



Ohio Legislative Service Commission

Bill Analysis

Sam Benham

H.B. 345

130th General Assembly
(As Introduced)

Reps. Barborak, Cera, R. Hagan, Ramos, Foley, Driehaus, O'Brien, Perales, Curtin, Antonio, Lundy, Ashford, Phillips, Carney

BILL SUMMARY

- Requires the Director of Development Services to estimate the revenue that would be forgone by the state from the approval of each tax incentive proposed to the Tax Credit Authority (TCA).
 - Requires the Director to publish that estimate on a searchable online database.
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CONTENT AND OPERATION

Report on forgone revenue from tax incentives

The bill requires the Director of Development Services to estimate the total revenue that the state would forgo if a tax incentive proposed to the Ohio Tax Credit Authority (TCA) on or after the bill's effective date is approved by the TCA. The estimate must be based on the monetary value of the incentive without accounting for potential economic growth that may or may not result from approval of the incentive. A tax incentive is defined as any mechanism that effectively exempts from taxation all or a portion of the base of a tax levied by the state. Tax incentives include exemptions, deferrals, exclusions, allowances, credits, deductions, reimbursements, and preferential tax rates.

The bill requires the Director to post each estimate and the name and address of the taxpayer that would receive the tax incentive in a searchable online database on the Department's website at least three days before the TCA is scheduled to consider awarding the tax incentive. If the TCA approves a tax incentive at rates or on terms different from those proposed, the Director is required to update the estimate to reflect

the new rates or terms within seven days after the TCA approves the modified tax incentive.¹

Under continuing law, the TCA is required to consider applications for several specific tax incentives. Currently, the TCA may award tax credits for job creation and job retention and a sales and use tax exemption for computer data center equipment used or to be used at eligible computer data centers.²

HISTORY

ACTION	DATE
Introduced	11-12-13

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¹ R.C. 122.177; Section 2.

² R.C. 122.17, 122.171, and 122.175, not in the bill.

