



Ohio Revised Code

Section 5709.65 Entitlement to tax incentives.

Effective: October 3, 2023

Legislation: House Bill 33

(A) An enterprise issued a certificate under section 5709.64 of the Revised Code shall be entitled to the following tax incentives:

(1) With the exception of improvements to land or tangible personal property constituting or used in the retail portion, if any, of a facility, any improvement to land or tangible personal property at a facility for which a certificate is issued, first used in business at the facility as the result of a project, shall not be considered an asset of a corporate enterprise in determining the value of its issued and outstanding stock under division (A) of section 5733.05 of the Revised Code at the end of the taxable year that includes the certificate's date of issuance.

(2) With the exception of the original cost of improvements to land or tangible personal property constituting or used in the retail portion, if any, of a facility, the original cost of any improvement to land or tangible personal property at the facility for which the certificate is issued, first used in business at the facility as a result of a project, shall be excluded from the numerator upon computation of the property factor of a corporate enterprise under division (B)(2)(a) of section 5733.05 of the Revised Code, or of a noncorporate enterprise under division (A) of section 5747.21 of the Revised Code, for the taxable year that includes the certificate's date of issuance.

As used in divisions (A)(1) and (2) of this section, the "retail portion" of a facility is that part of a facility used primarily for making retail sales as defined in division (O) of section 5739.01 of the Revised Code.

(3) Compensation paid to new employees described under divisions (A)(2)(a) to (e) of section 5709.64 of the Revised Code at the facility for which the certificate is issued, who are hired as a result of a project, shall be excluded from the numerator upon computation of the payroll factor of a corporate enterprise under division (B)(2)(b) of section 5733.05 of the Revised Code, or of a noncorporate enterprise under division (B) of section 5747.21 of the Revised Code, for the taxable year that includes the certificate's date of issuance.



(4) An enterprise that reimburses its new employees described under divisions (A)(2)(a) to (e) of section 5709.64 of the Revised Code for all or part of the cost of child care services necessary to enable them to be employed at a facility for which a certificate is issued shall be entitled to a credit equal to the amounts so reimbursed, up to a maximum of three hundred dollars for each child or dependent receiving the services, for the taxable year in which reimbursement is made, against the tax imposed by section 5733.06 of the Revised Code on a corporate enterprise, or against the aggregate amount of tax imposed on the owners of a noncorporate enterprise under section 5747.02 of the Revised Code, for the taxable year that includes the certificate's date of issuance. Only reimbursements of amounts paid by new employees to child care centers licensed by the department of job and family services for child care services provided during the first twenty-four months of employment as a new employee may be applied toward the credit provided under this division. Any enterprise claiming this credit shall maintain records verifying that the credit is claimed only for reimbursement of amounts expended by new employees for such services.

(5) For each new employee described in divisions (A)(2)(a) to (e) of section 5709.64 of the Revised Code who completes a training program and is subsequently employed by an enterprise for at least ninety days, if the enterprise pays or reimburses all or part of the cost of the employee's participation in the training program, it may claim a credit equal to the amount paid or reimbursed or one thousand dollars, whichever is less, in the taxable year in which the employee completes the ninety days of subsequent employment, against the tax imposed on a corporate enterprise by section 5733.06 of the Revised Code, or against the aggregate amount of tax imposed on the owners of a noncorporate enterprise under section 5747.02 of the Revised Code. Only one credit shall be allowed with respect to any individual. Attendance at a qualified training program under this section does not bar an otherwise eligible individual from receipt of benefits under Chapter 4141. of the Revised Code.

(B) None of the items set forth in divisions (A)(2) and (3) of this section shall be considered in making any allocation or apportionment under division (B)(2)(d) of section 5733.05 or division (D) of section 5747.21 of the Revised Code.

(C) All credits provided under this section to a noncorporate enterprise shall be divided pro rata among the owners of the enterprise subject to the tax imposed by section 5747.02 of the Revised Code, based upon their proportionate ownership interests in the enterprise. The enterprise shall file



with the tax commissioner, on a form prescribed by the commissioner, a statement showing the total available credit and the portion thereof attributed to each owner. The statement shall identify each owner by name and social security number and shall be filed with the tax commissioner by the date prescribed by the commissioner, which shall be no earlier than the fifteenth day of the month following the close of the enterprise's taxable year for which the credit is claimed.

(D) All state income tax or corporation franchise tax credits provided under this section shall be claimed in the order required under section 5733.98 or 5747.98 of the Revised Code. The credits, to the extent they exceed the taxpayer's aggregate tax liability for the taxable year after allowance for any other credits that precede the credits under this section in that order, shall be carried forward to the next succeeding taxable year or years until fully utilized.