



Ohio Administrative Code Rule 122:7-1-06 Tax credit per cent and term.

Effective: January 9, 2025

(A) Except as otherwise provided in paragraph (E) of this rule, the authority can not grant a tax credit in which the estimated value to the taxpayer exceeds seventy five per cent of the estimated excess income tax revenue to be received by the state.

(B) Except as otherwise provided in paragraph (F) of this rule, the authority can not grant a tax credit that exceeds a term of ten years. The tax credit may be claimed by the taxpayer only for the consecutive taxable years during the term.

(C) The authority will consider the following factors in determining the tax credit percentage and term to be granted to a taxpayer:

- (1) The number of full-time equivalent employees to be created;
- (2) The average hourly wage rate, excluding benefits, of the full-time equivalent employees to be created;
- (3) The total fixed-asset investment amount the taxpayer will make or cause to be made in the project;
- (4) The number of full-time equivalent employees to be retained at the project location;
- (5) The economic condition of the county and region of the state where the project is to be located;
- (6) The specific percentage of disadvantaged persons and minorities the taxpayer is agreeing to hire for the project;
- (7) The industry sector of the project proposed for tax credit assistance;



(8) The amount of direct local financial support committed to the project; and

(9) The amount of other financial assistance to be provided by the state in support of the project.

(D) In addition to the tax credit percentage and term, the authority is to annually determine the "pay increase factor," as defined in paragraph (P) of rule 122:7-1-01 of the Administrative Code, for each project approved. Once determined, the pay increase factor is fixed for the term of the tax credit. The authority determines the pay increase factor by an examination of the average per cent change in the consumer price index - all urban consumers - midwest urban during each of the previous five years for which such consumer price index data are then available.

(E) The authority may grant a tax credit with an estimated value to the taxpayer greater than seventy-five per cent of the estimated excess income tax revenue to be received by the state if the authority finds that there is an extraordinary circumstance which merits such an exception. At the time the authority approves the project, the estimated value of the tax credit can not exceed the project's estimated excess income tax revenue.

(F) The authority may grant a tax credit term greater than 10years if the authority finds that there is an extraordinary circumstance which merits such an exception. The authority may grant a tax credit term greater than 15 years to a mega project operator or mega project supplier, as those terms are defined in Section 122.17 of the Revised Code. The authority can not grant a tax credit that exceeds a term allowable under division (D)(2) of section 122.17 of the Revised Code.