



Ohio Administrative Code

Rule 122:21-2-01 Ohio Film and Theater Captial Improvement Tax Credit - Definitions.

Effective: [December 20, 2024](#)

(A) "Applicant" means a production company, as defined in section 122.85 of the Revised Code, that has or will complete a project.

(B) "Application period" is the period beginning October fifteenth and ending December first of each state fiscal year in which tax credit may be allocated under section 122.852 of the Revised Code.

(C) "Baseline year taxes" means the amount of sales tax, state income tax, and property taxes generated at the project site in the twelve months immediately preceding the commencement of the construction period.

(D) "Broadway theatrical production" has the same meaning as the term is defined in section 122.85 of the Revised Code.

(E) "Completion period" is the period beginning on the date immediately following the last day of the construction period and ending on the date that is one year from that date.

(F) "Completion report" is a report containing documentation sufficient to determine a project is substantially complete, including, but not limited to, certificates of occupancy, certificates of completion, or other documentation sufficient to demonstrate the project has been performed.

(G) "Construction period" is the commencement date of any construction or installation and fabrication of equipment activities needed to complete the project through the last date of all construction or installation and fabrication activities needed to complete the project.

(H) "Director" means the director of the Ohio department of development.

(I) "Direct economic impacts" means those impacts caused as a direct result of the project from the total estimated amount of qualified expenditures for the project; the estimated number of permanent,



full-time equivalent jobs created at the project location in the motion picture and Broadway theatrical industries; the total estimated amount of new eligible payroll generated at the project location in the motion picture and Broadway theatrical industries; and, the estimated amount of new sales tax, state income tax, and property tax generated by the project at the project location during the completion period.

(J) "Equipment" means equipment purchased in this state with a minimum depreciable useful life of five years for the primary use in the production and postproduction of motion picture or Broadway theatrical production industries at a location in this state.

(K) "Increase in tax collections" means the difference in the amount of sales tax, state income tax, and property taxes derived from direct economic impacts in the completion period minus the amount of baseline year taxes.

(L) "Motion picture" has the same meaning as defined in section 122.85 of the Revised Code.

(M) "New, permanent jobs" means the number of full-time equivalent jobs created directly by the project at the project site in the motion picture and Broadway theatrical production industries. Full-time equivalent jobs are the estimated number of hours for which wages will be paid to Ohio residents employed at the project location divided by two-thousand eighty.

(N) "New eligible payroll" means the estimated amount of compensation used to determine the withholding obligations in division (A) of section 5747.06 of the Revised Code and estimated to be paid by the applicant to a new employee of the applicant who is a resident of Ohio or an employee who is not a resident of Ohio and whose compensation is not exempt from the tax imposed under section 5747.02 of the Revised Code pursuant to a reciprocity agreement with another state under division (A)(3) of section 5747.05 of the Revised Code as a result of the project.

(O) "Project" means a capital improvement project, as defined in section 122.852 of the Revised Code, that consists of qualified expenditures.

(P) "Qualified expenditures" has the same meaning as that term is defined in section 122.852 of the Revised Code and further described in the application materials. Qualified expenditures include land



acquisition, building acquisition, site improvements, demolition of building or structures, earth work, site utilities, new construction of buildings or structures, renovation of buildings or structures, leasehold improvements, architectural and engineering fees, certified public accountant reporting fees, equipment, fabrication and installation of equipment, and other costs directly related to the project.

Qualified expenditures do not include exligible expenditures for which a production company received a tax credit under section 122.85 of the Revised Code.

(Q) "Sufficient evidence of reviewable progress" means the affirmatively begun or accomplished steps or tasks leading to completion of a project demonstrated by objective evidence requested by the director. For example, the applicant can evidence progression, completion, and, if applicable, commencement of particular steps listed in the application project schedule or evidence of expenditures paid or incurred for qualified expenditures listed in the application qualified expenditures budget.

Sufficient evidence of reviewable progress includes, but is not limited to, an updated project schedule and documentation to evidence secured financing, site plan approval, local permits obtained, purchases made for qualified expenditures, construction commencement, temporary certificates of occupancy, certificates of occupancy, certificates of completion, and other documentation sufficient to support reviewable progress.