



Bethany Boyd

Bill Analysis
Legislative Service Commission

S.B. 250

127th General Assembly
(As Introduced)

Sens. Carey, Niehaus, Gardner, Seitz, Schuring, Mumper, Austria, Harris, Padgett, Amstutz

BILL SUMMARY

- Extends the job training tax credit for an additional year, to cover training costs paid or incurred on or before December 31, 2008.

CONTENT AND OPERATION

Job training tax credit

Overview

Taxpayers that are corporations, financial institutions, dealers in intangibles, income tax taxpayers who invest in pass-through entities (sole proprietorships, partnerships, S corporations, or limited liability companies), domestic insurance companies, and foreign insurance companies may apply to the Director of Job and Family Services for a tax credit certificate under which they may claim a nonrefundable tax credit against their tax liability for certain job skill training costs they incur for their employees. The training costs that qualify a taxpayer for a credit include direct instructional costs (e.g., instructor salaries, materials and supplies, textbooks and manuals, and videotapes and other instructional media equipment) and wages paid to employees for normal working hours devoted exclusively to a training program. The credit is available only for training costs incurred on behalf of employees employed full-time by the taxpayer for 180 or more consecutive days prior to the date on which the taxpayer applies for the credit.

The credit equals one-half of the average of a taxpayer's training costs paid or incurred over a three-year period, but the credit amount claimed by a taxpayer cannot exceed \$1,000 per employee and cannot exceed \$100,000 per year. If the credit amount exceeds the taxpayer's tax liability, the excess may be carried forward for three years following the year in which the credit was first claimed.

The total job training tax credits allowed each calendar year cannot exceed \$20 million.

Extension of the credit

(R.C. 5725.31(B), 5729.07, 5733.42(B), (C), and (L), and 5747.39(B))

Under current law, the job training tax credit may be taken for training costs paid or incurred on or before December 31, 2007. The bill extends the tax credit by one year, for training costs paid or incurred on or before December 31, 2008.

HISTORY

ACTION	DATE
Introduced	11-08-07

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