

Executive

As Passed by the House

In Senate Finance

Personal Income Tax

**TAXCD21 Opportunity Zone tax credit**

**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.)

**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.**

**R.C. 122.84, 107.036, 122.86, 5747.02, 5747.82, and 5747.98**

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: Same as the Executive.**

**R.C. 122.84, 107.036, 122.86, 5747.02, 5747.82, and 5747.98**

Same as the House.

**Fiscal effect: Same as the Executive.**

Executive

As Passed by the House

In Senate Finance

TAXCD38 Motion picture tax credit

R.C. 122.85

R.C. 122.85, 107.036, 5726.98, 5733.98, 5747.98, 5751.98; Sections 757.250 and 812.20

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.

No provision.

No provision.

No provision.

Extends eligibility for the credit to certain live theater productions. Adds post-production, advertising, and promotional expenses to the kinds of expenditures for which the credit may be claimed. Disqualifies motion pictures and live theater productions that do not begin within a specified period of time.

No provision.

No provision.

Stipulates that tax credit certificates are to be awarded in two rounds (July and January) each fiscal year beginning with FY 2021. Requires each round's applications to be ranked on the basis of economic and workforce development impact of the production and granted tax credits in order of the ranking.

No provision.

No provision.

Repeals a provision in current law that authorized a production company to transfer the right to claim its awarded certificate to a third party.

**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.**

**Fiscal effect: None. Current law, unchanged by the bill, limits total credits to \$40 million per fiscal year, with unused credits if any added to the next year's maximum.**

Executive

As Passed by the House

In Senate Finance

TAXCD63 Ohio political party fund income tax checkoff

No provision.

No provision.

**R.C. 3517.16, 5747.081, 3517.17, and 3517.18 (repealed); R.C. 131.44, 3501.05, 3517.01, 3517.10, 3517.102, 3517.1012, 3517.11, 3517.12, 3517.153, 3517.23, 3517.99, 3517.992, 5703.05, 5747.03, and 5747.04; Sections 409.10, 757.240 and 815.10**

Eliminates the Ohio political party fund income tax checkoff for taxable years beginning after 2019. (Under current law, taxpayers may opt to credit \$1 of their income tax liability to the fund. Married couples filing joint returns may credit up to \$2. Money in the fund is divided among the state's major political parties. The money cannot be used to further the election or defeat of any particular candidate or to influence the outcome of an issue election.)

No provision.

No provision.

Dissolves the fund no later than January 1, 2021.

**Fiscal effect: Eliminates the \$180,000 appropriation in FY 2021 for FID appropriation item 110613, Ohio Political Party Distributions.**

Executive

As Passed by the House

In Senate Finance

**TAXCD24            Lead abatement tax credit**

**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.

**Fiscal effect: Not more than \$5 million in total credits may be awarded in a biennium.**

**R.C.            3742.50, 5747.02, 5747.08, 5747.26, and 5747.98;  
Section 757.10**

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 fiscal year.**

**R.C.            3742.50, 5747.02, 5747.08, 5747.26, and 5747.98;  
Section 757.10**

Same as the House.

**Fiscal effect: Same as 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 the GRF share of personal income tax 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.**

**R.C.            5747.01, 5747.02, 5747.98, 5747.29 and 5747.65  
(repealed), Section 757.150**

Same as the House.

Same as the House.

**Fiscal effect: Same as the House.**

Executive

As Passed by the House

In Senate Finance

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

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.

No provision.

Eliminates an existing 3% flat rate on business income above those amounts.

Same as the House, but delays elimination of the 3% rate until 2020.

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.

Same as the House.

No provision.

Modifies income tax rate structure such that the tax rate is reduced to zero in the current bottom two tax brackets, exempting from the income tax individuals whose income is \$22,250 or less.

Same as the House, but freezes tax brackets and exemption amounts in tax years 2019 and 2020 at 2018 levels, thus exempting from tax incomes of \$21,750 or less. Resumes Indexing of brackets and exemptions in 2021.

No provision.

Reduces marginal tax rates in all remaining five brackets by 6.6%.

Replaces the House provision with one that reduces marginal tax rates in all remaining five brackets by 4% in TY 2019 and by another 4% for a total of 8% from current law in TY 2020 and thereafter.

Executive

As Passed by the House

In Senate Finance

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.

Fiscal effect: Reduces tax revenue an estimated \$340 million in FY 2020 and \$380 million in FY 2021, excluding one-time cash flow adjustments related to changes in withholding rates and possibly in rates of payment of estimated taxes. Distributions through Fund 7069 and Fund 7065 would each be reduced an estimated \$5.6 million in FY 2020 and \$6.3 million in FY 2021. Revenue retained by the GRF would be reduced about \$329 million and \$367 million in those years, respectively.

TAXCD64

Income tax deduction for educators' expenses

No provision.

No provision.

**R.C. 5747.01, Section 757.150**

Authorizes a personal income tax deduction for up to \$250 of an Ohio teacher's out-of-pocket expenses for professional development and classroom supplies, beginning in tax year 2020. (Federal law authorizes a similar \$250 deduction, so the state deduction applies to expenses that exceed what the Ohio teacher may claim as a federal deduction.)

**Fiscal effect: Loss of income tax revenue between \$0.6 million and \$1.2 million annually, beginning in FY 2021. Of the total, revenue loss to GRF would be between \$0.6 million and \$1.1 million, with the remaining loss borne by the Local Government Fund and the Public Library Fund. Loss of revenue to school districts that levy a school district income tax with a tax base of Ohio taxable income; this revenue loss statewide may be between \$15,000 and \$35,000 per year.**

Executive

As Passed by the House

In Senate Finance

**TAXCD35 Pass-through entity withholding tax**

No provision.

**R.C. 5747.41, 5733.40, 5733.41; Section 757.50**

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.

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 investors.)

No provision.

**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**

No provision.

**R.C. 5747.73, 5747.02, 5747.98 and Section 757.120**

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). Provides that the state credit equals 30% of the taxpayer's federal WOTC, and any unclaimed balance may be carried forward for seven years.

No provision.

Executive

As Passed by the House

In Senate Finance

**Fiscal effect: Reduces revenue from the individual income tax by up to \$3 million annually. Of the total, revenue loss to the GRF would be up to \$2.9 million, with the remaining loss borne by the LGF and the PLF. Revenue losses may be higher in certain future years due to the carryforward provision.**

Sales and Use Taxes

TAXCD29

Sales tax on transportation network companies

No provision.

**R.C. 5739.01, Section 757.140**

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) as follows: (1) 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; (2) 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; and (3) 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 up to \$6 million in FY 2020, and up to \$8 million in FY 2021. The GRF would gain up to \$5.8 million in FY 2020 and \$7.7 million in FY 2021. Distributions to the LGF and the PLF would total \$0.2 million and \$0.3 million, respectively. Increases revenue from permissive county and transit authority taxes by up to \$1 million in FY 2020 and \$2 million in FY 2021.**

**R.C. 5739.01, Section 757.140**

Replaces the House provision with a broader provision that specifies that any "technology platform" facilitating taxable services is considered the vendor. Also states that the provision applies beginning October 1, 2019.

**Fiscal effect: Same as the House.**



Executive

As Passed by the House

In Senate Finance

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

**R.C. 5739.01, 122.175, 5739.02, 5739.025, 5739.03, 5739.05, Section 757.140**

**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:

Same as the House, but makes the following changes:

No provision.

The exemption for aviation repair and maintenance services and parts;

No provision.

No provision.

The exemption for sales of flight simulators;

Same as the House.

No provision.

The exemption for sales of investment bullion and coins;

No provision.

No provision.

The \$800 cap on sales of shares of qualified fractionally owned aircraft;

Same as the House.

No provision.

The exemption for sales of property and services for maintenance and repair of qualified fractionally-owned aircraft;

Same as the House.

No provision.

The exemption for sales of qualified property to qualified motor racing teams.

Same as the House.

**Fiscal effect: According to the Tax Expenditure Report published in conjunction with the executive operating budget proposal, repealing the credits will increase the GRF share of the 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 authority taxes by about \$8 million in FY 2020 and \$11 million in FY 2021.**

**Fiscal effect: According to the Tax Expenditure Report published in conjunction with the executive operating budget proposal, the credits repealed will increase the GRF share of sales and use tax revenue by about \$13 million in FY 2020 and \$16 million in FY 2021. Increases revenue from permissive county and transit authority taxes by about \$3 million in FY 2020 and \$4 million in FY 2021.**

Executive

As Passed by the House

In Senate Finance

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

No provision.

**R.C. 5739.011, Section 757.140**

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: Decreases sales tax revenue by \$1.5 million in FY 2020 and \$2.3 million in FY 2021. Of the total, revenue loss to the GRF would be \$1.4 million in FY 2020 and \$2.2 million in FY 2021. Combined distributions to the LGF and the PLF would decrease by about \$0.1 million in FY 2020 and in FY 2021. Reduces revenue from permissive county and transit authority sales taxes by about \$0.3 million in FY 2020 and \$0.5 million in FY 2021.**

**R.C. 5739.011, Section 757.140**

Same as the House.

**Fiscal effect: Same as the House.**

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

No provision.

**R.C. 5739.011, Section 757.130**

Exempts from sales and use tax any supplies or janitorial services purchased to clean machinery in a manufacturing facility.

**Fiscal effect: Decreases sales tax revenue by \$21.3 million in FY 2020 and \$28.7 million in FY 2021. Of the total, revenue loss to the GRF would be \$20.6 million in FY 2020 and \$27.7 million in FY 2021. Combined distributions to the LGF and the PLF would decrease by \$0.7 million in FY 2020 and \$1.0 million in FY 2021. Reduces revenue from permissive county and transit authority sales taxes by \$5.0 million in FY 2020 and \$6.8 million in FY 2021.**

No provision.

Executive

As Passed by the House

In Senate Finance

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.

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.

No provision.

Requires the hotel intermediary to collect and remit local lodging taxes to the subdivision levying the tax.

No provision.

**Fiscal effect: Increases sales tax revenue by several millions of dollars in FY 2020 and up to \$20.7 million in FY 2021. Of the revenue increase, 96.68% would be retained by the GRF in FY 2020 and up to \$20 million in FY 2021. Potential revenue increase in FY 2020, and revenue gain of up to \$4.9 million in FY 2021 from permissive county and transit authority 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

In Senate Finance

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

R.C. 5741.01, 5741.04, 5741.05, 5741.07, 5741.071, 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.

Same as the House.

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 year. (3) Prohibits class action lawsuits against a marketplace facilitator related to an overpayment of use tax.

Same as the House, but makes the following two changes: (1) specifies that a person providing only advertising services is not a marketplace facilitator, and (2) eliminates charging, collecting, or receiving selling fees, listing fees, referral fees, closing fees, or other consideration from the facilitation of a sale as elements that may contribute to the determination that a sale is "facilitated" by a marketplace facilitator.

Executive

As Passed by the House

In Senate Finance

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.

Same as the House.

No provision.

No provision.

Requires the Tax Commissioner, upon receiving an application from a seller, to waive the requirement that a marketplace facilitator collect and remit the tax due on sales facilitated on behalf of the seller if certain conditions are met by the seller. Permits the Commissioner to divulge information related to the status of the waiver to the seller and the marketplace facilitator.

No provision.

Excuses a marketplace facilitator from liability for failing to collect use tax from an unaffiliated seller if it demonstrates to the Commissioner that it made a reasonable effort to obtain accurate information about the sale but failed to collect tax because of incorrect information from the seller.

Same as the House, but also states that the information the facilitator attempts, but fails, to obtain is not only accurate, but also "sufficient."

**Fiscal effect: Increases evenue from the sales and use tax by \$121 million in FY 2020 and \$210 million in FY 2021. Revenue to the GRF would increase by \$117 million in FY 2020 and \$203 million in FY 2021. Distributions to the LGF and the PLF would total \$4 million and \$7 million, respectively. Revenue gains may be higher or lower depending on the behavioral response of remote sellers and market facilitators. Increases revenue from permissive county and transit authority taxes by \$30 million in FY 2020 and \$51 million in FY 2021.**

**Fiscal effect: Same as the House.**

Executive

As Passed by the House

In Senate Finance

**Commercial Activity Tax**

**TAXCD37**      **CAT administrative earmark**

No provision.

**R.C.      5751.02**

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.**

**R.C.      5751.02**

Same as the House.

**Fiscal effect: Same as the House.**

**TAXCD33**      **CAT: historic rehabilitation credit**

No provision.

**Section:    757.40**

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.**

**Section:    757.40**

Same as the House.

**Fiscal effect: Same as the House.**

Executive

As Passed by the House

In Senate Finance

**Cigarette Taxes**

**TAXCD27                      Legal age for a person to receive or purchase cigarettes**

**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.

Defines and includes vapor products within the definition of "alternative nicotine product."

Requires clear and visible posting of signage indicating the legal age at locations where cigarettes, tobacco, and alternative nicotine products are sold.

**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.**

**R.C.                      2927.02, 2927.022**

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.

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.

Same as the Executive.

**Fiscal effect: Same as the Executive.**

**R.C.                      2927.02, 2927.022**

Same as the House.

Same as the House.

Same as the Executive.

**Fiscal effect: Same as the Executive.**

**TAXCD74                      Tax on vapor products**

No provision.

No provision.

**R.C.                      5743.51, 5743.01, 5743.025, 5743.14, 5743.20, 5743.41, 5743.44, 5743.52 through 5743.55, 5743.59 through 5743.63; Sections 757.260 and 757.270**

Levies a tax of 17% of the invoice price of vapor products, to be paid by distributors, beginning October 1, 2019.

Executive

As Passed by the House

In Senate Finance

No provision.

No provision.

Defines vapor product as any noncombustible product that 1) contains or is made or derived from nicotine, 2) is intended and marketed for human consumption and 3) includes any component, part, or additive that is intended for use in a mechanical heating element, battery, or electronic circuit and is used to deliver the product. Excludes products that are a drug, device, or combination product defined in 21 U.S.C. 321 and 353(g).

No provision.

No provision.

Specifies that a retail dealer of vapor products is any person engaged in the business of selling vapor products to ultimate consumers in this state, regardless of quantity, amount, or number of sales; and creates a new license for vapor distributor of vapor products.

**Fiscal effect: Raises revenue from the cigarette and other tobacco products tax by several millions of dollars per fiscal year. Under codified law, the revenue gain would be shared by the GRF (96.68%), the Local Government Fund (LGF, 1.66%), and the Public Library Fund (PLF, 1.66%).**

Financial Instituion Tax

TAXCD39

Financial institutions tax - limit on tax base

**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.

No provision.

**Fiscal effect: Loss of revenue from the financial institutions tax of up to \$10 million in FY 2021. Potential loss in FY 2020 of uncertain magnitude. Under codified law, the GRF would bear 96.68% of the loss, and distributions to the LGF and the PLF would be reduced by 1.66% for each fund.**



Executive

As Passed by the House

In Senate Finance

Property Taxes and Transfer Fees

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

No provision.

**R.C.            319.302, 323.155, 323.16; Section 757.100**

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.**

No provision.

**TAXCD68**                      **Property tax billing content**

No provision.

No provision.

**R.C.            323.131, 757.210**

Requires, on and after January 1, 2021, property tax bills to show the respective shares of the billed amount to be received by the various taxing units.

**Fiscal effect: May result in additional costs for some counties.**

Executive

As Passed by the House

In Senate Finance

**TAXCD51 Property tax homestead exemption**

No provision.

**R.C. 323.151, Section 757.150**

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). Only homeowners whose eligibility for the homestead exemption is subject to means testing will be affected by this change.

**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.**

**R.C. 323.151, Section 757.150**

Same as the House.

**Fiscal effect: Same as the House, but reduces GRF appropriations to match the effect of the change.**

**TAXCD57 State community college permanent improvements levy**

No provision.

**R.C. 3358.11, 3333.59, 3358.02, 3358.06**

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.)

**R.C. 3358.11, 3333.59, 3358.02, 3358.06**

Same as the House.

Executive

As Passed by the House

In Senate Finance

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

No provision.

**R.C. 3735.661**

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.**

**R.C. 3735.661**

Same as the House.

**Fiscal effect: Same as the House.**

**TAXCD56 School safety levy for chartered nonpublic schools**

No provision.

**R.C. 5705.21**

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.

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.

No provision.

Executive

As Passed by the House

In Senate Finance

**TAXCD62      Developmental disabilities board funding**

No provision.

No provision.

**R.C.      5705.322**

Requires that, when a county budget commission is determining whether to reduce the amount of taxes that a county may levy on behalf of a county board of developmental disabilities, the commission must take into account the board's 5-year projection of revenues and expenditures. Requires notice and a hearing before the commission may make such a reduction.

**Fiscal effect: May result in more funding to county boards of developmental disabilities than otherwise.**

**TAXCD34      Property tax exemption for fraternal and veterans organizations**

No provision.

**R.C.      5709.17, Section 757.90**

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.)

**R.C.      5709.17, Section 757.90**

Same as the House.

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 whether or not the rental income produced by the property exceeds a similar \$36,000-per-year limit.

Same as the House.

Executive

As Passed by the House

In Senate Finance

**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.**

**Fiscal effect: Same as the House.**

**TAXCD25 Tax increment financing term extension**

**R.C. 5709.40, 5709.41, 5709.51, 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.)

**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.**

**R.C. 5709.40, 5709.41, 5709.51, 5709.73, 5709.78, and Section 757.20**

Same as the Executive.

**Fiscal effect: Same as the Executive.**

No provision.

Executive

As Passed by the House

In Senate Finance

TAXCD58

Exemption of residential development property

No provision.

**R.C. 5709.54**

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.**

No provision.

Executive

As Passed by the House

In Senate Finance

**TAXCD41 Community school property tax exemption procedures**

No provision.

**R.C. 5713.08, 5715.27**

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.**

**R.C. 5713.08, 5715.27**

Same as the House.

**Fiscal effect: Same as the House.**

**TAXCD54 Local government property tax complaints**

No provision.

**R.C. 5715.19, Section 757.190**

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.

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.

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 resolution fails to accurately identify the owner or owners, or the

No provision.

Executive

As Passed by the House

In Senate Finance

No provision.

street address, of the parcel or parcels.  
 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.**

No provision.

TAXCD69

Tax exemption for qualified energy projects

No provision.

No provision.

**R.C. 5727.75, Section 757.200**

Extends, by two years from December 31, 2020 to December 31, 2022, the deadline by which the owner or lessee of a qualified renewable energy project may apply for a property tax exemption.

No provision.

No provision.

Clarifies the calculation of payments-in-lieu-of-taxes, paid by solar energy projects that receive the exemption.

**Fiscal effect: May result in additional applications for property tax exemptions under the program.**



Executive

As Passed by the House

In Senate Finance

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

No provision.

**Section: 757.170**

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.**

No provision.

Other Taxation Provisions

**TAXCD60 Qualifications for the JRTC for manufacturers and corporate headquarters**

No provision.

No provision.

**R.C. 122.171**

Modifies the qualifications for manufacturers and corporate headquarters to qualify for a nonrefundable job retention tax credit (JRTC).

No provision.

No provision.

Allows a corporate headquarters to qualify for the JRTC if it is located in a foreign trade zone, regardless of whether it meets payroll or employment requirements, but continues to require it to meet minimum capital investment requirements.

Executive

As Passed by the House

In Senate Finance

No provision.

No provision.

Allows manufacturers to qualify for the credit if they make a capital investment over three years equal to the lesser of \$50 million or 5% of the net book value of tangible personal property used at the project at the end of that three-year period. (Current law requires the \$50 million investment.) Permits manufacturers to no longer meet minimum payroll or employment requirements to qualify for the JRTC, but allows the tax credit agreement to contain such requirements.

**Fiscal effect: Potential GRF revenue loss.**

TAXCD67

Tourism development district (TDD) development charge and gross receipts tax extension

No provision.

No provision.

**R.C. 715.015, 503.56, 503.58, 715.014, and 5739.101**

Authorizes a township or municipal corporation that created a TDD to enter into agreements with owners of property located within the TDD to impose a development charge on the property equal to a percentage (up to 2%) of gross receipts derived from sales made at the property. Specifies that the development charge is subject to the approval of the board of county commissioners of the county where the property is located. Provides that the development charge is collected and enforced in the same manner, and has the same lien status, as real property taxes. Prohibits a municipal corporation or township that currently levies a gross receipts tax within the TDD from also imposing development charges.

No provision.

No provision.

Extends the authority for municipal corporations or townships to levy a new TDD resort area gross receipts tax for the purpose of fostering and developing tourism until December 31, 2020.

**Fiscal effect: May result in additional revenue to tourism development districts.**

Executive

As Passed by the House

In Senate Finance

TAXCD61

Retirement income exempt from municipal income taxes

No provision.

No provision.

**R.C. 718.01, 757.220**

Defines "pension" and "retirement benefit plan" for purposes of the municipal income tax essentially providing that all retirement benefit plans, including those that do not qualify for federal income tax deferral or exemption from FICA or Medicare taxes, are exempt from municipal income tax. Specifies that the exemption applies to municipal taxable years beginning in or after 2020. (Such plans include "supplemental executive retirement plans," also known as SERPs or "top hat" plans, that are paid to supplement the retirement earnings of certain highly compensated executive employees.)

**Fiscal effect: Current Ohio law exempted pensions from municipal income taxation starting in 2016, under provisions enacted in H.B. 5 of the 130th General Assembly, however existing law does not define "pensions" and "retirement benefit plan" for these purposes. To the extent that it clarifies existing law, this provision would have no fiscal effect. There may be municipalities that revised tax ordinances, though, to incorporate pension revisions required by H.B. 5 and redefined pensions as limited to include certain plans. For such municipalities, the provision could be interpreted as reducing municipal income tax revenues. The number of municipalities under that scenario and their revenue losses are undetermined.**

Executive

As Passed by the House

In Senate Finance

**TAXCD23 State administration of municipal income taxes**

**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.)

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.

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.

**Fiscal effect: Will facilitate administration of the state-administered municipal income tax.**

**R.C. 718.83, 321.24 and 5745.05**

Same as the Executive.

Same as the Executive.

No provision.

**Fiscal effect: Same as the Executive.**

**R.C. 718.83, 321.24 and 5745.05**

Same as the Executive.

Same as the Executive

No provision.

**Fiscal effect: Same as the Executive.**

Executive

As Passed by the House

In Senate Finance

**TAXCD22            Municipal Net Profit Tax Fund**

**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.

No provision.

**Fiscal effect: None.**

**R.C.            718.85, 718.83 and 718.90; Section 701.20**

Same as the Executive.

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: 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).**

**R.C.            718.85, 718.83 and 718.90; Section 701.20**

Same as the Executive.

Same as the House.

**Fiscal effect: Same as the House.**

Executive

As Passed by the House

In Senate Finance

**TAXCD65 Criminal records check for municipal tax employees**

No provision.

No provision.

**R.C. 718.131**

Extends a criminal records check requirement currently applying to state employees with access to federal tax information to employees of municipal corporations and regional councils of government with access to federal tax information. (The Internal Revenue Service requires criminal records checks pursuant to federal law requiring state and local governments to preserve confidentiality of such information.)

**TAXCD36 Local sales and use tax rate changes**

No provision.

**R.C. 5739.021, 5739.023, 5739.026**

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%)

**R.C. 5739.021, 5739.023, 5739.026**

Same as the House.

No provision.

No provision.

Allows for an additional 0.5% of sales and use tax to be levied by counties (other than charter counties) to be used for the purpose of constructing, acquiring, equipping, or repairing detention facilities, if approved by voters. Limits the rate to no more than 1.5% minus an overlapping transit authority's sales and use tax rate. Requires a commensurate reduction in the rate available to an overlapping transit authority (1.5% minus the rate of any county detention facility tax).

Executive

As Passed by the House

In Senate Finance

TAXCD45      Extension of county agricultural society lodging tax

R.C.      5739.09

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.)

Same as the House.

**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.**

TAXCD30      Federal partnership level audits

R.C.      5747.10, Section 757.70

R.C.      5747.10, 5747.11, 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.

Replaces the House provision with a substantively similar provision which prescribes procedures for how pass-through entities and their investors file amended Ohio income tax returns necessitated by IRS audits, conducted at the entity level, of federal income tax obligations, and how those investors or entities pay deficiencies or obtain refunds resulting from the IRS adjustments arising from such audits.

Executive

As Passed by the House

In Senate Finance

No provision.

Applies to changes in liability arising from federal adjustments with a final determination date of October 1, 2019, or thereafter.

Same as the House.

**Fiscal effect: May result in an increase in personal income tax revenues.**

**Fiscal effect: Same as the House.**

TAXCD55

School District Earned Income Tax Base

No provision.

**R.C. 5748.01**

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.)

No provision.

**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.**

TAXCD28

Business Incentive Tax Credits

**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.

**Section: 757.30**

Same as the Executive.

**Section: 757.30**

Same as the Executive.



**Executive**

**As Passed by the House**

**In Senate Finance**

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.

Same as the Executive.

**Appropriation Language**

**TAXCD15 Tax refunds**

**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.

**Section: 409.20**

Same as the Executive.

**Section: 409.20**

Same as the Executive.

**TAXCD16 Vendor's license payments**

**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.

**Section: 409.20**

Same as the Executive.

**Section: 409.20**

Same as the Executive.

**TAXCD17 International Registration Plan administration**

**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.

**Section: 409.20**

Same as the Executive.

**Section: 409.20**

Same as the Executive.

Executive

As Passed by the House

In Senate Finance

**TAXCD18            Travel expenses for the Streamlined Sales Tax Project**

**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.

**Section:    409.20**

Same as the Executive.

**Section:    409.20**

Same as the Executive.

**TAXCD19            Tobacco Settlement Enforcement**

**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.

**Section:    409.20**

Same as the Executive.

**Section:    409.20**

Same as the Executive.

Executive

As Passed by the House

In Senate Finance

**TAXCD20            Property tax administration**

**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.

**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.**

**Section:    409.20**

Same as the Executive.

**Fiscal effect: Same as the Executive.**

**Section:    409.20**

Same as the Executive.

**Fiscal effect: Same as the Executive.**

Executive

As Passed by the House

In Senate Finance

AGOCD19

Tax debt certification timeline and collection

No provision.

No provision.

**R.C. 131.02**

Specifies that the initial action to collect a tax debt is commenced when a certified copy of the Tax Commissioner's entry making an assessment final is filed in the clerk of the appropriate court of common pleas, rather than when the initial action is commenced after the certified copy is filed as under current law.

**Fiscal effect: None apparent.**

Executive

As Passed by the House

In Senate Finance

**AUDCD3                      Creation of the Local Government Audit Support Fund**

**R.C.                      5747.461, 131.511**

**R.C.                      117.131, 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.

Same as the House, but renumbers RC 5747.461 as RC 117.131.

No provision.

No provision.

States that the appropriation from Fund 5VP0 must remain at the amount designated by the General Assembly. Prohibits the Controlling Board from authorizing additional expenditures from Fund 5VP0.

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.

Same as the House.

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.

Same as the House.

**Fiscal effect: Diverts a portion of GRF revenues to the Local Government Audit Support Fund (Fund 5VP0), which will offset a portion of the audit costs that would otherwise be charged to local governments. The bill appropriates \$10 million each fiscal year under Fund 5VP0 appropriation item 070611, Local Government Audit Support Fund.**

**Fiscal effect: Same as the House, except prohibits the Controlling Board from approving further appropriations.**

Executive

As Passed by the House

In Senate Finance

**OBMCD84**      **Disposition of surplus revenue**

No provision.

No provision.

**R.C.      131.44, 5747.06; Section 812.20**

Establishes the Income Tax Withholding Fund in the state treasury and requires surplus end-of-year revenue, before it is credited to the Income Tax Reduction Fund (ITRF), to be credited to the new fund to offset costs to the GRF, the Local Government Fund (LGF), and the Public Library Fund (PLF) resulting from the Tax Commissioner lowering the income tax rate withholding tables, as the Commissioner is authorized to do under current law. (Revenue is transferred to the ITRF if, by the end of the fiscal year, the Commissioner did not ultimately adjust tax withholding tables. Under continuing law, once the balance of the ITRF reaches a certain threshold, a temporary income tax cut is triggered and money in the ITRF reimburses the GRF, LGF, and PLF for the resulting revenue losses.)

No provision.

No provision.

Applies this provision first to surplus revenue from FY 2019.

**Fiscal effect: This provision may divert revenue from the ITRF to the new fund in some years, but operation of the provision will depend on GRF balances at the end of each fiscal year and on changes to withholding tables by the Tax Commissioner. This provision has no effect in FY 2019 or FY 2020 because it is superseded by Sections 513.10 and 513.20 of the bill (see OBMCD44 and OBMCD56).**

Executive

As Passed by the House

In Senate Finance

**DDDCD33 County Developmental Disabilities Medicaid Reserve Fund**

No provision.

**R.C. 5705.091**

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.**

**R.C. 5705.091**

Same as the House.

**Fiscal effect: Same as the House.**

**DDDCD1 Developmental disabilities facilities lease-rental bond payments**

**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.

**Section: 261.20**

Same as the Executive.

**Section: 261.20**

Same as the Executive.

Executive

As Passed by the House

In Senate Finance

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.

No provision.

**Fiscal effect: None. The amount of revenue available for the program remains unchanged under this provision.**



Executive

As Passed by the House

In Senate Finance

**BORCD67**      **Debt certification timeline for state institutions of higher education.**

No provision.

**R.C.      131.02**

Modifies when a state institution of higher education must certify to the Attorney General, for the purposes of debt collection, any amounts payable to the institution by a student by replacing a requirement that the certification happen within the later of 45 days after the amount is due or the 10th day of the next academic semester, quarter, or session, with a requirement that the certification happen no earlier than that time and no later than 15 days after that time.

No provision.

**Fiscal effect: The provision extends the timeline for state institutions to certify any outstanding debt to the Attorney General.**

**BORCD76**      **Campus housing facilities lease agreements**

No provision.

No provision.

**R.C.      3345.55**

Permits lease agreements between state institutions of higher education and nonpublic vendors regarding campus housing to require a vendor to improve existing campus housing facilities, in addition to requiring the vendor to construct new facilities as under continuing law.

No provision.

No provision.

Increases the maximum term of a lease agreement from 30 to 75 years.

No provision.

No provision.

Specifies that any campus housing facilities included in a lease agreement retain an exemption from property taxes and assessments.

Executive

As Passed by the House

In Senate Finance

Fiscal effect: Provides universities with more flexibility in establishing lease agreements.

Executive

As Passed by the House

In Senate Finance

RDFCD8 Local Government Fund

No provision.

No provision.

**R.C. 5747.50, Sections 387.10, 387.20, and 757.230**

Increases the share of GRF tax revenue transferred to the Local Government Fund (LGF, Fund 7069) from 1.66% in codified law to 1.68% during FY 2020 and FY 2021.

No provision.

No provision.

Modifies the distribution of Local Government Fund payments made directly from the Department of Taxation to municipal corporations. Under codified law, municipal corporations that levied an income tax in 2006 receive a small portion of the LGF as a direct payment (in 2016, the payments totaled \$10.34 million; the payments were temporarily eliminated in FY 2018 and FY 2019); each municipality's distribution is based on that municipality's share of the payments in 2006 (which was based on their relative income tax collections). The amendment requires instead that every municipality receive a share of this payment based on the municipality's population, except that cities with a population of more than 50,000 would be capped at that number, so that they are each considered to have a population of only 50,000.

**Fiscal effect: Increases revenue to the LGF by about \$5 million in each fiscal year of the biennium; reduces revenue left in the GRF by corresponding amounts. Alters the distribution of LGF funding paid directly to municipalities, generally shifting funds toward smaller cities and villages.**

Executive

As Passed by the House

In Senate Finance

**RDFCD3                      Municipal Income Tax**

**Section:    387.20**

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.

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.

**Sections:   387.20, 812.20**

Same as the Executive.

Same as the Executive.

**Sections:   387.20, 812.20**

Same as the Executive.

Same as the Executive.

Executive

As Passed by the House

In Senate Finance

**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) .

**Fiscal effect:** Same as the House.

RDFCD6

Public Library Fund

**Section: 387.20**

Specifies that the Director of Budget and Management is to credit 1.68% of total GRF tax revenue during the preceding month to the Public Library Fund (PLF, Fund 7065) in FY 2020 and FY 2021, notwithstanding the requirement in codified law that the percentage is 1.66%.

**Fiscal effect:** Increases revenue to the PLF by about \$5 million in each year. Has the effect of decreasing revenue to the GRF by corresponding amounts.

**Section: 387.20**

Same as the Executive.

**Fiscal effect:** Same as the Executive.

**Sections: 387.20, 387.10**

Same as the Executive, but increases the share of GRF tax revenue distributed to the Public Library Fund (Fund 7065) to 1.7%, in FY 2020 and FY 2021 only.

**Fiscal effect:** Same as the Executive, but increases the appropriation by about an additional \$5 million in each of FY 2020 and FY 2021. Has the effect of decreasing GRF revenue by corresponding amounts.

Executive

As Passed by the House

In Senate Finance

LOCCD25

Local tax issues at August elections

**R.C. 3501.022, 5705.214, 5748.07, Section 130.23, and conforming changes in numerous R.C. sections**

No provision.

Disallows local tax issues and certain other local tax-implicated issues from being submitted to voters at August special elections. Applies this provision to the following: property taxes, local sales and use taxes, municipal and school district income taxes, lodging taxes, local alcoholic beverage and cigarette excise taxes, and questions of whether to create, dissolve, or add territory to a subdivision that involve a tax levy.

No provision.

No provision.

Excludes from this prohibition instances where a school district wishes to submit a property or income tax question at August special elections if the purpose of the tax is to prevent conditions triggering a fiscal emergency declaration by the Auditor of State.

No provision.

No provision.

Applies these restrictions to elections held on or after the 100th day after the effective date of the provisions under the bill.

No provision.

**Fiscal effect: Potential cost savings for county boards of elections and other political subdivisions related to special election costs.**