



## Ohio Administrative Code Rule 122:7-1-05 Eligibility requirements.

Effective: January 9, 2025

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(A) Except as otherwise provided in this rule, the authority may grant a tax credit pursuant to section 122.17 of the Revised Code if the authority determines the business entity's project satisfies all of the following:

- (1) The project satisfies the requirements set forth in division (C) of section 122.17 of the Revised Code;
- (2) The taxpayer proposes as a result of the project to do all of the following by the metric evaluation date:
  - (a) Create at least ten full-time equivalent employees at the project location;
  - (b) Generate additional annual payroll at the project location in an amount equal to or greater than one hundred seventy-five per cent of the federal minimum wage at the time the authority approves the project, multiplied by fifty-two thousand (which is the number of hours twenty-five full-time equivalent employees would work in one year); and
  - (c) Have an average hourly wage rate of at least one hundred fifty per cent of the federal minimum wage at the time the authority approves the project for all new employment positions added as a result of the project.
- (3) The project has received a letter of support from the chief executive, or the chief executive's designee, of the local political subdivision or a regional development agency charged with promoting economic development with jurisdiction over the project location, or in the case of a project with a to-be-determined project location, will receive such letter prior to the approval of the subsequently identified project location.

(B) All or any portion of a project determined to be retail is not eligible for tax credits pursuant to



section 122.17 of the Revised Code.

(C) A taxpayer that sells or derives revenue from the performance of services rather than the sale of goods, is to demonstrate to the satisfaction of the authority that at least fifty-one per cent of the sales or revenues attributable to the proposed project are projected to be generated from outside the state of Ohio by the metric evaluation date to be eligible for tax credits pursuant to section 122.17 of the Revised Code.

(D) Each taxpayer will certify to the authority the amount of baseline payroll for individuals employed at the project location as of the date the job creation tax credit application is submitted. Acceptance of a tax credit award constitutes the taxpayer's confirmation that the amount of existing payroll certified to the authority is accurate and will be relied upon by the authority in issuing tax credit certificates. The tax credit is calculated on payroll attributed to full-time equivalent employees employed by the taxpayer in excess of the existing payroll, as accepted by the authority, provided that the taxpayer executes and returns the tax credit agreement, within sixty days of delivery of the agreement. If the taxpayer fails to execute the tax credit agreement within such sixty day period, the tax credit may, at the discretion of the authority, be calculated on payroll attributed to full-time equivalent employees employed by the taxpayer in excess of the existing payroll, as of the date of the execution of the tax credit agreement. The taxpayer will update the authority with any agreement returned more than sixty days after delivery to the taxpayer the amount of the taxpayer's baseline payroll at the project location measured from not more than ten business days prior to the date the taxpayer signs the agreement. The taxpayer will certify the payroll amount as accurate by signature of the chief executive officer, chief financial officer, or other officer authorized to sign tax returns for the taxpayer.

(E) The authority may from time to time set additional eligibility requirements for job creation tax credit project applications.

(F) If the authority does not approve a taxpayer's application in which it receives a recommendation under division (C) of section 122.17 of the Revised Code, the Ohio department of development will notify the taxpayer of such determination along with any reasons for such determination identified by the authority. The taxpayer may be eligible to reapply, unless otherwise determined by the authority.



(G) By the metric evaluation date and each year of the term thereafter, to remain eligible to receive a tax credit certificate, the taxpayer is to:

(1) Maintain at least ten new full-time equivalent employees at the project location;

(2) Maintain an amount of additional annual payroll consistent with paragraph (A)(2)(b) of this rule over the baseline payroll; and

(3) Maintain an average hourly wage consistent with paragraph (A)(2)(c) of this rule.

(H) If the taxpayer fails to satisfy the requirements of paragraph (G) of this rule, no tax certificate can be issued for that year and the taxpayer may be subject to remedial action as set forth in division (E) of section 122.17 of the Revised Code.