Executive	As Passed by the House

Personal Income Tax

TAXCD21 **Opportunity Zone tax credit**

Executive	As Passed by the House
R.C. 122.84, 107.036, 122.86, 5747.02, 5747.82, and 5747.98	**R.C. 122.84, 107.036, 122.86, 5747.02, 5747.82, and 5747.98**
Creates a new Opportunity Zone Investment tax credit equal to 10% of an individual's investment in an Opportunity Zone investment fund, up to $1 million per biennium. Permits the credit to be used to reduce personal income tax liability and makes it nonrefundable. Prohibits the Director of Development Services, to whom applicants must apply to be issued a tax credit certificate, from issuing more certificates than would cause the tax credits claimed in any fiscal biennium from exceeding $50 million. (Under federal income tax law, investments made in an Opportunity Zone fund and held for at least five years accrue the federal tax benefit of deferred and reduced taxable capital gains. The proposed Ohio credit does not have a minimum holding period.)	Same as the Executive, but allows credits to be transferred; ties the credit to investment not only in the fund but also by the fund in opportunity zone property; increases the share of fund invested assets required to be in opportunity zone property from 90% to 100%; allows any excess credits to be carried forward up to five years; allows the credit to be claimed not only by individuals but also by taxable trusts and estates, and by taxpayers through a pass-through entity; and requires annual reporting to the legislature and Governor by the Development Services Agency.
Fiscal effect: May reduce income tax revenue. The Executive estimates a GRF tax revenue loss of $30 million in FY 2021. Would reduce transfers through the Local Government Fund (Fund 7069) and the Public Library Fund (PLF, Fund 7065), each by 1.66% of any GRF revenue reductions under codified law, to local governments and public libraries. A provision of H.B. 166 would transfer 1.68% of tax revenue to the PLF in FY 2020 and 2021. Amounts retained by the GRF would be reduced by 96.68% of any revenue reduction under codified law, and by 96.66% taking account of the higher PLF percentage specified in the bill for the upcoming biennium.	**Fiscal effect: Same as the Executive.**

Executive	As Passed by the House
TAXCD38 Discontinue motion picture tax credit	
	R.C. 122.85
No provision.	Repeals a refundable tax credit for motion picture production expenditures, meaning no new credits would be authorized after FY 2019, but credits certified before FY 2020 could continue to be claimed.
	Fiscal effect: Increases GRF revenues from the personal income tax, the commercial activity tax and the financial institutions tax. Potential revenue gain in FY 2020 of uncertain magnitude, dependent on credit certifications prior to July 1, 2019. Potential revenue gain in FY 2021 up to $40 million.
TAXCD24 Lead abatement tax credit	
R.C. 3742.50, 5747.02, 5747.08, 5747.26, and 5747.98; Section 757.10	**R.C. 3742.50, 5747.02, 5747.08, 5747.26, and 5747.98; Section 757.10**
Authorizes taxpayers to apply to the Department of Health for a nonrefundable income tax credit for costs incurred to abate lead hazards in a dwelling built before 1978. Limits the amount of each credit to the lesser of actual lead abatement costs incurred, the amount of such costs listed on an application for the credit, or $10,000. Authorizes the credits beginning in taxable years beginning on or after January 1, 2020. Authorizes any unused credit to be carried forward up to 7 years.	Same as the Executive but increases the maximum credit amount from $5 million per biennium to $5 million per year.
Fiscal effect: Not more than $5 million in total credits may be awarded in a biennium.	**Fiscal effect: Not more than $5 million in total credits may be awarded in a fiscal year.**

Executive	As Passed by the House

TAXCD48 **Repeal of certain income tax credits**

	R.C. **5747.01, 5747.02, 5747.98, 5747.29 and 5747.65 (repealed), Section 757.150**
No provision.	Repeals the credit for campaign contributions, effective for the 2019 taxable year.
No provision.	Repeals the credit for a pass-through entity investor's share of financial institutions tax, effective for the taxable year 2019.
	Fiscal effect: According the Tax Expenditure Report published in conjunction with the executive operating budget proposal, these credits reduce GRF receipts by a combined $8.0 million in FY 2020 and $8.3 million in FY 2021. Repealing the credits will increase revenues by commensurate amounts.

TAXCD49 **Modifications to personal income tax structure**

	R.C. **5747.01, 5747.02, 323.151, 5747.022, 5747.025, 5747.031, 5747.05, 5747.054, 5747.055, and 5748.01; Sections 757.150 and 757.160**
No provision.	Reduces the maximum deduction for business income from $250,000 to $100,000, or from $125,000 to $50,000 for spouses filing separately.
No provision.	Eliminates an existing 3% flat rate on business income above those amounts.
No provision.	Modifies eligibility for several means-tested income tax credits such that high-income taxpayers with little nonbusiness income are not eligible for the tax credits.
No provision.	Modifies income tax rate structure such that the tax rate is reduced to zero in the current bottom two tax brackets,

Executive	As Passed by the House
	exempting from the income tax individuals whose income is $22,250 or less.
No provision.	Reduces marginal tax rates in all remaining 5 brackets by 6.6%.
	Fiscal effect: The net revenue effects of all changes amount to a revenue loss of approximately $108 million in both fiscal years, excluding a one-time cash flow adjustment related to changes in withholding rates. Changes to taxation of business income increase personal income tax revenue by about $528 million. Elimination of taxes on incomes under $22,250 and reductions in tax rates on higher incomes reduce revenue by an estimated $636 million. Distributions through the Local Government Fund (Fund 7069) and the Public Library Fund (Fund 7065) would each be reduced 1.66% or about $1.8 million under codified law. Amounts retained by the GRF would be reduced an estimated $104 million.

TAXCD35 **Pass-through entity withholding tax**

Executive	As Passed by the House
	R.C. 5747.41, 5733.40, 5733.41; Section 757.50
No provision.	Reduces the rate of a tax paid by certain pass-through entities on a percentage of its nonresident investors' distributive income: from 5% to 3% for individual investors and from 8.5% to 3% for nonindividual investors. (The state income tax rate on business income above $250,000 is 3%, but TAXCD49 describes a change to the current law provision.)
No provision.	Authorizes a pass-through entity to avoid withholding the tax if a nonresident investor submits a statement, subject to the penalties of perjury, to the entity affirming that the investor intends to comply with and remit state income tax as required by law. (Under continuing law, the pass-through entity tax collects income tax owed by nonresident pass-through entity

Executive	As Passed by the House
	investors.) **Fiscal effect: Does not change any taxpayer's tax liability, but would reduce the amount of withholding taxes collected. To the extent that taxpayers do not claim all refunds to which they are entitled under current law, the reduction in withholding taxes collected may result in a decline in tax revenue, possibly ranging to millions of dollars, affecting primarily the GRF.**
TAXCD46 **Income tax credit for hiring ex-felons**	
	R.C. 5747.73, 5747.02, 5747.02, 5747.98 and Section 757.120
No provision.	Authorizes a nonrefundable income tax credit for a taxpayer eligible for the federal work opportunity tax credit (WOTC) for employing an ex-felon. (The maximum credit under the federal WOTC is $2,400). The state credit equals 30% of the taxpayer's federal WOTC, and any unclaimed balance may be carried forward for seven years. **Fiscal effect: Reduces revenue from the individual income tax by up to $3 million annually. Revenue losses may be higher in certain future years due to the carryforward provision.**

Executive	As Passed by the House

TAXCD55 **School District Earned Income Tax Base**

Executive	As Passed by the House
	R.C. 5748.01
No provision.	Requires that, for purposes of school district income taxes that use "earned income" as the tax base, amounts subject to the state business income deduction must be added back when computing a taxpayer's taxable income. (Under continuing law, school districts that levy an income tax may use Ohio adjusted gross income, OAGI, or "earned income" as a tax base. "Earned income" includes compensation and self-employment earnings, but only to the extent that such income is included in OAGI.)
	Fiscal effect: Would increase income tax revenue to school districts in the state that tax earned income by an estimated $11 million. This estimate is based on limited data so is only an approximation.

Sales and Use Taxes

TAXCD29 **Sales tax on transportation network companies**

Executive	As Passed by the House
	R.C. 5739.01, Section 757.140
No provision.	Makes changes to the sales taxation of transportation network company (TNC) services (those services are rendered when a rider uses a digital network to arrange transportation with a driver - e.g., Uber, Lyft).
No provision.	Specifies that the TNC providing the digital network is the vendor required to collect and remit sales taxes in such transactions, rather than the driver.
No provision.	Excludes from the taxable price of such services any fee charged for the service except the base fare or fees based on distance or time.

Executive	As Passed by the House
No provision.	Clarifies that such services are only subject to sales tax if the rider is picked up and dropped off in the state. (Currently, such services are subject to tax only if the transportation occurs entirely within the state.)
	Fiscal effect: Increases sales and use tax revenue by between $16.2 million and $24.3 million in FY 2020, and by between $17.7 million and $26.6 million in FY 2021.Increases revenue from permissive county and transit authorities taxes by $$4.0 million to $6.0 million in FY 2020, and $4.3 million and $6.5 million in FY 2021.

TAXCD47 **Repeal of certain sales and use tax exemptions**

Executive	As Passed by the House
	R.C. 5739.01, 122.175, 5739.02, 5739.025, 5739.03, 5739.05, Section 757.140
No provision.	Repeals the sales and use tax exemptions listed below, effective October 2019:
No provision.	The exemption for aviation repair and maintenance services and parts;
No provision.	The exemption for sales of flight simulators;
No provision.	The exemption for sales of investment bullion and coins;
No provision.	The $800 cap on sales of shares of qualified fractionally owned aircraft;
No provision.	The exemption for sales of property and services for maintenance and repair of qualified fractionally-owned aircraft;
No provision.	The exemption for sales of qualified property to qualified motor racing teams.

Executive	As Passed by the House
	Fiscal effect: According the Tax Expenditure Report published in conjunction with the executive operating budget proposal, repealing the credits will increase sales and use tax revenue by about $33 million in FY 2020 and $44 million in FY 2021. Increases revenue from permissive county and transit authorities taxes by about $8 million in FY 2020 and $11 million in FY 2021

TAXCD43 **Sales tax: Exemption for food manufacturing equipment**

Executive	As Passed by the House
	R.C. 5739.011, Section 757.140
No provision.	Expands an existing sales tax exemption for equipment and supplies used to clean equipment used to produce or process dairy products, to include equipment and supplies used to clean equipment that is used to produce or process any sort of food for human consumption.
	Fiscal effect: Reduces sales tax revenue to the GRF by between $1.4 million in FY 2020 and $2.2 million in FY 2021. Reduces revenue from permissive county and transit authorities sales taxes by $0.3 million in FY 2020 and $0.5 million in FY 2021.

TAXCD44 **Sales tax: Exemption for manufacturing cleaning supplies and services**

Executive	As Passed by the House
	R.C. 5739.011, Section 757.130
No provision.	Exempts from sales and use tax any supplies or janitorial services purchased to clean machinery in a manufacturing facility.
	Fiscal effect: Reduces sales tax revenue to the GRF by $20.6 million in FY 2020 and $27.7 million in FY 2021. Reduces revenue from permissive county and transit authorities sales taxes by $5.0 million in FY 2020 and $6.8 million in FY 2021.

Executive	As Passed by the House
TAXCD53 **Hotel intermediaries: sales and lodging taxes**	
	R.C. 5739.09, 5739.082 and Secion 757.180
No provision.	Specifies that a hotel intermediary is a person that arranges for the sale of hotel rooms. Excludes from this definition 1) a hotel itself; 2) a person receiving a commission from a hotel; and 3) a person imposing a charge for the service as long as the charge is separately identified on an invoice, bill of sale, receipt, or similar document given to the consumer.
No provision.	Specifies that the taxable base, for the purposes of the sales and use tax and local lodging taxes, is to be the advertised price of a room.
No provision.	Requires the hotel intermediary to collect and remit local lodging taxes to the subdivision levying the tax.
	Fiscal effect: Potential gain of several millions of dollars in FY 2020 and up to $20 million in FY 2021 from the sales and use tax. Potential revenue increase in FY 2020, and revenue gain of up to $4.9 million in FY 2021 from permissive county and transit authorities's sales taxes. Increases lodging taxes in FY 2020, and revenue gains of up to $8 million in FY 2021.

Executive	As Passed by the House

TAXCD31 **Modification of substantial use tax nexus standard for remote sellers**

	R.C. 5741.01, 5741.04, 5741.05, 5741.07, 5741.11, 5741.13, 5741.17, 5743.62, Sections 757.80 and 812.20
No provision.	Modifies Ohio's substantial nexus assumptions as follows: (1) Adds a presumption of substantial nexus for sellers that have gross receipts in excess of $100,000 from sales into Ohio or engage in 200 or more separate sales transactions into Ohio during the current or preceding calendar year. (2) Eliminates a presumption of substantial nexus for sellers with annual Ohio sales in excess of $500,000 that either (a) use computer software stored or distributed in Ohio to make Ohio sales or (b) provide, or enter into an agreement with a third party to provide, content distribution networks in Ohio to accelerate or enhance the delivery of the seller's website to Ohio consumers. (3) Eliminates a presumption of substantial nexus for sellers that enter into "click-through" agreements with Ohio residents.
No provision.	Regarding the use tax collection by marketplace facilitators: (1) Requires persons that own, operate, or control a physical or electronic marketplace through which retail sales are facilitated on behalf of other sellers (i.e., "marketplace facilitators") to register as a seller and collect and remit the use tax due on all transactions facilitated through that marketplace. (2) Specifies that a marketplace facilitator is presumed to have substantial nexus with Ohio if (a) the gross receipts derived from sales made or facilitated into Ohio by the marketplace facilitator exceed $100,000 during the current or preceding calendar year, or (b) if the marketplace facilitator makes or facilitates 200 or more sales into Ohio during the current or preceding calendar

Executive	As Passed by the House
	year. (3) Prohibits class action lawsuits against a marketplace facilitator related to an overpayment of use tax.
No provision.	Changes the phrasing of three nexus-related references in R.C. 5743.62 involving sellers of tobacco products from "nexus in this state" to "substantial nexus with this state" in order to obtain consistency with R.C. 5741.01.
	Fiscal effect: Increases GRF revenue from the sales and use tax by $25 million in FY 2020 and $50 million in FY 2021. Revenue gains may be higher depending on the behavioral response of remote sellers and market facilitators. Increases revenue from permissive county and transit authorities taxes by $6.1 million in FY 2020 and $12.2 million in FY 2021. Revenue gains may be higher depending on the behavioral response of remote sellers and market facilitators.

Commercial Activity Tax

TAXCD37 CAT administrative earmark

Executive	As Passed by the House
	R.C. 5751.02
No provision.	Reduces the percentage of commercial activity tax (CAT) revenue to be credited to the Revenue Enhancement Fund (Fund 2280) from the current 0.75% to 0.65% effective July 1, 2019.
	Fiscal effect: Reduces revenue to Fund 2280, which helps defray departmental costs of administering the CAT and other taxes, by about $2.1 million in FY 2020 and $2.2 million in FY 2021. Has the effect of increasing GRF revenue by corresponding amounts.

Executive	As Passed by the House
TAXCD33 **CAT: historic rehabilitation credit**	
	Section: 757.40
No provision.	Extends, to July 1, 2021, a temporary provision authorizing owners of a historic rehabilitation tax credit certificate to claim the credit against the commercial activity tax (CAT) in addition to against the income tax, financial institutions tax, or the insurance company franchise taxes as authorized under continuing codified law. (A similar biennial authorization provision has been in effect since July 2013 and the current biennium's authorization is scheduled to expire after June 30, 2019.)
	Fiscal effect: Will reduce CAT revenues by an unknown amount in FY 2020 and FY 2021.

<u>Cigarette Taxes</u>

Executive	As Passed by the House
TAXCD27 **Legal age for a person to receive or purchase cigarettes**	
R.C. 2927.02, 2927.022	**R.C. 2927.02, 2927.022**
Increases from 18 to 21 the legal age for a person to receive or purchase cigarettes, other tobacco products, alternative nicotine products, or papers used to roll cigarettes.	Same as the Executive, but changes the term "electronic cigarette" to "electronic smoking device" and modifies its definition for purposes of age restrictions on the purchase of tobacco products.
Defines and includes vapor products within the definition of "alternative nicotine product."	Same as the Executive, but modifies the definition of "tobacco product" to include any component or accessory used in the consumption of a tobacco product.
Requires clear and visible posting of signage indicating the legal age at locations where cigarettes, tobacco, and alternative nicotine products are sold.	Same as the Executive.

Executive	As Passed by the House
Fiscal effect: The Executive estimates a GRF revenue loss of $2.7 million in FY 2020 and $4.0 million in FY 2021 under the sales and use tax from this provision, and GRF losses of $14.3 million in FY 2020 and $18.7 million in FY 2021 from cigarette tax effects. The provision may also increase the costs of local law enforcement agencies if it results in more violation cases.	**Fiscal effect: Same as the Executive.**

Financial Instituion Tax

TAXCD39 **Financial institutions tax - limit on tax base**

Executive	As Passed by the House
	R.C. 5726.04, Section 757.110
No provision.	Limits the tax base upon which the financial institutions tax (FIT) is computed, such that equity capital in excess of 14% of an institution's total assets would not be included in the FIT base.
	Fiscal effect: Loss of GRF revenue in FY 2021 up to $10 million. Potential loss of GRF revenue in FY 2020 of uncertain magnitude.

Executive	As Passed by the House

Property Taxes and Transfer Fees

TAXCD40 **Partial property tax reduction for child care centers**

	R.C. **319.302, 323.155, 323.16; Section 757.100**
No provision.	Authorizes a partial real property tax exemption for child care centers that serve children from households that receive public assistance. Provides that the exemption equals 50% of the taxes due on the property if at least 25%, but less than 50%, of the children that attend the center reside in households that receive public assistance. Provides that if more than 50% of the children that attend the center reside in such households, the exemption equals 75%. Limits eligibility for the exemption to centers that 1) are licensed by ODJFS, 2) are not the administrator's main residence, and 3) are not used for any other commercial purpose. (Local taxing authorities are not reimbursed for the effect of the exemption on their tax revenues.) **Fiscal effect: An increase in property tax exemptions would decrease revenues to schools and other units of local government, and would increase taxes of other property owners for levies designed to raise fixed sums of money.**

TAXCD51 **Property tax homestead exemption**

	R.C. **323.151, Section 757.150**
No provision.	Modifies eligibility for the homestead exemption by requiring deducted business income to be included in the income eligibility calculation. Applies property tax changes beginning in tax year 2019 (tax year 2020 for manufactured homes).

Executive	As Passed by the House
	Fiscal effect: Would reduce GRF reimbursements to local governments by an estimated $5.1 million per year initially. GRF savings would rise in subsequent years. The state reimburses local governments from the GRF for revenue losses resulting from the homestead exemption.

TAXCD57 **State community college permanent improvements levy**

Executive	As Passed by the House
	R.C. 3358.11, 3333.59, 3358.02, 3358.06
No provision.	Authorizes the board of trustees of a state community college district to levy a property tax for permanent improvements, or a combination bond issuance and tax levy for that purpose. Specifies that the tax is subject to voter approval and that it may be levied for a specified number of years or for a continuing period of time. (The tax levy authorized by this provision is nearly identical to a tax levy authorized under continuing law for community college districts, except that the community college district levy can also be used for operating expenses.)

TAXCD59 **Adding housing requirements to terms of a Community Reinvestment Act**

Executive	As Passed by the House
	R.C. 3735.661
No provision.	Specifies that an amendment that adds affordable housing requirements to the terms of a community reinvestment area (CRA) in existence on July 21, 1994, will not subject the CRA to state law requirements that subsequently became effective. **Fiscal effect: Uncertain.**

Executive	As Passed by the House
TAXCD56 **School safety levy for chartered nonpublic schools**	
	R.C. 5705.21
No provision.	Authorizes the board of education of a school district to propose a tax levy for school safety and security and give some of the revenue to chartered nonpublic schools located in the district to be used for that purpose.
No provision.	Requires that the resolution and ballot language proposing the levy specify the portion of the proceeds allocated to chartered nonpublic schools. Specifies that the chartered nonpublic school portion would be divided proportionally among all such schools located within the territory of the school district based on the number of "resident students" (i.e., students who are entitled to attend school in the district) enrolled in each chartered nonpublic school. Requires that, if proceeds are shared with any nonpublic school in the district, they must be shared with all nonpublic schools in the district in that proportion.
TAXCD34 **Property tax exemption for fraternal and veterans organizations**	
	R.C. 5709.17, Section 757.90
No provision.	Modifies an existing tax exemption for property held or occupied by a fraternal organization by excluding rent received from other fraternal organizations in determining whether or not property qualifies for the exemption. (Under continuing law, property that generates more than $36,000 in rental income in a year does not qualify for the exemption.)
No provision.	Similarly modifies an existing tax exemption for property held or occupied by certain veterans' organizations by excluding rent received from other veterans' organizations in determining

Executive	As Passed by the House
	whether or not the rental income produced by the property exceeds a similar $36,000-per-year limit. **Fiscal effect: Easing the constraint on qualifying for property tax exemption would likely allow additional organizations to qualify. An increase in property tax exemptions would decrease revenues to schools and other units of local government, and would increase taxes of other property owners for levies designed to raise fixed sums of money.**

TAXCD25 Tax increment financing term extension

Executive	As Passed by the House
R.C. 5709.40, 5709.41, 5709.73, 5709.78, and Section 757.20	**R.C. 5709.40, 5709.41, 5709.73, 5709.78, and Section 757.20**
Authorizes municipalities, townships, and counties, under certain conditions, to extend the term of a tax increment financing (TIF) property tax exemption by up to 30 additional years. Provides that, to be eligible for such an extension, the TIF (1) must generate $1.5 million in service payments in the immediately preceding year, (2) must not generate more than $1.5 million in any other preceding year (this requirement only applies after 2020), and (3) the property owner must compensate the school district fully for its property tax losses. (Current law limits the term of TIF tax exemptions to 30 years. TIFs exempt tax revenue on a specified percentage, up to 100%, of the increase in real property value, and redirects service payments equal in amount to taxes that would otherwise be due into a special fund used to pay for new infrastructure.)	Same as the Executive.
Fiscal effect: Some units of local government may incur ongoing tax revenue losses, relative to revenues from the increase in property value if the TIF was not in effect.	**Fiscal effect: Same as the Executive.**

Executive	As Passed by the House
TAXCD58 **Exemption of residential development property**	
	R.C. 5709.54
No provision.	Exempts from property tax the value of land subdivided for residential development in excess of the fair market value of the property from which that land was subdivided, apportioned according to the relative value of each subdivided parcel. Authorizes the exemption for up to three years or, if later, each of the ensuing tax years until, but not including, the tax year in which a sexennial reappraisal is completed, except that the exemption shall not apply beginning with the tax year that begins after the tax year in which construction of a residential building on that property commences or title to the property is transferred for consideration, whichever is earlier.
	Fiscal effect: Revenue losses to school districts and other units of local government appear indeterminate but could range into the low millions of dollars.

Executive	As Passed by the House
TAXCD41 **Community school property tax exemption procedures**	
	R.C. 5713.08, 5715.27
No provision.	Removes existing law requirement that a community school file an annual exemption application for its property with the Tax Commissioner as a condition of receiving the exemption. Requires instead that a community school file an exemption application for only the first year for which the exemption is sought and thereafter the school need only file an annual statement attesting that its property continues to qualify for exemption. (Community school property used for an educational purpose qualifies for a property tax exemption. Currently, property owners, including community schools, are generally required to file an annual application with the Tax Commissioner or a county auditor to obtain an exemption).
	Fiscal effect: None.
TAXCD54 **Local government property tax complaints**	
	R.C. 5715.19, Section 757.190
No provision.	Requires a county, township, school district, or municipal corporation that contests the value or classification, for property tax purposes, of a parcel or parcels not owned by that local government to first pass an authorizing resolution. Requires that certain contents be included in the resolution.
No provision.	Specifies that the local government must notify the property owner or owners by certified mail postmarked at least 14 calendar days before adoption of the resolution.
No provision.	Allows a board of revision to consider a timely filed complaint if the only requirement not satisfied is that the written notice or

Executive	As Passed by the House
	resolution fails to accurately identify the owner or owners, or the street address, of the parcel or parcels.
No provision.	Applies to complaints and counter-complaints filed for tax year 2019 and thereafter.
	Fiscal effect: Local governments would incur direct costs to send out the required notices and may incur added costs to pass resolutions. Such added administrative costs would be permissive, and appear unlikely to be large. The provision could result in indirect fiscal effects, for example if it resulted in fewer property tax complaints being filed.

TAXCD52 **Abatement of unpaid property taxes for certain municipal property**

Executive	As Passed by the House
	Section: 757.170
No provision.	Authorizes abatement of unpaid property taxes, penalties, and interest due on property owned by a municipality that, within the past 25 years, (a) was part of a federal disaster area declared due to severe storms or flooding and (b) obtained the title to the property pursuant to a hazard mitigation grant from the Federal Emergency Management Agency. (Under current law unpaid taxes standing charged against property may not be abated for more than three years, and the property is disqualified for tax exemption even if it otherwise qualifies.)
	Fiscal effect: This provision would benefit the Village of Rutland, and other municipalities, if any, with property that satisfies the specified criteria. Rutland owns 14 parcels on which tax delinquencies total more than $34,000. LBO does not know if this is the full extent of Rutland's fiscal issue that would be addressed by this provision.

Executive	As Passed by the House

Other Taxation Provisions

TAXCD23 State administration of municipal income taxes

R.C. 718.83, 321.24 and 5745.05	**R.C. 718.83, 321.24 and 5745.05**
Requires a municipal corporation to remit payment to the Treasurer of State if the net distribution amount for a municipal corporation's state-administered municipal income tax accounts is less than zero in any month. (Continuing law allows businesses to elect to have the Department of Taxation administer the business' municipal income taxes beginning in 2018. The Commissioner is required to distribute municipal income tax revenue on a monthly basis, after deducting 0.5% of such revenue to cover the Department's administrative expense. A municipal corporation's net distribution amount might be less than zero if audit adjustments and refunds exceed collections in a given month.)	Same as the Executive.
Requires that the payment be remitted within thirty days of receiving notice of the deficiency. Allows the Commissioner to recover unpaid amounts by reducing a delinquent municipal corporation's municipal income tax distributions, electric light and telephone company income tax distributions, and property tax distributions.	Same as the Executive.
Requires the Director of Budget and Management to transfer money from the GRF to the Municipal Income Tax Fund in the event that the balance of the Municipal Income Tax Fund is not sufficient to cover the required monthly distributions of municipal income tax revenue. Requires, in the event of such a transfer, for the Director and the Commissioner to develop a plan to repay the GRF as soon as practical.	No provision.

Executive	As Passed by the House
Fiscal effect: Will facilitate administration of the state-administered municipal income tax.	**Fiscal effect: Same as the Executive.**

TAXCD22 **Municipal Net Profit Tax Fund**

Executive	As Passed by the House
R.C. 718.85, 718.83 and 718.90; Section 701.20	**R.C. 718.85, 718.83 and 718.90; Section 701.20**
Creates a separate Municipal Net Profit Tax Fund to receive revenue from the state-administered municipal tax on business income, and from which to distribute this revenue to the municipal corporations to which it is owed. (Under current law, the revenue from that tax is deposited into the Municipal Income Tax Fund, Fund 7095, which also receives revenue from the state-administered municipal income tax on electric and telephone companies.) Requires the Director of Budget and Management to transfer all money balances in Fund 7095 that were collected from the state-administered municipal tax on business income into the new fund.	Same as the Executive.
No provision.	Requires Fund 5VR0 appropriation item 110902, Municipal Net Profit Tax, to be used to make payments to municipal corporations of the net profits tax administered on their behalf by the Department of Taxation.
Fiscal effect: None.	**Fiscal effect: The House budget creates a new Municipal Net Profit Tax Fund (Fund 5VR0) line item, Municipal Net Profit Tax, with an appropriation of $30 million in FY 2020 and $35 million in FY 2021 and reduces the appropriation to Fund 7095 line item 110995, Municipal Income Tax, by these same amounts (see RDFCD3).**

Executive	As Passed by the House
TAXCD36 **Local sales and use tax rate increments**	
	R.C. 5739.021, 5739.023, 5739.026
No provision.	Allows a county or transit authority to levy a sales and use tax in increments of 0.05%. (Under current law local sales and use taxes must be levied in increments of 0.1% or 0.25%)
	Fiscal effect: None.
TAXCD45 **Extension of county agricultural society lodging tax**	
	R.C. 5739.09
No provision.	Allows for the extension of an existing county lodging tax, from the current five year limit to 15 years, that is levied by a county that hosts, or that has an independent agricultural society that hosts, an annual harness horse race with at least 40,000 one-day attendees (i.e., Delaware County). Provides that an extension must be approved by resolution of the board of county commissioners, would not be subject to voter approval, but would be subject to referendum. (A resolution levying the tax for the first time would continue to be subject to voter approval. Under continuing law, the maximum rate of the additional lodging tax is 3%. The proceeds of the tax are used to pay for the construction, maintenance, and operation of permanent improvements at sites where an agricultural society conducts fairs or exhibits.)
	Fiscal effect: Would allow for continuation of the current additional 3% tax for another ten years. In calendar year 2016 (latest available), the tax raised $657,205.

Executive	As Passed by the House
TAXCD30 **Federal partnership level audits**	
	R.C. **5747.10, Section 757.70**
No provision.	Prescribes procedures for the reporting and payment of a partnership's partners' Ohio income tax liability arising from a federal partnership level audit. Applies to changes in liability arising from federal adjustments with a final determination date of October 1, 2019, or thereafter. **Fiscal effect: May result in an increase in personal income tax revenues.**
TAXCD28 **Business Incentive Tax Credits**	
Section: **757.30**	**Section:** **757.30**
Provides a table that lists an estimate of the specified business incentive credits that may be authorized in each fiscal year of the FY 2020-FY 2021 biennium, an estimate of the credits expected to be claimed in each fiscal year, and an estimate of the amount of credits authorized that will remain outstanding at the end of the FY 2020-FY 2021 biennium.	Same as the Executive.
Specifies that in totality, the table provides an estimate of the state revenue forgone due to business incentive credits in the FY 2020-FY 2021 biennium and future biennia.	Same as the Executive.

Executive	As Passed by the House

Appropriation Language

TAXCD15 **Tax refunds**

Section: 409.20	**Section: 409.20**
Specifies that appropriation item 110635, Tax Refunds, is to be used to pay refunds under section 5703.052 of the Revised Code. Appropriates any additional amounts that may be necessary for this purpose.	Same as the Executive.

TAXCD16 **Vendor's license payments**

Section: 409.20	**Section: 409.20**
Specifies that appropriation item 110631, Vendor's License Application, is to be used to make payments to county auditors under section 5739.17 of the Revised Code. Appropriates any additional amounts that may be necessary to make such payments.	Same as the Executive.

TAXCD17 **International Registration Plan administration**

Section: 409.20	**Section: 409.20**
Specifies that appropriation item 110616, International Registration Plan Administration, is to be used under section 5703.12 of the Revised Code for audits of persons with vehicles registered under the International Registration Plan.	Same as the Executive.

Executive	As Passed by the House
TAXCD18 **Travel expenses for the Streamlined Sales Tax Project**	
Section: 409.20	**Section: 409.20**
Specifies that the Tax Commissioner may disburse funds, if available, for the purposes of paying travel expenses incurred by members of Ohio's delegation to the Streamlined Sales Tax Project, as appointed under section 5740.02 of the Revised Code, from appropriation item 110607, Local Tax Administration. Requires that any travel expense reimbursement paid for by the Department of Taxation is to be done in accordance with applicable state laws and guidelines.	Same as the Executive.
TAXCD19 **Tobacco Settlement Enforcement**	
Section: 409.20	**Section: 409.20**
Specifies that appropriation item 110404, Tobacco Settlement Enforcement, is to be used by the Tax Commissioner to pay costs incurred in the enforcement of divisions (F) and (G) of section 5743.03 of the Revised Code.	Same as the Executive.

Executive	As Passed by the House
TAXCD20 **Property tax administration**	
Section: 409.20	**Section: 409.20**
Specifies that in FY 2020 and FY 2021, (1) the Tax Commissioner is not to compute or certify the amounts calculated under divisions (A) and (B) of section 321.24 of the Revised Code as amended by H.B. 166, (2) the Director of Budget and Management is not to transfer any amounts from the GRF to the Property Tax Administration Fund (Fund 5V80), and (3) the Tax Commissioner is not to subtract any amounts computed under section 5703.80 of the Revised Code from the payments made from the GRF to county treasurers under division (F) of section 321.24 of the Revised Code.	Same as the Executive.
Fiscal effect: Uses balances in Fund 5V80 to pay the Department of Taxation's costs to administer property taxes in the upcoming biennium. Reimburses local governments in full, rather than net of administrative charges, for tax revenues that would otherwise be lost because of the 10% and 2.5% rollbacks and homestead exemption. This provision continues a change in procedure begun for FY 2018 and FY 2019 by Section 757.30 of H.B. 26 of the 132nd G.A., the transportation budget.	**Fiscal effect: Same as the Executive.**

Executive	As Passed by the House
AUDCD3 **Local Government Audit Support Fund**	
	R.C. **5747.461, 131.511**
No provision.	Creates the Local Government Audit Support Fund (Fund 5VP0) to be used by the Auditor of State to offset the costs of audits of local public offices.
No provision.	Requires the Director of Budget and Management to credit monthly a portion of total tax revenue credited to the General Revenue Fund equal to 1/12 of the annual fiscal appropriation from the Local Government Audit Support Fund.
No provision.	Requires the Director of Budget and Management to develop a schedule identifying the specific tax revenue sources to be used to make the monthly transfers and allows the Director to revise the schedule as necessary.
	Fiscal effect: Establishing this fund diverts a portion of GRF revenues to the Local Government Audit Support Fund (Fund 5VP0), which will offset a portion of the audit costs charged to local governments.

Executive	As Passed by the House
DDDCD33 **County Developmental Disabilities Medicaid Reserve Fund**	
	R.C. **5705.091**
No provision.	Allows county DD boards to request that the board of county commissioners establish a County Developmental Disabilities Medicaid Reserve Fund, which may be used for providing services to individuals with developmental disabilities, or to ensure the availability of adequate funds in the event a county property tax levy for developmental disabilities services fails.
	Fiscal effect: Potential increase in revenues for county DD boards if they request the establishment of such a fund. Potential diversion of other county funds to this fund.
DDDCD1 **Developmental disabilities facilities lease-rental bond payments**	
Section: **261.20**	**Section:** **261.20**
Requires ODODD to use GRF appropriation item 320415, Developmental Disabilities Facilities Lease Rental Bond Payments, to meet all payments pursuant to leases and agreements made under state law regarding capital facilities. Specifies that the appropriations in that appropriation item are the source of funds pledged for bond service charges on obligations issued for certain capital facilities.	Same as the Executive.

Executive	As Passed by the House
DOHCD54 **Wishes for Sick Children eligibility change**	
	R.C. 3701.602
No provision.	Changes the amount a nonprofit corporation must spend (from $1,000,000 to $250,000 per year in the prior three years) granting wishes of minors with life-threatening illnesses to be eligible to receive funds from the Wishes for Sick Children Income Tax Contribution Fund.
	Fiscal effect: None. The amount of revenue available for the program remains unchanged under this provision.

Executive	As Passed by the House
RDFCD3 **Municipal Income Tax**	
Section: 387.20	**Sections: 387.20, 812.20**
Specifies that appropriation item 110995, Municipal Income Tax, is to be used to make payments to municipal corporations under section 5745.05 of the Revised Code. Appropriates additional amounts if it is determined that additional amounts are necessary to make such payments.	Same as the Executive.
Requires the Tax Commissioner, if the Municipal Income Tax Fund (Fund 7095) has insufficient cash to meet monthly distribution obligations under section 718.83 of the Revised Code, to certify to the Director of Budget and Management the amount of additional cash needed. Requires the Commissioner, in such a case, to submit a plan to the Director requesting the necessary cash be transferred from one or a combination of the following funds: the Municipal Tax Administrative Fund (Fund 5N50), the Local Sales Tax Administrative Fund (Fund 4350), the General School District Income Tax Administrative Fund (Fund 4380), the Motor Fuel Tax Administrative Fund (Fund 5V70), the Property Tax Administrative Fund (Fund 5V80), or the GRF. Requires the plan to include a proposed repayment schedule to reimburse those funds for any cash transferred. Permits the Director, after receiving the certification and funding plan from the Tax Commissioner and determining that sufficient cash is available, to transfer the cash to Fund 7095 in accordance with the plan submitted by the Commissioner or as otherwise determined by the Director, and subsequently permits the Director to transfer cash from Fund 7095 to reimburse the funds from which cash was transferred.	Same as the Executive.

Executive	As Passed by the House
Fiscal effect: Will facilitate administration of the municipal income tax. The Executive budget provides $45 million in FY 2020 and $50 million in FY 2021 to Fund 7095 item 110995, Municipal Income Tax.	**Fiscal effect: The House budget reduces the appropriation to Fund 7095 item 110995, Municipal Income Tax, by $30 million in FY 2020 and $35 million in FY 2021 and moves this funding to a new line item (see TAXCD22) .**