



Ohio Administrative Code

Rule 122:21-2-03 Ohio Film and Theater Capital Improvement Tax Credit - Application Process.

Effective: [December 20, 2024](#)

(A) Application round. There is one application round in each state fiscal year. An eligible applicant may submit an application to the director at any time during the application period. Applicants are to submit applications to the director electronically in the manner directed in the application materials. The director will publish the application materials on the program website for each application period prior to the opening date of each application period.

(B) Application fee. An applicant will pay the application fee in the amount set forth in section 122.852 of the Revised Code to the director prior to the end of the application period.

(C) Application eligibility review. Following the close of an application period, the director will review applications for completeness and eligibility for scoring and ranking.

(1) If the information submitted in an application is complete, the applicant will be notified by electronic mail that the application is eligible to be scored and ranked in accordance with paragraph (D) and paragraph (E) of this rule.

(2) If the application on review requires additional information for the director to be able to determine it complete and eligible for scoring and ranking, the director may request clarification or supplemental information about the project. The director will provide the applicant with an established deadline to respond with clarifying or supplemental information.

(a) If the applicant provides the requested information within the deadline and the information provided by the applicant results in an application being complete, the applicant will be notified by electronic mail that the application is eligible to be scored and ranked in accordance with paragraph (D) and paragraph (E) of this rule.

(b) If an applicant does not provide the requested information by the established deadline, the director may determine the applicant's application incomplete and not sufficient for evaluation for



tax credits in that round. If the director determines an applicant's application is insufficient for evaluation of tax credit eligibility, the applicant is not restricted from reapplying for in subsequent rounds.

(3) If the information submitted in an application is insufficient, meaning it requires more than basic clarifications or supplemental information to be able to be evaluated, the director will notify the applicant by electronic mail that its application is incomplete and will not be evaluated for scoring and ranking. An applicant who has submitted an incomplete application is not restricted from reapplying in subsequent rounds.

(D) Scoring Applications. For each application round the director will score and rank all complete applications based on the project's likely positive economic impact and effect on developing a permanent workforce in motion picture or theatrical production industries in the state as a whole, and in any community in the state in which the facilities or equipment involved in the project are or will be located in accordance with section 122.852 of the Revised Code.

(1) Qualified expenditures (Ten points possible). The direct economic impacts of total estimated qualified expenditures is scored and ranked as follows:

(a) The application in each round with the highest amount of total estimated qualified expenditures is assigned a score of ten.

(b) All other applications are given a score determined by calculating the total estimated qualified expenditures in Ohio directly associated with the applicant's project divided by the highest estimated qualified expenditures for an applicant project in that application round and multiplying the resulting quotient by ten. For example, in an application round where the highest amount of estimated qualified expenditures of all applicants is one million dollars and an applicant's estimated qualified expenditures is eight hundred fifty thousand dollars, the applicant would receive a score of eight and one half for qualified expenditures.

(2) Workforce development (Ten points possible). The direct economic impacts on developing a permanent workforce in the motion picture or Broadway theatrical industries is scored and ranked as follows:



(a) First, by the number of new, permanent jobs created in the motion picture and Broadway theatrical production industries.

(i) The number of new, permanent jobs created by the project at the project site is derived by calculating the quotient resulting from the total estimated hours for which wages will be paid to Ohio residents at the project site as a result of the project divided by two-thousand eighty.

(ii) The application with the highest number of new, permanent jobs created in a round is given a score of five. All other applications are given the score calculated by dividing the number of new, permanent jobs created by the project by the highest number of new, permanent jobs created for applications in the round and multiplying the resulting quotient by five. For example, if an applicant project has twenty-five new, permanent jobs created and the project with highest number of new, permanent jobs created in that round is one hundred, the applicant project receives a score of one and one quarter for new, permanent jobs created.

(b) Second, by the amount of new eligible payroll added by a new, permanent workforce created by the project at the project site in the motion picture and Broadway theatrical production industries.

(i) For purposes of this section, 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 direct result of the project.

(ii) The application with the highest amount of estimated new eligible payroll is given a score of five. All other applicants are given the score calculated by dividing the applicant project's total new eligible payroll by the highest amount of total new eligible payroll for a project for the round and multiplying the resulting quotient by five. For example, if an applicant project has three hundred thousand dollars of total new eligible payroll and the highest amount of total new eligible payroll for a project in that round is one million dollars the applicant project is given a score of one and one half



for new eligible payroll.

(3) Increase in tax collections (Five points possible). The direct economic impacts on sales tax, state income tax, and property taxes.

(a) The increase in tax collections is derived by subtracting the amount of baseline year taxes from the amount of estimated direct economic impacts to annual sales tax, state income tax, and property taxes.

For purposes of this section, the direct economic impacts to annual amount of sales tax, income tax, and property taxes are derived from analysis and projections provided in the application by the applicant.

(i) The application in the funding round with the highest estimated increase in annual sales tax, state income tax, and property tax is given a score of five.

(ii) All other applications are given a score determined by calculating the total estimated increase in tax collections in Ohio directly associated with the applicant's project divided by the highest estimated increase in tax collections by an applicant's project in that application round and multiplying the resulting quotient by five. For example, in an application round where the highest amount of increase in tax collections of all applicants is five hundred thousand dollars and an applicant's estimated increase in tax collections is two hundred and fifty thousand dollars, the applicant would receive a score of two and one half for economic impact.

(4) Geographic distribution of credits (One point possible). Each application will be scored based on the sum of the scores derived in paragraph D(1), paragraph D(2), and paragraph D(3) of this rule. The application with the highest score from each county in an application round will be given one point. The remaining applications from the same county will receive a score of zero for geographic distribution of credits.

(E) Ranking of applications. Applications will be ranked in descending order based on total score calculated under paragraph (D) of this rule with the application receiving the highest total score ranked first.



(F) Funding applications. Applications will be funded in descending order starting with the first ranked down until the amount of funds available for allocation in that funding round have either been exhausted or are insufficient to allocate tax credits for the total estimated tax credit amount for the next highest ranked project in that round, as determined by the director.

(1) County allocation limits. If the amount of tax credits requested for any county exceeds five million dollars, then applications in that county will be funded in descending order against all other applications in the funding round until the sooner of the amount of funds available for allocation in that round have either been exhausted or are insufficient to allocate tax credits for the total estimated tax credit amount for the next highest ranked project in the round or funds up to but in no event in excess of five million dollars have been awarded to projects in that county, as determined by the director. Remaining applications in that county will not be considered for tax credits in the funding round but may reapply in subsequent rounds.

(G) Award notification. The director will send notice of eligibility for tax credit awards to awarded projects by electronic mail by January thirty-first of each fiscal year.