



## Ohio Revised Code

### Section 5733.32 Credit for grape producing business purchasing qualifying property.

Effective: June 30, 1997

Legislation: House Bill 215 - 122nd General Assembly

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(A) As used in this section:

(1) "Qualifying property" means any property, plant, or equipment used to produce grapes in this state, and includes but is not limited to land and improvements to land, grape seeds and vines, stakes, wiring, tractors, and other machinery used in the growth, harvesting, or producing of grapes.

(2) "Related member" has the same meaning as in division (A)(6) of section 5733.042 of the Revised Code, without regard to division (B) of that section.

(B) A nonrefundable credit is allowed against the tax imposed by section 5733.06 of the Revised Code for a taxpayer engaged in the business of producing grapes that purchases qualifying property on or after January 1, 1994. The amount of the credit equals ten per cent of the cost of purchasing and installing or constructing the qualifying property. The taxpayer shall claim the credit for the taxable year in which the qualifying property is placed in operation. The taxpayer shall claim the credit in the order required under section 5733.98 of the Revised Code. The taxpayer may carry forward for the ensuing seven taxable years any credit amount in excess of its tax due under section 5733.06 of the Revised Code for the taxable year in which the qualifying property is placed in operation after allowing for any other credits that precede the credit under this section in that order, and shall deduct the amount of the excess credit allowed for any such year from the balance carried forward to the next year. However, if the taxpayer is subject to a recapture tax under division (C)(1) of this section because it disposes of the qualifying property or ceases to use it as qualifying property during the seven-year recapture period prescribed under that division, it may claim no credit in connection with that property for the taxable year of disposal or cessation or any ensuing taxable year.

(C)(1) If, within the seven-year period after qualifying property is placed in operation, the taxpayer disposes of the property or ceases to use it as qualifying property, the amount of tax otherwise



imposed on the taxpayer by section 5733.06 of the Revised Code shall be increased for the taxable year in which the property is disposed of or ceases to be used as qualifying property. The amount of the increase shall equal the recapture percentage multiplied by the aggregate credit the taxpayer has been allowed under this section for all prior taxable years in connection with that property. The recapture percentage shall be determined in accordance with the following table:

| If the property is disposed of or ceases to be used as qualifying property within this amount of time after being placed in operation: | The recapture percentage is: |
|--|------------------------------|
| one year   | 100%                         |
| two years  | 86%                          |
| three years  | 72%                          |
| four years   | 58%                          |
| five years   | 44%                          |
| six years  | 30%                          |
| seven years  | 15%                          |

(2) Division (C)(1) of this section does not apply in either of the following circumstances:

(a) The qualifying property is transferred to a related member and the related member continues to use the property to produce grapes in this state;

(b) There is an involuntary disposition of the qualifying property. The involuntary disposition may be due to, without limitation, a bankruptcy, a receivership, or destruction by natural forces.

(D) The tax commissioner, by rule, may prescribe guidelines for taxpayers to use in determining if their property is qualifying property for the purposes of this section.