



## Ohio Revised Code

### Section 5747.73 Credit for donations to scholarship organizations.

Effective: October 3, 2023

Legislation: House Bill 33

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(A) As used in this section, "scholarship granting organization" means an entity that is certified as such by the attorney general under division (C) of this section.

(B) There is hereby allowed a nonrefundable credit against a taxpayer's aggregate tax liability under section 5747.02 of the Revised Code for a taxpayer that donates cash to scholarship granting organizations during the taxable year or on or before the due date, unextended under division (G) of section 5747.08 of the Revised Code, for filing the tax return for the taxable year as described in that division. A credit may not be claimed for two taxable years on the basis of the same contribution. The credit shall equal the amount of cash donations made by the taxpayer and, if filing a joint return, the taxpayer's spouse, except that the credit shall not exceed, for any taxable year, one thousand five hundred dollars for spouses filing a joint return or seven hundred fifty dollars for all other taxpayers. If a taxpayer files a joint return, the credit amount attributable to donations made by each spouse shall not exceed seven hundred fifty dollars. The credit shall be claimed in the order required under section 5747.98 of the Revised Code.

If the taxpayer is a direct or indirect investor in a pass-through entity that donates cash to scholarship granting organizations during the taxable year, the taxpayer may claim its proportionate or distributive share of the credit allowed under this section, except that the share that may be claimed by all such investors may not exceed seven hundred fifty dollars for any taxable year.

The credit authorized by this section is not allowed unless the taxpayer claiming the credit provides to the tax commissioner, in the form and manner required by the commissioner, a copy of a receipt or other document issued by the scholarship granting organization acknowledging the taxpayer's contribution to the organization and the amount of the contribution. The commissioner may require a taxpayer to furnish any other information necessary to support a claim for the credit. No credit shall be allowed unless a copy of such document or other required information is provided.

(C) An entity may apply to the attorney general, on forms and in the manner prescribed by the



attorney general, to be certified so that contributions to the entity qualify for the tax credit authorized under this section. The attorney general shall certify an entity as a scholarship granting organization if the entity submits information and documentation, to the attorney general's satisfaction, establishing that the entity satisfies the following:

- (1) It is a religious or nonreligious nonprofit organization exempt from federal taxation under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) of the Internal Revenue Code.
- (2) It primarily awards academic scholarships for primary and secondary school students.
- (3) It prioritizes awarding its scholarships to low-income primary and secondary school students.

The attorney general shall notify the applicant of the attorney general's determination within thirty days after the attorney general receives the application. The attorney general shall maintain a list of all scholarship granting organizations. As soon as is practicable after compiling or updating this list, the attorney general shall furnish the list to the tax commissioner, who shall post the list or updated list to the department of taxation's web site.

The attorney general shall adopt rules necessary to determine eligibility for and administer the credit authorized under this section.