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Sub. S. B. No. 154

Senator Roegner

Cosponsors: Senators Johnson, Antonio, Brenner, Chavez, Cirino, Craig, DeMora, Dolan, Gavarone, Hackett, Hicks-Hudson, Kunze, Landis, O'Brien, Reineke, Romanchuk, Schaffer, Schuring, Smith, Sykes, Wilkin

A BILL

To amend sections 122.925, 124.23, 145.30, 742.52, 1
742.521, 2151.4210, 3307.75, 3309.02, 3313.471, 2
3319.085, 3511.01, 4731.36, 4743.041, 5505.16, 3
5747.01, 5903.01, 5903.02, 5907.01, 5907.04, and 4
5910.01 of the Revised Code to include Space 5
Force in the definition of the armed forces, 6
armed services, and uniformed services of the 7
United States. 8

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

Section 1. That sections 122.925, 124.23, 145.30, 742.52, 9
742.521, 2151.4210, 3307.75, 3309.02, 3313.471, 3319.085, 10
3511.01, 4731.36, 4743.041, 5505.16, 5747.01, 5903.01, 5903.02, 11
5907.01, 5907.04, and 5910.01 of the Revised Code be amended to 12
read as follows: 13

Sec. 122.925. (A) As used in this section: 14

"Armed forces" means the armed forces of the United 15
States, including the army, navy, air force, marine corps, space 16

force, coast guard, or any reserve component of those forces; 17
the national guard of any state; the commissioned corps of the 18
United States public health service; the merchant marine service 19
during wartime; such other service as may be designated by 20
congress; and the Ohio organized militia when engaged in full- 21
time national guard duty for a period of more than thirty days. 22

"State agency" has the meaning defined in section 1.60 of 23
the Revised Code. 24

"Veteran" means any person who has completed service in 25
the armed forces, including the national guard of any state, or 26
a reserve component of the armed forces, who has been honorably 27
discharged or discharged under honorable conditions from the 28
armed forces or who has been transferred to the reserve with 29
evidence of satisfactory service. 30

"Veteran-friendly business enterprise" means a sole 31
proprietorship, association, partnership, corporation, limited 32
liability company, or joint venture that meets veteran 33
employment standards established by the director of development 34
and the director of transportation under this section. 35

(B) The director of development and the director of 36
transportation shall establish and maintain the veteran-friendly 37
business procurement program. The director of development shall 38
adopt rules to administer the program for all state agencies 39
except the department of transportation, and the director of 40
transportation shall adopt rules to administer the program for 41
the department of transportation. The rules shall be adopted 42
under Chapter 119. of the Revised Code. The rules, as adopted 43
separately by but with the greatest degree of consistency 44
possible between the two directors, shall do all of the 45
following: 46

- (1) Establish criteria, based on the percentage of an applicant's employees who are veterans, that qualifies an applicant for certification as a veteran-friendly business enterprise; 47
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- (2) Establish procedures by which a sole proprietorship, association, partnership, corporation, limited liability company, or joint venture may apply for certification as a veteran-friendly business enterprise; 51
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- (3) Establish procedures for certifying a sole proprietorship, association, partnership, corporation, limited liability company, or joint venture as a veteran-friendly business enterprise; 55
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- (4) Establish standards for determining when a veteran-friendly business enterprise no longer qualifies for certification as a veteran-friendly business enterprise; 59
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- (5) Establish procedures, to be used by state agencies or the department of transportation, for the evaluation and ranking of proposals, which provide preference or bonus points to each certified veteran-friendly business enterprise that submits a bid or other proposal for a contract with the state or an agency of the state other than the department of transportation, or with the department of transportation, for the rendering of services, or the supplying of materials, or for the construction, demolition, alteration, repair, or reconstruction of any public building, structure, highway, or other improvement; 62
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- (6) Implement an outreach program to educate potential participants about the veteran-friendly business procurement program; and 73
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(7) Establish a process for monitoring overall performance 76
of the veteran-friendly business procurement program. 77

(C) (1) Any person who has been certified as a veteran- 78
friendly business enterprise under this section may present the 79
person's certification to a political subdivision as evidence 80
that the person is eligible to participate in any public 81
initiatives or strategies that the political subdivision has 82
established to reward veteran-friendly businesses or to increase 83
the participation, representation, or inclusion of veteran- 84
friendly businesses in business opportunities, and in any 85
programs the political subdivision may have that set aside a 86
certain amount of public contracts to award to veteran-friendly 87
business enterprises. 88

(2) When considering this evidence, a political 89
subdivision shall defer to the department's determination that 90
the person meets the criteria established under division (B) (1) 91
of this section. 92

Sec. 124.23. (A) All applicants for positions and places 93
in the classified service shall be subject to examination, 94
except for applicants for positions as professional or certified 95
service and paraprofessional employees of county boards of 96
developmental disabilities, who shall be hired in the manner 97
provided in section 124.241 of the Revised Code. 98

(B) Any examination administered under this section shall 99
be public and be open to all citizens of the United States and 100
those persons who have legally declared their intentions of 101
becoming United States citizens. For examinations administered 102
for positions in the service of the state, the director of 103
administrative services or the director's designee may determine 104
certain limitations as to citizenship, age, experience, 105

education, health, habit, and moral character. 106

(C) (1) Any person who has completed service in the 107
uniformed services, who has been honorably discharged from the 108
uniformed services or transferred to the reserve with evidence 109
of satisfactory service, and who is a resident of this state and 110
any member of a reserve component of the armed forces of the 111
United States, including the Ohio national guard, who has 112
completed more than one hundred eighty days of active duty 113
service pursuant to an executive order of the president of the 114
United States or an act of the congress of the United States may 115
file with the director a certificate of service or honorable 116
discharge, and, upon this filing, the person shall receive 117
additional credit of twenty per cent of the person's total grade 118
given in the examination in which the person receives a passing 119
grade. A person who receives an additional credit under division 120
(C) (1) of this section shall not receive an additional credit 121
under division (C) (2) of this section. 122

(2) A member in good standing of a reserve component of 123
the armed forces of the United States, including the Ohio 124
national guard, who successfully completes the member's initial 125
entry-level training shall receive a credit of fifteen per cent 126
of the person's total grade given in the examination in which 127
the person receives a passing grade. 128

(3) As used in this division, "service in the uniformed 129
services" and "~~uniformed services~~" have the same meanings as in 130
the "~~Uniformed Services Employment and Reemployment Rights Act~~ 131
~~of 1994,~~" 108 Stat. 3149, 38 U.S.C.A. 4303means the performance 132
of duty on a voluntary or involuntary basis in a uniformed 133
service under competent authority and includes active duty, 134
active duty for training, initial active duty for training, 135

inactive duty training, full-time national guard duty, and a 136
period for which a person is absent from a position of 137
employment for the purpose of an examination to determine the 138
fitness of the person to perform any such duty. 139

(4) As used in this section, "uniformed services" means 140
all of the following: 141

(a) "Armed forces of the United States" as defined in 142
section 5907.01 of the Revised Code; 143

(b) The army national guard and air national guard when 144
engaged in active duty for training, inactive duty training, or 145
full-time national guard duty; 146

(c) The commissioned corps of the public health service; 147

(d) Any other category of persons designated by the 148
president in time of war or emergency. 149

(D) An examination may include an evaluation of such 150
factors as education, training, capacity, knowledge, manual 151
dexterity, and physical or psychological fitness. An examination 152
shall consist of one or more tests in any combination. Tests may 153
be written, oral, physical, demonstration of skill, or an 154
evaluation of training and experiences and shall be designed to 155
fairly test the relative capacity of the persons examined to 156
discharge the particular duties of the position for which 157
appointment is sought. Tests may include structured interviews, 158
assessment centers, work simulations, examinations of knowledge, 159
skills, and abilities, and any other acceptable testing methods. 160
If minimum or maximum requirements are established for any 161
examination, they shall be specified in the examination 162
announcement. 163

(E) Except as otherwise provided in sections 124.01 to 164

124.64 of the Revised Code, when a position in the classified 165
service of the state is to be filled, an examination shall be 166
administered. The director of administrative services shall have 167
control of all examinations administered for positions in the 168
service of the state and all other examinations the director 169
administers as provided in section 124.07 of the Revised Code, 170
except as otherwise provided in sections 124.01 to 124.64 of the 171
Revised Code. The director shall, by rule adopted under Chapter 172
119. of the Revised Code, prescribe the notification method that 173
is to be used by an appointing authority to notify the director 174
that a position in the classified service of the state is to be 175
filled. In addition to the positions described in section 124.30 176
of the Revised Code, the director may, with sufficient 177
justification from the appointing authority, allow the 178
appointing authority to fill the position by noncompetitive 179
examination. The director shall establish, by rule adopted under 180
Chapter 119. of the Revised Code, standards that the director 181
shall use to determine what serves as sufficient justification 182
from an appointing authority to fill a position by 183
noncompetitive examination. 184

(F) No questions in any examination shall relate to 185
political or religious opinions or affiliations. No credit for 186
seniority, efficiency, or any other reason shall be added to an 187
applicant's examination grade unless the applicant achieves at 188
least the minimum passing grade on the examination without 189
counting that extra credit. 190

(G) Except as otherwise provided in sections 124.01 to 191
124.64 of the Revised Code, the director of administrative 192
services or the director's designee shall give reasonable notice 193
of the time, place, and general scope of every competitive 194
examination for appointment that the director or the director's 195

designee administers for positions in the classified service of 196
the state. The director or the director's designee shall post 197
notices via electronic media of every examination to be 198
conducted for positions in the classified civil service of the 199
state. The electronic notice shall be posted on the director's 200
internet site on the world wide web for a minimum of one week 201
preceding any examination involved. 202

Sec. 145.30. (A) (1) As used in this section and section 203
145.301 of the Revised Code: 204

(a) "Armed forces" of the United States includes the 205
following: 206

(i) Army, navy, air force, marine corps, space force, 207
coast guard, auxiliary corps as established by congress, red 208
cross nurse serving with the army, navy, air force, or hospital 209
service of the United States, army nurse corps, navy nurse 210
corps, full-time service with the American red cross in a combat 211
zone, and such other service as may be designated by congress as 212
included therein; 213

(ii) Personnel of the Ohio national guard and the reserve 214
components of any of the armed forces enumerated in division (A) 215
(1) of this section who are called to active duty pursuant to an 216
executive order issued by the president of the United States or 217
an act of congress; 218

(iii) Persons on whom United States merchant marine 219
veteran status has been conferred for service aboard oceangoing 220
merchant ships in service to the United States during World War 221
II. 222

(b) "State retirement system" means any of the following: 223
the Ohio police and fire pension fund, public employees 224

retirement system, school employees retirement system, state 225
highway patrol retirement system, or the state teachers 226
retirement system. 227

(2) This section applies only to service in the armed 228
forces that occurred prior to October 13, 1994, the date on 229
which the "Uniformed Services Employment and Reemployment Rights 230
Act of 1994," 108 Stat. 3149, 38 U.S.C. 101, became a public 231
law. 232

(B) Except as otherwise provided in this division, upon 233
reemployment in the public service and completion of one year of 234
service credit as covered by a state retirement system or the 235
Cincinnati retirement system, within two years after service in 236
the armed forces that is terminated in a manner other than as 237
described in section 4304 of Title 38 of the United States Code, 238
"Uniformed Services Employment and Reemployment Rights Act of 239
1994," 108 Stat. 3149, 38 U.S.C.A. 4304, and presentation of 240
documentation of the service and subject to rules adopted by the 241
retirement board, any member of the public employees retirement 242
system who was a member with not less than one year of payroll 243
deductions before entering active duty with the armed forces and 244
maintained membership in the public employees retirement system 245
as provided by section 145.41 of the Revised Code, and who was 246
or is out of active service as a public employee by reason of 247
having become a member of the armed forces of the United States 248
on active duty or service shall have such service, not in excess 249
of ten years, included as prior military service. Except as 250
otherwise provided in this division, service in the armed forces 251
as established by documentation of the service, not in excess of 252
ten years, shall also be included as prior military service for 253
a person who was a public employee and who has acquired service 254
credit for five years prior to, and within the one year 255

preceding, the date of entering on active duty in the armed 256
forces of the United States if such person was reemployed in the 257
public service within one year after service in the armed forces 258
that is terminated in a manner other than as described in 259
section 4304 of Title 38 of the United States Code, "Uniformed 260
Services Employment and Reemployment Rights Act of 1994," 38 261
U.S.C.A. 4304, and established total service credit as defined 262
in section 145.01 of the Revised Code of twenty years exclusive 263
of credit for service in the uniformed services, as defined in 264
section 145.302 of the Revised Code. This division shall not 265
serve to cancel any military service credit earned or granted 266
prior to November 1, 1965. 267

If the public employees retirement board adopts a rule 268
requiring payment for service credit granted under this section, 269
the credit shall be granted only if payment is made. The rule 270
shall not require payment of more than the additional liability 271
to the retirement system resulting from granting the credit. A 272
member may choose to purchase only part of the credit in any one 273
payment. 274

(C) A member of the public employees retirement system is 275
ineligible to receive service credit under this section for any 276
year of military service credit used to obtain service credit 277
pursuant to section 145.301 or 145.302 of the Revised Code. At 278
the time such credit is requested, the member shall certify on a 279
form supplied by the retirement board that the member does and 280
will conform to this requirement. This division does not cancel 281
any military service credit earned prior to March 15, 1979. 282

Sec. 742.52. (A) A member of the Ohio police and fire 283
pension fund who is not receiving a disability benefit or 284
pension from the fund and is not a participant in the deferred 285

retirement option plan established under section 742.43 of the 286
Revised Code may purchase service credit, which shall be used in 287
computing the member's years of service, for each year of 288
service incurred by reason of having been on active duty, active 289
duty for training, initial active duty for training, inactive 290
duty training, full-time national guard duty, and a period for 291
which a member is absent from a position of employment for the 292
purpose of an examination to determine the fitness of the member 293
to perform a duty, as a member of the armed forces of the United 294
States if the member is honorably discharged. Credits which are 295
not authorized under former sections 742.18, 742.19, 742.20, and 296
742.21 or section 742.521 of the Revised Code may be purchased 297
at any time. The number of years purchased under this division 298
shall not exceed five. 299

(B) For the purposes of this division, "prisoner of war" 300
means any regularly appointed, enrolled, enlisted, or inducted 301
member of the armed forces of the United States who was 302
captured, separated, and incarcerated by an enemy of the United 303
States. 304

A member who is not a participant in the deferred 305
retirement option plan established under section 742.43 of the 306
Revised Code may purchase service credit which shall be 307
considered as the equivalent of Ohio service for each year of 308
service the member was a prisoner of war. The number of years 309
purchased under this division shall not exceed five. Service 310
credit may be purchased under this division for the same years 311
of service used to purchase service credit under division (A) of 312
this section. The member may choose to purchase only part of 313
such credit in any one payment, subject to board rules. 314

(C) The total number of years purchased under this section 315

shall not exceed the member's total accumulated number of years 316
of Ohio service. 317

(D) For each year of service purchased under division (A) 318
or (B) of this section, the member shall pay to the fund for 319
credit to the member's accumulated account an amount determined 320
by the member rate of contribution in effect at the time the 321
military service began or four per cent, whichever is greater, 322
multiplied by the annual compensation for full-time employment 323
during the first year of full-time service in Ohio covered by 324
any state or municipal retirement system of this state following 325
termination of military service. To this amount shall be added 326
an amount equal to compound interest at a rate established by 327
the board of trustees of the Ohio police and fire pension fund 328
from the date active military service terminated to date of 329
payment. For the purpose of this section, the board may define 330
full-time service in Ohio covered by any state or municipal 331
retirement system of this state. 332

(E) A member is ineligible to purchase service credit 333
under this section for any year of military service that was: 334

(1) Used in the calculation of any retirement benefit 335
currently being paid to the member or payable in the future 336
under any other retirement program, except for retired pay for 337
non-regular service under Chapter 1223. of Section 1662 of Title 338
XVI of the "National Defense Authorization Act for Fiscal Year 339
1995," 108 Stat. 2998 (1994), 10 U.S.C.A. 12731 to 12739, or 340
social security; 341

(2) Used to obtain service credit under former section 342
742.18, 742.19, 742.20, or 742.21 or section 742.521 of the 343
Revised Code. At the time the credit is purchased the member 344
shall certify on a form furnished by the trustees that the 345

member does and will conform to this requirement. Any benefit 346
paid under this section to which the member is not entitled 347
shall be recovered by any recovery procedures available under 348
this chapter. 349

~~"Armed-~~(F) As used in this section and section 742.521 of 350
the Revised Code, "armed forces" of the United States includes 351
army, navy, air force, marine corps, space force, coast guard, 352
or any reserve component of such forces; national guard; the 353
commissioned corps of the United States public health service; 354
the merchant marine service during wartime; auxiliary corps as 355
established by congress; service as a red cross nurse with the 356
army, navy, air force, hospital service of the United States, 357
army nurse corps, navy nurse corps, or serving full-time with 358
the American red cross in a combat zone; and such other service 359
as may be designated by congress as included therein. 360

(G) A member of the fund who has purchased service credit 361
under this section, or the member's estate, is entitled to be 362
refunded the amount paid to purchase such credit, or a pro rata 363
portion thereof, provided that the purchased service credit, or 364
a portion of the purchased service credit, does not serve to 365
increase a pension or benefit paid under section 742.37 or 366
742.39 or calculated under section 742.442 of the Revised Code. 367
The refund of any amount paid to purchase credit under this 368
section, or a pro rata portion thereof, shall cancel an 369
equivalent amount of service credit. 370

Sec. 742.521. (A) ~~As used in this section, "armed forces"~~ 371
~~of the United States means the army, navy, air force, marine~~ 372
~~corps, coast guard, or any reserve components of such forces;~~ 373
~~the national guard; the commissioned corps of the United States~~ 374
~~public health service; the merchant marine service during~~ 375

~~wartime; auxiliary corps as established by congress; service as— 376
a red cross nurse with the army, navy, air force, hospital— 377
service of the United States, army nurse corps, navy nurse— 378
corps, or serving full time with the American red cross in a— 379
combat zone; and such other service as may be designated by— 380
congress. 381~~

~~(B)—~~A member of the fund who is an employee of a police or 382
fire department and who enlisted or enlists, was inducted or is 383
inducted, was or is called into active duty, or accepted or 384
accepts a commission in the armed forces, in computing years of 385
service in such police or fire department, shall be given full 386
credit for such time served in the armed forces, provided the 387
person has been honorably discharged from the armed forces or 388
from active duty therein, has made application for reinstatement 389
in the active service of the police or fire department within 390
ninety days from the date of discharge, and employer 391
contributions have been paid pursuant to this section. Service 392
credit given under this section for time served in the armed 393
forces shall not exceed five years. 394

~~(C)—~~(B) A member of the fund is ineligible to receive 395
service credit under this section for any time served in the 396
armed forces that is used to obtain service credit under former 397
section 742.18, 742.19, 742.20, or 742.21 or section 742.52 of 398
the Revised Code. 399

At the time such credit is requested, the member shall 400
certify on a form supplied by the retirement board that the 401
member does and will conform to this requirement. Any benefit 402
paid under this section to which the member is not entitled 403
shall be recovered by any recovery procedures available under 404
this chapter. This section does not cancel any military service 405

credit earned under this chapter prior to October 29, 1996. 406

~~(D)~~ (C) An employer of a member entitled to service credit 407
under this section shall pay the Ohio police and fire pension 408
fund an amount equal to that which would have been paid under 409
section 742.33 or 742.34 of the Revised Code had the member 410
continued police or fire employment during the period of 411
military service. The board of trustees may adopt rules setting 412
the manner in which the employer contribution is calculated and 413
paid. 414

Sec. 2151.4210. (A) A public children services agency 415
shall determine as soon as practicable if a parent, guardian, or 416
custodian of a child who is subject to an investigation under 417
section 2151.421 or 2151.422 of the Revised Code is in the armed 418
forces. 419

(B) If the agency determines that the parent, guardian, or 420
custodian is in the armed forces, the agency shall notify the 421
appropriate authority of that armed force in which the parent, 422
guardian, or custodian serves, in accordance with the memorandum 423
of understanding established by that authority, that an 424
investigation is being made of a report of child abuse or 425
neglect that relates to the parent, guardian, or custodian. 426

(C) As used in this section, "armed forces" has the same 427
meaning as "armed forces of the United States" in ~~10 U.S.C.~~ 428
~~101~~ section 5907.01 of the Revised Code. 429

Sec. 3307.75. (A) As used in this section, "armed forces" 430
~~of the United States~~ includes both: 431

(1) Army, navy, air force, marine corps, space force, 432
coast guard, auxiliary corps as established by congress, army 433
nurse corps, navy nurse corps, red cross nurse serving with the 434

army, navy, air force, or hospital service of the United States, 435
full-time service with the American red cross in a combat zone, 436
and such other service as is designated by the congress as 437
included therein; 438

(2) Personnel of the Ohio national guard, the Ohio 439
military reserve, the Ohio naval militia, and the reserve 440
components of the armed forces enumerated in division (A) (1) of 441
this section who are called to active duty pursuant to an 442
executive order issued by the president of the United States or 443
an act of congress. 444

(B) Upon presentation of an honorable discharge or 445
certificate of service, and subject to rules adopted by the 446
state teachers retirement board, any member of the state 447
teachers retirement system participating in the STRS defined 448
benefit plan who was or is out of active service as a teacher by 449
reason of having become a member of the armed forces ~~of the~~ 450
~~United States~~ on active duty or service shall be considered as 451
on indefinite leave of absence and shall have such service not 452
in excess of ten years considered as the equivalent of prior 453
service, provided the member returns to service as a teacher 454
within two years after the effective date of discharge and 455
establishes one year of service credit, or becomes a member of 456
either the public employees retirement system or the school 457
employees retirement system within such two-year period and 458
establishes at least one year of service credit. The retirement 459
board shall extend such two-year period an additional year if 460
failure to return is due to continuous professional training as 461
determined by said board. If such member, otherwise qualified 462
for such credit, canceled membership by the withdrawal of the 463
member's accumulated account, such military service credit shall 464
be granted following the restoration of the member's canceled 465

service credit as provided by section 3307.71 of the Revised 466
Code. Any member of the state teachers retirement system or 467
anyone who becomes a new entrant who is assigned or called to 468
take charge of special training for essential national defense 469
work or veterans' training courses in any of the public schools 470
or universities of the state may make regular contributions to 471
the state teachers retirement system even though the member's or 472
new entrant's salary is paid from federal funds, provided the 473
member's or new entrant's salary is disbursed by an employer. 474

(C) A member of the state teachers retirement system is 475
ineligible to receive service credit under this section for any 476
year of military service credit used in the calculation of any 477
retirement benefit currently being paid to the member or payable 478
in the future under any other retirement program, except social 479
security, or used to obtain service credit pursuant to section 480
3307.751 or 3307.752 of the Revised Code. At the time such 481
credit is requested, the member shall certify on a form supplied 482
by the board that the member does and will conform to this 483
requirement. This division does not cancel any military service 484
credit earned prior to March 15, 1979. 485

Sec. 3309.02. (A) As used in this section, "armed forces" 486
~~of the United States~~ includes both: 487

(1) Army, navy, air force, marine corps, space force, 488
coast guard, auxiliary corps as established by congress, army 489
nurse corps, navy nurse corps, red cross nurse serving with the 490
army, navy, air force, or hospital service of the United States, 491
full-time service with the American red cross in a combat zone, 492
and such other service as is designated by congress as included 493
therein; 494

(2) Personnel of the Ohio national guard, the Ohio 495

military reserve, the Ohio naval militia, and the reserve 496
components of the armed forces enumerated in division (A) (1) of 497
this section who are called to active duty pursuant to an 498
executive order issued by the president of the United States or 499
an act of congress. 500

(B) Upon presentation of an honorable discharge or 501
certificate of service, and subject to rules adopted by the 502
school employees retirement board, any member of the school 503
employees retirement system who was a member with not less than 504
one year of unadjusted service credit prior to active service in 505
the armed forces ~~of the United States~~ subsequent to October 31, 506
1965, and who returns to service as an employee or as an 507
employee in a capacity covered by either the public employees 508
retirement system or the state teachers retirement system within 509
two years after receiving such discharge or release, and 510
establishes one year of service credit, shall have such service 511
considered as prior service, provided that the total amount of 512
such service granted by the board shall not exceed ten years. 513
This section shall not serve to cancel any military service 514
credit earned or granted prior to November 1, 1965. 515

(C) A member of the school employees retirement system is 516
ineligible to receive service credit under this section for any 517
year of military service credit used in the calculation of any 518
retirement benefit currently being paid to the member or payable 519
in the future under any other retirement program, except social 520
security, or used to obtain service credit pursuant to section 521
3309.021 or 3309.022 of the Revised Code. At the time such 522
credit is requested, the member shall certify on a form supplied 523
by the retirement board that the member does and will conform to 524
this requirement. This division does not cancel any military 525
service credit earned prior to March 15, 1979. 526

Sec. 3313.471. (A) As used in this section, "armed forces" 527
means the Ohio national guard, the Ohio naval militia, the Ohio 528
military reserve, and the active and reserve components of the 529
United States army, navy, air force, marine corps, space force, 530
and coast guard. 531

(B) No school district board of education shall impose any 532
restriction on the presentation of career information to 533
students that is not uniformly imposed on representatives of the 534
armed forces, skilled trades, institutions of higher education, 535
career-technical education providers, business, industry, 536
charitable institutions, and other employers or prohibit the 537
presentation of information or recruitment of students by those 538
representatives for employment, employment training, or 539
education on the district's campus. The board shall provide 540
equal access to any of the district's employment or placement 541
services to all of the entities described in this division. 542

(C) The district board shall provide any entity described 543
in division (B) of this section with at least two opportunities 544
per school year to present information in person to all students 545
in grades nine through twelve individually or in a group setting 546
and shall provide students with the opportunity to speak in 547
person with the entities that participate in those 548
opportunities. This requirement may be satisfied by providing 549
common area access for presentation of information materials or 550
by providing a scheduled educational or career fair. 551

(D) To the extent permitted by federal law and in 552
accordance with this section, the district board may develop an 553
application process for entities that wish to access school 554
property for the purpose of presenting information to students. 555
The board may develop standards of conduct and require entities 556

to adhere to those standards as a condition of continued access 557
and presentation of information materials. 558

Sec. 3319.085. Any nonteaching school employee who 559
performs service in the uniformed services or service under 560
section 5923.12 of the Revised Code and who has returned, or 561
returns, from that service with a discharge under honorable 562
conditions or is released from service under section 5923.12 of 563
the Revised Code shall be re-employed by the board of education 564
of the district in which the nonteaching school employee held 565
the nonteaching school employee position as required by the 566
"Uniformed Services Employment and Reemployment Rights Act of 567
1994," 108 Stat. 3149, 38 U.S.C. 4303. 568

The board of education of the district in which the 569
nonteaching school employee was employed and is re-employed 570
under this section may suspend the contract of the nonteaching 571
school employee whose services become unnecessary by reason of 572
the return of a nonteaching school employee from service in the 573
uniformed services. 574

As used in this section, "service in the uniformed 575
services" and "uniformed services" have the same meanings as in 576
the ~~"Uniformed Services Employment and Reemployment Rights Act~~ 577
~~of 1994," 108 Stat. 3149, 38 U.S.C. 4303~~ section 124.23 of the 578
Revised Code. 579

Sec. 3511.01. As used in this chapter: 580

(A) "Dependent" means a person who is recognized as a 581
dependent by one of the uniformed services. 582

(B) "Overseas voter" means any of the following: 583

(1) A person who is outside of the United States and who, 584
before leaving the United States, was last eligible to vote in 585

this state, who may be considered a state resident using the 586
standards for residency established in sections 3503.02 and 587
3511.011 of the Revised Code, and who otherwise satisfies the 588
requirements to vote in this state; 589

(2) A person who is outside of the United States and who, 590
before leaving the United States, would have been eligible to 591
vote in this state had the person then been eighteen years of 592
age or older, who may be considered a state resident using the 593
standards for residency established in sections 3503.02 and 594
3511.011 of the Revised Code, and who otherwise satisfies the 595
requirements to vote in this state; 596

(3) A person who was born outside of the United States, 597
who may be considered a state resident using the standards for 598
residency established in sections 3503.02 and 3511.011 of the 599
Revised Code, and who otherwise satisfies the requirements to 600
vote in this state, if both of the following apply: 601

(a) The last place where the person's parent or legal 602
guardian was, or would have been, eligible to vote before 603
leaving the United States is within this state; and 604

(b) The person has not previously registered to vote in 605
any other state. 606

(C) "Uniformed services" means: 607

(1) Active and reserve components of the army, navy, air 608
force, marine corps, space force, or coast guard of the United 609
States; 610

(2) The merchant marine, the commissioned corps of the 611
public health service, or the commissioned corps of the national 612
oceanic and atmospheric administration of the United States; 613

| | |
|--|---------------------------------|
| (3) The national guard and the organized militia. | 614 |
| (D) "Uniformed services voter" means an individual who is qualified to vote in this state and who is: | 615 616 |
| (1) A member of one of the uniformed services described in division (C) (1) or (2) of this section; | 617 618 |
| (2) A member of one of the uniformed services described in division (C) (3) of this section who is on activated status. | 619 620 |
| (3) A spouse or dependent of a uniformed services voter. | 621 |
| Sec. 4731.36. (A) Sections 4731.01 to 4731.47 of the Revised Code shall not prohibit service in case of emergency, domestic administration of family remedies, or provision of assistance to another individual who is self-administering drugs. | 622 623 624 625 626 |
| Sections 4731.01 to 4731.47 of the Revised Code shall not apply to any of the following: | 627 628 |
| (1) A commissioned medical officer of the armed forces of the United States or an employee of the veterans administration of the United States or the United States public health service in the discharge of the officer's or employee's professional duties; | 629 630 631 632 633 |
| (2) A dentist authorized under Chapter 4715. of the Revised Code to practice dentistry when engaged exclusively in the practice of dentistry or when administering anesthetics in the practice of dentistry; | 634 635 636 637 |
| (3) A physician or surgeon in another state or territory who is a legal practitioner of medicine or surgery therein when providing consultation to an individual holding a license to practice issued under this chapter who has an established | 638 639 640 641 |

physician-patient relationship with the patient who is the 642
subject of the consultation, if one of the following applies: 643

(a) The physician or surgeon does not provide consultation 644
in this state on a regular or frequent basis. 645

(b) The physician or surgeon provides the consultation 646
without compensation of any kind, direct or indirect, for the 647
consultation. 648

(c) The consultation is part of the curriculum of a 649
medical school or osteopathic medical school of this state or a 650
program described in division (A) (2) of section 4731.291 of the 651
Revised Code. 652

(4) A physician or surgeon in another state or territory 653
who is a legal practitioner of medicine or surgery therein and 654
provided services to a patient in that state or territory, when 655
providing, not later than one year after the last date services 656
were provided in another state or territory, follow-up services 657
in person or through the use of any communication, including 658
oral, written, or electronic communication, in this state to the 659
patient for the same condition; 660

(5) A physician or surgeon residing on the border of a 661
contiguous state and authorized under the laws thereof to 662
practice medicine and surgery therein, whose practice extends 663
within the limits of this state. Such practitioner shall not 664
either in person or through the use of any communication, 665
including oral, written, or electronic communication, open an 666
office or appoint a place to see patients or receive calls 667
within the limits of this state. 668

(6) A board, committee, or corporation engaged in the 669
conduct described in division (A) of section 2305.251 of the 670

Revised Code when acting within the scope of the functions of 671
the board, committee, or corporation; 672

(7) The conduct of an independent review organization 673
accredited by the superintendent of insurance under section 674
3922.13 of the Revised Code for the purpose of external reviews 675
conducted under Chapter 3922. of the Revised Code. 676

As used in division (A) (1) of this section, "armed forces 677
of the United States" ~~means the army, air force, navy, marine-~~ 678
~~corps, coast guard, and any other military service branch that~~ 679
~~is designated by congress as a part of the armed forces of the~~ 680
~~United States~~has the same meaning as in section 5907.01 of the 681
Revised Code. 682

(B) (1) Subject to division (B) (2) of this section, this 683
chapter does not apply to a person who holds a current, 684
unrestricted license to practice medicine and surgery or 685
osteopathic medicine and surgery in another state when the 686
person, pursuant to a written agreement with an athletic team 687
located in the state in which the person holds the license, 688
provides medical services to any of the following while the team 689
is traveling to or from or participating in a sporting event in 690
this state: 691

(a) A member of the athletic team; 692

(b) A member of the athletic team's coaching, 693
communications, equipment, or sports medicine staff; 694

(c) A member of a band or cheerleading squad accompanying 695
the athletic team; 696

(d) The athletic team's mascot. 697

(2) In providing medical services pursuant to division (B) 698

(1) of this section, the person shall not provide medical 699
services at a health care facility, including a hospital, an 700
ambulatory surgical facility, or any other facility in which 701
medical care, diagnosis, or treatment is provided on an 702
inpatient or outpatient basis. 703

(C) Sections 4731.51 to 4731.61 of the Revised Code do not 704
apply to any graduate of a podiatric school or college while 705
performing those acts that may be prescribed by or incidental to 706
participation in an accredited podiatric internship, residency, 707
or fellowship program situated in this state approved by the 708
state medical board. 709

(D) This chapter does not apply to an individual engaged 710
in the practice of oriental medicine, or to an acupuncturist who 711
complies with Chapter 4762. of the Revised Code. 712

(E) This chapter does not prohibit the administration of 713
drugs by any of the following: 714

(1) An individual who is licensed or otherwise 715
specifically authorized by the Revised Code to administer drugs; 716

(2) An individual who is not licensed or otherwise 717
specifically authorized by the Revised Code to administer drugs, 718
but is acting pursuant to the rules for delegation of medical 719
tasks adopted under section 4731.053 of the Revised Code; 720

(3) An individual specifically authorized to administer 721
drugs pursuant to a rule adopted under the Revised Code that is 722
in effect on April 10, 2001, as long as the rule remains in 723
effect, specifically authorizing an individual to administer 724
drugs. 725

(F) The exemptions described in divisions (A) (3), (4), and 726
(5) of this section do not apply to a physician or surgeon whose 727

license to practice issued under this chapter is under 728
suspension or has been revoked or permanently revoked by action 729
of the state medical board. 730

Sec. 4743.041. (A) As used in this section: 731

"Active guard and reserve" has the meaning defined in 10 732
U.S.C. 101. 733

"Military duty" includes service in the uniformed services 734
on active duty, in the active guard and reserve, and as a 735
military technician dual status under 10 U.S.C. 10216. 736

"Uniformed services" has the meaning defined in ~~10 U.S.C.~~ 737
101 section 5747.01 of the Revised Code. 738

(B) Pursuant to division (C) of section 4743.04 of the 739
Revised Code, a department, agency, or office of this state 740
shall issue a temporary license or certificate to practice a 741
trade or profession to an individual, provided that all of the 742
following qualifications are met: 743

(1) The individual holds a valid license or certificate to 744
practice the trade or profession issued by any other state or 745
jurisdiction; 746

(2) The individual is in good standing in the state or 747
jurisdiction of licensure or certification; 748

(3) The individual presents adequate proof to the 749
department, agency, or office of this state that the individual 750
or the individual's spouse is on military duty in this state; 751
and 752

(4) The individual complies with sections 4776.01 to 753
4776.04 of the Revised Code if a department, agency, or office 754
of this state requires an applicant under the law governing the 755

applicable trade or profession to submit to a criminal records 756
check to receive a license or certificate. 757

(C) A department, agency, or office of this state may, 758
under this section, issue a regular license or certificate in 759
lieu of issuing a temporary license or certificate, provided 760
that the applicant meets the requirements of this section, and 761
provided that the regular license is issued by the deadline 762
specified in division (D) of this section. 763

(D) If the department, agency, or office of this state 764
requires an individual under the law governing the applicable 765
trade or profession to submit to a criminal records check to 766
receive a license or certificate, and the individual applies for 767
a license or certificate under this section, the department, 768
agency, or office of this state shall, within twenty-four hours 769
after receiving the report under division (A) of section 4776.04 770
of the Revised Code, notify the applicant that the department, 771
agency, or office of this state has received the results of a 772
criminal records check. A department, agency, or office of this 773
state shall issue a temporary license or certificate or a 774
regular license under this section, provided that the applicant 775
meets the requirements of this section, within thirty days of 776
having received an application, or, if the applicant is subject 777
to a criminal records check, within fourteen days of having 778
received the results of a criminal records check. If the 779
department, agency, or office of this state finds that the 780
individual is under investigation by the licensing agency of any 781
other state or jurisdiction, the department, agency, or office 782
of this state may postpone issuing the license or certificate 783
until the investigation is complete and the licensing agency of 784
the other state or jurisdiction confirms that the individual is 785
in good standing. The department, agency, or office of this 786

state shall verify the standing of the license or certificate 787
issued by another state or jurisdiction when the temporary 788
license is up for renewal. No temporary license shall be valid 789
for a period of more than six years. 790

(E) A department, agency, or office of this state shall, 791
in accordance with Chapter 119. of the Revised Code, deny an 792
individual a temporary license or certificate issued under this 793
section or revoke an individual's temporary license or 794
certificate issued under this section if any of the following 795
circumstances occur: 796

(1) The individual's license or certificate issued by 797
another state or jurisdiction expires or is revoked, or the 798
individual is not in good standing; 799

(2) With respect to an individual who was eligible for a 800
temporary license under this section as the spouse of an 801
individual on military duty, six months have elapsed since the 802
divorce, dissolution, or annulment of the marriage; 803

(3) The individual is disqualified from obtaining a 804
license in the trade or profession because of a conviction, 805
judicial finding of guilt, or plea of guilty to a disqualifying 806
criminal offense specified on the list the department, agency, 807
or office of this state makes available pursuant to division (C) 808
of section 9.78 of the Revised Code. 809

(F) An individual with a temporary license or certificate 810
or a regular license issued under this section may practice the 811
trade or profession in this state only within the scope and 812
practice that is permitted under Ohio law and that does not 813
exceed the individual's training. 814

(G) Notwithstanding any other provision of the Revised 815

Code, a department, agency, or office of this state shall waive 816
all fees associated with the issuance of a temporary license or 817
certificate issued under this section. 818

(H) Each department, agency, or office of this state that 819
issues a license or certificate to practice a trade or 820
profession shall adopt rules under Chapter 119. of the Revised 821
Code as necessary to implement this section. 822

(I) Each department, agency, or office of this state that 823
issues a license or certificate to practice a trade or 824
profession, shall, upon the conclusion of the state fiscal year, 825
prepare a report on the number and type of temporary licenses or 826
certificates that were issued during the fiscal year under this 827
section. The report shall be provided to the director of 828
veterans services not later than thirty days after the end of 829
the fiscal year. The director shall compile the reports and make 830
them available to the public. 831

(J) A license or certificate issued under this section 832
shall be considered a license issued under the laws regulating 833
the practice of the applicable occupation or profession in this 834
state. Provisions of law applicable to a license issued to an 835
applicant who does not obtain a license under this section apply 836
in the same manner to licenses issued under this section. 837

(K) Chapter 4796. of the Revised Code does not apply to a 838
license or certificate issued under this section. 839

(L) A department, agency, or office of this state shall 840
not require an individual who meets the requirements of this 841
section to apply for the license or certificate under Chapter 842
4796. of the Revised Code. However, the individual may elect to 843
apply for the license or certificate under Chapter 4796. of the 844

Revised Code. 845

Sec. 5505.16. (A) As used in this section, "member" has 846
the same meaning as in section 5505.01 of the Revised Code, 847
except that it also includes a former member who has earned 848
service credit and has not received a refund of accumulated 849
contributions under section 5505.19 of the Revised Code. 850

A member who became a member of the state highway patrol 851
before January 1, 2020, may be granted retirement under this 852
division if the member has twenty-five years of service credit 853
according to the rules adopted by the state highway patrol 854
retirement board and has attained age forty-eight. If the member 855
is under age forty-eight, retirement under this division shall 856
be deferred until age forty-eight. 857

(B) A member who has twenty years of service credit 858
according to the rules adopted by the retirement board, may be 859
granted retirement under this division if the member has 860
attained age fifty-two. If the member is under age fifty-two, 861
retirement under this division shall be deferred until age 862
fifty-two, except that any such member who has twenty years of 863
service credit may, on or after attaining age forty-eight but 864
before attaining age fifty-two, elect to retire and receive a 865
reduced pension under this division of the greater of nine 866
hundred dollars or an amount computed as follows: 867

868

1

2

A Attained Age

Reduced Pension

B 48

75% of normal service pension

| | | |
|---|----|-------------------------------|
| C | 49 | 80% of normal service pension |
| D | 50 | 86% of normal service pension |
| E | 51 | 93% of normal service pension |

The reduced pension is payable from the later of the date 869
of the member's most recent birthday or the date the member 870
becomes eligible to receive the reduced pension. 871

A member who has elected to receive a reduced pension in 872
accordance with the schedule provided in this division and has 873
received a payment in connection therewith may not change the 874
election. 875

(C) Any member who attains the age of sixty years and has 876
twenty years of service credit according to the rules adopted by 877
the board, shall file application for retirement with the board, 878
and if the member refuses or neglects to do so, the board may 879
deem the member's application to have been filed on the member's 880
sixtieth birthday. The member may, upon written application 881
approved by the superintendent of the state highway patrol, be 882
continued in service after attaining the age of sixty years, but 883
only until the member has accumulated twenty years of service 884
credit in accordance with rules adopted by the board. 885

(D) (1) As used in this division: 886

(a) "Service in the uniformed services" means the 887
performance of duty on a voluntary or involuntary basis in a 888
uniformed service under competent authority and includes active 889
duty, active duty for training, initial active duty for 890
training, inactive duty training, full-time national guard duty, 891
and a period for which a person is absent from a position of 892

employment for the purpose of an examination to determine the 893
fitness of the person to perform any such duty. 894

(b) "Uniformed services" of the United States includes 895
both: 896

(i) Army, navy, air force, marine corps, coast guard, 897
space force, or any reserve components of these services; 898
auxiliary corps as established by congress; army nurse corps; 899
navy nurse corps; service as red cross nurse with the army, 900
navy, air force, or hospital service of the United States, or 901
serving full-time with the American red cross in a combat zone; 902
and such other service as is designated by congress as included 903
therein; 904

(ii) Personnel of the Ohio national guard, the Ohio 905
military reserve, the Ohio naval militia, and the reserve 906
components of the armed forces enumerated in division (D) (1) of 907
this section who are called to active duty pursuant to an 908
executive order issued by the president of the United States or 909
an act of congress. 910

(2) A member's total service credit may include periods 911
not to exceed a total of seven years, while the member's 912
employment with the state highway patrol is or was interrupted 913
due to service in the uniformed services of the United States. 914
Such military service shall be credited to the member towards 915
total service as provided by this chapter and to the extent 916
approved by the board, provided that: 917

(a) The member is or was honorably discharged from service 918
in the uniformed services; 919

(b) The member is or was re-employed by the state highway 920
patrol within ninety days immediately following termination of 921

service in the uniformed services; 922

(c) The member, subject to board rules, pays into the 923
retirement system to the member's credit in the employees' 924
savings fund an amount equal to the total contributions the 925
member would have paid had state highway patrol employment not 926
been so interrupted. Such payment may be made at any time prior 927
to receipt of a pension. 928

(3) If the member meets the requirements of division (D) 929
(2) of this section, on receipt of contributions from the 930
member, the state highway patrol shall be billed for the 931
employer contribution that would have been paid pursuant to 932
section 5505.15 of the Revised Code if the member had not 933
rendered service in the uniformed services, subject to board 934
rules. 935

(4) If under division (D) (2) (c) of this section a member 936
pays all or any portion of the contributions later than the 937
lesser of five years or a period that is three times the 938
member's period of service in the uniformed services beginning 939
from the member's date of re-employment, an amount equal to 940
compound interest at a rate established by the board from the 941
member's date of re-employment to the date of payment shall be 942
added to the remaining amount to be paid by the member to 943
purchase service credit under this section. 944

(5) Credit purchased by a member under division (D) (2) of 945
this section shall be used to determine the member's eligibility 946
for retirement under this section and section 5505.17 of the 947
Revised Code. 948

Sec. 5747.01. Except as otherwise expressly provided or 949
clearly appearing from the context, any term used in this 950

chapter that is not otherwise defined in this section has the 951
same meaning as when used in a comparable context in the laws of 952
the United States relating to federal income taxes or if not 953
used in a comparable context in those laws, has the same meaning 954
as in section 5733.40 of the Revised Code. Any reference in this 955
chapter to the Internal Revenue Code includes other laws of the 956
United States relating to federal income taxes. 957

As used in this chapter: 958

(A) "Adjusted gross income" or "Ohio adjusted gross 959
income" means federal adjusted gross income, as defined and used 960
in the Internal Revenue Code, adjusted as provided in this 961
section: 962

(1) Add interest or dividends on obligations or securities 963
of any state or of any political subdivision or authority of any 964
state, other than this state and its subdivisions and 965
authorities. 966

(2) Add interest or dividends on obligations of any 967
authority, commission, instrumentality, territory, or possession 968
of the United States to the extent that the interest or 969
dividends are exempt from federal income taxes but not from 970
state income taxes. 971

(3) Deduct interest or dividends on obligations of the 972
United States and its territories and possessions or of any 973
authority, commission, or instrumentality of the United States 974
to the extent that the interest or dividends are included in 975
federal adjusted gross income but exempt from state income taxes 976
under the laws of the United States. 977

(4) Deduct disability and survivor's benefits to the 978
extent included in federal adjusted gross income. 979

| | |
|--|------|
| (5) Deduct the following, to the extent not otherwise | 980 |
| deducted or excluded in computing federal or Ohio adjusted gross | 981 |
| income: | 982 |
| (a) Benefits under Title II of the Social Security Act and | 983 |
| tier 1 railroad retirement; | 984 |
| (b) Railroad retirement benefits, other than tier 1 | 985 |
| railroad retirement benefits, to the extent such amounts are | 986 |
| exempt from state taxation under federal law. | 987 |
| (6) Deduct the amount of wages and salaries, if any, not | 988 |
| otherwise allowable as a deduction but that would have been | 989 |
| allowable as a deduction in computing federal adjusted gross | 990 |
| income for the taxable year, had the work opportunity tax credit | 991 |
| allowed and determined under sections 38, 51, and 52 of the | 992 |
| Internal Revenue Code not been in effect. | 993 |
| (7) Deduct any interest or interest equivalent on public | 994 |
| obligations and purchase obligations to the extent that the | 995 |
| interest or interest equivalent is included in federal adjusted | 996 |
| gross income. | 997 |
| (8) Add any loss or deduct any gain resulting from the | 998 |
| sale, exchange, or other disposition of public obligations to | 999 |
| the extent that the loss has been deducted or the gain has been | 1000 |
| included in computing federal adjusted gross income. | 1001 |
| (9) Deduct or add amounts, as provided under section | 1002 |
| 5747.70 of the Revised Code, related to contributions made to or | 1003 |
| tuition units purchased under a qualified tuition program | 1004 |
| established pursuant to section 529 of the Internal Revenue | 1005 |
| Code. | 1006 |
| (10) (a) Deduct, to the extent not otherwise allowable as a | 1007 |
| deduction or exclusion in computing federal or Ohio adjusted | 1008 |

gross income for the taxable year, the amount the taxpayer paid 1009
during the taxable year for medical care insurance and qualified 1010
long-term care insurance for the taxpayer, the taxpayer's 1011
spouse, and dependents. No deduction for medical care insurance 1012
under division (A) (10) (a) of this section shall be allowed 1013
either to any taxpayer who is eligible to participate in any 1014
subsidized health plan maintained by any employer of the 1015
taxpayer or of the taxpayer's spouse, or to any taxpayer who is 1016
entitled to, or on application would be entitled to, benefits 1017
under part A of Title XVIII of the "Social Security Act," 49 1018
Stat. 620 (1935), 42 U.S.C. 301, as amended. For the purposes of 1019
division (A) (10) (a) of this section, "subsidized health plan" 1020
means a health plan for which the employer pays any portion of 1021
the plan's cost. The deduction allowed under division (A) (10) (a) 1022
of this section shall be the net of any related premium refunds, 1023
related premium reimbursements, or related insurance premium 1024
dividends received during the taxable year. 1025

(b) Deduct, to the extent not otherwise deducted or 1026
excluded in computing federal or Ohio adjusted gross income 1027
during the taxable year, the amount the taxpayer paid during the 1028
taxable year, not compensated for by any insurance or otherwise, 1029
for medical care of the taxpayer, the taxpayer's spouse, and 1030
dependents, to the extent the expenses exceed seven and one-half 1031
per cent of the taxpayer's federal adjusted gross income. 1032

(c) For purposes of division (A) (10) of this section, 1033
"medical care" has the meaning given in section 213 of the 1034
Internal Revenue Code, subject to the special rules, 1035
limitations, and exclusions set forth therein, and "qualified 1036
long-term care" has the same meaning given in section 7702B(c) 1037
of the Internal Revenue Code. Solely for purposes of division 1038
(A) (10) (a) of this section, "dependent" includes a person who 1039

otherwise would be a "qualifying relative" and thus a 1040
"dependent" under section 152 of the Internal Revenue Code but 1041
for the fact that the person fails to meet the income and 1042
support limitations under section 152(d)(1)(B) and (C) of the 1043
Internal Revenue Code. 1044

(11) (a) Deduct any amount included in federal adjusted 1045
gross income solely because the amount represents a 1046
reimbursement or refund of expenses that in any year the 1047
taxpayer had deducted as an itemized deduction pursuant to 1048
section 63 of the Internal Revenue Code and applicable United 1049
States department of the treasury regulations. The deduction 1050
otherwise allowed under division (A)(11)(a) of this section 1051
shall be reduced to the extent the reimbursement is attributable 1052
to an amount the taxpayer deducted under this section in any 1053
taxable year. 1054

(b) Add any amount not otherwise included in Ohio adjusted 1055
gross income for any taxable year to the extent that the amount 1056
is attributable to the recovery during the taxable year of any 1057
amount deducted or excluded in computing federal or Ohio 1058
adjusted gross income in any taxable year. 1059

(12) Deduct any portion of the deduction described in 1060
section 1341(a)(2) of the Internal Revenue Code, for repaying 1061
previously reported income received under a claim of right, that 1062
meets both of the following requirements: 1063

(a) It is allowable for repayment of an item that was 1064
included in the taxpayer's adjusted gross income for a prior 1065
taxable year and did not qualify for a credit under division (A) 1066
or (B) of section 5747.05 of the Revised Code for that year; 1067

(b) It does not otherwise reduce the taxpayer's adjusted 1068

gross income for the current or any other taxable year. 1069

(13) Deduct an amount equal to the deposits made to, and 1070
net investment earnings of, a medical savings account during the 1071
taxable year, in accordance with section 3924.66 of the Revised 1072
Code. The deduction allowed by division (A) (13) of this section 1073
does not apply to medical savings account deposits and earnings 1074
otherwise deducted or excluded for the current or any other 1075
taxable year from the taxpayer's federal adjusted gross income. 1076

(14) (a) Add an amount equal to the funds withdrawn from a 1077
medical savings account during the taxable year, and the net 1078
investment earnings on those funds, when the funds withdrawn 1079
were used for any purpose other than to reimburse an account 1080
holder for, or to pay, eligible medical expenses, in accordance 1081
with section 3924.66 of the Revised Code; 1082

(b) Add the amounts distributed from a medical savings 1083
account under division (A) (2) of section 3924.68 of the Revised 1084
Code during the taxable year. 1085

(15) Add any amount claimed as a credit under section 1086
5747.059 of the Revised Code to the extent that such amount 1087
satisfies either of the following: 1088

(a) The amount was deducted or excluded from the 1089
computation of the taxpayer's federal adjusted gross income as 1090
required to be reported for the taxpayer's taxable year under 1091
the Internal Revenue Code; 1092

(b) The amount resulted in a reduction of the taxpayer's 1093
federal adjusted gross income as required to be reported for any 1094
of the taxpayer's taxable years under the Internal Revenue Code. 1095

(16) Deduct the amount contributed by the taxpayer to an 1096
individual development account program established by a county 1097

department of job and family services pursuant to sections 1098
329.11 to 329.14 of the Revised Code for the purpose of matching 1099
funds deposited by program participants. On request of the tax 1100
commissioner, the taxpayer shall provide any information that, 1101
in the tax commissioner's opinion, is necessary to establish the 1102
amount deducted under division (A) (16) of this section. 1103

(17) (a) (i) Subject to divisions (A) (17) (a) (iii), (iv), and 1104
(v) of this section, add five-sixths of the amount of 1105
depreciation expense allowed by subsection (k) of section 168 of 1106
the Internal Revenue Code, including the taxpayer's 1107
proportionate or distributive share of the amount of 1108
depreciation expense allowed by that subsection to a pass- 1109
through entity in which the taxpayer has a direct or indirect 1110
ownership interest. 1111

(ii) Subject to divisions (A) (17) (a) (iii), (iv), and (v) 1112
of this section, add five-sixths of the amount of qualifying 1113
section 179 depreciation expense, including the taxpayer's 1114
proportionate or distributive share of the amount of qualifying 1115
section 179 depreciation expense allowed to any pass-through 1116
entity in which the taxpayer has a direct or indirect ownership 1117
interest. 1118

(iii) Subject to division (A) (17) (a) (v) of this section, 1119
for taxable years beginning in 2012 or thereafter, if the 1120
increase in income taxes withheld by the taxpayer is equal to or 1121
greater than ten per cent of income taxes withheld by the 1122
taxpayer during the taxpayer's immediately preceding taxable 1123
year, "two-thirds" shall be substituted for "five-sixths" for 1124
the purpose of divisions (A) (17) (a) (i) and (ii) of this section. 1125

(iv) Subject to division (A) (17) (a) (v) of this section, 1126
for taxable years beginning in 2012 or thereafter, a taxpayer is 1127

not required to add an amount under division (A) (17) of this 1128
section if the increase in income taxes withheld by the taxpayer 1129
and by any pass-through entity in which the taxpayer has a 1130
direct or indirect ownership interest is equal to or greater 1131
than the sum of (I) the amount of qualifying section 179 1132
depreciation expense and (II) the amount of depreciation expense 1133
allowed to the taxpayer by subsection (k) of section 168 of the 1134
Internal Revenue Code, and including the taxpayer's 1135
proportionate or distributive shares of such amounts allowed to 1136
any such pass-through entities. 1137

(v) If a taxpayer directly or indirectly incurs a net 1138
operating loss for the taxable year for federal income tax 1139
purposes, to the extent such loss resulted from depreciation 1140
expense allowed by subsection (k) of section 168 of the Internal 1141
Revenue Code and by qualifying section 179 depreciation expense, 1142
"the entire" shall be substituted for "five-sixths of the" for 1143
the purpose of divisions (A) (17) (a) (i) and (ii) of this section. 1144

The tax commissioner, under procedures established by the 1145
commissioner, may waive the add-backs related to a pass-through 1146
entity if the taxpayer owns, directly or indirectly, less than 1147
five per cent of the pass-through entity. 1148

(b) Nothing in division (A) (17) of this section shall be 1149
construed to adjust or modify the adjusted basis of any asset. 1150

(c) To the extent the add-back required under division (A) 1151
(17) (a) of this section is attributable to property generating 1152
nonbusiness income or loss allocated under section 5747.20 of 1153
the Revised Code, the add-back shall be situated to the same 1154
location as the nonbusiness income or loss generated by the 1155
property for the purpose of determining the credit under 1156
division (A) of section 5747.05 of the Revised Code. Otherwise, 1157

the add-back shall be apportioned, subject to one or more of the 1158
four alternative methods of apportionment enumerated in section 1159
5747.21 of the Revised Code. 1160

(d) For the purposes of division (A)(17)(a)(v) of this 1161
section, net operating loss carryback and carryforward shall not 1162
include the allowance of any net operating loss deduction 1163
carryback or carryforward to the taxable year to the extent such 1164
loss resulted from depreciation allowed by section 168(k) of the 1165
Internal Revenue Code and by the qualifying section 179 1166
depreciation expense amount. 1167

(e) For the purposes of divisions (A)(17) and (18) of this 1168
section: 1169

(i) "Income taxes withheld" means the total amount 1170
withheld and remitted under sections 5747.06 and 5747.07 of the 1171
Revised Code by an employer during the employer's taxable year. 1172

(ii) "Increase in income taxes withheld" means the amount 1173
by which the amount of income taxes withheld by an employer 1174
during the employer's current taxable year exceeds the amount of 1175
income taxes withheld by that employer during the employer's 1176
immediately preceding taxable year. 1177

(iii) "Qualifying section 179 depreciation expense" means 1178
the difference between (I) the amount of depreciation expense 1179
directly or indirectly allowed to a taxpayer under section 179 1180
of the Internal Revised Code, and (II) the amount of 1181
depreciation expense directly or indirectly allowed to the 1182
taxpayer under section 179 of the Internal Revenue Code as that 1183
section existed on December 31, 2002. 1184

(18)(a) If the taxpayer was required to add an amount 1185
under division (A)(17)(a) of this section for a taxable year, 1186

deduct one of the following: 1187

(i) One-fifth of the amount so added for each of the five 1188
succeeding taxable years if the amount so added was five-sixths 1189
of qualifying section 179 depreciation expense or depreciation 1190
expense allowed by subsection (k) of section 168 of the Internal 1191
Revenue Code; 1192

(ii) One-half of the amount so added for each of the two 1193
succeeding taxable years if the amount so added was two-thirds 1194
of such depreciation expense; 1195

(iii) One-sixth of the amount so added for each of the six 1196
succeeding taxable years if the entire amount of such 1197
depreciation expense was so added. 1198

(b) If the amount deducted under division (A) (18) (a) of 1199
this section is attributable to an add-back allocated under 1200
division (A) (17) (c) of this section, the amount deducted shall 1201
be situated to the same location. Otherwise, the add-back shall 1202
be apportioned using the apportionment factors for the taxable 1203
year in which the deduction is taken, subject to one or more of 1204
the four alternative methods of apportionment enumerated in 1205
section 5747.21 of the Revised Code. 1206

(c) No deduction is available under division (A) (18) (a) of 1207
this section with regard to any depreciation allowed by section 1208
168(k) of the Internal Revenue Code and by the qualifying 1209
section 179 depreciation expense amount to the extent that such 1210
depreciation results in or increases a federal net operating 1211
loss carryback or carryforward. If no such deduction is 1212
available for a taxable year, the taxpayer may carry forward the 1213
amount not deducted in such taxable year to the next taxable 1214
year and add that amount to any deduction otherwise available 1215

under division (A) (18) (a) of this section for that next taxable 1216
year. The carryforward of amounts not so deducted shall continue 1217
until the entire addition required by division (A) (17) (a) of 1218
this section has been deducted. 1219

(19) Deduct, to the extent not otherwise deducted or 1220
excluded in computing federal or Ohio adjusted gross income for 1221
the taxable year, the amount the taxpayer received during the 1222
taxable year as reimbursement for life insurance premiums under 1223
section 5919.31 of the Revised Code. 1224

(20) Deduct, to the extent not otherwise deducted or 1225
excluded in computing federal or Ohio adjusted gross income for 1226
the taxable year, the amount the taxpayer received during the 1227
taxable year as a death benefit paid by the adjutant general 1228
under section 5919.33 of the Revised Code. 1229

(21) Deduct, to the extent included in federal adjusted 1230
gross income and not otherwise allowable as a deduction or 1231
exclusion in computing federal or Ohio adjusted gross income for 1232
the taxable year, military pay and allowances received by the 1233
taxpayer during the taxable year for active duty service in the 1234
United States army, air force, navy, marine corps, or coast 1235
guard or reserve components thereof or the national guard. The 1236
deduction may not be claimed for military pay and allowances 1237
received by the taxpayer while the taxpayer is stationed in this 1238
state. 1239

(22) Deduct, to the extent not otherwise allowable as a 1240
deduction or exclusion in computing federal or Ohio adjusted 1241
gross income for the taxable year and not otherwise compensated 1242
for by any other source, the amount of qualified organ donation 1243
expenses incurred by the taxpayer during the taxable year, not 1244
to exceed ten thousand dollars. A taxpayer may deduct qualified 1245

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| organ donation expenses only once for all taxable years | 1246 |
| beginning with taxable years beginning in 2007. | 1247 |
| For the purposes of division (A) (22) of this section: | 1248 |
| (a) "Human organ" means all or any portion of a human | 1249 |
| liver, pancreas, kidney, intestine, or lung, and any portion of | 1250 |
| human bone marrow. | 1251 |
| (b) "Qualified organ donation expenses" means travel | 1252 |
| expenses, lodging expenses, and wages and salary forgone by a | 1253 |
| taxpayer in connection with the taxpayer's donation, while | 1254 |
| living, of one or more of the taxpayer's human organs to another | 1255 |
| human being. | 1256 |
| (23) Deduct, to the extent not otherwise deducted or | 1257 |
| excluded in computing federal or Ohio adjusted gross income for | 1258 |
| the taxable year, amounts received by the taxpayer as retired | 1259 |
| personnel pay for service in the uniformed services or reserve | 1260 |
| components thereof, or the national guard, or received by the | 1261 |
| surviving spouse or former spouse of such a taxpayer under the | 1262 |
| survivor benefit plan on account of such a taxpayer's death. If | 1263 |
| the taxpayer receives income on account of retirement paid under | 1264 |
| the federal civil service retirement system or federal employees | 1265 |
| retirement system, or under any successor retirement program | 1266 |
| enacted by the congress of the United States that is established | 1267 |
| and maintained for retired employees of the United States | 1268 |
| government, and such retirement income is based, in whole or in | 1269 |
| part, on credit for the taxpayer's uniformed service, the | 1270 |
| deduction allowed under this division shall include only that | 1271 |
| portion of such retirement income that is attributable to the | 1272 |
| taxpayer's uniformed service, to the extent that portion of such | 1273 |
| retirement income is otherwise included in federal adjusted | 1274 |
| gross income and is not otherwise deducted under this section. | 1275 |

Any amount deducted under division (A) (23) of this section is 1276
not included in a taxpayer's adjusted gross income for the 1277
purposes of section 5747.055 of the Revised Code. No amount may 1278
be deducted under division (A) (23) of this section on the basis 1279
of which a credit was claimed under section 5747.055 of the 1280
Revised Code. 1281

(24) Deduct, to the extent not otherwise deducted or 1282
excluded in computing federal or Ohio adjusted gross income for 1283
the taxable year, the amount the taxpayer received during the 1284
taxable year from the military injury relief fund created in 1285
section 5902.05 of the Revised Code. 1286

(25) Deduct, to the extent not otherwise deducted or 1287
excluded in computing federal or Ohio adjusted gross income for 1288
the taxable year, the amount the taxpayer received as a veterans 1289
bonus during the taxable year from the Ohio department of 1290
veterans services as authorized by Section 2r of Article VIII, 1291
Ohio Constitution. 1292

(26) Deduct, to the extent not otherwise deducted or 1293
excluded in computing federal or Ohio adjusted gross income for 1294
the taxable year, any income derived from a transfer agreement 1295
or from the enterprise transferred under that agreement under 1296
section 4313.02 of the Revised Code. 1297

(27) Deduct, to the extent not otherwise deducted or 1298
excluded in computing federal or Ohio adjusted gross income for 1299
the taxable year, Ohio college opportunity or federal Pell grant 1300
amounts received by the taxpayer or the taxpayer's spouse or 1301
dependent pursuant to section 3333.122 of the Revised Code or 20 1302
U.S.C. 1070a, et seq., and used to pay room or board furnished 1303
by the educational institution for which the grant was awarded 1304
at the institution's facilities, including meal plans 1305

administered by the institution. For the purposes of this 1306
division, receipt of a grant includes the distribution of a 1307
grant directly to an educational institution and the crediting 1308
of the grant to the enrollee's account with the institution. 1309

(28) Deduct from the portion of an individual's federal 1310
adjusted gross income that is business income, to the extent not 1311
otherwise deducted or excluded in computing federal adjusted 1312
gross income for the taxable year, one hundred twenty-five 1313
thousand dollars for each spouse if spouses file separate 1314
returns under section 5747.08 of the Revised Code or two hundred 1315
fifty thousand dollars for all other individuals. 1316

(29) Deduct, as provided under section 5747.78 of the 1317
Revised Code, contributions to ABLE savings accounts made in 1318
accordance with sections 113.50 to 113.56 of the Revised Code. 1319

(30) (a) Deduct, to the extent not otherwise deducted or 1320
excluded in computing federal or Ohio adjusted gross income 1321
during the taxable year, all of the following: 1322

(i) Compensation paid to a qualifying employee described 1323
in division (A) (14) (a) of section 5703.94 of the Revised Code to 1324
the extent such compensation is for disaster work conducted in 1325
this state during a disaster response period pursuant to a 1326
qualifying solicitation received by the employee's employer; 1327

(ii) Compensation paid to a qualifying employee described 1328
in division (A) (14) (b) of section 5703.94 of the Revised Code to 1329
the extent such compensation is for disaster work conducted in 1330
this state by the employee during the disaster response period 1331
on critical infrastructure owned or used by the employee's 1332
employer; 1333

(iii) Income received by an out-of-state disaster business 1334

for disaster work conducted in this state during a disaster 1335
response period, or, if the out-of-state disaster business is a 1336
pass-through entity, a taxpayer's distributive share of the 1337
pass-through entity's income from the business conducting 1338
disaster work in this state during a disaster response period, 1339
if, in either case, the disaster work is conducted pursuant to a 1340
qualifying solicitation received by the business. 1341

(b) All terms used in division (A) (30) of this section 1342
have the same meanings as in section 5703.94 of the Revised 1343
Code. 1344

(31) For a taxpayer who is a qualifying Ohio educator, 1345
deduct, to the extent not otherwise deducted or excluded in 1346
computing federal or Ohio adjusted gross income for the taxable 1347
year, the lesser of two hundred fifty dollars or the amount of 1348
expenses described in subsections (a) (2) (D) (i) and (ii) of 1349
section 62 of the Internal Revenue Code paid or incurred by the 1350
taxpayer during the taxpayer's taxable year in excess of the 1351
amount the taxpayer is authorized to deduct for that taxable 1352
year under subsection (a) (2) (D) of that section. 1353

(32) Deduct, to the extent not otherwise deducted or 1354
excluded in computing federal or Ohio adjusted gross income for 1355
the taxable year, amounts received by the taxpayer as a 1356
disability severance payment, computed under 10 U.S.C. 1212, 1357
following discharge or release under honorable conditions from 1358
the armed forces of the United States, as defined by ~~10 U.S.C.~~ 1359
~~101~~ in section 5907.01 of the Revised Code. 1360

(33) Deduct, to the extent not otherwise deducted or 1361
excluded in computing federal adjusted gross income or Ohio 1362
adjusted gross income, amounts not subject to tax due to an 1363
agreement entered into under division (A) (2) of section 5747.05 1364

of the Revised Code. 1365

(34) Deduct amounts as provided under section 5747.79 of 1366
the Revised Code related to the taxpayer's qualifying capital 1367
gains and deductible payroll. 1368

To the extent a qualifying capital gain described under 1369
division (A) (34) of this section is business income, the 1370
taxpayer shall deduct those gains under this division before 1371
deducting any such gains under division (A) (28) of this section. 1372

(35) (a) For taxable years beginning in or after 2026, 1373
deduct, to the extent not otherwise deducted or excluded in 1374
computing federal or Ohio adjusted gross income for the taxable 1375
year: 1376

(i) One hundred per cent of the capital gain received by 1377
the taxpayer in the taxable year from a qualifying interest in 1378
an Ohio venture capital operating company attributable to the 1379
company's investments in Ohio businesses during the period for 1380
which the company was an Ohio venture operating company; and 1381

(ii) Fifty per cent of the capital gain received by the 1382
taxpayer in the taxable year from a qualifying interest in an 1383
Ohio venture capital operating company attributable to the 1384
company's investments in all other businesses during the period 1385
for which the company was an Ohio venture operating company. 1386

(b) Add amounts previously deducted by the taxpayer under 1387
division (A) (35) (a) of this section if the director of 1388
development certifies to the tax commissioner that the 1389
requirements for the deduction were not met. 1390

(c) All terms used in division (A) (35) of this section 1391
have the same meanings as in section 122.851 of the Revised 1392
Code. 1393

(d) To the extent a capital gain described in division (A) 1394
(35)(a) of this section is business income, the taxpayer shall 1395
apply that division before applying division (A)(28) of this 1396
section. 1397

(36) Add, to the extent not otherwise included in 1398
computing federal or Ohio adjusted gross income for any taxable 1399
year, the taxpayer's proportionate share of the amount of the 1400
tax levied under section 5747.38 of the Revised Code and paid by 1401
an electing pass-through entity for the taxable year. 1402

Notwithstanding any provision of the Revised Code to the 1403
contrary, the portion of the addition required by division (A) 1404
(36) of this section related to the apportioned business income 1405
of the pass-through entity shall be considered business income 1406
under division (B) of this section. Such addition is eligible 1407
for the deduction in division (A)(28) of this section, subject 1408
to the applicable dollar limitations, and the tax rate 1409
prescribed by division (A)(4)(a) of section 5747.02 of the 1410
Revised Code. The taxpayer shall provide, upon request of the 1411
tax commissioner, any documentation necessary to verify the 1412
portion of the addition that is business income under this 1413
division. 1414

(37) Deduct, to the extent not otherwise deducted or 1415
excluded in computing federal or Ohio adjusted gross income for 1416
the taxable year, amounts delivered to a qualifying institution 1417
pursuant to section 3333.128 of the Revised Code for the benefit 1418
of the taxpayer or the taxpayer's spouse or dependent. 1419

(38) Deduct, to the extent not otherwise deducted or 1420
excluded in computing federal or Ohio adjusted gross income for 1421
the taxable year, amounts received under the Ohio adoption grant 1422
program pursuant to section 5101.191 of the Revised Code. 1423

(39) Deduct, to the extent included in federal adjusted gross income, income attributable to amounts provided to a taxpayer for any of the purposes for which a deduction is authorized under section 139 of the Internal Revenue Code, assuming that the train derailment near the city of East Palestine on February 3, 2023, is a qualified disaster pursuant to that section, or to compensate for lost business resulting from that derailment, if such amounts are provided by any of the following:

(a) A federal, state, or local government agency;

(b) A railroad company, as that term is defined in section 5727.01 of the Revised Code;

(c) Any subsidiary, insurer, or agent of a railroad company or any related person.

(40) Deduct, to the extent included in federal adjusted gross income, income attributable to loan repayments on behalf of the taxpayer under the rural practice incentive program under section 3333.135 of the Revised Code.

(41) Add any income taxes deducted in computing federal or Ohio adjusted gross income to the extent the income taxes were derived from income subject to a tax levied in another state or the District of Columbia when such tax was enacted for purposes of complying with internal revenue service notice 2020-75.

Notwithstanding any provision of the Revised Code to the contrary, the portion of the addition required by division (A) (41) of this section related to the apportioned business income of the pass-through entity shall be considered business income under division (B) of this section. Such addition is eligible for the deduction in division (A) (28) of this section, subject

to the applicable dollar limitations, and the tax rate 1453
prescribed by division (A) (4) (a) of section 5747.02 of the 1454
Revised Code. The taxpayer shall provide, upon request of the 1455
tax commissioner, any documentation necessary to verify the 1456
portion of the addition that is business income under this 1457
division. 1458

(42) Deduct amounts contributed to a homeownership savings 1459
account and calculated pursuant to divisions (B) and (C) of 1460
section 5747.85 of the Revised Code. 1461

(43) If the taxpayer is the account owner, add the amount 1462
of funds withdrawn from a homeownership savings account not used 1463
for eligible expenses, regardless of who deposited those funds. 1464
As used in division (A) (43) of this section, "homeownership 1465
savings account," "account owner," and "eligible expenses" have 1466
the same meanings as in section 5747.85 of the Revised Code. 1467

(B) "Business income" means income, including gain or 1468
loss, arising from transactions, activities, and sources in the 1469
regular course of a trade or business and includes income, gain, 1470
or loss from real property, tangible property, and intangible 1471
property if the acquisition, rental, management, and disposition 1472
of the property constitute integral parts of the regular course 1473
of a trade or business operation. "Business income" includes 1474
income, including gain or loss, from a partial or complete 1475
liquidation of a business, including, but not limited to, gain 1476
or loss from the sale or other disposition of goodwill or the 1477
sale of an equity or ownership interest in a business. 1478

As used in this division, the "sale of an equity or 1479
ownership interest in a business" means sales to which either or 1480
both of the following apply: 1481

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| (1) The sale is treated for federal income tax purposes as | 1482 |
| the sale of assets. | 1483 |
| (2) The seller materially participated, as described in 26 | 1484 |
| C.F.R. 1.469-5T, in the activities of the business during the | 1485 |
| taxable year in which the sale occurs or during any of the five | 1486 |
| preceding taxable years. | 1487 |
| (C) "Nonbusiness income" means all income other than | 1488 |
| business income and may include, but is not limited to, | 1489 |
| compensation, rents and royalties from real or tangible personal | 1490 |
| property, capital gains, interest, dividends and distributions, | 1491 |
| patent or copyright royalties, or lottery winnings, prizes, and | 1492 |
| awards. | 1493 |
| (D) "Compensation" means any form of remuneration paid to | 1494 |
| an employee for personal services. | 1495 |
| (E) "Fiduciary" means a guardian, trustee, executor, | 1496 |
| administrator, receiver, conservator, or any other person acting | 1497 |
| in any fiduciary capacity for any individual, trust, or estate. | 1498 |
| (F) "Fiscal year" means an accounting period of twelve | 1499 |
| months ending on the last day of any month other than December. | 1500 |
| (G) "Individual" means any natural person. | 1501 |
| (H) "Internal Revenue Code" means the "Internal Revenue | 1502 |
| Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended. | 1503 |
| (I) "Resident" means any of the following: | 1504 |
| (1) An individual who is domiciled in this state, subject | 1505 |
| to section 5747.24 of the Revised Code; | 1506 |
| (2) The estate of a decedent who at the time of death was | 1507 |
| domiciled in this state. The domicile tests of section 5747.24 | 1508 |

of the Revised Code are not controlling for purposes of division 1509
(I) (2) of this section. 1510

(3) A trust that, in whole or part, resides in this state. 1511
If only part of a trust resides in this state, the trust is a 1512
resident only with respect to that part. 1513

For the purposes of division (I) (3) of this section: 1514

(a) A trust resides in this state for the trust's current 1515
taxable year to the extent, as described in division (I) (3) (d) 1516
of this section, that the trust consists directly or indirectly, 1517
in whole or in part, of assets, net of any related liabilities, 1518
that were transferred, or caused to be transferred, directly or 1519
indirectly, to the trust by any of the following: 1520

(i) A person, a court, or a governmental entity or 1521
instrumentality on account of the death of a decedent, but only 1522
if the trust is described in division (I) (3) (e) (i) or (ii) of 1523
this section; 1524

(ii) A person who was domiciled in this state for the 1525
purposes of this chapter when the person directly or indirectly 1526
transferred assets to an irrevocable trust, but only if at least 1527
one of the trust's qualifying beneficiaries is domiciled in this 1528
state for the purposes of this chapter during all or some 1529
portion of the trust's current taxable year; 1530

(iii) A person who was domiciled in this state for the 1531
purposes of this chapter when the trust document or instrument 1532
or part of the trust document or instrument became irrevocable, 1533
but only if at least one of the trust's qualifying beneficiaries 1534
is a resident domiciled in this state for the purposes of this 1535
chapter during all or some portion of the trust's current 1536
taxable year. If a trust document or instrument became 1537

irrevocable upon the death of a person who at the time of death 1538
was domiciled in this state for purposes of this chapter, that 1539
person is a person described in division (I) (3) (a) (iii) of this 1540
section. 1541

(b) A trust is irrevocable to the extent that the 1542
transferor is not considered to be the owner of the net assets 1543
of the trust under sections 671 to 678 of the Internal Revenue 1544
Code. 1545

(c) With respect to a trust other than a charitable lead 1546
trust, "qualifying beneficiary" has the same meaning as 1547
"potential current beneficiary" as defined in section 1361(e) (2) 1548
of the Internal Revenue Code, and with respect to a charitable 1549
lead trust "qualifying beneficiary" is any current, future, or 1550
contingent beneficiary, but with respect to any trust 1551
"qualifying beneficiary" excludes a person or a governmental 1552
entity or instrumentality to any of which a contribution would 1553
qualify for the charitable deduction under section 170 of the 1554
Internal Revenue Code. 1555

(d) For the purposes of division (I) (3) (a) of this 1556
section, the extent to which a trust consists directly or 1557
indirectly, in whole or in part, of assets, net of any related 1558
liabilities, that were transferred directly or indirectly, in 1559
whole or part, to the trust by any of the sources enumerated in 1560
that division shall be ascertained by multiplying the fair 1561
market value of the trust's assets, net of related liabilities, 1562
by the qualifying ratio, which shall be computed as follows: 1563

(i) The first time the trust receives assets, the 1564
numerator of the qualifying ratio is the fair market value of 1565
those assets at that time, net of any related liabilities, from 1566
sources enumerated in division (I) (3) (a) of this section. The 1567

denominator of the qualifying ratio is the fair market value of 1568
all the trust's assets at that time, net of any related 1569
liabilities. 1570

(ii) Each subsequent time the trust receives assets, a 1571
revised qualifying ratio shall be computed. The numerator of the 1572
revised qualifying ratio is the sum of (1) the fair market value 1573
of the trust's assets immediately prior to the subsequent 1574
transfer, net of any related liabilities, multiplied by the 1575
qualifying ratio last computed without regard to the subsequent 1576
transfer, and (2) the fair market value of the subsequently 1577
transferred assets at the time transferred, net of any related 1578
liabilities, from sources enumerated in division (I) (3) (a) of 1579
this section. The denominator of the revised qualifying ratio is 1580
the fair market value of all the trust's assets immediately 1581
after the subsequent transfer, net of any related liabilities. 1582

(iii) Whether a transfer to the trust is by or from any of 1583
the sources enumerated in division (I) (3) (a) of this section 1584
shall be ascertained without regard to the domicile of the 1585
trust's beneficiaries. 1586

(e) For the purposes of division (I) (3) (a) (i) of this 1587
section: 1588

(i) A trust is described in division (I) (3) (e) (i) of this 1589
section if the trust is a testamentary trust and the testator of 1590
that testamentary trust was domiciled in this state at the time 1591
of the testator's death for purposes of the taxes levied under 1592
Chapter 5731. of the Revised Code. 1593

(ii) A trust is described in division (I) (3) (e) (ii) of 1594
this section if the transfer is a qualifying transfer described 1595
in any of divisions (I) (3) (f) (i) to (vi) of this section, the 1596

trust is an irrevocable inter vivos trust, and at least one of 1597
the trust's qualifying beneficiaries is domiciled in this state 1598
for purposes of this chapter during all or some portion of the 1599
trust's current taxable year. 1600

(f) For the purposes of division (I)(3)(e)(ii) of this 1601
section, a "qualifying transfer" is a transfer of assets, net of 1602
any related liabilities, directly or indirectly to a trust, if 1603
the transfer is described in any of the following: 1604

(i) The transfer is made to a trust, created by the 1605
decedent before the decedent's death and while the decedent was 1606
domiciled in this state for the purposes of this chapter, and, 1607
prior to the death of the decedent, the trust became irrevocable 1608
while the decedent was domiciled in this state for the purposes 1609
of this chapter. 1610

(ii) The transfer is made to a trust to which the 1611
decedent, prior to the decedent's death, had directly or 1612
indirectly transferred assets, net of any related liabilities, 1613
while the decedent was domiciled in this state for the purposes 1614
of this chapter, and prior to the death of the decedent the 1615
trust became irrevocable while the decedent was domiciled in 1616
this state for the purposes of this chapter. 1617

(iii) The transfer is made on account of a contractual 1618
relationship existing directly or indirectly between the 1619
transferor and either the decedent or the estate of the decedent 1620
at any time prior to the date of the decedent's death, and the 1621
decedent was domiciled in this state at the time of death for 1622
purposes of the taxes levied under Chapter 5731. of the Revised 1623
Code. 1624

(iv) The transfer is made to a trust on account of a 1625

contractual relationship existing directly or indirectly between 1626
the transferor and another person who at the time of the 1627
decedent's death was domiciled in this state for purposes of 1628
this chapter. 1629

(v) The transfer is made to a trust on account of the will 1630
of a testator who was domiciled in this state at the time of the 1631
testator's death for purposes of the taxes levied under Chapter 1632
5731. of the Revised Code. 1633

(vi) The transfer is made to a trust created by or caused 1634
to be created by a court, and the trust was directly or 1635
indirectly created in connection with or as a result of the 1636
death of an individual who, for purposes of the taxes levied 1637
under Chapter 5731. of the Revised Code, was domiciled in this 1638
state at the time of the individual's death. 1639

(g) The tax commissioner may adopt rules to ascertain the 1640
part of a trust residing in this state. 1641

(J) "Nonresident" means an individual or estate that is 1642
not a resident. An individual who is a resident for only part of 1643
a taxable year is a nonresident for the remainder of that 1644
taxable year. 1645

(K) "Pass-through entity" has the same meaning as in 1646
section 5733.04 of the Revised Code. 1647

(L) "Return" means the notifications and reports required 1648
to be filed pursuant to this chapter for the purpose of 1649
reporting the tax due and includes declarations of estimated tax 1650
when so required. 1651

(M) "Taxable year" means the calendar year or the 1652
taxpayer's fiscal year ending during the calendar year, or 1653
fractional part thereof, upon which the adjusted gross income is 1654

calculated pursuant to this chapter. 1655

(N) "Taxpayer" means any person subject to the tax imposed 1656
by section 5747.02 of the Revised Code or any pass-through 1657
entity that makes the election under division (D) of section 1658
5747.08 of the Revised Code. 1659

(O) "Dependents" means one of the following: 1660

(1) For taxable years beginning on or after January 1, 1661
2018, and before January 1, 2026, dependents as defined in the 1662
Internal Revenue Code; 1663

(2) For all other taxable years, dependents as defined in 1664
the Internal Revenue Code and as claimed in the taxpayer's 1665
federal income tax return for the taxable year or which the 1666
taxpayer would have been permitted to claim had the taxpayer 1667
filed a federal income tax return. 1668

(P) "Principal county of employment" means, in the case of 1669
a nonresident, the county within the state in which a taxpayer 1670
performs services for an employer or, if those services are 1671
performed in more than one county, the county in which the major 1672
portion of the services are performed. 1673

(Q) As used in sections 5747.50 to 5747.55 of the Revised 1674
Code: 1675

(1) "Subdivision" means any county, municipal corporation, 1676
park district, or township. 1677

(2) "Essential local government purposes" includes all 1678
functions that any subdivision is required by general law to 1679
exercise, including like functions that are exercised under a 1680
charter adopted pursuant to the Ohio Constitution. 1681

(R) "Overpayment" means any amount already paid that 1682

exceeds the figure determined to be the correct amount of the 1683
tax. 1684

(S) "Taxable income" or "Ohio taxable income" applies only 1685
to estates and trusts, and means federal taxable income, as 1686
defined and used in the Internal Revenue Code, adjusted as 1687
follows: 1688

(1) Add interest or dividends, net of ordinary, necessary, 1689
and reasonable expenses not deducted in computing federal 1690
taxable income, on obligations or securities of any state or of 1691
any political subdivision or authority of any state, other than 1692
this state and its subdivisions and authorities, but only to the 1693
extent that such net amount is not otherwise includible in Ohio 1694
taxable income and is described in either division (S) (1) (a) or 1695
(b) of this section: 1696

(a) The net amount is not attributable to the S portion of 1697
an electing small business trust and has not been distributed to 1698
beneficiaries for the taxable year; 1699

(b) The net amount is attributable to the S portion of an 1700
electing small business trust for the taxable year. 1701

(2) Add interest or dividends, net of ordinary, necessary, 1702
and reasonable expenses not deducted in computing federal 1703
taxable income, on obligations of any authority, commission, 1704
instrumentality, territory, or possession of the United States 1705
to the extent that the interest or dividends are exempt from 1706
federal income taxes but not from state income taxes, but only 1707
to the extent that such net amount is not otherwise includible 1708
in Ohio taxable income and is described in either division (S) 1709
(1) (a) or (b) of this section; 1710

(3) Add the amount of personal exemption allowed to the 1711

estate pursuant to section 642(b) of the Internal Revenue Code; 1712

(4) Deduct interest or dividends, net of related expenses 1713
deducted in computing federal taxable income, on obligations of 1714
the United States and its territories and possessions or of any 1715
authority, commission, or instrumentality of the United States 1716
to the extent that the interest or dividends are exempt from 1717
state taxes under the laws of the United States, but only to the 1718
extent that such amount is included in federal taxable income 1719
and is described in either division (S)(1)(a) or (b) of this 1720
section; 1721

(5) Deduct the amount of wages and salaries, if any, not 1722
otherwise allowable as a deduction but that would have been 1723
allowable as a deduction in computing federal taxable income for 1724
the taxable year, had the work opportunity tax credit allowed 1725
under sections 38, 51, and 52 of the Internal Revenue Code not 1726
been in effect, but only to the extent such amount relates 1727
either to income included in federal taxable income for the 1728
taxable year or to income of the S portion of an electing small 1729
business trust for the taxable year; 1730

(6) Deduct any interest or interest equivalent, net of 1731
related expenses deducted in computing federal taxable income, 1732
on public obligations and purchase obligations, but only to the 1733
extent that such net amount relates either to income included in 1734
federal taxable income for the taxable year or to income of the 1735
S portion of an electing small business trust for the taxable 1736
year; 1737

(7) Add any loss or deduct any gain resulting from sale, 1738
exchange, or other disposition of public obligations to the 1739
extent that such loss has been deducted or such gain has been 1740
included in computing either federal taxable income or income of 1741

the S portion of an electing small business trust for the 1742
taxable year; 1743

(8) Except in the case of the final return of an estate, 1744
add any amount deducted by the taxpayer on both its Ohio estate 1745
tax return pursuant to section 5731.14 of the Revised Code, and 1746
on its federal income tax return in determining federal taxable 1747
income; 1748

(9) (a) Deduct any amount included in federal taxable 1749
income solely because the amount represents a reimbursement or 1750
refund of expenses that in a previous year the decedent had 1751
deducted as an itemized deduction pursuant to section 63 of the 1752
Internal Revenue Code and applicable treasury regulations. The 1753
deduction otherwise allowed under division (S) (9) (a) of this 1754
section shall be reduced to the extent the reimbursement is 1755
attributable to an amount the taxpayer or decedent deducted 1756
under this section in any taxable year. 1757

(b) Add any amount not otherwise included in Ohio taxable 1758
income for any taxable year to the extent that the amount is 1759
attributable to the recovery during the taxable year of any 1760
amount deducted or excluded in computing federal or Ohio taxable 1761
income in any taxable year, but only to the extent such amount 1762
has not been distributed to beneficiaries for the taxable year. 1763

(10) Deduct any portion of the deduction described in 1764
section 1341(a) (2) of the Internal Revenue Code, for repaying 1765
previously reported income received under a claim of right, that 1766
meets both of the following requirements: 1767

(a) It is allowable for repayment of an item that was 1768
included in the taxpayer's taxable income or the decedent's 1769
adjusted gross income for a prior taxable year and did not 1770

qualify for a credit under division (A) or (B) of section 1771
5747.05 of the Revised Code for that year. 1772

(b) It does not otherwise reduce the taxpayer's taxable 1773
income or the decedent's adjusted gross income for the current 1774
or any other taxable year. 1775

(11) Add any amount claimed as a credit under section 1776
5747.059 of the Revised Code to the extent that the amount 1777
satisfies either of the following: 1778

(a) The amount was deducted or excluded from the 1779
computation of the taxpayer's federal taxable income as required 1780
to be reported for the taxpayer's taxable year under the 1781
Internal Revenue Code; 1782

(b) The amount resulted in a reduction in the taxpayer's 1783
federal taxable income as required to be reported for any of the 1784
taxpayer's taxable years under the Internal Revenue Code. 1785

(12) Deduct any amount, net of related expenses deducted 1786
in computing federal taxable income, that a trust is required to 1787
report as farm income on its federal income tax return, but only 1788
if the assets of the trust include at least ten acres of land 1789
satisfying the definition of "land devoted exclusively to 1790
agricultural use" under section 5713.30 of the Revised Code, 1791
regardless of whether the land is valued for tax purposes as 1792
such land under sections 5713.30 to 5713.38 of the Revised Code. 1793
If the trust is a pass-through entity investor, section 5747.231 1794
of the Revised Code applies in ascertaining if the trust is 1795
eligible to claim the deduction provided by division (S)(12) of 1796
this section in connection with the pass-through entity's farm 1797
income. 1798

Except for farm income attributable to the S portion of an 1799

electing small business trust, the deduction provided by 1800
division (S)(12) of this section is allowed only to the extent 1801
that the trust has not distributed such farm income. 1802

(13) Add the net amount of income described in section 1803
641(c) of the Internal Revenue Code to the extent that amount is 1804
not included in federal taxable income. 1805

(14) Deduct the amount the taxpayer would be required to 1806
deduct under division (A)(18) of this section if the taxpayer's 1807
Ohio taxable income were computed in the same manner as an 1808
individual's Ohio adjusted gross income is computed under this 1809
section. 1810

(15) Add, to the extent not otherwise included in 1811
computing taxable income or Ohio taxable income for any taxable 1812
year, the taxpayer's proportionate share of the amount of the 1813
tax levied under section 5747.38 of the Revised Code and paid by 1814
an electing pass-through entity for the taxable year. 1815

(16) Add any income taxes deducted in computing federal 1816
taxable income or Ohio taxable income to the extent the income 1817
taxes were derived from income subject to a tax levied in 1818
another state or the District of Columbia when such tax was 1819
enacted for purposes of complying with internal revenue service 1820
notice 2020-75. 1821

(T) "School district income" and "school district income 1822
tax" have the same meanings as in section 5748.01 of the Revised 1823
Code. 1824

(U) As used in divisions (A)(7), (A)(8), (S)(6), and (S) 1825
(7) of this section, "public obligations," "purchase 1826
obligations," and "interest or interest equivalent" have the 1827
same meanings as in section 5709.76 of the Revised Code. 1828

(V) "Limited liability company" means any limited liability company formed under former Chapter 1705. of the Revised Code as that chapter existed prior to February 11, 2022, Chapter 1706. of the Revised Code, or the laws of any other state.

(W) "Pass-through entity investor" means any person who, during any portion of a taxable year of a pass-through entity, is a partner, member, shareholder, or equity investor in that pass-through entity.

(X) "Banking day" has the same meaning as in section 1304.01 of the Revised Code.

(Y) "Month" means a calendar month.

(Z) "Quarter" means the first three months, the second three months, the third three months, or the last three months of the taxpayer's taxable year.

(AA) (1) "Modified business income" means the business income included in a trust's Ohio taxable income after such taxable income is first reduced by the qualifying trust amount, if any.

(2) "Qualifying trust amount" of a trust means capital gains and losses from the sale, exchange, or other disposition of equity or ownership interests in, or debt obligations of, a qualifying investee to the extent included in the trust's Ohio taxable income, but only if the following requirements are satisfied:

(a) The book value of the qualifying investee's physical assets in this state and everywhere, as of the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the gain or

loss, is available to the trust. 1858

(b) The requirements of section 5747.011 of the Revised 1859
Code are satisfied for the trust's taxable year in which the 1860
trust recognizes the gain or loss. 1861

Any gain or loss that is not a qualifying trust amount is 1862
modified business income, qualifying investment income, or 1863
modified nonbusiness income, as the case may be. 1864

(3) "Modified nonbusiness income" means a trust's Ohio 1865
taxable income other than modified business income, other than 1866
the qualifying trust amount, and other than qualifying 1867
investment income, as defined in section 5747.012 of the Revised 1868
Code, to the extent such qualifying investment income is not 1869
otherwise part of modified business income. 1870

(4) "Modified Ohio taxable income" applies only to trusts, 1871
and means the sum of the amounts described in divisions (AA) (4) 1872
(a) to (c) of this section: 1873

(a) The fraction, calculated under section 5747.013, and 1874
applying section 5747.231 of the Revised Code, multiplied by the 1875
sum of the following amounts: 1876

(i) The trust's modified business income; 1877

(ii) The trust's qualifying investment income, as defined 1878
in section 5747.012 of the Revised Code, but only to the extent 1879
the qualifying investment income does not otherwise constitute 1880
modified business income and does not otherwise constitute a 1881
qualifying trust amount. 1882

(b) The qualifying trust amount multiplied by a fraction, 1883
the numerator of which is the sum of the book value of the 1884
qualifying investee's physical assets in this state on the last 1885

day of the qualifying investee's fiscal or calendar year ending 1886
immediately prior to the day on which the trust recognizes the 1887
qualifying trust amount, and the denominator of which is the sum 1888
of the book value of the qualifying investee's total physical 1889
assets everywhere on the last day of the qualifying investee's 1890
fiscal or calendar year ending immediately prior to the day on 1891
which the trust recognizes the qualifying trust amount. If, for 1892
a taxable year, the trust recognizes a qualifying trust amount 1893
with respect to more than one qualifying investee, the amount 1894
described in division (AA) (4) (b) of this section shall equal the 1895
sum of the products so computed for each such qualifying 1896
investee. 1897

(c) (i) With respect to a trust or portion of a trust that 1898
is a resident as ascertained in accordance with division (I) (3) 1899
(d) of this section, its modified nonbusiness income. 1900

(ii) With respect to a trust or portion of a trust that is 1901
not a resident as ascertained in accordance with division (I) (3) 1902
(d) of this section, the amount of its modified nonbusiness 1903
income satisfying the descriptions in divisions (B) (2) to (5) of 1904
section 5747.20 of the Revised Code, except as otherwise 1905
provided in division (AA) (4) (c) (ii) of this section. With 1906
respect to a trust or portion of a trust that is not a resident 1907
as ascertained in accordance with division (I) (3) (d) of this 1908
section, the trust's portion of modified nonbusiness income 1909
recognized from the sale, exchange, or other disposition of a 1910
debt interest in or equity interest in a section 5747.212 1911
entity, as defined in section 5747.212 of the Revised Code, 1912
without regard to division (A) of that section, shall not be 1913
allocated to this state in accordance with section 5747.20 of 1914
the Revised Code but shall be apportioned to this state in 1915
accordance with division (B) of section 5747.212 of the Revised 1916

Code without regard to division (A) of that section. 1917

If the allocation and apportionment of a trust's income 1918
under divisions (AA) (4) (a) and (c) of this section do not fairly 1919
represent the modified Ohio taxable income of the trust in this 1920
state, the alternative methods described in division (C) of 1921
section 5747.21 of the Revised Code may be applied in the manner 1922
and to the same extent provided in that section. 1923

(5) (a) Except as set forth in division (AA) (5) (b) of this 1924
section, "qualifying investee" means a person in which a trust 1925
has an equity or ownership interest, or a person or unit of 1926
government the debt obligations of either of which are owned by 1927
a trust. For the purposes of division (AA) (2) (a) of this section 1928
and for the purpose of computing the fraction described in 1929
division (AA) (4) (b) of this section, all of the following apply: 1930

(i) If the qualifying investee is a member of a qualifying 1931
controlled group on the last day of the qualifying investee's 1932
fiscal or calendar year ending immediately prior to the date on 1933
which the trust recognizes the gain or loss, then "qualifying 1934
investee" includes all persons in the qualifying controlled 1935
group on such last day. 1936

(ii) If the qualifying investee, or if the qualifying 1937
investee and any members of the qualifying controlled group of 1938
which the qualifying investee is a member on the last day of the 1939
qualifying investee's fiscal or calendar year ending immediately 1940
prior to the date on which the trust recognizes the gain or 1941
loss, separately or cumulatively own, directly or indirectly, on 1942
the last day of the qualifying investee's fiscal or calendar 1943
year ending immediately prior to the date on which the trust 1944
recognizes the qualifying trust amount, more than fifty per cent 1945
of the equity of a pass-through entity, then the qualifying 1946

investee and the other members are deemed to own the 1947
proportionate share of the pass-through entity's physical assets 1948
which the pass-through entity directly or indirectly owns on the 1949
last day of the pass-through entity's calendar or fiscal year 1950
ending within or with the last day of the qualifying investee's 1951
fiscal or calendar year ending immediately prior to the date on 1952
which the trust recognizes the qualifying trust amount. 1953

(iii) For the purposes of division (AA) (5) (a) (iii) of this 1954
section, "upper level pass-through entity" means a pass-through 1955
entity directly or indirectly owning any equity of another pass- 1956
through entity, and "lower level pass-through entity" means that 1957
other pass-through entity. 1958

An upper level pass-through entity, whether or not it is 1959
also a qualifying investee, is deemed to own, on the last day of 1960
the upper level pass-through entity's calendar or fiscal year, 1961
the proportionate share of the lower level pass-through entity's 1962
physical assets that the lower level pass-through entity 1963
directly or indirectly owns on the last day of the lower level 1964
pass-through entity's calendar or fiscal year ending within or 1965
with the last day of the upper level pass-through entity's 1966
fiscal or calendar year. If the upper level pass-through entity 1967
directly and indirectly owns less than fifty per cent of the 1968
equity of the lower level pass-through entity on each day of the 1969
upper level pass-through entity's calendar or fiscal year in 1970
which or with which ends the calendar or fiscal year of the 1971
lower level pass-through entity and if, based upon clear and 1972
convincing evidence, complete information about the location and 1973
cost of the physical assets of the lower pass-through entity is 1974
not available to the upper level pass-through entity, then 1975
solely for purposes of ascertaining if a gain or loss 1976
constitutes a qualifying trust amount, the upper level pass- 1977

through entity shall be deemed as owning no equity of the lower 1978
level pass-through entity for each day during the upper level 1979
pass-through entity's calendar or fiscal year in which or with 1980
which ends the lower level pass-through entity's calendar or 1981
fiscal year. Nothing in division (AA) (5) (a) (iii) of this section 1982
shall be construed to provide for any deduction or exclusion in 1983
computing any trust's Ohio taxable income. 1984

(b) With respect to a trust that is not a resident for the 1985
taxable year and with respect to a part of a trust that is not a 1986
resident for the taxable year, "qualifying investee" for that 1987
taxable year does not include a C corporation if both of the 1988
following apply: 1989

(i) During the taxable year the trust or part of the trust 1990
recognizes a gain or loss from the sale, exchange, or other 1991
disposition of equity or ownership interests in, or debt 1992
obligations of, the C corporation. 1993

(ii) Such gain or loss constitutes nonbusiness income. 1994

(6) "Available" means information is such that a person is 1995
able to learn of the information by the due date plus 1996
extensions, if any, for filing the return for the taxable year 1997
in which the trust recognizes the gain or loss. 1998

(BB) "Qualifying controlled group" has the same meaning as 1999
in section 5733.04 of the Revised Code. 2000

(CC) "Related member" has the same meaning as in section 2001
5733.042 of the Revised Code. 2002

(DD) (1) For the purposes of division (DD) of this section: 2003

(a) "Qualifying person" means any person other than a 2004
qualifying corporation. 2005

(b) "Qualifying corporation" means any person classified for federal income tax purposes as an association taxable as a corporation, except either of the following:

(i) A corporation that has made an election under subchapter S, chapter one, subtitle A, of the Internal Revenue Code for its taxable year ending within, or on the last day of, the investor's taxable year;

(ii) A subsidiary that is wholly owned by any corporation that has made an election under subchapter S, chapter one, subtitle A of the Internal Revenue Code for its taxable year ending within, or on the last day of, the investor's taxable year.

(2) For the purposes of this chapter, unless expressly stated otherwise, no qualifying person indirectly owns any asset directly or indirectly owned by any qualifying corporation.

(EE) For purposes of this chapter and Chapter 5751. of the Revised Code:

(1) "Trust" does not include a qualified pre-income tax trust.

(2) A "qualified pre-income tax trust" is any pre-income tax trust that makes a qualifying pre-income tax trust election as described in division (EE)(3) of this section.

(3) A "qualifying pre-income tax trust election" is an election by a pre-income tax trust to subject to the tax imposed by section 5751.02 of the Revised Code the pre-income tax trust and all pass-through entities of which the trust owns or controls, directly, indirectly, or constructively through related interests, five per cent or more of the ownership or equity interests. The trustee shall notify the tax commissioner

in writing of the election on or before April 15, 2006. The 2035
election, if timely made, shall be effective on and after 2036
January 1, 2006, and shall apply for all tax periods and tax 2037
years until revoked by the trustee of the trust. 2038

(4) A "pre-income tax trust" is a trust that satisfies all 2039
of the following requirements: 2040

(a) The document or instrument creating the trust was 2041
executed by the grantor before January 1, 1972; 2042

(b) The trust became irrevocable upon the creation of the 2043
trust; and 2044

(c) The grantor was domiciled in this state at the time 2045
the trust was created. 2046

(FF) "~~Uniformed services" has the same meaning as in 10-~~ 2047
U.S.C. 101 means all of the following: 2048

(1) "Armed forces of the United States" as defined in 2049
section 5907.01 of the Revised Code; 2050

(2) The commissioned corps of the national oceanic and 2051
atmospheric administration; 2052

(3) The commissioned corps of the public health service. 2053

(GG) "Taxable business income" means the amount by which 2054
an individual's business income that is included in federal 2055
adjusted gross income exceeds the amount of business income the 2056
individual is authorized to deduct under division (A) (28) of 2057
this section for the taxable year. 2058

(HH) "Employer" does not include a franchisor with respect 2059
to the franchisor's relationship with a franchisee or an 2060
employee of a franchisee, unless the franchisor agrees to assume 2061

that role in writing or a court of competent jurisdiction 2062
determines that the franchisor exercises a type or degree of 2063
control over the franchisee or the franchisee's employees that 2064
is not customarily exercised by a franchisor for the purpose of 2065
protecting the franchisor's trademark, brand, or both. For 2066
purposes of this division, "franchisor" and "franchisee" have 2067
the same meanings as in 16 C.F.R. 436.1. 2068

(II) "Modified adjusted gross income" means Ohio adjusted 2069
gross income plus any amount deducted under divisions (A) (28) 2070
and (34) of this section for the taxable year. 2071

(JJ) "Qualifying Ohio educator" means an individual who, 2072
for a taxable year, qualifies as an eligible educator, as that 2073
term is defined in section 62 of the Internal Revenue Code, and 2074
who holds a certificate, license, or permit described in Chapter 2075
3319. or section 3301.071 of the Revised Code. 2076

Sec. 5903.01. As used in this chapter: 2077

"Armed forces" means the armed forces of the United 2078
States, including the army, navy, air force, marine corps, space 2079
force, coast guard, or any reserve components of those forces; 2080
the national guard of any state; the commissioned corps of the 2081
United States public healthservice; the merchant marine service 2082
during wartime; such other service as may be designated by 2083
congress; or the Ohio organized militia when engaged in full- 2084
time national guard duty for a period of more than thirty days. 2085

"License" means a license, certificate, permit, or other 2086
authorization issued or conferred by a licensing agency under 2087
which a licensee may engage in a profession, occupation, or 2088
occupational activity. 2089

"Licensee" means a person to whom all of the following 2090

| | |
|---|--|
| apply: | 2091 |
| (A) The person has been issued a license by a licensing agency. | 2092 2093 |
| (B) The person has been a member of the armed forces. | 2094 |
| (C) The person has served on active duty, whether inside or outside the United States, for a period in excess of thirty-one days. | 2095 2096 2097 |
| "Licensing agency" means any state department, division, board, commission, agency, or other state governmental unit authorized by the Revised Code to issue a license. | 2098 2099 2100 |
| "Service member" means any person who is serving in the armed forces. | 2101 2102 |
| "Merchant marine" includes the United States army transport service and the United States naval transport service. | 2103 2104 |
| "Veteran" means any person who has completed service in the armed forces, including the national guard of any state, or a reserve component of the armed forces, who has been discharged under honorable conditions from the armed forces or who has been transferred to the reserve with evidence of satisfactory service. | 2105 2106 2107 2108 2109 2110 |
| Sec. 5903.02. (A) As used in this section: | 2111 |
| (1) "Uniformed services" and "service in the uniformed services" have the same meanings as in the "Uniformed Services Employment and Reemployment Rights Act of 1994," 108 Stat. 3149, <u>38 U.S.C.A. 4303</u> section 124.23 of the Revised Code. | 2112 2113 2114 2115 |
| (2) "Organized militia of another state" means the national guard of any state, territory, or district other than | 2116 2117 |

Ohio or any military or naval force recognized under the laws of 2118
a state, district, or territory other than Ohio. 2119

(B) Any person whose absence from a position of employment 2120
is necessitated by reason of service in the uniformed services, 2121
in the Ohio organized militia, or in the organized militia of 2122
another state has the same reinstatement and reemployment rights 2123
in this state that a person has under the "Uniformed Services 2124
Employment and Reemployment Rights Act of 1994." A person who is 2125
denied a reinstatement or reemployment right pursuant to this 2126
section has a cause of action for the same remedies as a person 2127
has under the "Uniformed Services Employment and Reemployment 2128
Rights Act of 1994." The court of common pleas, notwithstanding 2129
any sum limitation established by decision of a board of county 2130
commissioners pursuant to section 2305.01 of the Revised Code, 2131
shall have exclusive original jurisdiction for such actions, 2132
unless the defendant is the state, in which case the court of 2133
claims shall have exclusive original jurisdiction pursuant to 2134
division (C) of this section. 2135

(C) A person who seeks reinstatement or reemployment 2136
rights with the state, pursuant to this section, may bring an 2137
action in the court of claims pursuant to this section or 2138
section 4323 of the "Uniformed Services Employment and 2139
Reemployment Rights Act of 1994." 2140

(D) In any action or proceeding to enforce a provision of 2141
this section, the court shall require the defendant to pay the 2142
court costs if the plaintiff is the prevailing party in the 2143
action or proceeding. If the plaintiff is not the prevailing 2144
party, the court may use its discretion in allocating court 2145
costs among the parties to the action. 2146

(E) In any action or proceeding to enforce a provision of 2147

this section the court may award to a plaintiff who prevails in 2148
such action or proceeding reasonable attorney's fees, expert 2149
witness fees, and other litigation expenses. If the plaintiff 2150
does not receive a favorable judgment from the court in that 2151
action, the court shall not require the plaintiff to reimburse 2152
the state or the defendant for attorney's fees. 2153

(F) The director of administrative services shall adopt 2154
rules in accordance with Chapter 119. of the Revised Code for 2155
the implementation of this chapter with respect to persons in 2156
public service. 2157

(G) A person is not entitled to a remedy in a state action 2158
under division (B) or (C) of this section if the person has 2159
received a remedy based on the same facts under the "Uniformed 2160
Services Employment and Reemployment Rights Act of 1994." If a 2161
person has received a remedy in a state action under division 2162
(B) or (C) of this section and then receives a remedy based on 2163
the same facts under the "Uniformed Services Employment and 2164
Reemployment Rights Act of 1994," the person shall reimburse the 2165
judgment debtor the value of the federal remedy or the state 2166
remedy whichever is less. 2167

Sec. 5907.01. (A) As used in this chapter: 2168

(1) "Armed forces of the United States" means the army, 2169
air force, navy, marine corps, space force, coast guard, and any 2170
other military service branch that is designated by congress as 2171
a part of the armed forces of the United States. 2172

(2) "Domiciliary" means a separate area within the Ohio 2173
veterans' home providing domiciliary care. 2174

(3) "Domiciliary care" means providing shelter, food, and 2175
necessary medical care on an ambulatory self-care basis to 2176

eligible veterans who do not need the nursing services provided 2177
in nursing homes. 2178

(4) "Nursing home" has the same meaning as in section 2179
3721.01 of the Revised Code. 2180

(5) "Veteran" has the same meaning as in section 5901.01 2181
of the Revised Code. 2182

(B) There are hereby established the Ohio veterans' homes 2183
within the department of veterans services. The department shall 2184
maintain and operate state veterans' homes as administered under 2185
the state veterans' home programs defined in Title 38 of the 2186
United States Code. 2187

Sec. 5907.04. As used in this section, "armed forces of 2188
the United States" ~~means the army, air force, navy, marine-~~ 2189
~~corps, coast guard, and any other military service branch that-~~ 2190
~~is designated by congress as a part of the armed forces of the~~ 2191
~~United States~~has the same meaning as in section 5907.01 of the 2192
Revised Code. 2193

Subject to the following paragraph, all veterans, who 2194
served during a period of conflict as determined by the United 2195
States department of veterans affairs or any person who is 2196
awarded either the armed forces expeditionary medal established 2197
by presidential executive order 10977 dated December 4, 1961, or 2198
the Vietnam service medal established by presidential executive 2199
order 11231 dated July 8, 1965, who have been honorably 2200
discharged or separated under honorable conditions therefrom, or 2201
any discharged members of the Polish and Czechoslovakian armed 2202
forces who served in armed conflict with an enemy of the United 2203
States in World War II who have been citizens of the United 2204
States for at least ten years, provided that the above-mentioned 2205

persons have been citizens of this state for one year or more at 2206
the date of making application for admission, are disabled by 2207
disease, wounds, or otherwise, and are by reason of such 2208
disability incapable of earning their living, and all members of 2209
the Ohio national guard or naval militia who have lost an arm or 2210
leg, or their sight, or become permanently disabled from any 2211
cause, while in the line and discharge of duty, and are not able 2212
to support themselves, may be admitted to a veterans' home under 2213
such rules as the director of veterans services adopts. 2214

A veteran who served in the armed forces of the United 2215
States is eligible for admission to a veterans' home under the 2216
preceding paragraph only if the person has the characteristics 2217
defined in division (B)(1) of section 5901.01 of the Revised 2218
Code. 2219

Veterans' homes may reserve a bed during the temporary 2220
absence of a resident or patient from the home, including a 2221
nursing home within it, under conditions prescribed by the 2222
director, to include hospitalization for an acute condition, 2223
visits with relatives and friends, and participation in 2224
therapeutic programs outside the home. A home shall not reserve 2225
a bed for more than thirty days, except that absences for more 2226
than thirty days due to hospitalization may be authorized. 2227

Sec. 5910.01. As used in this chapter and section 5919.34 2228
of the Revised Code: 2229

(A) "Child" includes natural and adopted children and 2230
stepchildren who have not been legally adopted by the veteran 2231
parent provided that the relationship between the stepchild and 2232
the veteran parent meets the following criteria: 2233

(1) The veteran parent is married to the child's natural 2234

or adoptive parent at the time application for a scholarship 2235
granted under this chapter is made; or if the veteran parent is 2236
deceased, the child's natural or adoptive parent was married to 2237
the veteran parent at the time of the veteran parent's death; 2238

(2) The child resided with the veteran parent for a period 2239
of not less than ten consecutive years immediately prior to 2240
making application for the scholarship; or if the veteran parent 2241
is deceased, the child resided with the veteran parent for a 2242
period of not less than ten consecutive years immediately prior 2243
to the veteran parent's death; 2244

(3) The child received financial support from the veteran 2245
parent for a period of not less than ten consecutive years 2246
immediately prior to making application for the scholarship; or 2247
if the veteran parent is deceased, the child received financial 2248
support from the veteran parent for a period of not less than 2249
ten consecutive years immediately prior to the veteran parent's 2250
death. 2251

(B) "Veteran" includes any of the following: 2252

(1) Any person who was a member of the armed services of 2253
the United States for a period of ninety days or more, or who 2254
was discharged from the armed services due to a disability 2255
incurred while a member with less than ninety days' service, or 2256
who died while a member of the armed services; provided that 2257
such service, disability, or death occurred during one of the 2258
following periods: December 7, 1941, to December 31, 1946; June 2259
25, 1950, to January 31, 1955; January 1, 1960, to May 7, 1975; 2260
August 2, 1990, to the end of operations conducted as a result 2261
of the invasion of Kuwait by Iraq, including support for 2262
operation desert shield and operation desert storm, as declared 2263
by the president of the United States or the congress; October 2264

7, 2001, to the end of operation enduring freedom as declared by 2265
the president of the United States or the congress; March 20, 2266
2003, to the end of operation Iraqi freedom as declared by the 2267
president of the United States or the congress; or any other 2268
period of conflict established by the United States department 2269
of veterans affairs for pension purposes; 2270

(2) Any person who was a member of the armed services of 2271
the United States and participated in an operation for which the 2272
armed forces expeditionary medal was awarded; 2273

(3) Any person who served as a member of the United States 2274
merchant marine and to whom either of the following applies: 2275

(a) The person has an honorable report of separation from 2276
the active duty military service, form DD214 or DD215. 2277

(b) The person served in the United States merchant marine 2278
between December 7, 1941, and December 31, 1946, and died on 2279
active duty while serving in a war zone during that period of 2280
service. 2281

(C) "Armed services of the United States" or "United 2282
States armed forces" includes the army, air force, navy, marine 2283
corps, coast guard, space force, and such other military service 2284
branch as may be designated by congress as a part of the armed 2285
forces of the United States. 2286

(D) "Board" means the Ohio war orphans and severely 2287
disabled veterans' children scholarship board created by section 2288
5910.02 of the Revised Code. 2289

(E) "Disabled" means having a sixty per cent or greater 2290
service-connected disability or receiving benefits for permanent 2291
and total nonservice-connected disability, as determined by the 2292
United States department of veterans affairs. 2293

(F) "United States merchant marine" includes the United States army transport service and the United States naval transport service.

Section 2. That existing sections 122.925, 124.23, 145.30, 742.52, 742.521, 2151.4210, 3307.75, 3309.02, 3313.471, 3319.085, 3511.01, 4731.36, 4743.041, 5505.16, 5747.01, 5903.01, 5903.02, 5907.01, 5907.04, and 5910.01 of the Revised Code are hereby repealed.

Section 3. Section 5505.16 of the Revised Code is presented in this act as a composite of the section as amended by both H.B. 49 and H.B. 362 of the 132nd General Assembly. The General Assembly, applying the principle stated in division (B) of section 1.52 of the Revised Code that amendments are to be harmonized if reasonably capable of simultaneous operation, finds that the composite is the resulting version of the section in effect prior to the effective date of the section as presented in this act.