

As Introduced

135th General Assembly

Regular Session

2023-2024

H. B. No. 199

Representatives Young, T., Dean

Cosponsors: Representatives Brennan, Hillyer, Roemer, White, Williams, Willis

A BILL

To amend section 5747.05 of the Revised Code to 1
modify the computation of the personal income 2
tax joint filer credit. 3

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

Section 1. That section 5747.05 of the Revised Code be 4
amended to read as follows: 5

Sec. 5747.05. As used in this section, "income tax" 6
includes both a tax on net income and a tax measured by net 7
income. 8

The following credits shall be allowed against the 9
aggregate income tax liability imposed by section 5747.02 of the 10
Revised Code on individuals and estates: 11

(A) (1) The amount of tax otherwise due under section 12
5747.02 of the Revised Code on such portion of the combined 13
adjusted gross income and business income of any nonresident 14
taxpayer that is not allocable or apportionable to this state 15
pursuant to sections 5747.20 to 5747.23 of the Revised Code. The 16
credit provided under this division shall not exceed the total 17
tax due under section 5747.02 of the Revised Code. 18

(2) The tax commissioner may enter into an agreement with 19
the taxing authorities of any state or of the District of 20
Columbia that imposes an income tax to provide that compensation 21
paid in this state to a nonresident taxpayer shall not be 22
subject to the tax levied in section 5747.02 of the Revised Code 23
so long as compensation paid in such other state or in the 24
District of Columbia to a resident taxpayer shall likewise not 25
be subject to the income tax of such other state or of the 26
District of Columbia. 27

(B) The lesser of division (B) (1) or (2) of this section: 28

(1) The aggregate amount of tax otherwise due under 29
section 5747.02 of the Revised Code on such portion of the 30
combined adjusted gross income and business income of a resident 31
taxpayer that in another state or in the District of Columbia is 32
subjected to an income tax. The credit provided under division 33
(B) (1) of this section shall not exceed the total tax due under 34
section 5747.02 of the Revised Code. 35

(2) The amount of income tax liability to another state or 36
the District of Columbia on the portion of the combined adjusted 37
gross income and business income of a resident taxpayer that in 38
another state or in the District of Columbia is subjected to an 39
income tax. The credit provided under division (B) (2) of this 40
section shall not exceed the total amount of tax otherwise due 41
under section 5747.02 of the Revised Code. 42

(3) If the credit provided under division (B) of this 43
section is affected by a change in either the portion of the 44
combined adjusted gross income and business income of a resident 45
taxpayer subjected to an income tax in another state or the 46
District of Columbia or the amount of income tax liability that 47
has been paid to another state or the District of Columbia, the 48

taxpayer shall report the change to the tax commissioner within 49
ninety days of the change in such form as the commissioner 50
requires. 51

(a) In the case of an underpayment, the report shall be 52
accompanied by payment of any additional tax due as a result of 53
the reduction in credit together with interest on the additional 54
tax and is a return subject to assessment under section 5747.13 55
of the Revised Code solely for the purpose of assessing any 56
additional tax due under this division, together with any 57
applicable penalty and interest. It shall not reopen the 58
computation of the taxpayer's tax liability under this chapter 59
from a previously filed return no longer subject to assessment 60
except to the extent that such liability is affected by an 61
adjustment to the credit allowed by division (B) of this 62
section. 63

(b) In the case of an overpayment, an application for 64
refund may be filed under this division within the ninety-day 65
period prescribed for filing the report even if it is beyond the 66
period prescribed in section 5747.11 of the Revised Code if it 67
otherwise conforms to the requirements of such section. An 68
application filed under this division shall only claim refund of 69
overpayments resulting from an adjustment to the credit allowed 70
by division (B) of this section unless it is also filed within 71
the time prescribed in section 5747.11 of the Revised Code. It 72
shall not reopen the computation of the taxpayer's tax liability 73
except to the extent that such liability is affected by an 74
adjustment to the credit allowed by division (B) of this 75
section. 76

(4) No credit shall be allowed under division (B) of this 77
section: 78

(a) For income tax paid or accrued to another state or to the District of Columbia if the taxpayer, when computing federal adjusted gross income, has directly or indirectly deducted, or was required to directly or indirectly deduct, the amount of that income tax;	79 80 81 82 83
(b) For compensation that is not subject to the income tax of another state or the District of Columbia as the result of an agreement entered into by the tax commissioner under division (A) (3) of this section; or	84 85 86 87
(c) For income tax paid or accrued to another state or the District of Columbia if the taxpayer fails to furnish such proof as the tax commissioner shall require that such income tax liability has been paid.	88 89 90 91
(C) An individual who is a resident for part of a taxable year and a nonresident for the remainder of the taxable year is allowed the credits under divisions (A) and (B) of this section in accordance with rules prescribed by the tax commissioner. In no event shall the same income be subject to both credits.	92 93 94 95 96
(D) The credit allowed under division (A) of this section shall be calculated based upon the amount of tax due under section 5747.02 of the Revised Code after subtracting any other credits that precede the credit under that division in the order required under section 5747.98 of the Revised Code. The credit allowed under division (B) of this section shall be calculated based upon the amount of tax due under section 5747.02 of the Revised Code after subtracting any other credits that precede the credit under that division in the order required under section 5747.98 of the Revised Code.	97 98 99 100 101 102 103 104 105 106
(E) (1) On a joint return filed by a husband and wife, each	107

~~of whom had adjusted gross income of at least five hundred-~~ 108
~~dollars, exclusive of interest, dividends and distributions,~~ 109
~~royalties, rent, and capital gains, a nonrefundable credit equal~~ 110
to one of the following amounts: 111

(a) For taxable years beginning in or before 2023, if the 112
husband and wife each have an adjusted gross income of at least 113
five hundred dollars, exclusive of interest, dividends and 114
distributions, royalties, rent, and capital gains, the lesser of 115
six hundred fifty dollars or the percentage shown in column B 116
that corresponds with the taxpayer's modified adjusted gross 117
income, less exemptions for the taxable year, of the total 118
amount of tax due after allowing for any other credit that 119
precedes this credit as required under section 5747.98 of the 120
Revised Code: 121

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	1	2
A	A.	B.
B	IF THE MODIFIED ADJUSTED GROSS INCOME, LESS EXEMPTIONS, FOR THE TAX YEAR IS:	THE CREDIT FOR THE TAXABLE YEAR IS:
C	\$25,000 or less	20%
D	More than \$25,000 but not more than \$50,000	15%
E	More than \$50,000 but not more than \$75,000	10%

F More than \$75,000 5%

(b) For taxable years beginning in or after 2024, the 123
difference of the amount of tax shown to be due on the joint 124
return, calculated without regard to the credit authorized under 125
this division, minus the husband's and wife's minimum combined 126
amount of tax, after allowing for any other credit that precedes 127
this credit as required under section 5747.98 of the Revised 128
Code. 129

~~(2) The credit shall be claimed in the order required~~ 130
~~under~~ As used in division (E) of this section: 131

(a) "Minimum combined amount of tax" means the sum of the 132
tax that would be due on the husband's and wife's returns if the 133
husband and wife filed separate returns, notwithstanding 134
division (E) of section 5747.08 of the Revised Code, if the 135
husband and wife made all adjustments and claimed all credits to 136
which the husband and wife would be required or allowed to make 137
or claim on each separate return. For the purpose of calculating 138
"minimum combined amount of tax," adjustments or credits that 139
could be taken or claimed by either the husband or wife on the 140
husband's or wife's separate return shall be claimed by each 141
spouse in a manner that would result in the least combined tax 142
due. 143

(b) "Adjustment" means a deduction taken on a federal 144
income tax return that is included in the computation of the 145
husband's or the wife's federal adjusted gross income or an 146
addition or deduction described in division (A) of section 147
5747.01 of the Revised Code and allowed to the husband or wife. 148

(c) "Credit" means any credit described in section 5747.98 149
of the Revised Code. 150

(F) No claim for credit under this section shall be 151
allowed unless the claimant furnishes such supporting 152
information as the tax commissioner prescribes by rules. 153

Section 2. That existing section 5747.05 of the Revised 154
Code is hereby repealed. 155