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Representatives Cross, Lepore-Hagan

**Cosponsors: Representatives DeVitis, Blessing, Carfagna, Edwards, Hambley,
Miller, A., O'Brien, Perales, Plummer, Roemer, Rogers, West**

A BILL

To amend section 5747.01 and to enact sections 1
122.178 122.179, 122.1710, and 122.1711 of the 2
Revised Code to create the TechCred Program and 3
the Individual Microcredential Assistance 4
Program, to develop a grant program to support 5
industry sector partnerships, and to make an 6
appropriation. 7

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 5747.01 be amended and sections 8
122.178, 122.179, 122.1710, and 122.1711 of the Revised Code be 9
enacted to read as follows: 10

Sec. 122.178. (A) As used in this section, 11
"microcredential" means an industry-recognized credential or 12
certificate that an applicant may complete in not more than one 13
year and that is approved by the chancellor of higher education. 14

(B) There is hereby created the TechCred program to 15
reimburse employers from appropriations made for that purpose 16
for training costs for prospective and incumbent employees to 17

earn a microcredential. The development services agency, in 18
consultation with the governor's office of workforce 19
transformation and the department of higher education, shall 20
develop the program. 21

(C) (1) An employer seeking to participate in the program 22
shall submit an application to the director of development 23
services during the application period the director establishes 24
by rule adopted under division (I) of this section. The employer 25
shall include in the application all of the following 26
information: 27

(a) Proof that the employer is registered to do business 28
in this state; 29

(b) Proof that the employer is current on all tax 30
obligations to the state; 31

(c) Proof that the employer is in compliance with all 32
environmental regulations applicable to the employer; 33

(d) The name of the training provider from which a 34
prospective or incumbent employee will receive the training and 35
earn the microcredential; 36

(e) The cost of the training; 37

(f) The positions for which earning the microcredential 38
will make a prospective or incumbent employee qualified or the 39
occupational skill set that the prospective or incumbent 40
employee will acquire on completing the training; 41

(g) The address of the facility or location at which the 42
prospective or incumbent employee is expected to be employed 43
after completing the training; 44

(h) Any other information the director requires. 45

(2) In addition to the information required under division 46
(C) (1) of this section, an employer seeking to participate in 47
the program also may submit information regarding the estimated 48
wage after completing the training and earning the 49
microcredential or any other information the employer wishes to 50
provide to the director. 51

(D) (1) The director shall consider all applications 52
submitted during the application period after the application 53
period ends. The director shall consider the following factors 54
in determining whether to approve an application: 55

(a) The duration of the training program; 56

(b) The cost of the training; 57

(c) A prospective or incumbent employee's estimated wage 58
after completing the training and earning the microcredential; 59

(d) Whether approving an application will promote regional 60
diversity in apportioning reimbursements uniformly across the 61
state; 62

(e) Any other factors the director considers relevant in 63
determining whether to approve an application. 64

(2) The chancellor of higher education shall adopt rules 65
in accordance with Chapter 119. of the Revised Code to establish 66
a list of approved training providers in this state and the 67
microcredentials offered by those providers. The director shall 68
not approve an application submitted under division (C) of this 69
section unless the training provider and microcredentials 70
identified in the application are included in the chancellor's 71
list. 72

(3) If the director approves an application for 73

participation in the program, the approval is valid for the 74
fiscal year as designated by the director. An employer that 75
participates in the program that wishes to participate in the 76
program in any subsequent fiscal year shall apply to the 77
director in accordance with division (C) of this section. 78

(4) The director shall not approve an application for 79
participation in the program if the employer has violated 80
Chapter 4111. of the Revised Code within the four fiscal years 81
immediately preceding the date of application. 82

(E)(1) Each participating employer seeking reimbursement 83
for training costs for a prospective or incumbent employee shall 84
submit an application to the director that includes all of the 85
following information for each prospective or incumbent 86
employee: 87

(a) The prospective or incumbent employee's name and 88
position, if applicable, at the time of submitting the 89
application; 90

(b) The actual amount the employer paid to the training 91
provider for the training; 92

(c) Evidence that the prospective or incumbent employee 93
earned a microcredential; 94

(d) Evidence that the prospective or incumbent employee is 95
a resident of this state. 96

(2) The amount of the reimbursement shall be at least five 97
hundred dollars but not more than two thousand dollars for each 98
microcredential a prospective or incumbent employee receives. 99

(F) No participating employer shall require a prospective 100
or incumbent employee who receives a microcredential because the 101

employer participated in and received a reimbursement through 102
the employer's participation in the TechCred program to accept 103
or continue employment with the employer. 104

(G) For the purposes of determining regional diversity 105
under this section, the following constitute the regions of the 106
state: 107

(1) The counties of Allen, Crawford, Defiance, Fulton, 108
Hancock, Hardin, Henry, Lucas, Ottawa, Paulding, Putnam, 109
Sandusky, Seneca, Van Wert, Williams, Wood, and Wyandot are one 110
region; 111

(2) The counties of Ashland, Ashtabula, Columbiana, 112
Cuyahoga, Erie, Geauga, Huron, Lake, Lorain, Mahoning, Medina, 113
Portage, Richland, Stark, Summit, Trumbull, Tuscarawas, and 114
Wayne are one region; 115

(3) The counties of Auglaize, Champaign, Clark, Clinton, 116
Darke, Fayette, Greene, Mercer, Miami, Montgomery, Preble, and 117
Shelby are one region; 118

(4) The counties of Delaware, Fairfield, Franklin, Knox, 119
Licking, Logan, Madison, Marion, Morrow, Pickaway, and Union are 120
one region; 121

(5) The counties of Adams, Athens, Gallia, Highland, 122
Hocking, Jackson, Lawrence, Meigs, Pike, Ross, Scioto, and 123
Vinton are one region; 124

(6) The counties of Belmont, Carroll, Coshocton, Guernsey, 125
Harrison, Holmes, Jefferson, Monroe, Morgan, Muskingum, Noble, 126
Perry, and Washington are one region; 127

(7) The counties of Brown, Butler, Clermont, Hamilton, and 128
Warren are one region. 129

<u>(H) (1) The director shall do both of the following</u>	130
<u>regarding the operation of the program:</u>	131
<u>(a) Create an application to participate in the program</u>	132
<u>and an application for reimbursement;</u>	133
<u>(b) Create an internet web site with the applications for</u>	134
<u>and information regarding the program created in this section.</u>	135
<u>(2) The governor's office of workforce transformation</u>	136
<u>shall include on the office's internet web site either of the</u>	137
<u>following:</u>	138
<u>(a) The applications for and information regarding the</u>	139
<u>program created in this section;</u>	140
<u>(b) An internet link to the internet web site created</u>	141
<u>under division (H) (1) (b) of this section.</u>	142
<u>(I) The director shall adopt rules in accordance with</u>	143
<u>Chapter 119. of the Revised Code to establish an application</u>	144
<u>period during which an employer may submit an application under</u>	145
<u>division (C) of this section.</u>	146
<u>The director may adopt rules in accordance with Chapter</u>	147
<u>119. of the Revised Code regarding the operation of the program</u>	148
<u>as the director considers necessary to administer the program,</u>	149
<u>including establishing priority guidelines for approving</u>	150
<u>applications under division (D) of this section.</u>	151
<u>Sec. 122.179. (A) As used in this section:</u>	152
<u>"Charitable organization" has the same meaning as in</u>	153
<u>section 1716.01 of the Revised Code.</u>	154
<u>"Independent college or university" means a nonprofit</u>	155
<u>institution of higher education that has a certificate of</u>	156

authorization under Chapter 1713. of the Revised Code. 157

"Industry sector partnership" means a workforce 158
collaborative that organizes key leaders and stakeholders of an 159
industry cluster into a working group that focuses on achieving 160
a shared goal of meeting the industry cluster's human resources 161
needs. 162

"Ohio technical center" has the same meaning as in section 163
3333.94 of the Revised Code. 164

"Regional sector partnership" means a regional or 165
statewide workforce collaborative that organizes multiple 166
industry sector partnerships into a working group that focuses 167
on achieving a shared goal of meeting the human resources needs 168
of a region or statewide. 169

"State board" and "local board" have the same meanings as 170
in section 6301.01 of the Revised Code. 171

"State institution of higher education" has the same 172
meaning as in section 3345.011 of the Revised Code. 173

(B) A collaboration of multiple employers of an industry 174
cluster may organize and lead an industry sector partnership by 175
convening or acting in partnership with representatives of 176
businesses, employers, or other institutions of an industry 177
cluster, including small- and medium-sized employers where 178
practicable, and a collaboration of multiple industry sector 179
partnerships may convene or act in partnership together as a 180
regional sector partnership. An industry sector partnership may 181
include representatives of one or more of the following: 182

(1) A school district; 183

(2) A state institution of higher education; 184

<u>(3) An Ohio technical center;</u>	185
<u>(4) An independent college or university;</u>	186
<u>(5) The state or a local government;</u>	187
<u>(6) A state or local economic or workforce development</u> <u>agency;</u>	188 189
<u>(7) A state board or local board;</u>	190
<u>(8) The department of job and family services;</u>	191
<u>(9) A business, trade, or industry association;</u>	192
<u>(10) A charitable organization;</u>	193
<u>(11) An economic development organization;</u>	194
<u>(12) A nonprofit or community-based organization or</u> <u>intermediary;</u>	195 196
<u>(13) The Ohio state university extension division</u> <u>established under section 3335.16 of the Revised Code or the</u> <u>central state university extension program;</u>	197 198 199
<u>(14) Any other organization that the industry sector</u> <u>partnership considers necessary to further the shared goal of</u> <u>meeting the industry cluster's human resources needs.</u>	200 201 202
<u>(C) The director of development services, in consultation</u> <u>with the governor's office of workforce transformation, shall</u> <u>develop a grant program to support industry sector partnerships</u> <u>and regional sector partnerships. An industry sector partnership</u> <u>or regional sector partnership may use a grant awarded under</u> <u>this section to do any of the following;</u>	203 204 205 206 207 208
<u>(1) Hire employees to coordinate industry sector</u> <u>partnership or regional sector partnership activities;</u>	209 210

(2) Develop curricula or other educational resources to 211
support the industry sector partnership or regional sector 212
partnership; 213

(3) Market the industry sector partnership or regional 214
sector partnership and opportunities the industry sector 215
partnership or regional sector partnership creates for workforce 216
development activities; 217

(4) Any other activity the director has approved in rules 218
adopted under division (E) of this section. 219

(D) The director shall do both of the following: 220

(1) Establish a system for evaluating and scoring grant 221
applications, which prioritizes collaborative community-based 222
solutions, including regional sector partnerships; 223

(2) Award a grant to an industry sector partnership or a 224
regional sector partnership that submits a complete application 225
for funding describing the activities in division (C) of this 226
section the partnership will use the funds to support and meets 227
the scoring criteria established under division (D)(1) of this 228
section. 229

(E) The director may adopt rules in accordance with 230
Chapter 119. of the Revised Code as the director considers 231
necessary to administer the grant program. 232

Sec. 122.1710. (A) As used in this section: 233

(1) "Microcredential" has the same meaning as in section 234
122.178 of the Revised Code. 235

(2) "OhioMeansJobs web site" has the same meaning as in 236
section 6301.01 of the Revised Code. 237

(B) The individual microcredential assistance program is 238
hereby created in the development services agency to provide 239
grants to eligible individuals to pay for the costs of training 240
to earn a microcredential. 241

(C) An individual seeking to participate in the program 242
shall submit an application to the director of development 243
services. The individual shall include in the application all of 244
the following information: 245

(1) The individual's name and address at which the 246
individual resides; 247

(2) The name of the individual's employer at the time of 248
applying, if applicable; 249

(3) Proof that the individual is a resident of this state; 250

(4) Proof of the individual's total income during the 251
prior calendar year; 252

(5) The name of the microcredential that the individual is 253
seeking to obtain; 254

(6) The name of the training provider from which the 255
individual will receive the training to earn the microcredential 256
and proof that the individual was accepted into the training 257
provider's program to earn the microcredential; 258

(7) The cost of the training; 259

(8) Any other information the director requires. 260

(D) (1) The director shall consider the following factors 261
in determining whether to approve an application submitted under 262
division (C) of this section: 263

(a) The duration of the training program; 264

<u>(b) The cost of the training;</u>	265
<u>(c) Whether approving an application will promote regional</u>	266
<u>diversity in apportioning grants uniformly across the state;</u>	267
<u>(d) The individual's financial need for the grant based on</u>	268
<u>the individual's total income from the prior calendar year.</u>	269
<u>(2) In determining regional diversity under division (D)</u>	270
<u>(1)(c) of this section, the director shall use the regions</u>	271
<u>established under division (G) of section 122.178 of the Revised</u>	272
<u>Code.</u>	273
<u>(3) The director shall not approve an application</u>	274
<u>submitted under this section unless the training provider and</u>	275
<u>microcredentials identified in the application are included in</u>	276
<u>the list the chancellor of higher education adopts in rules</u>	277
<u>under section 122.178 of the Revised Code.</u>	278
<u>(E) On receiving an individual's application for a grant,</u>	279
<u>the director shall do either of the following:</u>	280
<u>(1) If the director approves the application, the director</u>	281
<u>shall do both of the following:</u>	282
<u>(a) Notify in writing the individual and the training</u>	283
<u>provider that the director has approved the individual's</u>	284
<u>application for a grant;</u>	285
<u>(b) Disburse a grant directly to the training provider to</u>	286
<u>cover the cost of the training program in an amount that is not</u>	287
<u>less than five hundred dollars nor more than two thousand</u>	288
<u>dollars.</u>	289
<u>(2) If the director denies the application, the director</u>	290
<u>shall notify in writing the individual of the director's denial.</u>	291

(F) If an individual fails to complete the training for 292
which a grant was disbursed and does not earn a microcredential 293
from the training provider, the training provider shall refund 294
the entire grant amount to the director. If the training 295
provider is a public institution, the training provider shall 296
forward the name of the individual and the amount of the grant 297
refunded under this division to the attorney general for 298
collection under section 131.02 of the Revised Code. If the 299
training provider is a private institution, after refunding the 300
grant, the training provider may bring an action in any court of 301
competent jurisdiction to recover damages equal to the grant 302
amount disbursed to the training provider. 303

(G) (1) The director shall do all of the following 304
regarding the operation of the program: 305

(a) Create an application to participate in and receive a 306
grant for the program; 307

(b) Create an internet web site that allows an individual 308
to apply to a training provider for acceptance into a 309
microcredential training program; 310

(c) Create and distribute a survey to each individual who 311
successfully earned a microcredential because of a grant 312
disbursed under this section inquiring as to the individual's 313
occupation and wages at the time of completing the survey. 314

(2) The director shall include all of the following in the 315
internet web site created under division (G) (1) (b) of this 316
section: 317

(a) The application for and information regarding the 318
program created in this section; 319

(b) The list of the approved training providers and 320

microcredentials the chancellor of higher education establishes 321
in rules adopted under section 122.178 of the Revised Code; 322

(c) A database that does all of the following: 323

(i) Allows a user to search for a microcredential by name 324
and produces results that display the training providers that 325
offer training to earn that microcredential and the training 326
provider's address; 327

(ii) Allows a user to search by zip code and produces 328
results that display both the microcredentials offered and 329
training providers located within and near that zip code and 330
allows a user to filter training providers by distance in 331
relation to that zip code; 332

(iii) Allows a user to access a listing of every 333
microcredential offered by each approved training provider. 334

(H) The director shall include on the internet web site 335
maintained by the development services agency, and the 336
governor's office of workforce transformation shall include on 337
the office's internet web site and the OhioMeansJobs web site, 338
either of the following: 339

(1) All of the content available on the internet web site 340
created under division (G) (1) (b) of this section; 341

(2) An internet link to the internet web site created 342
under division (G) (1) (b) of this section. 343

(I) The director may adopt rules in accordance with 344
Chapter 119. of the Revised Code as the director considers 345
necessary to implement this section, including establishing 346
priority guidelines for approving applications under division 347
(D) of this section. 348

(J) Any personal information of an individual included in 349
an application the director receives in connection with the 350
individual microcredential assistance program created under this 351
section is not a public record for purposes of section 149.43 of 352
the Revised Code. However, the director may use the information 353
as necessary to complete the reports required under section 354
122.1711 of the Revised Code. 355

Sec. 122.1711. (A) Beginning on the first day of August 356
immediately following the effective date of this section, and 357
every August first thereafter, the director of development 358
services shall submit to the general assembly a written report 359
that compiles and includes information required in this section 360
regarding the programs created under sections 122.178, 122.179, 361
and 122.1710 of the Revised Code. 362

(1) For the TechCred program created under section 122.178 363
of the Revised Code, the director shall include in the report 364
required under division (A) of this section all of the following 365
information: 366

(a) The average per cent rate change of wages during the 367
previous year, if any, for prospective or incumbent employees 368
who earned a microcredential categorized by microcredentials 369
earned in each region and statewide; 370

(b) The average per cent rate change of wages during the 371
previous years, if any, for prospective or incumbent employees 372
who earned a microcredential categorized by the region in which 373
employees reside and statewide; 374

(c) The average annual wages paid to positions for which 375
holding a microcredential or having the occupational skills 376
acquired through obtaining a microcredential is required, 377

categorized by each region and statewide; 378

(d) The rate of change during the previous year of 379
unemployment categorized by each region and statewide; 380

(e) A list of the training providers and microcredentials 381
established in rules adopted by the chancellor of higher 382
education under section 122.178 of the Revised Code categorized 383
by each region and statewide; 384

(f) A demographic analysis of employees who earned a 385
microcredential under the TechCred program based on the race and 386
gender of each employee; 387

(g) A demographic analysis of employers who received a 388
reimbursement through the TechCred program based on the race and 389
gender of each employer; 390

(h) Any other information the director wishes to include. 391

(2) For the individual microcredential assistance program 392
created under section 122.1710 of the Revised Code, the director 393
shall include in the report required under division (A) of this 394
section all of the following information: 395

(a) The information required under divisions (A) (1) (a) to 396
(c) of this section, except that the information shall represent 397
the individuals who successfully earned a microcredential 398
through a grant disbursed under the individual microcredential 399
assistance program; 400

(b) A demographic analysis of individuals who earned a 401
microcredential under the individual microcredential assistance 402
program based on the race and gender of each individual; 403

(c) An analysis of the results of the surveys the director 404
distributed under division (G) (1) (c) of section 122.1710 of the 405

Revised Code categorized by each region and statewide; 406

(d) The rate of completion for each approved 407
microcredential categorized by region and statewide; 408

(e) Any other information the director wishes to include. 409

(3) For the grant program to support regional industry 410
sector partnerships created under section 122.179 of the Revised 411
Code, the director shall include in the report required under 412
division (A) of this section all of the following information: 413

(a) A list, categorized by region and statewide, of each 414
industry sector partnership and regional sector partnership to 415
which a grant was awarded under section 122.179 of the Revised 416
Code; 417

(b) A list detailing the member composition of each 418
industry sector partnership and regional sector partnership to 419
which a grant was awarded under section 122.179 of the Revised 420
Code, including each employer and representative of an industry 421
cluster; 422

(c) Information regarding the activities described in 423
division (C) of section 122.179 of the Revised Code for which 424
industry sector partnerships and regional sector partnerships 425
used grants awarded under that section. 426

(B) In reporting on regional information under this 427
section, the director shall use the regions established under 428
section 122.178 of the Revised Code. 429

(C) The director shall market the programs created under 430
sections 122.178, 122.179, and 122.1710 of the Revised Code. 431

Sec. 5747.01. Except as otherwise expressly provided or 432
clearly appearing from the context, any term used in this 433

chapter that is not otherwise defined in this section has the 434
same meaning as when used in a comparable context in the laws of 435
the United States relating to federal income taxes or if not 436
used in a comparable context in those laws, has the same meaning 437
as in section 5733.40 of the Revised Code. Any reference in this 438
chapter to the Internal Revenue Code includes other laws of the 439
United States relating to federal income taxes. 440

As used in this chapter: 441

(A) "Adjusted gross income" or "Ohio adjusted gross 442
income" means federal adjusted gross income, as defined and used 443
in the Internal Revenue Code, adjusted as provided in this 444
section: 445

(1) Add interest or dividends on obligations or securities 446
of any state or of any political subdivision or authority of any 447
state, other than this state and its subdivisions and 448
authorities. 449

(2) Add interest or dividends on obligations of any 450
authority, commission, instrumentality, territory, or possession 451
of the United States to the extent that the interest or 452
dividends are exempt from federal income taxes but not from 453
state income taxes. 454

(3) Deduct interest or dividends on obligations of the 455
United States and its territories and possessions or of any 456
authority, commission, or instrumentality of the United States 457
to the extent that the interest or dividends are included in 458
federal adjusted gross income but exempt from state income taxes 459
under the laws of the United States. 460

(4) Deduct disability and survivor's benefits to the 461
extent included in federal adjusted gross income. 462

(5) Deduct benefits under Title II of the Social Security 463
Act and tier 1 railroad retirement benefits to the extent 464
included in federal adjusted gross income under section 86 of 465
the Internal Revenue Code. 466

(6) In the case of a taxpayer who is a beneficiary of a 467
trust that makes an accumulation distribution as defined in 468
section 665 of the Internal Revenue Code, add, for the 469
beneficiary's taxable years beginning before 2002, the portion, 470
if any, of such distribution that does not exceed the 471
undistributed net income of the trust for the three taxable 472
years preceding the taxable year in which the distribution is 473
made to the extent that the portion was not included in the 474
trust's taxable income for any of the trust's taxable years 475
beginning in 2002 or thereafter. "Undistributed net income of a 476
trust" means the taxable income of the trust increased by (a) (i) 477
the additions to adjusted gross income required under division 478
(A) of this section and (ii) the personal exemptions allowed to 479
the trust pursuant to section 642(b) of the Internal Revenue 480
Code, and decreased by (b) (i) the deductions to adjusted gross 481
income required under division (A) of this section, (ii) the 482
amount of federal income taxes attributable to such income, and 483
(iii) the amount of taxable income that has been included in the 484
adjusted gross income of a beneficiary by reason of a prior 485
accumulation distribution. Any undistributed net income included 486
in the adjusted gross income of a beneficiary shall reduce the 487
undistributed net income of the trust commencing with the 488
earliest years of the accumulation period. 489

(7) Deduct the amount of wages and salaries, if any, not 490
otherwise allowable as a deduction but that would have been 491
allowable as a deduction in computing federal adjusted gross 492
income for the taxable year, had the targeted jobs credit 493

allowed and determined under sections 38, 51, and 52 of the 494
Internal Revenue Code not been in effect. 495

(8) Deduct any interest or interest equivalent on public 496
obligations and purchase obligations to the extent that the 497
interest or interest equivalent is included in federal adjusted 498
gross income. 499

(9) Add any loss or deduct any gain resulting from the 500
sale, exchange, or other disposition of public obligations to 501
the extent that the loss has been deducted or the gain has been 502
included in computing federal adjusted gross income. 503

(10) Deduct or add amounts, as provided under section 504
5747.70 of the Revised Code, related to contributions to 505
variable college savings program accounts made or tuition units 506
purchased pursuant to Chapter 3334. of the Revised Code. 507

(11) (a) Deduct, to the extent not otherwise allowable as a 508
deduction or exclusion in computing federal or Ohio adjusted 509
gross income for the taxable year, the amount the taxpayer paid 510
during the taxable year for medical care insurance and qualified 511
long-term care insurance for the taxpayer, the taxpayer's 512
spouse, and dependents. No deduction for medical care insurance 513
under division (A) (11) of this section shall be allowed either 514
to any taxpayer who is eligible to participate in any subsidized 515
health plan maintained by any employer of the taxpayer or of the 516
taxpayer's spouse, or to any taxpayer who is entitled to, or on 517
application would be entitled to, benefits under part A of Title 518
XVIII of the "Social Security Act," 49 Stat. 620 (1935), 42 519
U.S.C. 301, as amended. For the purposes of division (A) (11) (a) 520
of this section, "subsidized health plan" means a health plan 521
for which the employer pays any portion of the plan's cost. The 522
deduction allowed under division (A) (11) (a) of this section 523

shall be the net of any related premium refunds, related premium 524
reimbursements, or related insurance premium dividends received 525
during the taxable year. 526

(b) Deduct, to the extent not otherwise deducted or 527
excluded in computing federal or Ohio adjusted gross income 528
during the taxable year, the amount the taxpayer paid during the 529
taxable year, not compensated for by any insurance or otherwise, 530
for medical care of the taxpayer, the taxpayer's spouse, and 531
dependents, to the extent the expenses exceed seven and one-half 532
per cent of the taxpayer's federal adjusted gross income. 533

(c) Deduct, to the extent not otherwise deducted or 534
excluded in computing federal or Ohio adjusted gross income, any 535
amount included in federal adjusted gross income under section 536
105 or not excluded under section 106 of the Internal Revenue 537
Code solely because it relates to an accident and health plan 538
for a person who otherwise would be a "qualifying relative" and 539
thus a "dependent" under section 152 of the Internal Revenue 540
Code but for the fact that the person fails to meet the income 541
and support limitations under section 152(d)(1)(B) and (C) of 542
the Internal Revenue Code. 543

(d) For purposes of division (A)(11) of this section, 544
"medical care" has the meaning given in section 213 of the 545
Internal Revenue Code, subject to the special rules, 546
limitations, and exclusions set forth therein, and "qualified 547
long-term care" has the same meaning given in section 7702B(c) 548
of the Internal Revenue Code. Solely for purposes of divisions 549
(A)(11)(a) and (c) of this section, "dependent" includes a 550
person who otherwise would be a "qualifying relative" and thus a 551
"dependent" under section 152 of the Internal Revenue Code but 552
for the fact that the person fails to meet the income and 553

support limitations under section 152(d)(1)(B) and (C) of the 554
Internal Revenue Code. 555

(12)(a) Deduct any amount included in federal adjusted 556
gross income solely because the amount represents a 557
reimbursement or refund of expenses that in any year the 558
taxpayer had deducted as an itemized deduction pursuant to 559
section 63 of the Internal Revenue Code and applicable United 560
States department of the treasury regulations. The deduction 561
otherwise allowed under division (A)(12)(a) of this section 562
shall be reduced to the extent the reimbursement is attributable 563
to an amount the taxpayer deducted under this section in any 564
taxable year. 565

(b) Add any amount not otherwise included in Ohio adjusted 566
gross income for any taxable year to the extent that the amount 567
is attributable to the recovery during the taxable year of any 568
amount deducted or excluded in computing federal or Ohio 569
adjusted gross income in any taxable year. 570

(13) Deduct any portion of the deduction described in 571
section 1341(a)(2) of the Internal Revenue Code, for repaying 572
previously reported income received under a claim of right, that 573
meets both of the following requirements: 574

(a) It is allowable for repayment of an item that was 575
included in the taxpayer's adjusted gross income for a prior 576
taxable year and did not qualify for a credit under division (A) 577
or (B) of section 5747.05 of the Revised Code for that year; 578

(b) It does not otherwise reduce the taxpayer's adjusted 579
gross income for the current or any other taxable year. 580

(14) Deduct an amount equal to the deposits made to, and 581
net investment earnings of, a medical savings account during the 582

taxable year, in accordance with section 3924.66 of the Revised 583
Code. The deduction allowed by division (A) (14) of this section 584
does not apply to medical savings account deposits and earnings 585
otherwise deducted or excluded for the current or any other 586
taxable year from the taxpayer's federal adjusted gross income. 587

(15) (a) Add an amount equal to the funds withdrawn from a 588
medical savings account during the taxable year, and the net 589
investment earnings on those funds, when the funds withdrawn 590
were used for any purpose other than to reimburse an account 591
holder for, or to pay, eligible medical expenses, in accordance 592
with section 3924.66 of the Revised Code; 593

(b) Add the amounts distributed from a medical savings 594
account under division (A) (2) of section 3924.68 of the Revised 595
Code during the taxable year. 596

(16) Add any amount claimed as a credit under section 597
5747.059 or 5747.65 of the Revised Code to the extent that such 598
amount satisfies either of the following: 599

(a) The amount was deducted or excluded from the 600
computation of the taxpayer's federal adjusted gross income as 601
required to be reported for the taxpayer's taxable year under 602
the Internal Revenue Code; 603

(b) The amount resulted in a reduction of the taxpayer's 604
federal adjusted gross income as required to be reported for any 605
of the taxpayer's taxable years under the Internal Revenue Code. 606

(17) Deduct the amount contributed by the taxpayer to an 607
individual development account program established by a county 608
department of job and family services pursuant to sections 609
329.11 to 329.14 of the Revised Code for the purpose of matching 610
funds deposited by program participants. On request of the tax 611

commissioner, the taxpayer shall provide any information that, 612
in the tax commissioner's opinion, is necessary to establish the 613
amount deducted under division (A) (17) of this section. 614

(18) Beginning in taxable year 2001 but not for any 615
taxable year beginning after December 31, 2005, if the taxpayer 616
is married and files a joint return and the combined federal 617
adjusted gross income of the taxpayer and the taxpayer's spouse 618
for the taxable year does not exceed one hundred thousand 619
dollars, or if the taxpayer is single and has a federal adjusted 620
gross income for the taxable year not exceeding fifty thousand 621
dollars, deduct amounts paid during the taxable year for 622
qualified tuition and fees paid to an eligible institution for 623
the taxpayer, the taxpayer's spouse, or any dependent of the 624
taxpayer, who is a resident of this state and is enrolled in or 625
attending a program that culminates in a degree or diploma at an 626
eligible institution. The deduction may be claimed only to the 627
extent that qualified tuition and fees are not otherwise 628
deducted or excluded for any taxable year from federal or Ohio 629
adjusted gross income. The deduction may not be claimed for 630
educational expenses for which the taxpayer claims a credit 631
under section 5747.27 of the Revised Code. 632

(19) Add any reimbursement received during the taxable 633
year of any amount the taxpayer deducted under division (A) (18) 634
of this section in any previous taxable year to the extent the 635
amount is not otherwise included in Ohio adjusted gross income. 636

(20) (a) (i) Subject to divisions (A) (20) (a) (iii), (iv), and 637
(v) of this section, add five-sixths of the amount of 638
depreciation expense allowed by subsection (k) of section 168 of 639
the Internal Revenue Code, including the taxpayer's 640
proportionate or distributive share of the amount of 641

depreciation expense allowed by that subsection to a pass- 642
through entity in which the taxpayer has a direct or indirect 643
ownership interest. 644

(ii) Subject to divisions (A)(20)(a)(iii), (iv), and (v) 645
of this section, add five-sixths of the amount of qualifying 646
section 179 depreciation expense, including the taxpayer's 647
proportionate or distributive share of the amount of qualifying 648
section 179 depreciation expense allowed to any pass-through 649
entity in which the taxpayer has a direct or indirect ownership 650
interest. 651

(iii) Subject to division (A)(20)(a)(v) of this section, 652
for taxable years beginning in 2012 or thereafter, if the 653
increase in income taxes withheld by the taxpayer is equal to or 654
greater than ten per cent of income taxes withheld by the 655
taxpayer during the taxpayer's immediately preceding taxable 656
year, "two-thirds" shall be substituted for "five-sixths" for 657
the purpose of divisions (A)(20)(a)(i) and (ii) of this section. 658

(iv) Subject to division (A)(20)(a)(v) of this section, 659
for taxable years beginning in 2012 or thereafter, a taxpayer is 660
not required to add an amount under division (A)(20) of this 661
section if the increase in income taxes withheld by the taxpayer 662
and by any pass-through entity in which the taxpayer has a 663
direct or indirect ownership interest is equal to or greater 664
than the sum of (I) the amount of qualifying section 179 665
depreciation expense and (II) the amount of depreciation expense 666
allowed to the taxpayer by subsection (k) of section 168 of the 667
Internal Revenue Code, and including the taxpayer's 668
proportionate or distributive shares of such amounts allowed to 669
any such pass-through entities. 670

(v) If a taxpayer directly or indirectly incurs a net 671

operating loss for the taxable year for federal income tax 672
purposes, to the extent such loss resulted from depreciation 673
expense allowed by subsection (k) of section 168 of the Internal 674
Revenue Code and by qualifying section 179 depreciation expense, 675
"the entire" shall be substituted for "five-sixths of the" for 676
the purpose of divisions (A) (20) (a) (i) and (ii) of this section. 677

The tax commissioner, under procedures established by the 678
commissioner, may waive the add-backs related to a pass-through 679
entity if the taxpayer owns, directly or indirectly, less than 680
five per cent of the pass-through entity. 681

(b) Nothing in division (A) (20) of this section shall be 682
construed to adjust or modify the adjusted basis of any asset. 683

(c) To the extent the add-back required under division (A) 684
(20) (a) of this section is attributable to property generating 685
nonbusiness income or loss allocated under section 5747.20 of 686
the Revised Code, the add-back shall be situated to the same 687
location as the nonbusiness income or loss generated by the 688
property for the purpose of determining the credit under 689
division (A) of section 5747.05 of the Revised Code. Otherwise, 690
the add-back shall be apportioned, subject to one or more of the 691
four alternative methods of apportionment enumerated in section 692
5747.21 of the Revised Code. 693

(d) For the purposes of division (A) (20) (a) (v) of this 694
section, net operating loss carryback and carryforward shall not 695
include the allowance of any net operating loss deduction 696
carryback or carryforward to the taxable year to the extent such 697
loss resulted from depreciation allowed by section 168(k) of the 698
Internal Revenue Code and by the qualifying section 179 699
depreciation expense amount. 700

(e) For the purposes of divisions (A) (20) and (21) of this section: 701
702

(i) "Income taxes withheld" means the total amount 703
withheld and remitted under sections 5747.06 and 5747.07 of the 704
Revised Code by an employer during the employer's taxable year. 705

(ii) "Increase in income taxes withheld" means the amount 706
by which the amount of income taxes withheld by an employer 707
during the employer's current taxable year exceeds the amount of 708
income taxes withheld by that employer during the employer's 709
immediately preceding taxable year. 710

(iii) "Qualifying section 179 depreciation expense" means 711
the difference between (I) the amount of depreciation expense 712
directly or indirectly allowed to a taxpayer under section 179 713
of the Internal Revised Code, and (II) the amount of 714
depreciation expense directly or indirectly allowed to the 715
taxpayer under section 179 of the Internal Revenue Code as that 716
section existed on December 31, 2002. 717

(21) (a) If the taxpayer was required to add an amount 718
under division (A) (20) (a) of this section for a taxable year, 719
deduct one of the following: 720

(i) One-fifth of the amount so added for each of the five 721
succeeding taxable years if the amount so added was five-sixths 722
of qualifying section 179 depreciation expense or depreciation 723
expense allowed by subsection (k) of section 168 of the Internal 724
Revenue Code; 725

(ii) One-half of the amount so added for each of the two 726
succeeding taxable years if the amount so added was two-thirds 727
of such depreciation expense; 728

(iii) One-sixth of the amount so added for each of the six 729

succeeding taxable years if the entire amount of such 730
depreciation expense was so added. 731

(b) If the amount deducted under division (A) (21) (a) of 732
this section is attributable to an add-back allocated under 733
division (A) (20) (c) of this section, the amount deducted shall 734
be situated to the same location. Otherwise, the add-back shall 735
be apportioned using the apportionment factors for the taxable 736
year in which the deduction is taken, subject to one or more of 737
the four alternative methods of apportionment enumerated in 738
section 5747.21 of the Revised Code. 739

(c) No deduction is available under division (A) (21) (a) of 740
this section with regard to any depreciation allowed by section 741
168(k) of the Internal Revenue Code and by the qualifying 742
section 179 depreciation expense amount to the extent that such 743
depreciation results in or increases a federal net operating 744
loss carryback or carryforward. If no such deduction is 745
available for a taxable year, the taxpayer may carry forward the 746
amount not deducted in such taxable year to the next taxable 747
year and add that amount to any deduction otherwise available 748
under division (A) (21) (a) of this section for that next taxable 749
year. The carryforward of amounts not so deducted shall continue 750
until the entire addition required by division (A) (20) (a) of 751
this section has been deducted. 752

(d) No refund shall be allowed as a result of adjustments 753
made by division (A) (21) of this section. 754

(22) Deduct, to the extent not otherwise deducted or 755
excluded in computing federal or Ohio adjusted gross income for 756
the taxable year, the amount the taxpayer received during the 757
taxable year as reimbursement for life insurance premiums under 758
section 5919.31 of the Revised Code. 759

(23) Deduct, to the extent not otherwise deducted or 760
excluded in computing federal or Ohio adjusted gross income for 761
the taxable year, the amount the taxpayer received during the 762
taxable year as a death benefit paid by the adjutant general 763
under section 5919.33 of the Revised Code. 764

(24) Deduct, to the extent included in federal adjusted 765
gross income and not otherwise allowable as a deduction or 766
exclusion in computing federal or Ohio adjusted gross income for 767
the taxable year, military pay and allowances received by the 768
taxpayer during the taxable year for active duty service in the 769
United States army, air force, navy, marine corps, or coast 770
guard or reserve components thereof or the national guard. The 771
deduction may not be claimed for military pay and allowances 772
received by the taxpayer while the taxpayer is stationed in this 773
state. 774

(25) Deduct, to the extent not otherwise allowable as a 775
deduction or exclusion in computing federal or Ohio adjusted 776
gross income for the taxable year and not otherwise compensated 777
for by any other source, the amount of qualified organ donation 778
expenses incurred by the taxpayer during the taxable year, not 779
to exceed ten thousand dollars. A taxpayer may deduct qualified 780
organ donation expenses only once for all taxable years 781
beginning with taxable years beginning in 2007. 782

For the purposes of division (A) (25) of this section: 783

(a) "Human organ" means all or any portion of a human 784
liver, pancreas, kidney, intestine, or lung, and any portion of 785
human bone marrow. 786

(b) "Qualified organ donation expenses" means travel 787
expenses, lodging expenses, and wages and salary forgone by a 788

taxpayer in connection with the taxpayer's donation, while 789
living, of one or more of the taxpayer's human organs to another 790
human being. 791

(26) Deduct, to the extent not otherwise deducted or 792
excluded in computing federal or Ohio adjusted gross income for 793
the taxable year, amounts received by the taxpayer as retired 794
personnel pay for service in the uniformed services or reserve 795
components thereof, or the national guard, or received by the 796
surviving spouse or former spouse of such a taxpayer under the 797
survivor benefit plan on account of such a taxpayer's death. If 798
the taxpayer receives income on account of retirement paid under 799
the federal civil service retirement system or federal employees 800
retirement system, or under any successor retirement program 801
enacted by the congress of the United States that is established 802
and maintained for retired employees of the United States 803
government, and such retirement income is based, in whole or in 804
part, on credit for the taxpayer's uniformed service, the 805
deduction allowed under this division shall include only that 806
portion of such retirement income that is attributable to the 807
taxpayer's uniformed service, to the extent that portion of such 808
retirement income is otherwise included in federal adjusted 809
gross income and is not otherwise deducted under this section. 810
Any amount deducted under division (A) (26) of this section is 811
not included in a taxpayer's adjusted gross income for the 812
purposes of section 5747.055 of the Revised Code. No amount may 813
be deducted under division (A) (26) of this section on the basis 814
of which a credit was claimed under section 5747.055 of the 815
Revised Code. 816

(27) Deduct, to the extent not otherwise deducted or 817
excluded in computing federal or Ohio adjusted gross income for 818
the taxable year, the amount the taxpayer received during the 819

taxable year from the military injury relief fund created in 820
section 5902.05 of the Revised Code. 821

(28) Deduct, to the extent not otherwise deducted or 822
excluded in computing federal or Ohio adjusted gross income for 823
the taxable year, the amount the taxpayer received as a veterans 824
bonus during the taxable year from the Ohio department of 825
veterans services as authorized by Section 2r of Article VIII, 826
Ohio Constitution. 827

(29) Deduct, to the extent not otherwise deducted or 828
excluded in computing federal or Ohio adjusted gross income for 829
the taxable year, any income derived from a transfer agreement 830
or from the enterprise transferred under that agreement under 831
section 4313.02 of the Revised Code. 832

(30) Deduct, to the extent not otherwise deducted or 833
excluded in computing federal or Ohio adjusted gross income for 834
the taxable year, Ohio college opportunity or federal Pell grant 835
amounts received by the taxpayer or the taxpayer's spouse or 836
dependent pursuant to section 3333.122 of the Revised Code or 20 837
U.S.C. 1070a, et seq., and used to pay room or board furnished 838
by the educational institution for which the grant was awarded 839
at the institution's facilities, including meal plans 840
administered by the institution. For the purposes of this 841
division, receipt of a grant includes the distribution of a 842
grant directly to an educational institution and the crediting 843
of the grant to the enrollee's account with the institution. 844

(31) (a) For taxable years beginning in 2015, deduct from 845
the portion of an individual's adjusted gross income that is 846
business income, to the extent not otherwise deducted or 847
excluded in computing federal or Ohio adjusted gross income for 848
the taxable year, the lesser of the following amounts: 849

(i) Seventy-five per cent of the individual's business 850
income; 851

(ii) Ninety-three thousand seven hundred fifty dollars for 852
each spouse if spouses file separate returns under section 853
5747.08 of the Revised Code or one hundred eighty-seven thousand 854
five hundred dollars for all other individuals. 855

(b) For taxable years beginning in 2016 or thereafter, 856
deduct from the portion of an individual's adjusted gross income 857
that is business income, to the extent not otherwise deducted or 858
excluded in computing federal adjusted gross income for the 859
taxable year, one hundred twenty-five thousand dollars for each 860
spouse if spouses file separate returns under section 5747.08 of 861
the Revised Code or two hundred fifty thousand dollars for all 862
other individuals. 863

(32) Deduct, as provided under section 5747.78 of the 864
Revised Code, contributions to ABLE savings accounts made in 865
accordance with sections 113.50 to 113.56 of the Revised Code. 866

(33) (a) Deduct, to the extent not otherwise deducted or 867
excluded in computing federal or Ohio adjusted gross income 868
during the taxable year, all of the following: 869

(i) Compensation paid to a qualifying employee described 870
in division (A) (14) (a) of section 5703.94 of the Revised Code to 871
the extent such compensation is for disaster work conducted in 872
this state during a disaster response period pursuant to a 873
qualifying solicitation received by the employee's employer; 874

(ii) Compensation paid to a qualifying employee described 875
in division (A) (14) (b) of section 5703.94 of the Revised Code to 876
the extent such compensation is for disaster work conducted in 877
this state by the employee during the disaster response period 878

on critical infrastructure owned or used by the employee's 879
employer; 880

(iii) Income received by an out-of-state disaster business 881
for disaster work conducted in this state during a disaster 882
response period, or, if the out-of-state disaster business is a 883
pass-through entity, a taxpayer's distributive share of the 884
pass-through entity's income from the business conducting 885
disaster work in this state during a disaster response period, 886
if, in either case, the disaster work is conducted pursuant to a 887
qualifying solicitation received by the business. 888

(b) All terms used in division (A) (33) of this section 889
have the same meanings as in section 5703.94 of the Revised 890
Code. 891

(34) Deduct, to the extent not already otherwise allowable 892
as a deduction or exclusion in computing Ohio adjusted gross 893
income for the taxable year, any amount included in the 894
taxpayer's federal adjusted gross income attributable to 895
payments made to cover the cost of a training program for the 896
taxpayer under division (E) of section 122.1710 of the Revised 897
Code. 898

(B) "Business income" means income, including gain or 899
loss, arising from transactions, activities, and sources in the 900
regular course of a trade or business and includes income, gain, 901
or loss from real property, tangible property, and intangible 902
property if the acquisition, rental, management, and disposition 903
of the property constitute integral parts of the regular course 904
of a trade or business operation. "Business income" includes 905
income, including gain or loss, from a partial or complete 906
liquidation of a business, including, but not limited to, gain 907
or loss from the sale or other disposition of goodwill. 908

(C) "Nonbusiness income" means all income other than 909
business income and may include, but is not limited to, 910
compensation, rents and royalties from real or tangible personal 911
property, capital gains, interest, dividends and distributions, 912
patent or copyright royalties, or lottery winnings, prizes, and 913
awards. 914

(D) "Compensation" means any form of remuneration paid to 915
an employee for personal services. 916

(E) "Fiduciary" means a guardian, trustee, executor, 917
administrator, receiver, conservator, or any other person acting 918
in any fiduciary capacity for any individual, trust, or estate. 919

(F) "Fiscal year" means an accounting period of twelve 920
months ending on the last day of any month other than December. 921

(G) "Individual" means any natural person. 922

(H) "Internal Revenue Code" means the "Internal Revenue 923
Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended. 924

(I) "Resident" means any of the following, provided that 925
division (I) (3) of this section applies only to taxable years of 926
a trust beginning in 2002 or thereafter: 927

(1) An individual who is domiciled in this state, subject 928
to section 5747.24 of the Revised Code; 929

(2) The estate of a decedent who at the time of death was 930
domiciled in this state. The domicile tests of section 5747.24 931
of the Revised Code are not controlling for purposes of division 932
(I) (2) of this section. 933

(3) A trust that, in whole or part, resides in this state. 934
If only part of a trust resides in this state, the trust is a 935
resident only with respect to that part. 936

For the purposes of division (I)(3) of this section: 937

(a) A trust resides in this state for the trust's current 938
taxable year to the extent, as described in division (I)(3)(d) 939
of this section, that the trust consists directly or indirectly, 940
in whole or in part, of assets, net of any related liabilities, 941
that were transferred, or caused to be transferred, directly or 942
indirectly, to the trust by any of the following: 943

(i) A person, a court, or a governmental entity or 944
instrumentality on account of the death of a decedent, but only 945
if the trust is described in division (I)(3)(e)(i) or (ii) of 946
this section; 947

(ii) A person who was domiciled in this state for the 948
purposes of this chapter when the person directly or indirectly 949
transferred assets to an irrevocable trust, but only if at least 950
one of the trust's qualifying beneficiaries is domiciled in this 951
state for the purposes of this chapter during all or some 952
portion of the trust's current taxable year; 953

(iii) A person who was domiciled in this state for the 954
purposes of this chapter when the trust document or instrument 955
or part of the trust document or instrument became irrevocable, 956
but only if at least one of the trust's qualifying beneficiaries 957
is a resident domiciled in this state for the purposes of this 958
chapter during all or some portion of the trust's current 959
taxable year. If a trust document or instrument became 960
irrevocable upon the death of a person who at the time of death 961
was domiciled in this state for purposes of this chapter, that 962
person is a person described in division (I)(3)(a)(iii) of this 963
section. 964

(b) A trust is irrevocable to the extent that the 965

transferor is not considered to be the owner of the net assets 966
of the trust under sections 671 to 678 of the Internal Revenue 967
Code. 968

(c) With respect to a trust other than a charitable lead 969
trust, "qualifying beneficiary" has the same meaning as 970
"potential current beneficiary" as defined in section 1361(e) (2) 971
of the Internal Revenue Code, and with respect to a charitable 972
lead trust "qualifying beneficiary" is any current, future, or 973
contingent beneficiary, but with respect to any trust 974
"qualifying beneficiary" excludes a person or a governmental 975
entity or instrumentality to any of which a contribution would 976
qualify for the charitable deduction under section 170 of the 977
Internal Revenue Code. 978

(d) For the purposes of division (I) (3) (a) of this 979
section, the extent to which a trust consists directly or 980
indirectly, in whole or in part, of assets, net of any related 981
liabilities, that were transferred directly or indirectly, in 982
whole or part, to the trust by any of the sources enumerated in 983
that division shall be ascertained by multiplying the fair 984
market value of the trust's assets, net of related liabilities, 985
by the qualifying ratio, which shall be computed as follows: 986

(i) The first time the trust receives assets, the 987
numerator of the qualifying ratio is the fair market value of 988
those assets at that time, net of any related liabilities, from 989
sources enumerated in division (I) (3) (a) of this section. The 990
denominator of the qualifying ratio is the fair market value of 991
all the trust's assets at that time, net of any related 992
liabilities. 993

(ii) Each subsequent time the trust receives assets, a 994
revised qualifying ratio shall be computed. The numerator of the 995

revised qualifying ratio is the sum of (1) the fair market value 996
of the trust's assets immediately prior to the subsequent 997
transfer, net of any related liabilities, multiplied by the 998
qualifying ratio last computed without regard to the subsequent 999
transfer, and (2) the fair market value of the subsequently 1000
transferred assets at the time transferred, net of any related 1001
liabilities, from sources enumerated in division (I)(3)(a) of 1002
this section. The denominator of the revised qualifying ratio is 1003
the fair market value of all the trust's assets immediately 1004
after the subsequent transfer, net of any related liabilities. 1005

(iii) Whether a transfer to the trust is by or from any of 1006
the sources enumerated in division (I)(3)(a) of this section 1007
shall be ascertained without regard to the domicile of the 1008
trust's beneficiaries. 1009

(e) For the purposes of division (I)(3)(a)(i) of this 1010
section: 1011

(i) A trust is described in division (I)(3)(e)(i) of this 1012
section if the trust is a testamentary trust and the testator of 1013
that testamentary trust was domiciled in this state at the time 1014
of the testator's death for purposes of the taxes levied under 1015
Chapter 5731. of the Revised Code. 1016

(ii) A trust is described in division (I)(3)(e)(ii) of 1017
this section if the transfer is a qualifying transfer described 1018
in any of divisions (I)(3)(f)(i) to (vi) of this section, the 1019
trust is an irrevocable inter vivos trust, and at least one of 1020
the trust's qualifying beneficiaries is domiciled in this state 1021
for purposes of this chapter during all or some portion of the 1022
trust's current taxable year. 1023

(f) For the purposes of division (I)(3)(e)(ii) of this 1024

section, a "qualifying transfer" is a transfer of assets, net of 1025
any related liabilities, directly or indirectly to a trust, if 1026
the transfer is described in any of the following: 1027

(i) The transfer is made to a trust, created by the 1028
decedent before the decedent's death and while the decedent was 1029
domiciled in this state for the purposes of this chapter, and, 1030
prior to the death of the decedent, the trust became irrevocable 1031
while the decedent was domiciled in this state for the purposes 1032
of this chapter. 1033

(ii) The transfer is made to a trust to which the 1034
decedent, prior to the decedent's death, had directly or 1035
indirectly transferred assets, net of any related liabilities, 1036
while the decedent was domiciled in this state for the purposes 1037
of this chapter, and prior to the death of the decedent the 1038
trust became irrevocable while the decedent was domiciled in 1039
this state for the purposes of this chapter. 1040

(iii) The transfer is made on account of a contractual 1041
relationship existing directly or indirectly between the 1042
transferor and either the decedent or the estate of the decedent 1043
at any time prior to the date of the decedent's death, and the 1044
decedent was domiciled in this state at the time of death for 1045
purposes of the taxes levied under Chapter 5731. of the Revised 1046
Code. 1047

(iv) The transfer is made to a trust on account of a 1048
contractual relationship existing directly or indirectly between 1049
the transferor and another person who at the time of the 1050
decedent's death was domiciled in this state for purposes of 1051
this chapter. 1052

(v) The transfer is made to a trust on account of the will 1053

of a testator who was domiciled in this state at the time of the 1054
testator's death for purposes of the taxes levied under Chapter 1055
5731. of the Revised Code. 1056

(vi) The transfer is made to a trust created by or caused 1057
to be created by a court, and the trust was directly or 1058
indirectly created in connection with or as a result of the 1059
death of an individual who, for purposes of the taxes levied 1060
under Chapter 5731. of the Revised Code, was domiciled in this 1061
state at the time of the individual's death. 1062

(g) The tax commissioner may adopt rules to ascertain the 1063
part of a trust residing in this state. 1064

(J) "Nonresident" means an individual or estate that is 1065
not a resident. An individual who is a resident for only part of 1066
a taxable year is a nonresident for the remainder of that 1067
taxable year. 1068

(K) "Pass-through entity" has the same meaning as in 1069
section 5733.04 of the Revised Code. 1070

(L) "Return" means the notifications and reports required 1071
to be filed pursuant to this chapter for the purpose of 1072
reporting the tax due and includes declarations of estimated tax 1073
when so required. 1074

(M) "Taxable year" means the calendar year or the 1075
taxpayer's fiscal year ending during the calendar year, or 1076
fractional part thereof, upon which the adjusted gross income is 1077
calculated pursuant to this chapter. 1078

(N) "Taxpayer" means any person subject to the tax imposed 1079
by section 5747.02 of the Revised Code or any pass-through 1080
entity that makes the election under division (D) of section 1081
5747.08 of the Revised Code. 1082

(O) "Dependents" means dependents as defined in the 1083
Internal Revenue Code and as claimed in the taxpayer's federal 1084
income tax return for the taxable year or which the taxpayer 1085
would have been permitted to claim had the taxpayer filed a 1086
federal income tax return. 1087

(P) "Principal county of employment" means, in the case of 1088
a nonresident, the county within the state in which a taxpayer 1089
performs services for an employer or, if those services are 1090
performed in more than one county, the county in which the major 1091
portion of the services are performed. 1092

(Q) As used in sections 5747.50 to 5747.55 of the Revised 1093
Code: 1094

(1) "Subdivision" means any county, municipal corporation, 1095
park district, or township. 1096

(2) "Essential local government purposes" includes all 1097
functions that any subdivision is required by general law to 1098
exercise, including like functions that are exercised under a 1099
charter adopted pursuant to the Ohio Constitution. 1100

(R) "Overpayment" means any amount already paid that 1101
exceeds the figure determined to be the correct amount of the 1102
tax. 1103

(S) "Taxable income" or "Ohio taxable income" applies only 1104
to estates and trusts, and means federal taxable income, as 1105
defined and used in the Internal Revenue Code, adjusted as 1106
follows: 1107

(1) Add interest or dividends, net of ordinary, necessary, 1108
and reasonable expenses not deducted in computing federal 1109
taxable income, on obligations or securities of any state or of 1110
any political subdivision or authority of any state, other than 1111

this state and its subdivisions and authorities, but only to the 1112
extent that such net amount is not otherwise includible in Ohio 1113
taxable income and is described in either division (S) (1) (a) or 1114
(b) of this section: 1115

(a) The net amount is not attributable to the S portion of 1116
an electing small business trust and has not been distributed to 1117
beneficiaries for the taxable year; 1118

(b) The net amount is attributable to the S portion of an 1119
electing small business trust for the taxable year. 1120

(2) Add interest or dividends, net of ordinary, necessary, 1121
and reasonable expenses not deducted in computing federal 1122
taxable income, on obligations of any authority, commission, 1123
instrumentality, territory, or possession of the United States 1124
to the extent that the interest or dividends are exempt from 1125
federal income taxes but not from state income taxes, but only 1126
to the extent that such net amount is not otherwise includible 1127
in Ohio taxable income and is described in either division (S) 1128
(1) (a) or (b) of this section; 1129

(3) Add the amount of personal exemption allowed to the 1130
estate pursuant to section 642(b) of the Internal Revenue Code; 1131

(4) Deduct interest or dividends, net of related expenses 1132
deducted in computing federal taxable income, on obligations of 1133
the United States and its territories and possessions or of any 1134
authority, commission, or instrumentality of the United States 1135
to the extent that the interest or dividends are exempt from 1136
state taxes under the laws of the United States, but only to the 1137
extent that such amount is included in federal taxable income 1138
and is described in either division (S) (1) (a) or (b) of this 1139
section; 1140

(5) Deduct the amount of wages and salaries, if any, not 1141
otherwise allowable as a deduction but that would have been 1142
allowable as a deduction in computing federal taxable income for 1143
the taxable year, had the targeted jobs credit allowed under 1144
sections 38, 51, and 52 of the Internal Revenue Code not been in 1145
effect, but only to the extent such amount relates either to 1146
income included in federal taxable income for the taxable year 1147
or to income of the S portion of an electing small business 1148
trust for the taxable year; 1149

(6) Deduct any interest or interest equivalent, net of 1150
related expenses deducted in computing federal taxable income, 1151
on public obligations and purchase obligations, but only to the 1152
extent that such net amount relates either to income included in 1153
federal taxable income for the taxable year or to income of the 1154
S portion of an electing small business trust for the taxable 1155
year; 1156

(7) Add any loss or deduct any gain resulting from sale, 1157
exchange, or other disposition of public obligations to the 1158
extent that such loss has been deducted or such gain has been 1159
included in computing either federal taxable income or income of 1160
the S portion of an electing small business trust for the 1161
taxable year; 1162

(8) Except in the case of the final return of an estate, 1163
add any amount deducted by the taxpayer on both its Ohio estate 1164
tax return pursuant to section 5731.14 of the Revised Code, and 1165
on its federal income tax return in determining federal taxable 1166
income; 1167

(9) (a) Deduct any amount included in federal taxable 1168
income solely because the amount represents a reimbursement or 1169
refund of expenses that in a previous year the decedent had 1170

deducted as an itemized deduction pursuant to section 63 of the 1171
Internal Revenue Code and applicable treasury regulations. The 1172
deduction otherwise allowed under division (S) (9) (a) of this 1173
section shall be reduced to the extent the reimbursement is 1174
attributable to an amount the taxpayer or decedent deducted 1175
under this section in any taxable year. 1176

(b) Add any amount not otherwise included in Ohio taxable 1177
income for any taxable year to the extent that the amount is 1178
attributable to the recovery during the taxable year of any 1179
amount deducted or excluded in computing federal or Ohio taxable 1180
income in any taxable year, but only to the extent such amount 1181
has not been distributed to beneficiaries for the taxable year. 1182

(10) Deduct any portion of the deduction described in 1183
section 1341(a) (2) of the Internal Revenue Code, for repaying 1184
previously reported income received under a claim of right, that 1185
meets both of the following requirements: 1186

(a) It is allowable for repayment of an item that was 1187
included in the taxpayer's taxable income or the decedent's 1188
adjusted gross income for a prior taxable year and did not 1189
qualify for a credit under division (A) or (B) of section 1190
5747.05 of the Revised Code for that year. 1191

(b) It does not otherwise reduce the taxpayer's taxable 1192
income or the decedent's adjusted gross income for the current 1193
or any other taxable year. 1194

(11) Add any amount claimed as a credit under section 1195
5747.059 or 5747.65 of the Revised Code to the extent that the 1196
amount satisfies either of the following: 1197

(a) The amount was deducted or excluded from the 1198
computation of the taxpayer's federal taxable income as required 1199

to be reported for the taxpayer's taxable year under the 1200
Internal Revenue Code; 1201

(b) The amount resulted in a reduction in the taxpayer's 1202
federal taxable income as required to be reported for any of the 1203
taxpayer's taxable years under the Internal Revenue Code. 1204

(12) Deduct any amount, net of related expenses deducted 1205
in computing federal taxable income, that a trust is required to 1206
report as farm income on its federal income tax return, but only 1207
if the assets of the trust include at least ten acres of land 1208
satisfying the definition of "land devoted exclusively to 1209
agricultural use" under section 5713.30 of the Revised Code, 1210
regardless of whether the land is valued for tax purposes as 1211
such land under sections 5713.30 to 5713.38 of the Revised Code. 1212
If the trust is a pass-through entity investor, section 5747.231 1213
of the Revised Code applies in ascertaining if the trust is 1214
eligible to claim the deduction provided by division (S)(12) of 1215
this section in connection with the pass-through entity's farm 1216
income. 1217

Except for farm income attributable to the S portion of an 1218
electing small business trust, the deduction provided by 1219
division (S)(12) of this section is allowed only to the extent 1220
that the trust has not distributed such farm income. Division 1221
(S)(12) of this section applies only to taxable years of a trust 1222
beginning in 2002 or thereafter. 1223

(13) Add the net amount of income described in section 1224
641(c) of the Internal Revenue Code to the extent that amount is 1225
not included in federal taxable income. 1226

(14) Add or deduct the amount the taxpayer would be 1227
required to add or deduct under division (A)(20) or (21) of this 1228

section if the taxpayer's Ohio taxable income were computed in 1229
the same manner as an individual's Ohio adjusted gross income is 1230
computed under this section. In the case of a trust, division 1231
(S) (14) of this section applies only to any of the trust's 1232
taxable years beginning in 2002 or thereafter. 1233

(T) "School district income" and "school district income 1234
tax" have the same meanings as in section 5748.01 of the Revised 1235
Code. 1236

(U) As used in divisions (A) (8), (A) (9), (S) (6), and (S) 1237
(7) of this section, "public obligations," "purchase 1238
obligations," and "interest or interest equivalent" have the 1239
same meanings as in section 5709.76 of the Revised Code. 1240

(V) "Limited liability company" means any limited 1241
liability company formed under Chapter 1705. of the Revised Code 1242
or under the laws of any other state. 1243

(W) "Pass-through entity investor" means any person who, 1244
during any portion of a taxable year of a pass-through entity, 1245
is a partner, member, shareholder, or equity investor in that 1246
pass-through entity. 1247

(X) "Banking day" has the same meaning as in section 1248
1304.01 of the Revised Code. 1249

(Y) "Month" means a calendar month. 1250

(Z) "Quarter" means the first three months, the second 1251
three months, the third three months, or the last three months 1252
of the taxpayer's taxable year. 1253

(AA) (1) "Eligible institution" means a state university or 1254
state institution of higher education as defined in section 1255
3345.011 of the Revised Code, or a private, nonprofit college, 1256

university, or other post-secondary institution located in this 1257
state that possesses a certificate of authorization issued by 1258
the chancellor of higher education pursuant to Chapter 1713. of 1259
the Revised Code or a certificate of registration issued by the 1260
state board of career colleges and schools under Chapter 3332. 1261
of the Revised Code. 1262

(2) "Qualified tuition and fees" means tuition and fees 1263
imposed by an eligible institution as a condition of enrollment 1264
or attendance, not exceeding two thousand five hundred dollars 1265
in each of the individual's first two years of post-secondary 1266
education. If the individual is a part-time student, "qualified 1267
tuition and fees" includes tuition and fees paid for the 1268
academic equivalent of the first two years of post-secondary 1269
education during a maximum of five taxable years, not exceeding 1270
a total of five thousand dollars. "Qualified tuition and fees" 1271
does not include: 1272

(a) Expenses for any course or activity involving sports, 1273
games, or hobbies unless the course or activity is part of the 1274
individual's degree or diploma program; 1275

(b) The cost of books, room and board, student activity 1276
fees, athletic fees, insurance expenses, or other expenses 1277
unrelated to the individual's academic course of instruction; 1278

(c) Tuition, fees, or other expenses paid or reimbursed 1279
through an employer, scholarship, grant in aid, or other 1280
educational benefit program. 1281

(BB) (1) "Modified business income" means the business 1282
income included in a trust's Ohio taxable income after such 1283
taxable income is first reduced by the qualifying trust amount, 1284
if any. 1285

(2) "Qualifying trust amount" of a trust means capital 1286
gains and losses from the sale, exchange, or other disposition 1287
of equity or ownership interests in, or debt obligations of, a 1288
qualifying investee to the extent included in the trust's Ohio 1289
taxable income, but only if the following requirements are 1290
satisfied: 1291

(a) The book value of the qualifying investee's physical 1292
assets in this state and everywhere, as of the last day of the 1293
qualifying investee's fiscal or calendar year ending immediately 1294
prior to the date on which the trust recognizes the gain or 1295
loss, is available to the trust. 1296

(b) The requirements of section 5747.011 of the Revised 1297
Code are satisfied for the trust's taxable year in which the 1298
trust recognizes the gain or loss. 1299

Any gain or loss that is not a qualifying trust amount is 1300
modified business income, qualifying investment income, or 1301
modified nonbusiness income, as the case may be. 1302

(3) "Modified nonbusiness income" means a trust's Ohio 1303
taxable income other than modified business income, other than 1304
the qualifying trust amount, and other than qualifying 1305
investment income, as defined in section 5747.012 of the Revised 1306
Code, to the extent such qualifying investment income is not 1307
otherwise part of modified business income. 1308

(4) "Modified Ohio taxable income" applies only to trusts, 1309
and means the sum of the amounts described in divisions (BB) (4) 1310
(a) to (c) of this section: 1311

(a) The fraction, calculated under section 5747.013, and 1312
applying section 5747.231 of the Revised Code, multiplied by the 1313
sum of the following amounts: 1314

(i) The trust's modified business income; 1315

(ii) The trust's qualifying investment income, as defined 1316
in section 5747.012 of the Revised Code, but only to the extent 1317
the qualifying investment income does not otherwise constitute 1318
modified business income and does not otherwise constitute a 1319
qualifying trust amount. 1320

(b) The qualifying trust amount multiplied by a fraction, 1321
the numerator of which is the sum of the book value of the 1322
qualifying investee's physical assets in this state on the last 1323
day of the qualifying investee's fiscal or calendar year ending 1324
immediately prior to the day on which the trust recognizes the 1325
qualifying trust amount, and the denominator of which is the sum 1326
of the book value of the qualifying investee's total physical 1327
assets everywhere on the last day of the qualifying investee's 1328
fiscal or calendar year ending immediately prior to the day on 1329
which the trust recognizes the qualifying trust amount. If, for 1330
a taxable year, the trust recognizes a qualifying trust amount 1331
with respect to more than one qualifying investee, the amount 1332
described in division (BB) (4) (b) of this section shall equal the 1333
sum of the products so computed for each such qualifying 1334
investee. 1335

(c) (i) With respect to a trust or portion of a trust that 1336
is a resident as ascertained in accordance with division (I) (3) 1337
(d) of this section, its modified nonbusiness income. 1338

(ii) With respect to a trust or portion of a trust that is 1339
not a resident as ascertained in accordance with division (I) (3) 1340
(d) of this section, the amount of its modified nonbusiness 1341
income satisfying the descriptions in divisions (B) (2) to (5) of 1342
section 5747.20 of the Revised Code, except as otherwise 1343
provided in division (BB) (4) (c) (ii) of this section. With 1344

respect to a trust or portion of a trust that is not a resident 1345
as ascertained in accordance with division (I) (3) (d) of this 1346
section, the trust's portion of modified nonbusiness income 1347
recognized from the sale, exchange, or other disposition of a 1348
debt interest in or equity interest in a section 5747.212 1349
entity, as defined in section 5747.212 of the Revised Code, 1350
without regard to division (A) of that section, shall not be 1351
allocated to this state in accordance with section 5747.20 of 1352
the Revised Code but shall be apportioned to this state in 1353
accordance with division (B) of section 5747.212 of the Revised 1354
Code without regard to division (A) of that section. 1355

If the allocation and apportionment of a trust's income 1356
under divisions (BB) (4) (a) and (c) of this section do not fairly 1357
represent the modified Ohio taxable income of the trust in this 1358
state, the alternative methods described in division (C) of 1359
section 5747.21 of the Revised Code may be applied in the manner 1360
and to the same extent provided in that section. 1361

(5) (a) Except as set forth in division (BB) (5) (b) of this 1362
section, "qualifying investee" means a person in which a trust 1363
has an equity or ownership interest, or a person or unit of 1364
government the debt obligations of either of which are owned by 1365
a trust. For the purposes of division (BB) (2) (a) of this section 1366
and for the purpose of computing the fraction described in 1367
division (BB) (4) (b) of this section, all of the following apply: 1368

(i) If the qualifying investee is a member of a qualifying 1369
controlled group on the last day of the qualifying investee's 1370
fiscal or calendar year ending immediately prior to the date on 1371
which the trust recognizes the gain or loss, then "qualifying 1372
investee" includes all persons in the qualifying controlled 1373
group on such last day. 1374

(ii) If the qualifying investee, or if the qualifying
investee and any members of the qualifying controlled group of
which the qualifying investee is a member on the last day of the
qualifying investee's fiscal or calendar year ending immediately
prior to the date on which the trust recognizes the gain or
loss, separately or cumulatively own, directly or indirectly, on
the last day of the qualifying investee's fiscal or calendar
year ending immediately prior to the date on which the trust
recognizes the qualifying trust amount, more than fifty per cent
of the equity of a pass-through entity, then the qualifying
investee and the other members are deemed to own the
proportionate share of the pass-through entity's physical assets
which the pass-through entity directly or indirectly owns on the
last day of the pass-through entity's calendar or fiscal year
ending within or with the last day of the qualifying investee's
fiscal or calendar year ending immediately prior to the date on
which the trust recognizes the qualifying trust amount.

(iii) For the purposes of division (BB)(5)(a)(iii) of this
section, "upper level pass-through entity" means a pass-through
entity directly or indirectly owning any equity of another pass-
through entity, and "lower level pass-through entity" means that
other pass-through entity.

An upper level pass-through entity, whether or not it is
also a qualifying investee, is deemed to own, on the last day of
the upper level pass-through entity's calendar or fiscal year,
the proportionate share of the lower level pass-through entity's
physical assets that the lower level pass-through entity
directly or indirectly owns on the last day of the lower level
pass-through entity's calendar or fiscal year ending within or
with the last day of the upper level pass-through entity's
fiscal or calendar year. If the upper level pass-through entity

directly and indirectly owns less than fifty per cent of the 1406
equity of the lower level pass-through entity on each day of the 1407
upper level pass-through entity's calendar or fiscal year in 1408
which or with which ends the calendar or fiscal year of the 1409
lower level pass-through entity and if, based upon clear and 1410
convincing evidence, complete information about the location and 1411
cost of the physical assets of the lower pass-through entity is 1412
not available to the upper level pass-through entity, then 1413
solely for purposes of ascertaining if a gain or loss 1414
constitutes a qualifying trust amount, the upper level pass- 1415
through entity shall be deemed as owning no equity of the lower 1416
level pass-through entity for each day during the upper level 1417
pass-through entity's calendar or fiscal year in which or with 1418
which ends the lower level pass-through entity's calendar or 1419
fiscal year. Nothing in division (BB) (5) (a) (iii) of this section 1420
shall be construed to provide for any deduction or exclusion in 1421
computing any trust's Ohio taxable income. 1422

(b) With respect to a trust that is not a resident for the 1423
taxable year and with respect to a part of a trust that is not a 1424
resident for the taxable year, "qualifying investee" for that 1425
taxable year does not include a C corporation if both of the 1426
following apply: 1427

(i) During the taxable year the trust or part of the trust 1428
recognizes a gain or loss from the sale, exchange, or other 1429
disposition of equity or ownership interests in, or debt 1430
obligations of, the C corporation. 1431

(ii) Such gain or loss constitutes nonbusiness income. 1432

(6) "Available" means information is such that a person is 1433
able to learn of the information by the due date plus 1434
extensions, if any, for filing the return for the taxable year 1435

in which the trust recognizes the gain or loss. 1436

(CC) "Qualifying controlled group" has the same meaning as 1437
in section 5733.04 of the Revised Code. 1438

(DD) "Related member" has the same meaning as in section 1439
5733.042 of the Revised Code. 1440

(EE) (1) For the purposes of division (EE) of this section: 1441

(a) "Qualifying person" means any person other than a 1442
qualifying corporation. 1443

(b) "Qualifying corporation" means any person classified 1444
for federal income tax purposes as an association taxable as a 1445
corporation, except either of the following: 1446

(i) A corporation that has made an election under 1447
subchapter S, chapter one, subtitle A, of the Internal Revenue 1448
Code for its taxable year ending within, or on the last day of, 1449
the investor's taxable year; 1450

(ii) A subsidiary that is wholly owned by any corporation 1451
that has made an election under subchapter S, chapter one, 1452
subtitle A of the Internal Revenue Code for its taxable year 1453
ending within, or on the last day of, the investor's taxable 1454
year. 1455

(2) For the purposes of this chapter, unless expressly 1456
stated otherwise, no qualifying person indirectly owns any asset 1457
directly or indirectly owned by any qualifying corporation. 1458

(FF) For purposes of this chapter and Chapter 5751. of the 1459
Revised Code: 1460

(1) "Trust" does not include a qualified pre-income tax 1461
trust. 1462

(2) A "qualified pre-income tax trust" is any pre-income 1463
tax trust that makes a qualifying pre-income tax trust election 1464
as described in division (FF) (3) of this section. 1465

(3) A "qualifying pre-income tax trust election" is an 1466
election by a pre-income tax trust to subject to the tax imposed 1467
by section 5751.02 of the Revised Code the pre-income tax trust 1468
and all pass-through entities of which the trust owns or 1469
controls, directly, indirectly, or constructively through 1470
related interests, five per cent or more of the ownership or 1471
equity interests. The trustee shall notify the tax commissioner 1472
in writing of the election on or before April 15, 2006. The 1473
election, if timely made, shall be effective on and after 1474
January 1, 2006, and shall apply for all tax periods and tax 1475
years until revoked by the trustee of the trust. 1476

(4) A "pre-income tax trust" is a trust that satisfies all 1477
of the following requirements: 1478

(a) The document or instrument creating the trust was 1479
executed by the grantor before January 1, 1972; 1480

(b) The trust became irrevocable upon the creation of the 1481
trust; and 1482

(c) The grantor was domiciled in this state at the time 1483
the trust was created. 1484

(GG) "Uniformed services" has the same meaning as in 10 1485
U.S.C. 101. 1486

(HH) "Taxable business income" means the amount by which 1487
an individual's business income that is included in federal 1488
adjusted gross income exceeds the amount of business income the 1489
individual is authorized to deduct under division (A) (31) of 1490
this section for the taxable year. 1491

(II) "Employer" does not include a franchisor with respect 1492
to the franchisor's relationship with a franchisee or an 1493
employee of a franchisee, unless the franchisor agrees to assume 1494
that role in writing or a court of competent jurisdiction 1495
determines that the franchisor exercises a type or degree of 1496
control over the franchisee or the franchisee's employees that 1497
is not customarily exercised by a franchisor for the purpose of 1498
protecting the franchisor's trademark, brand, or both. For 1499
purposes of this division, "franchisor" and "franchisee" have 1500
the same meanings as in 16 C.F.R. 436.1. 1501

Section 2. That existing section 5747.01 of the Revised 1502
Code is hereby repealed. 1503

Section 3. All items in this section are hereby 1504
appropriated as designated out of any moneys in the state 1505
treasury to the credit of the designated fund. For all 1506
appropriations made in this act, those in the first column are 1507
for fiscal year 2020 and those in the second column are for 1508
fiscal year 2021. The appropriations made in this act are in 1509
addition to any other appropriations made for the FY 2020-FY 1510
2021 biennium. 1511

DEV DEVELOPMENT SERVICES AGENCY 1512

General Revenue Fund 1513

GRF	195553	Industry Sector Partnerships	\$2,500,000	\$2,500,000	1514
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GRF	195556	Microcredential Assistance	\$15,000,000	\$15,000,000	1515
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		Program			1516
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TOTAL GRF General Revenue Fund			\$17,500,000	\$17,500,000	1517
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TOTAL ALL BUDGET FUND GROUPS			\$17,500,000	\$17,500,000	1518
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INDUSTRY SECTOR PARTNERSHIPS 1519

The foregoing appropriation item 195553, Industry Sector 1520
Partnerships, shall be used for the grant program described in 1521
section 122.179 of the Revised Code. 1522

On July 1, 2020, or as soon as possible thereafter, the 1523
Director of Development Services shall certify to the Director 1524
of Budget and Management the unexpended, unencumbered balance of 1525
the fiscal year 2020 appropriation to the foregoing 1526
appropriation item. The certified amount is hereby 1527
reappropriated to the foregoing appropriation item in fiscal 1528
year 2021. 1529

MICROCREDENTIAL ASSISTANCE PROGRAM 1530

(A) Of the foregoing appropriation item 195556, 1531
Microcredential Assistance Program, \$12,300,000 in each fiscal 1532
year shall be used for the TechCred Program as described in 1533
section 122.178 of the Revised Code, provided that: 1534

(1) Not more than \$4,100,000 in each fiscal year may be 1535
awarded to businesses with 50 or fewer employees; 1536

(2) Not more than \$4,100,000 in each fiscal year may be 1537
awarded to businesses with between 51 and 200 employees; and 1538

(3) Not more than \$4,100,000 in each fiscal year may be 1539
awarded to businesses with 201 or more employees. 1540

(B) In each year of the biennium ending June 30, 2021, if 1541
\$4,100,000 in scheduled reimbursements have been approved using 1542
funding allocated under one or two of the funding tiers in 1543
divisions (A) (1), (2), or (3) of this section and less than 1544
\$4,100,000 in scheduled reimbursements have been approved under 1545
one or two of the other funding tiers, the Director of 1546

Development Services may request Controlling Board approval to 1547
reallocate the unused portions to other funding tiers. 1548

(C) Of the foregoing appropriation item 195556, 1549
Microcredential Assistance Program, \$2,500,000 in each fiscal 1550
year shall be used for the Individual Microcredential Assistance 1551
Program as described in section 122.1710 of the Revised Code. 1552

(D) Of the foregoing appropriation item 195556, 1553
Microcredential Assistance Program, \$200,000 in each fiscal year 1554
shall be used for marketing the workforce development programs 1555
offered by the Development Services Agency as described in 1556
section 122.1711 of the Revised Code. 1557

(E) On July 1, 2020, or as soon as possible thereafter, 1558
the Director of Development Services shall certify to the 1559
Director of Budget and Management the unexpended, unencumbered 1560
balance of the fiscal year 2020 appropriation to the foregoing 1561
appropriation item. The certified amount is hereby 1562
reappropriated to the foregoing appropriation item in fiscal 1563
year 2021, provided that the reappropriated amount is allocated 1564
for the purposes set forth in divisions (A) (1), (2), (3), (B), 1565
and (C) of this section. 1566

Section 4. Within the limits set forth in this act, the 1567
Director of Budget and Management shall establish accounts 1568
indicating the source and amount of funds for each appropriation 1569
made in this act, and shall determine the form and manner in 1570
which appropriation accounts shall be maintained. Expenditures 1571
from appropriations contained in this act shall be accounted for 1572
as though made in the main operating appropriations act of the 1573
133rd General Assembly. 1574

The appropriations made in this act are subject to all 1575

provisions of the main operating appropriations act of the 133rd	1576
General Assembly that are generally applicable to such	1577
appropriations.	1578