

**As Introduced**

**133rd General Assembly**

**Regular Session**

**2019-2020**

**H. B. No. 114**

**Representatives Skindell, Crawley**

**Cosponsors: Representatives Smith, K., Upchurch, Patterson, Howse, Boyd,  
Kent, Miller, A., Boggs**

---

**A BILL**

To amend sections 5747.71 and 5747.98 of the 1  
Revised Code to remove the income restriction on 2  
the earned income tax credit and to make the 3  
credit refundable. 4

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

**Section 1.** That sections 5747.71 and 5747.98 of the 5  
Revised Code be amended to read as follows: 6

**Sec. 5747.71.** There is hereby allowed a ~~nonrefundable~~ 7  
credit against a taxpayer's aggregate tax liability under 8  
section 5747.02 of the Revised Code for a taxpayer who is an 9  
"eligible individual" as defined in section 32 of the Internal 10  
Revenue Code. The credit shall equal five per cent of the credit 11  
allowed on the taxpayer's federal income tax return pursuant to 12  
section 32 of the Internal Revenue Code for taxable years 13  
beginning in 2013, and ten per cent of the federal credit 14  
allowed for taxable years beginning in or after 2014. ~~If~~For 15  
taxable years beginning before January 1, 2019, if the Ohio 16  
adjusted gross income of the taxpayer, or the taxpayer and the 17  
taxpayer's spouse if the taxpayer and the taxpayer's spouse file 18

a joint return under section 5747.08 of the Revised Code, less 19  
applicable exemptions under section 5747.025 of the Revised 20  
Code, exceeds twenty thousand dollars, the credit authorized by 21  
this section shall not exceed fifty per cent of the aggregate 22  
amount of tax otherwise due under section 5747.02 of the Revised 23  
Code after deducting any other nonrefundable credits that 24  
precede the credit allowed under this section in the order 25  
prescribed by section 5747.98 of the Revised Code except for the 26  
joint filing credit authorized under division (E) of section 27  
5747.05 of the Revised Code. ~~In all other cases, the no case~~ 28  
shall a credit authorized by this section ~~shall not for a~~ 29  
taxable year beginning before January 1, 2019, exceed the 30  
aggregate amount of tax otherwise due under section 5747.02 of 31  
the Revised Code after deducting any other nonrefundable credits 32  
that precede the credit allowed under this section in the order 33  
prescribed by section 5747.98 of the Revised Code. For taxable 34  
years beginning in or after 2019, if the amount of the credit 35  
authorized by this section exceeds the amount of tax due after 36  
deducting all other credits that precede the credit allowed 37  
under this section in the order prescribed by section 5747.98 of 38  
the Revised Code, the taxpayer shall receive a refund of the 39  
excess. 40

The credit shall be claimed in the order prescribed by 41  
section 5747.98 of the Revised Code. 42

**Sec. 5747.98.** (A) To provide a uniform procedure for 43  
calculating a taxpayer's aggregate tax liability under section 44  
5747.02 of the Revised Code, a taxpayer shall claim any credits 45  
to which the taxpayer is entitled in the following order: 46

(1) Either the retirement income credit under division (B) 47  
of section 5747.055 of the Revised Code or the lump sum 48

retirement income credits under divisions (C), (D), and (E) of that section;	49 50
(2) Either the senior citizen credit under division (F) of section 5747.055 of the Revised Code or the lump sum distribution credit under division (G) of that section;	51 52 53
(3) The dependent care credit under section 5747.054 of the Revised Code;	54 55
(4) The credit for displaced workers who pay for job training under section 5747.27 of the Revised Code;	56 57
(5) The campaign contribution credit under section 5747.29 of the Revised Code;	58 59
(6) The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;	60 61
(7) The joint filing credit under division (G) of section 5747.05 of the Revised Code;	62 63
(8) The earned income credit <u>allowed</u> under section 5747.71 of the Revised Code <u>for taxable years beginning on or after</u> <u>January 1, 2013, but before January 1, 2019;</u>	64 65 66
(9) The credit for adoption of a minor child under section 5747.37 of the Revised Code;	67 68
(10) The nonrefundable job retention credit under division (B) of section 5747.058 of the Revised Code;	69 70
(11) The enterprise zone credit under section 5709.66 of the Revised Code;	71 72
(12) The ethanol plant investment credit under section 5747.75 of the Revised Code;	73 74
(13) The credit for purchases of qualifying grape	75

production property under section 5747.28 of the Revised Code;	76
(14) The small business investment credit under section 5747.81 of the Revised Code;	77 78
(15) The enterprise zone credits under section 5709.65 of the Revised Code;	79 80
(16) The research and development credit under section 5747.331 of the Revised Code;	81 82
(17) The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	83 84
(18) The nonresident credit under division (A) of section 5747.05 of the Revised Code;	85 86
(19) The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	87 88
(20) The refundable motion picture production credit under section 5747.66 of the Revised Code;	89 90
(21) The refundable jobs creation credit or job retention credit under division (A) of section 5747.058 of the Revised Code;	91 92 93
(22) The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	94 95
(23) The refundable credits for taxes paid by a qualifying pass-through entity granted under division (I) of section 5747.08 of the Revised Code;	96 97 98
(24) The refundable credit under section 5747.80 of the Revised Code for losses on loans made to the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code;	99 100 101 102

(25) The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	103 104
(26) The refundable credit for financial institution taxes paid by a pass-through entity granted under section 5747.65 of the Revised Code;	105 106 107
<u>(27) The refundable earned income credit allowed under section 5747.71 of the Revised Code for taxable years beginning in or after 2019.</u>	108 109 110
(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.	111 112 113 114 115 116 117 118 119 120 121
<b>Section 2.</b> That existing sections 5747.71 and 5747.98 of the Revised Code are hereby repealed.	122 123