be treated as consideration exchanged for a 4367
gift card. 4368

(2) In the case of a sale of any new motor vehicle by a new 4369
motor vehicle dealer, as defined in section 4517.01 of the Revised 4370
Code, in which another motor vehicle is accepted by the dealer as 4371
part of the consideration received, "price" has the same meaning 4372
as in division (H)(1) of this section, reduced by the credit 4373
afforded the consumer by the dealer for the motor vehicle received 4374
in trade. 4375

(3) In the case of a sale of any watercraft or outboard motor 4376
by a watercraft dealer licensed in accordance with section 4377
1547.543 of the Revised Code, in which another watercraft, 4378
watercraft and trailer, or outboard motor is accepted by the 4379
dealer as part of the consideration received, "price" has the same 4380
meaning as in division (H)(1) of this section, reduced by the 4381
credit afforded the consumer by the dealer for the watercraft, 4382
watercraft and trailer, or outboard motor received in trade. As 4383
used in this division, "watercraft" includes an outdrive unit 4384
attached to the watercraft. 4385

(4) In the case of transactions for health care services 4386
under division (B)(11) of this section, "price" means the amount 4387
of managed care premiums received each month by a medicaid health 4388
insuring corporation. 4389

(I) "Receipts" means the total amount of the prices of the 4390
sales of vendors, provided that the dollar value of gift cards 4391
distributed pursuant to an awards, loyalty, or promotional 4392
program, and cash discounts allowed and taken on sales at the time 4393
they are consummated are not included, minus any amount deducted 4394
as a bad debt pursuant to section 5739.121 of the Revised Code. 4395
"Receipts" does not include the sale price of property returned or 4396
services rejected by consumers when the full sale price and tax 4397
are refunded either in cash or by credit. 4398

(J) "Place of business" means any location at which a person 4399
engages in business. 4400

(K) "Premises" includes any real property or portion thereof 4401
upon which any person engages in selling tangible personal 4402
property at retail or making retail sales and also includes any 4403
real property or portion thereof designated for, or devoted to, 4404
use in conjunction with the business engaged in by such person. 4405

(L) "Casual sale" means a sale of an item of tangible 4406
personal property that was obtained by the person making the sale, 4407
through purchase or otherwise, for the person's own use and was 4408
previously subject to any state's taxing jurisdiction on its sale 4409
or use, and includes such items acquired for the seller's use that 4410
are sold by an auctioneer employed directly by the person for such 4411
purpose, provided the location of such sales is not the 4412
auctioneer's permanent place of business. As used in this 4413
division, "permanent place of business" includes any location 4414
where such auctioneer has conducted more than two auctions during 4415
the year. 4416

(M) "Hotel" means every establishment kept, used, maintained, 4417
advertised, or held out to the public to be a place where sleeping 4418
accommodations are offered to guests, in which five or more rooms 4419
are used for the accommodation of such guests, whether the rooms 4420
are in one or several structures, except as otherwise provided in 4421
division (G) of section 5739.09 of the Revised Code. 4422

(N) "Transient guests" means persons occupying a room or 4423
rooms for sleeping accommodations for less than thirty consecutive 4424
days. 4425

(O) "Making retail sales" means the effecting of transactions 4426
wherein one party is obligated to pay the price and the other 4427
party is obligated to provide a service or to transfer title to or 4428
possession of the item sold. "Making retail sales" does not 4429

include the preliminary acts of promoting or soliciting the retail 4430
sales, other than the distribution of printed matter which 4431
displays or describes and prices the item offered for sale, nor 4432
does it include delivery of a predetermined quantity of tangible 4433
personal property or transportation of property or personnel to or 4434
from a place where a service is performed. 4435

(P) "Used directly in the rendition of a public utility 4436
service" means that property that is to be incorporated into and 4437
will become a part of the consumer's production, transmission, 4438
transportation, or distribution system and that retains its 4439
classification as tangible personal property after such 4440
incorporation; fuel or power used in the production, transmission, 4441
transportation, or distribution system; and tangible personal 4442
property used in the repair and maintenance of the production, 4443
transmission, transportation, or distribution system, including 4444
only such motor vehicles as are specially designed and equipped 4445
for such use. Tangible personal property and services used 4446
primarily in providing highway transportation for hire are not 4447
used directly in the rendition of a public utility service. In 4448
this definition, "public utility" includes a citizen of the United 4449
States holding, and required to hold, a certificate of public 4450
convenience and necessity issued under 49 U.S.C. 41102. 4451

(Q) "Refining" means removing or separating a desirable 4452
product from raw or contaminated materials by distillation or 4453
physical, mechanical, or chemical processes. 4454

(R) "Assembly" and "assembling" mean attaching or fitting 4455
together parts to form a product, but do not include packaging a 4456
product. 4457

(S) "Manufacturing operation" means a process in which 4458
materials are changed, converted, or transformed into a different 4459
state or form from which they previously existed and includes 4460
refining materials, assembling parts, and preparing raw materials 4461

and parts by mixing, measuring, blending, or otherwise committing 4462
such materials or parts to the manufacturing process. 4463

"Manufacturing operation" does not include packaging. 4464

(T) "Fiscal officer" means, with respect to a regional 4465
transit authority, the secretary-treasurer thereof, and with 4466
respect to a county that is a transit authority, the fiscal 4467
officer of the county transit board if one is appointed pursuant 4468
to section 306.03 of the Revised Code or the county auditor if the 4469
board of county commissioners operates the county transit system. 4470

(U) "Transit authority" means a regional transit authority 4471
created pursuant to section 306.31 of the Revised Code or a county 4472
in which a county transit system is created pursuant to section 4473
306.01 of the Revised Code. For the purposes of this chapter, a 4474
transit authority must extend to at least the entire area of a 4475
single county. A transit authority that includes territory in more 4476
than one county must include all the area of the most populous 4477
county that is a part of such transit authority. County population 4478
shall be measured by the most recent census taken by the United 4479
States census bureau. 4480

(V) "Legislative authority" means, with respect to a regional 4481
transit authority, the board of trustees thereof, and with respect 4482
to a county that is a transit authority, the board of county 4483
commissioners. 4484

(W) "Territory of the transit authority" means all of the 4485
area included within the territorial boundaries of a transit 4486
authority as they from time to time exist. Such territorial 4487
boundaries must at all times include all the area of a single 4488
county or all the area of the most populous county that is a part 4489
of such transit authority. County population shall be measured by 4490
the most recent census taken by the United States census bureau. 4491

(X) "Providing a service" means providing or furnishing 4492

anything described in division (B)(3) of this section for 4493
consideration. 4494

(Y)(1)(a) "Automatic data processing" means processing of 4495
others' data, including keypunching or similar data entry services 4496
together with verification thereof, or providing access to 4497
computer equipment for the purpose of processing data. 4498

(b) "Computer services" means providing services consisting 4499
of specifying computer hardware configurations and evaluating 4500
technical processing characteristics, computer programming, and 4501
training of computer programmers and operators, provided in 4502
conjunction with and to support the sale, lease, or operation of 4503
taxable computer equipment or systems. 4504

(c) "Electronic information services" means providing access 4505
to computer equipment by means of telecommunications equipment for 4506
the purpose of either of the following: 4507

(i) Examining or acquiring data stored in or accessible to 4508
the computer equipment; 4509

(ii) Placing data into the computer equipment to be retrieved 4510
by designated recipients with access to the computer equipment. 4511

For transactions occurring on or after the effective date of 4512
the amendment of this section by H.B. 157 of the 127th general 4513
assembly, December 21, 2007, "electronic information services" 4514
does not include electronic publishing as defined in division 4515
(LLL) of this section. 4516

(d) "Automatic data processing, computer services, or 4517
electronic information services" shall not include personal or 4518
professional services. 4519

(2) As used in divisions (B)(3)(e) and (Y)(1) of this 4520
section, "personal and professional services" means all services 4521
other than automatic data processing, computer services, or 4522

electronic information services, including but not limited to:	4523
(a) Accounting and legal services such as advice on tax matters, asset management, budgetary matters, quality control, information security, and auditing and any other situation where the service provider receives data or information and studies, alters, analyzes, interprets, or adjusts such material;	4524 4525 4526 4527 4528
(b) Analyzing business policies and procedures;	4529
(c) Identifying management information needs;	4530
(d) Feasibility studies, including economic and technical analysis of existing or potential computer hardware or software needs and alternatives;	4531 4532 4533
(e) Designing policies, procedures, and custom software for collecting business information, and determining how data should be summarized, sequenced, formatted, processed, controlled, and reported so that it will be meaningful to management;	4534 4535 4536 4537
(f) Developing policies and procedures that document how business events and transactions are to be authorized, executed, and controlled;	4538 4539 4540
(g) Testing of business procedures;	4541
(h) Training personnel in business procedure applications;	4542
(i) Providing credit information to users of such information by a consumer reporting agency, as defined in the "Fair Credit Reporting Act," 84 Stat. 1114, 1129 (1970), 15 U.S.C. 1681a(f), or as hereafter amended, including but not limited to gathering, organizing, analyzing, recording, and furnishing such information by any oral, written, graphic, or electronic medium;	4543 4544 4545 4546 4547 4548
(j) Providing debt collection services by any oral, written, graphic, or electronic means.	4549 4550
The services listed in divisions (Y)(2)(a) to (j) of this section are not automatic data processing or computer services.	4551 4552

(Z) "Highway transportation for hire" means the 4553
transportation of personal property belonging to others for 4554
consideration by any of the following: 4555

(1) The holder of a permit or certificate issued by this 4556
state or the United States authorizing the holder to engage in 4557
transportation of personal property belonging to others for 4558
consideration over or on highways, roadways, streets, or any 4559
similar public thoroughfare; 4560

(2) A person who engages in the transportation of personal 4561
property belonging to others for consideration over or on 4562
highways, roadways, streets, or any similar public thoroughfare 4563
but who could not have engaged in such transportation on December 4564
11, 1985, unless the person was the holder of a permit or 4565
certificate of the types described in division (Z)(1) of this 4566
section; 4567

(3) A person who leases a motor vehicle to and operates it 4568
for a person described by division (Z)(1) or (2) of this section. 4569

(AA)(1) "Telecommunications service" means the electronic 4570
transmission, conveyance, or routing of voice, data, audio, video, 4571
or any other information or signals to a point, or between or 4572
among points. "Telecommunications service" includes such 4573
transmission, conveyance, or routing in which computer processing 4574
applications are used to act on the form, code, or protocol of the 4575
content for purposes of transmission, conveyance, or routing 4576
without regard to whether the service is referred to as voice-over 4577
internet protocol service or is classified by the federal 4578
communications commission as enhanced or value-added. 4579
"Telecommunications service" does not include any of the 4580
following: 4581

(a) Data processing and information services that allow data 4582
to be generated, acquired, stored, processed, or retrieved and 4583

delivered by an electronic transmission to a consumer where the 4584
consumer's primary purpose for the underlying transaction is the 4585
processed data or information; 4586

(b) Installation or maintenance of wiring or equipment on a 4587
customer's premises; 4588

(c) Tangible personal property; 4589

(d) Advertising, including directory advertising; 4590

(e) Billing and collection services provided to third 4591
parties; 4592

(f) Internet access service; 4593

(g) Radio and television audio and video programming 4594
services, regardless of the medium, including the furnishing of 4595
transmission, conveyance, and routing of such services by the 4596
programming service provider. Radio and television audio and video 4597
programming services include, but are not limited to, cable 4598
service, as defined in 47 U.S.C. 522(6), and audio and video 4599
programming services delivered by commercial mobile radio service 4600
providers, as defined in 47 C.F.R. 20.3; 4601

(h) Ancillary service; 4602

(i) Digital products delivered electronically, including 4603
software, music, video, reading materials, or ring tones. 4604

(2) "Ancillary service" means a service that is associated 4605
with or incidental to the provision of telecommunications service, 4606
including conference bridging service, detailed telecommunications 4607
billing service, directory assistance, vertical service, and voice 4608
mail service. As used in this division: 4609

(a) "Conference bridging service" means an ancillary service 4610
that links two or more participants of an audio or video 4611
conference call, including providing a telephone number. 4612
"Conference bridging service" does not include telecommunications 4613

services used to reach the conference bridge. 4614

(b) "Detailed telecommunications billing service" means an 4615
ancillary service of separately stating information pertaining to 4616
individual calls on a customer's billing statement. 4617

(c) "Directory assistance" means an ancillary service of 4618
providing telephone number or address information. 4619

(d) "Vertical service" means an ancillary service that is 4620
offered in connection with one or more telecommunications 4621
services, which offers advanced calling features that allow 4622
customers to identify callers and manage multiple calls and call 4623
connections, including conference bridging service. 4624

(e) "Voice mail service" means an ancillary service that 4625
enables the customer to store, send, or receive recorded messages. 4626
"Voice mail service" does not include any vertical services that 4627
the customer may be required to have in order to utilize the voice 4628
mail service. 4629

(3) "900 service" means an inbound toll telecommunications 4630
service purchased by a subscriber that allows the subscriber's 4631
customers to call in to the subscriber's prerecorded announcement 4632
or live service, and which is typically marketed under the name 4633
"900^u service" and any subsequent numbers designated by the 4634
federal communications commission. "900 service" does not include 4635
the charge for collection services provided by the seller of the 4636
telecommunications service to the subscriber, or services or 4637
products sold by the subscriber to the subscriber's customer. 4638

(4) "Prepaid calling service" means the right to access 4639
exclusively telecommunications services, which must be paid for in 4640
advance and which enables the origination of calls using an access 4641
number or authorization code, whether manually or electronically 4642
dialed, and that is sold in predetermined units or dollars of 4643
which the number declines with use in a known amount. 4644

(5) "Prepaid wireless calling service" means a 4645
telecommunications service that provides the right to utilize 4646
mobile telecommunications service as well as other 4647
non-telecommunications services, including the download of digital 4648
products delivered electronically, and content and ancillary 4649
services, that must be paid for in advance and that is sold in 4650
predetermined units or dollars of which the number declines with 4651
use in a known amount. 4652

(6) "Value-added non-voice data service" means a 4653
telecommunications service in which computer processing 4654
applications are used to act on the form, content, code, or 4655
protocol of the information or data primarily for a purpose other 4656
than transmission, conveyance, or routing. 4657

(7) "Coin-operated telephone service" means a 4658
telecommunications service paid for by inserting money into a 4659
telephone accepting direct deposits of money to operate. 4660

(8) "Customer" has the same meaning as in section 5739.034 of 4661
the Revised Code. 4662

(BB) "Laundry and dry cleaning services" means removing soil 4663
or dirt from towels, linens, articles of clothing, or other fabric 4664
items that belong to others and supplying towels, linens, articles 4665
of clothing, or other fabric items. "Laundry and dry cleaning 4666
services" does not include the provision of self-service 4667
facilities for use by consumers to remove soil or dirt from 4668
towels, linens, articles of clothing, or other fabric items. 4669

(CC) "Magazines distributed as controlled circulation 4670
publications" means magazines containing at least twenty-four 4671
pages, at least twenty-five per cent editorial content, issued at 4672
regular intervals four or more times a year, and circulated 4673
without charge to the recipient, provided that such magazines are 4674
not owned or controlled by individuals or business concerns which 4675

conduct such publications as an auxiliary to, and essentially for 4676
the advancement of the main business or calling of, those who own 4677
or control them. 4678

(DD) "Landscaping and lawn care service" means the services 4679
of planting, seeding, sodding, removing, cutting, trimming, 4680
pruning, mulching, aerating, applying chemicals, watering, 4681
fertilizing, and providing similar services to establish, promote, 4682
or control the growth of trees, shrubs, flowers, grass, ground 4683
cover, and other flora, or otherwise maintaining a lawn or 4684
landscape grown or maintained by the owner for ornamentation or 4685
other nonagricultural purpose. However, "landscaping and lawn care 4686
service" does not include the providing of such services by a 4687
person who has less than five thousand dollars in sales of such 4688
services during the calendar year. 4689

(EE) "Private investigation and security service" means the 4690
performance of any activity for which the provider of such service 4691
is required to be licensed pursuant to Chapter 4749. of the 4692
Revised Code, or would be required to be so licensed in performing 4693
such services in this state, and also includes the services of 4694
conducting polygraph examinations and of monitoring or overseeing 4695
the activities on or in, or the condition of, the consumer's home, 4696
business, or other facility by means of electronic or similar 4697
monitoring devices. "Private investigation and security service" 4698
does not include special duty services provided by off-duty police 4699
officers, deputy sheriffs, and other peace officers regularly 4700
employed by the state or a political subdivision. 4701

(FF) "Information services" means providing conversation, 4702
giving consultation or advice, playing or making a voice or other 4703
recording, making or keeping a record of the number of callers, 4704
and any other service provided to a consumer by means of a nine 4705
hundred telephone call, except when the nine hundred telephone 4706
call is the means by which the consumer makes a contribution to a 4707

recognized charity. 4708

(GG) "Research and development" means designing, creating, or 4709
formulating new or enhanced products, equipment, or manufacturing 4710
processes, and also means conducting scientific or technological 4711
inquiry and experimentation in the physical sciences with the goal 4712
of increasing scientific knowledge which may reveal the bases for 4713
new or enhanced products, equipment, or manufacturing processes. 4714

(HH) "Qualified research and development equipment" means 4715
capitalized tangible personal property, and leased personal 4716
property that would be capitalized if purchased, used by a person 4717
primarily to perform research and development. Tangible personal 4718
property primarily used in testing, as defined in division (A)(4) 4719
of section 5739.011 of the Revised Code, or used for recording or 4720
storing test results, is not qualified research and development 4721
equipment unless such property is primarily used by the consumer 4722
in testing the product, equipment, or manufacturing process being 4723
created, designed, or formulated by the consumer in the research 4724
and development activity or in recording or storing such test 4725
results. 4726

(II) "Building maintenance and janitorial service" means 4727
cleaning the interior or exterior of a building and any tangible 4728
personal property located therein or thereon, including any 4729
services incidental to such cleaning for which no separate charge 4730
is made. However, "building maintenance and janitorial service" 4731
does not include the providing of such service by a person who has 4732
less than five thousand dollars in sales of such service during 4733
the calendar year. 4734

(JJ) "Employment service" means providing or supplying 4735
personnel, on a temporary or long-term basis, to perform work or 4736
labor under the supervision or control of another, when the 4737
personnel so provided or supplied receive their wages, salary, or 4738
other compensation from the provider or supplier of the employment 4739

service or from a third party that provided or supplied the 4740
personnel to the provider or supplier. "Employment service" does 4741
not include: 4742

(1) Acting as a contractor or subcontractor, where the 4743
personnel performing the work are not under the direct control of 4744
the purchaser. 4745

(2) Medical and health care services. 4746

(3) Supplying personnel to a purchaser pursuant to a contract 4747
of at least one year between the service provider and the 4748
purchaser that specifies that each employee covered under the 4749
contract is assigned to the purchaser on a permanent basis. 4750

(4) Transactions between members of an affiliated group, as 4751
defined in division (B)(3)(e) of this section. 4752

(5) Transactions where the personnel so provided or supplied 4753
by a provider or supplier to a purchaser of an employment service 4754
are then provided or supplied by that purchaser to a third party 4755
as an employment service, except "employment service" does include 4756
the transaction between that purchaser and the third party. 4757

(KK) "Employment placement service" means locating or finding 4758
employment for a person or finding or locating an employee to fill 4759
an available position. 4760

(LL) "Exterminating service" means eradicating or attempting 4761
to eradicate vermin infestations from a building or structure, or 4762
the area surrounding a building or structure, and includes 4763
activities to inspect, detect, or prevent vermin infestation of a 4764
building or structure. 4765

(MM) "Physical fitness facility service" means all 4766
transactions by which a membership is granted, maintained, or 4767
renewed, including initiation fees, membership dues, renewal fees, 4768
monthly minimum fees, and other similar fees and dues, by a 4769

physical fitness facility such as an athletic club, health spa, or 4770
gymnasium, which entitles the member to use the facility for 4771
physical exercise. 4772

(NN) "Recreation and sports club service" means all 4773
transactions by which a membership is granted, maintained, or 4774
renewed, including initiation fees, membership dues, renewal fees, 4775
monthly minimum fees, and other similar fees and dues, by a 4776
recreation and sports club, which entitles the member to use the 4777
facilities of the organization. "Recreation and sports club" means 4778
an organization that has ownership of, or controls or leases on a 4779
continuing, long-term basis, the facilities used by its members 4780
and includes an aviation club, gun or shooting club, yacht club, 4781
card club, swimming club, tennis club, golf club, country club, 4782
riding club, amateur sports club, or similar organization. 4783

(OO) "Livestock" means farm animals commonly raised for food, 4784
food production, or other agricultural purposes, including, but 4785
not limited to, cattle, sheep, goats, swine, poultry, and captive 4786
deer. "Livestock" does not include invertebrates, amphibians, 4787
reptiles, domestic pets, animals for use in laboratories or for 4788
exhibition, or other animals not commonly raised for food or food 4789
production. 4790

(PP) "Livestock structure" means a building or structure used 4791
exclusively for the housing, raising, feeding, or sheltering of 4792
livestock, and includes feed storage or handling structures and 4793
structures for livestock waste handling. 4794

(QQ) "Horticulture" means the growing, cultivation, and 4795
production of flowers, fruits, herbs, vegetables, sod, mushrooms, 4796
and nursery stock. As used in this division, "nursery stock" has 4797
the same meaning as in section 927.51 of the Revised Code. 4798

(RR) "Horticulture structure" means a building or structure 4799
used exclusively for the commercial growing, raising, or 4800

overwintering of horticultural products, and includes the area 4801
used for stocking, storing, and packing horticultural products 4802
when done in conjunction with the production of those products. 4803

(SS) "Newspaper" means an unbound publication bearing a title 4804
or name that is regularly published, at least as frequently as 4805
biweekly, and distributed from a fixed place of business to the 4806
public in a specific geographic area, and that contains a 4807
substantial amount of news matter of international, national, or 4808
local events of interest to the general public. 4809

~~(TT) "Professional racing team" means a person that employs 4810
at least twenty full-time employees for the purpose of conducting 4811
a motor vehicle racing business for profit. The person must 4812
conduct the business with the purpose of racing one or more motor 4813
racing vehicles in at least ten competitive professional racing 4814
events each year that comprise all or part of a motor racing 4815
series sanctioned by one or more motor racing sanctioning 4816
organizations. A "motor racing vehicle" means a vehicle for which 4817
the chassis, engine, and parts are designed exclusively for motor 4818
racing, and does not include a stock or production model vehicle 4819
that may be modified for use in racing. For the purposes of this 4820
division:~~ 4821

~~(1) A "competitive professional racing event" is a motor 4822
vehicle racing event sanctioned by one or more motor racing 4823
sanctioning organizations, at which aggregate cash prizes in 4824
excess of eight hundred thousand dollars are awarded to the 4825
competitors.~~ 4826

~~(2) "Full-time employee" means an individual who is employed 4827
for consideration for thirty-five or more hours a week, or who 4828
renders any other standard of service generally accepted by custom 4829
or specified by contract as full-time employment. "Managed care 4830
premium" means any premium, capitation, or other payment a 4831
medicaid health insuring corporation receives for providing or 4832~~

arranging for the provision of health care services to its members 4833
or enrollees residing in this state. 4834

(UU)(1) "Lease" or "rental" means any transfer of the 4835
possession or control of tangible personal property for a fixed or 4836
indefinite term, for consideration. "Lease" or "rental" includes 4837
future options to purchase or extend, and agreements described in 4838
26 U.S.C. 7701(h)(1) covering motor vehicles and trailers where 4839
the amount of consideration may be increased or decreased by 4840
reference to the amount realized upon the sale or disposition of 4841
the property. "Lease" or "rental" does not include: 4842

(a) A transfer of possession or control of tangible personal 4843
property under a security agreement or a deferred payment plan 4844
that requires the transfer of title upon completion of the 4845
required payments; 4846

(b) A transfer of possession or control of tangible personal 4847
property under an agreement that requires the transfer of title 4848
upon completion of required payments and payment of an option 4849
price that does not exceed the greater of one hundred dollars or 4850
one per cent of the total required payments; 4851

(c) Providing tangible personal property along with an 4852
operator for a fixed or indefinite period of time, if the operator 4853
is necessary for the property to perform as designed. For purposes 4854
of this division, the operator must do more than maintain, 4855
inspect, or set-up the tangible personal property. 4856

(2) "Lease" and "rental," as defined in division (UU) of this 4857
section, shall not apply to leases or rentals that exist before 4858
June 26, 2003. 4859

(3) "Lease" and "rental" have the same meaning as in division 4860
(UU)(1) of this section regardless of whether a transaction is 4861
characterized as a lease or rental under generally accepted 4862
accounting principles, the Internal Revenue Code, Title XIII of 4863

the Revised Code, or other federal, state, or local laws. 4864

(VV) "Mobile telecommunications service" has the same meaning 4865
as in the "Mobile Telecommunications Sourcing Act," Pub. L. No. 4866
106-252, 114 Stat. 631 (2000), 4 U.S.C.A. 124(7), as amended, and, 4867
on and after August 1, 2003, includes related fees and ancillary 4868
services, including universal service fees, detailed billing 4869
service, directory assistance, service initiation, voice mail 4870
service, and vertical services, such as caller ID and three-way 4871
calling. 4872

(WW) "Certified service provider" has the same meaning as in 4873
section 5740.01 of the Revised Code. 4874

(XX) "Satellite broadcasting service" means the distribution 4875
or broadcasting of programming or services by satellite directly 4876
to the subscriber's receiving equipment without the use of ground 4877
receiving or distribution equipment, except the subscriber's 4878
receiving equipment or equipment used in the uplink process to the 4879
satellite, and includes all service and rental charges, premium 4880
channels or other special services, installation and repair 4881
service charges, and any other charges having any connection with 4882
the provision of the satellite broadcasting service. 4883

(YY) "Tangible personal property" means personal property 4884
that can be seen, weighed, measured, felt, or touched, or that is 4885
in any other manner perceptible to the senses. For purposes of 4886
this chapter and Chapter 5741. of the Revised Code, "tangible 4887
personal property" includes motor vehicles, electricity, water, 4888
gas, steam, and prewritten computer software. 4889

(ZZ) "Direct mail" means printed material delivered or 4890
distributed by United States mail or other delivery service to a 4891
mass audience or to addressees on a mailing list provided by the 4892
consumer or at the direction of the consumer when the cost of the 4893
items are not billed directly to the recipients. "Direct mail" 4894

includes tangible personal property supplied directly or 4895
indirectly by the consumer to the direct mail vendor for inclusion 4896
in the package containing the printed material. "Direct mail" does 4897
not include multiple items of printed material delivered to a 4898
single address. 4899

(AAA) "Computer" means an electronic device that accepts 4900
information in digital or similar form and manipulates it for a 4901
result based on a sequence of instructions. 4902

(BBB) "Computer software" means a set of coded instructions 4903
designed to cause a computer or automatic data processing 4904
equipment to perform a task. 4905

(CCC) "Delivered electronically" means delivery of computer 4906
software from the seller to the purchaser by means other than 4907
tangible storage media. 4908

(DDD) "Prewritten computer software" means computer software, 4909
including prewritten upgrades, that is not designed and developed 4910
by the author or other creator to the specifications of a specific 4911
purchaser. The combining of two or more prewritten computer 4912
software programs or prewritten portions thereof does not cause 4913
the combination to be other than prewritten computer software. 4914
"Prewritten computer software" includes software designed and 4915
developed by the author or other creator to the specifications of 4916
a specific purchaser when it is sold to a person other than the 4917
purchaser. If a person modifies or enhances computer software of 4918
which the person is not the author or creator, the person shall be 4919
deemed to be the author or creator only of such person's 4920
modifications or enhancements. Prewritten computer software or a 4921
prewritten portion thereof that is modified or enhanced to any 4922
degree, where such modification or enhancement is designed and 4923
developed to the specifications of a specific purchaser, remains 4924
prewritten computer software; provided, however, that where there 4925
is a reasonable, separately stated charge or an invoice or other 4926

statement of the price given to the purchaser for the modification 4927
or enhancement, the modification or enhancement shall not 4928
constitute prewritten computer software. 4929

(EEE)(1) "Food" means substances, whether in liquid, 4930
concentrated, solid, frozen, dried, or dehydrated form, that are 4931
sold for ingestion or chewing by humans and are consumed for their 4932
taste or nutritional value. "Food" does not include alcoholic 4933
beverages, dietary supplements, soft drinks, or tobacco. 4934

(2) As used in division (EEE)(1) of this section: 4935

(a) "Alcoholic beverages" means beverages that are suitable 4936
for human consumption and contain one-half of one per cent or more 4937
of alcohol by volume. 4938

(b) "Dietary supplements" means any product, other than 4939
tobacco, that is intended to supplement the diet and that is 4940
intended for ingestion in tablet, capsule, powder, softgel, 4941
gelcap, or liquid form, or, if not intended for ingestion in such 4942
a form, is not represented as conventional food for use as a sole 4943
item of a meal or of the diet; that is required to be labeled as a 4944
dietary supplement, identifiable by the "supplement facts" box 4945
found on the label, as required by 21 C.F.R. 101.36; and that 4946
contains one or more of the following dietary ingredients: 4947

(i) A vitamin; 4948

(ii) A mineral; 4949

(iii) An herb or other botanical; 4950

(iv) An amino acid; 4951

(v) A dietary substance for use by humans to supplement the 4952
diet by increasing the total dietary intake; 4953

(vi) A concentrate, metabolite, constituent, extract, or 4954
combination of any ingredient described in divisions 4955

(EEE)(2)(b)(i) to (v) of this section. 4956

(c) "Soft drinks" means nonalcoholic beverages that contain 4957
natural or artificial sweeteners. "Soft drinks" does not include 4958
beverages that contain milk or milk products, soy, rice, or 4959
similar milk substitutes, or that contains greater than fifty per 4960
cent vegetable or fruit juice by volume. 4961

(d) "Tobacco" means cigarettes, cigars, chewing or pipe 4962
tobacco, or any other item that contains tobacco. 4963

(FFF) "Drug" means a compound, substance, or preparation, and 4964
any component of a compound, substance, or preparation, other than 4965
food, dietary supplements, or alcoholic beverages that is 4966
recognized in the official United States pharmacopoeia, official 4967
homeopathic pharmacopoeia of the United States, or official 4968
national formulary, and supplements to them; is intended for use 4969
in the diagnosis, cure, mitigation, treatment, or prevention of 4970
disease; or is intended to affect the structure or any function of 4971
the body. 4972

(GGG) "Prescription" means an order, formula, or recipe 4973
issued in any form of oral, written, electronic, or other means of 4974
transmission by a duly licensed practitioner authorized by the 4975
laws of this state to issue a prescription. 4976

(HHH) "Durable medical equipment" means equipment, including 4977
repair and replacement parts for such equipment, that can 4978
withstand repeated use, is primarily and customarily used to serve 4979
a medical purpose, generally is not useful to a person in the 4980
absence of illness or injury, and is not worn in or on the body. 4981
"Durable medical equipment" does not include mobility enhancing 4982
equipment. 4983

(III) "Mobility enhancing equipment" means equipment, 4984
including repair and replacement parts for such equipment, that is 4985
primarily and customarily used to provide or increase the ability 4986
to move from one place to another and is appropriate for use 4987

either in a home or a motor vehicle, that is not generally used by 4988
persons with normal mobility, and that does not include any motor 4989
vehicle or equipment on a motor vehicle normally provided by a 4990
motor vehicle manufacturer. "Mobility enhancing equipment" does 4991
not include durable medical equipment. 4992

(JJJ) "Prosthetic device" means a replacement, corrective, or 4993
supportive device, including repair and replacement parts for the 4994
device, worn on or in the human body to artificially replace a 4995
missing portion of the body, prevent or correct physical deformity 4996
or malfunction, or support a weak or deformed portion of the body. 4997
As used in this division, "prosthetic device" does not include 4998
corrective eyeglasses, contact lenses, or dental prosthesis. 4999

~~(KKK)(1) "Fractional aircraft ownership program" means a 5000
program in which persons within an affiliated group sell and 5001
manage fractional ownership program aircraft, provided that at 5002
least one hundred airworthy aircraft are operated in the program 5003
and the program meets all of the following criteria:~~ 5004

~~(a) Management services are provided by at least one program 5005
manager within an affiliated group on behalf of the fractional 5006
owners. 5007~~

~~(b) Each program aircraft is owned or possessed by at least 5008
one fractional owner. 5009~~

~~(c) Each fractional owner owns or possesses at least a 5010
one sixteenth interest in at least one fixed wing program 5011
aircraft. 5012~~

~~(d) A dry lease aircraft interchange arrangement is in effect 5013
among all of the fractional owners. 5014~~

~~(e) Multi year program agreements are in effect regarding the 5015
fractional ownership, management services, and dry lease aircraft 5016
interchange arrangement aspects of the program. 5017~~

~~(2) As used in division (KKK)(1) of this section:~~ 5018

~~(a) "Affiliated group" has the same meaning as in division (B)(3)(c) of this section.~~ 5019
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~~(b) "Fractional owner" means a person that owns or possesses at least a one sixteenth interest in a program aircraft and has entered into the agreements described in division (KKK)(1)(c) of this section.~~ 5021
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~~(c) "Fractional ownership program aircraft" or "program aircraft" means a turbojet aircraft that is owned or possessed by a fractional owner and that has been included in a dry lease aircraft interchange arrangement and agreement under divisions (KKK)(1)(d) and (e) of this section, or an aircraft a program manager owns or possesses primarily for use in a fractional aircraft ownership program.~~ 5025
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~~(d) "Management services" means administrative and aviation support services furnished under a fractional aircraft ownership program in accordance with a management services agreement under division (KKK)(1)(c) of this section, and offered by the program manager to the fractional owners, including, at a minimum, the establishment and implementation of safety guidelines; the coordination of the scheduling of the program aircraft and crews; program aircraft maintenance; program aircraft insurance; crew training for crews employed, furnished, or contracted by the program manager or the fractional owner; the satisfaction of record keeping requirements; and the development and use of an operations manual and a maintenance manual for the fractional aircraft ownership program.~~ 5032
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~~(e) "Program manager" means the person that offers management services to fractional owners pursuant to a management services agreement under division (KKK)(1)(c) of this section~~ 5045
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deer" means deer and other cervidae that have been legally 5048

acquired, or their offspring, that are privately owned for 5049
agricultural or farming purposes. 5050

(LLL) "Electronic publishing" means providing access to one 5051
or more of the following primarily for business customers, 5052
including the federal government or a state government or a 5053
political subdivision thereof, to conduct research: news; 5054
business, financial, legal, consumer, or credit materials; 5055
editorials, columns, reader commentary, or features; photos or 5056
images; archival or research material; legal notices, identity 5057
verification, or public records; scientific, educational, 5058
instructional, technical, professional, trade, or other literary 5059
materials; or other similar information which has been gathered 5060
and made available by the provider to the consumer in an 5061
electronic format. Providing electronic publishing includes the 5062
functions necessary for the acquisition, formatting, editing, 5063
storage, and dissemination of data or information that is the 5064
subject of a sale. 5065

(MMM) "Medicaid health insuring corporation" means a health 5066
insuring corporation that holds a certificate of authority under 5067
Chapter 1751. of the Revised Code and is under contract with the 5068
department of job and family services pursuant to section 5111.17 5069
of the Revised Code. 5070

~~(NNN) "Managed care premium" means any premium, capitation,~~ 5071
~~or other payment a medicaid health insuring corporation receives~~ 5072
~~for providing or arranging for the provision of health care~~ 5073
~~services to its members or enrollees residing in this state.~~ 5074

~~(OOO) "Captive deer" means deer and other cervidae that have~~ 5075
~~been legally acquired, or their offspring, that are privately~~ 5076
~~owned for agricultural or farming purposes.~~ 5077

~~(PPP) "Gift card" means a document, card, certificate, or~~ 5078
~~other record, whether tangible or intangible, that may be redeemed~~ 5079

by a consumer for a dollar value when making a purchase of 5080
tangible personal property or services. 5081

Sec. 5739.02. For the purpose of providing revenue with which 5082
to meet the needs of the state, for the use of the general revenue 5083
fund of the state, for the purpose of securing a thorough and 5084
efficient system of common schools throughout the state, for the 5085
purpose of affording revenues, in addition to those from general 5086
property taxes, permitted under constitutional limitations, and 5087
from other sources, for the support of local governmental 5088
functions, and for the purpose of reimbursing the state for the 5089
expense of administering this chapter, an excise tax is hereby 5090
levied on each retail sale made in this state. 5091

(A)(1) The tax shall be collected as provided in section 5092
5739.025 of the Revised Code. The rate of the tax shall be five 5093
and one-half per cent. The tax applies and is collectible when the 5094
sale is made, regardless of the time when the price is paid or 5095
delivered. 5096

(2) In the case of the lease or rental, with a fixed term of 5097
more than thirty days or an indefinite term with a minimum period 5098
of more than thirty days, of any motor vehicles designed by the 5099
manufacturer to carry a load of not more than one ton, watercraft, 5100
outboard motor, or aircraft, or of any tangible personal property, 5101
other than motor vehicles designed by the manufacturer to carry a 5102
load of more than one ton, to be used by the lessee or renter 5103
primarily for business purposes, the tax shall be collected by the 5104
vendor at the time the lease or rental is consummated and shall be 5105
calculated by the vendor on the basis of the total amount to be 5106
paid by the lessee or renter under the lease agreement. If the 5107
total amount of the consideration for the lease or rental includes 5108
amounts that are not calculated at the time the lease or rental is 5109
executed, the tax shall be calculated and collected by the vendor 5110

at the time such amounts are billed to the lessee or renter. In 5111
the case of an open-end lease or rental, the tax shall be 5112
calculated by the vendor on the basis of the total amount to be 5113
paid during the initial fixed term of the lease or rental, and for 5114
each subsequent renewal period as it comes due. As used in this 5115
division, "motor vehicle" has the same meaning as in section 5116
4501.01 of the Revised Code, and "watercraft" includes an outdrive 5117
unit attached to the watercraft. 5118

A lease with a renewal clause and a termination penalty or 5119
similar provision that applies if the renewal clause is not 5120
exercised is presumed to be a sham transaction. In such a case, 5121
the tax shall be calculated and paid on the basis of the entire 5122
length of the lease period, including any renewal periods, until 5123
the termination penalty or similar provision no longer applies. 5124
The taxpayer shall bear the burden, by a preponderance of the 5125
evidence, that the transaction or series of transactions is not a 5126
sham transaction. 5127

(3) Except as provided in division (A)(2) of this section, in 5128
the case of a sale, the price of which consists in whole or in 5129
part of the lease or rental of tangible personal property, the tax 5130
shall be measured by the installments of that lease or rental. 5131

(4) In the case of a sale of a physical fitness facility 5132
service or recreation and sports club service, the price of which 5133
consists in whole or in part of a membership for the receipt of 5134
the benefit of the service, the tax applicable to the sale shall 5135
be measured by the installments thereof. 5136

(B) The tax does not apply to the following: 5137

(1) Sales to the state or any of its political subdivisions, 5138
or to any other state or its political subdivisions if the laws of 5139
that state exempt from taxation sales made to this state and its 5140
political subdivisions; 5141

(2) Sales of food for human consumption off the premises	5142
where sold;	5143
(3) Sales of food sold to students only in a cafeteria,	5144
dormitory, fraternity, or sorority maintained in a private,	5145
public, or parochial school, college, or university;	5146
(4) Sales of newspapers and of magazine subscriptions and	5147
sales or transfers of magazines distributed as controlled	5148
circulation publications;	5149
(5) The furnishing, preparing, or serving of meals without	5150
charge by an employer to an employee provided the employer records	5151
the meals as part compensation for services performed or work	5152
done;	5153
(6) Sales of motor fuel upon receipt, use, distribution, or	5154
sale of which in this state a tax is imposed by the law of this	5155
state, but this exemption shall not apply to the sale of motor	5156
fuel on which a refund of the tax is allowable under division (A)	5157
of section 5735.14 of the Revised Code; and the tax commissioner	5158
may deduct the amount of tax levied by this section applicable to	5159
the price of motor fuel when granting a refund of motor fuel tax	5160
pursuant to division (A) of section 5735.14 of the Revised Code	5161
and shall cause the amount deducted to be paid into the general	5162
revenue fund of this state;	5163
(7) Sales of natural gas by a natural gas company, of water	5164
by a water-works company, or of steam by a heating company, if in	5165
each case the thing sold is delivered to consumers through pipes	5166
or conduits, and all sales of communications services by a	5167
telegraph company, all terms as defined in section 5727.01 of the	5168
Revised Code, and sales of electricity delivered through wires;	5169
(8) Casual sales by a person, or auctioneer employed directly	5170
by the person to conduct such sales, except as to such sales of	5171
motor vehicles, watercraft or outboard motors required to be	5172

titled under section 1548.06 of the Revised Code, watercraft 5173
documented with the United States coast guard, snowmobiles, and 5174
all-purpose vehicles as defined in section 4519.01 of the Revised 5175
Code; 5176

(9)(a) Sales of services or tangible personal property, other 5177
than motor vehicles, mobile homes, and manufactured homes, by 5178
churches, organizations exempt from taxation under section 5179
501(c)(3) of the Internal Revenue Code of 1986, or nonprofit 5180
organizations operated exclusively for charitable purposes as 5181
defined in division (B)(12) of this section, provided that the 5182
number of days on which such tangible personal property or 5183
services, other than items never subject to the tax, are sold does 5184
not exceed six in any calendar year, except as otherwise provided 5185
in division (B)(9)(b) of this section. If the number of days on 5186
which such sales are made exceeds six in any calendar year, the 5187
church or organization shall be considered to be engaged in 5188
business and all subsequent sales by it shall be subject to the 5189
tax. In counting the number of days, all sales by groups within a 5190
church or within an organization shall be considered to be sales 5191
of that church or organization. 5192

(b) The limitation on the number of days on which tax-exempt 5193
sales may be made by a church or organization under division 5194
(B)(9)(a) of this section does not apply to sales made by student 5195
clubs and other groups of students of a primary or secondary 5196
school, or a parent-teacher association, booster group, or similar 5197
organization that raises money to support or fund curricular or 5198
extracurricular activities of a primary or secondary school. 5199

(c) Divisions (B)(9)(a) and (b) of this section do not apply 5200
to sales by a noncommercial educational radio or television 5201
broadcasting station. 5202

(10) Sales not within the taxing power of this state under 5203
the Constitution of the United States; 5204

(11) Except for transactions that are sales under division 5205
(B)(3)(r) of section 5739.01 of the Revised Code, the 5206
transportation of persons or property, unless the transportation 5207
is by a private investigation and security service; 5208

(12) Sales of tangible personal property or services to 5209
churches, to organizations exempt from taxation under section 5210
501(c)(3) of the Internal Revenue Code of 1986, and to any other 5211
nonprofit organizations operated exclusively for charitable 5212
purposes in this state, no part of the net income of which inures 5213
to the benefit of any private shareholder or individual, and no 5214
substantial part of the activities of which consists of carrying 5215
on propaganda or otherwise attempting to influence legislation; 5216
sales to offices administering one or more homes for the aged or 5217
one or more hospital facilities exempt under section 140.08 of the 5218
Revised Code; and sales to organizations described in division (D) 5219
of section 5709.12 of the Revised Code. 5220

"Charitable purposes" means the relief of poverty; the 5221
improvement of health through the alleviation of illness, disease, 5222
or injury; the operation of an organization exclusively for the 5223
provision of professional, laundry, printing, and purchasing 5224
services to hospitals or charitable institutions; the operation of 5225
a home for the aged, as defined in section 5701.13 of the Revised 5226
Code; the operation of a radio or television broadcasting station 5227
that is licensed by the federal communications commission as a 5228
noncommercial educational radio or television station; the 5229
operation of a nonprofit animal adoption service or a county 5230
humane society; the promotion of education by an institution of 5231
learning that maintains a faculty of qualified instructors, 5232
teaches regular continuous courses of study, and confers a 5233
recognized diploma upon completion of a specific curriculum; the 5234
operation of a parent-teacher association, booster group, or 5235
similar organization primarily engaged in the promotion and 5236

support of the curricular or extracurricular activities of a 5237
primary or secondary school; the operation of a community or area 5238
center in which presentations in music, dramatics, the arts, and 5239
related fields are made in order to foster public interest and 5240
education therein; the production of performances in music, 5241
dramatics, and the arts; or the promotion of education by an 5242
organization engaged in carrying on research in, or the 5243
dissemination of, scientific and technological knowledge and 5244
information primarily for the public. 5245

Nothing in this division shall be deemed to exempt sales to 5246
any organization for use in the operation or carrying on of a 5247
trade or business, or sales to a home for the aged for use in the 5248
operation of independent living facilities as defined in division 5249
(A) of section 5709.12 of the Revised Code. 5250

(13) Building and construction materials and services sold to 5251
construction contractors for incorporation into a structure or 5252
improvement to real property under a construction contract with 5253
this state or a political subdivision of this state, or with the 5254
United States government or any of its agencies; building and 5255
construction materials and services sold to construction 5256
contractors for incorporation into a structure or improvement to 5257
real property that are accepted for ownership by this state or any 5258
of its political subdivisions, or by the United States government 5259
or any of its agencies at the time of completion of the structures 5260
or improvements; building and construction materials sold to 5261
construction contractors for incorporation into a horticulture 5262
structure or livestock structure for a person engaged in the 5263
business of horticulture or producing livestock; building 5264
materials and services sold to a construction contractor for 5265
incorporation into a house of public worship or religious 5266
education, or a building used exclusively for charitable purposes 5267
under a construction contract with an organization whose purpose 5268

is as described in division (B)(12) of this section; building 5269
materials and services sold to a construction contractor for 5270
incorporation into a building under a construction contract with 5271
an organization exempt from taxation under section 501(c)(3) of 5272
the Internal Revenue Code of 1986 when the building is to be used 5273
exclusively for the organization's exempt purposes; building and 5274
construction materials sold for incorporation into the original 5275
construction of a sports facility under section 307.696 of the 5276
Revised Code; building and construction materials and services 5277
sold to a construction contractor for incorporation into real 5278
property outside this state if such materials and services, when 5279
sold to a construction contractor in the state in which the real 5280
property is located for incorporation into real property in that 5281
state, would be exempt from a tax on sales levied by that state; 5282
and, until one calendar year after the construction of a 5283
convention center that qualifies for property tax exemption under 5284
section 5709.084 of the Revised Code is completed, building and 5285
construction materials and services sold to a construction 5286
contractor for incorporation into the real property comprising 5287
that convention center; 5288

(14) Sales of ships or vessels or rail rolling stock used or 5289
to be used principally in interstate or foreign commerce, and 5290
repairs, alterations, fuel, and lubricants for such ships or 5291
vessels or rail rolling stock; 5292

(15) Sales to persons primarily engaged in any of the 5293
activities mentioned in division (B)(42)(a), (g), or (h) of this 5294
section, to persons engaged in making retail sales, or to persons 5295
who purchase for sale from a manufacturer tangible personal 5296
property that was produced by the manufacturer in accordance with 5297
specific designs provided by the purchaser, of packages, including 5298
material, labels, and parts for packages, and of machinery, 5299
equipment, and material for use primarily in packaging tangible 5300

personal property produced for sale, including any machinery, 5301
equipment, and supplies used to make labels or packages, to 5302
prepare packages or products for labeling, or to label packages or 5303
products, by or on the order of the person doing the packaging, or 5304
sold at retail. "Packages" includes bags, baskets, cartons, 5305
crates, boxes, cans, bottles, bindings, wrappings, and other 5306
similar devices and containers, but does not include motor 5307
vehicles or bulk tanks, trailers, or similar devices attached to 5308
motor vehicles. "Packaging" means placing in a package. Division 5309
(B)(15) of this section does not apply to persons engaged in 5310
highway transportation for hire. 5311

(16) Sales of food to persons using supplemental nutrition 5312
assistance program benefits to purchase the food. As used in this 5313
division, "food" has the same meaning as in 7 U.S.C. 2012 and 5314
federal regulations adopted pursuant to the Food and Nutrition Act 5315
of 2008. 5316

(17) Sales to persons engaged in farming, agriculture, 5317
horticulture, or floriculture, of tangible personal property for 5318
use or consumption primarily in the production by farming, 5319
agriculture, horticulture, or floriculture of other tangible 5320
personal property for use or consumption primarily in the 5321
production of tangible personal property for sale by farming, 5322
agriculture, horticulture, or floriculture; or material and parts 5323
for incorporation into any such tangible personal property for use 5324
or consumption in production; and of tangible personal property 5325
for such use or consumption in the conditioning or holding of 5326
products produced by and for such use, consumption, or sale by 5327
persons engaged in farming, agriculture, horticulture, or 5328
floriculture, except where such property is incorporated into real 5329
property; 5330

(18) Sales of drugs for a human being that may be dispensed 5331
only pursuant to a prescription; insulin as recognized in the 5332

official United States pharmacopoeia; urine and blood testing 5333
materials when used by diabetics or persons with hypoglycemia to 5334
test for glucose or acetone; hypodermic syringes and needles when 5335
used by diabetics for insulin injections; epoetin alfa when 5336
purchased for use in the treatment of persons with medical 5337
disease; hospital beds when purchased by hospitals, nursing homes, 5338
or other medical facilities; and medical oxygen and medical 5339
oxygen-dispensing equipment when purchased by hospitals, nursing 5340
homes, or other medical facilities; 5341

(19) Sales of prosthetic devices, durable medical equipment 5342
for home use, or mobility enhancing equipment, when made pursuant 5343
to a prescription and when such devices or equipment are for use 5344
by a human being. 5345

(20) Sales of emergency and fire protection vehicles and 5346
equipment to nonprofit organizations for use solely in providing 5347
fire protection and emergency services, including trauma care and 5348
emergency medical services, for political subdivisions of the 5349
state; 5350

(21) Sales of tangible personal property manufactured in this 5351
state, if sold by the manufacturer in this state to a retailer for 5352
use in the retail business of the retailer outside of this state 5353
and if possession is taken from the manufacturer by the purchaser 5354
within this state for the sole purpose of immediately removing the 5355
same from this state in a vehicle owned by the purchaser; 5356

(22) Sales of services provided by the state or any of its 5357
political subdivisions, agencies, instrumentalities, institutions, 5358
or authorities, or by governmental entities of the state or any of 5359
its political subdivisions, agencies, instrumentalities, 5360
institutions, or authorities; 5361

(23) Sales of motor vehicles to nonresidents of this state 5362
under the circumstances described in division (B) of section 5363

5739.029 of the Revised Code;	5364
(24) Sales to persons engaged in the preparation of eggs for sale of tangible personal property used or consumed directly in such preparation, including such tangible personal property used for cleaning, sanitizing, preserving, grading, sorting, and classifying by size; packages, including material and parts for packages, and machinery, equipment, and material for use in packaging eggs for sale; and handling and transportation equipment and parts therefor, except motor vehicles licensed to operate on public highways, used in intraplant or interplant transfers or shipment of eggs in the process of preparation for sale, when the plant or plants within or between which such transfers or shipments occur are operated by the same person. "Packages" includes containers, cases, baskets, flats, fillers, filler flats, cartons, closure materials, labels, and labeling materials, and "packaging" means placing therein.	5365 5366 5367 5368 5369 5370 5371 5372 5373 5374 5375 5376 5377 5378 5379
(25)(a) Sales of water to a consumer for residential use;	5380
(b) Sales of water by a nonprofit corporation engaged exclusively in the treatment, distribution, and sale of water to consumers, if such water is delivered to consumers through pipes or tubing.	5381 5382 5383 5384
(26) Fees charged for inspection or reinspection of motor vehicles under section 3704.14 of the Revised Code;	5385 5386
(27) Sales to persons licensed to conduct a food service operation pursuant to section 3717.43 of the Revised Code, of tangible personal property primarily used directly for the following:	5387 5388 5389 5390
(a) To prepare food for human consumption for sale;	5391
(b) To preserve food that has been or will be prepared for human consumption for sale by the food service operator, not including tangible personal property used to display food for	5392 5393 5394

selection by the consumer;	5395
(c) To clean tangible personal property used to prepare or	5396
serve food for human consumption for sale. <u>Sales of</u>	5397
<u>telecommunications service that is used directly and primarily to</u>	5398
<u>perform the functions of a call center. As used in this division,</u>	5399
<u>"call center" means any physical location where telephone calls</u>	5400
<u>are placed or received in high volume for the purpose of making</u>	5401
<u>sales, marketing, customer service, technical support, or other</u>	5402
<u>specialized business activity, and that employs at least fifty</u>	5403
<u>individuals that engage in call center activities on a full-time</u>	5404
<u>basis, or sufficient individuals to fill fifty full-time</u>	5405
<u>equivalent positions;</u>	5406
(28) Sales of animals by nonprofit animal adoption services	5407
or county humane societies;	5408
(29) Sales of services to a corporation described in division	5409
(A) of section 5709.72 of the Revised Code, and sales of tangible	5410
personal property that qualifies for exemption from taxation under	5411
section 5709.72 of the Revised Code;	5412
(30) Sales and installation of agricultural land tile, as	5413
defined in division (B)(5)(a) of section 5739.01 of the Revised	5414
Code <u>by a telecommunications service vendor of 900 service to a</u>	5415
<u>subscriber. This division does not apply to information services,</u>	5416
<u>as defined in division (FF) of section 5739.01 of the Revised</u>	5417
<u>Code;</u>	5418
(31) Sales and erection or installation of portable grain	5419
bins, as defined in division (B)(5)(b) of section 5739.01 of the	5420
Revised Code <u>of value-added non-voice data service. This division</u>	5421
<u>does not apply to any similar service that is not otherwise a</u>	5422
<u>telecommunications service;</u>	5423
(32) The sale, lease, repair, and maintenance of, parts for,	5424
or items attached to or incorporated in, motor vehicles that are	5425

primarily used for transporting tangible personal property 5426
belonging to others by a person engaged in highway transportation 5427
for hire, except for packages and packaging used for the 5428
transportation of tangible personal property; 5429

(33) Sales to the state headquarters of any veterans' 5430
organization in this state that is either incorporated and issued 5431
a charter by the congress of the United States or is recognized by 5432
the United States veterans administration, for use by the 5433
headquarters; 5434

(34) Sales to a telecommunications service vendor, mobile 5435
telecommunications service vendor, or satellite broadcasting 5436
service vendor of tangible personal property and services used 5437
directly and primarily in transmitting, receiving, switching, or 5438
recording any interactive, one- or two-way electromagnetic 5439
communications, including voice, image, data, and information, 5440
through the use of any medium, including, but not limited to, 5441
poles, wires, cables, switching equipment, computers, and record 5442
storage devices and media, and component parts for the tangible 5443
personal property. The exemption provided in this division shall 5444
be in lieu of all other exemptions under division (B)(42)(a) or 5445
(n) of this section to which the vendor may otherwise be entitled, 5446
based upon the use of the thing purchased in providing the 5447
telecommunications, mobile telecommunications, or satellite 5448
broadcasting service. 5449

~~(35)(a) Sales where the purpose of the consumer is to use or 5450
consume the things transferred in making retail sales and 5451
consisting of newspaper inserts, catalogues, coupons, flyers, gift 5452
certificates, or other advertising material that prices and 5453
describes tangible personal property offered for retail sale. 5454~~

~~(b) Sales to direct marketing vendors of preliminary 5455
materials such as photographs, artwork, and typesetting that will 5456
be used in printing advertising material; and of printed matter 5457~~

~~that offers free merchandise or chances to win sweepstake prizes 5458
and that is mailed to potential customers with advertising 5459
material described in division (B)(35)(a) of this section; 5460~~

~~(c) Sales of equipment such as telephones, computers, 5461
facsimile machines, and similar tangible personal property 5462
primarily used to accept orders for direct marketing retail sales. 5463~~

~~(d) Sales of automatic food vending machines that preserve 5464
food with a shelf life of forty five days or less by refrigeration 5465
and dispense it to the consumer. 5466~~

~~For purposes of division (B)(35) of this section, "direct 5467
marketing" means the method of selling where consumers order 5468
tangible personal property by United States mail, delivery 5469
service, or telecommunication and the vendor delivers or ships the 5470
tangible personal property sold to the consumer from a warehouse, 5471
catalogue distribution center, or similar fulfillment facility by 5472
means of the United States mail, delivery service, or common 5473
carrier of machinery, equipment, and software to a qualified 5474
direct selling entity for use in a warehouse or distribution 5475
center primarily for storing, transporting, or otherwise handling 5476
inventory that is held for sale to independent salespersons who 5477
operate as direct sellers and that is held primarily for 5478
distribution outside this state; 5479~~

(b) As used in division (B)(35)(a) of this section: 5480

(i) "Direct seller" means a person selling consumer products 5481
to individuals for personal or household use and not from a fixed 5482
retail location, including selling such product at in-home product 5483
demonstrations, parties, and other one-on-one selling. 5484

(ii) "Qualified direct selling entity" means an entity 5485
selling to direct sellers at the time the entity enters into a tax 5486
credit agreement with the tax credit authority pursuant to section 5487
122.17 of the Revised Code, provided that the agreement was 5488

entered into on or after January 1, 2007. Neither contingencies 5489
relevant to the granting of, nor later developments with respect 5490
to, the tax credit shall impair the status of the qualified direct 5491
selling entity under division (B)(35) of this section after 5492
execution of the tax credit agreement by the tax credit authority. 5493

(c) Division (B)(35) of this section is limited to machinery, 5494
equipment, and software first stored, used, or consumed in this 5495
state within the period commencing June 24, 2008, and ending June 5496
24, 2013. 5497

(36) Sales to a person engaged in the business of 5498
horticulture or producing livestock of materials to be 5499
incorporated into a horticulture structure or livestock structure; 5500

(37) Sales of personal computers, computer monitors, computer 5501
keyboards, modems, and other peripheral computer equipment to an 5502
individual who is licensed or certified to teach in an elementary 5503
or a secondary school in this state for use by that individual in 5504
preparation for teaching elementary or secondary school students; 5505

~~(38) Sales to a professional racing team of any of the~~ 5506
~~following:~~ 5507

~~(a) Motor racing vehicles;~~ 5508

~~(b) Repair services for motor racing vehicles;~~ 5509

~~(c) Items of property that are attached to or incorporated in~~ 5510
~~motor racing vehicles, including engines, chassis, and all other~~ 5511
~~components of the vehicles, and all spare, replacement, and~~ 5512
~~rebuilt parts or components of the vehicles; except not including~~ 5513
~~tires, consumable fluids, paint, and accessories consisting of~~ 5514
~~instrumentation sensors and related items added to the vehicle to~~ 5515
~~collect and transmit data by means of telemetry and other forms of~~ 5516
~~communication.~~ Any transfer or lease of tangible personal property 5517
between the state and a successful proposer in accordance with 5518
sections 126.60 to 126.605 of the Revised Code, provided the 5519

property is part of a project as defined in section 126.60 of the 5520
Revised Code and the state retains ownership of the project or 5521
part thereof that is being transferred or leased, between the 5522
state and JobsOhio in accordance with section 4313.02 of the 5523
Revised Code. 5524

(39) Sales of used manufactured homes and used mobile homes, 5525
as defined in section 5739.0210 of the Revised Code, made on or 5526
after January 1, 2000; 5527

(40) Sales of tangible personal property and services to a 5528
provider of electricity used or consumed directly and primarily in 5529
generating, transmitting, or distributing electricity for use by 5530
others, including property that is or is to be incorporated into 5531
and will become a part of the consumer's production, transmission, 5532
or distribution system and that retains its classification as 5533
tangible personal property after incorporation; fuel or power used 5534
in the production, transmission, or distribution of electricity; 5535
energy conversion equipment as defined in section 5727.01 of the 5536
Revised Code; and tangible personal property and services used in 5537
the repair and maintenance of the production, transmission, or 5538
distribution system, including only those motor vehicles as are 5539
specially designed and equipped for such use. The exemption 5540
provided in this division shall be in lieu of all other exemptions 5541
in division (B)(42)(a) or (n) of this section to which a provider 5542
of electricity may otherwise be entitled based on the use of the 5543
tangible personal property or service purchased in generating, 5544
transmitting, or distributing electricity. 5545

(41) Sales to a person providing services under division 5546
(B)(3)(r) of section 5739.01 of the Revised Code of tangible 5547
personal property and services used directly and primarily in 5548
providing taxable services under that section. 5549

(42) Sales where the purpose of the purchaser is to do any of 5550
the following: 5551

(a) To incorporate the thing transferred as a material or a 5552
part into tangible personal property to be produced for sale by 5553
manufacturing, assembling, processing, or refining; or to use or 5554
consume the thing transferred directly in producing tangible 5555
personal property for sale by mining, including, without 5556
limitation, the extraction from the earth of all substances that 5557
are classed geologically as minerals, production of crude oil and 5558
natural gas, or directly in the rendition of a public utility 5559
service, except that the sales tax levied by this section shall be 5560
collected upon all meals, drinks, and food for human consumption 5561
sold when transporting persons. Persons engaged in rendering 5562
services in the exploration for, and production of, crude oil and 5563
natural gas for others are deemed engaged directly in the 5564
exploration for, and production of, crude oil and natural gas. 5565
This paragraph does not exempt from "retail sale" or "sales at 5566
retail" the sale of tangible personal property that is to be 5567
incorporated into a structure or improvement to real property. 5568

(b) To hold the thing transferred as security for the 5569
performance of an obligation of the vendor; 5570

(c) To resell, hold, use, or consume the thing transferred as 5571
evidence of a contract of insurance; 5572

(d) To use or consume the thing directly in commercial 5573
fishing; 5574

(e) To incorporate the thing transferred as a material or a 5575
part into, or to use or consume the thing transferred directly in 5576
the production of, magazines distributed as controlled circulation 5577
publications; 5578

(f) To use or consume the thing transferred in the production 5579
and preparation in suitable condition for market and sale of 5580
printed, imprinted, overprinted, lithographic, multilithic, 5581
blueprinted, photostatic, or other productions or reproductions of 5582

written or graphic matter; 5583

(g) To use the thing transferred, as described in section 5584
5739.011 of the Revised Code, primarily in a manufacturing 5585
operation to produce tangible personal property for sale; 5586

(h) To use the benefit of a warranty, maintenance or service 5587
contract, or similar agreement, as described in division (B)(7) of 5588
section 5739.01 of the Revised Code, to repair or maintain 5589
tangible personal property, if all of the property that is the 5590
subject of the warranty, contract, or agreement would not be 5591
subject to the tax imposed by this section; 5592

(i) To use the thing transferred as qualified research and 5593
development equipment; 5594

(j) To use or consume the thing transferred primarily in 5595
storing, transporting, mailing, or otherwise handling purchased 5596
sales inventory in a warehouse, distribution center, or similar 5597
facility when the inventory is primarily distributed outside this 5598
state to retail stores of the person who owns or controls the 5599
warehouse, distribution center, or similar facility, to retail 5600
stores of an affiliated group of which that person is a member, or 5601
by means of direct marketing. This division does not apply to 5602
motor vehicles registered for operation on the public highways. As 5603
used in this division, "affiliated group" has the same meaning as 5604
in division (B)(3)(e) of section 5739.01 of the Revised Code and 5605
"direct marketing" ~~has the same meaning as in division (B)(35) of~~ 5606
~~this section~~ means the method of selling where consumers order 5607
tangible personal property by United States mail, delivery 5608
service, or telecommunication and the vendor delivers or ships the 5609
tangible personal property sold to the consumer from a warehouse, 5610
catalogue distribution center, or similar fulfillment facility by 5611
means of the United States mail, delivery service, or common 5612
carrier. 5613

(k) To use or consume the thing transferred to fulfill a 5614
contractual obligation incurred by a warrantor pursuant to a 5615
warranty provided as a part of the price of the tangible personal 5616
property sold or by a vendor of a warranty, maintenance or service 5617
contract, or similar agreement the provision of which is defined 5618
as a sale under division (B)(7) of section 5739.01 of the Revised 5619
Code; 5620

(l) To use or consume the thing transferred in the production 5621
of a newspaper for distribution to the public; 5622

(m) To use tangible personal property to perform a service 5623
listed in division (B)(3) of section 5739.01 of the Revised Code, 5624
if the property is or is to be permanently transferred to the 5625
consumer of the service as an integral part of the performance of 5626
the service; 5627

(n) To use or consume the thing transferred primarily in 5628
producing tangible personal property for sale by farming, 5629
agriculture, horticulture, or floriculture. Persons engaged in 5630
rendering farming, agriculture, horticulture, or floriculture 5631
services for others are deemed engaged primarily in farming, 5632
agriculture, horticulture, or floriculture. This paragraph does 5633
not exempt from "retail sale" or "sales at retail" the sale of 5634
tangible personal property that is to be incorporated into a 5635
structure or improvement to real property. 5636

~~(o) To use or consume the thing transferred in acquiring, 5637
formatting, editing, storing, and disseminating data or 5638
information by electronic publishing. 5639~~

As used in division (B)(42) of this section, "thing" includes 5640
all transactions included in divisions (B)(3)(a), (b), and (e) of 5641
section 5739.01 of the Revised Code. 5642

(43) Sales conducted through a coin operated device that 5643
activates vacuum equipment or equipment that dispenses water, 5644

whether or not in combination with soap or other cleaning agents 5645
or wax, to the consumer for the consumer's use on the premises in 5646
washing, cleaning, or waxing a motor vehicle, provided no other 5647
personal property or personal service is provided as part of the 5648
transaction. 5649

~~(44) Sales of replacement and modification parts for engines, 5650
airframes, instruments, and interiors in, and paint for, aircraft 5651
used primarily in a fractional aircraft ownership program, and 5652
sales of services for the repair, modification, and maintenance of 5653
such aircraft, and machinery, equipment, and supplies primarily 5654
used to provide those services. 5655~~

~~(45) Sales of telecommunications service that is used 5656
directly and primarily to perform the functions of a call center. 5657
As used in this division, "call center" means any physical 5658
location where telephone calls are placed or received in high 5659
volume for the purpose of making sales, marketing, customer 5660
service, technical support, or other specialized business 5661
activity, and that employs at least fifty individuals that engage 5662
in call center activities on a full time basis, or sufficient 5663
individuals to fill fifty full time equivalent positions. 5664~~

~~(46) Sales by a telecommunications service vendor of 900 5665
service to a subscriber. This division does not apply to 5666
information services, as defined in division (FF) of section 5667
5739.01 of the Revised Code. 5668~~

~~(47) Sales of value added non voice data service. This 5669
division does not apply to any similar service that is not 5670
otherwise a telecommunications service. 5671~~

~~(48)(a) Sales of machinery, equipment, and software to a 5672
qualified direct selling entity for use in a warehouse or 5673
distribution center primarily for storing, transporting, or 5674
otherwise handling inventory that is held for sale to independent 5675~~

~~salespersons who operate as direct sellers and that is held 5676
primarily for distribution outside this state; 5677~~

~~(b) As used in division (B)(48)(a) of this section: 5678~~

~~(i) "Direct seller" means a person selling consumer products 5679
to individuals for personal or household use and not from a fixed 5680
retail location, including selling such product at in-home product 5681
demonstrations, parties, and other one-on-one selling. 5682~~

~~(ii) "Qualified direct selling entity" means an entity 5683
selling to direct sellers at the time the entity enters into a tax 5684
credit agreement with the tax credit authority pursuant to section 5685
122.17 of the Revised Code, provided that the agreement was 5686
entered into on or after January 1, 2007. Neither contingencies 5687
relevant to the granting of, nor later developments with respect 5688
to, the tax credit shall impair the status of the qualified direct 5689
selling entity under division (B)(48) of this section after 5690
execution of the tax credit agreement by the tax credit authority. 5691~~

~~(c) Division (B)(48) of this section is limited to machinery, 5692
equipment, and software first stored, used, or consumed in this 5693
state within the period commencing June 24, 2008, and ending on 5694
the date that is five years after that date. 5695~~

~~(49) Sales of materials, parts, equipment, or engines used in 5696
the repair or maintenance of aircraft or avionics systems of such 5697
aircraft, and sales of repair, remodeling, replacement, or 5698
maintenance services in this state performed on aircraft or on an 5699
aircraft's avionics, engine, or component materials or parts. As 5700
used in division (B)(49) of this section, "aircraft" means 5701
aircraft of more than six thousand pounds maximum certified 5702
takeoff weight or used exclusively in general aviation. 5703~~

~~(50) Sales of full flight simulators that are used for pilot 5704
or flight crew training, sales of repair or replacement parts or 5705
components, and sales of repair or maintenance services for such 5706~~

~~full flight simulators. "Full flight simulator" means a replica of a specific type, or make, model, and series of aircraft cockpit. It includes the assemblage of equipment and computer programs necessary to represent aircraft operations in ground and flight conditions, a visual system providing an out of the cockpit view, and a system that provides cues at least equivalent to those of a three degree of freedom motion system, and has the full range of capabilities of the systems installed in the device as described in appendices A and B of part 60 of chapter 1 of title 14 of the Code of Federal Regulations.~~

~~(51) Any transfer or lease of tangible personal property between the state and a successful proposer in accordance with sections 126.60 to 126.605 of the Revised Code, provided the property is part of a project as defined in section 126.60 of the Revised Code and the state retains ownership of the project or part thereof that is being transferred or leased, between the state and JobsOhio in accordance with section 4313.02 of the Revised Code.~~

(C) For the purpose of the proper administration of this chapter, and to prevent the evasion of the tax, it is presumed that all sales made in this state are subject to the tax until the contrary is established.

(D) The levy of this tax on retail sales of recreation and sports club service shall not prevent a municipal corporation from levying any tax on recreation and sports club dues or on any income generated by recreation and sports club dues.

(E) The tax collected by the vendor from the consumer under this chapter is not part of the price, but is a tax collection for the benefit of the state, and of counties levying an additional sales tax pursuant to section 5739.021 or 5739.026 of the Revised Code and of transit authorities levying an additional sales tax pursuant to section 5739.023 of the Revised Code. Except for the

discount authorized under section 5739.12 of the Revised Code and 5739
the effects of any rounding pursuant to section 5703.055 of the 5740
Revised Code, no person other than the state or such a county or 5741
transit authority shall derive any benefit from the collection or 5742
payment of the tax levied by this section or section 5739.021, 5743
5739.023, or 5739.026 of the Revised Code. 5744

Sec. 5739.025. As used in this section, "local tax" means a 5745
tax imposed pursuant to section 5739.021, 5739.023, 5739.026, 5746
5741.021, 5741.022, or 5741.023 of the Revised Code. 5747

(A) The taxes levied by sections 5739.02 and 5741.02 of the 5748
Revised Code shall be collected as follows: 5749

(1) On and after July 1, 2003, and on or before June 30, 5750
2005, in accordance with the following schedule: 5751

If the price		The amount of	
is at least	But not more than	the tax is	
\$.01	\$.15	No tax	5754
.16	.16	1¢	5755
.17	.33	2¢	5756
.34	.50	3¢	5757
.51	.66	4¢	5758
.67	.83	5¢	5759
.84	1.00	6¢	5760

If the price exceeds one dollar, the tax is six cents on each 5761
one dollar. If the price exceeds one dollar or a multiple thereof 5762
by not more than seventeen cents, the amount of tax is six cents 5763
for each one dollar plus one cent. If the price exceeds one dollar 5764
or a multiple thereof by more than seventeen cents, the amount of 5765
tax is six cents for each one dollar plus the amount of tax for 5766
prices eighteen cents through ninety-nine cents in accordance with 5767
the schedule above. 5768

(2) On and after July 1, 2005, and on and before December 31, 5769

2005, in accordance with the following schedule:			5770
If the price	But not	The amount	5771
is at least	more than	of the tax is	5772
\$.01	\$.15	No tax	5773
.16	.18	1¢	5774
.19	.36	2¢	5775
.37	.54	3¢	5776
.55	.72	4¢	5777
.73	.90	5¢	5778
.91	1.09	6¢	5779
1.10	1.27	7¢	5780
1.28	1.46	8¢	5781
1.47	1.64	9¢	5782
1.65	1.82	10¢	5783
1.83	2.00	11¢	5784

 If the price exceeds two dollars, the tax is eleven cents on 5785
each two dollars. If the price exceeds two dollars or a multiple 5786
thereof by not more than eighteen cents, the amount of tax is 5787
eleven cents for each two dollars plus one cent. If the price 5788
exceeds two dollars or a multiple thereof by more than eighteen 5789
cents, the amount of tax is eleven cents for each two dollars plus 5790
the amount of tax for prices nineteen cents through one dollar and 5791
ninety-nine cents in accordance with the schedule above. 5792

 (B) On and after July 1, 2003, and on and before June 30, 5793
2005, the combined taxes levied by sections 5739.02 and 5741.02 5794
and pursuant to sections 5739.021, 5739.023, 5739.026, 5741.021, 5795
5741.022, and 5741.023 of the Revised Code shall be collected in 5796
accordance with the following schedules: 5797

 (1) When the combined rate of state and local tax is six and 5798
one-fourth per cent: 5799

If the price		The amount of	5800
is at least	But not more than	the tax is	5801

\$.01	\$.15	No tax	5802
.16	.16	1¢	5803
.17	.32	2¢	5804
.33	.48	3¢	5805
.49	.64	4¢	5806
.65	.80	5¢	5807
.81	.96	6¢	5808
.97	1.12	7¢	5809
1.13	1.28	8¢	5810
1.29	1.44	9¢	5811
1.45	1.60	10¢	5812
1.61	1.76	11¢	5813
1.77	1.92	12¢	5814
1.93	2.08	13¢	5815
2.09	2.24	14¢	5816
2.25	2.40	15¢	5817
2.41	2.56	16¢	5818
2.57	2.72	17¢	5819
2.73	2.88	18¢	5820
2.89	3.04	19¢	5821
3.05	3.20	20¢	5822
3.21	3.36	21¢	5823
3.37	3.52	22¢	5824
3.53	3.68	23¢	5825
3.69	3.84	24¢	5826
3.85	4.00	25¢	5827

If the price exceeds four dollars, the tax is twenty-five cents on each four dollars. If the price exceeds four dollars or a multiple thereof by not more than sixteen cents, the amount of tax is twenty-five cents for each four dollars plus one cent. If the price exceeds four dollars or a multiple thereof by more than sixteen cents, the amount of tax is twenty-five cents for each four dollars plus the amount of tax for prices seventeen cents

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through three dollars and ninety-nine cents in accordance with the 5835
schedule above. 5836

(2) When the combined rate of state and local tax is six and 5837
one-half per cent: 5838

If the price		The amount of	5839
is at least	But not more than	the tax is	5840
\$.01	\$.15	No tax	5841
.16	.30	2¢	5842
.31	.46	3¢	5843
.47	.61	4¢	5844
.62	.76	5¢	5845
.77	.92	6¢	5846
.93	1.07	7¢	5847
1.08	1.23	8¢	5848
1.24	1.38	9¢	5849
1.39	1.53	10¢	5850
1.54	1.69	11¢	5851
1.70	1.84	12¢	5852
1.85	2.00	13¢	5853

If the price exceeds two dollars, the tax is thirteen cents 5854
on each two dollars. If the price exceeds two dollars or a 5855
multiple thereof by not more than fifteen cents, the amount of tax 5856
is thirteen cents for each two dollars plus one cent. If the price 5857
exceeds two dollars or a multiple thereof by more than fifteen 5858
cents, the amount of tax is thirteen cents for each two dollars 5859
plus the amount of tax for prices sixteen cents through one dollar 5860
and ninety-nine cents in accordance with the schedule above. 5861

(3) When the combined rate of state and local tax is six and 5862
three-fourths per cent: 5863

If the price		The amount of	5864
is at least	But not more than	the tax is	5865
\$.01	\$.15	No tax	5866

.16	.29	2¢	5867
.30	.44	3¢	5868
.45	.59	4¢	5869
.60	.74	5¢	5870
.75	.88	6¢	5871
.89	1.03	7¢	5872
1.04	1.18	8¢	5873
1.19	1.33	9¢	5874
1.34	1.48	10¢	5875
1.49	1.62	11¢	5876
1.63	1.77	12¢	5877
1.78	1.92	13¢	5878
1.93	2.07	14¢	5879
2.08	2.22	15¢	5880
2.23	2.37	16¢	5881
2.38	2.51	17¢	5882
2.52	2.66	18¢	5883
2.67	2.81	19¢	5884
2.82	2.96	20¢	5885
2.97	3.11	21¢	5886
3.12	3.25	22¢	5887
3.26	3.40	23¢	5888
3.41	3.55	24¢	5889
3.56	3.70	25¢	5890
3.71	3.85	26¢	5891
3.86	4.00	27¢	5892

If the price exceeds four dollars, the tax is twenty-seven cents on each four dollars. If the price exceeds four dollars or a multiple thereof by not more than fourteen cents, the amount of tax is twenty-seven cents for each four dollars plus one cent. If the price exceeds four dollars or a multiple thereof by more than fourteen but by not more than twenty-nine cents, the amount of tax is twenty-seven cents for each four dollars plus two cents. If the

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price exceeds four dollars or a multiple thereof by more than 5900
twenty-nine cents the amount of tax is twenty-seven cents for each 5901
four dollars plus the amount of tax for prices thirty cents 5902
through three dollars and ninety-nine cents in accordance with the 5903
schedule above. 5904

(4) When the combined rate of state and local tax is seven 5905
per cent: 5906

If the price		The amount of	
is at least	But not more than	the tax is	
\$.01	\$.15	No tax	5909
.16	.28	2¢	5910
.29	.42	3¢	5911
.43	.57	4¢	5912
.58	.71	5¢	5913
.72	.85	6¢	5914
.86	1.00	7¢	5915

If the price exceeds one dollar, the tax is seven cents on 5916
each one dollar. If the price exceeds one dollar or a multiple 5917
thereof by not more than fifteen cents, the amount of tax is seven 5918
cents for each one dollar plus one cent. If the price exceeds one 5919
dollar or a multiple thereof by more than fifteen cents, the 5920
amount of tax is seven cents for each one dollar plus the amount 5921
of tax for prices sixteen cents through ninety-nine cents in 5922
accordance with the schedule above. 5923

(5) When the combined rate of state and local tax is seven 5924
and one-fourth per cent: 5925

If the price		The amount of	
is at least	But not more than	the tax is	
\$.01	\$.15	No tax	5928
.16	.27	2¢	5929
.28	.41	3¢	5930
.42	.55	4¢	5931

.56	.68	5¢	5932
.69	.82	6¢	5933
.83	.96	7¢	5934
.97	1.10	8¢	5935
1.11	1.24	9¢	5936
1.25	1.37	10¢	5937
1.38	1.51	11¢	5938
1.52	1.65	12¢	5939
1.66	1.79	13¢	5940
1.80	1.93	14¢	5941
1.94	2.06	15¢	5942
2.07	2.20	16¢	5943
2.21	2.34	17¢	5944
2.35	2.48	18¢	5945
2.49	2.62	19¢	5946
2.63	2.75	20¢	5947
2.76	2.89	21¢	5948
2.90	3.03	22¢	5949
3.04	3.17	23¢	5950
3.18	3.31	24¢	5951
3.32	3.44	25¢	5952
3.45	3.58	26¢	5953
3.59	3.72	27¢	5954
3.73	3.86	28¢	5955
3.87	4.00	29¢	5956

If the price exceeds four dollars, the tax is twenty-nine cents on each four dollars. If the price exceeds four dollars or a multiple thereof by not more than thirteen cents, the amount of tax is twenty-nine cents for each four dollars plus one cent. If the price exceeds four dollars or a multiple thereof by more than thirteen cents but by not more than twenty-seven cents, the amount of tax is twenty-nine cents for each four dollars plus two cents. If the price exceeds four dollars or a multiple thereof by more

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than twenty-seven cents, the amount of tax is twenty-nine cents 5965
for each four dollars plus the amount of tax for prices 5966
twenty-eight cents through three dollars and ninety-nine cents in 5967
accordance with the schedule above. 5968

(6) When the combined rate of state and local tax is seven 5969
and one-half per cent: 5970

If the price		The amount of	
is at least	But not more than	the tax is	
\$.01	\$.15	No tax	5973
.16	.26	2¢	5974
.27	.40	3¢	5975
.41	.53	4¢	5976
.54	.65	5¢	5977
.66	.80	6¢	5978
.81	.93	7¢	5979
.94	1.06	8¢	5980
1.07	1.20	9¢	5981
1.21	1.33	10¢	5982
1.34	1.46	11¢	5983
1.47	1.60	12¢	5984
1.61	1.73	13¢	5985
1.74	1.86	14¢	5986
1.87	2.00	15¢	5987

If the price exceeds two dollars, the tax is fifteen cents on 5988
each two dollars. If the price exceeds two dollars or a multiple 5989
thereof by not more than fifteen cents, the amount of tax is 5990
fifteen cents for each two dollars plus one cent. If the price 5991
exceeds two dollars or a multiple thereof by more than fifteen 5992
cents, the amount of tax is fifteen cents for each two dollars 5993
plus the amount of tax for prices sixteen cents through one dollar 5994
and ninety-nine cents in accordance with the schedule above. 5995

(7) When the combined rate of state and local tax is seven 5996

and three-fourths per cent:			5997
If the price		The amount of	5998
is at least	But not more than	the tax is	5999
\$.01	\$.15	No tax	6000
.16	.25	2¢	6001
.26	.38	3¢	6002
.39	.51	4¢	6003
.52	.64	5¢	6004
.65	.77	6¢	6005
.78	.90	7¢	6006
.91	1.03	8¢	6007
1.04	1.16	9¢	6008
1.17	1.29	10¢	6009
1.30	1.41	11¢	6010
1.42	1.54	12¢	6011
1.55	1.67	13¢	6012
1.68	1.80	14¢	6013
1.81	1.93	15¢	6014
1.94	2.06	16¢	6015
2.07	2.19	17¢	6016
2.20	2.32	18¢	6017
2.33	2.45	19¢	6018
2.46	2.58	20¢	6019
2.59	2.70	21¢	6020
2.71	2.83	22¢	6021
2.84	2.96	23¢	6022
2.97	3.09	24¢	6023
3.10	3.22	25¢	6024
3.23	3.35	26¢	6025
3.36	3.48	27¢	6026
3.49	3.61	28¢	6027
3.62	3.74	29¢	6028
3.75	3.87	30¢	6029

3.88 4.00 31¢ 6030

If the price exceeds four dollars, the tax is thirty-one 6031
cents on each four dollars. If the price exceeds four dollars or a 6032
multiple thereof by not more than twelve cents, the amount of tax 6033
is thirty-one cents for each four dollars plus one cent. If the 6034
price exceeds four dollars or a multiple thereof by more than 6035
twelve cents but by not more than twenty-five cents, the amount of 6036
tax is thirty-one cents for each four dollars plus two cents. If 6037
the price exceeds four dollars or a multiple thereof by more than 6038
twenty-five cents, the amount of tax is thirty-one cents for each 6039
four dollars plus the amount of tax for prices twenty-six cents 6040
through three dollars and ninety-nine cents in accordance with the 6041
schedule above. 6042

(8) When the combined rate of state and local tax is eight 6043
per cent: 6044

If the price	The amount of	6045
is at least	the tax is	6046
But not more than		
\$.01	No tax	6047
.16	2¢	6048
.26	3¢	6049
.38	4¢	6050
.51	5¢	6051
.63	6¢	6052
.76	7¢	6053
.88	8¢	6054

If the price exceeds one dollar, the tax is eight cents on 6055
each one dollar. If the price exceeds one dollar or a multiple 6056
thereof by not more than twelve cents, the amount of tax is eight 6057
cents for each one dollar plus one cent. If the price exceeds one 6058
dollar or a multiple thereof by more than twelve cents but not 6059
more than twenty-five cents, the amount of tax is eight cents for 6060
each one dollar plus two cents. If the price exceeds one dollar or 6061

a multiple thereof by more than twenty-five cents, the amount of 6062
tax is eight cents for each one dollar plus the amount of tax for 6063
prices twenty-six cents through ninety-nine cents in accordance 6064
with the schedule above. 6065

(9) When the combined rate of state and local tax is eight 6066
and one-fourth per cent: 6067

If the price		The amount of	
is at least	But not more than	the tax is	
\$.01	\$.15	No tax	6070
.16	.24	2¢	6071
.25	.36	3¢	6072
.37	.48	4¢	6073
.49	.60	5¢	6074
.61	.72	6¢	6075
.73	.84	7¢	6076
.85	.96	8¢	6077
.97	1.09	9¢	6078
1.10	1.21	10¢	6079
1.22	1.33	11¢	6080
1.34	1.45	12¢	6081
1.46	1.57	13¢	6082
1.58	1.69	14¢	6083
1.70	1.81	15¢	6084
1.82	1.93	16¢	6085
1.94	2.06	17¢	6086
2.07	2.18	18¢	6087
2.19	2.30	19¢	6088
2.31	2.42	20¢	6089
2.43	2.54	21¢	6090
2.55	2.66	22¢	6091
2.67	2.78	23¢	6092
2.79	2.90	24¢	6093

2.91	3.03	25¢	6094
3.04	3.15	26¢	6095
3.16	3.27	27¢	6096
3.28	3.39	28¢	6097
3.40	3.51	29¢	6098
3.52	3.63	30¢	6099
3.64	3.75	31¢	6100
3.76	3.87	32¢	6101
3.88	4.00	33¢	6102

If the price exceeds four dollars, the tax is thirty-three cents on each four dollars. If the price exceeds four dollars or a multiple thereof by not more than eleven cents, the amount of tax is thirty-three cents for each four dollars plus one cent. If the price exceeds four dollars or a multiple thereof by more than eleven cents but by not more than twenty-four cents, the amount of tax is thirty-three cents for each four dollars plus two cents. If the price exceeds four dollars or a multiple thereof by more than twenty-four cents, the amount of tax is thirty-three cents for each four dollars plus the amount of tax for prices twenty-six cents through three dollars and ninety-nine cents in accordance with the schedule above.

(10) When the combined rate of state and local tax is eight and one-half per cent:

If the price		The amount of	6117
is at least	But not more than	the tax is	6118
\$.01	\$.15	No tax	6119
.16	.23	2¢	6120
.24	.35	3¢	6121
.36	.47	4¢	6122
.48	.58	5¢	6123
.59	.70	6¢	6124
.71	.82	7¢	6125

.83	.94	8¢	6126
.95	1.05	9¢	6127
1.06	1.17	10¢	6128
1.18	1.29	11¢	6129
1.30	1.41	12¢	6130
1.42	1.52	13¢	6131
1.53	1.64	14¢	6132
1.65	1.76	15¢	6133
1.77	1.88	16¢	6134
1.89	2.00	17¢	6135

If the price exceeds two dollars, the tax is seventeen cents 6136
on each two dollars. If the price exceeds two dollars or a 6137
multiple thereof by not more than eleven cents, the amount of tax 6138
is seventeen cents for each two dollars plus one cent. If the 6139
price exceeds two dollars or a multiple thereof by more than 6140
eleven cents but by not more than twenty-three cents, the amount 6141
of tax is seventeen cents for each two dollars plus two cents. If 6142
the price exceeds two dollars or a multiple thereof by more than 6143
twenty-three cents, the amount of tax is seventeen cents for each 6144
two dollars plus the amount of tax for prices twenty-four cents 6145
through one dollar and ninety-nine cents in accordance with the 6146
schedule above. 6147

(11) When the combined rate of state and local tax is eight 6148
and three-fourths per cent: 6149

If the price		The amount of	6150
is at least	But not more than	the tax is	6151
\$.01	\$.15	No tax	6152
.16	.22	2¢	6153
.23	.34	3¢	6154
.35	.45	4¢	6155
.46	.57	5¢	6156
.58	.68	6¢	6157

.69	.80	7¢	6158
.81	.91	8¢	6159
.92	1.02	9¢	6160
1.03	1.14	10¢	6161
1.15	1.25	11¢	6162
1.26	1.37	12¢	6163
1.38	1.48	13¢	6164
1.49	1.60	14¢	6165
1.61	1.71	15¢	6166
1.72	1.82	16¢	6167
1.83	1.94	17¢	6168
1.95	2.05	18¢	6169
2.06	2.17	19¢	6170
2.18	2.28	20¢	6171
2.29	2.40	21¢	6172
2.41	2.51	22¢	6173
2.52	2.62	23¢	6174
2.63	2.74	24¢	6175
2.75	2.85	25¢	6176
2.86	2.97	26¢	6177
2.98	3.08	27¢	6178
3.09	3.20	28¢	6179
3.21	3.31	29¢	6180
3.32	3.42	30¢	6181
3.43	3.54	31¢	6182
3.55	3.65	32¢	6183
3.66	3.77	33¢	6184
3.78	3.88	34¢	6185
3.89	4.00	35¢	6186

If the price exceeds four dollars, the tax is thirty-five 6187
cents on each four dollars. If the price exceeds four dollars or a 6188
multiple thereof by not more than eleven cents, the amount of tax 6189
is thirty-five cents for each four dollars plus one cent. If the 6190

price exceeds four dollars or a multiple thereof by more than 6191
eleven cents but by not more than twenty-two cents, the amount of 6192
tax is thirty-five cents for each four dollars plus two cents. If 6193
the price exceeds four dollars or a multiple thereof by more than 6194
twenty-two cents, the amount of tax is thirty-five cents for each 6195
four dollars plus the amount of tax for prices twenty-three cents 6196
through three dollars and ninety-nine cents in accordance with the 6197
schedule above. 6198

(12) When the combined rate of state and local tax is nine 6199
per cent: 6200

If the price		The amount of	
is at least	But not more than	the tax is	
\$.01	\$.15	No tax	6203
.16	.22	2¢	6204
.23	.33	3¢	6205
.34	.44	4¢	6206
.45	.55	5¢	6207
.56	.66	6¢	6208
.67	.77	7¢	6209
.78	.88	8¢	6210
.89	1.00	9¢	6211

If the price exceeds one dollar, the tax is nine cents on 6212
each one dollar. If the price exceeds one dollar or a multiple 6213
thereof by not more than eleven cents, the amount of tax is nine 6214
cents for each one dollar plus one cent. If the price exceeds one 6215
dollar or a multiple thereof by more than eleven cents but by not 6216
more than twenty-two cents, the amount of tax is nine cents for 6217
each one dollar plus two cents. If the price exceeds one dollar or 6218
a multiple thereof by more than twenty-two cents, the amount of 6219
tax is nine cents for each one dollar plus the amount of tax for 6220
prices twenty-three cents through ninety-nine cents in accordance 6221
with the schedule above. 6222

(C) On and after July 1, 2005, and on and before December 31, 6223
2005, the combined taxes levied by sections 5739.02 and 5741.02 6224
and pursuant to sections 5739.021, 5739.023, 5739.026, 5741.021, 6225
5741.022, and 5741.023 of the Revised Code shall be collected in 6226
accordance with the following schedules: 6227

(1) When the total rate of local tax is one-fourth per cent: 6228

If the price	But not	The amount	
is at least	more than	of the tax is	
\$.01	\$.15	No tax	6231
.16	.17	1¢	6232
.18	.34	2¢	6233
.35	.52	3¢	6234
.53	.69	4¢	6235
.70	.86	5¢	6236
.87	1.04	6¢	6237
1.05	1.21	7¢	6238
1.22	1.39	8¢	6239
1.40	1.56	9¢	6240
1.57	1.73	10¢	6241
1.74	1.91	11¢	6242
1.92	2.08	12¢	6243
2.09	2.26	13¢	6244
2.27	2.43	14¢	6245
2.44	2.60	15¢	6246
2.61	2.78	16¢	6247
2.79	2.95	17¢	6248
2.96	3.13	18¢	6249
3.14	3.30	19¢	6250
3.31	3.47	20¢	6251
3.48	3.65	21¢	6252
3.66	3.82	22¢	6253
3.83	4.00	23¢	6254

If the price exceeds four dollars, the tax is twenty-three cents on each four dollars. If the price exceeds four dollars or a multiple thereof by not more than seventeen cents, the amount of tax is twenty-three cents for each four dollars plus one cent. If the price exceeds four dollars or a multiple thereof by more than seventeen cents, the amount of tax is twenty-three cents for each four dollars plus the amount of tax for prices eighteen cents through three dollars and ninety-nine cents in accordance with the schedule above.

(2) When the combined rate of local tax is one-half per cent:

If the price is at least	But not more than	The amount of the tax is	
\$.01	\$.15	No tax	6267
.16	.17	1¢	6268
.18	.34	2¢	6269
.35	.50	3¢	6270
.51	.67	4¢	6271
.68	.83	5¢	6272
.84	1.00	6¢	6273

If the price exceeds one dollar, the tax is six cents on each one dollar. If the price exceeds one dollar or a multiple thereof by not more than seventeen cents, the amount of tax is six cents for each one dollar plus one cent. If the price exceeds one dollar or a multiple thereof by more than seventeen cents, the amount of tax is six cents for each one dollar plus the amount of tax for prices eighteen cents through ninety-nine cents in accordance with the schedule above.

(3) When the combined rate of local tax is three-fourths per cent:

If the price is at least	But not more than	The amount of the tax is	
\$.01	\$.15	No tax	6286

.16	.16	1¢	6287
.17	.32	2¢	6288
.33	.48	3¢	6289
.49	.64	4¢	6290
.65	.80	5¢	6291
.81	.96	6¢	6292
.97	1.12	7¢	6293
1.13	1.28	8¢	6294
1.29	1.44	9¢	6295
1.45	1.60	10¢	6296
1.61	1.76	11¢	6297
1.77	1.92	12¢	6298
1.93	2.08	13¢	6299
2.09	2.24	14¢	6300
2.25	2.40	15¢	6301
2.41	2.56	16¢	6302
2.57	2.72	17¢	6303
2.73	2.88	18¢	6304
2.89	3.04	19¢	6305
3.05	3.20	20¢	6306
3.21	3.36	21¢	6307
3.37	3.52	22¢	6308
3.53	3.68	23¢	6309
3.69	3.84	24¢	6310
3.85	4.00	25¢	6311

If the price exceeds four dollars, the tax is twenty-five cents on each four dollars. If the price exceeds four dollars or a multiple thereof by not more than sixteen cents, the amount of tax is twenty-five cents for each four dollars plus one cent. If the price exceeds four dollars or a multiple thereof by more than sixteen cents, the amount of tax is twenty-five cents for each four dollars plus the amount of tax for prices seventeen cents through three dollars and ninety-nine cents in accordance with the

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schedule above. 6320

(4) When the combined rate of local tax is one per cent: 6321

If the price	But not	The amount	
is at least	more than	of the tax is	
\$.01	\$.15	No tax	6324
.16	.30	2¢	6325
.31	.46	3¢	6326
.47	.61	4¢	6327
.62	.76	5¢	6328
.77	.92	6¢	6329
.93	1.07	7¢	6330
1.08	1.23	8¢	6331
1.24	1.38	9¢	6332
1.39	1.53	10¢	6333
1.54	1.69	11¢	6334
1.70	1.84	12¢	6335
1.85	2.00	13¢	6336

If the price exceeds two dollars, the tax is thirteen cents 6337
on each two dollars. If the price exceeds two dollars or a 6338
multiple thereof by not more than fifteen cents, the amount of tax 6339
is thirteen cents for each two dollars plus one cent. If the price 6340
exceeds two dollars or a multiple thereof by more than fifteen 6341
cents, the amount of tax is thirteen cents for each two dollars 6342
plus the amount of tax for prices sixteen cents through one dollar 6343
and ninety-nine cents in accordance with the schedule above. 6344

(5) When the combined rate of local tax is one and one-fourth 6345
per cent: 6346

If the price	But not	The amount	
is at least	more than	of the tax is	
\$.01	\$.15	No tax	6349
.16	.29	2¢	6350
.30	.44	3¢	6351

.45	.59	4¢	6352
.60	.74	5¢	6353
.75	.88	6¢	6354
.89	1.03	7¢	6355
1.04	1.18	8¢	6356
1.19	1.33	9¢	6357
1.34	1.48	10¢	6358
1.49	1.62	11¢	6359
1.63	1.77	12¢	6360
1.78	1.92	13¢	6361
1.93	2.07	14¢	6362
2.08	2.22	15¢	6363
2.23	2.37	16¢	6364
2.38	2.51	17¢	6365
2.52	2.66	18¢	6366
2.67	2.81	19¢	6367
2.82	2.96	20¢	6368
2.97	3.11	21¢	6369
3.12	3.25	22¢	6370
3.26	3.40	23¢	6371
3.41	3.55	24¢	6372
3.56	3.70	25¢	6373
3.71	3.85	26¢	6374
3.86	4.00	27¢	6375

If the price exceeds four dollars, the tax is twenty-seven 6376
cents on each four dollars. If the price exceeds four dollars or a 6377
multiple thereof by not more than fourteen cents, the amount of 6378
tax is twenty-seven cents for each four dollars plus one cent. If 6379
the price exceeds four dollars or a multiple thereof by more than 6380
fourteen but by not more than twenty-nine cents, the amount of tax 6381
is twenty-seven cents for each four dollars plus two cents. If the 6382
price exceeds four dollars or a multiple thereof by more than 6383
twenty-nine cents the amount of tax is twenty-seven cents for each 6384

four dollars plus the amount of tax for prices thirty cents 6385
through three dollars and ninety-nine cents in accordance with the 6386
schedule above. 6387

(6) When the combined rate of local tax is one and one-half 6388
per cent: 6389

If the price	But not	The amount	
is at least	more than	of the tax is	
\$.01	\$.15	No tax	6392
.16	.28	2¢	6393
.29	.42	3¢	6394
.43	.57	4¢	6395
.58	.71	5¢	6396
.72	.85	6¢	6397
.86	1.00	7¢	6398

If the price exceeds one dollar, the tax is seven cents on 6399
each one dollar. If the price exceeds one dollar or a multiple 6400
thereof by not more than fifteen cents, the amount of tax is seven 6401
cents for each one dollar plus one cent. If the price exceeds one 6402
dollar or a multiple thereof by more than fifteen cents, the 6403
amount of tax is seven cents for each one dollar plus the amount 6404
of tax for prices sixteen cents through ninety-nine cents in 6405
accordance with the schedule above. 6406

(7) When the combined rate of local tax is one and 6407
three-fourths per cent: 6408

If the price	But not	The amount	
is at least	more than	of the tax is	
\$.01	\$.15	No tax	6411
.16	.27	2¢	6412
.28	.41	3¢	6413
.42	.55	4¢	6414
.56	.68	5¢	6415
.69	.82	6¢	6416

.83	.96	7¢	6417
.97	1.10	8¢	6418
1.11	1.24	9¢	6419
1.25	1.37	10¢	6420
1.38	1.51	11¢	6421
1.52	1.65	12¢	6422
1.66	1.79	13¢	6423
1.80	1.93	14¢	6424
1.94	2.06	15¢	6425
2.07	2.20	16¢	6426
2.21	2.34	17¢	6427
2.35	2.48	18¢	6428
2.49	2.62	19¢	6429
2.63	2.75	20¢	6430
2.76	2.89	21¢	6431
2.90	3.03	22¢	6432
3.04	3.17	23¢	6433
3.18	3.31	24¢	6434
3.32	3.44	25¢	6435
3.45	3.58	26¢	6436
3.59	3.72	27¢	6437
3.73	3.86	28¢	6438
3.87	4.00	29¢	6439

If the price exceeds four dollars, the tax is twenty-nine cents on each four dollars. If the price exceeds four dollars or a multiple thereof by not more than thirteen cents, the amount of tax is twenty-nine cents for each four dollars plus one cent. If the price exceeds four dollars or a multiple thereof by more than thirteen cents but by not more than twenty-seven cents, the amount of tax is twenty-nine cents for each four dollars plus two cents. If the price exceeds four dollars or a multiple thereof by more than twenty-seven cents, the amount of tax is twenty-nine cents for each four dollars plus the amount of tax for prices

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twenty-eight cents through three dollars and ninety-nine cents in 6450
accordance with the schedule above. 6451

(8) When the combined rate of local tax is two per cent: 6452

If the price	But not	The amount	
is at least	more than	of the tax is	
\$.01	\$.15	No tax	6455
.16	.26	2¢	6456
.27	.40	3¢	6457
.41	.53	4¢	6458
.54	.65	5¢	6459
.66	.80	6¢	6460
.81	.93	7¢	6461
.94	1.06	8¢	6462
1.07	1.20	9¢	6463
1.21	1.33	10¢	6464
1.34	1.46	11¢	6465
1.47	1.60	12¢	6466
1.61	1.73	13¢	6467
1.74	1.86	14¢	6468
1.87	2.00	15¢	6469

If the price exceeds two dollars, the tax is fifteen cents on 6470
each two dollars. If the price exceeds two dollars or a multiple 6471
thereof by not more than fifteen cents, the amount of tax is 6472
fifteen cents for each two dollars plus one cent. If the price 6473
exceeds two dollars or a multiple thereof by more than fifteen 6474
cents, the amount of tax is fifteen cents for each two dollars 6475
plus the amount of tax for prices sixteen cents through one dollar 6476
and ninety-nine cents in accordance with the schedule above. 6477

(9) When the combined rate of local tax is two and one-fourth 6478
per cent: 6479

If the price	But not	The amount	
is at least	more than	of the tax is	
			6480
			6481

\$.01	\$.15	No tax	6482
.16	.25	2¢	6483
.26	.38	3¢	6484
.39	.51	4¢	6485
.52	.64	5¢	6486
.65	.77	6¢	6487
.78	.90	7¢	6488
.91	1.03	8¢	6489
1.04	1.16	9¢	6490
1.17	1.29	10¢	6491
1.30	1.41	11¢	6492
1.42	1.54	12¢	6493
1.55	1.67	13¢	6494
1.68	1.80	14¢	6495
1.81	1.93	15¢	6496
1.94	2.06	16¢	6497
2.07	2.19	17¢	6498
2.20	2.32	18¢	6499
2.33	2.45	19¢	6500
2.46	2.58	20¢	6501
2.59	2.70	21¢	6502
2.71	2.83	22¢	6503
2.84	2.96	23¢	6504
2.97	3.09	24¢	6505
3.10	3.22	25¢	6506
3.23	3.35	26¢	6507
3.36	3.48	27¢	6508
3.49	3.61	28¢	6509
3.62	3.74	29¢	6510
3.75	3.87	30¢	6511
3.88	4.00	31¢	6512

If the price exceeds four dollars, the tax is thirty-one cents on each four dollars. If the price exceeds four dollars or a

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multiple thereof by not more than twelve cents, the amount of tax 6515
is thirty-one cents for each four dollars plus one cent. If the 6516
price exceeds four dollars or a multiple thereof by more than 6517
twelve cents but not more than twenty-five cents, the amount of 6518
tax is thirty-one cents for each four dollars plus two cents. If 6519
the price exceeds four dollars or a multiple thereof by more than 6520
twenty-five cents, the amount of tax is thirty-one cents for each 6521
four dollars plus the amount of tax for prices twenty-six cents 6522
through three dollars and ninety-nine cents in accordance with the 6523
schedule above. 6524

(10) When the combined rate of local tax is two and one-half 6525
per cent: 6526

<u>new</u>	old	6527
existing	<u>new</u>	6528
<u>new</u> and old	old and <u>new</u>	6529
TEST	TEST	6530
old	<u>new</u>	6531

If the price	But not	The amount	6532
is at least	more than	of the tax is	6533
\$.01	\$.15	No tax	6534
.16	.25	2¢	6535
.26	.37	3¢	6536
.38	.50	4¢	6537
.51	.62	5¢	6538
.63	.75	6¢	6539
.76	.87	7¢	6540
.88	1.00	8¢	6541

If the price exceeds one dollar, the tax is eight cents on 6542
each one dollar. If the price exceeds one dollar or a multiple 6543
thereof by not more than twelve cents, the amount of tax is eight 6544
cents for each one dollar plus one cent. If the price exceeds one 6545
dollar or a multiple thereof by more than twelve cents but not 6546

more than twenty-five cents, the amount of tax is eight cents for 6547
each one dollar plus two cents. If the price exceeds one dollar or 6548
a multiple thereof by more than twenty-five cents, the amount of 6549
tax is eight cents for each one dollar plus the amount of tax for 6550
prices twenty-six cents through ninety-nine cents in accordance 6551
with the schedule above. 6552

(11) When the combined rate of local tax is two and 6553
three-fourths per cent: 6554

If the price	But not	The amount	
is at least	more than	of the tax is	
\$.01	\$.15	No tax	6555
.16	.24	2¢	6558
.25	.36	3¢	6559
.37	.48	4¢	6560
.49	.60	5¢	6561
.61	.72	6¢	6562
.73	.84	7¢	6563
.85	.96	8¢	6564
.97	1.09	9¢	6565
1.10	1.21	10¢	6566
1.22	1.33	11¢	6567
1.34	1.45	12¢	6568
1.46	1.57	13¢	6569
1.58	1.69	14¢	6570
1.70	1.81	15¢	6571
1.82	1.93	16¢	6572
1.94	2.06	17¢	6573
2.07	2.18	18¢	6574
2.19	2.30	19¢	6575
2.31	2.42	20¢	6576
2.43	2.54	21¢	6577
2.55	2.66	22¢	6578

2.67	2.78	23¢	6579
2.79	2.90	24¢	6580
2.91	3.03	25¢	6581
3.04	3.15	26¢	6582
3.16	3.27	27¢	6583
3.28	3.39	28¢	6584
3.40	3.51	29¢	6585
3.52	3.63	30¢	6586
3.64	3.75	31¢	6587
3.76	3.87	32¢	6588
3.88	4.00	33¢	6589

If the price exceeds four dollars, the tax is thirty-three cents on each four dollars. If the price exceeds four dollars or a multiple thereof by not more than eleven cents, the amount of tax is thirty-three cents for each four dollars plus one cent. If the price exceeds four dollars or a multiple thereof by more than eleven cents but not more than twenty-four cents, the amount of tax is thirty-three cents for each four dollars plus two cents. If the price exceeds four dollars or a multiple thereof by more than twenty-four cents, the amount of tax is thirty-three cents for each four dollars plus the amount of tax for prices twenty-six cents through three dollars and ninety-nine cents in accordance with the schedule above.

(12) When the combined rate of local tax is three per cent:

If the price	But not	The amount	6603
is at least	more than	of the tax is	6604
\$.01	\$.15	No tax	6605
.16	.23	2¢	6606
.24	.35	3¢	6607
.36	.47	4¢	6608
.48	.58	5¢	6609
.59	.70	6¢	6610

.71	.82	7¢	6611
.83	.94	8¢	6612
.95	1.05	9¢	6613
1.06	1.17	10¢	6614
1.18	1.29	11¢	6615
1.30	1.41	12¢	6616
1.42	1.52	13¢	6617
1.53	1.64	14¢	6618
1.65	1.76	15¢	6619
1.77	1.88	16¢	6620
1.89	2.00	17¢	6621

If the price exceeds two dollars, the tax is seventeen cents 6622
on each two dollars. If the price exceeds two dollars or a 6623
multiple thereof by not more than eleven cents, the amount of tax 6624
is seventeen cents for each two dollars plus one cent. If the 6625
price exceeds two dollars or a multiple thereof by more than 6626
eleven cents but not more than twenty-three cents, the amount of 6627
tax is seventeen cents for each two dollars plus two cents. If the 6628
price exceeds two dollars or a multiple thereof by more than 6629
twenty-three cents, the amount of tax is seventeen cents for each 6630
two dollars plus the amount of tax for prices twenty-four cents 6631
through one dollar and ninety-nine cents in accordance with the 6632
schedule above. 6633

(D) In lieu of collecting the tax pursuant to the schedules 6634
set forth in divisions (A), (B), and (C) of this section, a vendor 6635
may compute the tax on each sale as follows: 6636

(1) On sales of fifteen cents or less, no tax shall apply. 6637

(2) On sales in excess of fifteen cents, multiply the price 6638
by the aggregate rate of taxes in effect under sections 5739.02 6639
and 5741.02 and sections 5739.021, 5739.023, 5739.026, 5741.021, 6640
5741.022, and 5741.023 of the Revised Code. The computation shall 6641
be carried out to six decimal places. If the result is a 6642

fractional amount of a cent, the calculated tax shall be increased 6643
to the next highest cent and that amount shall be collected by the 6644
vendor. 6645

(E) On and after January 1, 2006, a vendor shall compute the 6646
tax on each sale by multiplying the price by the aggregate rate of 6647
taxes in effect under sections 5739.02 and 5741.02, and sections 6648
5739.021, 5739.023, 5739.026, 5741.021, 5741.022, and 5741.023 of 6649
the Revised Code. The computation shall be carried out to three 6650
decimal places. If the result is a fractional amount of a cent, 6651
the calculated tax shall be rounded to a whole cent using a method 6652
that rounds up to the next cent whenever the third decimal place 6653
is greater than four. A vendor may elect to compute the tax due on 6654
a transaction on an item or an invoice basis. 6655

(F) In auditing a vendor, the tax commissioner shall consider 6656
the method prescribed by this section that was used by the vendor 6657
in determining and collecting the tax due under this chapter on 6658
taxable transactions. If the vendor correctly collects and remits 6659
the tax due under this chapter in accordance with the schedules in 6660
divisions (A), (B), and (C) of this section or in accordance with 6661
the computation prescribed in division (D) or (E) of this section, 6662
the commissioner shall not assess any additional tax on those 6663
transactions. 6664

~~(G)(1) With respect to a sale of a fractional ownership 6665
program aircraft used primarily in a fractional aircraft ownership 6666
program, including all accessories attached to such aircraft, the 6667
tax shall be calculated pursuant to divisions (A) to (E) of this 6668
section, provided that the tax commissioner shall modify those 6669
calculations so that the maximum tax on each program aircraft is 6670
eight hundred dollars. In the case of a sale of a fractional 6671
interest that is less than one hundred per cent of the program 6672
aircraft, the tax charged on the transaction shall be eight 6673
hundred dollars multiplied by a fraction, the numerator of which 6674~~

~~is the percentage of ownership or possession in the aircraft being 6675
purchased in the transaction, and the denominator of which is one 6676
hundred per cent. 6677~~

~~(2) Notwithstanding any other provision of law to the 6678
contrary, the tax calculated under division (G)(1) of this section 6679
and paid with respect to the sale of a fractional ownership 6680
program aircraft used primarily in a fractional aircraft ownership 6681
program shall be credited to the general revenue fund. 6682~~

Sec. 5747.01. Except as otherwise expressly provided or 6683
clearly appearing from the context, any term used in this chapter 6684
that is not otherwise defined in this section has the same meaning 6685
as when used in a comparable context in the laws of the United 6686
States relating to federal income taxes or if not used in a 6687
comparable context in those laws, has the same meaning as in 6688
section 5733.40 of the Revised Code. Any reference in this chapter 6689
to the Internal Revenue Code includes other laws of the United 6690
States relating to federal income taxes. 6691

As used in this chapter: 6692

(A) "Adjusted gross income" or "Ohio adjusted gross income" 6693
means federal adjusted gross income, as defined and used in the 6694
Internal Revenue Code, adjusted as provided in this section: 6695

(1) Add interest or dividends on obligations or securities of 6696
any state or of any political subdivision or authority of any 6697
state, other than this state and its subdivisions and authorities. 6698

(2) Add interest or dividends on obligations of any 6699
authority, commission, instrumentality, territory, or possession 6700
of the United States to the extent that the interest or dividends 6701
are exempt from federal income taxes but not from state income 6702
taxes. 6703

(3) Deduct interest or dividends on obligations of the United 6704

States and its territories and possessions or of any authority, 6705
commission, or instrumentality of the United States to the extent 6706
that the interest or dividends are included in federal adjusted 6707
gross income but exempt from state income taxes under the laws of 6708
the United States. 6709

(4) Deduct disability and survivor's benefits to the extent 6710
included in federal adjusted gross income. 6711

(5) Deduct benefits under Title II of the Social Security Act 6712
and tier 1 railroad retirement benefits to the extent included in 6713
federal adjusted gross income under section 86 of the Internal 6714
Revenue Code. 6715

(6) In the case of a taxpayer who is a beneficiary of a trust 6716
that makes an accumulation distribution as defined in section 665 6717
of the Internal Revenue Code, add, for the beneficiary's taxable 6718
years beginning before 2002, the portion, if any, of such 6719
distribution that does not exceed the undistributed net income of 6720
the trust for the three taxable years preceding the taxable year 6721
in which the distribution is made to the extent that the portion 6722
was not included in the trust's taxable income for any of the 6723
trust's taxable years beginning in 2002 or thereafter. 6724
"Undistributed net income of a trust" means the taxable income of 6725
the trust increased by (a)(i) the additions to adjusted gross 6726
income required under division (A) of this section and (ii) the 6727
personal exemptions allowed to the trust pursuant to section 6728
642(b) of the Internal Revenue Code, and decreased by (b)(i) the 6729
deductions to adjusted gross income required under division (A) of 6730
this section, (ii) the amount of federal income taxes attributable 6731
to such income, and (iii) the amount of taxable income that has 6732
been included in the adjusted gross income of a beneficiary by 6733
reason of a prior accumulation distribution. Any undistributed net 6734
income included in the adjusted gross income of a beneficiary 6735
shall reduce the undistributed net income of the trust commencing 6736

with the earliest years of the accumulation period. 6737

(7) Deduct the amount of wages and salaries, if any, not 6738
otherwise allowable as a deduction but that would have been 6739
allowable as a deduction in computing federal adjusted gross 6740
income for the taxable year, had the targeted jobs credit allowed 6741
and determined under sections 38, 51, and 52 of the Internal 6742
Revenue Code not been in effect. 6743

(8) Deduct any interest or interest equivalent on public 6744
obligations and purchase obligations to the extent that the 6745
interest or interest equivalent is included in federal adjusted 6746
gross income. 6747

(9) Add any loss or deduct any gain resulting from the sale, 6748
exchange, or other disposition of public obligations to the extent 6749
that the loss has been deducted or the gain has been included in 6750
computing federal adjusted gross income. 6751

~~(10) Deduct or add amounts, as provided under section 5747.70~~ 6752
~~of the Revised Code, related to contributions to variable college~~ 6753
~~savings program accounts made or tuition units purchased pursuant~~ 6754
~~to Chapter 3334. of the Revised Code~~ For a taxpayer that provides 6755
broadband service, deduct the taxpayer's net profits from 6756
providing broadband service in this state multiplied by a 6757
fraction, the numerator of which is the original cost of tangible 6758
personal property necessary for the provision of broadband service 6759
in rural areas of this state installed on or after the effective 6760
date of this amendment, and the denominator of which is the 6761
original cost of tangible personal property necessary for the 6762
provision of broadband service in this state and installed on or 6763
after that date. A taxpayer that is an equity owner of a 6764
pass-through entity that provides broadband service may deduct the 6765
taxpayer's distributive or proportionate share of the entity's net 6766
profits from providing such service multiplied by that fraction. A 6767
deduction is not allowed under this division if the taxpayer 6768

claims the exclusion under division (F)(2)(11) of section 5751.01 6769
of the Revised Code for any tax period that is included partly or 6770
wholly in the taxable year. For the purposes of this division, 6771
"broadband service" and "rural area" have the same meanings as in 6772
7 U.S.C. 950bb. 6773

(11)(a) Deduct, to the extent not otherwise allowable as a 6774
deduction or exclusion in computing federal or Ohio adjusted gross 6775
income for the taxable year, the amount the taxpayer paid during 6776
the taxable year for medical care insurance and qualified 6777
long-term care insurance for the taxpayer, the taxpayer's spouse, 6778
and dependents. No deduction for medical care insurance under 6779
division (A)(11) of this section shall be allowed either to any 6780
taxpayer who is eligible to participate in any subsidized health 6781
plan maintained by any employer of the taxpayer or of the 6782
taxpayer's spouse, or to any taxpayer who is entitled to, or on 6783
application would be entitled to, benefits under part A of Title 6784
XVIII of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C. 6785
301, as amended. For the purposes of division (A)(11)(a) of this 6786
section, "subsidized health plan" means a health plan for which 6787
the employer pays any portion of the plan's cost. The deduction 6788
allowed under division (A)(11)(a) of this section shall be the net 6789
of any related premium refunds, related premium reimbursements, or 6790
related insurance premium dividends received during the taxable 6791
year. 6792

(b) Deduct, to the extent not otherwise deducted or excluded 6793
in computing federal or Ohio adjusted gross income during the 6794
taxable year, the amount the taxpayer paid during the taxable 6795
year, not compensated for by any insurance or otherwise, for 6796
medical care of the taxpayer, the taxpayer's spouse, and 6797
dependents, to the extent the expenses exceed seven and one-half 6798
per cent of the taxpayer's federal adjusted gross income. 6799

(c) Deduct, to the extent not otherwise deducted or excluded 6800

in computing federal or Ohio adjusted gross income, any amount 6801
included in federal adjusted gross income under section 105 or not 6802
excluded under section 106 of the Internal Revenue Code solely 6803
because it relates to an accident and health plan for a person who 6804
otherwise would be a "qualifying relative" and thus a "dependent" 6805
under section 152 of the Internal Revenue Code but for the fact 6806
that the person fails to meet the income and support limitations 6807
under section 152(d)(1)(B) and (C) of the Internal Revenue Code. 6808

(d) For purposes of division (A)(11) of this section, 6809
"medical care" has the meaning given in section 213 of the 6810
Internal Revenue Code, subject to the special rules, limitations, 6811
and exclusions set forth therein, and "qualified long-term care" 6812
has the same meaning given in section 7702B(c) of the Internal 6813
Revenue Code. Solely for purposes of divisions (A)(11)(a) and (c) 6814
of this section, "dependent" includes a person who otherwise would 6815
be a "qualifying relative" and thus a "dependent" under section 6816
152 of the Internal Revenue Code but for the fact that the person 6817
fails to meet the income and support limitations under section 6818
152(d)(1)(B) and (C) of the Internal Revenue Code. 6819

(12)(a) Deduct any amount included in federal adjusted gross 6820
income solely because the amount represents a reimbursement or 6821
refund of expenses that in any year the taxpayer had deducted as 6822
an itemized deduction pursuant to section 63 of the Internal 6823
Revenue Code and applicable United States department of the 6824
treasury regulations. The deduction otherwise allowed under 6825
division (A)(12)(a) of this section shall be reduced to the extent 6826
the reimbursement is attributable to an amount the taxpayer 6827
deducted under this section in any taxable year. 6828

(b) Add any amount not otherwise included in Ohio adjusted 6829
gross income for any taxable year to the extent that the amount is 6830
attributable to the recovery during the taxable year of any amount 6831
deducted or excluded in computing federal or Ohio adjusted gross 6832

income in any taxable year. 6833

(13) Deduct any portion of the deduction described in section 6834
1341(a)(2) of the Internal Revenue Code, for repaying previously 6835
reported income received under a claim of right, that meets both 6836
of the following requirements: 6837

(a) It is allowable for repayment of an item that was 6838
included in the taxpayer's adjusted gross income for a prior 6839
taxable year and did not qualify for a credit under division (A) 6840
or (B) of section 5747.05 of the Revised Code for that year; 6841

(b) It does not otherwise reduce the taxpayer's adjusted 6842
gross income for the current or any other taxable year. 6843

(14) Deduct an amount equal to the deposits made to, and net 6844
investment earnings of, a medical savings account during the 6845
taxable year, in accordance with section 3924.66 of the Revised 6846
Code. The deduction allowed by division (A)(14) of this section 6847
does not apply to medical savings account deposits and earnings 6848
otherwise deducted or excluded for the current or any other 6849
taxable year from the taxpayer's federal adjusted gross income. 6850

(15)(a) Add an amount equal to the funds withdrawn from a 6851
medical savings account during the taxable year, and the net 6852
investment earnings on those funds, when the funds withdrawn were 6853
used for any purpose other than to reimburse an account holder 6854
for, or to pay, eligible medical expenses, in accordance with 6855
section 3924.66 of the Revised Code; 6856

(b) Add the amounts distributed from a medical savings 6857
account under division (A)(2) of section 3924.68 of the Revised 6858
Code during the taxable year. 6859

(16) Add any amount claimed as a credit under section 6860
5747.059 or 5747.65 of the Revised Code to the extent that such 6861
amount satisfies either of the following: 6862

(a) The amount was deducted or excluded from the computation 6863
of the taxpayer's federal adjusted gross income as required to be 6864
reported for the taxpayer's taxable year under the Internal 6865
Revenue Code; 6866

(b) The amount resulted in a reduction of the taxpayer's 6867
federal adjusted gross income as required to be reported for any 6868
of the taxpayer's taxable years under the Internal Revenue Code. 6869

(17) Deduct the amount contributed by the taxpayer to an 6870
individual development account program established by a county 6871
department of job and family services pursuant to sections 329.11 6872
to 329.14 of the Revised Code for the purpose of matching funds 6873
deposited by program participants. On request of the tax 6874
commissioner, the taxpayer shall provide any information that, in 6875
the tax commissioner's opinion, is necessary to establish the 6876
amount deducted under division (A)(17) of this section. 6877

(18) Beginning in taxable year 2001 but not for any taxable 6878
year beginning after December 31, 2005, if the taxpayer is married 6879
and files a joint return and the combined federal adjusted gross 6880
income of the taxpayer and the taxpayer's spouse for the taxable 6881
year does not exceed one hundred thousand dollars, or if the 6882
taxpayer is single and has a federal adjusted gross income for the 6883
taxable year not exceeding fifty thousand dollars, deduct amounts 6884
paid during the taxable year for qualified tuition and fees paid 6885
to an eligible institution for the taxpayer, the taxpayer's 6886
spouse, or any dependent of the taxpayer, who is a resident of 6887
this state and is enrolled in or attending a program that 6888
culminates in a degree or diploma at an eligible institution. The 6889
deduction may be claimed only to the extent that qualified tuition 6890
and fees are not otherwise deducted or excluded for any taxable 6891
year from federal or Ohio adjusted gross income. The deduction may 6892
not be claimed for educational expenses for which the taxpayer 6893
claims a credit under section 5747.27 of the Revised Code. 6894

(19) Add any reimbursement received during the taxable year 6895
of any amount the taxpayer deducted under division (A)(18) of this 6896
section in any previous taxable year to the extent the amount is 6897
not otherwise included in Ohio adjusted gross income. 6898

(20)(a)(i) Subject to divisions (A)(20)(a)(iii), (iv), and 6899
(v) of this section, add five-sixths of the amount of depreciation 6900
expense allowed by subsection (k) of section 168 of the Internal 6901
Revenue Code, including the taxpayer's proportionate or 6902
distributive share of the amount of depreciation expense allowed 6903
by that subsection to a pass-through entity in which the taxpayer 6904
has a direct or indirect ownership interest. 6905

(ii) Subject to divisions (A)(20)(a)(iii), (iv), and (v) of 6906
this section, add five-sixths of the amount of qualifying section 6907
179 depreciation expense, including the taxpayer's proportionate 6908
or distributive share of the amount of qualifying section 179 6909
depreciation expense allowed to any pass-through entity in which 6910
the taxpayer has a direct or indirect ownership interest. 6911

(iii) Subject to division (A)(20)(a)(v) of this section, for 6912
taxable years beginning in 2012 or thereafter, if the increase in 6913
income taxes withheld by the taxpayer is equal to or greater than 6914
ten per cent of income taxes withheld by the taxpayer during the 6915
taxpayer's immediately preceding taxable year, "two-thirds" shall 6916
be substituted for "five-sixths" for the purpose of divisions 6917
(A)(20)(a)(i) and (ii) of this section. 6918

(iv) Subject to division (A)(20)(a)(v) of this section, for 6919
taxable years beginning in 2012 or thereafter, a taxpayer is not 6920
required to add an amount under division (A)(20) of this section 6921
if the increase in income taxes withheld by the taxpayer and by 6922
any pass-through entity in which the taxpayer has a direct or 6923
indirect ownership interest is equal to or greater than the sum of 6924
(I) the amount of qualifying section 179 depreciation expense and 6925
(II) the amount of depreciation expense allowed to the taxpayer by 6926

subsection (k) of section 168 of the Internal Revenue Code, and 6927
including the taxpayer's proportionate or distributive shares of 6928
such amounts allowed to any such pass-through entities. 6929

(v) If a taxpayer directly or indirectly incurs a net 6930
operating loss for the taxable year for federal income tax 6931
purposes, to the extent such loss resulted from depreciation 6932
expense allowed by subsection (k) of section 168 of the Internal 6933
Revenue Code and by qualifying section 179 depreciation expense, 6934
"the entire" shall be substituted for "five-sixths of the" for the 6935
purpose of divisions (A)(20)(a)(i) and (ii) of this section. 6936

The tax commissioner, under procedures established by the 6937
commissioner, may waive the add-backs related to a pass-through 6938
entity if the taxpayer owns, directly or indirectly, less than 6939
five per cent of the pass-through entity. 6940

(b) Nothing in division (A)(20) of this section shall be 6941
construed to adjust or modify the adjusted basis of any asset. 6942

(c) To the extent the add-back required under division 6943
(A)(20)(a) of this section is attributable to property generating 6944
nonbusiness income or loss allocated under section 5747.20 of the 6945
Revised Code, the add-back shall be situated to the same location 6946
as the nonbusiness income or loss generated by the property for 6947
the purpose of determining the credit under division (A) of 6948
section 5747.05 of the Revised Code. Otherwise, the add-back shall 6949
be apportioned, subject to one or more of the four alternative 6950
methods of apportionment enumerated in section 5747.21 of the 6951
Revised Code. 6952

(d) For the purposes of division (A)(20)(a)(v) of this 6953
section, net operating loss carryback and carryforward shall not 6954
include the allowance of any net operating loss deduction 6955
carryback or carryforward to the taxable year to the extent such 6956
loss resulted from depreciation allowed by section 168(k) of the 6957

Internal Revenue Code and by the qualifying section 179 6958
depreciation expense amount. 6959

(e) For the purposes of divisions (A)(20) and (21) of this 6960
section: 6961

(i) "Income taxes withheld" means the total amount withheld 6962
and remitted under sections 5747.06 and 5747.07 of the Revised 6963
Code by an employer during the employer's taxable year. 6964

(ii) "Increase in income taxes withheld" means the amount by 6965
which the amount of income taxes withheld by an employer during 6966
the employer's current taxable year exceeds the amount of income 6967
taxes withheld by that employer during the employer's immediately 6968
preceding taxable year. 6969

(iii) "Qualifying section 179 depreciation expense" means the 6970
difference between (I) the amount of depreciation expense directly 6971
or indirectly allowed to a taxpayer under section 179 of the 6972
Internal Revised Code, and (II) the amount of depreciation expense 6973
directly or indirectly allowed to the taxpayer under section 179 6974
of the Internal Revenue Code as that section existed on December 6975
31, 2002. 6976

(21)(a) If the taxpayer was required to add an amount under 6977
division (A)(20)(a) of this section for a taxable year, deduct one 6978
of the following: 6979

(i) One-fifth of the amount so added for each of the five 6980
succeeding taxable years if the amount so added was five-sixths of 6981
qualifying section 179 depreciation expense or depreciation 6982
expense allowed by subsection (k) of section 168 of the Internal 6983
Revenue Code; 6984

(ii) One-half of the amount so added for each of the two 6985
succeeding taxable years if the amount so added was two-thirds of 6986
such depreciation expense; 6987

(iii) One-sixth of the amount so added for each of the six 6988
succeeding taxable years if the entire amount of such depreciation 6989
expense was so added. 6990

(b) If the amount deducted under division (A)(21)(a) of this 6991
section is attributable to an add-back allocated under division 6992
(A)(20)(c) of this section, the amount deducted shall be sitused 6993
to the same location. Otherwise, the add-back shall be apportioned 6994
using the apportionment factors for the taxable year in which the 6995
deduction is taken, subject to one or more of the four alternative 6996
methods of apportionment enumerated in section 5747.21 of the 6997
Revised Code. 6998

(c) No deduction is available under division (A)(21)(a) of 6999
this section with regard to any depreciation allowed by section 7000
168(k) of the Internal Revenue Code and by the qualifying section 7001
179 depreciation expense amount to the extent that such 7002
depreciation results in or increases a federal net operating loss 7003
carryback or carryforward. If no such deduction is available for a 7004
taxable year, the taxpayer may carry forward the amount not 7005
deducted in such taxable year to the next taxable year and add 7006
that amount to any deduction otherwise available under division 7007
(A)(21)(a) of this section for that next taxable year. The 7008
carryforward of amounts not so deducted shall continue until the 7009
entire addition required by division (A)(20)(a) of this section 7010
has been deducted. 7011

(d) No refund shall be allowed as a result of adjustments 7012
made by division (A)(21) of this section. 7013

(22) Deduct, to the extent not otherwise deducted or excluded 7014
in computing federal or Ohio adjusted gross income for the taxable 7015
year, the amount the taxpayer received during the taxable year as 7016
reimbursement for life insurance premiums under section 5919.31 of 7017
the Revised Code. 7018

(23) Deduct, to the extent not otherwise deducted or excluded 7019
in computing federal or Ohio adjusted gross income for the taxable 7020
year, the amount the taxpayer received during the taxable year as 7021
a death benefit paid by the adjutant general under section 5919.33 7022
of the Revised Code. 7023

(24) Deduct, to the extent included in federal adjusted gross 7024
income and not otherwise allowable as a deduction or exclusion in 7025
computing federal or Ohio adjusted gross income for the taxable 7026
year, military pay and allowances received by the taxpayer during 7027
the taxable year for active duty service in the United States 7028
army, air force, navy, marine corps, or coast guard or reserve 7029
components thereof or the national guard. The deduction may not be 7030
claimed for military pay and allowances received by the taxpayer 7031
while the taxpayer is stationed in this state. 7032

(25) Deduct, to the extent not otherwise allowable as a 7033
deduction or exclusion in computing federal or Ohio adjusted gross 7034
income for the taxable year and not otherwise compensated for by 7035
any other source, the amount of qualified organ donation expenses 7036
incurred by the taxpayer during the taxable year, not to exceed 7037
ten thousand dollars. A taxpayer may deduct qualified organ 7038
donation expenses only once for all taxable years beginning with 7039
taxable years beginning in 2007. 7040

For the purposes of division (A)(25) of this section: 7041

(a) "Human organ" means all or any portion of a human liver, 7042
pancreas, kidney, intestine, or lung, and any portion of human 7043
bone marrow. 7044

(b) "Qualified organ donation expenses" means travel 7045
expenses, lodging expenses, and wages and salary forgone by a 7046
taxpayer in connection with the taxpayer's donation, while living, 7047
of one or more of the taxpayer's human organs to another human 7048
being. 7049

(26) Deduct, to the extent not otherwise deducted or excluded 7050
in computing federal or Ohio adjusted gross income for the taxable 7051
year, amounts received by the taxpayer as retired military 7052
personnel pay for service in the United States army, navy, air 7053
force, coast guard, or marine corps or reserve components thereof, 7054
or the national guard, or received by the surviving spouse or 7055
former spouse of such a taxpayer under the survivor benefit plan 7056
on account of such a taxpayer's death. If the taxpayer receives 7057
income on account of retirement paid under the federal civil 7058
service retirement system or federal employees retirement system, 7059
or under any successor retirement program enacted by the congress 7060
of the United States that is established and maintained for 7061
retired employees of the United States government, and such 7062
retirement income is based, in whole or in part, on credit for the 7063
taxpayer's military service, the deduction allowed under this 7064
division shall include only that portion of such retirement income 7065
that is attributable to the taxpayer's military service, to the 7066
extent that portion of such retirement income is otherwise 7067
included in federal adjusted gross income and is not otherwise 7068
deducted under this section. Any amount deducted under division 7069
(A)(26) of this section is not included in a taxpayer's adjusted 7070
gross income for the purposes of section 5747.055 of the Revised 7071
Code. No amount may be deducted under division (A)(26) of this 7072
section on the basis of which a credit was claimed under section 7073
5747.055 of the Revised Code. 7074

(27) Deduct, to the extent not otherwise deducted or excluded 7075
in computing federal or Ohio adjusted gross income for the taxable 7076
year, the amount the taxpayer received during the taxable year 7077
from the military injury relief fund created in section 5101.98 of 7078
the Revised Code. 7079

(28) Deduct, to the extent not otherwise deducted or excluded 7080
in computing federal or Ohio adjusted gross income for the taxable 7081

year, the amount the taxpayer received as a veterans bonus during 7082
the taxable year from the Ohio department of veterans services as 7083
authorized by Section 2r of Article VIII, Ohio Constitution. 7084

(29) Deduct, to the extent not otherwise deducted or excluded 7085
in computing federal or Ohio adjusted gross income for the taxable 7086
year, any loss from wagering transactions that is allowed as an 7087
itemized deduction under section 165 of the Internal Revenue Code 7088
and that the taxpayer deducted in computing federal taxable 7089
income. 7090

(30) Deduct, to the extent not otherwise deducted or excluded 7091
in computing federal or Ohio adjusted gross income for the taxable 7092
year, any income derived from providing public services under a 7093
contract through a project owned by the state, as described in 7094
section 126.604 of the Revised Code or derived from a transfer 7095
agreement or from the enterprise transferred under that agreement 7096
under section 4313.02 of the Revised Code. 7097

(31) Deduct, to the extent not otherwise deducted or excluded 7098
in computing federal or Ohio adjusted gross income for the taxable 7099
year, Ohio college opportunity or federal Pell grant amounts 7100
received by the taxpayer or the taxpayer's spouse or dependent 7101
pursuant to section 3333.122 of the Revised Code or 20 U.S.C. 7102
1070a, et seq., and used to pay room or board furnished by the 7103
educational institution for which the grant was awarded at the 7104
institution's facilities, including meal plans administered by the 7105
institution. For the purposes of this division, receipt of a grant 7106
includes the distribution of a grant directly to an educational 7107
institution and the crediting of the grant to the enrollee's 7108
account with the institution. 7109

(32) Deduct, to the extent not otherwise deducted or excluded 7110
in computing federal or Ohio adjusted gross income for the taxable 7111
year, income a qualifying landlord received from the lease or 7112
rental of qualifying residential rental property during the first 7113

taxable year in which the qualifying landlord received rental 7114
income from the property and during the four succeeding years. 7115

For purposes of division (A)(32) of this section: 7116

(a) "Distressed property" means real property that is vacant, 7117
abandoned, foreclosed-upon, or located in a blighted area and that 7118
is not currently in use as residential rental property. 7119

(b) "Blighted area" has the same meaning as in section 1.08 7120
of the Revised Code. 7121

(c) "Residential rental property" means real property on 7122
which is located one or more dwelling units leased or otherwise 7123
rented to tenants solely for residential use by those tenants. 7124

(d) "Qualifying residential rental property" means 7125
residential rental property that is leased or otherwise rented 7126
exclusively to individuals or families whose annual incomes do not 7127
exceed one hundred twenty per cent of the median income for the 7128
county in which they live, as determined by the development 7129
services agency under section 174.04 of the Revised Code. 7130

(e) "Qualifying landlord" means a taxpayer that converts 7131
distressed property into qualifying residential rental property. 7132

(B) "Business income" means income, including gain or loss, 7133
arising from transactions, activities, and sources in the regular 7134
course of a trade or business and includes income, gain, or loss 7135
from real property, tangible property, and intangible property if 7136
the acquisition, rental, management, and disposition of the 7137
property constitute integral parts of the regular course of a 7138
trade or business operation. "Business income" includes income, 7139
including gain or loss, from a partial or complete liquidation of 7140
a business, including, but not limited to, gain or loss from the 7141
sale or other disposition of goodwill. 7142

(C) "Nonbusiness income" means all income other than business 7143

income and may include, but is not limited to, compensation, rents 7144
and royalties from real or tangible personal property, capital 7145
gains, interest, dividends and distributions, patent or copyright 7146
royalties, or lottery winnings, prizes, and awards. 7147

(D) "Compensation" means any form of remuneration paid to an 7148
employee for personal services. 7149

(E) "Fiduciary" means a guardian, trustee, executor, 7150
administrator, receiver, conservator, or any other person acting 7151
in any fiduciary capacity for any individual, trust, or estate. 7152

(F) "Fiscal year" means an accounting period of twelve months 7153
ending on the last day of any month other than December. 7154

(G) "Individual" means any natural person. 7155

(H) "Internal Revenue Code" means the "Internal Revenue Code 7156
of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended. 7157

(I) "Resident" means any of the following, provided that 7158
division (I)(3) of this section applies only to taxable years of a 7159
trust beginning in 2002 or thereafter: 7160

(1) An individual who is domiciled in this state, subject to 7161
section 5747.24 of the Revised Code; 7162

(2) The estate of a decedent who at the time of death was 7163
domiciled in this state. The domicile tests of section 5747.24 of 7164
the Revised Code are not controlling for purposes of division 7165
(I)(2) of this section. 7166

(3) A trust that, in whole or part, resides in this state. If 7167
only part of a trust resides in this state, the trust is a 7168
resident only with respect to that part. 7169

For the purposes of division (I)(3) of this section: 7170

(a) A trust resides in this state for the trust's current 7171
taxable year to the extent, as described in division (I)(3)(d) of 7172
this section, that the trust consists directly or indirectly, in 7173

whole or in part, of assets, net of any related liabilities, that 7174
were transferred, or caused to be transferred, directly or 7175
indirectly, to the trust by any of the following: 7176

(i) A person, a court, or a governmental entity or 7177
instrumentality on account of the death of a decedent, but only if 7178
the trust is described in division (I)(3)(e)(i) or (ii) of this 7179
section; 7180

(ii) A person who was domiciled in this state for the 7181
purposes of this chapter when the person directly or indirectly 7182
transferred assets to an irrevocable trust, but only if at least 7183
one of the trust's qualifying beneficiaries is domiciled in this 7184
state for the purposes of this chapter during all or some portion 7185
of the trust's current taxable year; 7186

(iii) A person who was domiciled in this state for the 7187
purposes of this chapter when the trust document or instrument or 7188
part of the trust document or instrument became irrevocable, but 7189
only if at least one of the trust's qualifying beneficiaries is a 7190
resident domiciled in this state for the purposes of this chapter 7191
during all or some portion of the trust's current taxable year. If 7192
a trust document or instrument became irrevocable upon the death 7193
of a person who at the time of death was domiciled in this state 7194
for purposes of this chapter, that person is a person described in 7195
division (I)(3)(a)(iii) of this section. 7196

(b) A trust is irrevocable to the extent that the transferor 7197
is not considered to be the owner of the net assets of the trust 7198
under sections 671 to 678 of the Internal Revenue Code. 7199

(c) With respect to a trust other than a charitable lead 7200
trust, "qualifying beneficiary" has the same meaning as "potential 7201
current beneficiary" as defined in section 1361(e)(2) of the 7202
Internal Revenue Code, and with respect to a charitable lead trust 7203
"qualifying beneficiary" is any current, future, or contingent 7204

beneficiary, but with respect to any trust "qualifying 7205
beneficiary" excludes a person or a governmental entity or 7206
instrumentality to any of which a contribution would qualify for 7207
the charitable deduction under section 170 of the Internal Revenue 7208
Code. 7209

(d) For the purposes of division (I)(3)(a) of this section, 7210
the extent to which a trust consists directly or indirectly, in 7211
whole or in part, of assets, net of any related liabilities, that 7212
were transferred directly or indirectly, in whole or part, to the 7213
trust by any of the sources enumerated in that division shall be 7214
ascertained by multiplying the fair market value of the trust's 7215
assets, net of related liabilities, by the qualifying ratio, which 7216
shall be computed as follows: 7217

(i) The first time the trust receives assets, the numerator 7218
of the qualifying ratio is the fair market value of those assets 7219
at that time, net of any related liabilities, from sources 7220
enumerated in division (I)(3)(a) of this section. The denominator 7221
of the qualifying ratio is the fair market value of all the 7222
trust's assets at that time, net of any related liabilities. 7223

(ii) Each subsequent time the trust receives assets, a 7224
revised qualifying ratio shall be computed. The numerator of the 7225
revised qualifying ratio is the sum of (1) the fair market value 7226
of the trust's assets immediately prior to the subsequent 7227
transfer, net of any related liabilities, multiplied by the 7228
qualifying ratio last computed without regard to the subsequent 7229
transfer, and (2) the fair market value of the subsequently 7230
transferred assets at the time transferred, net of any related 7231
liabilities, from sources enumerated in division (I)(3)(a) of this 7232
section. The denominator of the revised qualifying ratio is the 7233
fair market value of all the trust's assets immediately after the 7234
subsequent transfer, net of any related liabilities. 7235

(iii) Whether a transfer to the trust is by or from any of 7236

the sources enumerated in division (I)(3)(a) of this section shall 7237
be ascertained without regard to the domicile of the trust's 7238
beneficiaries. 7239

(e) For the purposes of division (I)(3)(a)(i) of this 7240
section: 7241

(i) A trust is described in division (I)(3)(e)(i) of this 7242
section if the trust is a testamentary trust and the testator of 7243
that testamentary trust was domiciled in this state at the time of 7244
the testator's death for purposes of the taxes levied under 7245
Chapter 5731. of the Revised Code. 7246

(ii) A trust is described in division (I)(3)(e)(ii) of this 7247
section if the transfer is a qualifying transfer described in any 7248
of divisions (I)(3)(f)(i) to (vi) of this section, the trust is an 7249
irrevocable inter vivos trust, and at least one of the trust's 7250
qualifying beneficiaries is domiciled in this state for purposes 7251
of this chapter during all or some portion of the trust's current 7252
taxable year. 7253

(f) For the purposes of division (I)(3)(e)(ii) of this 7254
section, a "qualifying transfer" is a transfer of assets, net of 7255
any related liabilities, directly or indirectly to a trust, if the 7256
transfer is described in any of the following: 7257

(i) The transfer is made to a trust, created by the decedent 7258
before the decedent's death and while the decedent was domiciled 7259
in this state for the purposes of this chapter, and, prior to the 7260
death of the decedent, the trust became irrevocable while the 7261
decedent was domiciled in this state for the purposes of this 7262
chapter. 7263

(ii) The transfer is made to a trust to which the decedent, 7264
prior to the decedent's death, had directly or indirectly 7265
transferred assets, net of any related liabilities, while the 7266
decedent was domiciled in this state for the purposes of this 7267

chapter, and prior to the death of the decedent the trust became 7268
irrevocable while the decedent was domiciled in this state for the 7269
purposes of this chapter. 7270

(iii) The transfer is made on account of a contractual 7271
relationship existing directly or indirectly between the 7272
transferor and either the decedent or the estate of the decedent 7273
at any time prior to the date of the decedent's death, and the 7274
decedent was domiciled in this state at the time of death for 7275
purposes of the taxes levied under Chapter 5731. of the Revised 7276
Code. 7277

(iv) The transfer is made to a trust on account of a 7278
contractual relationship existing directly or indirectly between 7279
the transferor and another person who at the time of the 7280
decedent's death was domiciled in this state for purposes of this 7281
chapter. 7282

(v) The transfer is made to a trust on account of the will of 7283
a testator who was domiciled in this state at the time of the 7284
testator's death for purposes of the taxes levied under Chapter 7285
5731. of the Revised Code. 7286

(vi) The transfer is made to a trust created by or caused to 7287
be created by a court, and the trust was directly or indirectly 7288
created in connection with or as a result of the death of an 7289
individual who, for purposes of the taxes levied under Chapter 7290
5731. of the Revised Code, was domiciled in this state at the time 7291
of the individual's death. 7292

(g) The tax commissioner may adopt rules to ascertain the 7293
part of a trust residing in this state. 7294

(J) "Nonresident" means an individual or estate that is not a 7295
resident. An individual who is a resident for only part of a 7296
taxable year is a nonresident for the remainder of that taxable 7297
year. 7298

(K) "Pass-through entity" has the same meaning as in section 7299
5733.04 of the Revised Code. 7300

(L) "Return" means the notifications and reports required to 7301
be filed pursuant to this chapter for the purpose of reporting the 7302
tax due and includes declarations of estimated tax when so 7303
required. 7304

(M) "Taxable year" means the calendar year or the taxpayer's 7305
fiscal year ending during the calendar year, or fractional part 7306
thereof, upon which the adjusted gross income is calculated 7307
pursuant to this chapter. 7308

(N) "Taxpayer" means any person subject to the tax imposed by 7309
section 5747.02 of the Revised Code or any pass-through entity 7310
that makes the election under division (D) of section 5747.08 of 7311
the Revised Code. 7312

(O) "Dependents" means dependents as defined in the Internal 7313
Revenue Code and as claimed in the taxpayer's federal income tax 7314
return for the taxable year or which the taxpayer would have been 7315
permitted to claim had the taxpayer filed a federal income tax 7316
return. 7317

(P) "Principal county of employment" means, in the case of a 7318
nonresident, the county within the state in which a taxpayer 7319
performs services for an employer or, if those services are 7320
performed in more than one county, the county in which the major 7321
portion of the services are performed. 7322

(Q) As used in sections 5747.50 to 5747.55 of the Revised 7323
Code: 7324

(1) "Subdivision" means any county, municipal corporation, 7325
park district, or township. 7326

(2) "Essential local government purposes" includes all 7327
functions that any subdivision is required by general law to 7328

exercise, including like functions that are exercised under a 7329
charter adopted pursuant to the Ohio Constitution. 7330

(R) "Overpayment" means any amount already paid that exceeds 7331
the figure determined to be the correct amount of the tax. 7332

(S) "Taxable income" or "Ohio taxable income" applies only to 7333
estates and trusts, and means federal taxable income, as defined 7334
and used in the Internal Revenue Code, adjusted as follows: 7335

(1) Add interest or dividends, net of ordinary, necessary, 7336
and reasonable expenses not deducted in computing federal taxable 7337
income, on obligations or securities of any state or of any 7338
political subdivision or authority of any state, other than this 7339
state and its subdivisions and authorities, but only to the extent 7340
that such net amount is not otherwise includible in Ohio taxable 7341
income and is described in either division (S)(1)(a) or (b) of 7342
this section: 7343

(a) The net amount is not attributable to the S portion of an 7344
electing small business trust and has not been distributed to 7345
beneficiaries for the taxable year; 7346

(b) The net amount is attributable to the S portion of an 7347
electing small business trust for the taxable year. 7348

(2) Add interest or dividends, net of ordinary, necessary, 7349
and reasonable expenses not deducted in computing federal taxable 7350
income, on obligations of any authority, commission, 7351
instrumentality, territory, or possession of the United States to 7352
the extent that the interest or dividends are exempt from federal 7353
income taxes but not from state income taxes, but only to the 7354
extent that such net amount is not otherwise includible in Ohio 7355
taxable income and is described in either division (S)(1)(a) or 7356
(b) of this section; 7357

(3) Add the amount of personal exemption allowed to the 7358
estate pursuant to section 642(b) of the Internal Revenue Code; 7359

(4) Deduct interest or dividends, net of related expenses 7360
deducted in computing federal taxable income, on obligations of 7361
the United States and its territories and possessions or of any 7362
authority, commission, or instrumentality of the United States to 7363
the extent that the interest or dividends are exempt from state 7364
taxes under the laws of the United States, but only to the extent 7365
that such amount is included in federal taxable income and is 7366
described in either division (S)(1)(a) or (b) of this section; 7367

(5) Deduct the amount of wages and salaries, if any, not 7368
otherwise allowable as a deduction but that would have been 7369
allowable as a deduction in computing federal taxable income for 7370
the taxable year, had the targeted jobs credit allowed under 7371
sections 38, 51, and 52 of the Internal Revenue Code not been in 7372
effect, but only to the extent such amount relates either to 7373
income included in federal taxable income for the taxable year or 7374
to income of the S portion of an electing small business trust for 7375
the taxable year; 7376

(6) Deduct any interest or interest equivalent, net of 7377
related expenses deducted in computing federal taxable income, on 7378
public obligations and purchase obligations, but only to the 7379
extent that such net amount relates either to income included in 7380
federal taxable income for the taxable year or to income of the S 7381
portion of an electing small business trust for the taxable year; 7382

(7) Add any loss or deduct any gain resulting from sale, 7383
exchange, or other disposition of public obligations to the extent 7384
that such loss has been deducted or such gain has been included in 7385
computing either federal taxable income or income of the S portion 7386
of an electing small business trust for the taxable year; 7387

(8) Except in the case of the final return of an estate, add 7388
any amount deducted by the taxpayer on both its Ohio estate tax 7389
return pursuant to section 5731.14 of the Revised Code, and on its 7390
federal income tax return in determining federal taxable income; 7391

(9)(a) Deduct any amount included in federal taxable income 7392
solely because the amount represents a reimbursement or refund of 7393
expenses that in a previous year the decedent had deducted as an 7394
itemized deduction pursuant to section 63 of the Internal Revenue 7395
Code and applicable treasury regulations. The deduction otherwise 7396
allowed under division (S)(9)(a) of this section shall be reduced 7397
to the extent the reimbursement is attributable to an amount the 7398
taxpayer or decedent deducted under this section in any taxable 7399
year. 7400

(b) Add any amount not otherwise included in Ohio taxable 7401
income for any taxable year to the extent that the amount is 7402
attributable to the recovery during the taxable year of any amount 7403
deducted or excluded in computing federal or Ohio taxable income 7404
in any taxable year, but only to the extent such amount has not 7405
been distributed to beneficiaries for the taxable year. 7406

(10) Deduct any portion of the deduction described in section 7407
1341(a)(2) of the Internal Revenue Code, for repaying previously 7408
reported income received under a claim of right, that meets both 7409
of the following requirements: 7410

(a) It is allowable for repayment of an item that was 7411
included in the taxpayer's taxable income or the decedent's 7412
adjusted gross income for a prior taxable year and did not qualify 7413
for a credit under division (A) or (B) of section 5747.05 of the 7414
Revised Code for that year. 7415

(b) It does not otherwise reduce the taxpayer's taxable 7416
income or the decedent's adjusted gross income for the current or 7417
any other taxable year. 7418

(11) Add any amount claimed as a credit under section 7419
5747.059 or 5747.65 of the Revised Code to the extent that the 7420
amount satisfies either of the following: 7421

(a) The amount was deducted or excluded from the computation 7422

of the taxpayer's federal taxable income as required to be 7423
reported for the taxpayer's taxable year under the Internal 7424
Revenue Code; 7425

(b) The amount resulted in a reduction in the taxpayer's 7426
federal taxable income as required to be reported for any of the 7427
taxpayer's taxable years under the Internal Revenue Code. 7428

(12) Deduct any amount, net of related expenses deducted in 7429
computing federal taxable income, that a trust is required to 7430
report as farm income on its federal income tax return, but only 7431
if the assets of the trust include at least ten acres of land 7432
satisfying the definition of "land devoted exclusively to 7433
agricultural use" under section 5713.30 of the Revised Code, 7434
regardless of whether the land is valued for tax purposes as such 7435
land under sections 5713.30 to 5713.38 of the Revised Code. If the 7436
trust is a pass-through entity investor, section 5747.231 of the 7437
Revised Code applies in ascertaining if the trust is eligible to 7438
claim the deduction provided by division (S)(12) of this section 7439
in connection with the pass-through entity's farm income. 7440

Except for farm income attributable to the S portion of an 7441
electing small business trust, the deduction provided by division 7442
(S)(12) of this section is allowed only to the extent that the 7443
trust has not distributed such farm income. Division (S)(12) of 7444
this section applies only to taxable years of a trust beginning in 7445
2002 or thereafter. 7446

(13) Add the net amount of income described in section 641(c) 7447
of the Internal Revenue Code to the extent that amount is not 7448
included in federal taxable income. 7449

(14) Add or deduct the amount the taxpayer would be required 7450
to add or deduct under division (A)(20) or (21) of this section if 7451
the taxpayer's Ohio taxable income were computed in the same 7452
manner as an individual's Ohio adjusted gross income is computed 7453

under this section. In the case of a trust, division (S)(14) of 7454
this section applies only to any of the trust's taxable years 7455
beginning in 2002 or thereafter. 7456

(15) Deduct, to the extent not otherwise deducted or excluded 7457
in computing federal or Ohio taxable income for the taxable year, 7458
income a qualifying landlord received from the lease or rental of 7459
qualifying residential rental property during the first taxable 7460
year in which the qualifying landlord received rental income from 7461
the property and during the four succeeding years. As used in this 7462
division, "qualifying landlord" and "qualifying residential rental 7463
property" have the same meanings as in division (A)(32) of this 7464
section. 7465

(16) For a taxpayer that provides broadband service, deduct 7466
the taxpayer's net profits from providing broadband service in 7467
this state multiplied by a fraction, the numerator of which is the 7468
original cost of tangible personal property necessary for the 7469
provision of broadband service in rural areas of this state 7470
installed on or after the effective date of this amendment, and 7471
the denominator of which is the original cost of tangible personal 7472
property necessary for the provision of broadband service in this 7473
state and installed on or after that date. A taxpayer that is an 7474
equity owner of a pass-through entity that provides broadband 7475
service may deduct the taxpayer's distributive or proportionate 7476
share of the entity's net profits from providing such service 7477
multiplied by that fraction. A deduction is not allowed under this 7478
division if the taxpayer claims the exclusion under division 7479
(F)(2)(11) of section 5751.01 of the Revised Code for any tax 7480
period that is included partly or wholly in the taxable year. For 7481
the purposes of this division, "broadband service" and "rural 7482
area" have the same meanings as in 7 U.S.C. 950bb. 7483

(T) "School district income" and "school district income tax" 7484
have the same meanings as in section 5748.01 of the Revised Code. 7485

(U) As used in divisions (A)(8), (A)(9), (S)(6), and (S)(7) 7486
of this section, "public obligations," "purchase obligations," and 7487
"interest or interest equivalent" have the same meanings as in 7488
section 5709.76 of the Revised Code. 7489

(V) "Limited liability company" means any limited liability 7490
company formed under Chapter 1705. of the Revised Code or under 7491
the laws of any other state. 7492

(W) "Pass-through entity investor" means any person who, 7493
during any portion of a taxable year of a pass-through entity, is 7494
a partner, member, shareholder, or equity investor in that 7495
pass-through entity. 7496

(X) "Banking day" has the same meaning as in section 1304.01 7497
of the Revised Code. 7498

(Y) "Month" means a calendar month. 7499

(Z) "Quarter" means the first three months, the second three 7500
months, the third three months, or the last three months of the 7501
taxpayer's taxable year. 7502

(AA)(1) "Eligible institution" means a state university or 7503
state institution of higher education as defined in section 7504
3345.011 of the Revised Code, or a private, nonprofit college, 7505
university, or other post-secondary institution located in this 7506
state that possesses a certificate of authorization issued by the 7507
Ohio board of regents pursuant to Chapter 1713. of the Revised 7508
Code or a certificate of registration issued by the state board of 7509
career colleges and schools under Chapter 3332. of the Revised 7510
Code. 7511

(2) "Qualified tuition and fees" means tuition and fees 7512
imposed by an eligible institution as a condition of enrollment or 7513
attendance, not exceeding two thousand five hundred dollars in 7514
each of the individual's first two years of post-secondary 7515
education. If the individual is a part-time student, "qualified 7516

tuition and fees" includes tuition and fees paid for the academic 7517
equivalent of the first two years of post-secondary education 7518
during a maximum of five taxable years, not exceeding a total of 7519
five thousand dollars. "Qualified tuition and fees" does not 7520
include: 7521

(a) Expenses for any course or activity involving sports, 7522
games, or hobbies unless the course or activity is part of the 7523
individual's degree or diploma program; 7524

(b) The cost of books, room and board, student activity fees, 7525
athletic fees, insurance expenses, or other expenses unrelated to 7526
the individual's academic course of instruction; 7527

(c) Tuition, fees, or other expenses paid or reimbursed 7528
through an employer, scholarship, grant in aid, or other 7529
educational benefit program. 7530

(BB)(1) "Modified business income" means the business income 7531
included in a trust's Ohio taxable income after such taxable 7532
income is first reduced by the qualifying trust amount, if any. 7533

(2) "Qualifying trust amount" of a trust means capital gains 7534
and losses from the sale, exchange, or other disposition of equity 7535
or ownership interests in, or debt obligations of, a qualifying 7536
investee to the extent included in the trust's Ohio taxable 7537
income, but only if the following requirements are satisfied: 7538

(a) The book value of the qualifying investee's physical 7539
assets in this state and everywhere, as of the last day of the 7540
qualifying investee's fiscal or calendar year ending immediately 7541
prior to the date on which the trust recognizes the gain or loss, 7542
is available to the trust. 7543

(b) The requirements of section 5747.011 of the Revised Code 7544
are satisfied for the trust's taxable year in which the trust 7545
recognizes the gain or loss. 7546

Any gain or loss that is not a qualifying trust amount is 7547
modified business income, qualifying investment income, or 7548
modified nonbusiness income, as the case may be. 7549

(3) "Modified nonbusiness income" means a trust's Ohio 7550
taxable income other than modified business income, other than the 7551
qualifying trust amount, and other than qualifying investment 7552
income, as defined in section 5747.012 of the Revised Code, to the 7553
extent such qualifying investment income is not otherwise part of 7554
modified business income. 7555

(4) "Modified Ohio taxable income" applies only to trusts, 7556
and means the sum of the amounts described in divisions (BB)(4)(a) 7557
to (c) of this section: 7558

(a) The fraction, calculated under section 5747.013, and 7559
applying section 5747.231 of the Revised Code, multiplied by the 7560
sum of the following amounts: 7561

(i) The trust's modified business income; 7562

(ii) The trust's qualifying investment income, as defined in 7563
section 5747.012 of the Revised Code, but only to the extent the 7564
qualifying investment income does not otherwise constitute 7565
modified business income and does not otherwise constitute a 7566
qualifying trust amount. 7567

(b) The qualifying trust amount multiplied by a fraction, the 7568
numerator of which is the sum of the book value of the qualifying 7569
investee's physical assets in this state on the last day of the 7570
qualifying investee's fiscal or calendar year ending immediately 7571
prior to the day on which the trust recognizes the qualifying 7572
trust amount, and the denominator of which is the sum of the book 7573
value of the qualifying investee's total physical assets 7574
everywhere on the last day of the qualifying investee's fiscal or 7575
calendar year ending immediately prior to the day on which the 7576
trust recognizes the qualifying trust amount. If, for a taxable 7577

year, the trust recognizes a qualifying trust amount with respect 7578
to more than one qualifying investee, the amount described in 7579
division (BB)(4)(b) of this section shall equal the sum of the 7580
products so computed for each such qualifying investee. 7581

(c)(i) With respect to a trust or portion of a trust that is 7582
a resident as ascertained in accordance with division (I)(3)(d) of 7583
this section, its modified nonbusiness income. 7584

(ii) With respect to a trust or portion of a trust that is 7585
not a resident as ascertained in accordance with division 7586
(I)(3)(d) of this section, the amount of its modified nonbusiness 7587
income satisfying the descriptions in divisions (B)(2) to (5) of 7588
section 5747.20 of the Revised Code, except as otherwise provided 7589
in division (BB)(4)(c)(ii) of this section. With respect to a 7590
trust or portion of a trust that is not a resident as ascertained 7591
in accordance with division (I)(3)(d) of this section, the trust's 7592
portion of modified nonbusiness income recognized from the sale, 7593
exchange, or other disposition of a debt interest in or equity 7594
interest in a section 5747.212 entity, as defined in section 7595
5747.212 of the Revised Code, without regard to division (A) of 7596
that section, shall not be allocated to this state in accordance 7597
with section 5747.20 of the Revised Code but shall be apportioned 7598
to this state in accordance with division (B) of section 5747.212 7599
of the Revised Code without regard to division (A) of that 7600
section. 7601

If the allocation and apportionment of a trust's income under 7602
divisions (BB)(4)(a) and (c) of this section do not fairly 7603
represent the modified Ohio taxable income of the trust in this 7604
state, the alternative methods described in division (C) of 7605
section 5747.21 of the Revised Code may be applied in the manner 7606
and to the same extent provided in that section. 7607

(5)(a) Except as set forth in division (BB)(5)(b) of this 7608
section, "qualifying investee" means a person in which a trust has 7609

an equity or ownership interest, or a person or unit of government 7610
the debt obligations of either of which are owned by a trust. For 7611
the purposes of division (BB)(2)(a) of this section and for the 7612
purpose of computing the fraction described in division (BB)(4)(b) 7613
of this section, all of the following apply: 7614

(i) If the qualifying investee is a member of a qualifying 7615
controlled group on the last day of the qualifying investee's 7616
fiscal or calendar year ending immediately prior to the date on 7617
which the trust recognizes the gain or loss, then "qualifying 7618
investee" includes all persons in the qualifying controlled group 7619
on such last day. 7620

(ii) If the qualifying investee, or if the qualifying 7621
investee and any members of the qualifying controlled group of 7622
which the qualifying investee is a member on the last day of the 7623
qualifying investee's fiscal or calendar year ending immediately 7624
prior to the date on which the trust recognizes the gain or loss, 7625
separately or cumulatively own, directly or indirectly, on the 7626
last day of the qualifying investee's fiscal or calendar year 7627
ending immediately prior to the date on which the trust recognizes 7628
the qualifying trust amount, more than fifty per cent of the 7629
equity of a pass-through entity, then the qualifying investee and 7630
the other members are deemed to own the proportionate share of the 7631
pass-through entity's physical assets which the pass-through 7632
entity directly or indirectly owns on the last day of the 7633
pass-through entity's calendar or fiscal year ending within or 7634
with the last day of the qualifying investee's fiscal or calendar 7635
year ending immediately prior to the date on which the trust 7636
recognizes the qualifying trust amount. 7637

(iii) For the purposes of division (BB)(5)(a)(iii) of this 7638
section, "upper level pass-through entity" means a pass-through 7639
entity directly or indirectly owning any equity of another 7640
pass-through entity, and "lower level pass-through entity" means 7641

that other pass-through entity. 7642

An upper level pass-through entity, whether or not it is also 7643
a qualifying investee, is deemed to own, on the last day of the 7644
upper level pass-through entity's calendar or fiscal year, the 7645
proportionate share of the lower level pass-through entity's 7646
physical assets that the lower level pass-through entity directly 7647
or indirectly owns on the last day of the lower level pass-through 7648
entity's calendar or fiscal year ending within or with the last 7649
day of the upper level pass-through entity's fiscal or calendar 7650
year. If the upper level pass-through entity directly and 7651
indirectly owns less than fifty per cent of the equity of the 7652
lower level pass-through entity on each day of the upper level 7653
pass-through entity's calendar or fiscal year in which or with 7654
which ends the calendar or fiscal year of the lower level 7655
pass-through entity and if, based upon clear and convincing 7656
evidence, complete information about the location and cost of the 7657
physical assets of the lower pass-through entity is not available 7658
to the upper level pass-through entity, then solely for purposes 7659
of ascertaining if a gain or loss constitutes a qualifying trust 7660
amount, the upper level pass-through entity shall be deemed as 7661
owning no equity of the lower level pass-through entity for each 7662
day during the upper level pass-through entity's calendar or 7663
fiscal year in which or with which ends the lower level 7664
pass-through entity's calendar or fiscal year. Nothing in division 7665
(BB)(5)(a)(iii) of this section shall be construed to provide for 7666
any deduction or exclusion in computing any trust's Ohio taxable 7667
income. 7668

(b) With respect to a trust that is not a resident for the 7669
taxable year and with respect to a part of a trust that is not a 7670
resident for the taxable year, "qualifying investee" for that 7671
taxable year does not include a C corporation if both of the 7672
following apply: 7673

(i) During the taxable year the trust or part of the trust 7674
recognizes a gain or loss from the sale, exchange, or other 7675
disposition of equity or ownership interests in, or debt 7676
obligations of, the C corporation. 7677

(ii) Such gain or loss constitutes nonbusiness income. 7678

(6) "Available" means information is such that a person is 7679
able to learn of the information by the due date plus extensions, 7680
if any, for filing the return for the taxable year in which the 7681
trust recognizes the gain or loss. 7682

(CC) "Qualifying controlled group" has the same meaning as in 7683
section 5733.04 of the Revised Code. 7684

(DD) "Related member" has the same meaning as in section 7685
5733.042 of the Revised Code. 7686

(EE)(1) For the purposes of division (EE) of this section: 7687

(a) "Qualifying person" means any person other than a 7688
qualifying corporation. 7689

(b) "Qualifying corporation" means any person classified for 7690
federal income tax purposes as an association taxable as a 7691
corporation, except either of the following: 7692

(i) A corporation that has made an election under subchapter 7693
S, chapter one, subtitle A, of the Internal Revenue Code for its 7694
taxable year ending within, or on the last day of, the investor's 7695
taxable year; 7696

(ii) A subsidiary that is wholly owned by any corporation 7697
that has made an election under subchapter S, chapter one, 7698
subtitle A of the Internal Revenue Code for its taxable year 7699
ending within, or on the last day of, the investor's taxable year. 7700

(2) For the purposes of this chapter, unless expressly stated 7701
otherwise, no qualifying person indirectly owns any asset directly 7702
or indirectly owned by any qualifying corporation. 7703

(FF) For purposes of this chapter and Chapter 5751. of the Revised Code: 7704
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(1) "Trust" does not include a qualified pre-income tax trust. 7706
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(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. 7708
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(3) A "qualifying pre-income tax trust election" is an election by a pre-income tax trust to subject to the tax imposed by section 5751.02 of the Revised Code the pre-income tax trust and all pass-through entities of which the trust owns or controls, directly, indirectly, or constructively through related interests, five per cent or more of the ownership or equity interests. The trustee shall notify the tax commissioner in writing of the election on or before April 15, 2006. The election, if timely made, shall be effective on and after January 1, 2006, and shall apply for all tax periods and tax years until revoked by the trustee of the trust. 7711
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(4) A "pre-income tax trust" is a trust that satisfies all of the following requirements: 7722
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(a) The document or instrument creating the trust was executed by the grantor before January 1, 1972; 7724
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(b) The trust became irrevocable upon the creation of the trust; and 7726
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(c) The grantor was domiciled in this state at the time the trust was created. 7728
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Sec. 5747.61. (A) As used in this section: 7730

(1) "Qualified unemployed individual" means an individual who is subject to the tax imposed by section 5747.02 of the Revised Code, who was not a student for at least six months during the 7731
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one-year period preceding the date the employer hired the individual, and who was unemployed for at least six months during that one-year period. 7734
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(2) "Qualified unemployed veteran" means a veteran who is subject to the tax imposed by section 5747.02 of the Revised Code and who was unemployed for at least six months during the one-year period ending on the date the employer hired the veteran. 7737
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(3) "Qualified unemployed disabled veteran" means a disabled veteran who is subject to the tax imposed by section 5747.02 of the Revised Code and who was unemployed for at least six months during the one-year period ending on the date the employer hired the disabled veteran. 7741
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(4) "Student" means an individual enrolled at least half-time in a program that leads to a degree, certificate, or other recognized educational credential. 7746
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(5) "Veteran" means an individual who was not serving extended active duty in the armed forces of the United States at any time during the sixty-day period ending on the day the individual was hired and who either (a) served on active military duty in the armed forces for more than one hundred eighty days and has not received a discharge or separation under dishonorable conditions, or (b) is a former member of the armed forces who has been discharged or released from active duty in the armed forces for a service-connected disability. 7749
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(6) "Disabled veteran" means a veteran who is entitled to compensation for a disability recognized by the department of veteran affairs or department of defense as a service-connected disability. As used in this division, "compensation" means a monthly payment made by the United States secretary of veterans affairs to a veteran. 7758
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(7) "Extended active duty" has the same meaning as in section 7764

51 of the Internal Revenue Code. 7765

(8) "Service-connected disability" means a disability that 7766
was incurred or aggravated in line of duty in the active service 7767
to the armed forces of the United States. 7768

(9) "Credit period" means the period that begins on the 7769
effective date of the enactment of this section and ends on the 7770
earlier of the following dates: 7771

(a) The last day of the sixth year after that effective date; 7772

(b) The last day of the first six-month period after that 7773
effective date during which the state unemployment rate remained 7774
equal to or less than six per cent for six consecutive months. 7775

(B)(1) There is hereby allowed a nonrefundable credit against 7776
the tax imposed by section 5747.02 of the Revised Code for a 7777
taxpayer who meets all of the following criteria: 7778

(a) The taxpayer hires a qualified unemployed individual, 7779
qualified unemployed veteran, or qualified unemployed disabled 7780
veteran during the credit period; 7781

(b) The taxpayer deducts and withholds income tax from the 7782
compensation paid to the qualified unemployed individual, 7783
qualified unemployed veteran, or qualified unemployed disabled 7784
veteran and remits such amounts under sections 5747.06 and 5747.07 7785
of the Revised Code; 7786

(c) The taxpayer employs the qualified unemployed individual, 7787
qualified unemployed veteran, or qualified unemployed disabled 7788
veteran for a minimum of thirty-five hours per week for six 7789
consecutive months or, if the taxpayer terminates the qualified 7790
unemployed individual, qualified unemployed veteran, or qualified 7791
unemployed disabled veteran within the first six months of 7792
employment, the termination is for good cause. 7793

(2) The amount of the credit shall be as follows: 7794

(a) For the hiring of a qualified unemployed individual, one thousand five hundred dollars. 7795
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(b) For the hiring of a qualified unemployed veteran, two thousand dollars. 7797
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(c) For the hiring of a qualified unemployed disabled veteran, two thousand five hundred dollars. 7799
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The credit shall be claimed for the taxable year that includes the one hundred eightieth day after the qualified unemployed individual, qualified unemployed veteran, or qualified unemployed disabled veteran is hired or the date on which the qualified unemployed individual, qualified unemployed veteran, or qualified unemployed disabled veteran is terminated for good cause, whichever is earlier. The credit shall be claimed in the order required under section 5747.98 of the Revised Code. The amount of credit claimed may not exceed the tax otherwise due after allowing for all preceding credits in that order. 7801
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A credit may be claimed under this section or section 5751.55 of the Revised Code only once with respect to any particular qualified unemployed individual, qualified unemployed veteran, or qualified unemployed disabled veteran. A person that claims the credit under section 5751.55 of the Revised Code may not claim the credit under this section for the same qualified unemployed individual, qualified unemployed veteran, or qualified unemployed disabled veteran. 7811
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If an employer that qualifies for a credit under this section is a pass-through entity, a taxpayer that holds a direct or indirect interest in the pass-through entity may claim the taxpayer's distributive or proportionate share of the credit. 7819
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(C) Not later than two years after the effective date of the enactment of this section, the tax commissioner shall submit to the president of the senate and the speaker of the house of 7823
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representatives a comprehensive report on the tax credits 7826
authorized under this section and section 5751.55 of the Revised 7827
Code. The report shall provide an overview of the effectiveness of 7828
the tax credits, evaluate the costs and benefits of the tax credit 7829
program, and include information on the number of tax credits 7830
authorized, the number of employers claiming the tax credits, the 7831
fiscal impact of the tax credit program on the state budget, and 7832
any other information the commissioner considers relevant to the 7833
topics addressed in the report. The commissioner may request that 7834
any other appropriate state agency assist in the preparation of 7835
the report. 7836

(D) The tax commissioner may require a taxpayer to furnish 7837
any information necessary to support a claim for a credit under 7838
this section, and no credit shall be allowed unless such 7839
information is provided. 7840

Sec. 5747.98. (A) To provide a uniform procedure for 7841
calculating the amount of tax due under section 5747.02 of the 7842
Revised Code, a taxpayer shall claim any credits to which the 7843
taxpayer is entitled in the following order: 7844

(1) The retirement income credit under division (B) of 7845
section 5747.055 of the Revised Code; 7846

(2) The senior citizen credit under division (C) of section 7847
5747.05 of the Revised Code; 7848

(3) The lump sum distribution credit under division (D) of 7849
section 5747.05 of the Revised Code; 7850

(4) The dependent care credit under section 5747.054 of the 7851
Revised Code; 7852

(5) The lump sum retirement income credit under division (C) 7853
of section 5747.055 of the Revised Code; 7854

(6) The lump sum retirement income credit under division (D) 7855

of section 5747.055 of the Revised Code;	7856
(7) The lump sum retirement income credit under division (E) of section 5747.055 of the Revised Code;	7857 7858
(8) The low-income credit under section 5747.056 of the Revised Code;	7859 7860
(9) The credit for displaced workers who pay for job training under section 5747.27 of the Revised Code;	7861 7862
(10) The campaign contribution credit under section 5747.29 of the Revised Code;	7863 7864
(11) The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;	7865 7866
(12) <u>(11)</u> The joint filing credit under division (G) of section 5747.05 of the Revised Code;	7867 7868
(13) <u>(12)</u> The nonresident credit under division (A) of section 5747.05 of the Revised Code;	7869 7870
(14) <u>(13)</u> The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	7871 7872
(15) <u>(14)</u> The credit for employers that enter into agreements with child day-care centers under section 5747.34 of the Revised Code;	7873 7874 7875
(16) <u>(15)</u> The credit for employers that reimburse employee child care expenses under section 5747.36 of the Revised Code;	7876 7877
(17) <u>(16)</u> The credit for adoption of a minor child under section 5747.37 of the Revised Code;	7878 7879
(18) <u>(17)</u> The credit for purchases of lights and reflectors under section 5747.38 of the Revised Code;	7880 7881
(19) <u>(18)</u> The nonrefundable job retention credit under division (B) of section 5747.058 of the Revised Code;	7882 7883
(20) The credit for selling alternative fuel under section	7884

5747.77 of the Revised Code;	7885
(21)(19) The nonrefundable credit for hiring a qualified unemployed individual, qualified unemployed veteran, or qualified unemployed disabled veteran under section 5747.61 of the Revised Code;	7886
(21)(19) The nonrefundable credit for hiring a qualified unemployed individual, qualified unemployed veteran, or qualified unemployed disabled veteran under section 5747.61 of the Revised Code;	7887
(21)(19) The nonrefundable credit for hiring a qualified unemployed individual, qualified unemployed veteran, or qualified unemployed disabled veteran under section 5747.61 of the Revised Code;	7888
(21)(19) The nonrefundable credit for hiring a qualified unemployed individual, qualified unemployed veteran, or qualified unemployed disabled veteran under section 5747.61 of the Revised Code;	7889
(20) The second credit for purchases of new manufacturing machinery and equipment and the credit for using Ohio coal under section 5747.31 of the Revised Code;	7890
(20) The second credit for purchases of new manufacturing machinery and equipment and the credit for using Ohio coal under section 5747.31 of the Revised Code;	7891
(20) The second credit for purchases of new manufacturing machinery and equipment and the credit for using Ohio coal under section 5747.31 of the Revised Code;	7892
(22)(21) The job training credit under section 5747.39 of the Revised Code;	7893
(22)(21) The job training credit under section 5747.39 of the Revised Code;	7894
(23)(22) The enterprise zone credit under section 5709.66 of the Revised Code;	7895
(23)(22) The enterprise zone credit under section 5709.66 of the Revised Code;	7896
(24)(23) The credit for the eligible costs associated with a voluntary action under section 5747.32 of the Revised Code;	7897
(24)(23) The credit for the eligible costs associated with a voluntary action under section 5747.32 of the Revised Code;	7898
(25)(24) The credit for employers that establish on-site child day-care centers under section 5747.35 of the Revised Code;	7899
(25)(24) The credit for employers that establish on-site child day-care centers under section 5747.35 of the Revised Code;	7900
(26) The ethanol plant investment credit under section 5747.75 of the Revised Code;	7901
(26) The ethanol plant investment credit under section 5747.75 of the Revised Code;	7902
(27) The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	7903
(27) The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	7904
(28)(25) The small business investment credit under section 5747.81 of the Revised Code;	7905
(28)(25) The small business investment credit under section 5747.81 of the Revised Code;	7906
(29)(26) The credit for research and development and technology transfer investors under section 5747.33 of the Revised Code;	7907
(29)(26) The credit for research and development and technology transfer investors under section 5747.33 of the Revised Code;	7908
(29)(26) The credit for research and development and technology transfer investors under section 5747.33 of the Revised Code;	7909
(30)(27) The enterprise zone credits under section 5709.65 of the Revised Code;	7910
(30)(27) The enterprise zone credits under section 5709.65 of the Revised Code;	7911
(31)(28) The research and development credit under section 5747.331 of the Revised Code;	7912
(31)(28) The research and development credit under section 5747.331 of the Revised Code;	7913

(32) <u>(29)</u> The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	7914 7915
(33) <u>(30)</u> The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	7916 7917
(34) <u>(31)</u> The refundable jobs creation credit or job retention credit under division (A) of section 5747.058 of the Revised Code;	7918 7919
(35) <u>(32)</u> The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	7920 7921
(36) <u>(33)</u> The refundable credits for taxes paid by a qualifying pass-through entity granted under division (J) of section 5747.08 of the Revised Code;	7922 7923 7924
(37) <u>(34)</u> The refundable credit under section 5747.80 of the Revised Code for losses on loans made to the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code;	7925 7926 7927
(38) <u>(35)</u> The refundable motion picture production credit under section 5747.66 of the Revised Code.	7928 7929
(39) <u>(36)</u> The refundable credit for financial institution taxes paid by a pass-through entity granted under section 5747.65 of the Revised Code.	7930 7931 7932
(B) For any credit, except the refundable credits enumerated in this section and the credit granted under division (I) of section 5747.08 of the Revised Code, the amount of the credit for a taxable year shall not exceed the tax due after allowing for any other credit that precedes it in the order required under this section. Any excess amount of a particular credit may be carried forward if authorized under the section creating that credit. Nothing in this chapter shall be construed to allow a taxpayer to claim, directly or indirectly, a credit more than once for a taxable year.	7933 7934 7935 7936 7937 7938 7939 7940 7941 7942
Sec. 5751.01. As used in this chapter:	7943

(A) "Person" means, but is not limited to, individuals, 7944
combinations of individuals of any form, receivers, assignees, 7945
trustees in bankruptcy, firms, companies, joint-stock companies, 7946
business trusts, estates, partnerships, limited liability 7947
partnerships, limited liability companies, associations, joint 7948
ventures, clubs, societies, for-profit corporations, S 7949
corporations, qualified subchapter S subsidiaries, qualified 7950
subchapter S trusts, trusts, entities that are disregarded for 7951
federal income tax purposes, and any other entities. 7952

(B) "Consolidated elected taxpayer" means a group of two or 7953
more persons treated as a single taxpayer for purposes of this 7954
chapter as the result of an election made under section 5751.011 7955
of the Revised Code. 7956

(C) "Combined taxpayer" means a group of two or more persons 7957
treated as a single taxpayer for purposes of this chapter under 7958
section 5751.012 of the Revised Code. 7959

(D) "Taxpayer" means any person, or any group of persons in 7960
the case of a consolidated elected taxpayer or combined taxpayer 7961
treated as one taxpayer, required to register or pay tax under 7962
this chapter. "Taxpayer" does not include excluded persons. 7963

(E) "Excluded person" means any of the following: 7964

(1) Any person with not more than one hundred fifty thousand 7965
dollars of taxable gross receipts during the calendar year. 7966
Division (E)(1) of this section does not apply to a person that is 7967
a member of a consolidated elected taxpayer; 7968

(2) A public utility that paid the excise tax imposed by 7969
section 5727.24 or 5727.30 of the Revised Code based on one or 7970
more measurement periods that include the entire tax period under 7971
this chapter, except that a public utility that is a combined 7972
company is a taxpayer with regard to the following gross receipts: 7973

(a) Taxable gross receipts directly attributed to a public 7974

utility activity, but not directly attributed to an activity that 7975
is subject to the excise tax imposed by section 5727.24 or 5727.30 7976
of the Revised Code; 7977

(b) Taxable gross receipts that cannot be directly attributed 7978
to any activity, multiplied by a fraction whose numerator is the 7979
taxable gross receipts described in division (E)(2)(a) of this 7980
section and whose denominator is the total taxable gross receipts 7981
that can be directly attributed to any activity; 7982

(c) Except for any differences resulting from the use of an 7983
accrual basis method of accounting for purposes of determining 7984
gross receipts under this chapter and the use of the cash basis 7985
method of accounting for purposes of determining gross receipts 7986
under section 5727.24 of the Revised Code, the gross receipts 7987
directly attributed to the activity of a natural gas company shall 7988
be determined in a manner consistent with division (D) of section 7989
5727.03 of the Revised Code. 7990

As used in division (E)(2) of this section, "combined 7991
company" and "public utility" have the same meanings as in section 7992
5727.01 of the Revised Code. 7993

(3) A financial institution, as defined in section 5726.01 of 7994
the Revised Code, that paid the tax imposed by section 5726.02 of 7995
the Revised Code based on one or more taxable years that include 7996
the entire tax period under this chapter; 7997

(4) A person directly or indirectly owned by one or more 7998
financial institutions, as defined in section 5726.01 of the 7999
Revised Code, that paid the tax imposed by section 5726.02 of the 8000
Revised Code based on one or more taxable years that include the 8001
entire tax period under this chapter. 8002

For the purposes of division (E)(4) of this section, a person 8003
owns another person under the following circumstances: 8004

(a) In the case of corporations issuing capital stock, one 8005

corporation owns another corporation if it owns fifty per cent or 8006
more of the other corporation's capital stock with current voting 8007
rights; 8008

(b) In the case of a limited liability company, one person 8009
owns the company if that person's membership interest, as defined 8010
in section 1705.01 of the Revised Code, is fifty per cent or more 8011
of the combined membership interests of all persons owning such 8012
interests in the company; 8013

(c) In the case of a partnership, trust, or other 8014
unincorporated business organization other than a limited 8015
liability company, one person owns the organization if, under the 8016
articles of organization or other instrument governing the affairs 8017
of the organization, that person has a beneficial interest in the 8018
organization's profits, surpluses, losses, or distributions of 8019
fifty per cent or more of the combined beneficial interests of all 8020
persons having such an interest in the organization. 8021

(5) A domestic insurance company or foreign insurance 8022
company, as defined in section 5725.01 of the Revised Code, that 8023
paid the insurance company premiums tax imposed by section 5725.18 8024
or Chapter 5729. of the Revised Code, or an unauthorized insurance 8025
company whose gross premiums are subject to tax under section 8026
3905.36 of the Revised Code based on one or more measurement 8027
periods that include the entire tax period under this chapter; 8028

(6) A person that solely facilitates or services one or more 8029
securitizations of phase-in-recovery property pursuant to a final 8030
financing order as those terms are defined in section 4928.23 of 8031
the Revised Code. For purposes of this division, "securitization" 8032
means transferring one or more assets to one or more persons and 8033
then issuing securities backed by the right to receive payment 8034
from the asset or assets so transferred. 8035

(7) Except as otherwise provided in this division, a 8036

pre-income tax trust as defined in division (FF)(4) of section 8037
5747.01 of the Revised Code and any pass-through entity of which 8038
such pre-income tax trust owns or controls, directly, indirectly, 8039
or constructively through related interests, more than five per 8040
cent of the ownership or equity interests. If the pre-income tax 8041
trust has made a qualifying pre-income tax trust election under 8042
division (FF)(3) of section 5747.01 of the Revised Code, then the 8043
trust and the pass-through entities of which it owns or controls, 8044
directly, indirectly, or constructively through related interests, 8045
more than five per cent of the ownership or equity interests, 8046
shall not be excluded persons for purposes of the tax imposed 8047
under section 5751.02 of the Revised Code. 8048

(8) Nonprofit organizations or the state and its agencies, 8049
instrumentalities, or political subdivisions. 8050

(F) Except as otherwise provided in divisions (F)(2), (3), 8051
and (4) of this section, "gross receipts" means the total amount 8052
realized by a person, without deduction for the cost of goods sold 8053
or other expenses incurred, that contributes to the production of 8054
gross income of the person, including the fair market value of any 8055
property and any services received, and any debt transferred or 8056
forgiven as consideration. 8057

(1) The following are examples of gross receipts: 8058

(a) Amounts realized from the sale, exchange, or other 8059
disposition of the taxpayer's property to or with another; 8060

(b) Amounts realized from the taxpayer's performance of 8061
services for another; 8062

(c) Amounts realized from another's use or possession of the 8063
taxpayer's property or capital; 8064

(d) Any combination of the foregoing amounts. 8065

(2) "Gross receipts" excludes the following amounts: 8066

(a) Interest income except interest on credit sales;	8067
(b) Dividends and distributions from corporations, and distributive or proportionate shares of receipts and income from a pass-through entity as defined under section 5733.04 of the Revised Code;	8068 8069 8070 8071
(c) Receipts from the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code, without regard to the length of time the person held the asset. Notwithstanding section 1221 of the Internal Revenue Code, receipts from hedging transactions also are excluded to the extent the transactions are entered into primarily to protect a financial position, such as managing the risk of exposure to (i) foreign currency fluctuations that affect assets, liabilities, profits, losses, equity, or investments in foreign operations; (ii) interest rate fluctuations; or (iii) commodity price fluctuations. As used in division (F)(2)(c) of this section, "hedging transaction" has the same meaning as used in section 1221 of the Internal Revenue Code and also includes transactions accorded hedge accounting treatment under statement of financial accounting standards number 133 of the financial accounting standards board. For the purposes of division (F)(2)(c) of this section, the actual transfer of title of real or tangible personal property to another entity is not a hedging transaction.	8072 8073 8074 8075 8076 8077 8078 8079 8080 8081 8082 8083 8084 8085 8086 8087 8088 8089
(d) Proceeds received attributable to the repayment, maturity, or redemption of the principal of a loan, bond, mutual fund, certificate of deposit, or marketable instrument;	8090 8091 8092
(e) The principal amount received under a repurchase agreement or on account of any transaction properly characterized as a loan to the person;	8093 8094 8095
(f) Contributions received by a trust, plan, or other arrangement, any of which is described in section 501(a) of the	8096 8097

Internal Revenue Code, or to which Title 26, Subtitle A, Chapter	8098
1, Subchapter (D) of the Internal Revenue Code applies;	8099
(g) Compensation, whether current or deferred, and whether in	8100
cash or in kind, received or to be received by an employee, former	8101
employee, or the employee's legal successor for services rendered	8102
to or for an employer, including reimbursements received by or for	8103
an individual for medical or education expenses, health insurance	8104
premiums, or employee expenses, or on account of a dependent care	8105
spending account, legal services plan, any cafeteria plan	8106
described in section 125 of the Internal Revenue Code, or any	8107
similar employee reimbursement;	8108
(h) Proceeds received from the issuance of the taxpayer's own	8109
stock, options, warrants, puts, or calls, or from the sale of the	8110
taxpayer's treasury stock;	8111
(i) Proceeds received on the account of payments from	8112
insurance policies, except those proceeds received for the loss of	8113
business revenue;	8114
(j) Gifts or charitable contributions received; membership	8115
dues received by trade, professional, homeowners', or condominium	8116
associations; and payments received for educational courses,	8117
meetings, meals, or similar payments to a trade, professional, or	8118
other similar association; and fundraising receipts received by	8119
any person when any excess receipts are donated or used	8120
exclusively for charitable purposes;	8121
(k) Damages received as the result of litigation in excess of	8122
amounts that, if received without litigation, would be gross	8123
receipts;	8124
(l) Property, money, and other amounts received or acquired	8125
by an agent on behalf of another in excess of the agent's	8126
commission, fee, or other remuneration;	8127
(m) Tax refunds, other tax benefit recoveries, and	8128

reimbursements for the tax imposed under this chapter made by	8129
entities that are part of the same combined taxpayer or	8130
consolidated elected taxpayer group, and reimbursements made by	8131
entities that are not members of a combined taxpayer or	8132
consolidated elected taxpayer group that are required to be made	8133
for economic parity among multiple owners of an entity whose tax	8134
obligation under this chapter is required to be reported and paid	8135
entirely by one owner, pursuant to the requirements of sections	8136
5751.011 and 5751.012 of the Revised Code;	8137
(n) Pension reversions;	8138
(o) Contributions to capital;	8139
(p) Sales or use taxes collected as a vendor or an	8140
out-of-state seller on behalf of the taxing jurisdiction from a	8141
consumer or other taxes the taxpayer is required by law to collect	8142
directly from a purchaser and remit to a local, state, or federal	8143
tax authority;	8144
(q) In the case of receipts from the sale of cigarettes or	8145
tobacco products by a wholesale dealer, retail dealer,	8146
distributor, manufacturer, or seller, all as defined in section	8147
5743.01 of the Revised Code, an amount equal to the federal and	8148
state excise taxes paid by any person on or for such cigarettes or	8149
tobacco products under subtitle E of the Internal Revenue Code or	8150
Chapter 5743. of the Revised Code;	8151
(r) In the case of receipts from the sale of motor fuel by a	8152
licensed motor fuel dealer, licensed retail dealer, or licensed	8153
permissive motor fuel dealer, all as defined in section 5735.01 of	8154
the Revised Code, an amount equal to federal and state excise	8155
taxes paid by any person on such motor fuel under section 4081 of	8156
the Internal Revenue Code or Chapter 5735. of the Revised Code;	8157
(s) In the case of receipts from the sale of beer or	8158
intoxicating liquor, as defined in section 4301.01 of the Revised	8159

Code, by a person holding a permit issued under Chapter 4301. or 8160
4303. of the Revised Code, an amount equal to federal and state 8161
excise taxes paid by any person on or for such beer or 8162
intoxicating liquor under subtitle E of the Internal Revenue Code 8163
or Chapter 4301. or 4305. of the Revised Code; 8164

(t) Receipts realized by a new motor vehicle dealer or used 8165
motor vehicle dealer, as defined in section 4517.01 of the Revised 8166
Code, from the sale or other transfer of a motor vehicle, as 8167
defined in that section, to another motor vehicle dealer for the 8168
purpose of resale by the transferee motor vehicle dealer, but only 8169
if the sale or other transfer was based upon the transferee's need 8170
to meet a specific customer's preference for a motor vehicle; 8171

(u) Receipts from a financial institution described in 8172
division (E)(3) of this section for services provided to the 8173
financial institution in connection with the issuance, processing, 8174
servicing, and management of loans or credit accounts, if such 8175
financial institution and the recipient of such receipts have at 8176
least fifty per cent of their ownership interests owned or 8177
controlled, directly or constructively through related interests, 8178
by common owners; 8179

(v) Receipts realized from administering anti-neoplastic 8180
drugs and other cancer chemotherapy, biologicals, therapeutic 8181
agents, and supportive drugs in a physician's office to patients 8182
with cancer; 8183

(w) Funds received or used by a mortgage broker that is not a 8184
dealer in intangibles, other than fees or other consideration, 8185
pursuant to a table-funding mortgage loan or warehouse-lending 8186
mortgage loan. Terms used in division (F)(2)(w) of this section 8187
have the same meanings as in section 1322.01 of the Revised Code, 8188
except "mortgage broker" means a person assisting a buyer in 8189
obtaining a mortgage loan for a fee or other consideration paid by 8190
the buyer or a lender, or a person engaged in table-funding or 8191

warehouse-lending mortgage loans that are first lien mortgage loans. 8192
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(x) Property, money, and other amounts received by a professional employer organization, as defined in section 4125.01 of the Revised Code, from a client employer, as defined in that section, in excess of the administrative fee charged by the professional employer organization to the client employer; 8194
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(y) In the case of amounts retained as commissions by a permit holder under Chapter 3769. of the Revised Code, an amount equal to the amounts specified under that chapter that must be paid to or collected by the tax commissioner as a tax and the amounts specified under that chapter to be used as purse money; 8199
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(z) Qualifying distribution center receipts. 8204

(i) For purposes of division (F)(2)(z) of this section: 8205

(I) "Qualifying distribution center receipts" means receipts of a supplier from qualified property that is delivered to a qualified distribution center, multiplied by a quantity that equals one minus the Ohio delivery percentage. If the qualified distribution center is a refining facility, "supplier" includes all dealers, brokers, processors, sellers, vendors, cosigners, and distributors of qualified property. 8206
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(II) "Qualified property" means tangible personal property delivered to a qualified distribution center that is shipped to that qualified distribution center solely for further shipping by the qualified distribution center to another location in this state or elsewhere or, in the case of gold, silver, platinum, or palladium delivered to a refining facility solely for refining to a grade and fineness acceptable for delivery to a registered commodities exchange. "Further shipping" includes storing and repackaging property into smaller or larger bundles, so long as the property is not subject to further manufacturing or 8213
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processing. "Refining" is limited to extracting impurities from 8223
gold, silver, platinum, or palladium through smelting or some 8224
other process at a refining facility. 8225

(III) "Qualified distribution center" means a warehouse, a 8226
facility similar to a warehouse, or a refining facility in this 8227
state that, for the qualifying year, is operated by a person that 8228
is not part of a combined taxpayer group and that has a qualifying 8229
certificate. All warehouses or facilities similar to warehouses 8230
that are operated by persons in the same taxpayer group and that 8231
are located within one mile of each other shall be treated as one 8232
qualified distribution center. All refining facilities that are 8233
operated by persons in the same taxpayer group and that are 8234
located in the same or adjacent counties may be treated as one 8235
qualified distribution center. 8236

(IV) "Qualifying year" means the calendar year to which the 8237
qualifying certificate applies. 8238

(V) "Qualifying period" means the period of the first day of 8239
July of the second year preceding the qualifying year through the 8240
thirtieth day of June of the year preceding the qualifying year. 8241

(VI) "Qualifying certificate" means the certificate issued by 8242
the tax commissioner after the operator of a distribution center 8243
files an annual application with the commissioner. The application 8244
and annual fee shall be filed and paid for each qualified 8245
distribution center on or before the first day of September before 8246
the qualifying year or within forty-five days after the 8247
distribution center opens, whichever is later. 8248

The applicant must substantiate to the commissioner's 8249
satisfaction that, for the qualifying period, all persons 8250
operating the distribution center have more than fifty per cent of 8251
the cost of the qualified property shipped to a location such that 8252
it would be situated outside this state under the provisions of 8253

division (E) of section 5751.033 of the Revised Code. The 8254
applicant must also substantiate that the distribution center 8255
cumulatively had costs from its suppliers equal to or exceeding 8256
five hundred million dollars during the qualifying period. (For 8257
purposes of division (F)(2)(z)(i)(VI) of this section, "supplier" 8258
excludes any person that is part of the consolidated elected 8259
taxpayer group, if applicable, of the operator of the qualified 8260
distribution center.) The commissioner may require the applicant 8261
to have an independent certified public accountant certify that 8262
the calculation of the minimum thresholds required for a qualified 8263
distribution center by the operator of a distribution center has 8264
been made in accordance with generally accepted accounting 8265
principles. The commissioner shall issue or deny the issuance of a 8266
certificate within sixty days after the receipt of the 8267
application. A denial is subject to appeal under section 5717.02 8268
of the Revised Code. If the operator files a timely appeal under 8269
section 5717.02 of the Revised Code, the operator shall be granted 8270
a qualifying certificate, provided that the operator is liable for 8271
any tax, interest, or penalty upon amounts claimed as qualifying 8272
distribution center receipts, other than those receipts exempt 8273
under division (C)(1) of section 5751.011 of the Revised Code, 8274
that would have otherwise not been owed by its suppliers if the 8275
qualifying certificate was valid. 8276

(VII) "Ohio delivery percentage" means the proportion of the 8277
total property delivered to a destination inside Ohio from the 8278
qualified distribution center during the qualifying period 8279
compared with total deliveries from such distribution center 8280
everywhere during the qualifying period. 8281

(VIII) "Refining facility" means one or more buildings 8282
located in a county in the Appalachian region of this state as 8283
defined by section 107.21 of the Revised Code and utilized for 8284
refining or smelting gold, silver, platinum, or palladium to a 8285

grade and fineness acceptable for delivery to a registered 8286
commodities exchange. 8287

(IX) "Registered commodities exchange" means a board of 8288
trade, such as New York mercantile exchange, inc. or commodity 8289
exchange, inc., designated as a contract market by the commodity 8290
futures trading commission under the "Commodity Exchange Act," 7 8291
U.S.C. 1 et seq., as amended. 8292

(ii) If the distribution center is new and was not open for 8293
the entire qualifying period, the operator of the distribution 8294
center may request that the commissioner grant a qualifying 8295
certificate. If the certificate is granted and it is later 8296
determined that more than fifty per cent of the qualified property 8297
during that year was not shipped to a location such that it would 8298
be situated outside of this state under the provisions of division 8299
(E) of section 5751.033 of the Revised Code or if it is later 8300
determined that the person that operates the distribution center 8301
had average monthly costs from its suppliers of less than forty 8302
million dollars during that year, then the operator of the 8303
distribution center shall be liable for any tax, interest, or 8304
penalty upon amounts claimed as qualifying distribution center 8305
receipts, other than those receipts exempt under division (C)(1) 8306
of section 5751.011 of the Revised Code, that would have not 8307
otherwise been owed by its suppliers during the qualifying year if 8308
the qualifying certificate was valid. (For purposes of division 8309
(F)(2)(z)(ii) of this section, "supplier" excludes any person that 8310
is part of the consolidated elected taxpayer group, if applicable, 8311
of the operator of the qualified distribution center.) 8312

(iii) When filing an application for a qualifying certificate 8313
under division (F)(2)(z)(i)(VI) of this section, the operator of a 8314
qualified distribution center also shall provide documentation, as 8315
the commissioner requires, for the commissioner to ascertain the 8316
Ohio delivery percentage. The commissioner, upon issuing the 8317

qualifying certificate, also shall certify the Ohio delivery 8318
percentage. The operator of the qualified distribution center may 8319
appeal the commissioner's certification of the Ohio delivery 8320
percentage in the same manner as an appeal is taken from the 8321
denial of a qualifying certificate under division (F)(2)(z)(i)(VI) 8322
of this section. 8323

Within thirty days after all appeals have been exhausted, the 8324
operator of the qualified distribution center shall notify the 8325
affected suppliers of qualified property that such suppliers are 8326
required to file, within sixty days after receiving notice from 8327
the operator of the qualified distribution center, amended reports 8328
for the impacted calendar quarter or quarters or calendar year, 8329
whichever the case may be. Any additional tax liability or tax 8330
overpayment shall be subject to interest but shall not be subject 8331
to the imposition of any penalty so long as the amended returns 8332
are timely filed. The supplier of tangible personal property 8333
delivered to the qualified distribution center shall include in 8334
its report of taxable gross receipts the receipts from the total 8335
sales of property delivered to the qualified distribution center 8336
for the calendar quarter or calendar year, whichever the case may 8337
be, multiplied by the Ohio delivery percentage for the qualifying 8338
year. Nothing in division (F)(2)(z)(iii) of this section shall be 8339
construed as imposing liability on the operator of a qualified 8340
distribution center for the tax imposed by this chapter arising 8341
from any change to the Ohio delivery percentage. 8342

(iv) In the case where the distribution center is new and not 8343
open for the entire qualifying period, the operator shall make a 8344
good faith estimate of an Ohio delivery percentage for use by 8345
suppliers in their reports of taxable gross receipts for the 8346
remainder of the qualifying period. The operator of the facility 8347
shall disclose to the suppliers that such Ohio delivery percentage 8348
is an estimate and is subject to recalculation. By the due date of 8349

the next application for a qualifying certificate, the operator 8350
shall determine the actual Ohio delivery percentage for the 8351
estimated qualifying period and proceed as provided in division 8352
(F)(2)(z)(iii) of this section with respect to the calculation and 8353
recalculation of the Ohio delivery percentage. The supplier is 8354
required to file, within sixty days after receiving notice from 8355
the operator of the qualified distribution center, amended reports 8356
for the impacted calendar quarter or quarters or calendar year, 8357
whichever the case may be. Any additional tax liability or tax 8358
overpayment shall be subject to interest but shall not be subject 8359
to the imposition of any penalty so long as the amended returns 8360
are timely filed. 8361

(v) Qualifying certificates and Ohio delivery percentages 8362
issued by the commissioner shall be open to public inspection and 8363
shall be timely published by the commissioner. A supplier relying 8364
in good faith on a certificate issued under this division shall 8365
not be subject to tax on the qualifying distribution center 8366
receipts under division (F)(2)(z) of this section. A person 8367
receiving a qualifying certificate is responsible for paying the 8368
tax, interest, and penalty upon amounts claimed as qualifying 8369
distribution center receipts that would not otherwise have been 8370
owed by the supplier if the qualifying certificate were available 8371
when it is later determined that the qualifying certificate should 8372
not have been issued because the statutory requirements were in 8373
fact not met. 8374

(vi) The annual fee for a qualifying certificate shall be one 8375
hundred thousand dollars for each qualified distribution center. 8376
If a qualifying certificate is not issued, the annual fee is 8377
subject to refund after the exhaustion of all appeals provided for 8378
in division (F)(2)(z)(i)(VI) of this section. The fee imposed 8379
under this division may be assessed in the same manner as the tax 8380
imposed under this chapter. The first one hundred thousand dollars 8381

of the annual application fees collected each calendar year shall 8382
be credited to the revenue enhancement fund. The remainder of the 8383
annual application fees collected shall be distributed in the same 8384
manner required under section 5751.20 of the Revised Code. 8385

(vii) The tax commissioner may require that adequate security 8386
be posted by the operator of the distribution center on appeal 8387
when the commissioner disagrees that the applicant has met the 8388
minimum thresholds for a qualified distribution center as set 8389
forth in divisions (F)(2)(z)(i)(VI) and (F)(2)(z)(ii) of this 8390
section. 8391

(aa) Receipts of an employer from payroll deductions relating 8392
to the reimbursement of the employer for advancing moneys to an 8393
unrelated third party on an employee's behalf; 8394

(bb) Cash discounts allowed and taken; 8395

(cc) Returns and allowances; 8396

(dd) Bad debts from receipts on the basis of which the tax 8397
imposed by this chapter was paid in a prior quarterly tax payment 8398
period. For the purpose of this division, "bad debts" means any 8399
debts that have become worthless or uncollectible between the 8400
preceding and current quarterly tax payment periods, have been 8401
uncollected for at least six months, and that may be claimed as a 8402
deduction under section 166 of the Internal Revenue Code and the 8403
regulations adopted under that section, or that could be claimed 8404
as such if the taxpayer kept its accounts on the accrual basis. 8405
"Bad debts" does not include repossessed property, uncollectible 8406
amounts on property that remains in the possession of the taxpayer 8407
until the full purchase price is paid, or expenses in attempting 8408
to collect any account receivable or for any portion of the debt 8409
recovered; 8410

(ee) Any amount realized from the sale of an account 8411
receivable to the extent the receipts from the underlying 8412

transaction giving rise to the account receivable were included in 8413
the gross receipts of the taxpayer; 8414

(ff) Any receipts directly attributed to providing public 8415
services pursuant to sections 126.60 to 126.605 of the Revised 8416
Code, or any receipts directly attributed to a transfer agreement 8417
or to the enterprise transferred under that agreement under 8418
section 4313.02 of the Revised Code. 8419

(gg)(i) As used in this division: 8420

(I) "Qualified uranium receipts" means receipts from the 8421
sale, exchange, lease, loan, production, processing, or other 8422
disposition of uranium within a uranium enrichment zone certified 8423
by the tax commissioner under division (F)(2)(gg)(ii) of this 8424
section. "Qualified uranium receipts" does not include any 8425
receipts with a situs in this state outside a uranium enrichment 8426
zone certified by the tax commissioner under division 8427
(F)(2)(gg)(ii) of this section. 8428

(II) "Uranium enrichment zone" means all real property that 8429
is part of a uranium enrichment facility licensed by the United 8430
States nuclear regulatory commission and that was or is owned or 8431
controlled by the United States department of energy or its 8432
successor. 8433

(ii) Any person that owns, leases, or operates real or 8434
tangible personal property constituting or located within a 8435
uranium enrichment zone may apply to the tax commissioner to have 8436
the uranium enrichment zone certified for the purpose of excluding 8437
qualified uranium receipts under division (F)(2)(gg) of this 8438
section. The application shall include such information that the 8439
tax commissioner prescribes. Within sixty days after receiving the 8440
application, the tax commissioner shall certify the zone for that 8441
purpose if the commissioner determines that the property qualifies 8442
as a uranium enrichment zone as defined in division (F)(2)(gg) of 8443

this section, or, if the tax commissioner determines that the 8444
property does not qualify, the commissioner shall deny the 8445
application or request additional information from the applicant. 8446
If the tax commissioner denies an application, the commissioner 8447
shall state the reasons for the denial. The applicant may appeal 8448
the denial of an application to the board of tax appeals pursuant 8449
to section 5717.02 of the Revised Code. If the applicant files a 8450
timely appeal, the tax commissioner shall conditionally certify 8451
the applicant's property. The conditional certification shall 8452
expire when all of the applicant's appeals are exhausted. Until 8453
final resolution of the appeal, the applicant shall retain the 8454
applicant's records in accordance with section 5751.12 of the 8455
Revised Code, notwithstanding any time limit on the preservation 8456
of records under that section. 8457

(hh) Amounts realized by licensed motor fuel dealers or 8458
licensed permissive motor fuel dealers from the exchange of 8459
petroleum products, including motor fuel, between such dealers, 8460
provided that delivery of the petroleum products occurs at a 8461
refinery, terminal, pipeline, or marine vessel and that the 8462
exchanging dealers agree neither dealer shall require monetary 8463
compensation from the other for the value of the exchanged 8464
petroleum products other than such compensation for differences in 8465
product location or grade. Division (F)(2)(hh) of this section 8466
does not apply to amounts realized as a result of differences in 8467
location or grade of exchanged petroleum products or from 8468
handling, lubricity, dye, or other additive injections fees, 8469
pipeline security fees, or similar fees. As used in this division, 8470
"motor fuel," "licensed motor fuel dealer," "licensed permissive 8471
motor fuel dealer," and "terminal" have the same meanings as in 8472
section 5735.01 of the Revised Code. 8473

(ii) In the case of amounts collected by a licensed casino 8474
operator from casino gaming, amounts in excess of the casino 8475

operator's gross casino revenue. In this division, "casino operator" and "casino gaming" have the meanings defined in section 3772.01 of the Revised Code, and "gross casino revenue" has the meaning defined in section 5753.01 of the Revised Code.

(jj) Receipts realized by a qualifying landlord from the lease or rental of qualifying residential rental property during the first tax period in which the qualifying landlord received rental income from the property and, if the qualifying landlord is a calendar quarter taxpayer, during the nineteen succeeding tax periods or, if the qualifying landlord is a calendar year taxpayer, during the four succeeding tax periods. As used in this division, "qualifying landlord" and "qualifying residential rental property" have the same meanings as in division (A)(32) of section 5747.01 of the Revised Code.

(kk) Receipts realized from providing broadband service multiplied by a fraction, the numerator of which is the original cost of tangible personal property necessary for the provision of broadband service in rural areas of this state installed on or after the effective date of this amendment, and the denominator of which is the original cost of tangible personal property necessary for the provision of broadband service in this state on or after that date. An exclusion is not allowed under this division if the taxpayer claims a deduction under division (A)(10) or (S)(16) of section 5747.01 of the Revised Code for a taxable year that includes all or any part of the tax period. For the purposes of this division, "broadband service" and "rural area" have the same meanings as in 7 U.S.C. 950bb.

(ll) Any receipts for which the tax imposed by this chapter is prohibited by the constitution or laws of the United States or the constitution of this state.

(3) In the case of a taxpayer when acting as a real estate broker, "gross receipts" includes only the portion of any fee for

the service of a real estate broker, or service of a real estate salesperson associated with that broker, that is retained by the broker and not paid to an associated real estate salesperson or another real estate broker. For the purposes of this division, "real estate broker" and "real estate salesperson" have the same meanings as in section 4735.01 of the Revised Code.

(4) A taxpayer's method of accounting for gross receipts for a tax period shall be the same as the taxpayer's method of accounting for federal income tax purposes for the taxpayer's federal taxable year that includes the tax period. If a taxpayer's method of accounting for federal income tax purposes changes, its method of accounting for gross receipts under this chapter shall be changed accordingly.

(G) "Taxable gross receipts" means gross receipts situated to this state under section 5751.033 of the Revised Code.

(H) A person has "substantial nexus with this state" if any of the following applies. The person:

(1) Owns or uses a part or all of its capital in this state;

(2) Holds a certificate of compliance with the laws of this state authorizing the person to do business in this state;

(3) Has bright-line presence in this state;

(4) Otherwise has nexus with this state to an extent that the person can be required to remit the tax imposed under this chapter under the Constitution of the United States.

(I) A person has "bright-line presence" in this state for a reporting period and for the remaining portion of the calendar year if any of the following applies. The person:

(1) Has at any time during the calendar year property in this state with an aggregate value of at least fifty thousand dollars. For the purpose of division (I)(1) of this section, owned property

is valued at original cost and rented property is valued at eight 8538
times the net annual rental charge. 8539

(2) Has during the calendar year payroll in this state of at 8540
least fifty thousand dollars. Payroll in this state includes all 8541
of the following: 8542

(a) Any amount subject to withholding by the person under 8543
section 5747.06 of the Revised Code; 8544

(b) Any other amount the person pays as compensation to an 8545
individual under the supervision or control of the person for work 8546
done in this state; and 8547

(c) Any amount the person pays for services performed in this 8548
state on its behalf by another. 8549

(3) Has during the calendar year taxable gross receipts of at 8550
least five hundred thousand dollars. 8551

(4) Has at any time during the calendar year within this 8552
state at least twenty-five per cent of the person's total 8553
property, total payroll, or total gross receipts. 8554

(5) Is domiciled in this state as an individual or for 8555
corporate, commercial, or other business purposes. 8556

(J) "Tangible personal property" has the same meaning as in 8557
section 5739.01 of the Revised Code. 8558

(K) "Internal Revenue Code" means the Internal Revenue Code 8559
of 1986, 100 Stat. 2085, 26 U.S.C. 1, as amended. Any term used in 8560
this chapter that is not otherwise defined has the same meaning as 8561
when used in a comparable context in the laws of the United States 8562
relating to federal income taxes unless a different meaning is 8563
clearly required. Any reference in this chapter to the Internal 8564
Revenue Code includes other laws of the United States relating to 8565
federal income taxes. 8566

(L) "Calendar quarter" means a three-month period ending on 8567

the thirty-first day of March, the thirtieth day of June, the 8568
thirtieth day of September, or the thirty-first day of December. 8569

(M) "Tax period" means the calendar quarter or calendar year 8570
on the basis of which a taxpayer is required to pay the tax 8571
imposed under this chapter. 8572

(N) "Calendar year taxpayer" means a taxpayer for which the 8573
tax period is a calendar year. 8574

(O) "Calendar quarter taxpayer" means a taxpayer for which 8575
the tax period is a calendar quarter. 8576

(P) "Agent" means a person authorized by another person to 8577
act on its behalf to undertake a transaction for the other, 8578
including any of the following: 8579

(1) A person receiving a fee to sell financial instruments; 8580

(2) A person retaining only a commission from a transaction 8581
with the other proceeds from the transaction being remitted to 8582
another person; 8583

(3) A person issuing licenses and permits under section 8584
1533.13 of the Revised Code; 8585

(4) A lottery sales agent holding a valid license issued 8586
under section 3770.05 of the Revised Code; 8587

(5) A person acting as an agent of the division of liquor 8588
control under section 4301.17 of the Revised Code. 8589

(Q) "Received" includes amounts accrued under the accrual 8590
method of accounting. 8591

(R) "Reporting person" means a person in a consolidated 8592
elected taxpayer or combined taxpayer group that is designated by 8593
that group to legally bind the group for all filings and tax 8594
liabilities and to receive all legal notices with respect to 8595
matters under this chapter, or, for the purposes of section 8596
5751.04 of the Revised Code, a separate taxpayer that is not a 8597

member of such a group. 8598

Sec. 5751.55. (A) As used in this section, "qualified 8599
unemployed individual," "qualified unemployed veteran," "qualified 8600
unemployed disabled veteran," and "credit period" have the same 8601
meanings as in section 5747.61 of the Revised Code. 8602

(B)(1) There is hereby allowed a nonrefundable credit against 8603
the tax imposed by section 5751.02 of the Revised Code for a 8604
taxpayer that meets all of the following criteria: 8605

(a) The taxpayer hires a qualified unemployed individual, 8606
qualified unemployed veteran, or qualified unemployed disabled 8607
veteran during the credit period; 8608

(b) The taxpayer deducts and withholds income tax from the 8609
compensation paid to the qualified unemployed individual, 8610
qualified unemployed veteran, or qualified unemployed disabled 8611
veteran and remits such amounts under sections 5747.06 and 5747.07 8612
of the Revised Code; 8613

(c) The taxpayer employs the qualified unemployed individual, 8614
qualified unemployed veteran, or qualified unemployed disabled 8615
veteran for a minimum of thirty-five hours per week for six 8616
consecutive months or, if the taxpayer terminates the qualified 8617
unemployed individual, qualified unemployed veteran, or qualified 8618
unemployed disabled veteran within the first six months of 8619
employment, the termination is for good cause. 8620

(2) The amount of the credit shall be as follows: 8621

(a) For the hiring of a qualified unemployed individual, one 8622
thousand five hundred dollars. 8623

(b) For the hiring of a qualified unemployed veteran, two 8624
thousand dollars. 8625

(c) For the hiring of a qualified unemployed disabled 8626
veteran, two thousand five hundred dollars. 8627

The credit shall be claimed with the annual return required 8628
under section 5751.051 of the Revised Code for the calendar year 8629
that includes the one hundred eightieth day after the qualified 8630
unemployed individual, qualified unemployed veteran, or qualified 8631
unemployed disabled veteran is hired or the date on which the 8632
qualified unemployed individual, qualified unemployed veteran, or 8633
qualified unemployed disabled veteran is terminated for good 8634
cause, whichever is earlier. The credit shall be claimed in the 8635
order required under section 5751.98 of the Revised Code. The 8636
amount of credit claimed may not exceed the tax otherwise due 8637
after allowing for all preceding credits in that order. 8638

A credit may be claimed under this section or section 5747.61 8639
of the Revised Code only once with respect to any particular 8640
qualified unemployed individual, qualified unemployed veteran, or 8641
qualified unemployed disabled veteran. A person that claims the 8642
credit under section 5747.61 of the Revised Code may not claim the 8643
credit under this section for the same qualified unemployed 8644
individual, qualified unemployed veteran, or qualified unemployed 8645
disabled veteran. 8646

(C) The tax commissioner may require a taxpayer to furnish 8647
any information necessary to support a claim for a credit under 8648
this section, and no credit shall be allowed unless such 8649
information is provided. 8650

Sec. 5751.98. (A) To provide a uniform procedure for 8651
calculating the amount of tax due under this chapter, a taxpayer 8652
shall claim any credits to which it is entitled in the following 8653
order: 8654

(1) The nonrefundable jobs retention credit under division 8655
(B) of section 5751.50 of the Revised Code; 8656

(2) The nonrefundable credit for hiring a qualified 8657
unemployed individual, qualified unemployed veteran, or qualified 8658

<u>unemployed disabled veteran under section 5751.55 of the Revised</u>	8659
<u>Code;</u>	8660
<u>(3)</u> The nonrefundable credit for qualified research expenses	8661
under division (B) of section 5751.51 of the Revised Code;	8662
(3) <u>(4)</u> The nonrefundable credit for a borrower's qualified	8663
research and development loan payments under division (B) of	8664
section 5751.52 of the Revised Code;	8665
(4) The nonrefundable credit for calendar years 2010 to 2029	8666
for unused net operating losses under division (B) of section	8667
5751.53 of the Revised Code;	8668
(5) The refundable motion picture production credit under	8669
section 5751.54 of the Revised Code;	8670
(6) The refundable jobs creation credit or job retention	8671
credit under division (A) of section 5751.50 of the Revised Code;	8672
(7) The refundable credit for calendar year 2030 for unused	8673
net operating losses under division (C) of section 5751.53 of the	8674
Revised Code.	8675
(B) For any credit except the refundable credits enumerated	8676
in this section, the amount of the credit for a tax period shall	8677
not exceed the tax due after allowing for any other credit that	8678
precedes it in the order required under this section. Any excess	8679
amount of a particular credit may be carried forward if authorized	8680
under the section creating the credit.	8681
<u>Sec. 6301.021. The office of workforce development, under the</u>	8682
<u>department of job and family services, shall provide assistance to</u>	8683
<u>local workforce policy boards to do all of the following:</u>	8684
	8685
<u>(A) Work with entities as necessary to identify and track</u>	8686
<u>local skill shortages;</u>	8687

(B) Work with community colleges and other educational agencies in the local area served by the board to develop curricula and programs to meet workforce demands, including industry-recognized credentialing; 8688
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(C) Regularly and systematically interview employers in industries experiencing skill shortages to do both of the following: 8692
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(1) Determine what skills are necessary for an individual to gain employment in the industry; 8695
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(2) Quantify and describe those necessary skills to the extent possible. 8697
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Sec. 6301.06. (A) The chief elected officials of a local area shall create a workforce policy board, which shall consist of the following individuals: 8699
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(1) The chief elected official from the municipal corporation with the largest population in the local area, except that if the municipal corporation is a local area as defined in division (A)(1) of section 6301.01 of the Revised Code, the chief elected official of that municipal corporation may determine whether to be a member of the board. Notwithstanding division (B) of section 6301.01 of the Revised Code, as used in division (A)(1) of this section, "municipal corporation" means any municipal corporation. 8702
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(2) The following individuals appointed to the board by the chief elected officials of the local area, who shall make those appointments according to all of the following specifications: 8710
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8712

(a) At least five members of the board shall be representatives of private sector businesses in the general labor market area that includes that local area, and shall be appointed from among individuals nominated by local business organizations and business trade associations. Among these members, at least one 8713
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shall represent small businesses, at least one shall represent 8718
medium-sized businesses, and at least one shall represent large 8719
businesses. When determining what constitutes small, medium-sized, 8720
and large businesses for purposes of this division, the chief 8721
elected officials of the local area shall define those sizes as 8722
those sizes are generally understood within the labor market area 8723
that includes that local area. A majority of the members of the 8724
board shall be representatives of private sector businesses. 8725

(b) At least two members of the board shall represent 8726
organized labor and shall be appointed from nominations submitted 8727
by local federations of labor representing workers employed in the 8728
local area. 8729

(c) At least two members of the board shall be 8730
representatives of local educational entities. For purposes of 8731
this division, "local educational entities" includes local 8732
educational agencies, school district boards of education, 8733
entities providing educational and literacy activities, and 8734
post-secondary educational institutions. 8735

(d)(i) At least one member shall be a representative of a 8736
community college or university branch that is located within the 8737
local area served by the board. 8738

(ii) A chief elected official is exempted from the 8739
requirement of division (A)(2)(d)(i) of this section if no 8740
community college or university branch is located within the local 8741
area served by the board. 8742

(e) At least one member of the board shall be a 8743
representative of consumers of workforce development activities. 8744

~~(e)~~(f) Any other individuals the chief elected officials of 8745
the local area determine are necessary. 8746

(B) Members of the board serve at the pleasure of the chief 8747
elected officials of the local area. Members shall not be 8748

compensated but may be reimbursed for actual, reasonable, and 8749
necessary expenses incurred in the performance of their duties as 8750
board members. Those expenses shall be paid from funds allocated 8751
pursuant to section 6301.03 of the Revised Code. 8752

The chief elected officials of a local area may provide 8753
office space, staff, or other administrative support as needed to 8754
the board. For purposes of section 102.02 of the Revised Code, 8755
members of the board are not public officials or employees. 8756

(C) The chief elected officials of a local area other than a 8757
local area as defined in division (A)(1) of section 6301.01 of the 8758
Revised Code, shall coordinate the workforce development 8759
activities of the county family services planning committees and 8760
the workforce policy boards in the local area in any manner that 8761
is efficient and effective to meet the needs of the local area. 8762
The chief elected officials of the local area may, but are not 8763
required to, consolidate all boards and committees as they 8764
determine appropriate into a single board for purposes of 8765
workforce development activities. A majority of the members of 8766
that consolidated board shall represent private sector businesses. 8767
The membership of that consolidated board shall include a 8768
representative from each group granted representation as described 8769
in division (A) of this section and also a member who represents 8770
consumers of family services and a member who represents the 8771
county department of job and family services. The membership of 8772
that consolidated board may include a representative of one or 8773
more groups and entities that may be represented on a county 8774
family services planning committee, as specified in section 329.06 8775
of the Revised Code. 8776

Sec. 6303.01. (A) As used in this section: 8777

(1) "Eligible youth" means an individual eighteen to 8778
twenty-four years of age who fulfills either of the following: 8779

<u>(a) The individual is not enrolled in secondary or</u>	8780
<u>post-secondary school.</u>	8781
<u>(b) The individual is or has been subject to any stage of the</u>	8782
<u>criminal justice process.</u>	8783
<u>(2) "Recidivism" means a tendency to return to criminal</u>	8784
<u>behavior.</u>	8785
<u>(3) "Unsubsidized job" means an employment position with an</u>	8786
<u>employer who fulfills both of the following:</u>	8787
<u>(a) The employer pays the wages for the position.</u>	8788
<u>(b) The employer does not receive public funds for the</u>	8789
<u>creation and maintenance of the employment position.</u>	8790
<u>(B) The director of job and family services may adopt rules</u>	8791
<u>to make grants, on a competitive basis, to nonprofit organizations</u>	8792
<u>for the purpose of carrying out urban jobs programs that provide a</u>	8793
<u>comprehensive set of services to eligible youth in urban</u>	8794
<u>communities to provide such youth with a pathway to employment, or</u>	8795
<u>education leading to employment.</u>	8796
<u>(C) To be eligible to receive a grant under this section, a</u>	8797
<u>nonprofit organization shall submit an application at such time,</u>	8798
<u>in such manner, and accompanied by such information as the</u>	8799
<u>director may require in rules the director adopts under division</u>	8800
<u>(B) of this section.</u>	8801
<u>(D) The director shall require, in the rules the director</u>	8802
<u>adopts pursuant to division (B) of this section, that the</u>	8803
<u>application contain all of the following:</u>	8804
<u>(1) A request for the grant, specifying the amount of the</u>	8805
<u>grant requested and proposed uses of the grant funds;</u>	8806
<u>(2) A description of how the nonprofit organization will</u>	8807
<u>fulfill, for participants in the urban jobs program, goals</u>	8808
<u>consisting of all of the following:</u>	8809

<u>(a) Increased long-term employment in unsubsidized jobs;</u>	8810
<u>(b) Reduced recidivism;</u>	8811
<u>(c) Increased attainment of a certificate of high school</u>	8812
<u>equivalence or other recognized equivalent of a high school</u>	8813
<u>diploma;</u>	8814
<u>(d) Improved literacy and numeracy;</u>	8815
<u>(e) Increased attainment of industry-recognized certificates</u>	8816
<u>or credentials, or preparation for entry into an institution of</u>	8817
<u>higher education without need for further remediation.</u>	8818
<u>(3) A description of underlying supports for the program,</u>	8819
<u>including all of the following:</u>	8820
<u>(a) Engaged community partners;</u>	8821
<u>(b) Staff expertise in youth development;</u>	8822
<u>(c) Demonstrated understanding of youth characteristics.</u>	8823
<u>(4) A description of how the program will enable program</u>	8824
<u>participants to achieve outcomes consisting of all of the</u>	8825
<u>following:</u>	8826
<u>(a) Creation of caring relationships with peers and staff;</u>	8827
<u>(b) Creation of goals, such as the attainment described in</u>	8828
<u>division (D)(2)(c) of this section, attainment of employment,</u>	8829
<u>admission to or completion of a degree at an institution of higher</u>	8830
<u>education, attainment of industry-recognized certificates or</u>	8831
<u>credentials, or preparation for entry into an institution of</u>	8832
<u>higher education without need for further remediation;</u>	8833
<u>(c) Participation in opportunities to contribute to the</u>	8834
<u>community through service or volunteerism;</u>	8835
<u>(d) Development of twenty-first century workplace skills,</u>	8836
<u>including critical thinking and collaboration;</u>	8837
<u>(e) Development of a sense of responsibility for the future</u>	8838

<u>of an individual;</u>	8839
<u>(f) Development of plans or strategies to meet the goals of</u>	8840
<u>an individual;</u>	8841
<u>(g) Reduction of risk-taking behaviors;</u>	8842
<u>(h) Achievement of improved educational outcomes, such as</u>	8843
<u>numeracy, literacy, or the attainment described in division</u>	8844
<u>(D)(2)(c) of this section;</u>	8845
<u>(i) Achievement of improved employment outcomes;</u>	8846
<u>(j) Reduction of recidivism.</u>	8847
<u>(5) A description of activities to be provided through the</u>	8848
<u>urban jobs program that lead to the attainment of</u>	8849
<u>industry-recognized certificates or credentials described in</u>	8850
<u>division (E) of this section.</u>	8851
<u>(E) A nonprofit organization that receives a grant under this</u>	8852
<u>section shall use the funds made available through the grant to</u>	8853
<u>carry out an urban jobs program, which shall include the following</u>	8854
<u>comprehensive set of services:</u>	8855
<u>(1) Case management, through an individual responsible for</u>	8856
<u>helping participants navigate the urban jobs program activities;</u>	8857
<u>(2) Educational services, including skill assessment, reading</u>	8858
<u>and math remediation, educational enrichment, services involving</u>	8859
<u>preparation for and opportunities for attainment of the recognized</u>	8860
<u>equivalent of a high school diploma, services that connect to</u>	8861
<u>career pathways such as opportunities for attainment of</u>	8862
<u>industry-recognized certificates or credentials or for preparation</u>	8863
<u>for entry into an institution of higher education without the need</u>	8864
<u>for further remediation, and postsecondary education;</u>	8865
<u>(3) Employment and job readiness activities, including</u>	8866
<u>mentoring, community service opportunities, internships,</u>	8867
<u>on-the-job training, occupational skills training, personal</u>	8868

development, and unsubsidized jobs; 8869

(4) Support services, health and nutrition service referral, 8870
substance abuse counseling and treatment, and provision of housing 8871
assistance, interpersonal and basic living skills, and 8872
transportation, child care, clothing, and other assistance as 8873
needed. 8874

Sec. 6303.02. (A) As used in this section, "eligible youth" 8875
means an individual who is at least sixteen years of age but not 8876
more than twenty-one years of age and who resides in an area of 8877
high poverty. 8878

(B) The director of job and family services shall adopt rules 8879
to create a program to award competitive grants to nonprofit or 8880
for-profit organizations, or coalitions thereof, to fund programs 8881
that provide summer employment opportunities for eligible youth in 8882
this state. The director shall require any recipient of a grant 8883
under this section to provide matching funds in an amount equal to 8884
at least twenty per cent of the amount of the grant. 8885

Section 2. That existing sections 122.075, 122.71, 122.72, 8886
122.74, 122.75, 122.87, 122.88, 122.89, 122.90, 125.831, 169.05, 8887
4141.01, 4141.09, 4141.241, 4141.29, 4141.291, 4141.293, 4301.20, 8888
5733.01, 5733.98, 5739.01, 5739.02, 5739.025, 5747.01, 5747.98, 8889
5751.01, 5751.98, and 6301.06 and sections 901.13, 5733.46, 8890
5733.48, 5747.28, 5747.29, 5747.70, 5747.75, 5747.77, and 5751.53 8891
of the Revised Code are hereby repealed. 8892

Section 3. Except as otherwise provided by this act, all 8893
appropriation items in this act are hereby appropriated as 8894
designated out of any moneys in the state treasury to the credit 8895
of the General Revenue Fund and the State Special Revenue Fund 8896
Group. For all appropriations made in this act, those in the first 8897
column are for fiscal year 2014 and those in the second column are 8898

for fiscal year 2015. The appropriations made in Sections 4 to 12 8899
of this act are in addition to any other appropriations made for 8900
the FY 2014-FY 2015 biennium. 8901

Appropriations

Section 4. DEV DEVELOPMENT SERVICES AGENCY				8902
General Revenue Fund				8903
GRF 195529	Neighborhood	\$ 70,000,000	\$ 0	8904
Revitalization Block				
Grants				
TOTAL GRF	General Revenue Fund	\$ 70,000,000	\$ 0	8905
State Special Revenue Fund Group				8906
5KS0 195666	Small Business	\$ 40,000,000	\$ 0	8907
Revolving Microloans				
TOTAL SSR	State Special Revenue	\$ 40,000,000	\$ 0	8908
Fund Group				
TOTAL ALL BUDGET FUND GROUPS		\$ 110,000,000	\$ 0	8909

NEIGHBORHOOD REVITALIZATION BLOCK GRANTS 8910

The foregoing appropriation item 195529, Neighborhood 8911
Revitalization Block Grants, shall be used to provide block grants 8912
to counties for eligible revitalization purposes as set forth in 8913
this section. A county receiving funds shall make awards to 8914
political subdivisions, nonprofit organizations, or for-profit 8915
organizations for the following purposes: 8916

(A) Providing capital infusions to county land banks; 8917

(B) Rehabilitating, rebuilding, or repurposing distressed 8918
commercial and residential real estate, with special emphasis on 8919
using local sources of labor; 8920

(C) Creating property maintenance programs to mitigate 8921
visible scars left by foreclosure and abandonment, with special 8922

emphasis on using local sources of labor and providing youth 8923
employment. 8924

SMALL BUSINESS REVOLVING MICROLOANS 8925

On the effective date of this section, or as soon as possible 8926
thereafter, the Director of Budget and Management shall transfer 8927
\$40,000,000 cash from the General Revenue Fund to the Microloan 8928
Revolving Fund (Fund 5KS0). The foregoing appropriation item 8929
195666, Small Business Revolving Microloans, shall be used for the 8930
purposes of section 122.084 of the Revised Code. 8931

Section 5. Notwithstanding section 122.658 of the Revised 8932
Code, on the effective date of this section, or as soon as 8933
possible thereafter, the Director of Budget and Management shall 8934
transfer \$30,000,000 cash from the General Revenue Fund to the 8935
Clean Ohio Revitalization Fund (Fund 7003). The amount transferred 8936
is hereby appropriated for fiscal year 2014 in appropriation item 8937
C19500, Clean Ohio Revitalization, for the purposes of the Clean 8938
Ohio Revitalization Program. 8939

Appropriations

Section 6. PWC PUBLIC WORKS COMMISSION 8940

State Special Revenue Fund Group 8941

5KV0 150601 Infrastructure \$ 40,000,000 \$ 0 8942

Development Loans

TOTAL SSR State Special Revenue \$ 40,000,000 \$ 0 8943

Fund Group

TOTAL ALL BUDGET FUND GROUPS \$ 40,000,000 \$ 0 8944

INFRASTRUCTURE DEVELOPMENT LOANS 8945

On the effective date of this section, or as soon as possible 8946
thereafter, the Director of Budget and Management shall transfer 8947
\$40,000,000 cash from the General Revenue Fund to the 8948
Infrastructure Development Loan Fund (Fund 5KV0), which is hereby 8949

created in the state treasury. The foregoing appropriation item 8950
150601, Infrastructure Development Loans, shall be used in 8951
accordance with the remainder of this section. 8952

As used in the following paragraph, "local subdivision," 8953
"capital improvement project," and "costs of capital improvement 8954
project" have the same meanings as in section 164.01 of the 8955
Revised Code. 8956

Money to the credit of the Infrastructure Development Loan 8957
Fund (Fund 5KV0) shall be provided as loans or grants to local 8958
subdivisions solely for the costs of capital improvement projects 8959
undertaken within the territory of the subdivision. Loans or 8960
grants shall be made by the Public Works Commission on a 8961
competitive basis and upon application by local subdivisions in a 8962
manner to be prescribed by the Commission. A local subdivision 8963
receiving a loan or grant under this section may use the proceeds 8964
of its loan or grant to satisfy any requirement to provide a 8965
matching contribution to draw federal funds either directly or 8966
through the state. Loans shall be made according to terms 8967
established by the Commission. All loan repayments, including 8968
principal and interest, shall be credited to the Infrastructure 8969
Development Loan Fund (Fund 5KV0) and made available for further 8970
lending under this section. Any county, township, or municipal 8971
corporation receiving a loan under this division shall agree, as a 8972
condition for receiving a loan, to adopt one or more resolutions 8973
or ordinances under section 5709.40, 5709.73, or 5709.78 of the 8974
Revised Code declaring improvements that benefit from the projects 8975
financed by the loan to be exempted from taxation under that 8976
section, and requiring the owners of such improvements to make 8977
payments in lieu of taxes as provided in section 5709.42, 5709.74, 8978
or 5709.79 of the Revised Code. The payments in lieu of taxes 8979
shall be used to repay the loan to the extent of the loan amount, 8980
notwithstanding those sections. 8981

Appropriations

Section 7. EDU DEPARTMENT OF EDUCATION				8982
General Revenue Fund				8983
GRF	200545	Career-Technical	\$ 19,000,000 \$	0 8984
Enhancements				
GRF	200550	Foundation Funding	\$ 50,000,000 \$	0 8985
TOTAL GRF General Revenue Fund				\$ 69,000,000 \$ 0 8986
TOTAL ALL BUDGET FUND GROUPS				\$ 69,000,000 \$ 0 8987

CAREER-TECHNICAL EDUCATION ENHANCEMENTS 8988

The foregoing appropriation item 200545, Career-Technical 8989
 Education Enhancements, shall be used to support the High School 8990
 Job Training Grants Program. The High School Job Training Grants 8991
 Program shall provide grants to school districts and community 8992
 colleges partnering with sponsoring local employers to create or 8993
 strengthen 11th and 12th grade career-technical job training 8994
 programs. Sponsoring employers shall be involved in the design of 8995
 the career-technical job training curricula and classroom 8996
 education. Sponsoring employers and school district administrators 8997
 shall ensure that the career-technical job training curricula 8998
 includes the development of skills that are transferable to the 8999
 workplace and on the job experience with the sponsoring employer. 9000
 The Superintendent of Public Instruction shall administer the High 9001
 School Job Training Grants Program and shall establish a method of 9002
 awarding grants to school districts and community colleges. 9003
 Sponsoring employers must match at least 25 per cent of awarded 9004
 grant amounts. 9005

Appropriations

Section 8. JFS DEPARTMENT OF JOB AND FAMILY SERVICES				9006
General Revenue Fund				9007
GRF	600536	Youth Employment	\$ 17,000,000 \$	0 9008

Programs

TOTAL GRF General Revenue Fund	\$	17,000,000	\$	0	9009
TOTAL ALL BUDGET FUND GROUPS	\$	17,000,000	\$	0	9010

YOUTH EMPLOYMENT PROGRAMS 9011

Of the foregoing appropriation item 600536, Youth Employment 9012
 Programs, \$12,000,000 in fiscal year 2014 shall be used to provide 9013
 services to urban youth in accordance with section 6303.01 of the 9014
 Revised Code and \$5,000,000 in fiscal year 2014 shall be used to 9015
 provide summer employment opportunities for youth in accordance 9016
 with section 6303.02 of the Revised Code. 9017

Appropriations

Section 9. BOR BOARD OF REGENTS 9018

General Revenue Fund 9019

GRF 235551 Workforce Realignment	\$	45,000,000	\$	0	9020
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Program

GRF 235598 Ohio Skills Bank	\$	9,000,000	\$	0	9021
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Grant

TOTAL GRF General Revenue Fund	\$	54,000,000	\$	0	9022
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TOTAL ALL BUDGET FUND GROUPS	\$	54,000,000	\$	0	9023
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WORKFORCE REALIGNMENT PROGRAM 9024

The foregoing appropriation item, 235551, Workforce 9025
 Realignment Program, shall be used to support the Workforce 9026
 Realignment Program in fiscal year 2014. The Workforce Realignment 9027
 Program shall provide scholarships and grants that assist 9028
 unemployed individuals in obtaining the necessary 9029
 industry-recognized credentials to find employment in high-growth 9030
 fields. The Chancellor of the Board of Regents shall administer 9031
 the Workforce Realignment Program and shall establish a method of 9032
 awarding scholarships to individuals who have remained unemployed 9033
 for six consecutive months or longer. The Chancellor's method of 9034
 awarding scholarships shall target community colleges, 9035

career-technical schools, and other institutions that offer 9036
degrees or certificates in two years or fewer. 9037

OHIO SKILLS BANK GRANT 9038

The foregoing appropriation item, 235598, Ohio Skills Bank 9039
Grant, shall be used to support the activities of the Ohio Skills 9040
Bank Grant Program in fiscal year 2014. The Ohio Skills Bank Grant 9041
Program shall provide competitive grants to partnerships and 9042
coalitions between institutions of higher education and industry 9043
actors. The Chancellor of the Board of Regents shall establish a 9044
method of awarding grants to partnerships and coalitions that 9045
identify and mitigate critical skill shortages within targeted 9046
industries and facilitate worker training opportunities. Recipient 9047
partnerships and coalitions shall obtain matching private sector 9048
funding equal to 25% of grant amounts. 9049

Appropriations

Section 10. SFC SCHOOL FACILITIES COMMISSION 9050

General Revenue Fund 9051

GRF 230525 Energy Efficiency \$ 30,000,000 \$ 0 9052

Grants

TOTAL GRF General Revenue Fund \$ 30,000,000 \$ 0 9053

TOTAL ALL BUDGET FUND GROUPS \$ 30,000,000 \$ 0 9054

ENERGY EFFICIENCY GRANTS 9055

The foregoing appropriation item 230525, Energy Efficiency 9056
Grants, shall be used for grants to assist schools in becoming 9057
more energy efficient. 9058

Section 11. Within the limits set forth in this act, the 9059
Director of Budget and Management shall establish accounts 9060
indicating the source and amount of funds for each appropriation 9061
made in this act, and shall determine the form and manner in which 9062
appropriation accounts shall be maintained. Expenditures from 9063

appropriations contained in this act shall be accounted for as 9064
though made in the main operating appropriations act of the 130th 9065
General Assembly. 9066

The appropriations made in this act are subject to all 9067
provisions of main operating appropriations act of the 130th 9068
General Assembly that are generally applicable to such 9069
appropriations. 9070

Section 12. In addition to other amounts to be credited to 9071
the Local Government Fund, the Director of Budget and Management 9072
shall credit from the General Revenue Fund to the Local Government 9073
Fund \$50,000,000 as soon as possible in fiscal year 2014. The 9074
additional \$50,000,000 in the Local Government Fund is hereby 9075
appropriated. 9076

Section 13. Sections 3 to 12 of this act, and the items of 9077
law of which they are composed, are not subject to the referendum 9078
because they are or relate to an appropriation for current 9079
expenses within the meaning of Ohio Constitution, Article II, 9080
Section 1d and section 1.471 of the Revised Code and, therefore, 9081
go into immediate effect when this act becomes law. 9082

Section 14. (A) TRANSFER TO GRF FROM BUDGET STABILIZATION 9083
FUND 9084

Notwithstanding sections 131.43 and 131.44 of the Revised 9085
Code, on the effective date of this section, or as soon as 9086
possible thereafter, the Director of Budget and Management shall 9087
transfer \$240,000,000 cash from the Budget Stabilization Fund 9088
(Fund 7013) to the General Revenue Fund. 9089

(B) CASH TRANSFER FROM THE ECONOMIC DEVELOPMENT PROGRAMS FUND 9090
TO THE GRF 9091

As soon as possible in fiscal year 2014, the Director of Budget and Management shall transfer up to \$90,000,000 in cash from the Economic Development Programs Fund (Fund 5JC0) created in section 3772.17 of the Revised Code to the GRF. Amounts transferred to the GRF shall be used for various workforce development initiatives in this act.

(C) TRANSFERS OF UNCLAIMED FUNDS TO GRF

Notwithstanding division (A) of section 169.05 of the Revised Code, prior to June 30, 2014, and upon the request of the Director of Budget and Management, the Director of Commerce shall transfer to the General Revenue Fund \$27,250,000 of unclaimed funds that have been reported by holders of unclaimed funds under section 169.05 of the Revised Code, irrespective of the allocation of the unclaimed funds under that section.

Notwithstanding division (A) of section 169.05 of the Revised Code, prior to June 30, 2015, and upon the request of the Director of Budget and Management, the Director of Commerce shall transfer to the General Revenue Fund \$27,250,000 of unclaimed funds that have been reported by holders of unclaimed funds under section 169.05 of the Revised Code, irrespective of the allocation of the unclaimed funds under that section.

The transfers of unclaimed funds made pursuant to this act are in addition to any other transfers of unclaimed funds authorized for the FY 2014-FY 2015 biennium.

Section 15.01. As used in this section:

(A) "Local chief elected official" means the chief elected executive officer of a unit of local government in a local workforce investment area or in the case where there is more than one unit of general government, the individuals designated under an agreement described in section 117(c)(1)(B) of the "Workforce

Investment Act of 1998," 112 Stat. 936, 29 U.S.C. 2801, as 9122
amended. 9123

(B) "Local workforce investment area" means such area 9124
designated under section 116 of the "Workforce Investment Act of 9125
1998," 112 Stat. 936, 29 U.S.C. 2801, as amended. 9126

(C) "Local workforce investment board" means such board 9127
established under section 117 of the "Workforce Investment Act of 9128
1998," 112 Stat. 936, 29 U.S.C. 2801, as amended. 9129

(D) "Low-income youth" means an individual who is aged 9130
sixteen through twenty-four, is in one or more of the categories 9131
specified in section 101(13)(C) of the "Workforce Investment Act 9132
of 1998," 112 Stat. 936, 29 U.S.C. 2801, as amended, and meets the 9133
definition of a low-income individual provided in section 101(25) 9134
of the "Workforce Investment Act of 1998," 112 Stat. 936, 29 9135
U.S.C. 2801, as amended, except that local workforce investment 9136
areas and eligible entities subject to approval in the applicable 9137
local plans and applications for funds may increase the income 9138
level specified in subparagraph (B)(i) of that section to an 9139
amount not in excess of two hundred per cent of the poverty line 9140
for purposes of determining eligibility for participation in 9141
activities under Sections 15.05 and 15.06 of this act. 9142

(E) "Unemployed, low-income adult" means an individual who 9143
fulfills all of the following: 9144

(1) Is age eighteen or older; 9145

(2) Is without employment and is seeking assistance under 9146
this chapter to obtain employment; 9147

(3) Meets the definition of a "low-income individual" under 9148
section 101(25) of the "Workforce Investment Act of 1998," 112 9149
Stat. 936, 29 U.S.C. 2801, as amended, except that for local 9150
entities and eligible entities, subject to approval in the 9151
applicable local plans and applications for funds, may increase 9152

the income level specified in subparagraph (B)(i) of that section 9153
to an amount not in excess of two hundred per cent of the poverty 9154
line for purposes of determining eligibility for participation in 9155
activities under Sections 15.04 and 15.06 of this act. 9156

Section 15.02. There is hereby created in the state treasury 9157
the Pathways Back to Work Fund. All moneys that are deposited or 9158
paid into this fund are available to the Director of Job and 9159
Family Services only for the administration of Sections 15.01 to 9160
15.07 of this act. All moneys in this fund that are received from 9161
the United States or any agency thereof or that are appropriated 9162
by this state shall be expended solely for the purposes of the 9163
proper and efficient administration of those sections. The fund 9164
shall consist of all moneys appropriated by this state, and all 9165
moneys received from the United States or any agency thereof for 9166
such purpose. All moneys in this fund shall be deposited, 9167
administered, and disbursed in the same manner and under the same 9168
conditions and requirements as are other special funds in the 9169
state treasury. The Treasurer of State is liable on the Treasurer 9170
of State's official bond for the faithful performance of the 9171
Treasurer of State's duties in connection with this fund. Any 9172
balances in this fund shall not lapse at any time, but shall be 9173
continuously available to the Director for expenditure. 9174

Section 15.03. Of the funds available in the Pathways Back to 9175
Work Fund under Section 15.02 of this act, the Director of Job and 9176
Family Services shall do all of the following: 9177

(A) Provide subsidized employment to unemployed and 9178
low-income adults under Section 15.04 of this act; 9179

(B) Provide summer and year-round employment opportunities to 9180
low-income youth under Section 15.05 of this act; 9181

(C) Provide competitive grants to local entities to carry out 9182

work-based training and other work-related and educational 9183
strategies and activities of demonstrated effectiveness to 9184
unemployed, low-income adults and low-income youth to provide the 9185
skills and assistance needed to obtain employment under Section 9186
15.06 of this act. 9187

Section 15.04. (A) From the Pathways Back to Work Fund, the 9188
Director of Job and Family Services shall make a grant to each 9189
local workforce investment board that has a plan approved under 9190
division (C) of this section for the purpose of providing 9191
subsidized employment opportunities to unemployed, low-income 9192
adults. 9193

(B) Not later than thirty days after the effective date of 9194
this section, the Director shall adopt rules regarding the 9195
implementation of this section. The rules shall, consistent with 9196
this section, include procedures for the submission and approval 9197
of plans and the grant of funds that promote the expeditious and 9198
effective implementation of the activities authorized under this 9199
section. 9200

(C) For a board to be eligible to receive a grant of the 9201
funds under division (A) of this section, the board shall submit 9202
to the Director a plan in such form and containing such 9203
information as the Director may require. At a minimum, such plan 9204
shall include all of the following: 9205

(1) A description of the strategies and activities to be 9206
carried out by the board, in coordination with employers in the 9207
state, to provide subsidized employment opportunities to 9208
unemployed, low-income adults, including strategies relating to 9209
the level and duration of subsidies; 9210

(2) A description of the requirements the board will apply 9211
relating to the eligibility of unemployed, low-income adults for 9212
subsidized employment opportunities, which may include criteria to 9213

target assistance to particular categories of such adults, such as 9214
individuals with disabilities or individuals who have exhausted 9215
all rights to unemployment compensation; 9216

(3) A description of how the funds granted to provide 9217
subsidized employment opportunities will be administered by the 9218
board; 9219

(4) A description of the performance outcomes to be achieved 9220
by the board through the activities carried out under this section 9221
and the processes the board will use to track performance, 9222
consistent with rules adopted by the Director regarding such 9223
outcomes and processes; 9224

(5) A description of the coordination of activities to be 9225
carried out with the grant provided under this section with 9226
activities under Title I of the "Workforce Investment Act of 9227
1998," 112 Stat. 936, 29 U.S.C. 2801, as amended, the temporary 9228
assistance for needy families program under Part A of Title IV of 9229
the "Social Security Act," 110 Stat. 2113 (1996), 42 U.S.C. 601, 9230
as amended, and other appropriate federal and state programs that 9231
may assist unemployed, low-income adults in obtaining and 9232
retaining employment; 9233

(6) A description of the timelines for implementation of the 9234
activities and the number of unemployed, low-income adults 9235
expected to be placed in subsidized employment by quarter; 9236

(7) Assurances that the board will report such information as 9237
the Director may require relating to fiscal, performance, and 9238
other matters that the Director determines is necessary to 9239
effectively monitor the activities carried out under this section; 9240

(8) Assurances that the board will ensure compliance with the 9241
labor standards and protections described in Section 15.07 of this 9242
act. 9243

(D) The board shall submit a plan to the Director not later 9244

than thirty days after the effective date of this section and the 9245
Director shall make a determination regarding the approval or 9246
disapproval of such plans not later than thirty days after the 9247
submission of such plan. If the plan is disapproved, the Director 9248
may provide a reasonable period of time in which a disapproved 9249
plan may be amended and resubmitted for approval. 9250

(E) The Director shall approve a plan that the Director 9251
determines is consistent with requirements of this section and 9252
reasonably appropriate and adequate to carry out the purposes of 9253
this section. If the plan is approved, the Director shall grant 9254
funds to the board within thirty days after such approval. 9255

(F) The board may submit a modification to a plan consistent 9256
with the requirements of this section. 9257

(G) The funds granted under this section shall be used to 9258
provide subsidized employment for unemployed, low-income adults. 9259
The board may use a variety of strategies in recruiting employers 9260
and identifying appropriate employment opportunities, with a 9261
priority to be provided to employment opportunities likely to lead 9262
to unsubsidized employment in emerging or in-demand occupations in 9263
the local area. Funds under this section may be used to provide 9264
support services, such as transportation and child care, that are 9265
necessary to enable the participation of individuals in subsidized 9266
employment opportunities. 9267

(H) The board may determine the percentage of the wages and 9268
costs of employing a participant for which an employer may receive 9269
a subsidy with the funds provided under this section, and the 9270
duration of such subsidy, in accordance with guidance issued by 9271
the Director. The board may establish criteria for determining 9272
such percentage or duration using appropriate factors such as the 9273
size of the employer and types of employment. 9274

Section 15.05. (A) From the Pathways Back to Work Fund, the 9275

Director of Job and Family Services shall make a grant to each 9276
local workforce investment board that has a plan that meets the 9277
requirements of this section for the purpose of providing summer 9278
employment and year-round employment opportunities to low-income 9279
youth. 9280

(B) Not later than twenty days after the effective date of 9281
this section, the Director shall adopt rules regarding the 9282
implementation of this section. The rules shall, consistent with 9283
this section, include procedures for the submission and approval 9284
of plans and the grant of funds that promote the expeditious and 9285
effective implementation of the activities authorized under this 9286
section. 9287

(C) For a board to be eligible to receive a grant of funds 9288
under division (A) of this section, the board shall submit to the 9289
Director a plan in such form and containing such information as 9290
the Director may require. At a minimum, such plan shall include 9291
all of the following: 9292

(1) A description of the strategies and activities to be 9293
carried out to provide summer employment opportunities and 9294
year-round employment opportunities, including the linkages to 9295
educational activities; 9296

(2) A description of the requirements the board will apply 9297
relating to the eligibility of low-income youth for summer 9298
employment opportunities and year-round employment opportunities, 9299
which may include criteria to target assistance to particular 9300
categories of such low-income youth, such as youth with 9301
disabilities; 9302

(3) A description of the performance outcomes to be achieved 9303
by the board through the activities carried out under this section 9304
and the processes the board will use to track performance, 9305
consistent with rules adopted by the Director regarding such 9306

outcomes and processes and with Section 12.07 of this act; 9307

(4) A description of the timelines for implementation of the 9308
activities described in division (C)(1) of this section, and the 9309
number of low-income youth expected to be placed in summer 9310
employment opportunities, and year-round employment opportunities, 9311
respectively, by quarter; 9312

(5) Assurances that the board will report such information as 9313
the Director may require relating to fiscal, performance, and 9314
other matters that the Director determines is necessary to 9315
effectively monitor the activities carried out under this section; 9316

(6) Assurances that the board will ensure compliance with the 9317
labor standards protections described in Section 15.07 of this 9318
act. 9319

(D) The board shall submit a plan described in rules adopted 9320
by the Director to the Director not later than thirty days after 9321
the rules are adopted. The plan required under this division may 9322
be submitted in conjunction with the plan required under Section 9323
12.04 of this act. 9324

(E) The Director shall approve the plan submitted under 9325
division (D) of this section within thirty days after submission, 9326
unless the Director determines that the plan is inconsistent with 9327
the requirements of this section. If the Director has not made a 9328
determination within thirty days, the plan shall be considered 9329
approved. If the plan is disapproved, the Director may provide a 9330
reasonable period of time in which a disapproved plan may be 9331
amended and resubmitted for approval. If the plan is approved, the 9332
Director shall grant funds to the board within thirty days after 9333
such approval. 9334

(F) The funds provided under this section shall be used for 9335
both of the following: 9336

(1) To provide summer employment opportunities for low-income 9337

youth, ages sixteen through twenty-four, with direct linkages to 9338
academic and occupational learning, and may include the provision 9339
of supportive services, such as transportation or child care, 9340
necessary to enable such youth to participate; 9341

(2) To provide year-round employment opportunities, which may 9342
be combined with other activities authorized under section 129 of 9343
the "Workforce Investment Act of 1998," 112 Stat. 936, 29 U.S.C. 9344
2801, as amended, to low-income youth, ages sixteen through 9345
twenty-four, with a priority to out-of-school youth who are high 9346
school dropouts or recipients of a high school diploma or 9347
certificate of high school equivalence but who are basic skills 9348
deficient and unemployed or underemployed. 9349

(G) In administering the funds under this section, the board 9350
shall give a priority to both of the following: 9351

(1) Identifying employment opportunities that are in emerging 9352
or in-demand occupations in the local workforce investment area or 9353
in the public or nonprofit sector that meet community needs; 9354

(2) Linking year-round program participants to training and 9355
educational activities that will provide such participants an 9356
industry-recognized certificate or credential. 9357

(H) For activities funded under this section, the board shall 9358
provide such reports as the Director may require regarding the 9359
performance outcomes described in Section 15.07 of this act. 9360

Section 15.06. (A) From the Pathways Back to Work Fund the 9361
Director of Job and Family services shall award grants on a 9362
competitive basis to eligible entities to carry out work-based 9363
strategies of demonstrated effectiveness. 9364

(B) The grants awarded under this section shall be used to 9365
support strategies and activities of demonstrated effectiveness 9366
that are designed to provide unemployed, low-income adults or 9367

low-income youth with the skills that will lead to employment as 9368
part of or upon completion of participation in such activities. 9369
Such strategies and activities may include any of the following: 9370

(1) On-the-job training, registered apprenticeship programs, 9371
or other programs that combine work with skills development; 9372

(2) Sector-based training programs that have been designed to 9373
meet the specific requirements of an employer or group of 9374
employers in that sector and where employers are committed to 9375
hiring individuals upon successful completion of the training; 9376

(3) Training that supports an industry sector or an 9377
employer-based or labor-management committee industry partnership 9378
which includes a significant work-experience component; 9379

(4) Acquisition of industry-recognized credentials in a field 9380
identified by the local workforce investment area as a growth 9381
sector or demand industry in which there are likely to be 9382
significant job opportunities in the short-term; 9383

(5) Connections to immediate work opportunities, including 9384
subsidized employment opportunities, or summer employment 9385
opportunities for youth, that include concurrent skills training 9386
and other supports; 9387

(6) Career academies that provide students with the academic 9388
preparation and training, including paid internships and 9389
concurrent enrollment in community colleges or other postsecondary 9390
institutions, needed to pursue a career pathway that leads to 9391
postsecondary credentials and high-demand jobs; 9392

(7) Adult basic education and integrated basic education and 9393
training models for low-skilled adults, hosted at community 9394
colleges or at other sites, to prepare individuals for jobs that 9395
are in demand in a local area. 9396

(C) An eligible entity shall include a local chief elected 9397

official, in collaboration with the local workforce investment 9398
board for the local workforce investment area involved, which may 9399
include a partnership with such officials and boards in the region 9400
and in the state, or an entity eligible to apply for an Indian and 9401
Native American grant under section 166 of the "Workforce 9402
Investment Act of 1998," 112 Stat. 936, 29 U.S.C. 2801, as 9403
amended, and may include, in partnership with such officials, 9404
boards, and entities, any of the following: 9405

(1) Employers or employer associations; 9406

(2) Adult education providers and postsecondary educational 9407
institutions, including community colleges; 9408

(3) Community-based organizations; 9409

(4) Joint labor-management committees; 9410

(5) Work-related intermediaries; 9411

(6) Other appropriate organizations. 9412

(D) An eligible entity seeking to receive a grant under this 9413
section shall submit to the Director an application at such time, 9414
in such manner, and containing such information as the Director 9415
may require. At a minimum, the application shall do all of the 9416
following: 9417

(1) Describe the strategies and activities of demonstrated 9418
effectiveness that the eligible entities will carry out to provide 9419
unemployed, low-income adults and low-income youth with the skills 9420
that will lead to employment upon completion of participation in 9421
such activities; 9422

(2) Describe the requirements that will apply relating to the 9423
eligibility of unemployed, low-income adults or low-income youth 9424
for activities carried out under this section, which may include 9425
criteria to target assistance to particular categories of such 9426
adults and youth, such as individuals with disabilities or 9427

individuals who have exhausted all rights to unemployment compensation;	9428 9429
(3) Describe how the strategies and activities address the needs of the target populations identified in division (D)(2) of this section and the needs of employers in the local area;	9430 9431 9432
(4) Describe the expected outcomes to be achieved by implementing the strategies and activities;	9433 9434
(5) Provide evidence that the funds provided may be expended expeditiously and efficiently to implement the strategies and activities;	9435 9436 9437
(6) Describe how the strategies and activities will be coordinated with other federal, state, and local programs providing employment, education, and supportive activities;	9438 9439 9440
(7) Provide evidence of employer commitment to participate in the activities funded under this section, including identification of anticipated occupational and skill needs;	9441 9442 9443
(8) Provide assurances that the grant recipient will report such information as the Director may require relating to fiscal, performance, and other matters that the Director determines is necessary to effectively monitor the activities carried out under this section;	9444 9445 9446 9447 9448
(9) Provide assurances that the use of the funds provided under this section will comply with the labor standards and protections described in Section 15.07 of this act.	9449 9450 9451
(E) In awarding grants under this section, the Director shall give a priority to applications submitted by eligible entities from areas of high poverty and high unemployment, as defined by the Director, such as public use microdata areas as designated by the United States census bureau.	9452 9453 9454 9455 9456
(F) The Director shall administer this section in	9457

coordination with other appropriate agency heads, to ensure the 9458
effective implementation of this section. 9459

Section 15.07. (A) Activities provided with funds under 9460
Sections 15.01 to 15.07 of this act shall be subject to the 9461
requirements and restrictions, including the labor standards, 9462
described in section 181 of the "Workforce Investment Act of 9463
1998," 112 Stat. 936, 29 U.S.C. 2801, as amended, and the 9464
nondiscrimination provisions of section 188 of that Act, in 9465
addition to other applicable laws. 9466

(B) The Director of Job and Family Services may require the 9467
reporting of information relating to fiscal, performance, and 9468
other matters that the Director determines is necessary to 9469
effectively monitor the activities carried out with funds provided 9470
under Sections 15.01 to 15.07 of this act. At a minimum, grantees 9471
and subgrantees shall provide information relating to all of the 9472
following: 9473

(1) The number of individuals participating in activities 9474
with funds provided under those sections and the number of such 9475
individuals who have completed such participation; 9476

(2) The expenditures of funds provided under those sections; 9477

(3) The number of jobs created pursuant to the activities 9478
carried out under those sections; 9479

(4) The demographic characteristics of individuals 9480
participating in activities under those sections; 9481

(5) The performance outcomes of individuals participating in 9482
activities under those sections for all of the following: 9483

(a) For adults participating in activities funded under those 9484
sections, entry in unsubsidized employment, retention in 9485
unsubsidized employment, and earnings in unsubsidized employment; 9486

(b) For low-income youth participating in summer employment 9487

activities, work readiness skill attainment using an employer 9488
validated checklist, placement in or return to secondary or 9489
postsecondary education or training, or entry into unsubsidized 9490
employment; 9491

(c) For low-income youth participating in year-round 9492
employment activities, placement in or return to post-secondary 9493
education, attainment of a high school diploma or a certificate of 9494
high school equivalence, attainment of an industry-recognized 9495
credential, and entry into unsubsidized employment, retention, and 9496
earnings; 9497

(d) For unemployed, low-income adults participating in 9498
activities under Section 15.06 of this act, entry into 9499
unsubsidized employment, retention, and earnings and the 9500
attainment of industry-recognized credentials. 9501

(C) Funds provided under Sections 15.01 to 15.07 of this act 9502
shall be used only for activities that are in addition to 9503
activities that would otherwise be available in the area in the 9504
absence of such funds. 9505

(D) The Director may establish such additional requirements 9506
as the Director determines may be necessary to ensure fiscal 9507
integrity, effective monitoring, and the appropriate and prompt 9508
implementation of the activities under Sections 15.01 to 15.07 of 9509
this act. 9510

(E) The Director shall provide to the appropriate committees 9511
of the General Assembly and make available to the public the 9512
information reported pursuant to division (B) of this section. 9513

Section 16. The amendment or repeal by this act of sections 9514
122.075, 125.831, 4301.20, 5733.01, 5733.46, 5733.48, 5733.98, 9515
5739.01, 5739.02, 5739.025, 5747.28, 5747.29, 5747.70, 5747.75, 9516
5747.77, and 5751.53 and the language stricken in division (A)(10) 9517

of section 5747.01, divisions (A)(10), (20), (26), and (27) of 9518
section 5747.98, and division (A)(4) of section 5751.98 of the 9519
Revised Code defines a tax levy within the meaning of Ohio 9520
Constitution, Article II, Section 1d, and therefore takes effect 9521
immediately when this act becomes law. 9522

Section 17. The property tax exemption authorized by section 9523
5709.29 of the Revised Code as enacted by this act applies to tax 9524
years beginning on or after the effective date of this act. 9525

Section 18. The amendment or repeal by this act of sections 9526
122.075, 125.831, 4301.20, 5733.01, 5733.46, 5733.48, 5747.01, 9527
5747.28, 5747.29, 5747.70, 5747.75, 5747.77, 5747.98, 5751.01, 9528
5751.53, and 5751.98 of the Revised Code applies to taxable years 9529
or tax periods beginning on or after the effective date of this 9530
act. 9531

Section 19. The amendment by this act of sections 5739.01, 9532
5739.02, and 5739.025 of the Revised Code applies on and after the 9533
first day of the first month that begins on or after the effective 9534
date of this act. 9535

Section 20. The General Assembly, applying the principle 9536
stated in division (B) of section 1.52 of the Revised Code that 9537
amendments are to be harmonized if reasonably capable of 9538
simultaneous operation, finds that the following sections, 9539
presented in this act as composites of the sections as amended by 9540
the acts indicated, are the resulting versions of the sections in 9541
effect prior to the effective date of the sections as presented in 9542
this act: 9543

Section 4141.29 of the Revised Code as amended by both Sub. 9544
H.B. 525 and Am. Sub. S.B. 316 of the 129th General Assembly. 9545

Sections 5739.01 and 5739.02 of the Revised Code as amended 9546

by both Am. Sub. H.B. 487 and Am. Sub. H.B. 508 of the 129th
General Assembly. 9547
9548

Section 5747.01 of the Revised Code as amended by Am. H.B.
167, Sub. H.B. 365, and Am. Sub. H.B. 510, all of the 129th
General Assembly. 9549
9550
9551

Section 5747.98 of the Revised Code as amended by both Am.
Sub. H.B. 386 and Am. Sub. H.B. 510 of the 129th General Assembly. 9552
9553

Section 5751.01 of the Revised Code as amended by both Am.
Sub. H.B. 472 and Am. Sub. H.B. 510 of the 129th General Assembly. 9554
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