



Am. S.B. 190*

126th General Assembly

(As Reported by S. Ways and Means and Economic Development)

Sen. Carey

BILL SUMMARY

- Extends the job training tax credit for an additional year, to cover training costs paid or incurred on or before December 31, 2006.
- Declares an emergency.

CONTENT AND OPERATION

Job training tax credit

Overview

Continuing law provides that taxpayers that are corporations, financial institutions, dealers in intangibles, income tax taxpayers who invest in pass-through entities (sole proprietorships, partnerships, S corporations, or limited liability companies), domestic insurance companies, and foreign insurance companies may apply to the Director of Job and Family Services for a tax credit certificate under which they may claim a nonrefundable tax credit against their tax liability for certain job skill training costs they incur for their employees. The credit equals one-half of the average of the taxpayer's training costs paid or incurred over a three-year period, but the credit amount claimed cannot exceed \$100,000 per year. If the credit amount exceeds the taxpayer's tax liability, the excess may be carried forward for three years following the year in which the credit was first claimed.

* This analysis was prepared before the report of the Senate Ways and Means and Economic Development Committee appeared in the Senate Journal. Note that the list of co-sponsors and the legislative history may be incomplete.

Extension of the credit

(R.C. 5725.31(B), 5729.07(B), 5733.42(B), (C), and (L), and 5747.39(B))

Under current law, the job training tax credit may be taken for training costs paid or incurred on or before December 31, 2005. The bill extends the tax credit by one year, for training costs paid or incurred on or before December 31, 2006.

Job training tax credit program report

(R.C. 5733.42(G))

Continuing law requires that the Director of Job and Family Services prepare a report about the job training tax credit program on or before September 30 of each year, and submit it to the Governor, the President of the Senate, and the Speaker of the House of Representatives. The bill provides that the report also must be prepared and submitted on or before September 30, 2007.

Clarification of maximum credit amount

(R.C. 5747.39(B)(5))

Under continuing income tax law, the job training tax credit is available for a taxpayer that is an investor in a pass-through entity for which a tax credit certificate is issued. The total amount of credits that may be claimed by all such taxpayers each taxable year is capped at \$100,000. The bill clarifies that this cap applies to all such taxpayers with respect to each pass-through entity for each taxable year.

Emergency clause

(Section 3)

The bill takes immediate effect under its emergency clause, which provides that the reason for the emergency is that the job training tax credit is scheduled to expire, but the credit is needed for an additional year to encourage Ohio employers to provide further job skill training programs to employees.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	09-29-05	p. 1460
Reported, S. Ways & Means & Economic Development	---	---

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