

**As Reported by the House Ways and Means Committee**

**135th General Assembly**

**Regular Session**

**2023-2024**

**Sub. H. B. No. 277**

**Representatives Ray, Brent**

**Cosponsors: Representatives Grim, Hoops, Carruthers, Baker**

---

**A BILL**

To amend sections 5726.98, 5747.98, and 5751.98 and 1  
to enact sections 5726.61, 5747.86, and 5751.56 2  
of the Revised Code to authorize a tax credit 3  
for property owners with policies that allow 4  
companion animals in rental dwellings. 5

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

**Section 1.** That sections 5726.98, 5747.98, and 5751.98 be 6  
amended and sections 5726.61, 5747.86, and 5751.56 of the 7  
Revised Code be enacted to read as follows: 8

**Sec. 5726.61.** There is allowed a nonrefundable credit 9  
against section 5726.02 of the Revised Code for a financial 10  
institution that is issued a tax credit certificate under 11  
section 5747.86 of the Revised Code authorizing the credit to be 12  
claimed against that tax. The amount of the credit shall equal 13  
the amount indicated on the certificate. 14

The credit shall be claimed for the taxable year the 15  
ending date of which immediately precedes the date that the 16  
certificate is issued and in the order required under section 17  
5726.98 of the Revised Code. 18

**Sec. 5726.98.** (A) To provide a uniform procedure for 19  
calculating the amount of tax due under section 5726.02 of the 20  
Revised Code, a taxpayer shall claim any credits to which the 21  
taxpayer is entitled under this chapter in the following order: 22

The nonrefundable credit for property owners that allow 23  
companion animals under section 5726.61 of the Revised Code; 24

The nonrefundable job retention credit under division (B) 25  
of section 5726.50 of the Revised Code; 26

The nonrefundable credit for purchases of qualified low- 27  
income community investments under section 5726.54 of the 28  
Revised Code; 29

The nonrefundable credit for qualified research expenses 30  
under section 5726.56 of the Revised Code; 31

The nonrefundable credit for qualifying dealer in 32  
intangibles taxes under section 5726.57 of the Revised Code; 33

The nonrefundable Ohio low-income housing tax credit under 34  
section 5726.58 of the Revised Code; 35

The nonrefundable affordable single-family home credit 36  
under section 5726.60 of the Revised Code; 37

The nonrefundable welcome home Ohio (WHO) program credit 38  
under section 122.633 of the Revised Code; 39

The refundable credit for rehabilitating an historic 40  
building under section 5726.52 of the Revised Code; 41

The refundable job retention or job creation credit under 42  
division (A) of section 5726.50 of the Revised Code; 43

The refundable credit under section 5726.53 of the Revised 44  
Code for losses on loans made under the Ohio venture capital 45

program under sections 150.01 to 150.10 of the Revised Code; 46

The refundable motion picture and Broadway theatrical 47  
production credit under section 5726.55 of the Revised Code; 48

The refundable credit for film and theater capital 49  
improvement projects under section 5726.59 of the Revised Code. 50

(B) For any credit except the refundable credits 51  
enumerated in this section, the amount of the credit for a 52  
taxable year shall not exceed the tax due after allowing for any 53  
other credit that precedes it in the order required under this 54  
section. Any excess amount of a particular credit may be carried 55  
forward if authorized under the section creating that credit. 56  
Nothing in this chapter shall be construed to allow a taxpayer 57  
to claim, directly or indirectly, a credit more than once for a 58  
taxable year. 59

Sec. 5747.86. (A) As used in this section: 60

(1) "Companion animal" means a registered dog or a cat. 61

(2) "Dwelling unit," "tenant," and "residential premises" 62  
have the same meanings as in section 5321.01 of the Revised 63  
Code. 64

(3) "Dangerous dog" and "vicious dog" have the same 65  
meanings as in section 955.11 of the Revised Code. 66

(4) "Registered dog" means a dog that has been registered 67  
with the county auditor under section 955.01 of the Revised 68  
Code. 69

(5) "Property owner" means the owner of residential 70  
premises. 71

(B) A property owner with policies that allow, subject to 72

division (D) of this section, tenants to reside with companion 73  
animals at residential premises owned by the property owner may 74  
apply to the tax commissioner for a tax credit certificate. The 75  
application may be submitted, beginning in 2026, after the first 76  
day and before the twenty-first day of January of the year 77  
following the calendar year in which the policies were in place. 78  
The application shall be made on a form and in the manner 79  
prescribed by the commissioner and shall include all of the 80  
following: 81

(1) An affidavit attesting to the following: 82

(a) The address of each dwelling unit at which the 83  
property owner allows tenants to reside with companion animals 84  
that is the basis of a credit authorized under this section; 85

(b) That the property owner's policies governing companion 86  
animals at those dwelling units and the residential premises of 87  
which they are a part comply with division (D) of this section; 88

(c) The number of months during the preceding calendar 89  
year in which a companion animal was residing in each dwelling 90  
unit; 91

(d) If the companion animal is a dog, that it is a 92  
registered dog. 93

(2) An election denoting the tax against which the 94  
property owner proposes to claim the credit. 95

(3) Any other information and documentation that the 96  
commissioner may require. 97

The commissioner shall review applications in the order in 98  
which they are received. If the commissioner determines that any 99  
of the information in the affidavit required under division (B) 100

(1) of this section is false or fails to demonstrate that the 101  
applicant qualifies for a credit under this section, the 102  
commissioner shall deny the application and notify the applicant 103  
of the reason for the denial. If the commissioner determines 104  
that the applicant qualifies for a credit under this section, 105  
the commissioner shall issue a tax credit certificate to the 106  
applicant. The tax credit certificate shall be identified with a 107  
unique number and shall list the amount of credit the 108  
commissioner determines the applicant is eligible to claim under 109  
division (C) of this section or section 5726.61 or 5751.56 of 110  
the Revised Code, based on the tax selected by the applicant 111  
under division (B) (2) of this section. The amount of the credit 112  
indicated on the certificate shall equal, subject to the 113  
limitations of division (E) of this section, the lesser of seven 114  
thousand five hundred dollars or the sum of the products 115  
obtained by multiplying seven hundred fifty dollars for each 116  
dwelling unit covered by such a policy by a fraction, the 117  
numerator of which shall be the number of months of the 118  
preceding calendar year during which a companion animal was 119  
residing in the dwelling unit covered by such a policy on the 120  
first day of the month and the denominator of which shall be 121  
twelve. 122

(C) There is allowed a nonrefundable credit against a 123  
taxpayer's aggregate tax liability under section 5747.02 of the 124  
Revised Code for a taxpayer issued a tax credit certificate 125  
under this section authorizing the credit to be claimed against 126  
that tax. The credit shall equal the dollar amount indicated on 127  
the certificate. The credit shall be claimed for the taxpayer's 128  
taxable year in which the certificate is issued. The credit 129  
shall be claimed in the order required under section 5747.98 of 130  
the Revised Code. Nothing in this section limits or disallows 131

pass-through treatment of the credit. 132

(D) A property owner may not impose either of the 133  
following respecting the dwelling unit upon which a credit is 134  
claimed under this section or section 5726.61 or 5751.56 of the 135  
Revised Code, or the residential premises of which it is a part, 136  
during the calendar year on the basis of which the credit is 137  
claimed: 138

(1) A nonrefundable fee or additional rent related to 139  
companion animals residing there; 140

(2) Breed or size restrictions on companion animals 141  
allowed to reside there, except that a property owner may 142  
prohibit a companion animal that has been determined to be a 143  
dangerous or vicious dog under Chapter 955. of the Revised Code 144  
or impose a limitation on the total number of companion animals 145  
with which a tenant may reside. 146

(E) The tax commissioner shall not award more than ten 147  
million dollars in tax credits under division (B) of this 148  
section in a calendar year. 149

(F) It is a violation of section 5747.19 of the Revised 150  
Code for an applicant to knowingly attest to a false statement 151  
in the affidavit required under division (B)(1) of this section. 152

**Sec. 5747.98.** (A) To provide a uniform procedure for 153  
calculating a taxpayer's aggregate tax liability under section 154  
5747.02 of the Revised Code, a taxpayer shall claim any credits 155  
to which the taxpayer is entitled in the following order: 156

Either the retirement income credit under division (B) of 157  
section 5747.055 of the Revised Code or the lump sum retirement 158  
income credits under divisions (C), (D), and (E) of that 159  
section; 160

Either the senior citizen credit under division (F) of	161
section 5747.055 of the Revised Code or the lump sum	162
distribution credit under division (G) of that section;	163
The dependent care credit under section 5747.054 of the	164
Revised Code;	165
The credit for displaced workers who pay for job training	166
under section 5747.27 of the Revised Code;	167
The campaign contribution credit under section 5747.29 of	168
the Revised Code;	169
The twenty-dollar personal exemption credit under section	170
5747.022 of the Revised Code;	171
The joint filing credit under division (G) of section	172
5747.05 of the Revised Code;	173
The earned income credit under section 5747.71 of the	174
Revised Code;	175
The nonrefundable credit for education expenses under	176
section 5747.72 of the Revised Code;	177
The nonrefundable credit for donations to scholarship	178
granting organizations under section 5747.73 of the Revised	179
Code;	180
The nonrefundable credit for tuition paid to a	181
nonchartered nonpublic school under section 5747.75 of the	182
Revised Code;	183
The nonrefundable vocational job credit under section	184
5747.057 of the Revised Code;	185
<u>The nonrefundable credit for property owners that allow</u>	186
<u>companion animals under section 5747.86 of the Revised Code;</u>	187

The nonrefundable job retention credit under division (B) of section 5747.058 of the Revised Code;	188 189
The enterprise zone credit under section 5709.66 of the Revised Code;	190 191
The credit for beginning farmers who participate in a financial management program under division (B) of section 5747.77 of the Revised Code;	192 193 194
The credit for commercial vehicle operator training expenses under section 5747.82 of the Revised Code;	195 196
The nonrefundable welcome home Ohio (WHO) program credit under section 122.633 of the Revised Code;	197 198
The credit for selling or renting agricultural assets to beginning farmers under division (A) of section 5747.77 of the Revised Code;	199 200 201
The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	202 203
The small business investment credit under section 5747.81 of the Revised Code;	204 205
The nonrefundable lead abatement credit under section 5747.26 of the Revised Code;	206 207
The opportunity zone investment credit under section 122.84 of the Revised Code;	208 209
The enterprise zone credits under section 5709.65 of the Revised Code;	210 211
The research and development credit under section 5747.331 of the Revised Code;	212 213
The credit for rehabilitating a historic building under	214



section 5747.76 of the Revised Code;	215
The nonrefundable Ohio low-income housing tax credit under	216
section 5747.83 of the Revised Code;	217
The nonrefundable affordable single-family home credit	218
under section 5747.84 of the Revised Code;	219
The nonresident credit under division (A) of section	220
5747.05 of the Revised Code;	221
The credit for a resident's out-of-state income under	222
division (B) of section 5747.05 of the Revised Code;	223
The refundable motion picture and Broadway theatrical	224
production credit under section 5747.66 of the Revised Code;	225
The refundable credit for film and theater capital	226
improvement projects under section 5747.67 of the Revised Code;	227
The refundable jobs creation credit or job retention	228
credit under division (A) of section 5747.058 of the Revised	229
Code;	230
The refundable credit for taxes paid by a qualifying	231
entity granted under section 5747.059 of the Revised Code;	232
The refundable credits for taxes paid by a qualifying	233
pass-through entity granted under division (I) of section	234
5747.08 of the Revised Code;	235
The refundable credit under section 5747.80 of the Revised	236
Code for losses on loans made to the Ohio venture capital	237
program under sections 150.01 to 150.10 of the Revised Code;	238
The refundable credit for rehabilitating a historic	239
building under section 5747.76 of the Revised Code;	240
The refundable credit under section 5747.39 of the Revised	241

Code for taxes levied under section 5747.38 of the Revised Code 242  
paid by an electing pass-through entity. 243

(B) For any credit, except the refundable credits 244  
enumerated in this section and the credit granted under division 245  
(H) of section 5747.08 of the Revised Code, the amount of the 246  
credit for a taxable year shall not exceed the taxpayer's 247  
aggregate amount of tax due under section 5747.02 of the Revised 248  
Code, after allowing for any other credit that precedes it in 249  
the order required under this section. Any excess amount of a 250  
particular credit may be carried forward if authorized under the 251  
section creating that credit. Nothing in this chapter shall be 252  
construed to allow a taxpayer to claim, directly or indirectly, 253  
a credit more than once for a taxable year. 254

Sec. 5751.56. There is allowed a nonrefundable credit 255  
against the tax imposed by section 5751.02 of the Revised Code 256  
for a taxpayer that is issued a tax credit certificate under 257  
section 5747.86 of the Revised Code authorizing the credit to be 258  
claimed against that tax. The amount of the credit shall equal 259  
the amount indicated on the certificate. 260

The credit shall be claimed for the tax periods in the 261  
calendar year in which the certificate is issued and in the 262  
order required by section 5751.98 of the Revised Code. 263

**Sec. 5751.98.** (A) To provide a uniform procedure for 264  
calculating the amount of tax due under this chapter, a taxpayer 265  
shall claim any credits to which it is entitled in the following 266  
order: 267

The nonrefundable credit for property owners that allow 268  
companion animals under section 5751.56 of the Revised Code; 269

The nonrefundable jobs retention credit under division (B) 270

of section 5751.50 of the Revised Code;	271
The nonrefundable credit for qualified research expenses	272
under division (B) of section 5751.51 of the Revised Code;	273
The nonrefundable credit for a borrower's qualified	274
research and development loan payments under division (B) of	275
section 5751.52 of the Revised Code;	276
The nonrefundable credit for calendar years 2010 to 2029	277
for unused net operating losses under division (B) of section	278
5751.53 of the Revised Code;	279
The refundable motion picture and Broadway theatrical	280
production credit under section 5751.54 of the Revised Code;	281
The refundable credit for film and theater capital	282
improvement projects under section 5751.55 of the Revised Code;	283
The refundable jobs creation credit or job retention	284
credit under division (A) of section 5751.50 of the Revised	285
Code;	286
The refundable credit for calendar year 2030 for unused	287
net operating losses under division (C) of section 5751.53 of	288
the Revised Code.	289
(B) For any credit except the refundable credits	290
enumerated in this section, the amount of the credit for a tax	291
period shall not exceed the tax due after allowing for any other	292
credit that precedes it in the order required under this	293
section. Any excess amount of a particular credit may be carried	294
forward if authorized under the section creating the credit.	295
<b>Section 2.</b> That existing sections 5726.98, 5747.98, and	296
5751.98 of the Revised Code are hereby repealed.	297