

# Taxation

## H.B. 17

**Primary Sponsor:** Rep. Ginter

**Effective date:** January 15, 2021

- Grants a homestead exemption for the widow or widower of a peace officer, firefighter, or other emergency responder who dies in the line of duty or by an injury or illness sustained in the line of duty.
- Exempts \$50,000 of the home's appraised value or cost from property taxation or the manufactured home tax.
- Exempts such a widow or widower from the income means test, currently \$33,600 in modified adjusted gross income.
- Reimburses local taxing units for the resulting reduction in taxes in the same manner as other homestead exemptions.
- Affects taxes payable in 2021 and thereafter.

## H.B. 18

**Primary Sponsors:** Reps. Vitale and Crawley

**Effective date:** May 26, 2020

- Authorizes an income tax deduction for all disability severance pay received by an honorably discharged veteran.
- Allows a taxpayer who is eligible for an Ohio income tax refund based on disability severance pay that was erroneously taxed at the federal level to apply for the refund even if the statutory deadline has passed, so long as the taxpayer requests the refund by December 31, 2020.

## H.B. 150

**Primary Sponsor:** Rep. Merrin

**Effective date:** April 12, 2021

- Authorizes a financial institutions tax (FIT) reduction of up to \$1 million per year for newly formed banks.
- Allows mortgage lenders to exclude the principal balance of mortgage loans from the lenders' commercial activity tax (CAT) gross receipts.

## S.B. 39

**Primary Sponsor:** Sen. Schuring

**Effective date:** Emergency: Campaign contributions tax credit is effective December 29, 2020; all other provisions are effective March 31, 2021

### **Transformational mixed use development tax credit**

- Authorizes a nonrefundable insurance premiums tax credit for capital contributions to the construction of “transformational mixed use developments” (TMUDs).
- Bases the credit amount and when it is awarded on the property owner’s development costs or the insurance company’s capital contribution and the increase in state and local tax collections at the project site and in the surrounding area.
- Limits the tax credits awarded for the same project to the lesser of \$40 million or 10% of the property owner’s development costs or the insurance company’s capital contribution, and permits unclaimed credit amounts to be carried forward for up to five years.
- Establishes an alternative procedure by which the full credit amount – 10% of development costs or 10% of the capital contribution – may be awarded regardless of the increase in tax collections.
- Allows insurance companies to apply directly for the credit or to purchase the right to claim the credit from the property owner.
- Establishes procedures by which the Tax Credit Authority may evaluate and rank applications, certify a development plan, monitor construction progress, and award tax credit certificates upon completion of the TMUD.
- Limits the credits to \$100 million for each of FY 2020 to FY 2023, and disallows the issuance of credits thereafter.
- Reserves \$20 million in each fiscal year for projects not located within ten miles of a city with a population greater than 100,000.

### **Campaign contribution tax credit**

- Reinstates the nonrefundable income tax credit for contributions made to the campaign committees of candidates for statewide office.
- Specifies that the amount of the credit equals the full amount of the contribution, up to \$50 (or \$100 for joint filers).

### **Commercial real estate broker liens**

- Extends the time allowed and expands the delivery options for the following:
  - A broker providing a copy of a lien affidavit to an owner and prospective transferee to perfect a lien;
  - An owner serving written notice of demand on a broker to enforce a lien;

- A broker providing an owner with a copy of the lien release or satisfaction.
- Requires, as opposed to permits, a court to assess costs and attorney's fees on nonprevailing parties in a suit to enforce a lien.
- Expands the costs a court is required to assess when a broker prevails in a suit to enforce a lien.

## **S.B. 259**

**Primary Sponsor:** Sen. Sykes

**Effective date:** April 12, 2021

### **Resolution of property tax complaints**

- Increases the time within which boards of revision must decide property tax complaints.

### **Airport development districts (ADDs)**

- Authorizes certain regional airport authorities, port authorities, and municipal corporations to create an airport development district (ADD) to generate revenue for airport infrastructure improvements and other expenditures that benefit a qualifying airport.
- Requires that the resolution proposing creation of an ADD include a development plan that describes the improvements and expenditures that will be undertaken and provides for creation of the nonprofit corporation that will govern the ADD.
- Prescribes procedures for organizing the nonprofit corporation, filing or amending its articles of incorporation, and appointing its board of directors.
- Allows the board of directors to negotiate voluntary development charge agreements with owners of real property located in, and businesses operating within the district and prescribes collection and enforcement processes for such charges.
- Establishes a procedure for dissolving an ADD or repealing the development plan.
- Terminates the authority to create new ADDs after December 31, 2023.

### **Energy-efficient building deduction**

- Establishes a procedure by which the designer of a public building may request allocation of a federal income tax deduction for the design and installation of energy-efficient interior lighting, HVAC, hot water, or building envelope systems.
- Prohibits a state or local government entity (or its agents or employees) from seeking, soliciting, or accepting fees, payments, or other consideration for allocating the deduction.

## **Municipal special assessment notices**

- Revises certain notice procedures involving municipal corporation special assessments.

## **Battery-charged fences**

- Creates safety standards for battery-charged fences in nonresidential zones.
- Authorizes political subdivisions to regulate battery-charged fences in nonresidential properties, to require a permit or fee for a battery-charged fence pursuant to a permit or fee for an alarm system, and to prohibit the installation or use of a battery-charged fence in a nonresidential zone that does not meet the act's standards.

## **Waiver of post-secondary tuition and fees**

- Extends Ohio residency status to qualify for a waiver of post-secondary tuition and fees for the child of a public service officer or a U.S. armed services member killed in the line of duty, and the surviving spouse or qualified former spouse of a public service officer, if the child or spouse was an Ohio resident when the public service officer or service member was killed.
- Qualifies a surviving child, spouse, or qualified former spouse for a waiver of post-secondary tuition and fees for a certificate program.
- Names these provisions the "Anthony Dia Act."

## **School drinking fountains, water bottle stations**

- Prescribes minimum drinking fountain and water bottle filling station requirements for new state-assisted classroom facility construction projects.
- Requires public schools to ensure that each drinking fountain and water bottle filling station installed as part of a project is regularly cleaned and maintained.

## **Conveyance**

- Authorizes the conveyance of approximately 63 acres of land in Trumbull County owned by Kent State University.