

As Introduced

134th General Assembly

Regular Session

2021-2022

H. B. No. 225

Representatives Edwards, Hall

Cosponsors: Representatives Carruthers, Bird, LaRe, Kick, Hillyer, Jones, Gross, Hoops, Loychik, Schmidt, Young, T., Zeltwanger, Cross, Riedel, Ghanbari, Pavliga, Johnson, Baldrige

A BILL

To amend sections 5747.08 and 5747.98 and to enact 1
section 5747.31 of the Revised Code to grant 2
income tax credits to persons who serve as 3
volunteer peace officers, firefighters, or 4
emergency medical service technicians. 5

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

Section 1. That sections 5747.08 and 5747.98 be amended 6
and section 5747.31 of the Revised Code be enacted to read as 7
follows: 8

Sec. 5747.08. An annual return with respect to the tax 9
imposed by section 5747.02 of the Revised Code and each tax 10
imposed under Chapter 5748. of the Revised Code shall be made by 11
every taxpayer for any taxable year for which the taxpayer is 12
liable for the tax imposed by that section or under that 13
chapter, unless the total credits allowed under division (E) of 14
section 5747.05 and divisions (F) and (G) of section 5747.055 of 15
the Revised Code for the year are equal to or exceed the tax 16
imposed by section 5747.02 of the Revised Code, in which case no 17

return shall be required unless the taxpayer is liable for a tax 18
imposed pursuant to Chapter 5748. of the Revised Code. 19

(A) If an individual is deceased, any return or notice 20
required of that individual under this chapter shall be made and 21
filed by that decedent's executor, administrator, or other 22
person charged with the property of that decedent. 23

(B) If an individual is unable to make a return or notice 24
required by this chapter, the return or notice required of that 25
individual shall be made and filed by the individual's duly 26
authorized agent, guardian, conservator, fiduciary, or other 27
person charged with the care of the person or property of that 28
individual. 29

(C) Returns or notices required of an estate or a trust 30
shall be made and filed by the fiduciary of the estate or trust. 31

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

which the return is filed; and are entitled to only their 48
distributive share of the business credits as defined in 49
division (D) (2) of this section. A single check drawn by the 50
pass-through entity shall accompany the return in full payment 51
of the tax due, as shown on the single return, for such 52
investors, other than investors who are persons subject to the 53
tax imposed under section 5733.06 of the Revised Code. 54

(b) (i) A pass-through entity shall not include in such a 55
single return any investor that is a trust to the extent that 56
any direct or indirect current, future, or contingent 57
beneficiary of the trust is a person subject to the tax imposed 58
under section 5733.06 of the Revised Code. 59

(ii) A pass-through entity shall not include in such a 60
single return any investor that is itself a pass-through entity 61
to the extent that any direct or indirect investor in the second 62
pass-through entity is a person subject to the tax imposed under 63
section 5733.06 of the Revised Code. 64

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

entity any additional deduction or credit, other than the credit	78
provided by division (I) of this section, solely on account of	79
the entity's filing a return in accordance with this section.	80
Such a pass-through entity also shall make the filing and	81
payment of estimated taxes on behalf of the pass-through entity	82
investors other than an investor that is a person subject to the	83
tax imposed under section 5733.06 of the Revised Code.	84
(2) For the purposes of this section, "business credits"	85
means the credits listed in section 5747.98 of the Revised Code	86
excluding the following credits:	87
(a) The retirement income credit under division (B) of	88
section 5747.055 of the Revised Code;	89
(b) The senior citizen credit under division (F) of	90
section 5747.055 of the Revised Code;	91
(c) The lump sum distribution credit under division (G) of	92
section 5747.055 of the Revised Code;	93
(d) The dependent care credit under section 5747.054 of	94
the Revised Code;	95
(e) The lump sum retirement income credit under division	96
(C) of section 5747.055 of the Revised Code;	97
(f) The lump sum retirement income credit under division	98
(D) of section 5747.055 of the Revised Code;	99
(g) The lump sum retirement income credit under division	100
(E) of section 5747.055 of the Revised Code;	101
(h) The credit for displaced workers who pay for job	102
training under section 5747.27 of the Revised Code;	103
(i) The twenty-dollar personal exemption credit under	104

section 5747.022 of the Revised Code;	105
(j) The joint filing credit under division (E) of section 5747.05 of the Revised Code;	106 107
(k) The nonresident credit under division (A) of section 5747.05 of the Revised Code;	108 109
(l) The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	110 111
(m) The earned income tax credit under section 5747.71 of the Revised Code;	112 113
(n) The lead abatement credit under section 5747.26 of the Revised Code;	114 115
<u>(o) The credit for volunteer emergency responders under section 5747.31 of the Revised Code.</u>	116 117
(3) The election provided for under division (D) of this section applies only to the taxable year for which the election is made by the pass-through entity. Unless the tax commissioner provides otherwise, this election, once made, is binding and irrevocable for the taxable year for which the election is made. Nothing in this division shall be construed to provide for any deduction or credit that would not be allowable if a nonresident pass-through entity investor were to file an annual return.	118 119 120 121 122 123 124 125
(4) If a pass-through entity makes the election provided for under division (D) of this section, the pass-through entity shall be liable for any additional taxes, interest, interest penalty, or penalties imposed by this chapter if the tax commissioner finds that the single return does not reflect the correct tax due by the pass-through entity investors covered by that return. Nothing in this division shall be construed to	126 127 128 129 130 131 132

limit or alter the liability, if any, imposed on pass-through 133
entity investors for unpaid or underpaid taxes, interest, 134
interest penalty, or penalties as a result of the pass-through 135
entity's making the election provided for under division (D) of 136
this section. For the purposes of division (D) of this section, 137
"correct tax due" means the tax that would have been paid by the 138
pass-through entity had the single return been filed in a manner 139
reflecting the commissioner's findings. Nothing in division (D) 140
of this section shall be construed to make or hold a pass- 141
through entity liable for tax attributable to a pass-through 142
entity investor's income from a source other than the pass- 143
through entity electing to file the single return. 144

(E) If a husband and wife file a joint federal income tax 145
return for a taxable year, they shall file a joint return under 146
this section for that taxable year, and their liabilities are 147
joint and several, but, if the federal income tax liability of 148
either spouse is determined on a separate federal income tax 149
return, they shall file separate returns under this section. 150

If either spouse is not required to file a federal income 151
tax return and either or both are required to file a return 152
pursuant to this chapter, they may elect to file separate or 153
joint returns, and, pursuant to that election, their liabilities 154
are separate or joint and several. If a husband and wife file 155
separate returns pursuant to this chapter, each must claim the 156
taxpayer's own exemption, but not both, as authorized under 157
section 5747.02 of the Revised Code on the taxpayer's own 158
return. 159

(F) Each return or notice required to be filed under this 160
section shall contain the signature of the taxpayer or the 161
taxpayer's duly authorized agent and of the person who prepared 162

the return for the taxpayer, and shall include the taxpayer's 163
social security number. Each return shall be verified by a 164
declaration under the penalties of perjury. The tax commissioner 165
shall prescribe the form that the signature and declaration 166
shall take. 167

(G) Each return or notice required to be filed under this 168
section shall be made and filed as required by section 5747.04 169
of the Revised Code, on or before the fifteenth day of April of 170
each year, on forms that the tax commissioner shall prescribe, 171
together with remittance made payable to the treasurer of state 172
in the combined amount of the state and all school district 173
income taxes shown to be due on the form. 174

Upon good cause shown, the commissioner may extend the 175
period for filing any notice or return required to be filed 176
under this section and may adopt rules relating to extensions. 177
If the extension results in an extension of time for the payment 178
of any state or school district income tax liability with 179
respect to which the return is filed, the taxpayer shall pay at 180
the time the tax liability is paid an amount of interest 181
computed at the rate per annum prescribed by section 5703.47 of 182
the Revised Code on that liability from the time that payment is 183
due without extension to the time of actual payment. Except as 184
provided in section 5747.132 of the Revised Code, in addition to 185
all other interest charges and penalties, all taxes imposed 186
under this chapter or Chapter 5748. of the Revised Code and 187
remaining unpaid after they become due, except combined amounts 188
due of one dollar or less, bear interest at the rate per annum 189
prescribed by section 5703.47 of the Revised Code until paid or 190
until the day an assessment is issued under section 5747.13 of 191
the Revised Code, whichever occurs first. 192

If the commissioner considers it necessary in order to 193
ensure the payment of the tax imposed by section 5747.02 of the 194
Revised Code or any tax imposed under Chapter 5748. of the 195
Revised Code, the commissioner may require returns and payments 196
to be made otherwise than as provided in this section. 197

To the extent that any provision in this division 198
conflicts with any provision in section 5747.026 of the Revised 199
Code, the provision in that section prevails. 200

(H) The amounts withheld by an employer pursuant to 201
section 5747.06 of the Revised Code, a casino operator pursuant 202
to section 5747.063 of the Revised Code, or a lottery sales 203
agent pursuant to section 5747.064 of the Revised Code shall be 204
allowed to the recipient of the compensation casino winnings, or 205
lottery prize award as credits against payment of the 206
appropriate taxes imposed on the recipient by section 5747.02 207
and under Chapter 5748. of the Revised Code. 208

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

the investor shall be deemed to have paid the refundable credit 223
provided by this division on the day that the pass-through 224
entity paid the estimated tax or the tax giving rise to the 225
credit. 226

(J) The tax commissioner shall ensure that each return 227
required to be filed under this section includes a box that the 228
taxpayer may check to authorize a paid tax preparer who prepared 229
the return to communicate with the department of taxation about 230
matters pertaining to the return. The return or instructions 231
accompanying the return shall indicate that by checking the box 232
the taxpayer authorizes the department of taxation to contact 233
the preparer concerning questions that arise during the 234
processing of the return and authorizes the preparer only to 235
provide the department with information that is missing from the 236
return, to contact the department for information about the 237
processing of the return or the status of the taxpayer's refund 238
or payments, and to respond to notices about mathematical 239
errors, offsets, or return preparation that the taxpayer has 240
received from the department and has shown to the preparer. 241

(K) The tax commissioner shall permit individual taxpayers 242
to instruct the department of taxation to cause any refund of 243
overpaid taxes to be deposited directly into a checking account, 244
savings account, or an individual retirement account or 245
individual retirement annuity, or preexisting college savings 246
plan or program account offered by the Ohio tuition trust 247
authority under Chapter 3334. of the Revised Code, as designated 248
by the taxpayer, when the taxpayer files the annual return 249
required by this section electronically. 250

(L) A taxpayer claiming the deduction under division (A) 251
(31) of section 5747.01 of the Revised Code for a taxable year 252

shall indicate on the taxpayer's return the north American 253
industry classification system code of each business or 254
professional activity from which the taxpayer's business income 255
was derived. The tax commissioner shall provide space on the 256
return for this purpose and shall prescribe, by rule adopted in 257
accordance with Chapter 119. of the Revised Code, the manner by 258
which such a taxpayer shall determine the taxpayer's proper 259
classification codes and business or professional activities 260
from which the taxpayer derives business income. 261

(M) The tax commissioner may adopt rules to administer 262
this section. 263

Sec. 5747.31. (A) As used in this section: 264

(1) "Firefighter" means an individual who is authorized to 265
act as a firefighter under section 3737.66 of the Revised Code, 266
who serves as a firefighter for a nonprofit fire company or for 267
the fire department of a municipal corporation, township, 268
township fire district, or joint fire district. 269

(2) "Emergency medical technician" means an individual who 270
is an emergency medical technician-basic, emergency medical 271
technician-intermediate, emergency medical technician-paramedic, 272
or a first responder and who provides emergency medical services 273
for an emergency medical service organization of a political 274
subdivision. Terms used in division (A) (2) of this section have 275
the same meanings as in section 4765.01 of the Revised Code. 276

(3) "Peace officer" has the same meaning as in section 277
2935.01 of the Revised Code. 278

(4) "Volunteer emergency responder" means a firefighter, 279
emergency medical technician, or peace officer who serves as a 280
volunteer in that capacity for a public agency, nonprofit fire 281

company, fire department, or emergency medical service 282
organization and meets either of the following requirements in 283
the calendar year that ends in the individual's taxable year: 284

(a) The firefighter, emergency medical technician, or 285
peace officer, while serving as a volunteer in that capacity, 286
went on at least ten per cent of the emergency response runs of 287
the public agency, fire company, fire department, or emergency 288
medical service organization for the year. 289

(b) Of the total number of days on which volunteers 290
performed services other than responding to emergency calls 291
during the year, the firefighter, emergency medical technician, 292
or peace officer, while serving as a volunteer in that capacity, 293
participated in performing such other services on at least ten 294
per cent of those days. 295

(5) "Volunteer service years" means the total number of 296
calendar years during which a taxpayer met the qualifications of 297
a volunteer emergency responder. The number shall be computed as 298
of, and including, the last day of the taxpayer's taxable year 299
for which the credit is claimed. 300

(B) A refundable credit is allowed against the taxpayer's 301
aggregate income tax liability under section 5747.02 of the 302
Revised Code for a taxpayer who qualifies as a volunteer 303
emergency responder for the taxpayer's taxable year. The amount 304
of the credit for a taxable year equals one of the following: 305

(1) Five hundred dollars if the taxpayer has at least one 306
and not more than five volunteer service years; 307

(2) One thousand dollars if the taxpayer has at least six 308
and not more than ten volunteer service years; 309

(3) Two thousand dollars if the taxpayer has at least 310

eleven volunteer service years. 311

The credit shall be claimed in the order required under 312
section 5747.98 of the Revised Code. If the credit exceeds the 313
amount of tax otherwise due after subtracting the amount of all 314
other credits claimed in that order, the excess shall be 315
refunded to the taxpayer. 316

(C) The head of the public agency, fire company, fire 317
department, or emergency medical service organization with which 318
the taxpayer serves in the taxpayer's capacity as a volunteer 319
emergency responder shall provide to the taxpayer documentation 320
attesting to the number of volunteer service years in which the 321
taxpayer served as a volunteer emergency responder, including 322
documentation showing that the taxpayer met the requirements of 323
division (A) (4) (a) or (b) of this section for each such year. 324
Upon request, the taxpayer shall provide such documentation to 325
the tax commissioner. 326

Sec. 5747.98. (A) To provide a uniform procedure for 327
calculating a taxpayer's aggregate tax liability under section 328
5747.02 of the Revised Code, a taxpayer shall claim any credits 329
to which the taxpayer is entitled in the following order: 330

Either the retirement income credit under division (B) of 331
section 5747.055 of the Revised Code or the lump sum retirement 332
income credits under divisions (C), (D), and (E) of that 333
section; 334

Either the senior citizen credit under division (F) of 335
section 5747.055 of the Revised Code or the lump sum 336
distribution credit under division (G) of that section; 337

The dependent care credit under section 5747.054 of the 338
Revised Code; 339

The credit for displaced workers who pay for job training	340
under section 5747.27 of the Revised Code;	341
The campaign contribution credit under section 5747.29 of	342
the Revised Code;	343
The twenty-dollar personal exemption credit under section	344
5747.022 of the Revised Code;	345
The joint filing credit under division (G) of section	346
5747.05 of the Revised Code;	347
The earned income credit under section 5747.71 of the	348
Revised Code;	349
The credit for adoption of a minor child under section	350
5747.37 of the Revised Code;	351
The nonrefundable job retention credit under division (B)	352
of section 5747.058 of the Revised Code;	353
The enterprise zone credit under section 5709.66 of the	354
Revised Code;	355
The credit for purchases of qualifying grape production	356
property under section 5747.28 of the Revised Code;	357
The small business investment credit under section 5747.81	358
of the Revised Code;	359
The nonrefundable lead abatement credit under section	360
5747.26 of the Revised Code;	361
The opportunity zone investment credit under section	362
122.84 of the Revised Code;	363
The enterprise zone credits under section 5709.65 of the	364
Revised Code;	365

The research and development credit under section 5747.331 of the Revised Code;	366 367
The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	368 369
The nonresident credit under division (A) of section 5747.05 of the Revised Code;	370 371
The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	372 373
The refundable motion picture and Broadway theatrical production credit under section 5747.66 of the Revised Code;	374 375
The refundable jobs creation credit or job retention credit under division (A) of section 5747.058 of the Revised Code;	376 377 378
The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	379 380
The refundable credits for taxes paid by a qualifying pass-through entity granted under division (I) of section 5747.08 of the Revised Code;	381 382 383
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;	384 385 386
The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code.	387 388
<u>The refundable credit for volunteer emergency responders under section 5747.31 of the Revised Code.</u>	389 390
(B) For any credit, except the refundable credits enumerated in this section and the credit granted under division	391 392

(H) of section 5747.08 of the Revised Code, the amount of the 393
credit for a taxable year shall not exceed the taxpayer's 394
aggregate amount of tax due under section 5747.02 of the Revised 395
Code, after allowing for any other credit that precedes it in 396
the order required under this section. Any excess amount of a 397
particular credit may be carried forward if authorized under the 398
section creating that credit. Nothing in this chapter shall be 399
construed to allow a taxpayer to claim, directly or indirectly, 400
a credit more than once for a taxable year. 401

Section 2. That existing sections 5747.08 and 5747.98 of 402
the Revised Code are hereby repealed. 403

Section 3. Pursuant to division (G) of section 5703.95 of 404
the Revised Code, which states that any bill introduced in the 405
House of Representatives or the Senate that proposes to enact or 406
modify one or more tax expenditures should include a statement 407
explaining the objective of the tax expenditure or its 408
modification and the sponsor's intent in proposing the tax 409
expenditure or its modification: 410

The purpose of this act is to encourage more people to 411
volunteer as firefighters, emergency medical service 412
technicians, and peace officers. 413