

As Introduced

**126th General Assembly
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S. B. No. 60

**Senators Schuring, Coughlin, Dann, Jacobson, Zurz, Gardner, Fedor,
Fingerhut, Brady, Clancy**

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A B I L L

To amend sections 5725.24, 5733.98, 5747.08, and 1
5747.98 and to enact sections 149.311, 5725.151, 2
5727.40, 5733.47, and 5747.76 of the Revised Code 3
to authorize nonrefundable, transferable tax 4
credits for rehabilitating historic buildings. 5

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

Section 1. That sections 5725.24, 5733.98, 5747.08, and 6
5747.98 be amended and sections 149.311, 5725.151, 5727.40, 7
5733.47, and 5747.76 of the Revised Code be amended to read as 8
follows: 9

Sec. 149.311. (A) As used in this section: 10

(1) "Historic building" means a building, including its 11
structural components, that is located in this state and that is 12
either individually listed on the national register of historic 13
places under 16 U.S.C. 470a, located in a registered historic 14
district, and certified by the state historic preservation officer 15
as being of historic significance to the district or individually 16
listed as a historic landmark designated by a local government 17
certified under 16 U.S.C. 470a(c). 18

(2) "Qualified lessee" means a person occupying or otherwise 19

holding a historic building under a lease with a term ending not earlier than five years after completion of the rehabilitation for which a rehabilitation tax credit certificate may be issued under this section, determined without regard to any renewal period of the lease.

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(3) "Qualified rehabilitation expenditures" means expenditures paid or incurred during the rehabilitation period by an owner or qualified lessee of a historic building to rehabilitate the building. "Qualified rehabilitation expenditures" includes architectural or engineering fees paid or incurred in connection with the rehabilitation and expenses incurred in the preparation of nomination forms for listing on the national register of historic places. "Qualified rehabilitation expenditures" does not include the cost of acquiring a building or expenditures to expand or enlarge a historic building.

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(4) "Owner" of a building means a person holding the fee simple interest in the building.

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(5) "Certificate owner" means any of the following persons registered with the tax commissioner under section 5733.47 of the Revised Code as the owner of a rehabilitation tax credit certificate or certificate share:

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(a) The owner or qualified lessee of a historic building to which the certificate was issued under this section and that has not assigned the certificate or all of the certificate shares to assignees;

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(b) An assignee of a certificate or certificate share.

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(6) "Certificate share" means a portion, less than one hundred per cent, of the dollar amount of qualifying rehabilitation expenditures for which a tax credit may be claimed under section 5725.151, 5727.40, 5733.47, or 5747.76 of the Revised Code corresponding with a rehabilitation tax credit

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certificate.

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(7) "Registered historic district" means a historic district listed in the national register of historic places under 16 U.S.C. 470a, a historic district designated by a local government certified under 16 U.S.C. 470a(c), or a local historic district certified under 36 C.F.R. 67.8 and 67.9.

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(8) "Rehabilitation" means the process of returning a building or buildings to a state of utility, through repair or alteration, making possible an efficient use while preserving those portions and features of the building and its site and environment that are significant to its historic, architectural, and cultural values.

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(9) "Rehabilitation period" means one of the following:

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(a) If the rehabilitation initially was not planned to be completed in stages, a period not to exceed twenty-four months beginning with the month in which physical rehabilitation work begins;

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(b) If the rehabilitation initially was planned to be completed in stages, a period not to exceed sixty months beginning with the month in which physical rehabilitation work begins.

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(10) "State historic preservation officer" or "officer" means the state historic preservation officer appointed by the governor under 16 U.S.C. 470a.

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(B) The owner or qualified lessee of a historic building may apply to the state historic preservation officer for a rehabilitation tax credit certificate. The form and manner of filing such applications shall be prescribed by the state historic preservation officer or the officer's designee. The officer or the officer's designee shall accept and review such applications, and shall approve issuance of a rehabilitation tax credit certificate

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to an applicant if the officer or designee determines all of the 81
following: 82

(1) That the building that is the subject of the application 83
is a historic building; 84

(2) That the rehabilitation satisfies standards prescribed by 85
the United States Secretary of the Interior under 16 U.S.C. 470, 86
et seq., as amended, and 36 C.F.R. 67.7 or a successor to that 87
section; 88

(3) That the expenditures to rehabilitate the building are 89
qualified rehabilitation expenditures and are reported by the 90
applicant to exceed the following: 91

(a) In the case of a historic building not intended to be 92
held as income-producing property, five thousand dollars; 93

(b) In the case of a historic building intended to be held as 94
income-producing property, the greater of five thousand dollars or 95
the adjusted basis of the building as it would be determined under 96
subparagraph (c)(1)(C) of section 47 of the Internal Revenue Code. 97

An applicant shall demonstrate to the satisfaction of the 98
state historic preservation officer or the officer's designee that 99
the rehabilitation satisfies the standards described in division 100
(B)(2) of this section before the applicant begins physical 101
rehabilitation work. A rehabilitation tax credit certificate for a 102
historic building shall not be issued before rehabilitation of the 103
building is completed. 104

(C) Rehabilitation tax credit certificates shall be in a form 105
to be devised by the state historic preservation officer or 106
designee with the advice of the tax commissioner, shall identify 107
the applicant and the building that is the subject of the 108
application, shall show the amount of the qualified rehabilitation 109
expenditures the applicant claims to have paid or incurred, and 110

shall bear a unique registration number. Issuance of a certificate 111
represents a finding by the officer or the officer's designee of 112
the matters described in divisions (B)(1), (2), and (3) of this 113
section only; issuance of a certificate does not represent a 114
verification or certification by the officer or the officer's 115
designee of the amount of qualified rehabilitation expenditures 116
for which a tax credit may be claimed. The amount of qualified 117
rehabilitation expenditures for which a tax credit may be claimed 118
is subject to inspection and examination by the tax commissioner 119
or employees of the commissioner under section 5703.19 of the 120
Revised Code and any other applicable provision of law. Upon the 121
issuance of a certificate, the state historic preservation officer 122
or designee shall certify to the tax commissioner, in the form and 123
manner requested by the tax commissioner, the name of the 124
applicant, the amount of qualified rehabilitation expenditures 125
shown on the certificate, the registration number of the 126
certificate, and any other information required by the tax 127
commissioner. 128

(D) The state historic preservation officer may fix and 129
collect a reasonable fee payable at the time an application for a 130
rehabilitation tax credit certificate is filed. Proceeds from the 131
fee shall be used exclusively to defray the expenses incurred by 132
the historic preservation office in administering this section. 133

(E) The owner or qualified lessee to which a rehabilitation 134
tax credit certificate is issued under this section or any other 135
certificate owner may assign the certificate or a certificate 136
share to any other person, including to a mortgagee under a loan 137
agreement secured by the building that is the subject of the 138
certificate, for such consideration as is mutually agreeable. Each 139
assignment shall be evidenced by a written agreement indicating 140
the identity of the assignor and assignee, the certificate's 141
registration number, the dollar amount of qualified rehabilitation 142

expenditures assigned, and any other information the tax 143
commissioner may prescribe by rule. Upon assignment of a 144
certificate or a certificate share, the assignee shall register 145
with the tax commissioner as a certificate owner. Tax credits may 146
not be claimed under section 5725.151, 5727.40, 5733.47, or 147
5747.76 of the Revised Code by any person who is not a certificate 148
owner. The amount of qualified rehabilitation expenditures for 149
which a certificate owner may claim a tax credit shall not exceed 150
the dollar amount of the certificate or certificate share owned by 151
the certificate owner as indicated in the tax commissioner's 152
register and not assigned to an assignee. 153

Rehabilitation tax credit certificates and certificate 154
shares, the assignment thereof, and any income or gain arising 155
from assignment thereof are not subject to taxation by or within 156
this state. 157

Sec. 5725.151. (A) As used in this section, "qualified 158
rehabilitation expenditures," "certificate owner," and 159
"certificate share" have the same meanings as in section 149.311 160
of the Revised Code. 161

(B) There is hereby allowed a nonrefundable credit against 162
the tax imposed and assessed under sections 5707.03 and 5725.15 of 163
the Revised Code for a dealer in intangibles subject to that tax 164
that is a certificate owner of a rehabilitation tax credit 165
certificate issued under section 149.311 of the Revised Code or of 166
a certificate share. The credit shall equal twenty-five per cent 167
of the dollar amount of the certificate or certificate share owned 168
by the dealer as indicated in the tax commissioner's register 169
maintained under section 5733.47 of the Revised Code. If the 170
amount of the credit exceeds the amount of tax otherwise due for 171
any year, the excess may be carried forward and applied to the tax 172
due for a following year until the full amount of the credit has 173

been applied. The credit may be claimed for return years beginning 174
on or after January 1, 2006. 175

A dealer in intangibles claiming a credit under this section 176
shall retain the certificate and, if the dealer is the assignee of 177
a certificate or certificate share, the written assignment 178
agreement, for four years following the end of the last year in 179
which the credit, including any carried-forward amount, is 180
applied, and shall make the certificate or agreement available for 181
inspection by the tax commissioner upon the request of the tax 182
commissioner during that period. 183

(C) For the purpose of division (C) of section 5725.24 of the 184
Revised Code, reductions in the amount of taxes collected on 185
account of credits allowed under this section shall be applied to 186
reduce the amount credited to the general revenue fund and shall 187
not be applied to reduce the amount to be credited to the 188
undivided local government funds of the counties in which such 189
taxes originate. 190

Sec. 5725.24. (A) As used in this section, "qualifying 191
dealer" means a dealer in intangibles that is a qualifying dealer 192
in intangibles as defined in section 5733.45 of the Revised Code 193
or a member of a qualifying controlled group, as defined in 194
section 5733.04 of the Revised Code, of which an insurance company 195
also is a member on the first day of January of the year in and 196
for which the tax imposed by section 5707.03 of the Revised Code 197
is required to be paid by the dealer. 198

(B) The taxes levied by section 5725.18 of the Revised Code 199
and collected pursuant to this chapter shall be paid into the 200
state treasury to the credit of the general revenue fund. 201

(C) The taxes levied by section 5707.03 of the Revised Code 202
on the value of shares in and capital employed by dealers in 203

intangibles other than those that are qualifying dealers shall be 204
for the use of the general revenue fund of the state and the local 205
government funds of the several counties in which the taxes 206
originate as provided in this division. 207

On or before the first day of each month on which there is 208
money in the state treasury for disbursement under this division, 209
the tax commissioner shall provide for payment to the county 210
treasurer of each county of five-eighths of the amount of the 211
taxes collected on account of shares in and capital employed by 212
dealers in intangibles other than those that are qualifying 213
dealers, representing capital employed in the county. The balance 214
of the money received and credited on account of taxes assessed on 215
shares in and capital employed by such dealers in intangibles 216
shall be credited to the general revenue fund. 217

Reductions in the amount of taxes collected on account of 218
credits allowed under section 5725.151 of the Revised Code shall 219
be applied to reduce the amount credited to the general revenue 220
fund and shall not be applied to reduce the amount to be credited 221
to the undivided local government funds of the counties in which 222
such taxes originate. 223

For the purpose of this division, such taxes are deemed to 224
originate in the counties in which such dealers in intangibles 225
have their offices. 226

Money received into the treasury of a county pursuant to this 227
section shall be credited to the undivided local government fund 228
of the county and shall be distributed by the budget commission as 229
provided by law. 230

(D) All of the taxes levied under section 5707.03 of the 231
Revised Code on the value of the shares in and capital employed by 232
dealers in intangibles that are qualifying dealers shall be paid 233
into the state treasury to the credit of the general revenue fund. 234

Sec. 5727.40. (A) As used in this section, "qualified rehabilitation expenditures," "certificate owner," and "certificate share" have the same meanings as in section 149.311 of the Revised Code.

(B) There is hereby allowed a nonrefundable credit against the tax imposed and assessed under sections 5727.30 and 5727.38 of the Revised Code for a public utility subject to that tax that is the certificate owner of a rehabilitation tax credit certificate issued under section 149.311 of the Revised Code or of a certificate share. The credit shall equal twenty-five per cent of the amount of the dollar amount of the certificate or certificate share owned by the public utility as indicated in the tax commissioner's register maintained under section 5733.47 of the Revised Code. If the amount of the credit exceeds the amount of tax otherwise due for any year, the excess may be carried forward and applied to the tax due for a following year until the full amount of the credit has been applied. The credit may be claimed on or after January 1, 2006.

A public utility claiming a credit under this section shall retain the certificate and, if the public utility is the assignee of a certificate or certificate share, the written assignment agreement, for four years following the end of the last year in which the credit, including any carried-forward amount, is applied, and shall make the certificate or agreement available for inspection by the tax commissioner upon the request of the tax commissioner during that period.

Sec. 5733.47. (A) As used in this section, "qualified rehabilitation expenditures," "certificate owner," and "certificate share" have the same meanings as in section 149.311 of the Revised Code.

(B) For the purpose of this section and sections 5725.151 and 5747.76 of the Revised Code, the tax commissioner shall compile and maintain a register of rehabilitation tax credit certificates issued under section 149.311 of the Revised Code and of certificate shares. The register shall record, according to the registration number of each certificate issued, the name of the person to which the certificate is issued, the amount of qualified rehabilitation expenditures the person claims to have paid or incurred, the name of any assignee of the certificate or a certificate share registered with the tax commissioner, and the amount of such expenditures assigned to any such assignee.

(C) There is hereby allowed a nonrefundable credit against the tax imposed under section 5733.06 of the Revised Code for a taxpayer that is a certificate owner of a rehabilitation tax credit certificate or certificate share. The credit equals twenty-five per cent of the dollar amount of the certificate or certificate share owned by the taxpayer as indicated in the tax commissioner's register maintained under this section. The credit shall be claimed in the order prescribed in section 5733.98 of the Revised Code. If the amount of the credit exceeds the amount of tax otherwise due under section 5733.06 of the Revised Code after deducting any other credits preceding the credit allowed by this section in that order, the excess may be carried forward and deducted from the tax otherwise due for subsequent tax years until the credit has been fully applied.

Credits allowed under this section may be claimed beginning with tax year 2006.

A taxpayer claiming a credit under this section shall retain the certificate and, if the taxpayer is the assignee of a certificate or certificate share, the written assignment agreement, for four years following the end of the last tax year to which the credit, including any carried-forward amount, is

applied, and shall make the certificate or agreement available for 297
inspection by the tax commissioner upon the request of the tax 298
commissioner during that period. 299

Sec. 5733.98. (A) To provide a uniform procedure for 300
calculating the amount of tax imposed by section 5733.06 of the 301
Revised Code that is due under this chapter, a taxpayer shall 302
claim any credits to which it is entitled in the following order, 303
except as otherwise provided in section 5733.058 of the Revised 304
Code: 305

(1) The credit for taxes paid by a qualifying pass-through 306
entity allowed under section 5733.0611 of the Revised Code; 307

(2) The credit allowed for financial institutions under 308
section 5733.45 of the Revised Code; 309

(3) The credit for qualifying affiliated groups under section 310
5733.068 of the Revised Code; 311

(4) The subsidiary corporation credit under section 5733.067 312
of the Revised Code; 313

(5) The savings and loan assessment credit under section 314
5733.063 of the Revised Code; 315

(6) The credit for recycling and litter prevention donations 316
under section 5733.064 of the Revised Code; 317

(7) The credit for employers that enter into agreements with 318
child day-care centers under section 5733.36 of the Revised Code; 319

(8) The credit for employers that reimburse employee child 320
day-care expenses under section 5733.38 of the Revised Code; 321

(9) The credit for maintaining railroad active grade crossing 322
warning devices under section 5733.43 of the Revised Code; 323

(10) The credit for purchases of lights and reflectors under 324
section 5733.44 of the Revised Code; 325

(11) The job retention credit under division (B) of section 5733.0610 of the Revised Code;	326 327
(12) The credit for losses on loans made under the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code if the taxpayer elected a nonrefundable credit under section 150.07 of the Revised Code;	328 329 330 331
(13) The credit for purchases of new manufacturing machinery and equipment under section 5733.31 or section 5733.311 of the Revised Code;	332 333 334
(14) The second credit for purchases of new manufacturing machinery and equipment under section 5733.33 of the Revised Code;	335 336
(15) The job training credit under section 5733.42 of the Revised Code;	337 338
(16) The credit for qualified research expenses under section 5733.351 of the Revised Code;	339 340
(17) The enterprise zone credit under section 5709.66 of the Revised Code;	341 342
(18) The credit for the eligible costs associated with a voluntary action under section 5733.34 of the Revised Code;	343 344
(19) The credit for employers that establish on-site child day-care under section 5733.37 of the Revised Code;	345 346
(20) The ethanol plant investment credit under section 5733.46 of the Revised Code;	347 348
(21) The credit for purchases of qualifying grape production property under section 5733.32 of the Revised Code;	349 350
(22) The export sales credit under section 5733.069 of the Revised Code;	351 352
(23) The credit for research and development and technology transfer investors under section 5733.35 of the Revised Code;	353 354

(24) The enterprise zone credits under section 5709.65 of the Revised Code;	355 356
(25) The credit for using Ohio coal under section 5733.39 of the Revised Code;	357 358
(26) The research and development credit under section 5733.352 of the Revised Code;	359 360
<u>(27)</u> The credit for small telephone companies under section 5733.57 of the Revised Code;	361 362
(27) <u>(28)</u> The credit for eligible nonrecurring 9-1-1 charges under section 5733.55 of the Revised Code;	363 364
(28) <u>(29)</u> The credit for providing programs to aid the communicatively impaired under section 5733.56 of the Revised Code;	365 366 367
(29) <u>(30)</u> <u>The credit for rehabilitating historic buildings under section 5733.47 of the Revised Code;</u>	368 369
<u>(31)</u> The refundable jobs creation credit under division (A) of section 5733.0610 of the Revised Code;	370 371
(28) (30) <u>(32)</u> The refundable credit for tax withheld under division (B)(2) of section 5747.062 of the Revised Code;	372 373
(29) (31) <u>(33)</u> The credit for losses on loans made to the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code if the taxpayer elected a refundable credit under section 150.07 of the Revised Code.	374 375 376 377
(B) For any credit except the credits enumerated in divisions (A) (29) , (30) , and (29) <u>(31)</u> , <u>(32)</u> , <u>and (33)</u> of 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.	378 379 380 381 382 383 384

Sec. 5747.08. An annual return with respect to the tax 385
imposed by section 5747.02 of the Revised Code and each tax 386
imposed under Chapter 5748. of the Revised Code shall be made by 387
every taxpayer for any taxable year for which the taxpayer is 388
liable for the tax imposed by that section or under that chapter, 389
unless the total credits allowed under divisions (E), (F), and (G) 390
of section 5747.05 of the Revised Code for the year are equal to 391
or exceed the tax imposed by section 5747.02 of the Revised Code, 392
in which case no return shall be required unless the taxpayer is 393
liable for a tax imposed pursuant to Chapter 5748. of the Revised 394
Code. 395

(A) If an individual is deceased, any return or notice 396
required of that individual under this chapter shall be made and 397
filed by that decedent's executor, administrator, or other person 398
charged with the property of that decedent. 399

(B) If an individual is unable to make a return or notice 400
required by this chapter, the return or notice required of that 401
individual shall be made and filed by the individual's duly 402
authorized agent, guardian, conservator, fiduciary, or other 403
person charged with the care of the person or property of that 404
individual. 405

(C) Returns or notices required of an estate or a trust shall 406
be made and filed by the fiduciary of the estate or trust. 407

(D)(1)(a) Except as otherwise provided in division (D)(1)(b) 408
of this section, any pass-through entity may file a single return 409
on behalf of one or more of the entity's investors other than an 410
investor that is a person subject to the tax imposed under section 411
5733.06 of the Revised Code. The single return shall set forth the 412
name, address, and social security number or other identifying 413
number of each of those pass-through entity investors and shall 414
indicate the distributive share of each of those pass-through 415

entity investor's income taxable in this state in accordance with 416
sections 5747.20 to 5747.231 of the Revised Code. Such 417
pass-through entity investors for whom the pass-through entity 418
elects to file a single return are not entitled to the exemption 419
or credit provided for by sections 5747.02 and 5747.022 of the 420
Revised Code; shall calculate the tax before business credits at 421
the highest rate of tax set forth in section 5747.02 of the 422
Revised Code for the taxable year for which the return is filed; 423
and are entitled to only their distributive share of the business 424
credits as defined in division (D)(2) of this section. A single 425
check drawn by the pass-through entity shall accompany the return 426
in full payment of the tax due, as shown on the single return, for 427
such investors, other than investors who are persons subject to 428
the tax imposed under section 5733.06 of the Revised Code. 429

(b)(i) A pass-through entity shall not include in such a 430
single return any investor that is a trust to the extent that any 431
direct or indirect current, future, or contingent beneficiary of 432
the trust is a person subject to the tax imposed under section 433
5733.06 of the Revised Code. 434

(ii) A pass-through entity shall not include in such a single 435
return any investor that is itself a pass-through entity to the 436
extent that any direct or indirect investor in the second 437
pass-through entity is a person subject to the tax imposed under 438
section 5733.06 of the Revised Code. 439

(c) Nothing in division (D) of this section precludes the tax 440
commissioner from requiring such investors to file the return and 441
make the payment of taxes and related interest, penalty, and 442
interest penalty required by this section or section 5747.02, 443
5747.09, or 5747.15 of the Revised Code. Nothing in division (D) 444
of this section shall be construed to provide to such an investor 445
or pass-through entity any additional deduction or credit, other 446
than the credit provided by division (J) of this section, solely 447

on account of the entity's filing a return in accordance with this 448
section. Such a pass-through entity also shall make the filing and 449
payment of estimated taxes on behalf of the pass-through entity 450
investors other than an investor that is a person subject to the 451
tax imposed under section 5733.06 of the Revised Code. 452

(2) For the purposes of this section, "business credits" 453
means the credits listed in section 5747.98 of the Revised Code 454
excluding the following credits: 455

(a) The retirement credit under division (B) of section 456
5747.055 of the Revised Code; 457

(b) The senior citizen credit under division (C) of section 458
5747.05 of the Revised Code; 459

(c) The lump sum distribution credit under division (D) of 460
section 5747.05 of the Revised Code; 461

(d) The dependent care credit under section 5747.054 of the 462
Revised Code; 463

(e) The lump sum retirement income credit under division (C) 464
of section 5747.055 of the Revised Code; 465

(f) The lump sum retirement income credit under division (D) 466
of section 5747.055 of the Revised Code; 467

(g) The lump sum retirement income credit under division (E) 468
of section 5747.055 of the Revised Code; 469

(h) The credit for displaced workers who pay for job training 470
under section 5747.27 of the Revised Code; 471

(i) The twenty-dollar personal exemption credit under section 472
5747.022 of the Revised Code; 473

(j) The joint filing credit under division (G) of section 474
5747.05 of the Revised Code; 475

(k) The nonresident credit under division (A) of section 476

5747.05 of the Revised Code;	477
(1) The credit for a resident's out-of-state income under	478
division (B) of section 5747.05 of the Revised Code;	479
<u>(m) The credit for rehabilitating historic buildings under</u>	480
<u>section 5747.76 of the Revised Code if the historic building is</u>	481
<u>not income-producing property.</u>	482
(3) The election provided for under division (D) of this	483
section applies only to the taxable year for which the election is	484
made by the pass-through entity. Unless the tax commissioner	485
provides otherwise, this election, once made, is binding and	486
irrevocable for the taxable year for which the election is made.	487
Nothing in this division shall be construed to provide for any	488
deduction or credit that would not be allowable if a nonresident	489
pass-through entity investor were to file an annual return.	490
(4) If a pass-through entity makes the election provided for	491
under division (D) of this section, the pass-through entity shall	492
be liable for any additional taxes, interest, interest penalty, or	493
penalties imposed by this chapter if the commissioner finds that	494
the single return does not reflect the correct tax due by the	495
pass-through entity investors covered by that return. Nothing in	496
this division shall be construed to limit or alter the liability,	497
if any, imposed on pass-through entity investors for unpaid or	498
underpaid taxes, interest, interest penalty, or penalties as a	499
result of the pass-through entity's making the election provided	500
for under division (D) of this section. For the purposes of	501
division (D) of this section, "correct tax due" means the tax that	502
would have been paid by the pass-through entity had the single	503
return been filed in a manner reflecting the commissioner's	504
findings. Nothing in division (D) of this section shall be	505
construed to make or hold a pass-through entity liable for tax	506
attributable to a pass-through entity investor's income from a	507

source other than the pass-through entity electing to file the 508
single return. 509

(E) If a husband and wife file a joint federal income tax 510
return for a taxable year, they shall file a joint return under 511
this section for that taxable year, and their liabilities are 512
joint and several, but, if the federal income tax liability of 513
either spouse is determined on a separate federal income tax 514
return, they shall file separate returns under this section. 515

If either spouse is not required to file a federal income tax 516
return and either or both are required to file a return pursuant 517
to this chapter, they may elect to file separate or joint returns, 518
and, pursuant to that election, their liabilities are separate or 519
joint and several. If a husband and wife file separate returns 520
pursuant to this chapter, each must claim the taxpayer's own 521
exemption, but not both, as authorized under section 5747.02 of 522
the Revised Code on the taxpayer's own return. 523

(F) Each return or notice required to be filed under this 524
section shall contain the signature of the taxpayer or the 525
taxpayer's duly authorized agent and of the person who prepared 526
the return for the taxpayer, and shall include the taxpayer's 527
social security number. Each return shall be verified by a 528
declaration under the penalties of perjury. The tax commissioner 529
shall prescribe the form that the signature and declaration shall 530
take. 531

(G) Each return or notice required to be filed under this 532
section shall be made and filed as required by section 5747.04 of 533
the Revised Code, on or before the fifteenth day of April of each 534
year, on forms that the tax commissioner shall prescribe, together 535
with remittance made payable to the treasurer of state in the 536
combined amount of the state and all school district income taxes 537
shown to be due on the form, unless the combined amount shown to 538

be due is one dollar or less, in which case that amount need not
be remitted.

Upon good cause shown, the commissioner may extend the period
for filing any notice or return required to be filed under this
section and may adopt rules relating to extensions. If the
extension results in an extension of time for the payment of any
state or school district income tax liability with respect to
which the return is filed, the taxpayer shall pay at the time the
tax liability is paid an amount of interest computed at the rate
per annum prescribed by section 5703.47 of the Revised Code on
that liability from the time that payment is due without extension
to the time of actual payment. Except as provided in section
5747.132 of the Revised Code, in addition to all other interest
charges and penalties, all taxes imposed under this chapter or
Chapter 5748. of the Revised Code and remaining unpaid after they
become due, except combined amounts due of one dollar or less,
bear interest at the rate per annum prescribed by section 5703.47
of the Revised Code until paid or until the day an assessment is
issued under section 5747.13 of the Revised Code, whichever occurs
first.

If the commissioner considers it necessary in order to ensure
the payment of the tax imposed by section 5747.02 of the Revised
Code or any tax imposed under Chapter 5748. of the Revised Code,
the commissioner may require returns and payments to be made
otherwise than as provided in this section.

(H) If any report, claim, statement, or other document
required to be filed, or any payment required to be made, within a
prescribed period or on or before a prescribed date under this
chapter is delivered after that period or that date by United
States mail to the agency, officer, or office with which the
report, claim, statement, or other document is required to be
filed, or to which the payment is required to be made, the date of

the postmark stamped on the cover in which the report, claim, 571
statement, or other document, or payment is mailed shall be deemed 572
to be the date of delivery or the date of payment. 573

If a payment is required to be made by electronic funds 574
transfer pursuant to section 5747.072 of the Revised Code, the 575
payment is considered to be made when the payment is received by 576
the treasurer of state or credited to an account designated by the 577
treasurer of state for the receipt of tax payments. 578

"The date of the postmark" means, in the event there is more 579
than one date on the cover, the earliest date imprinted on the 580
cover by the United States postal service. 581

(I) The amounts withheld by the employer pursuant to section 582
5747.06 of the Revised Code shall be allowed to the recipient of 583
the compensation as credits against payment of the appropriate 584
taxes imposed on the recipient by section 5747.02 and under 585
Chapter 5748. of the Revised Code. 586

(J) If, in accordance with division (D) of this section, a 587
pass-through entity elects to file a single return and if any 588
investor is required to file the return and make the payment of 589
taxes required by this chapter on account of the investor's other 590
income that is not included in a single return filed by a 591
pass-through entity, the investor is entitled to a refundable 592
credit equal to the investor's proportionate share of the tax paid 593
by the pass-through entity on behalf of the investor. The investor 594
shall claim the credit for the investor's taxable year in which or 595
with which ends the taxable year of the pass-through entity. 596
Nothing in this chapter shall be construed to allow any credit 597
provided in this chapter to be claimed more than once. For the 598
purposes of computing any interest, penalty, or interest penalty, 599
the investor shall be deemed to have paid the refundable credit 600
provided by this division on the day that the pass-through entity 601

paid the estimated tax or the tax giving rise to the credit.

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Sec. 5747.76. As used in this section, "qualified rehabilitation expenditures," "certificate owner," and "certificate share" have the same meanings as in section 149.311 of the Revised Code.

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There is hereby allowed a nonrefundable credit against the tax imposed under section 5747.02 of the Revised Code for a taxpayer that is the certificate owner of a rehabilitation tax credit certificate issued under section 149.311 of the Revised Code or of a certificate share. The credit equals twenty-five per cent of the dollar amount of the certificate or certificate share owned by the taxpayer as indicated in the tax commissioner's register maintained under section 5733.47 of the Revised Code. The credit shall be claimed in the order prescribed in section 5747.98 of the Revised Code. If the amount of the credit exceeds the amount of tax otherwise due under section 5747.02 of the Revised Code after deducting any other credits preceding the credit allowed by this section in that order, the excess may be carried forward and deducted from the tax otherwise due for subsequent taxable years until the credit has been fully applied.

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Nothing in this section limits or disallows pass-through treatment of the credit if the certificate owner is a pass-through entity.

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The credit may be claimed for taxable years beginning on or after January 1, 2006.

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A taxpayer claiming a credit under this section shall retain the certificate and, if the taxpayer is the assignee of a certificate or certificate share, the written assignment agreement, for four years following the end of the last taxable year to which the credit, including any carried-forward amount, is

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applied, and shall make the certificate or agreement available for 632
inspection by the tax commissioner upon the request of the tax 633
commissioner during that period. 634

Sec. 5747.98. (A) To provide a uniform procedure for 635
calculating the amount of tax due under section 5747.02 of the 636
Revised Code, a taxpayer shall claim any credits to which the 637
taxpayer is entitled in the following order: 638

(1) The retirement income credit under division (B) of 639
section 5747.055 of the Revised Code; 640

(2) The senior citizen credit under division (C) of section 641
5747.05 of the Revised Code; 642

(3) The lump sum distribution credit under division (D) of 643
section 5747.05 of the Revised Code; 644

(4) The dependent care credit under section 5747.054 of the 645
Revised Code; 646

(5) The lump sum retirement income credit under division (C) 647
of section 5747.055 of the Revised Code; 648

(6) The lump sum retirement income credit under division (D) 649
of section 5747.055 of the Revised Code; 650

(7) The lump sum retirement income credit under division (E) 651
of section 5747.055 of the Revised Code; 652

(8) The credit for displaced workers who pay for job training 653
under section 5747.27 of the Revised Code; 654

(9) The campaign contribution credit under section 5747.29 of 655
the Revised Code; 656

(10) The twenty-dollar personal exemption credit under 657
section 5747.022 of the Revised Code; 658

(11) The joint filing credit under division (G) of section 659

5747.05 of the Revised Code;	660
(12) The nonresident credit under division (A) of section 5747.05 of the Revised Code;	661
(13) The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	662
(14) The credit for employers that enter into agreements with child day-care centers under section 5747.34 of the Revised Code;	663
(15) The credit for employers that reimburse employee child day-care expenses under section 5747.36 of the Revised Code;	664
(16) The credit for adoption of a minor child under section 5747.37 of the Revised Code;	665
(17) The credit for purchases of lights and reflectors under section 5747.38 of the Revised Code;	666
(18) The job retention credit under division (B) of section 5747.058 of the Revised Code;	667
(19) The credit for losses on loans made under the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code if the taxpayer elected a nonrefundable credit under section 150.07 of the Revised Code;	668
(20) The credit for purchases of new manufacturing machinery and equipment under section 5747.26 or section 5747.261 of the Revised Code;	669
(21) The second credit for purchases of new manufacturing machinery and equipment and the credit for using Ohio coal under section 5747.31 of the Revised Code;	670
(22) The job training credit under section 5747.39 of the Revised Code;	671
(23) The enterprise zone credit under section 5709.66 of the Revised Code;	672

(24) The credit for the eligible costs associated with a voluntary action under section 5747.32 of the Revised Code;	689 690
(25) The credit for employers that establish on-site child day-care centers under section 5747.35 of the Revised Code;	691 692
(26) The ethanol plant investment credit under section 5747.75 of the Revised Code;	693 694
(27) The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	695 696
(28) The export sales credit under section 5747.057 of the Revised Code;	697 698
(29) The credit for research and development and technology transfer investors under section 5747.33 of the Revised Code;	699 700
(30) The enterprise zone credits under section 5709.65 of the Revised Code;	701 702
(31) The research and development credit under section 5747.331 of the Revised Code;	703 704
(32) <u>The credit for rehabilitating historic buildings under section 5747.76 of the Revised Code;</u>	705 706
<u>(33)</u> The refundable jobs creation credit under division (A) of section 5747.058 of the Revised Code;	707 708
(33) <u>(34)</u> The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	709 710
(34) <u>(35)</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;	711 712 713
(35) <u>(36)</u> The refundable credit for tax withheld under division (B)(1) of section 5747.062 of the Revised Code;	714 715
(36) <u>(37)</u> The credit for losses on loans made to the Ohio venture capital program under sections 150.01 to 150.10 of the	716 717

Revised Code if the taxpayer elected a refundable credit under 718
section 150.07 of the Revised Code. 719

(B) For any credit, except the credits enumerated in 720
divisions (A)~~(32)~~(33) to ~~(36)~~(37) of this section and the credit 721
granted under division (I) of section 5747.08 of the Revised Code, 722
the amount of the credit for a taxable year shall not exceed the 723
tax due after allowing for any other credit that precedes it in 724
the order required under this section. Any excess amount of a 725
particular credit may be carried forward if authorized under the 726
section creating that credit. Nothing in this chapter shall be 727
construed to allow a taxpayer to claim, directly or indirectly, a 728
credit more than once for a taxable year. 729

Section 2. That existing sections 5725.24, 5733.98, 5747.08, 730
and 5747.98 of the Revised Code are hereby repealed. 731

Section 3. Applications to the State Historic Preservation 732
Officer for a rehabilitation tax credit certificate under section 733
149.311 of the Revised Code may be filed on or after the later of 734
July 1, 2005, or the first day of the seventh month after the 735
month in which this act takes effect. 736

Section 4. Section 5733.98 of the Revised Code is presented 737
in this act as a composite of the section as amended by both Am. 738
Sub. H.B. 1 and Am. Sub. H.B. 95 of the 125th General Assembly. 739
The General Assembly, applying the principle stated in division 740
(B) of section 1.52 of the Revised Code that amendments are to be 741
harmonized if reasonably capable of simultaneous operation, finds 742
that the composite is the resulting version of the section in 743
effect prior to the effective date of the section as presented in 744
this act. 745