

As Reported by the House Aging and Long-Term Care Committee

133rd General Assembly

Regular Session

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H. B. No. 498

Representative Fraizer

Cosponsors: Representatives Carfagna, Ginter, Hambley, Kent, Lipps

A BILL

To amend sections 5747.08 and 5747.98 and to enact
section 5747.85 of the Revised Code to authorize
a refundable income tax credit for disability-
related home expenses.

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

Section 1. That sections 5747.08 and 5747.98 be amended
and section 5747.85 of the Revised Code be enacted to read as
follows:

Sec. 5747.08. An annual return with respect to the tax
imposed by section 5747.02 of the Revised Code and each tax
imposed under Chapter 5748. of the Revised Code shall be made by
every taxpayer for any taxable year for which the taxpayer is
liable for the tax imposed by that section or under that
chapter, unless the total credits allowed under division (E) of
section 5747.05 and divisions (F) and (G) of section 5747.055 of
the Revised Code for the year are equal to or exceed the tax
imposed by section 5747.02 of the Revised Code, in which case no
return shall be required unless the taxpayer is liable for a tax
imposed pursuant to Chapter 5748. of the Revised Code.

(A) If an individual is deceased, any return or notice 19
required of that individual under this chapter shall be made and 20
filed by that decedent's executor, administrator, or other 21
person charged with the property of that decedent. 22

(B) If an individual is unable to make a return or notice 23
required by this chapter, the return or notice required of that 24
individual shall be made and filed by the individual's duly 25
authorized agent, guardian, conservator, fiduciary, or other 26
person charged with the care of the person or property of that 27
individual. 28

(C) Returns or notices required of an estate or a trust 29
shall be made and filed by the fiduciary of the estate or trust. 30

(D) (1) (a) Except as otherwise provided in division (D) (1) 31
(b) of this section, any pass-through entity may file a single 32
return on behalf of one or more of the entity's investors other 33
than an investor that is a person subject to the tax imposed 34
under section 5733.06 of the Revised Code. The single return 35
shall set forth the name, address, and social security number or 36
other identifying number of each of those pass-through entity 37
investors and shall indicate the distributive share of each of 38
those pass-through entity investor's income taxable in this 39
state in accordance with sections 5747.20 to 5747.231 of the 40
Revised Code. Such pass-through entity investors for whom the 41
pass-through entity elects to file a single return are not 42
entitled to the exemption or credit provided for by sections 43
5747.02 and 5747.022 of the Revised Code; shall calculate the 44
tax before business credits at the highest rate of tax set forth 45
in section 5747.02 of the Revised Code for the taxable year for 46
which the return is filed; and are entitled to only their 47
distributive share of the business credits as defined in 48

division (D) (2) of this section. A single check drawn by the 49
pass-through entity shall accompany the return in full payment 50
of the tax due, as shown on the single return, for such 51
investors, other than investors who are persons subject to the 52
tax imposed under section 5733.06 of the Revised Code. 53

(b) (i) A pass-through entity shall not include in such a 54
single return any investor that is a trust to the extent that 55
any direct or indirect current, future, or contingent 56
beneficiary of the trust is a person subject to the tax imposed 57
under section 5733.06 of the Revised Code. 58

(ii) A pass-through entity shall not include in such a 59
single return any investor that is itself a pass-through entity 60
to the extent that any direct or indirect investor in the second 61
pass-through entity is a person subject to the tax imposed under 62
section 5733.06 of the Revised Code. 63

(c) Nothing in division (D) of this section precludes the 64
tax commissioner from requiring such investors to file the 65
return and make the payment of taxes and related interest, 66
penalty, and interest penalty required by this section or 67
section 5747.02, 5747.09, or 5747.15 of the Revised Code. 68
Nothing in division (D) of this section precludes such an 69
investor from filing the annual return under this section, 70
utilizing the refundable credit equal to the investor's 71
proportionate share of the tax paid by the pass-through entity 72
on behalf of the investor under division (I) of this section, 73
and making the payment of taxes imposed under section 5747.02 of 74
the Revised Code. Nothing in division (D) of this section shall 75
be construed to provide to such an investor or pass-through 76
entity any additional deduction or credit, other than the credit 77
provided by division (I) of this section, solely on account of 78

the entity's filing a return in accordance with this section. 79

Such a pass-through entity also shall make the filing and 80

payment of estimated taxes on behalf of the pass-through entity 81

investors other than an investor that is a person subject to the 82

tax imposed under section 5733.06 of the Revised Code. 83

(2) For the purposes of this section, "business credits" 84

means the credits listed in section 5747.98 of the Revised Code 85

excluding the following credits: 86

(a) The retirement income credit under division (B) of 87

section 5747.055 of the Revised Code; 88

(b) The senior citizen credit under division (F) of 89

section 5747.055 of the Revised Code; 90

(c) The lump sum distribution credit under division (G) of 91

section 5747.055 of the Revised Code; 92

(d) The dependent care credit under section 5747.054 of 93

the Revised Code; 94

(e) The lump sum retirement income credit under division 95

(C) of section 5747.055 of the Revised Code; 96

(f) The lump sum retirement income credit under division 97

(D) of section 5747.055 of the Revised Code; 98

(g) The lump sum retirement income credit under division 99

(E) of section 5747.055 of the Revised Code; 100

(h) The credit for displaced workers who pay for job 101

training under section 5747.27 of the Revised Code; 102

(i) The twenty-dollar personal exemption credit under 103

section 5747.022 of the Revised Code; 104

(j) The joint filing credit under division (E) of section 105

5747.05 of the Revised Code;	106
(k) The nonresident credit under division (A) of section	107
5747.05 of the Revised Code;	108
(l) The credit for a resident's out-of-state income under	109
division (B) of section 5747.05 of the Revised Code;	110
(m) The earned income tax credit under section 5747.71 of	111
the Revised Code;	112
(n) The lead abatement credit under section 5747.26 of the	113
Revised Code;	114
<u>(o) The credit for disability-related home expenses under</u>	115
<u>section 5747.85 of the Revised Code.</u>	116
(3) The election provided for under division (D) of this	117
section applies only to the taxable year for which the election	118
is made by the pass-through entity. Unless the tax commissioner	119
provides otherwise, this election, once made, is binding and	120
irrevocable for the taxable year for which the election is made.	121
Nothing in this division shall be construed to provide for any	122
deduction or credit that would not be allowable if a nonresident	123
pass-through entity investor were to file an annual return.	124
(4) If a pass-through entity makes the election provided	125
for under division (D) of this section, the pass-through entity	126
shall be liable for any additional taxes, interest, interest	127
penalty, or penalties imposed by this chapter if the tax	128
commissioner finds that the single return does not reflect the	129
correct tax due by the pass-through entity investors covered by	130
that return. Nothing in this division shall be construed to	131
limit or alter the liability, if any, imposed on pass-through	132
entity investors for unpaid or underpaid taxes, interest,	133
interest penalty, or penalties as a result of the pass-through	134

entity's making the election provided for under division (D) of 135
this section. For the purposes of division (D) of this section, 136
"correct tax due" means the tax that would have been paid by the 137
pass-through entity had the single return been filed in a manner 138
reflecting the commissioner's findings. Nothing in division (D) 139
of this section shall be construed to make or hold a pass- 140
through entity liable for tax attributable to a pass-through 141
entity investor's income from a source other than the pass- 142
through entity electing to file the single return. 143

(E) If a husband and wife file a joint federal income tax 144
return for a taxable year, they shall file a joint return under 145
this section for that taxable year, and their liabilities are 146
joint and several, but, if the federal income tax liability of 147
either spouse is determined on a separate federal income tax 148
return, they shall file separate returns under this section. 149

If either spouse is not required to file a federal income 150
tax return and either or both are required to file a return 151
pursuant to this chapter, they may elect to file separate or 152
joint returns, and, pursuant to that election, their liabilities 153
are separate or joint and several. If a husband and wife file 154
separate returns pursuant to this chapter, each must claim the 155
taxpayer's own exemption, but not both, as authorized under 156
section 5747.02 of the Revised Code on the taxpayer's own 157
return. 158

(F) Each return or notice required to be filed under this 159
section shall contain the signature of the taxpayer or the 160
taxpayer's duly authorized agent and of the person who prepared 161
the return for the taxpayer, and shall include the taxpayer's 162
social security number. Each return shall be verified by a 163
declaration under the penalties of perjury. The tax commissioner 164

shall prescribe the form that the signature and declaration 165
shall take. 166

(G) Each return or notice required to be filed under this 167
section shall be made and filed as required by section 5747.04 168
of the Revised Code, on or before the fifteenth day of April of 169
each year, on forms that the tax commissioner shall prescribe, 170
together with remittance made payable to the treasurer of state 171
in the combined amount of the state and all school district 172
income taxes shown to be due on the form. 173

Upon good cause shown, the commissioner may extend the 174
period for filing any notice or return required to be filed 175
under this section and may adopt rules relating to extensions. 176
If the extension results in an extension of time for the payment 177
of any state or school district income tax liability with 178
respect to which the return is filed, the taxpayer shall pay at 179
the time the tax liability is paid an amount of interest 180
computed at the rate per annum prescribed by section 5703.47 of 181
the Revised Code on that liability from the time that payment is 182
due without extension to the time of actual payment. Except as 183
provided in section 5747.132 of the Revised Code, in addition to 184
all other interest charges and penalties, all taxes imposed 185
under this chapter or Chapter 5748. of the Revised Code and 186
remaining unpaid after they become due, except combined amounts 187
due of one dollar or less, bear interest at the rate per annum 188
prescribed by section 5703.47 of the Revised Code until paid or 189
until the day an assessment is issued under section 5747.13 of 190
the Revised Code, whichever occurs first. 191

If the commissioner considers it necessary in order to 192
ensure the payment of the tax imposed by section 5747.02 of the 193
Revised Code or any tax imposed under Chapter 5748. of the 194

Revised Code, the commissioner may require returns and payments 195
to be made otherwise than as provided in this section. 196

To the extent that any provision in this division 197
conflicts with any provision in section 5747.026 of the Revised 198
Code, the provision in that section prevails. 199

(H) The amounts withheld by an employer pursuant to 200
section 5747.06 of the Revised Code, a casino operator pursuant 201
to section 5747.063 of the Revised Code, or a lottery sales 202
agent pursuant to section 5747.064 of the Revised Code shall be 203
allowed to the recipient of the compensation casino winnings, or 204
lottery prize award as credits against payment of the 205
appropriate taxes imposed on the recipient by section 5747.02 206
and under Chapter 5748. of the Revised Code. 207

(I) If a pass-through entity elects to file a single 208
return under division (D) of this section and if any investor is 209
required to file the annual return and make the payment of taxes 210
required by this chapter on account of the investor's other 211
income that is not included in a single return filed by a pass- 212
through entity or any other investor elects to file the annual 213
return, the investor is entitled to a refundable credit equal to 214
the investor's proportionate share of the tax paid by the pass- 215
through entity on behalf of the investor. The investor shall 216
claim the credit for the investor's taxable year in which or 217
with which ends the taxable year of the pass-through entity. 218
Nothing in this chapter shall be construed to allow any credit 219
provided in this chapter to be claimed more than once. For the 220
purpose of computing any interest, penalty, or interest penalty, 221
the investor shall be deemed to have paid the refundable credit 222
provided by this division on the day that the pass-through 223
entity paid the estimated tax or the tax giving rise to the 224

credit. 225

(J) The tax commissioner shall ensure that each return 226
required to be filed under this section includes a box that the 227
taxpayer may check to authorize a paid tax preparer who prepared 228
the return to communicate with the department of taxation about 229
matters pertaining to the return. The return or instructions 230
accompanying the return shall indicate that by checking the box 231
the taxpayer authorizes the department of taxation to contact 232
the preparer concerning questions that arise during the 233
processing of the return and authorizes the preparer only to 234
provide the department with information that is missing from the 235
return, to contact the department for information about the 236
processing of the return or the status of the taxpayer's refund 237
or payments, and to respond to notices about mathematical 238
errors, offsets, or return preparation that the taxpayer has 239
received from the department and has shown to the preparer. 240

(K) The tax commissioner shall permit individual taxpayers 241
to instruct the department of taxation to cause any refund of 242
overpaid taxes to be deposited directly into a checking account, 243
savings account, or an individual retirement account or 244
individual retirement annuity, or preexisting college savings 245
plan or program account offered by the Ohio tuition trust 246
authority under Chapter 3334. of the Revised Code, as designated 247
by the taxpayer, when the taxpayer files the annual return 248
required by this section electronically. 249

(L) A taxpayer claiming the deduction under division (A) 250
(31) of section 5747.01 of the Revised Code for a taxable year 251
shall indicate on the taxpayer's return the north American 252
industry classification system code of each business or 253
professional activity from which the taxpayer's business income 254

was derived. The tax commissioner shall provide space on the 255
return for this purpose and shall prescribe, by rule adopted in 256
accordance with Chapter 119. of the Revised Code, the manner by 257
which such a taxpayer shall determine the taxpayer's proper 258
classification codes and business or professional activities 259
from which the taxpayer derives business income. 260

(M) The tax commissioner may adopt rules to administer 261
this section. 262

Sec. 5747.85. (A) As used in this section: 263

(1) "Activity of daily living" has the same meaning as in 264
section 7702B of the Internal Revenue Code. 265

(2) "Qualifying taxpayer" means a taxpayer who, or whose 266
spouse or dependent, is either over fifty-nine years of age on 267
the last day of the taxpayer's taxable year or permanently 268
disabled with documentation from a licensed health care provider 269
certifying that they require assistance for at least one 270
activity of daily living. 271

(3) "Disability-related home expenses" means any expenses 272
incurred for the purpose of facilitating activities of daily 273
living within or about a taxpayer's residence and increasing the 274
amount of time the taxpayer or taxpayer's spouse or dependent 275
may continue to inhabit the residence before needing to relocate 276
to an assisted living facility. Disability-related home expenses 277
include the following: 278

(a) Modifications to the taxpayer's existing residence, 279
provided that the modification is designed to improve 280
accessibility and provide universal visitability in accordance 281
with guidelines established by the department of aging. 282
Modifications may include, but are not limited to, the 283

installation of wheelchair ramps, bathtub bars, and zero-step 284
entrances. 285

(b) Expenses related to respite care, adult day care, 286
hiring a home aide or personal care attendant, or assistive 287
technology necessary for the care of the taxpayer or taxpayer's 288
spouse or dependent. 289

"Disability-related home expenses" does not include 290
general household maintenance expenses, such as expenses related 291
to painting, plumbing, electrical repairs, or exterior 292
maintenance. 293

(4) "Licensed health care professional" means any of the 294
following: 295

(a) A physician authorized under Chapter 4731. of the 296
Revised Code to practice medicine or osteopathic medicine; 297

(b) A registered nurse, advanced practice registered 298
nurse, or licensed practical nurse licensed under Chapter 4723. 299
of the Revised Code; 300

(c) A physician assistant licensed under Chapter 4730. of 301
the Revised Code. 302

(B) Subject to division (C) of this section, there is 303
hereby allowed a refundable credit against the aggregate tax 304
liability under section 5747.02 of the Revised Code for a 305
qualifying taxpayer who, or whose spouse, pays or incurs the 306
costs of disability-related home expenses during the taxable 307
year. The amount of the credit shall equal the cost of the 308
disability-related home expenses but shall not exceed five 309
thousand dollars. 310

The credit allowed by this section shall be claimed in the 311

order prescribed by section 5747.98 of the Revised Code. If the 312
amount of the credit exceeds the tax otherwise due for the 313
taxable year after allowing for other credits preceding the 314
credit in the order prescribed by that section, the excess shall 315
be refunded to the taxpayer. 316

(C) To receive a credit under this section, a taxpayer 317
shall submit an application to the department of aging. The 318
department shall prescribe the form of the application. Upon 319
receipt of an application, the department shall approve the 320
application if each of the following apply: 321

(1) Granting the credit would not cause the total amount 322
of credits approved under this section for the calendar year to 323
exceed ten million dollars. 324

(2) The department has not previously approved a credit 325
application by the same taxpayer. 326

(3) The credit application does not relate to a 327
transaction between a taxpayer and a member of the taxpayer's 328
family or between a pass-through entity and a person that holds, 329
directly or indirectly, an ownership interest in the entity. As 330
used in this division, "family" has the same meaning as in 331
section 5747.011 of the Revised Code. 332

After the department either approves or rejects the 333
application, the department shall provide notice to the taxpayer 334
in the form of a certificate sent by mail. 335

Sec. 5747.98. (A) To provide a uniform procedure for 336
calculating a taxpayer's aggregate tax liability under section 337
5747.02 of the Revised Code, a taxpayer shall claim any credits 338
to which the taxpayer is entitled in the following order: 339

(1) Either the retirement income credit under division (B) 340

of section 5747.055 of the Revised Code or the lump sum 341
retirement income credits under divisions (C), (D), and (E) of 342
that section; 343

(2) Either the senior citizen credit under division (F) of 344
section 5747.055 of the Revised Code or the lump sum 345
distribution credit under division (G) of that section; 346

(3) The dependent care credit under section 5747.054 of 347
the Revised Code; 348

(4) The credit for displaced workers who pay for job 349
training under section 5747.27 of the Revised Code; 350

(5) The twenty-dollar personal exemption credit under 351
section 5747.022 of the Revised Code; 352

(6) The joint filing credit under division (G) of section 353
5747.05 of the Revised Code; 354

(7) The earned income credit under section 5747.71 of the 355
Revised Code; 356

(8) The credit for adoption of a minor child under section 357
5747.37 of the Revised Code; 358

(9) The nonrefundable job retention credit under division 359
(B) of section 5747.058 of the Revised Code; 360

(10) The enterprise zone credit under section 5709.66 of 361
the Revised Code; 362

(11) The ethanol plant investment credit under section 363
5747.75 of the Revised Code; 364

(12) The credit for purchases of qualifying grape 365
production property under section 5747.28 of the Revised Code; 366

(13) The small business investment credit under section 367

5747.81 of the Revised Code;	368
(14) The nonrefundable lead abatement credit under section	369
5747.26 of the Revised Code;	370
(15) The opportunity zone investment credit under section	371
122.84 of the Revised Code;	372
(16) The enterprise zone credits under section 5709.65 of	373
the Revised Code;	374
(17) The research and development credit under section	375
5747.331 of the Revised Code;	376
(18) The credit for rehabilitating a historic building	377
under section 5747.76 of the Revised Code;	378
(19) The nonresident credit under division (A) of section	379
5747.05 of the Revised Code;	380
(20) The credit for a resident's out-of-state income under	381
division (B) of section 5747.05 of the Revised Code;	382
(21) The refundable motion picture and Broadway theatrical	383
production credit under section 5747.66 of the Revised Code;	384
(22) The refundable jobs creation credit or job retention	385
credit under division (A) of section 5747.058 of the Revised	386
Code;	387
(23) The refundable credit for taxes paid by a qualifying	388
entity granted under section 5747.059 of the Revised Code;	389
(24) The refundable credits for taxes paid by a qualifying	390
pass-through entity granted under division (I) of section	391
5747.08 of the Revised Code;	392
(25) The refundable credit under section 5747.80 of the	393
Revised Code for losses on loans made to the Ohio venture	394

capital program under sections 150.01 to 150.10 of the Revised Code; 395
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(26) The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code; 397
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(27) The refundable credit for disability-related home expenses under section 5747.85 of the Revised Code. 399
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(B) For any credit, except the refundable credits enumerated in this section and the credit granted under division (H) of section 5747.08 of the Revised Code, the amount of the credit for a taxable year shall not exceed the taxpayer's aggregate amount of tax due under section 5747.02 of the Revised Code, after allowing for any other credit that precedes it in the order required under this section. Any excess amount of a particular credit may be carried forward if authorized under the section creating that credit. Nothing in this chapter shall be construed to allow a taxpayer to claim, directly or indirectly, a credit more than once for a taxable year. 401
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Section 2. That existing sections 5747.08 and 5747.98 of the Revised Code are hereby repealed. 412
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Section 3. The amendment or enactment by this act of sections 5747.08, 5747.85, and 5747.98 of the Revised Code shall apply to taxable years beginning on or after January 1, 2021. 414
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