Due date O.R.C. 5747.08(G) Maintain tax records for four years O.R.C. 5747.17

Do not use staples.

Ohio Department of Taxation

12000102

Use only black ink.

Taxable year beginning in **2012**

IT 1040 Rev. 10/12
Individual Income Tax Return

Taxpayer Social Security no. (required) ▸▸ If deceased check box

O.R.C. 5703.057(A)

Spouse's Social Security no. (only if joint return) ▸▸ If deceased check box

Use UPPERCASE letters.

Your first name M.I. Last name

Spouse's first name (only if married filing jointly) M.I. Last name

Mailing address (for faster processing, use a street address)

Ohio residency status – TC rule 5703-7-16, O.R.C. 5747.01(I) – 5747.01(J), 5747.24

City State ZIP code Ohio county (first four letters) O.R.C. 5747.04

Home address (if different from mailing address) – do **NOT** show city or state ZIP code County (first four letters)

Foreign country (provide this information if the mailing address is outside the U.S.) Foreign postal code

E-mail address

Ohio Residency Status – Check applicable box

☐ Full-year resident ☐ Part-year resident ☐ Nonresident Indicate state ▸▸

Check applicable box for spouse (only if married filing jointly)

☐ Full-year resident ☐ Part-year resident ☐ Nonresident Indicate state ▸▸

Filing Status – Check one (as reported on federal income tax return)

☐ Single or head of household or qualifying widow(er)

☐ Married filing jointly O.R.C. 5747.08(E)

☐ Married filing separately (enter spouse's SS#) ▸▸

Ohio Political Party Fund O.R.C. 5747.081

	Yes	No
Do you want $1 to go to this fund?	☐	☐
If joint return, does your spouse want $1 to go to this fund?	☐	☐

Note: Checking "Yes" will not increase your tax or decrease your refund.

Ohio School District Number for 2012 O.R.C. 5747.04, TC rule 5703-7-09
(see pages 43-48 of the instructions)

Do not use staples, tape or glue. Place your W-2(s), check (payable to Ohio Treasurer of State) and Ohio form IT 40P on top of your return. Include forms W-2G and 1099-R if tax was withheld. Place any other supporting documents or statements after the last page of your return.

Go paperless. It's FREE!
Visit *tax.ohio.gov* to try Ohio I-File.

Most electronic filers receive their refunds in 5-7 business days by direct deposit!

INCOME AND TAX INFORMATION – If amount is negative, shade the negative sign ("–") in the box provided.

1. **Federal adjusted gross income** (from IRS form 1040, line 37; 1040A, line 21; 1040EZ, line 4; 1040NR, line 36; or 1040NR-EZ, line 10)	1.	O.R.C. 5747.01(A)	0 0
2. Adjustments from line 47 on page 3 of Ohio form IT 1040 **(enclose page 3)**	2.	See Schedule A	0 0
3. Ohio adjusted gross income (line 2 added to or subtracted from line 1)	3.	O.R.C. 5747.01(A)	0 0
4. Personal exemption and dependent exemption deduction – multiply your personal and dependent exemptions _____ times $1,700 and enter the result here	4.	O.R.C. 5747.025	0 0
5. Ohio taxable income (line 3 minus line 4; enter -0- if line 3 is less than line 4)	5.	Total	0 0
6. Tax on line 5 (see tax tables on pages 35-41 of the instructions)	6.	O.R.C. 5747.02(A)	0 0
7. Schedule B credits from line 57 on page 4 of Ohio form IT 1040 **(enclose page 4)**	7.	Line 57 Page 4	0 0
8. Ohio tax less Schedule B credits (line 6 minus line 7; enter -0- if line 6 is less than line 7)	8.	Total	0 0
9. Exemption credit: Number of personal and dependent exemptions _____ times $20	9.	O.R.C. 5747.022	0 0
10. Ohio tax less exemption credit (line 8 minus line 9; enter -0- if line 8 is less than line 9)	10.	Total	0 0

Ohio Department of Taxation

12000202

SS#

Taxable year beginning in **2012**

IT 1040 Rev. 10/12
Individual Income Tax Return

10a. Amount from line 10 on page 1 ..... 10a. Line 10 Page 1 0 0

11. Joint filing credit. See the instructions on page 20 for eligibility and documentation requirements (this credit is for married filing jointly status only). _____ % times line 10a **(limit $650)** ..... 11. O.R.C. 5747.05(G) 0 0

12. Ohio income tax less joint filing credit (line 10a minus line 11) ..... 12. Total 0 0

13. Total credits from line 69 on page 4 of Ohio form IT 1040 **(enclose page 4)** ..... 13. Line 69 Page 4 0 0

14. Manufacturing equipment grant. You must include the grant request form ..... 14. O.R.C. 122.172, 122.173 0 0

15. Ohio income tax (line 12 minus lines 13 and 14; enter -0- if the total of lines 13 and 14 is more than line 12) ..... 15. Total 0 0

16. Interest penalty on underpayment of estimated tax. Enclose Ohio form IT/SD 2210 (see page 21 of the instructions) ..... 16. O.R.C. 5747.09(D)&(E) 0 0

17. Unpaid Ohio use tax (see the worksheet on page 33 of the instructions) ..... 17. O.R.C. 5747.083 0 0

18. Total Ohio tax liability (add lines 15, 16 and 17) ..... **TOTAL TAX** ▶ 18. Total 0 0

19. Ohio income tax withheld (box 17 on W-2; box 14 on W-2G; and box 12 on 1099-R). Place W-2(s), W-2G(s) and 1099-R(s) on top of this return ..... **AMOUNT WITHHELD** ▶ 19. O.R.C. 5747.08(I) 0 0

20. Add the 2012 Ohio form IT 1040ES payment(s), 2012 Ohio form IT 40P extension payment(s) and 2011 overpayment credited to 2012 ..... 20. O.R.C. 5747.01(R), 5747.09(A)(3) 0 0

21. Refundable credits. Include certificate(s) and K-1(s):

a. Business jobs credit O.R.C. 5747.058 0 0

b. Pass-through entity credit O.R.C. 5747.059 0 0

c. Historic preservation credit O.R.C. 5747.76 0 0

d. Motion picture production credit O.R.C. 5747.66 0 0

22. Add lines 19, 20 and 21a, b, c and d ..... **TOTAL PAYMENTS** ▶ 22. Total 0 0

If line 22 is MORE THAN line 18, go to line 23. If line 22 is LESS THAN line 18, skip to line 27.

23. If line 22 is MORE THAN line 18, subtract line 18 from line 22 ..... **AMOUNT OVERPAID** ▶ 23. O.R.C. 5747.01(R) 0 0

24. Amount of line 23 to be credited to 2013 income tax liability ..... **CREDIT TO 2013** ▶ 24. O.R.C. 5747.11(A) 0 0

25. Amount of line 23 that you wish to **donate** to the following fund(s):

a. Military injury relief O.R.C. 5747.113 0 0

b. Ohio Historical Society 0 0 O.R.C. 5747.113

c. Wildlife species O.R.C. 5747.113 0 0

d. Natural areas 0 0 O.R.C. 5747.113

26. Line 23 minus the sum of lines 24 and 25a, b, c and d. Enter here, then skip to line 28 ..... 26. Total 0 0

27. If line 22 is LESS THAN line 18, subtract line 22 from line 18 ..... **AMOUNT DUE** ▶ 27. Total 0 0

28. Interest and penalty due on late-paid tax and/or late-filed return (see page 22 of the instructions) ..... **INTEREST AND PENALTY** ▶ 28. O.R.C. 5747.08(G), 5747.15 0 0

If you entered an amount on line 26, skip to line 30. If you entered an amount on line 27, go to line 29.

29. Amount due plus interest and penalty (add lines 27 and 28). If payment is enclosed, make check payable to Ohio Treasurer of State and include Ohio form IT 40P (see our Web site at **tax.ohio.gov**) ..... **AMOUNT DUE PLUS INTEREST AND PENALTY** ▶ 29. Total 0 0

30. Refund less interest and penalty (line 26 minus line 28). Enter the amount here. (If line 28 is more than line 26, you have an amount due. Subtract line 26 from line 28 and enter this amount on line 29.) ..... **YOUR REFUND** ▶ 30. O.R.C. 5747.11(A) 0 0

SIGN HERE (required)

I have read this return. Under penalties of perjury, I declare that, to the best of my knowledge and belief, the return and all enclosures are true, correct and complete. O.R.C. 5703.25

O.R.C. 5747.08(F)

▶ Your signature Date

▶ Spouse's signature (see page 10 of the instructions) Phone number (optional)

Preparer's printed name (see page 11 of the instructions) Phone number

Do you authorize your preparer to contact us regarding this return? O.R.C. 5747.08(F), 5747.08(K) ☐ Yes ☐ No

If your refund is less than $1.01, no refund will be issued. If you owe less than $1.01, no payment is necessary.

For Department Use Only

Code

MAILING INFORMATION:

NO Payment Enclosed – **Mail to:** Ohio Department of Taxation, P.O. Box 2679, Columbus, OH 43218-2679

Payment Enclosed – **Mail to:** Ohio Department of Taxation, P.O. Box 2057, Columbus, OH 43218-2057

If line 2 (on page 1) is -0- or blank, do not mail page 3.

Ohio Department of Taxation

12000302

SS#

Taxable year beginning in **2012**

IT 1040 Rev. 10/12 Individual Income Tax Return

SCHEDULE A – Income Adjustments (Additions and Deductions)

Additions (add income items only to the extent not included on page 1, line 1).

31.	Non-Ohio state or local government interest and dividends	O.R.C. 5747.01(A)(1)	0 0
32.	Certain pass-through entity Ohio taxes paid and Ohio Revised Code section 5733.40(A) pass-through entity adjustment	O.R.C. 5747.01(A)(16)	0 0
33a.	Federal interest and dividends subject to state taxation	O.R.C. 5747.01(A)(2)	0 0
b.	Reimbursement of college tuition expenses and fees deducted in any previous year(s) and noneducation expenditures from a college savings account	O.R.C. 5747.01(A)(10)&(19)	0 0
c.	Losses from sale or disposition of Ohio public obligations	O.R.C. 5747.01(A)(9)	0 0
d.	Nonmedical withdrawals from a medical savings account	O.R.C. 5747.01(A)(15)	0 0
e.	Reimbursement of expenses previously deducted for Ohio income tax purposes, but only if the reimbursement is not in federal adjusted gross income	O.R.C. 5747.01(A)(12)(b)	0 0
f.	Lump sum distribution add-back and miscellaneous federal income tax adjustments	O.R.C. 5701.11(B)(1)	0 0
g.	Adjustment for Internal Revenue Code sections 168(k) and 179 depreciation expense	O.R.C. 5747.01(A)(20)	0 0
34.	**Total additions** (add lines 31 through 33g and enter here). You must complete the applicable line items above	Total	0 0

Deductions (deduct income items only to the extent included on page 1, line 1).

35a.	Federal interest and dividends exempt from state taxation	O.R.C. 5747.01(A)(3)	0 0
b.	Adjustment for Internal Revenue Code sections 168(k) and 179 depreciation expense	O.R.C. 5747.01(A)(21)	0 0
36.	Employee compensation earned in Ohio by full-year residents of neighboring states and certain income earned by military nonresidents and civilian nonresident spouses	O.R.C. 5747.05(A)(3)	0 0
37a.	Military pay for Ohio residents, but only if the military pay is included on line 1 of this return and is received while the military member was stationed outside Ohio	O.R.C. 5747.01(A)(24)	0 0
b.	Military retirement income and military injury relief fund amounts included in federal adjusted gross income (line 1 on page 1)	O.R.C. 5747.01(A)(26)&(27)	0 0
38a.	State or municipal income tax overpayments shown on IRS form 1040, line 10	O.R.C. 5747.01(A)(12)(a)	0 0
b.	Refund or reimbursements shown on IRS form 1040, line 21 for itemized deductions claimed on a prior year federal income tax return	O.R.C. 5747.01(A)(12)(a)	0 0
c.	Repayment of income reported in a prior year and miscellaneous federal tax adjustments	O.R.C. 5747.01(A)(13)	0 0
39.	Disability and survivorship benefits (do not include pension continuation benefits)	O.R.C. 5747.01(A)(4)–OAC 5703-7-08	0 0
40.	Qualifying Social Security benefits and certain railroad retirement benefits	O.R.C. 5747.01(A)(5)	0 0
41a.	Education: Ohio 529 contributions; tuition credit purchases	O.R.C. 5747.01(A)(10)	0 0
b.	Pell/Ohio College Opportunity taxable grant amounts used to pay room and board	O.R.C. 5747.01(A)(10)	0 0
42.	Certain Ohio National Guard reimbursements and benefits	O.R.C. 5747.01(A)(22)&(23)	0 0
43a.	Unreimbursed long-term care insurance premiums, unsubsidized health care insurance premiums and excess health care expenses (see worksheet on page 27 of the instructions)	O.R.C. 5747.01(A)(11)	0 0
b.	Funds deposited into, and earnings of, a medical savings account for eligible health care expenses (see worksheet on page 28 of the instructions)	O.R.C. 5747.01(A)(14)	0 0
c.	Qualified organ donor expenses **(maximum $10,000 per taxpayer)** and amounts contributed to an individual development account	O.R.C. 5747.01(A)(17)&(25)	0 0
44.	Wage expense not deducted due to the targeted jobs or the work opportunity tax credits	O.R.C. 5747.01(A)(7)	0 0
45.	Interest income from Ohio public obligations and from Ohio purchase obligations; gains from the sale or disposition of Ohio public obligations; public service payments received from the state of Ohio or income from a transfer agreement	O.R.C. 5747.01(A)(8)(9)&(30)	0 0
46.	**Total deductions** (add lines 35a through 45 only). You must complete the applicable line items above		0 0
47.	Net adjustments – If line 34 is MORE THAN line 46, **enter the difference here and on line 2 as a positive amount.** If line 34 is LESS THAN line 46, **enter the difference here and on line 2 as a negative amount**		0 0

Servicemembers Civil Relief Act sections 511(b) and 511(d)

If line 7 (page 1) and line 13 (page 2) are both -0- or blank, do not mail page 4.

Ohio Department of Taxation

SS#

12000402

Taxable year beginning in **2012**

IT 1040 Rev. 10/12
Individual Income Tax Return

SCHEDULE B – Nonbusiness Credits

48. Retirement income credit **(limit $200 per return).** See the table on page 29 of the instructions .... 48.	O.R.C. 5747.055(B)	0 0
49. Senior citizen credit (you must be 65 or older to claim this credit; **limit $50 per return**) ..... 49.	O.R.C. 5747.05(C)	0 0
50. Lump sum distribution credit (you must be 65 or older to claim this credit) ..... 50.	O.R.C. 5747.05(D)	0 0
51. Child care and dependent care credit (see the worksheet on page 30 of the instructions) ..... 51.	O.R.C. 5747.054	0 0
52. Lump sum retirement credit ..... 52.	O.R.C. 5747.055(C),(D)&(E)	0 0
53. If line 5 on page 1 is $10,000 or less, enter $88; otherwise, enter -0- or leave blank..... 53.	O.R.C. 5747.056	0 0
54. Displaced worker training credit (see the worksheet and instructions on pages 30 and 31) **(limit $500 per taxpayer)** ..... 54.	O.R.C. 5747.27	0 0
55. Ohio political contributions credit **(limit $50 per taxpayer)** ..... 55.	O.R.C. 5747.29	0 0
56. Ohio adoption credit **($1,500 per child adopted during the year)** ..... 56.	O.R.C. 5747.37	0 0
57. Total Schedule B credits (add lines 48 through 56). **Enter here and on page 1, line 7** ..... 57.	**Total**	0 0

SCHEDULE C – Full-Year Ohio Resident Credit

58. Enter the portion of line 3 on page 1 subjected to tax by other states or the District of Columbia while you are an Ohio resident (limits apply – see page 31 of the instructions).... 58.	O.R.C. 5747.05(B)(1)	0 0
59. Enter Ohio adjusted gross income (line 3 on page 1) ..... 59.	Line 3 Page 1	0 0
60. Divide line 58 by line 59 and enter the result here (four digits; do not round). Multiply this factor by the amount on line 12 on page 2 and enter the result here..... 60.	O.R.C. 5747.05(B)(1)	0 0
61. Enter the 2012 income tax, less all credits other than withholding and estimated tax payments and overpayment carryforwards from previous years, paid to other states or the District of Columbia (limits apply – see page 31 of the instructions) ..... 61.	O.R.C. 5747.05(B)(2)	0 0
62. Enter the smaller of line 60 or line 61. This is your Ohio resident tax credit. Enter here and on line 67 below. If you filed a return for 2012 with a state(s) other than Ohio, enter the two-letter state abbreviation in the box(es) below ..... 62.	O.R.C. 5747.05(B)(1)&(2)	0 0

SCHEDULE D – Nonresident / Part-Year Resident Credit (date of part-year residency to)

63. Enter the portion of Ohio adjusted gross income (line 3) that was not earned or received in Ohio. Include Ohio form IT 2023 if required (see page 31 of the instructions)..... 63.	O.R.C. 5747.05(A)(1)&(2)	0 0
64. Enter the Ohio adjusted gross income (line 3 on page 1) ..... 64.	Line 3 Page 1	0 0
65. Divide line 63 by line 64 and enter the result here (four digits; do not round). Multiply this factor by the amount on line 12. Enter here and on line 68 below ..... 65.	O.R.C. 5747.05(A)(1)&(2)	0 0

SUMMARY OF CREDITS FROM SCHEDULES C, D AND E

66. Enter the amount from line 10 of Schedule E, Nonrefundable Business Credits (see page 32 of the instructions) ..... 66.	Line 10 Schedule E	0 0
67. Enter the amount from line 62 above ..... 67.	Line 62 Schedule C	0 0
68. Enter the amount from line 65 above ..... 68.	Line 65 Schedule D	0 0
69. Add lines 66, 67 and 68. **Enter here and on page 2, line 13** ..... 69.	**Total**	0 0

MAILING INFORMATION

NO Payment Enclosed – Mail to:
Ohio Department of Taxation
P.O. Box 2679
Columbus, OH 43218-2679

Enclose your federal income tax return if line 1 on page 1 of this return is -0- or negative.

Payment Enclosed – Mail to:
Ohio Department of Taxation
P.O. Box 2057
Columbus, OH 43218-2057

Back

OAC 5703-7-08 – Deduction of Disability and Survivorship Benefits

In accordance with Section 5747.01(A), Revised Code, a taxpayer may deduct, to the extent otherwise included in Federal Adjusted Gross Income, the amount of disability benefits received pursuant to a contributory or non-contributory employee disability and survivorship plan; provided, that the establishment of the employee's permanent or presumed permanent inability to engage in gainful employment for which qualified by training or experience as a result of a physical or mental impairment is a pre-condition to the receipt of such benefits.

A taxpayer may not deduct, as disability benefits, any "sick pay" or similar temporary wage and salary continuation payments, nor any payments received under a plan, regardless of the nature of such plan, if the plan deems such payments to be, or in lieu of, retirement benefits, annuities, or distributions. Payments initiated as disability benefits are deemed retirement benefits, annuities, or distributions, subject to separate Ohio tax treatment, when, by virtue of the attained age of the employee or any other cause, the plan no longer requires the pre-condition of physical or mental impairment for the receipt of such benefits.

In accordance with Section 5747.01(A), Revised Code, a taxpayer may deduct, to the extent otherwise included in Federal Adjusted Gross Income, the amount of survivor benefits received as a qualified survivor pursuant to a contributory or non-contributory disability and survivorship plan. A taxpayer may not deduct, as survivorship benefits, any payments received under a plan, regardless of the nature of the plan, if such plan deems the payments as other than survivorship payments or authorizes payments without the death of a covered employee as a pre-condition. Annuities, lump sum settlements, retirement payments, or other similar benefits received by a beneficiary under an option or election made by an employee and commencing upon such employee's death, are not deductible as survivor benefits, but are deemed retirement benefits subject to separate Ohio tax treatment.

(former TX-47-08); Eff 11-24-75

Rule promulgated under: RC 5703.14

Back

ORC 122.172 – Manufacturing Equipment Grant Program

(A) As used in this section, “tax liability” means the tax owed under section 5733.06 or 5747.02 of the Revised Code after allowance of all nonrefundable credits and prior to the allowance of all refundable credits. The tax owed under section 5733.06 of the Revised Code shall take into account any adjustments to such tax required by division (G) of section 5733.01 of the Revised Code that apply prior to allowance of refundable credits.

(B)(1) The director of development shall administer the manufacturing equipment grant program to provide grants for new manufacturing machinery and equipment qualifying for the grant under section 122.173 of the Revised Code. Except as provided in division (C) of this section, the grants apply to the taxes imposed by sections 5733.06 and 5747.02 of the Revised Code for taxable years ending on or after July 1, 2005.

(2) To claim a grant, a taxpayer satisfying the requirements of section 122.173 of the Revised Code shall complete a grant request form, as prescribed by the director in consultation with the tax commissioner, and shall file the form with the tax return for the taxable year for which the grant is claimed. In no event shall the grant reduce a taxpayer’s tax liability below the minimum tax owed for the taxable year. The grant request form shall provide the information required to allow the grant for the taxable year and is subject to audit by the director and the commissioner. Any portion of the grant in excess of the taxpayer’s tax liability shall not be refundable but may be carried forward as provided in section 122.173 of the Revised Code. Upon the director’s request, the commissioner shall provide completed grant request forms filed under this section to the director in a mutually agreed upon format.

(C) If a taxpayer is required to repay any credit allowed under section 5733.33 or 5747.31 of the Revised Code for a taxable year ending prior to July 1, 2005, for a reason not specified in Chapter 5733. or 5747. of the Revised Code, a grant shall be available for that taxable year under section 122.173 of the Revised Code to the extent provided in that section.

(D) Any tax liability under section 5733.06 or 5747.02 of the Revised Code that is underpaid as the result of an improper claim for a grant under this section may be assessed by the tax commissioner in the manner provided by section 5733.11 or 5747.11 of the Revised Code.

Effective Date: 06-30-2005

Back

ORC 122.173 – Grant Against Tax for New Manufacturing Machinery Purchase

(A) As used in this section:

(1) "Manufacturing machinery and equipment" means engines and machinery, and tools and implements, of every kind used, or designed to be used, in refining and manufacturing. "Manufacturing machinery and equipment" does not include property acquired after December 31, 1999, that is used:

(a) For the transmission and distribution of electricity;

(b) For the generation of electricity, if fifty per cent or more of the electricity that the property generates is consumed, during the one-hundred-twenty-month period commencing with the date the property is placed in service, by persons that are not related members to the person who generates the electricity.

(2) "New manufacturing machinery and equipment" means manufacturing machinery and equipment, the original use in this state of which commences with the taxpayer or with a partnership of which the taxpayer is a partner. "New manufacturing machinery and equipment" does not include property acquired after December 31, 1999, that is used:

(a) For the transmission and distribution of electricity;

(b) For the generation of electricity, if fifty per cent or more of the electricity that the property generates is consumed, during the one-hundred-twenty-month period commencing with the date the property is placed in service, by persons that are not related members to the person who generates the electricity.

(3)(a) "Purchase" has the same meaning as in section 179(d)(2) of the Internal Revenue Code.

(b) For purposes of this section, any property that is not manufactured or assembled primarily by the taxpayer is considered purchased at the time the agreement to acquire the property becomes binding. Any property that is manufactured or assembled primarily by the taxpayer is considered purchased at the time the taxpayer places the property in service in the county for which the taxpayer will calculate the county excess amount.

(c) Notwithstanding section 179(d) of the Internal Revenue Code, a taxpayer's direct or indirect acquisition of new manufacturing machinery and equipment is not purchased on or after July 1, 1995, if the taxpayer, or a person whose relationship to the taxpayer is described in subparagraphs (A), (B), or (C) of section 179(d)(2) of the Internal Revenue Code, had directly or indirectly entered into a binding agreement to acquire the property at any time prior to July 1, 1995.

(4) "Qualifying period" means the period that begins July 1, 1995, and ends June 30, 2005.

(5) "County average new manufacturing machinery and equipment investment" means either of the following:

(a) The average annual cost of new manufacturing machinery and equipment purchased for use in the county during baseline years, in the case of a taxpayer that was in existence for more than one year during baseline years.

(b) Zero, in the case of a taxpayer that was not in existence for more than one year during baseline years.

(6) "Partnership" includes a limited liability company formed under Chapter 1705. of the Revised Code or under the laws of any other state, provided that the company is not classified for federal income tax purposes as an association taxable as a corporation.

(7) "Partner" includes a member of a limited liability company formed under Chapter 1705. of the Revised Code or under the laws of any other state, provided that the company is not classified for federal income tax purposes as an association taxable as a corporation.

(8) "Distressed area" means either a municipal corporation that has a population of at least fifty thousand or a county that meets two of the following criteria of economic distress, or a municipal corporation the majority of the population of which is situated in such a county:

(a) Its average rate of unemployment, during the most recent five-year period for which data are available, is equal to at least one hundred twenty-five per cent of the average rate of unemployment for the United States for the same period;

(b) It has a per capita income equal to or below eighty per cent of the median county per capita income of the United States as determined by the most recently available figures from the United States census bureau;

(c)(i) In the case of a municipal corporation, at least twenty per cent of the residents have a total income for the most recent census year that is below the official poverty line;

(ii) In the case of a county, in intercensal years, the county has a ratio of transfer payment income to total

county income equal to or greater than twenty-five per cent.

(9) “Eligible area” means a distressed area, a labor surplus area, an inner city area, or a situational distress area.

(10) “Inner city area” means, in a municipal corporation that has a population of at least one hundred thousand and does not meet the criteria of a labor surplus area or a distressed area, targeted investment areas established by the municipal corporation within its boundaries that are comprised of the most recent census block tracts that individually have at least twenty per cent of their population at or below the state poverty level or other census block tracts contiguous to such census block tracts.

(11) “Labor surplus area” means an area designated as a labor surplus area by the United States department of labor.

(12) “Official poverty line” has the same meaning as in division (A) of section 3923.51 of the Revised Code.

(13) “Situational distress area” means a county or a municipal corporation that has experienced or is experiencing a closing or downsizing of a major employer that will adversely affect the county’s or municipal corporation’s economy. In order to be designated as a situational distress area, for a period not to exceed thirty-six months, the county or municipal corporation may petition the director of development. The petition shall include written documentation that demonstrates all of the following adverse effects on the local economy:

(a) The number of jobs lost by the closing or downsizing;

(b) The impact that the job loss has on the county’s or municipal corporation’s unemployment rate as measured by the state director of job and family services;

(c) The annual payroll associated with the job loss;

(d) The amount of state and local taxes associated with the job loss;

(e) The impact that the closing or downsizing has on suppliers located in the county or municipal corporation.

(14) “Cost” has the same meaning and limitation as in section 179(d)(3) of the Internal Revenue Code.

(15) “Baseline years” means:

(a) Calendar years 1992, 1993, and 1994, with regard to a grant claimed for the purchase during calendar year 1995, 1996, 1997, or 1998 of new manufacturing machinery and equipment;

(b) Calendar years 1993, 1994, and 1995, with regard to a grant claimed for the purchase during calendar year 1999 of new manufacturing machinery and equipment;

(c) Calendar years 1994, 1995, and 1996, with regard to a grant claimed for the purchase during calendar year 2000 of new manufacturing machinery and equipment;

(d) Calendar years 1995, 1996, and 1997, with regard to a grant claimed for the purchase during calendar year 2001 of new manufacturing machinery and equipment;

(e) Calendar years 1996, 1997, and 1998, with regard to a grant claimed for the purchase during calendar year 2002 of new manufacturing machinery and equipment;

(f) Calendar years 1997, 1998, and 1999, with regard to a grant claimed for the purchase during calendar year 2003 of new manufacturing machinery and equipment;

(g) Calendar years 1998, 1999, and 2000, with regard to a grant claimed for the purchase during calendar year 2004 of new manufacturing machinery and equipment;

(h) Calendar years 1999, 2000, and 2001, with regard to a grant claimed for the purchase on or after January 1, 2005, and on or before June 30, 2005, of new manufacturing machinery and equipment.

(16) “Related member” has the same meaning as in section 5733.042 of the Revised Code.

(17) “Qualifying controlled group” has the same meaning as in section 5733.04 of the Revised Code.

(18) “Tax liability” has the same meaning as in section 122.172 of the Revised Code.

(B)(1) Subject to divisions (I) and (J) of this section, a grant is allowed against the tax imposed by section 5733.06 or 5747.02 of the Revised Code for a taxpayer that purchases new manufacturing machinery and equipment during the qualifying period, provided that the new manufacturing machinery and equipment are installed in this state not later than June 30, 2006.

(2)(a) Except as otherwise provided in division (B)(2)(b) of this section, a grant may be claimed under this section in excess of one million dollars only if the cost of all manufacturing machinery and equipment owned in this state by the taxpayer claiming the grant on the last day of the calendar year exceeds the cost of all manufacturing machinery and equipment owned in

this state by the taxpayer on the first day of that calendar year.

As used in division (B)(2)(a) of this section, "calendar year" means the calendar year in which the machinery and equipment for which the grant is claimed was purchased.

(b) Division (B)(2)(a) of this section does not apply if the taxpayer claiming the grant applies for and is issued a waiver of the requirement of that division. A taxpayer may apply to the director of development for such a waiver in the manner prescribed by the director, and the director may issue such a waiver if the director determines that granting the grant is necessary to increase or retain employees in this state, and that the grant has not caused relocation of manufacturing machinery and equipment among counties within this state for the primary purpose of qualifying for the grant.

(C)(1) Except as otherwise provided in division (C)(2) and division (I) of this section, the grant amount is equal to seven and one-half per cent of the excess of the cost of the new manufacturing machinery and equipment purchased during the calendar year for use in a county over the county average new manufacturing machinery and equipment investment for that county.

(2) Subject to division (I) of this section, as used in division (C)(2) of this section, "county excess" means the taxpayer's excess cost for a county as computed under division (C)(1) of this section.

Subject to division (I) of this section, a taxpayer with a county excess, whose purchases included purchases for use in any eligible area in the county, the grant amount is equal to thirteen and one-half per cent of the cost of the new manufacturing machinery and equipment purchased during the calendar year for use in the eligible areas in the county, provided that the cost subject to the thirteen and one-half per cent rate shall not exceed the county excess. If the county excess is greater than the cost of the new manufacturing machinery and equipment purchased during the calendar year for use in eligible areas in the county, the grant amount also shall include an amount equal to seven and one-half per cent of the amount of the difference.

(3) If a taxpayer is allowed a grant for purchases of new manufacturing machinery and equipment in more than one county or eligible area, it shall aggregate the amount of those grants each year.

(4) Except as provided in division (J) of this section, the taxpayer shall claim one-seventh of the grant amount for the taxable year ending in the calendar year in which the new manufacturing machinery and equipment is purchased for use in the county by the taxpayer or partnership. One-seventh of the taxpayer grant amount is allowed for each of the six ensuing taxable years. Except for carried-forward amounts, the taxpayer is not allowed any grant amount remaining if the new manufacturing machinery and equipment is sold by the taxpayer or partnership or is transferred by the taxpayer or partnership out of the county before the end of the seven-year period unless, at the time of the sale or transfer, the new manufacturing machinery and equipment has been fully depreciated for federal income tax purposes.

(5)(a) A taxpayer that acquires manufacturing machinery and equipment as a result of a merger with the taxpayer with whom commenced the original use in this state of the manufacturing machinery and equipment, or with a taxpayer that was a partner in a partnership with whom commenced the original use in this state of the manufacturing machinery and equipment, is entitled to any remaining or carried-forward grant amounts to which the taxpayer was entitled.

(b) A taxpayer that enters into an agreement under division (C)(3) of section 5709.62 of the Revised Code and that acquires manufacturing machinery or equipment as a result of purchasing a large manufacturing facility, as defined in section 5709.61 of the Revised Code, from another taxpayer with whom commenced the original use in this state of the manufacturing machinery or equipment, and that operates the large manufacturing facility so purchased, is entitled to any remaining or carried-forward grant amounts to which the other taxpayer who sold the facility would have been entitled under this section had the other taxpayer not sold the manufacturing facility or equipment.

(c) New manufacturing machinery and equipment is not considered sold if a pass-through entity transfers to another pass-through entity substantially all of its assets as part of a plan of reorganization under which substantially all gain and loss is not recognized by the pass-through entity that is transferring the new manufacturing machinery and equipment to the transferee and under which the transferee's basis in the new manufacturing machinery and equipment is determined, in whole or in part, by reference to the basis of the pass-through entity that transferred the new manufacturing machinery and equipment to the transferee.

(d) Division (C)(5) of this section applies only if the acquiring taxpayer or transferee does not sell the new manufacturing machinery and equipment or transfer the new manufacturing machinery and equipment out of the county before the end of the seven-year period to which division (C)(4) of this section refers.

(e) Division (C)(5)(b) of this section applies only to the extent that the taxpayer that sold the manufacturing machinery or equipment, upon request, timely provides to the tax commissioner any information that the tax commissioner considers to be necessary to ascertain any remaining or carried-forward amounts to which the taxpayer that sold the facility would have been entitled under this section had the taxpayer not sold the manufacturing machinery or equipment. Nothing in division (C)(5)(b) or (e) of this section shall be construed to allow a taxpayer to claim any grant amount with respect to the acquired manufacturing machinery or equipment that is greater than the amount that would have been available to the other taxpayer that sold the manufacturing machinery or equipment had the other taxpayer not sold the manufacturing machinery or equipment.

(D) The taxpayer shall claim the grant allowed by this section in the manner provided by section 122.172 of the Revised Code. Any portion of the grant in excess of the taxpayer's tax liability for the taxable year shall not be refundable but may be carried forward for the next three consecutive taxable years.

(E) A taxpayer purchasing new manufacturing machinery and equipment and intending to claim the grant shall file, with the director of development, a notice of intent to claim the grant on a form prescribed by the director of development. The director of development shall inform the tax commissioner of the notice of intent to claim the grant. No grant may be claimed under this section for any manufacturing machinery and equipment with respect to which a notice was not filed by the date of a timely filed return, including extensions, for the taxable year that includes September 30, 2005, but a notice filed on or before such date under division (E) of section 5733.33 of the Revised Code of the intent to claim the credit under that section or section 5747.31 of the Revised Code also shall be considered a notice of the intent to claim a grant under this section.

(F) The director of development shall annually certify, by the first day of January of each year during the qualifying period, the eligible areas for the tax grant for the calendar year that includes that first day of January. The director shall send a copy of the certification to the tax commissioner.

(G) New manufacturing machinery and equipment for which a taxpayer claims the credit under section 5733.31, 5733.311, 5747.26, or 5747.261 of the Revised Code shall not be considered new manufacturing machinery and equipment for purposes of the grant under this section.

(H)(1) Notwithstanding sections 5733.11 and 5747.13 of the Revised Code, but subject to division (H)(2) of this section, the tax commissioner may issue an assessment against a person with respect to a grant claimed under this section for new manufacturing machinery and equipment described in division (A)(1)(b) or (2)(b) of this section, if the machinery or equipment subsequently does not qualify for the grant.

(2) Division (H)(1) of this section shall not apply after the twenty-fourth month following the last day of the period described in divisions (A)(1)(b) and (2)(b) of this section.

(I) Notwithstanding any other provision of this section to the contrary, in the case of a qualifying controlled group, the grant available under this section to a taxpayer or taxpayers in the qualifying controlled group shall be computed as if all corporations in the group were a single corporation. The grant shall be allocated to such a taxpayer or taxpayers in the group in any amount elected for the taxable year by the group. The election shall be revocable and amendable during the period described in division (B) of section 5733.12 of the Revised Code.

This division applies to all purchases of new manufacturing machinery and equipment made on or after January 1, 2001, and to all baseline years used to compute any grant attributable to such purchases; provided, that this division may be applied solely at the election of the qualifying controlled group with respect to all purchases of new manufacturing machinery and equipment made before that date, and to all baseline years used to compute any grant attributable to such purchases. The qualifying controlled group at any time may elect to apply this division to purchases made prior to January 1, 2001, subject to the following:

(1) The election is irrevocable;

(2) The election need not accompany a timely filed report, but the election may accompany a subsequently filed but timely application for refund, a subsequently filed but timely amended report, or a subsequently filed but timely petition for reassessment.

(J) Except as provided in division (B) of section 122.172 of the Revised Code, no grant under this section may be claimed for any taxable year for which a credit is allowed under section 5733.33 or 5747.31 of the Revised Code. If the tax imposed by section 5733.06 of the Revised Code for which a grant is allowed under this section has been prorated under division (G)(2) of section 5733.01 of the Revised Code, the grant shall be prorated by the same percentage as the tax.

Effective Date: 06-30-2005

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ORC 5701.11 – References to Internal Revenue Code – Election of Taxable Year

The effective date to which this section refers is the effective date of this section as amended by H.B. 58 of the 129th general assembly.

(A)(1) Except as provided under division (A)(2) or (B) of this section, any reference in Title LVII of the Revised Code to the Internal Revenue Code, to the Internal Revenue Code "as amended," to other laws of the United States, or to other laws of the United States, "as amended," means the Internal Revenue Code or other laws of the United States as they exist on the effective date.

(2) This section does not apply to any reference in Title LVII of the Revised Code to the Internal Revenue Code as of a date certain specifying the day, month, and year, or to other laws of the United States as of a date certain specifying the day, month, and year.

(B)(1) For purposes of applying section 5733.04, 5745.01, or 5747.01 of the Revised Code to a taxpayer's taxable year ending after December 15, 2010, and before the effective date, a taxpayer may irrevocably elect to incorporate the provisions of the Internal Revenue Code or other laws of the United States that are in effect for federal income tax purposes for that taxable year if those provisions differ from the provisions that, under division (A) of this section, would otherwise apply. The filing by the taxpayer for that taxable year of a report or return that incorporates the provisions of the Internal Revenue Code or other laws of the United States applicable for federal income tax purposes for that taxable year, and that does not include any adjustments to reverse the effects of any differences between those provisions and the provisions that would otherwise apply, constitutes the making of an irrevocable election under this division for that taxable year.

(2) Elections under prior versions of division (B)(1) of this section remain in effect for the taxable years to which they apply.

Amended by 129th General Assembly File No. 3, HB 58, § 1, eff. 3/7/2011.

Amended by 128th General Assembly File No. 55, HB 495, § 1, eff. 12/15/2010.

Amended by 128th General Assembly File No. 9, HB 1, § 101.01, eff. 10/16/2009.

Effective Date: 2006 HB530 03-30-2006; 2006 HB699 12-28-2006; 2007 HB157 12-21-2007; 2008 HB458 12-31-2008

See 128th General Assembly File No. 55, HB 495, §4.

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ORC 5703.057(A) – Commissioner May Require Identifying Information

(A) For the efficient administration of the taxes and fees administered by the tax commissioner, the commissioner may require that any person filing a tax document with the department of taxation provide identifying information, which may include the person's social security number, federal employer identification number, or other identification number requested by the commissioner. A person required by the commissioner to provide identifying information who has experienced any change with respect to that information shall notify the commissioner of the change prior to, or upon, filing the next tax document requiring such identifying information.

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ORC 5703.25 – Returns, Claims and Reports Not to Be Sworn to – Perjury Statement

All tax returns, claims, or reports with respect to taxes, including accompanying schedules and statements, which are required by law to be filed with the department of taxation, the treasurer of state, a county auditor, or a county treasurer need not be sworn to. Any such return, claim, or report shall have printed on it the following statement, which shall be subscribed to by the person signing such return, claim, or report: "I declare under penalties of perjury that this return or claim (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is a true, correct, and complete return and report."

Effective Date: 07-01-1985

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ORC 5747.01(A) – Income Tax Definitions

Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter that is not otherwise defined in this section has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes or if not used in a comparable context in those laws, has the same meaning as in section 5733.40 of the Revised Code. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

As used in this chapter:

(A) "Adjusted gross income" or "Ohio adjusted gross income" means federal adjusted gross income, as defined and used in the Internal Revenue Code, adjusted as provided in this section:

(1) Add interest or dividends on obligations or securities of any state or of any political subdivision or authority of any state, other than this state and its subdivisions and authorities.

(2) Add interest or dividends on obligations of any authority, commission, instrumentality, territory, or possession of the United States to the extent that the interest or dividends are exempt from federal income taxes but not from state income taxes.

(3) Deduct interest or dividends on obligations of the United States and its territories and possessions or of any authority, commission, or instrumentality of the United States to the extent that the interest or dividends are included in federal adjusted gross income but exempt from state income taxes under the laws of the United States.

(4) Deduct disability and survivor's benefits to the extent included in federal adjusted gross income.

(5) Deduct benefits under Title II of the Social Security Act and tier 1 railroad retirement benefits to the extent included in federal adjusted gross income under section 86 of the Internal Revenue Code.

(6) In the case of a taxpayer who is a beneficiary of a trust that makes an accumulation distribution as defined in section 665 of the Internal Revenue Code, add, for the beneficiary's taxable years beginning before 2002, the portion, if any, of such distribution that does not exceed the undistributed net income of the trust for the three taxable years preceding the taxable year in which the distribution is made to the extent that the portion was not included in the trust's taxable income for any of the trust's taxable years beginning in 2002 or thereafter. "Undistributed net income of a trust" means the taxable income of the trust increased by (a)(i) the additions to adjusted gross income required under division (A) of this section and (ii) the personal exemptions allowed to the trust pursuant to section 642(b) of the Internal Revenue Code, and decreased by (b)(i) the deductions to adjusted gross income required under division (A) of this section, (ii) the amount of federal income taxes attributable to such income, and (iii) the amount of taxable income that has been included in the adjusted gross income of a beneficiary by reason of a prior accumulation distribution. Any undistributed net income included in the adjusted gross income of a beneficiary shall reduce the undistributed net income of the trust commencing with the earliest years of the accumulation period.

(7) Deduct the amount of wages and salaries, if any, not otherwise allowable as a deduction but that would have been allowable as a deduction in computing federal adjusted gross income for the taxable year, had the targeted jobs credit allowed and determined under sections 38, 51, and 52 of the Internal Revenue Code not been in effect.

(8) Deduct any interest or interest equivalent on public obligations and purchase obligations to the extent that the interest or interest equivalent is included in federal adjusted gross income.

(9) Add any loss or deduct any gain resulting from the sale, exchange, or other disposition of public obligations to the extent that the loss has been deducted or the gain has been included in computing federal adjusted gross income.

(10) Deduct or add amounts, as provided under section 5747.70 of the Revised Code, related to contributions to variable college savings program accounts made or tuition units purchased pursuant to Chapter 3334. of the Revised Code.

(11)(a) Deduct, to the extent not otherwise allowable as a deduction or exclusion in computing federal or Ohio adjusted gross income for the taxable year, the amount the taxpayer paid during the taxable year for medical care insurance and qualified long-term care insurance for the taxpayer, the taxpayer's spouse, and dependents. No deduction for medical care insurance under division (A)(11) of this section shall be allowed either to any taxpayer who is eligible to participate in any subsidized health plan maintained by any employer of the taxpayer or of the taxpayer's spouse, or to

any taxpayer who is entitled to, or on application would be entitled to, benefits under part A of Title XVIII of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C. 301, as amended. For the purposes of division (A)(11)(a) of this section, "subsidized health plan" means a health plan for which the employer pays any portion of the plan's cost. The deduction allowed under division (A)(11)(a) of this section shall be the net of any related premium refunds, related premium reimbursements, or related insurance premium dividends received during the taxable year.

(b) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income during the taxable year, the amount the taxpayer paid during the taxable year, not compensated for by any insurance or otherwise, for medical care of the taxpayer, the taxpayer's spouse, and dependents, to the extent the expenses exceed seven and one-half per cent of the taxpayer's federal adjusted gross income.

(c) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income, any amount included in federal adjusted gross income under section 105 or not excluded under section 106 of the Internal Revenue Code solely because it relates to an accident and health plan for a person who otherwise would be a "qualifying relative" and thus a "dependent" under section 152 of the Internal Revenue Code but for the fact that the person fails to meet the income and support limitations under section 152(d)(1)(B) and (C) of the Internal Revenue Code.

(d) For purposes of division (A)(11) of this section, "medical care" has the meaning given in section 213 of the Internal Revenue Code, subject to the special rules, limitations, and exclusions set forth therein, and "qualified long-term care" has the same meaning given in section 7702B(c) of the Internal Revenue Code. Solely for purposes of divisions (A)(11)(a) and (c) of this section, "dependent" includes a person who otherwise would be a "qualifying relative" and thus a "dependent" under section 152 of the Internal Revenue Code but for the fact that the person fails to meet the income and support limitations under section 152(d)(1)(B) and (C) of the Internal Revenue Code.

(12)(a) Deduct any amount included in federal adjusted gross income solely because the amount represents a reimbursement or refund of expenses that in any year the taxpayer had deducted as an itemized deduction pursuant to section 63 of the Internal Revenue Code and applicable United States department of the treasury regulations. The deduction otherwise allowed under division (A)(12)(a) of this section shall be reduced to the extent the reimbursement is attributable to an amount the taxpayer deducted under this section in any taxable year.

(b) Add any amount not otherwise included in Ohio adjusted gross income for any taxable year to the extent that the amount is attributable to the recovery during the taxable year of any amount deducted or excluded in computing federal or Ohio adjusted gross income in any taxable year.

(13) Deduct any portion of the deduction described in section 1341(a)(2) of the Internal Revenue Code, for repaying previously reported income received under a claim of right, that meets both of the following requirements:

(a) It is allowable for repayment of an item that was included in the taxpayer's adjusted gross income for a prior taxable year and did not qualify for a credit under division (A) or (B) of section 5747.05 of the Revised Code for that year;

(b) It does not otherwise reduce the taxpayer's adjusted gross income for the current or any other taxable year.

(14) Deduct an amount equal to the deposits made to, and net investment earnings of, a medical savings account during the taxable year, in accordance with section 3924.66 of the Revised Code. The deduction allowed by division (A)(14) of this section does not apply to medical savings account deposits and earnings otherwise deducted or excluded for the current or any other taxable year from the taxpayer's federal adjusted gross income.

(15)(a) Add an amount equal to the funds withdrawn from a medical savings account during the taxable year, and the net investment earnings on those funds, when the funds withdrawn were used for any purpose other than to reimburse an account holder for, or to pay, eligible medical expenses, in accordance with section 3924.66 of the Revised Code;

(b) Add the amounts distributed from a medical savings account under division (A)(2) of section 3924.68 of the Revised Code during the taxable year.

(16) Add any amount claimed as a credit under section 5747.059 of the Revised Code to the extent that such amount satisfies either of the following:

(a) The amount was deducted or excluded from the computation of the taxpayer's federal adjusted gross income as required to be reported for the taxpayer's taxable year under the Internal Revenue Code;

(b) The amount resulted in a reduction of the taxpayer's federal adjusted gross income as required to be reported for any of the taxpayer's taxable years under the Internal Revenue Code.

(17) Deduct the amount contributed by the taxpayer to an individual development account program established by a county department of job and family services pursuant to sections 329.11 to 329.14 of the Revised Code for the purpose of matching funds deposited by program participants. On request of the tax commissioner, the taxpayer shall provide any information that, in the tax commissioner's opinion, is necessary to establish the amount deducted under division (A)(17) of this section.

(18) Beginning in taxable year 2001 but not for any taxable year beginning after December 31, 2005, if the taxpayer is married and files a joint return and the combined federal adjusted gross income of the taxpayer and the taxpayer's spouse for the taxable year does not exceed one hundred thousand dollars, or if the taxpayer is single and has a federal adjusted gross income for the taxable year not exceeding fifty thousand dollars, deduct amounts paid during the taxable year for qualified tuition and fees paid to an eligible institution for the taxpayer, the taxpayer's spouse, or any dependent of the taxpayer, who is a resident of this state and is enrolled in or attending a program that culminates in a degree or diploma at an eligible institution. The deduction may be claimed only to the extent that qualified tuition and fees are not otherwise deducted or excluded for any taxable year from federal or Ohio adjusted gross income. The deduction may not be claimed for educational expenses for which the taxpayer claims a credit under section 5747.27 of the Revised Code.

(19) Add any reimbursement received during the taxable year of any amount the taxpayer deducted under division (A)(18) of this section in any previous taxable year to the extent the amount is not otherwise included in Ohio adjusted gross income.

(20)(a)(i) Add five-sixths of the amount of depreciation expense allowed by subsection (k) of section 168 of the Internal Revenue Code, including the taxpayer's proportionate or distributive share of the amount of depreciation expense allowed by that subsection to a pass-through entity in which the taxpayer has a direct or indirect ownership interest.

(ii) Add five-sixths of the amount of qualifying section 179 depreciation expense, including a person's proportionate or distributive share of the amount of qualifying section 179 depreciation expense allowed to any pass-through entity in which the person has a direct or indirect ownership. For the purposes of this division, "qualifying section 179 depreciation expense" means the difference between (I) the amount of depreciation expense directly or indirectly allowed to the taxpayer under section 179 of the Internal Revenue Code, and (II) the amount of depreciation expense directly or indirectly allowed to the taxpayer under section 179 of the Internal Revenue Code as that section existed on December 31, 2002.

The tax commissioner, under procedures established by the commissioner, may waive the add-backs related to a pass-through entity if the taxpayer owns, directly or indirectly, less than five per cent of the pass-through entity.

(b) Nothing in division (A)(20) of this section shall be construed to adjust or modify the adjusted basis of any asset.

(c) To the extent the add-back required under division (A)(20)(a) of this section is attributable to property generating nonbusiness income or loss allocated under section 5747.20 of the Revised Code, the add-back shall be sitused to the same location as the nonbusiness income or loss generated by the property for the purpose of determining the credit under division (A) of section 5747.05 of the Revised Code. Otherwise, the add-back shall be apportioned, subject to one or more of the four alternative methods of apportionment enumerated in section 5747.21 of the Revised Code.

(d) For the purposes of division (A) of this section, net operating loss carryback and carryforward shall not include five-sixths of the allowance of any net operating loss deduction carryback or carryforward to the taxable year to the extent such loss resulted from depreciation allowed by section 168(k) of the Internal Revenue Code and by the qualifying section 179 depreciation expense amount.

(21)(a) If the taxpayer was required to add an amount under division (A)(20)(a) of this section for a taxable year, deduct one-fifth of the amount so added for each of the five succeeding taxable years.

(b) If the amount deducted under division (A)(21)(a) of this section is attributable to an add-back allocated under division (A)(20)(c) of this section, the amount deducted shall be sitused to the same location. Otherwise, the add-back shall be apportioned using the apportionment factors for the taxable year in which the deduction is taken, subject to one or more of the four alternative methods of apportionment enumerated in section 5747.21 of the Revised Code.

(c) No deduction is available under division (A)(21)(a) of this section with regard to any depreciation allowed by section 168(k) of the Internal Revenue Code and by the qualifying section 179 depreciation expense amount to the extent that such depreciation resulted in or increased a federal net operating loss carryback or carryforward to a taxable year to which division (A)(20)(d) of this section does not apply.

(22) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, the amount the taxpayer received during the taxable year as reimbursement for life insurance premiums under section 5919.31 of the Revised Code.

(23) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, the amount the taxpayer received during the taxable year as a death benefit paid by the adjutant general under section 5919.33 of the Revised Code.

(24) Deduct, to the extent included in federal adjusted gross income and not otherwise allowable as a deduction or exclusion in computing federal or Ohio adjusted gross income for the taxable year, military pay and allowances received by the taxpayer during the taxable year for active duty service in the United States army, air force, navy, marine corps, or coast guard or reserve components thereof or the national guard. The deduction may not be claimed for military pay and allowances received by the taxpayer while the taxpayer is stationed in this state.

(25) Deduct, to the extent not otherwise allowable as a deduction or exclusion in computing federal or Ohio adjusted gross income for the taxable year and not otherwise compensated for by any other source, the amount of qualified organ donation expenses incurred by the taxpayer during the taxable year, not to exceed ten thousand dollars. A taxpayer may deduct qualified organ donation expenses only once for all taxable years beginning with taxable years beginning in 2007.

For the purposes of division (A)(25) of this section:

(a) “Human organ” means all or any portion of a human liver, pancreas, kidney, intestine, or lung, and any portion of human bone marrow.

(b) “Qualified organ donation expenses” means travel expenses, lodging expenses, and wages and salary forgone by a taxpayer in connection with the taxpayer’s donation, while living, of one or more of the taxpayer’s human organs to another human being.

(26) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, amounts received by the taxpayer as retired military personnel pay for service in the United States army, navy, air force, coast guard, or marine corps or reserve components thereof, or the national guard, or received by the surviving spouse or former spouse of such a taxpayer under the survivor benefit plan on account of such a taxpayer’s death. If the taxpayer receives income on account of retirement paid under the federal civil service retirement system or federal employees retirement system, or under any successor retirement program enacted by the congress of the United States that is established and maintained for retired employees of the United States government, and such retirement income is based, in whole or in part, on credit for the taxpayer’s military service, the deduction allowed under this division shall include only that portion of such retirement income that is attributable to the taxpayer’s military service, to the extent that portion of such retirement income is otherwise included in federal adjusted gross income and is not otherwise deducted under this section. Any amount deducted under division (A)(26) of this section is not included in a taxpayer’s adjusted gross income for the purposes of section 5747.055 of the Revised Code. No amount may be deducted under division (A)(26) of this section on the basis of which a credit was claimed under section 5747.055 of the Revised Code.

(27) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, the amount the taxpayer received during the taxable year from the military injury relief fund created in section 5101.98 of the Revised Code.

(28) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, the amount the taxpayer received as a veterans bonus during the taxable year from the Ohio department of veterans services as authorized by Section 2r of Article VIII, Ohio Constitution.

(29) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, any loss from wagering transactions that is allowed as an itemized deduction under section 165 of the Internal Revenue Code and that the taxpayer deducted in computing federal taxable income.

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ORC 5747.01(A)(1) – Income Tax Definitions

Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter that is not otherwise defined in this section has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes or if not used in a comparable context in those laws, has the same meaning as in section 5733.40 of the Revised Code. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

As used in this chapter:

(A) “Adjusted gross income” or “Ohio adjusted gross income” means federal adjusted gross income, as defined and used in the Internal Revenue Code, adjusted as provided in this section:

(1) Add interest or dividends on obligations or securities of any state or of any political subdivision or authority of any state, other than this state and its subdivisions and authorities.

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ORC 5747.01(A)(2) – Income Tax Definitions

Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter that is not otherwise defined in this section has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes or if not used in a comparable context in those laws, has the same meaning as in section 5733.40 of the Revised Code. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

As used in this chapter:

(A) “Adjusted gross income” or “Ohio adjusted gross income” means federal adjusted gross income, as defined and used in the Internal Revenue Code, adjusted as provided in this section:

(2) Add interest or dividends on obligations of any authority, commission, instrumentality, territory, or possession of the United States to the extent that the interest or dividends are exempt from federal income taxes but not from state income taxes.

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ORC 5747.01(A)(3) – Income Tax Definitions

Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter that is not otherwise defined in this section has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes or if not used in a comparable context in those laws, has the same meaning as in section 5733.40 of the Revised Code. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

As used in this chapter:

(A) “Adjusted gross income” or “Ohio adjusted gross income” means federal adjusted gross income, as defined and used in the Internal Revenue Code, adjusted as provided in this section:

(3) Deduct interest or dividends on obligations of the United States and its territories and possessions or of any authority, commission, or instrumentality of the United States to the extent that the interest or dividends are included in federal adjusted gross income but exempt from state income taxes under the laws of the United States.

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ORC 5747.01(A)(4) – Income Tax Definitions

Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter that is not otherwise defined in this section has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes or if not used in a comparable context in those laws, has the same meaning as in section 5733.40 of the Revised Code. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

As used in this chapter:

(A) “Adjusted gross income” or “Ohio adjusted gross income” means federal adjusted gross income, as defined and used in the Internal Revenue Code, adjusted as provided in this section:

(4) Deduct disability and survivor’s benefits to the extent included in federal adjusted gross income.

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ORC 5747.01(A)(5) – Income Tax Definitions

Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter that is not otherwise defined in this section has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes or if not used in a comparable context in those laws, has the same meaning as in section 5733.40 of the Revised Code. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

As used in this chapter:

(A) “Adjusted gross income” or “Ohio adjusted gross income” means federal adjusted gross income, as defined and used in the Internal Revenue Code, adjusted as provided in this section:

(5) Deduct benefits under Title II of the Social Security Act and tier 1 railroad retirement benefits to the extent included in federal adjusted gross income under section 86 of the Internal Revenue Code.

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ORC 5747.01(A)(7) – Income Tax Definitions

Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter that is not otherwise defined in this section has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes or if not used in a comparable context in those laws, has the same meaning as in section 5733.40 of the Revised Code. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

As used in this chapter:

(A) “Adjusted gross income” or “Ohio adjusted gross income” means federal adjusted gross income, as defined and used in the Internal Revenue Code, adjusted as provided in this section:

(7) Deduct the amount of wages and salaries, if any, not otherwise allowable as a deduction but that would have been allowable as a deduction in computing federal adjusted gross income for the taxable year, had the targeted jobs credit allowed and determined under sections 38, 51, and 52 of the Internal Revenue Code not been in effect.

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ORC 5747.01(A)(8)(9)&(30) – Income Tax Definitions

Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter that is not otherwise defined in this section has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes or if not used in a comparable context in those laws, has the same meaning as in section 5733.40 of the Revised Code. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

As used in this chapter:

(A) “Adjusted gross income” or “Ohio adjusted gross income” means federal adjusted gross income, as defined and used in the Internal Revenue Code, adjusted as provided in this section:

(8) Deduct any interest or interest equivalent on public obligations and purchase obligations to the extent that the interest or interest equivalent is included in federal adjusted gross income.

(9) Add any loss or deduct any gain resulting from the sale, exchange, or other disposition of public obligations to the extent that the loss has been deducted or the gain has been included in computing federal adjusted gross income.

(30) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, any income derived from providing public services under a contract through a project owned by the state, as described in section 126.604 of the Revised Code or derived from a transfer agreement or from the enterprise transferred under that agreement under section 4313.02 of the Revised Code.

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ORC 5747.01(A)(9) – Income Tax Definitions

Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter that is not otherwise defined in this section has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes or if not used in a comparable context in those laws, has the same meaning as in section 5733.40 of the Revised Code. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

As used in this chapter:

(A) “Adjusted gross income” or “Ohio adjusted gross income” means federal adjusted gross income, as defined and used in the Internal Revenue Code, adjusted as provided in this section:

(9) Add any loss or deduct any gain resulting from the sale, exchange, or other disposition of public obligations to the extent that the loss has been deducted or the gain has been included in computing federal adjusted gross income.

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ORC 5747.01(A)(10) – Income Tax Definitions

Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter that is not otherwise defined in this section has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes or if not used in a comparable context in those laws, has the same meaning as in section 5733.40 of the Revised Code. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

As used in this chapter:

(A) “Adjusted gross income” or “Ohio adjusted gross income” means federal adjusted gross income, as defined and used in the Internal Revenue Code, adjusted as provided in this section:

(10) Deduct or add amounts, as provided under section 5747.70 of the Revised Code, related to contributions to variable college savings program accounts made or tuition units purchased pursuant to Chapter 3334. of the Revised Code.

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ORC 5747.01(A)(10)&(19) – Income Tax Definitions

Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter that is not otherwise defined in this section has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes or if not used in a comparable context in those laws, has the same meaning as in section 5733.40 of the Revised Code. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

As used in this chapter:

(A) “Adjusted gross income” or “Ohio adjusted gross income” means federal adjusted gross income, as defined and used in the Internal Revenue Code, adjusted as provided in this section:

(10) Deduct or add amounts, as provided under section 5747.70 of the Revised Code, related to contributions to variable college savings program accounts made or tuition units purchased pursuant to Chapter 3334. of the Revised Code.

(19) Add any reimbursement received during the taxable year of any amount the taxpayer deducted under division (A)(18) of this section in any previous taxable year to the extent the amount is not otherwise included in Ohio adjusted gross income.

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ORC 5747.01(A)(11) – Income Tax Definitions

Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter that is not otherwise defined in this section has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes or if not used in a comparable context in those laws, has the same meaning as in section 5733.40 of the Revised Code. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

As used in this chapter:

(A) "Adjusted gross income" or "Ohio adjusted gross income" means federal adjusted gross income, as defined and used in the Internal Revenue Code, adjusted as provided in this section:

(11)(a) Deduct, to the extent not otherwise allowable as a deduction or exclusion in computing federal or Ohio adjusted gross income for the taxable year, the amount the taxpayer paid during the taxable year for medical care insurance and qualified long-term care insurance for the taxpayer, the taxpayer's spouse, and dependents. No deduction for medical care insurance under division (A)(11) of this section shall be allowed either to any taxpayer who is eligible to participate in any subsidized health plan maintained by any employer of the taxpayer or of the taxpayer's spouse, or to any taxpayer who is entitled to, or on application would be entitled to, benefits under part A of Title XVIII of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C. 301, as amended. For the purposes of division (A)(11)(a) of this section, "subsidized health plan" means a health plan for which the employer pays any portion of the plan's cost. The deduction allowed under division (A)(11)(a) of this section shall be the net of any related premium refunds, related premium reimbursements, or related insurance premium dividends received during the taxable year.

(b) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income during the taxable year, the amount the taxpayer paid during the taxable year, not compensated for by any insurance or otherwise, for medical care of the taxpayer, the taxpayer's spouse, and dependents, to the extent the expenses exceed seven and one-half per cent of the taxpayer's federal adjusted gross income.

(c) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income, any amount included in federal adjusted gross income under section 105 or not excluded under section 106 of the Internal Revenue Code solely because it relates to an accident and health plan for a person who otherwise would be a "qualifying relative" and thus a "dependent" under section 152 of the Internal Revenue Code but for the fact that the person fails to meet the income and support limitations under section 152(d)(1)(B) and (C) of the Internal Revenue Code.

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ORC 5747.01(A)(12)(a) – Income Tax Definitions

Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter that is not otherwise defined in this section has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes or if not used in a comparable context in those laws, has the same meaning as in section 5733.40 of the Revised Code. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

As used in this chapter:

(12)(a) Deduct any amount included in federal adjusted gross income solely because the amount represents a reimbursement or refund of expenses that in any year the taxpayer had deducted as an itemized deduction pursuant to section 63 of the Internal Revenue Code and applicable United States department of the treasury regulations. The deduction otherwise allowed under division (A)(12)(a) of this section shall be reduced to the extent the reimbursement is attributable to an amount the taxpayer deducted under this section in any taxable year.

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ORC 5747.01(A)(12)(b) – Income Tax Definitions

Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter that is not otherwise defined in this section has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes or if not used in a comparable context in those laws, has the same meaning as in section 5733.40 of the Revised Code. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

As used in this chapter:

(A) “Adjusted gross income” or “Ohio adjusted gross income” means federal adjusted gross income, as defined and used in the Internal Revenue Code, adjusted as provided in this section:

(12)(b) Add any amount not otherwise included in Ohio adjusted gross income for any taxable year to the extent that the amount is attributable to the recovery during the taxable year of any amount deducted or excluded in computing federal or Ohio adjusted gross income in any taxable year.

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ORC 5747.01(A)(13) – Income Tax Definitions

Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter that is not otherwise defined in this section has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes or if not used in a comparable context in those laws, has the same meaning as in section 5733.40 of the Revised Code. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

As used in this chapter:

(A) “Adjusted gross income” or “Ohio adjusted gross income” means federal adjusted gross income, as defined and used in the Internal Revenue Code, adjusted as provided in this section:

(13) Deduct any portion of the deduction described in section 1341(a)(2) of the Internal Revenue Code, for repaying previously reported income received under a claim of right, that meets both of the following requirements:

(a) It is allowable for repayment of an item that was included in the taxpayer’s adjusted gross income for a prior taxable year and did not qualify for a credit under division (A) or (B) of section 5747.05 of the Revised Code for that year;

(b) It does not otherwise reduce the taxpayer’s adjusted gross income for the current or any other taxable year.

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ORC 5747.01(A)(14) – Income Tax Definitions

Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter that is not otherwise defined in this section has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes or if not used in a comparable context in those laws, has the same meaning as in section 5733.40 of the Revised Code. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

As used in this chapter:

(A) “Adjusted gross income” or “Ohio adjusted gross income” means federal adjusted gross income, as defined and used in the Internal Revenue Code, adjusted as provided in this section:

(14) Deduct an amount equal to the deposits made to, and net investment earnings of, a medical savings account during the taxable year, in accordance with section 3924.66 of the Revised Code. The deduction allowed by division (A)(14) of this section does not apply to medical savings account deposits and earnings otherwise deducted or excluded for the current or any other taxable year from the taxpayer’s federal adjusted gross income.

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ORC 5747.01(A)(15) – Income Tax Definitions

Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter that is not otherwise defined in this section has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes or if not used in a comparable context in those laws, has the same meaning as in section 5733.40 of the Revised Code. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

As used in this chapter:

(A) “Adjusted gross income” or “Ohio adjusted gross income” means federal adjusted gross income, as defined and used in the Internal Revenue Code, adjusted as provided in this section:

(15)(a) Add an amount equal to the funds withdrawn from a medical savings account during the taxable year, and the net investment earnings on those funds, when the funds withdrawn were used for any purpose other than to reimburse an account holder for, or to pay, eligible medical expenses, in accordance with section 3924.66 of the Revised Code;

(b) Add the amounts distributed from a medical savings account under division (A)(2) of section 3924.68 of the Revised Code during the taxable year.

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ORC 5747.01(A)(16) – Income Tax Definitions

Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter that is not otherwise defined in this section has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes or if not used in a comparable context in those laws, has the same meaning as in section 5733.40 of the Revised Code. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

As used in this chapter:

(A) “Adjusted gross income” or “Ohio adjusted gross income” means federal adjusted gross income, as defined and used in the Internal Revenue Code, adjusted as provided in this section:

(16) Add any amount claimed as a credit under section 5747.059 of the Revised Code to the extent that such amount satisfies either of the following:

(a) The amount was deducted or excluded from the computation of the taxpayer’s federal adjusted gross income as required to be reported for the taxpayer’s taxable year under the Internal Revenue Code;

(b) The amount resulted in a reduction of the taxpayer’s federal adjusted gross income as required to be reported for any of the taxpayer’s taxable years under the Internal Revenue Code.

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ORC 5747.01(A)(17)&(25) – Income Tax Definitions

Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter that is not otherwise defined in this section has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes or if not used in a comparable context in those laws, has the same meaning as in section 5733.40 of the Revised Code. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

As used in this chapter:

(A) “Adjusted gross income” or “Ohio adjusted gross income” means federal adjusted gross income, as defined and used in the Internal Revenue Code, adjusted as provided in this section:

(17) Deduct the amount contributed by the taxpayer to an individual development account program established by a county department of job and family services pursuant to sections 329.11 to 329.14 of the Revised Code for the purpose of matching funds deposited by program participants. On request of the tax commissioner, the taxpayer shall provide any information that, in the tax commissioner’s opinion, is necessary to establish the amount deducted under division (A)(17) of this section.

(25) Deduct, to the extent not otherwise allowable as a deduction or exclusion in computing federal or Ohio adjusted gross income for the taxable year and not otherwise compensated for by any other source, the amount of qualified organ donation expenses incurred by the taxpayer during the taxable year, not to exceed ten thousand dollars. A taxpayer may deduct qualified organ donation expenses only once for all taxable years beginning with taxable years beginning in 2007.

For the purposes of division (A)(25) of this section:

(a) “Human organ” means all or any portion of a human liver, pancreas, kidney, intestine, or lung, and any portion of human bone marrow.

(b) “Qualified organ donation expenses” means travel expenses, lodging expenses, and wages and salary forgone by a taxpayer in connection with the taxpayer’s donation, while living, of one or more of the taxpayer’s human organs to another human being.

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ORC 5747.01(A)(20) – Income Tax Definitions

Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter that is not otherwise defined in this section has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes or if not used in a comparable context in those laws, has the same meaning as in section 5733.40 of the Revised Code. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

As used in this chapter:

(A) "Adjusted gross income" or "Ohio adjusted gross income" means federal adjusted gross income, as defined and used in the Internal Revenue Code, adjusted as provided in this section:

(20)(a)(i) Add five-sixths of the amount of depreciation expense allowed by subsection (k) of section 168 of the Internal Revenue Code, including the taxpayer's proportionate or distributive share of the amount of depreciation expense allowed by that subsection to a pass-through entity in which the taxpayer has a direct or indirect ownership interest.

(ii) Add five-sixths of the amount of qualifying section 179 depreciation expense, including a person's proportionate or distributive share of the amount of qualifying section 179 depreciation expense allowed to any pass-through entity in which the person has a direct or indirect ownership. For the purposes of this division, "qualifying section 179 depreciation expense" means the difference between (I) the amount of depreciation expense directly or indirectly allowed to the taxpayer under section 179 of the Internal Revenue Code, and (II) the amount of depreciation expense directly or indirectly allowed to the taxpayer under section 179 of the Internal Revenue Code as that section existed on December 31, 2002.

The tax commissioner, under procedures established by the commissioner, may waive the add-backs related to a pass-through entity if the taxpayer owns, directly or indirectly, less than five per cent of the pass-through entity.

(b) Nothing in division (A)(20) of this section shall be construed to adjust or modify the adjusted basis of any asset.

(c) To the extent the add-back required under division (A)(20)(a) of this section is attributable to property generating nonbusiness income or loss allocated under section 5747.20 of the Revised Code, the add-back shall be sitused to the same location as the nonbusiness income or loss generated by the property for the purpose of determining the credit under division (A) of section 5747.05 of the Revised Code. Otherwise, the add-back shall be apportioned, subject to one or more of the four alternative methods of apportionment enumerated in section 5747.21 of the Revised Code.

(d) For the purposes of division (A) of this section, net operating loss carryback and carryforward shall not include five-sixths of the allowance of any net operating loss deduction carryback or carryforward to the taxable year to the extent such loss resulted from depreciation allowed by section 168(k) of the Internal Revenue Code and by the qualifying section 179 depreciation expense amount.

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ORC 5747.01(A)(21) – Income Tax Definitions

Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter that is not otherwise defined in this section has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes or if not used in a comparable context in those laws, has the same meaning as in section 5733.40 of the Revised Code. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

As used in this chapter:

(A) “Adjusted gross income” or “Ohio adjusted gross income” means federal adjusted gross income, as defined and used in the Internal Revenue Code, adjusted as provided in this section:

(21)(a) If the taxpayer was required to add an amount under division (A)(20)(a) of this section for a taxable year, deduct one-fifth of the amount so added for each of the five succeeding taxable years.

(b) If the amount deducted under division (A)(21)(a) of this section is attributable to an add-back allocated under division (A)(20)(c) of this section, the amount deducted shall be sitused to the same location. Otherwise, the add-back shall be apportioned using the apportionment factors for the taxable year in which the deduction is taken, subject to one or more of the four alternative methods of apportionment enumerated in section 5747.21 of the Revised Code.

(c) No deduction is available under division (A)(21)(a) of this section with regard to any depreciation allowed by section 168(k) of the Internal Revenue Code and by the qualifying section 179 depreciation expense amount to the extent that such depreciation resulted in or increased a federal net operating loss carryback or carryforward to a taxable year to which division (A)(20)(d) of this section does not apply.

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ORC 5747.01(A)(22)&(23) – Income Tax Definitions

Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter that is not otherwise defined in this section has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes or if not used in a comparable context in those laws, has the same meaning as in section 5733.40 of the Revised Code. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

As used in this chapter:

(A) “Adjusted gross income” or “Ohio adjusted gross income” means federal adjusted gross income, as defined and used in the Internal Revenue Code, adjusted as provided in this section:

(22) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, the amount the taxpayer received during the taxable year as reimbursement for life insurance premiums under section 5919.31 of the Revised Code.

(23) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, the amount the taxpayer received during the taxable year as a death benefit paid by the adjutant general under section 5919.33 of the Revised Code.

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ORC 5747.01(A)(24) – Income Tax Definitions

Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter that is not otherwise defined in this section has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes or if not used in a comparable context in those laws, has the same meaning as in section 5733.40 of the Revised Code. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

As used in this chapter:

(A) “Adjusted gross income” or “Ohio adjusted gross income” means federal adjusted gross income, as defined and used in the Internal Revenue Code, adjusted as provided in this section:

(24) Deduct, to the extent included in federal adjusted gross income and not otherwise allowable as a deduction or exclusion in computing federal or Ohio adjusted gross income for the taxable year, military pay and allowances received by the taxpayer during the taxable year for active duty service in the United States army, air force, navy, marine corps, or coast guard or reserve components thereof or the national guard. The deduction may not be claimed for military pay and allowances received by the taxpayer while the taxpayer is stationed in this state.

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ORC 5747.01(A)(26)&(27) – Income Tax Definitions

Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter that is not otherwise defined in this section has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes or if not used in a comparable context in those laws, has the same meaning as in section 5733.40 of the Revised Code. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

As used in this chapter:

(A) "Adjusted gross income" or "Ohio adjusted gross income" means federal adjusted gross income, as defined and used in the Internal Revenue Code, adjusted as provided in this section:

(26) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, amounts received by the taxpayer as retired military personnel pay for service in the United States army, navy, air force, coast guard, or marine corps or reserve components thereof, or the national guard, or received by the surviving spouse or former spouse of such a taxpayer under the survivor benefit plan on account of such a taxpayer's death. If the taxpayer receives income on account of retirement paid under the federal civil service retirement system or federal employees retirement system, or under any successor retirement program enacted by the congress of the United States that is established and maintained for retired employees of the United States government, and such retirement income is based, in whole or in part, on credit for the taxpayer's military service, the deduction allowed under this division shall include only that portion of such retirement income that is attributable to the taxpayer's military service, to the extent that portion of such retirement income is otherwise included in federal adjusted gross income and is not otherwise deducted under this section. Any amount deducted under division (A)(26) of this section is not included in a taxpayer's adjusted gross income for the purposes of section 5747.055 of the Revised Code. No amount may be deducted under division (A)(26) of this section on the basis of which a credit was claimed under section 5747.055 of the Revised Code.

(27) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, the amount the taxpayer received during the taxable year from the military injury relief fund created in section 5101.98 of the Revised Code.

ORC 5747.01(I) – Income Tax Definitions

Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter that is not otherwise defined in this section has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes or if not used in a comparable context in those laws, has the same meaning as in section 5733.40 of the Revised Code. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

As used in this chapter:

(I) "Resident" means any of the following, provided that division (I)(3) of this section applies only to taxable years of a trust beginning in 2002 or thereafter:

(1) An individual who is domiciled in this state, subject to section 5747.24 of the Revised Code;

(2) The estate of a decedent who at the time of death was domiciled in this state. The domicile tests of section 5747.24 of the Revised Code are not controlling for purposes of division (I)(2) of this section.

(3) A trust that, in whole or part, resides in this state. If only part of a trust resides in this state, the trust is a resident only with respect to that part.

For the purposes of division (I)(3) of this section:

(a) A trust resides in this state for the trust's current taxable year to the extent, as described in division (I)(3)(d) of this section, that the trust consists directly or indirectly, in whole or in part, of assets, net of any related liabilities, that were transferred, or caused to be transferred, directly or indirectly, to the trust by any of the following:

(i) A person, a court, or a governmental entity or instrumentality on account of the death of a decedent, but only if the trust is described in division (I)(3)(e)(i) or (ii) of this section;

(ii) A person who was domiciled in this state for the purposes of this chapter when the person directly or indirectly transferred assets to an irrevocable trust, but only if at least one of the trust's qualifying beneficiaries is domiciled in this state for the purposes of this chapter during all or some portion of the trust's current taxable year;

(iii) A person who was domiciled in this state for the purposes of this chapter when the trust document or instrument or part of the trust document or instrument became irrevocable, but only if at least one of the trust's qualifying beneficiaries is a resident domiciled in this state for the purposes of this chapter during all or some portion of the trust's current taxable year. If a trust document or instrument became irrevocable upon the death of a person who at the time of death was domiciled in this state for purposes of this chapter, that person is a person described in division (I)(3)(a)(iii) of this section.

(b) A trust is irrevocable to the extent that the transferor is not considered to be the owner of the net assets of the trust under sections 671 to 678 of the Internal Revenue Code.

(c) With respect to a trust other than a charitable lead trust, "qualifying beneficiary" has the same meaning as "potential current beneficiary" as defined in section 1361(e)(2) of the Internal Revenue Code, and with respect to a charitable lead trust "qualifying beneficiary" is any current, future, or contingent beneficiary, but with respect to any trust "qualifying beneficiary" excludes a person or a governmental entity or instrumentality to any of which a contribution would qualify for the charitable deduction under section 170 of the Internal Revenue Code.

(d) For the purposes of division (I)(3)(a) of this section, the extent to which a trust consists directly or indirectly, in whole or in part, of assets, net of any related liabilities, that were transferred directly or indirectly, in whole or part, to the trust by any of the sources enumerated in that division shall be ascertained by multiplying the fair market value of the trust's assets, net of related liabilities, by the qualifying ratio, which shall be computed as follows:

(i) The first time the trust receives assets, the numerator of the qualifying ratio is the fair market value of those assets at that time, net of any related liabilities, from sources enumerated in division (I)(3)(a) of this section. The denominator of the qualifying ratio is the fair market value of all the trust's assets at that time, net of any related liabilities.

(ii) Each subsequent time the trust receives assets, a revised qualifying ratio shall be computed. The numerator of the revised qualifying ratio is the sum of (1) the fair market value of the trust's assets immediately prior to the subsequent transfer, net of any related liabilities, multiplied by the qualifying ratio last computed without regard to the subsequent transfer, and (2) the fair market value of the subsequently transferred assets at the time transferred, net of any related liabili-

ties, from sources enumerated in division (I)(3)(a) of this section. The denominator of the revised qualifying ratio is the fair market value of all the trust's assets immediately after the subsequent transfer, net of any related liabilities.

(iii) Whether a transfer to the trust is by or from any of the sources enumerated in division (I)(3)(a) of this section shall be ascertained without regard to the domicile of the trust's beneficiaries.

(e) For the purposes of division (I)(3)(a)(i) of this section:

(i) A trust is described in division (I)(3)(e)(i) of this section if the trust is a testamentary trust and the testator of that testamentary trust was domiciled in this state at the time of the testator's death for purposes of the taxes levied under Chapter 5731. of the Revised Code.

(ii) A trust is described in division (I)(3)(e)(ii) of this section if the transfer is a qualifying transfer described in any of divisions (I)(3)(f)(i) to (vi) of this section, the trust is an irrevocable inter vivos trust, and at least one of the trust's qualifying beneficiaries is domiciled in this state for purposes of this chapter during all or some portion of the trust's current taxable year.

(f) For the purposes of division (I)(3)(e)(ii) of this section, a "qualifying transfer" is a transfer of assets, net of any related liabilities, directly or indirectly to a trust, if the transfer is described in any of the following:

(i) The transfer is made to a trust, created by the decedent before the decedent's death and while the decedent was domiciled in this state for the purposes of this chapter, and, prior to the death of the decedent, the trust became irrevocable while the decedent was domiciled in this state for the purposes of this chapter.

(ii) The transfer is made to a trust to which the decedent, prior to the decedent's death, had directly or indirectly transferred assets, net of any related liabilities, while the decedent was domiciled in this state for the purposes of this chapter, and prior to the death of the decedent the trust became irrevocable while the decedent was domiciled in this state for the purposes of this chapter.

(iii) The transfer is made on account of a contractual relationship existing directly or indirectly between the transferor and either the decedent or the estate of the decedent at any time prior to the date of the decedent's death, and the decedent was domiciled in this state at the time of death for purposes of the taxes levied under Chapter 5731. of the Revised Code.

(iv) The transfer is made to a trust on account of a contractual relationship existing directly or indirectly between the transferor and another person who at the time of the decedent's death was domiciled in this state for purposes of this chapter.

(v) The transfer is made to a trust on account of the will of a testator who was domiciled in this state at the time of the testator's death for purposes of the taxes levied under Chapter 5731. of the Revised Code.

(vi) The transfer is made to a trust created by or caused to be created by a court, and the trust was directly or indirectly created in connection with or as a result of the death of an individual who, for purposes of the taxes levied under Chapter 5731. of the Revised Code, was domiciled in this state at the time of the individual's death.

(g) The tax commissioner may adopt rules to ascertain the part of a trust residing in this state.

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ORC 5747.01(J) – Income Tax Definitions

Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter that is not otherwise defined in this section has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes or if not used in a comparable context in those laws, has the same meaning as in section 5733.40 of the Revised Code. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

As used in this chapter:

(J) “Nonresident” means an individual or estate that is not a resident. An individual who is a resident for only part of a taxable year is a nonresident for the remainder of that taxable year.

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ORC 5747.01(R) – Income Tax Definitions

Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter that is not otherwise defined in this section has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes or if not used in a comparable context in those laws, has the same meaning as in section 5733.40 of the Revised Code. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

As used in this chapter:

(R) “Overpayment” means any amount already paid that exceeds the figure determined to be the correct amount of the tax.

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ORC 5747.02(A) – Tax Rates

(A) For the purpose of providing revenue for the support of schools and local government functions, to provide relief to property taxpayers, to provide revenue for the general revenue fund, and to meet the expenses of administering the tax levied by this chapter, there is hereby levied on every individual, trust, and estate residing in or earning or receiving income in this state, on every individual, trust, and estate earning or receiving lottery winnings, prizes, or awards pursuant to Chapter 3770. of the Revised Code, on every individual, trust, and estate earning or receiving winnings on casino gaming, and on every individual, trust, and estate otherwise having nexus with or in this state under the Constitution of the United States, an annual tax measured in the case of individuals by Ohio adjusted gross income less an exemption for the taxpayer, the taxpayer's spouse, and each dependent as provided in section 5747.025 of the Revised Code; measured in the case of trusts by modified Ohio taxable income under division (D) of this section; and measured in the case of estates by Ohio taxable income. The tax imposed by this section on the balance thus obtained is hereby levied as follows:

(1) For taxable years beginning in 2004:

Ohio Adjusted Gross Income Less Exemptions (Individuals)
Or
Modified Ohio Taxable Income (Trusts)
Or
Ohio Taxable Income (Estates) Tax

$5,000 or less	.743%
More than $5,000 but not more than $10,000	$37.15 plus 1.486% of the amount in excess of $5,000
More than $10,000 but not more than $15,000	$111.45 plus 2.972% of the amount in excess of $10,000
More than $15,000 but not more than $20,000	$260.05 plus 3.715% of the amount in excess of $15,000
More than $20,000 but not more than $40,000	$445.80 plus 4.457% of the amount in excess of $20,000
More than $40,000 but not more than $80,000	$1,337.20 plus 5.201% of the amount in excess of $40,000
More than $80,000 but not more than $100,000	$3,417.60 plus 5.943% of the amount in excess of $80,000
More than $100,000 but not more than $200,000	$4,606.20 plus 6.9% of the amount in excess of $100,000
More than $200,000	$11,506.20 plus 7.5% of the amount in excess of $200,000

(2) For taxable years beginning in 2005:

Ohio Adjusted Gross Income Less Exemptions (Individuals)
Or
Modified Ohio Taxable Income (Trusts)
Or
Ohio Taxable Income (Estates) Tax

$5,000 or less	.712%
More than $5,000 but not more than $10,000	$35.60 plus 1.424% of the amount in excess of $5,000
More than $10,000 but not more than $15,000	$106.80 plus 2.847% of the amount in excess of $10,000
More than $15,000 but not more than $20,000	$249.15 plus 3.559% of the amount in excess of $15,000
More than $20,000 but not more than $40,000	$427.10 plus 4.27% of the amount in excess of $20,000
More than $40,000 but not more than $80,000	$1,281.10 plus 4.983% of the amount in excess of $40,000
More than $80,000 but not more than $100,000	$3,274.30 plus 5.693% of the amount in excess of $80,000
More than $100,000 but not more than $200,000	$4,412.90 plus 6.61% of the amount in excess of $100,000
More than $200,000	$11,022.90 plus 7.185% of the amount in excess of $200,000

(3) For taxable years beginning in 2006:

Ohio Adjusted Gross Income Less Exemptions (Individuals)
Or
Modified Ohio Taxable Income (Trusts)
Or
Ohio Taxable Income (Estates) Tax

$5,000 or less	.681%
More than $5,000 but not more than $10,000	$34.05 plus 1.361% of the amount in excess of $5,000
More than $10,000 but not more than $15,000	$102.10 plus 2.722% of the amount in excess of $10,000
More than $15,000 but not more than $20,000	$238.20 plus 3.403% of the amount in excess of $15,000
More than $20,000 but not more than $40,000	$408.35 plus 4.083% of the amount in excess of $20,000
More than $40,000 but not more than $80,000	$1,224.95 plus 4.764% of the amount in excess of $40,000
More than $80,000 but not more than $100,000	$3,130.55 plus 5.444% of the amount in excess of $80,000
More than $100,000 but not more than $200,000	$4,219.35 plus 6.32% of the amount in excess of $100,000
More than $200,000	$10,539.35 plus 6.87% of the amount in excess of $200,000

(4) For taxable years beginning in 2007:

Ohio Adjusted Gross Income Less Exemptions (Individuals)
Or
Modified Ohio Taxable Income (Trusts)
Or
Ohio Taxable Income (Estates) Tax

$5,000 or less	.649%
More than $5,000 but not more than $10,000	$32.45 plus 1.299% of the amount in excess of $5,000
More than $10,000 but not more than $15,000	$97.40 plus 2.598% of the amount in excess of $10,000
More than $15,000 but not more than $20,000	$227.30 plus 3.247% of the amount in excess of $15,000
More than $20,000 but not more than $40,000	$389.65 plus 3.895% of the amount in excess of $20,000
More than $40,000 but not more than $80,000	$1,168.65 plus 4.546% of the amount in excess of $40,000
More than $80,000 but not more than $100,000	$2,987.05 plus 5.194% of the amount in excess of $80,000
More than $100,000 but not more than $200,000	$4,025.85 plus 6.031% of the amount in excess of $100,000
More than $200,000	$10,056.85 plus 6.555% of the amount in excess of $200,000

(5) For taxable years beginning in 2008, 2009, or 2010:

Ohio Adjusted Gross Income Less Exemptions (Individuals)
Or
Modified Ohio Taxable Income (Trusts)
Or
Ohio Taxable Income (Estates) Tax

$5,000 or less	.618%
More than $5,000 but not more than $10,000	$30.90 plus 1.236% of the amount in excess of $5,000
More than $10,000 but not more than $15,000	$92.70 plus 2.473% of the amount in excess of $10,000
More than $15,000 but not more than $20,000	$216.35 plus 3.091% of the amount in excess of $15,000
More than $20,000 but not more than $40,000	$370.90 plus 3.708% of the amount in excess of $20,000
More than $40,000 but not more than $80,000	$1,112.50 plus 4.327% of the amount in excess of $40,000
More than $80,000 but not more than $100,000	$2,843.30 plus 4.945% of the amount in excess of $80,000
More than $100,000 but not more than $200,000	$3,832.30 plus 5.741% of the amount in excess of $100,000
More than $200,000	$9,573.30 plus 6.24% of the amount in excess of $200,000

(6) For taxable years beginning in 2011 or thereafter:

Ohio Adjusted Gross Income Less Exemptions (Individuals) Or Modified Ohio Taxable Income (Trusts) Or Ohio Taxable Income (Estates)	Tax
$5,000 or less	.587%
More than $5,000 but not more than $10,000	$29.35 plus 1.174% of the amount in excess of $5,000
More than $10,000 but not more than $15,000	$88.05 plus 2.348% of the amount in excess of $10,000
More than $15,000 but not more than $20,000	$205.45 plus 2.935% of the amount in excess of $15,000
More than $20,000 but not more than $40,000	$352.20 plus 3.521% of the amount in excess of $20,000
More than $40,000 but not more than $80,000	$1,056.40 plus 4.109% of the amount in excess of $40,000
More than $80,000 but not more than $100,000	$2,700.00 plus 4.695% of the amount in excess of $80,000
More than $100,000 but not more than $200,000	$3,639.00 plus 5.451% of the amount in excess of $100,000
More than $200,000	$9,090.00 plus 5.925% of the amount in excess of $200,000

In July of each year, beginning in 2010, the tax commissioner shall adjust the income amounts prescribed in this division by multiplying the percentage increase in the gross domestic product deflator computed that year under section 5747.025 of the Revised Code by each of the income amounts resulting from the adjustment under this division in the preceding year, adding the resulting product to the corresponding income amount resulting from the adjustment in the preceding year, and rounding the resulting sum to the nearest multiple of fifty dollars. The tax commissioner also shall recompute each of the tax dollar amounts to the extent necessary to reflect the adjustment of the income amounts. The rates of taxation shall not be adjusted.

The adjusted amounts apply to taxable years beginning in the calendar year in which the adjustments are made. The tax commissioner shall not make such adjustments in any year in which the amount resulting from the adjustment would be less than the amount resulting from the adjustment in the preceding year.

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ORC 5747.022 – Tax Credits for Exemptions

An individual subject to the tax imposed by section 5747.02 of the Revised Code may claim a credit equal to twenty dollars times the number of exemptions allowed for the taxpayer, his spouse, and each dependent under section 5747.02 of the Revised Code. The credit shall be claimed in the order required under section 5747.98 of the Revised Code. The credit shall not be considered in determining the taxes required to be withheld under section 5747.06 of the Revised Code or the estimated taxes required to be paid under section 5747.09 of the Revised Code.

Effective Date: 07-22-1994

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ORC 5747.025 – Personal Exemptions

(A) The personal exemption for the taxpayer and the taxpayer's spouse shall be seven hundred fifty dollars each for the taxable year beginning in 1996, eight hundred fifty dollars each for the taxable year beginning in 1997, nine hundred fifty dollars each for the taxable year beginning in 1998, and one thousand fifty dollars each for the taxable year beginning in 1999 and taxable years beginning after 1999. The personal exemption amount prescribed in this division for taxable years beginning after 1999 shall be adjusted each year in the manner prescribed in division (C) of this section.

(B) The personal exemption for each dependent shall be eight hundred fifty dollars for the taxable year beginning in 1996, and one thousand fifty dollars for the taxable year beginning in 1997 and taxable years beginning after 1997. The personal exemption amount prescribed in this division for taxable years beginning after 1999 shall be adjusted each year in the manner prescribed in division (C) of this section.

(C) In September of each year, beginning in 2000, the tax commissioner shall determine the percentage increase in the gross domestic product deflator determined by the bureau of economic analysis of the United States department of commerce from the first day of January of the preceding calendar year to the last day of December of the preceding year, and adjust the personal exemption amount for taxable years beginning in the current calendar year by multiplying that amount by the percentage increase in the gross domestic product deflator for that period; adding the resulting product to the personal exemption amount for taxable years beginning in the preceding calendar year; and rounding the resulting sum upward to the nearest multiple of fifty dollars. The commissioner shall not make such an adjustment in any calendar year in which the amount resulting from the adjustment would be less than the amount resulting from the adjustment in the preceding calendar year.

Effective Date: 09-06-2002

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ORC 5747.04 – Attributing Tax Receipts to County

All reports, returns, and payments required of a taxpayer or employer by this chapter, except payments by electronic funds transfer as required under section 5747.072 of the Revised Code, shall be filed with the tax commissioner.

Upon receipt by him of any payments under this chapter arising from a tax imposed under section 5747.02 of the Revised Code, the commissioner shall estimate and annually reconcile and determine for any amount paid by or on behalf of any taxpayer and for any amount shown due or owed to any taxpayer, the county to which such amount is attributable. The county of attribution is the county in which the taxpayer was a resident for one more than half of the number of days of the payroll period during which any income subject to taxation under this chapter was earned or, in the case of a nonresident taxpayer, his principal county of employment. If there is no payroll period to which such income can be attributed, the county of attribution is the county in which the taxpayer resided at the time he received such income.

The commissioner shall adopt such rules, including a requirement that each taxpayer indicate his school district of residence on his tax return, as are reasonably necessary to insure the efficient administration of this section and the distribution required by division (B) of section 5747.03 of the Revised Code.

Effective Date: 03-19-1993

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ORC 5747.05(A)(1)&(2) – Tax Credits

As used in this section, “income tax” includes both a tax on net income and a tax measured by net income.

The following credits shall be allowed against the income tax imposed by section 5747.02 of the Revised Code on individuals and estates:

(A)(1) The amount of tax otherwise due under section 5747.02 of the Revised Code on such portion of the adjusted gross income of any nonresident taxpayer that is not allocable to this state pursuant to sections 5747.20 to 5747.23 of the Revised Code;

(2) The credit provided under this division shall not exceed the portion of the total tax due under section 5747.02 of the Revised Code that the amount of the nonresident taxpayer’s adjusted gross income not allocated to this state pursuant to sections 5747.20 to 5747.23 of the Revised Code bears to the total adjusted gross income of the nonresident taxpayer derived from all sources everywhere.

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ORC 5747.05(A)(3) – Tax Credits

As used in this section, “income tax” includes both a tax on net income and a tax measured by net income.

The following credits shall be allowed against the income tax imposed by section 5747.02 of the Revised Code on individuals and estates:

(A) (3) The tax commissioner may enter into an agreement with the taxing authorities of any state or of the District of Columbia that imposes an income tax to provide that compensation paid in this state to a nonresident taxpayer shall not be subject to the tax levied in section 5747.02 of the Revised Code so long as compensation paid in such other state or in the District of Columbia to a resident taxpayer shall likewise not be subject to the income tax of such other state or of the District of Columbia.

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ORC 5747.05(B)(1)&(2) – Tax Credits

As used in this section, “income tax” includes both a tax on net income and a tax measured by net income.

The following credits shall be allowed against the income tax imposed by section 5747.02 of the Revised Code on individuals and estates:

(B) The lesser of division (B)(1) or (2) of this section:

(1) The amount of tax otherwise due under section 5747.02 of the Revised Code on such portion of the adjusted gross income of a resident taxpayer that in another state or in the District of Columbia is subjected to an income tax. The credit provided under division (B)(1) of this section shall not exceed the portion of the total tax due under section 5747.02 of the Revised Code that the amount of the resident taxpayer’s adjusted gross income subjected to an income tax in the other state or in the District of Columbia bears to the total adjusted gross income of the resident taxpayer derived from all sources everywhere.

(2) The amount of income tax liability to another state or the District of Columbia on the portion of the adjusted gross income of a resident taxpayer that in another state or in the District of Columbia is subjected to an income tax. The credit provided under division (B)(2) of this section shall not exceed the amount of tax otherwise due under section 5747.02 of the Revised Code.

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ORC 5747.05(C) – Tax Credits

As used in this section, “income tax” includes both a tax on net income and a tax measured by net income.

The following credits shall be allowed against the income tax imposed by section 5747.02 of the Revised Code on individuals and estates:

(C) For a taxpayer sixty-five years of age or older during the taxable year, a credit for such year equal to fifty dollars for each return required to be filed under section 5747.08 of the Revised Code.

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ORC 5747.05(D) – Tax Credits

As used in this section, “income tax” includes both a tax on net income and a tax measured by net income.

The following credits shall be allowed against the income tax imposed by section 5747.02 of the Revised Code on individuals and estates:

(D) A taxpayer sixty-five years of age or older during the taxable year who has received a lump-sum distribution from a pension, retirement, or profit-sharing plan in the taxable year may elect to receive a credit under this division in lieu of the credit to which the taxpayer is entitled under division (C) of this section. A taxpayer making such election shall receive a credit for the taxable year equal to fifty dollars times the taxpayer’s expected remaining life as shown by annuity tables issued under the provisions of the Internal Revenue Code and in effect for the calendar year which includes the last day of the taxable year. A taxpayer making an election under this division is not entitled to the credit authorized under division (C) of this section in subsequent taxable years except that if such election was made prior to July 1, 1983, the taxpayer is entitled to one-half the credit authorized under such division in subsequent taxable years but may not make another election under this division.

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ORC 5747.05(G) – Tax Credits

As used in this section, “income tax” includes both a tax on net income and a tax measured by net income.

The following credits shall be allowed against the income tax imposed by section 5747.02 of the Revised Code on individuals and estates:

(G)(1) On a joint return filed by a husband and wife, each of whom had adjusted gross income of at least five hundred dollars, exclusive of interest, dividends and distributions, royalties, rent, and capital gains, a credit equal to the percentage shown in the table contained in this division of the amount of tax due after allowing for any other credit that precedes the credit under this division in the order required under section 5747.98 of the Revised Code.

(2) The credit to which a taxpayer is entitled under this division in any taxable year is the percentage shown in column B that corresponds with the taxpayer’s adjusted gross income, less exemptions for the taxable year:

A. B.

If the Adjusted Gross Income, Less Exemptions, for the Tax Years Is:	The Credit for the Taxable Year Is:
$25,000 or less	20%
More than $25,000 but not more than $50,000	15%
More than $50,000 but not more than $75,000	10%
More than $75,000	5%

(3) The credit allowed under this division shall not exceed six hundred fifty dollars in any taxable year.

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ORC 5747.054 – Tax Credit Based on Federal Dependent Care Credit

As used in this section, “adjusted gross income” means adjusted gross income as defined in section 5747.01 of the Revised Code.

For taxable years ending on or after January 1, 1988, in addition to all other credits allowed by this chapter, a credit shall be allowed against the tax imposed by section 5747.02 of the Revised Code for taxpayers with adjusted gross income of less than thirty thousand dollars; and, for taxable years beginning on or after January 1, 1993, for taxpayers with adjusted gross income of less than forty thousand dollars. The amount of the credit shall equal twenty-five per cent of the federal dependent care credit for which the taxpayer is eligible for the taxable year under section 21 of the Internal Revenue Code, 26 U.S.C.A. 21 ; except that, for taxable years beginning on or after January 1, 1997, the amount of the credit for a taxpayer with adjusted gross income of less than twenty thousand dollars shall equal the federal credit for which the taxpayer is eligible, in any case without regard to any limitation imposed by section 26 U.S.C.A. 26 of the Internal Revenue Code, 26 U.S.C.A. 26.

The credit allowed by this section shall be claimed in the order required under section 5747.98 of the Revised Code.

Effective Date: 06-30-1997

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ORC 5747.055(B) – Tax Credit for Retirement Income

(B) A credit shall be allowed against the tax imposed by section 5747.02 of the Revised Code for taxpayers who received retirement income during the taxable year. Only one such credit shall be allowed for each return, and the amount of the credit shall be computed in accordance with the following schedule, subject to the limitation provided in division (F) of this section:

Amount of Retirement Income Received During the Taxable Year	Credit for the Taxable Year
$500 or less	$ 0
Over $500 but not more than $1,500	$ 25
Over $1,500 but not more than $3,000	$ 50
Over $3,000 but not more than $5,000	$ 80
Over $5,000 but not more than $8,000	$ 130
Over $8,000	$ 200

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ORC 5747.055(C),(D)&(E) – Tax Credit for Retirement Income

(C) At the election of a taxpayer who receives a lump-sum distribution from a pension, retirement, or profit-sharing plan within one taxable year, the credit allowed by this section for that year shall be computed as follows:

(1) Divide the amount of retirement income received during the taxable year by the taxpayer's expected remaining life on the last day of the taxable year, as shown by annuity tables issued under the provisions of the Internal Revenue Code and in effect for the calendar year that includes the last day of the taxable year;

(2) Using the quotient thus obtained as the amount of retirement income received during the taxable year, compute the credit for the taxable year in accordance with division (B) of this section;

(3) Multiply the credit thus obtained by the taxpayer's expected remaining life. The product thus obtained shall be the credit under this division for the taxable year. A taxpayer who elects to receive a credit under this division is not entitled to receive a credit under this section for any subsequent year except as provided in divisions (D) and (E) of this section.

(D) If the credit under division (C) or (E) of this section exceeds the tax due for the taxable year after allowing for any other credit that precedes that credit in the order required under section 5747.98 of the Revised Code, the taxpayer may elect to receive a credit for each subsequent taxable year. The amount of the credit for each such year shall be computed as follows:

(1) Determine the amount by which the unused credit elected under division (C) or (E) of this section exceeded the tax due for the taxable year after allowing for any preceding credit in the required order;

(2) Divide the amount of such excess by one year less than the taxpayer's expected remaining life on the last day of the taxable year of the distribution for which the credit was allowed under division (C) or (E) of this section. The quotient thus obtained shall be the credit for each subsequent year.

(E) If subsequent to the receipt of a lump-sum distribution and an election under division (C) of this section an individual receives another lump-sum distribution within one taxable year, the taxpayer may elect to receive a credit for that taxable year. The credit shall equal the lesser of:

(1) A credit computed in the manner prescribed in division (C) of this section;

(2) The amount of credit, if any, to which the taxpayer would otherwise be entitled for the taxable year under division (D) of this section times the taxpayer's expected remaining life on the last day of the taxable year. A taxpayer who elects to receive a credit under this division is not entitled to a credit under this section for any subsequent year except as provided in division (D) of this section.

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ORC 5747.056 – Tax Credit for Persons With Ohio AGI of $10,000 or Less

For taxable years beginning in 2005 or thereafter, a credit shall be allowed per return against the tax imposed by section 5747.02 of the Revised Code for a return not filed by an estate or trust that indicates Ohio adjusted gross income less exemptions of ten thousand dollars or less. For taxable years beginning in 2005, the credit shall equal one hundred seven dollars. For taxable years beginning in 2006, the credit shall equal one hundred two dollars. For taxable years beginning in 2007, the credit shall equal ninety-eight dollars. For taxable years beginning in 2008, 2009, or 2010, the credit shall equal ninety-three dollars. For taxable years beginning in 2011 or thereafter, the credit shall equal eighty-eight dollars. The credit shall be claimed in the order required under section 5747.98 of the Revised Code.

Amended by 128th General Assembly File No. 11, HB 318, § 1, eff. 12/22/2009.

Effective Date: 06-30-2005; 03-30-2006

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ORC 5747.058 – Tax Credits to Foster Job Creation or Retention

(A) A refundable income tax credit granted by the tax credit authority under section 122.17 of the Revised Code may be claimed under this chapter, in the order required under section 5747.98 of the Revised Code. For purposes of making tax payments under this chapter, taxes equal to the amount of the refundable credit shall be considered to be paid to this state on the first day of the taxable year. The refundable credit shall not be claimed for any taxable years ending with or following the calendar year in which a relocation of employment positions occurs in violation of an agreement entered into under section 122.171 of the Revised Code.

(B) A nonrefundable income tax credit granted by the tax credit authority under section 122.171 of the Revised Code may be claimed under this chapter, in the order required under section 5747.98 of the Revised Code.

Effective Date: 12-13-2001

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ORC 5747.059 – Tax Credit for Ohio Withholding Tax Paid by One or More Quliafying Pass-Through Entities

(A) This section applies only to reduce the tax imposed by section 5747.02 of the Revised Code.

(B) There is hereby allowed a refundable credit against the tax imposed under section 5747.02 of the Revised Code. This credit shall be equal to the taxpayer's proportionate share of the lesser of either the tax due or the tax paid under section 5733.41 or 5747.41 of the Revised Code by any qualifying entity as defined in section 5733.40 of the Revised Code for the qualifying taxable year of the qualifying entity which ends in the taxable year of the taxpayer.

(C) The taxpayer shall claim the credit for the taxpayer's taxable year in which ends the qualifying entity's qualifying taxable year. For purposes of making tax payments under this chapter, taxes equal to the amount of the credit shall be considered to be paid by the taxpayer to this state on the day that the qualifying entity pays to the treasurer of state the amount due pursuant to section 5733.41 and sections 5747.41 to 5747.453 of the Revised Code with respect to and for the taxpayer.

(D) In claiming the credit and determining the taxpayer's proportionate share of the tax due and the tax paid by any qualifying entity, the taxpayer shall follow the concepts set forth in subchapters J and K of the Internal Revenue Code.

(E) The credit shall be claimed in the order required under section 5747.98 of the Revised Code. If the amount of the credit under this section exceeds the amount of tax otherwise due under section 5747.02 of the Revised Code after deduction of all other credits in that order, the taxpayer is entitled to a refund of the excess.

Effective Date: 06-30-1997

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ORC 5747.08(E) – Filing Income Tax Return

(E) If a husband and wife file a joint federal income tax return for a taxable year, they shall file a joint return under this section for that taxable year, and their liabilities are joint and several, but, if the federal income tax liability of either spouse is determined on a separate federal income tax return, they shall file separate returns under this section.

If either spouse is not required to file a federal income tax return and either or both are required to file a return pursuant to this chapter, they may elect to file separate or joint returns, and, pursuant to that election, their liabilities are separate or joint and several. If a husband and wife file separate returns pursuant to this chapter, each must claim the taxpayer's own exemption, but not both, as authorized under section 5747.02 of the Revised Code on the taxpayer's own return.

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ORC 5747.08(F) – Filing Income Tax Return

(F) Each return or notice required to be filed under this section shall contain the signature of the taxpayer or the taxpayer's duly authorized agent and of the person who prepared the return for the taxpayer, and shall include the taxpayer's social security number. Each return shall be verified by a declaration under the penalties of perjury. The tax commissioner shall prescribe the form that the signature and declaration shall take.

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ORC 5747.08(G) – Filing Income Tax Return

(G) Each return or notice required to be filed under this section shall be made and filed as required by section 5747.04 of the Revised Code, on or before the fifteenth day of April of each year, on forms that the tax commissioner shall prescribe, together with remittance made payable to the treasurer of state in the combined amount of the state and all school district income taxes shown to be due on the form, unless the combined amount shown to be due is one dollar or less, in which case that amount need not be remitted.

Upon good cause shown, the tax commissioner may extend the period for filing any notice or return required to be filed under this section and may adopt rules relating to extensions. If the extension results in an extension of time for the payment of any state or school district income tax liability with respect to which the return is filed, the taxpayer shall pay at the time the tax liability is paid an amount of interest computed at the rate per annum prescribed by section 5703.47 of the Revised Code on that liability from the time that payment is due without extension to the time of actual payment. Except as provided in section 5747.132 of the Revised Code, in addition to all other interest charges and penalties, all taxes imposed under this chapter or Chapter 5748. of the Revised Code and remaining unpaid after they become due, except combined amounts due of one dollar or less, bear interest at the rate per annum prescribed by section 5703.47 of the Revised Code until paid or until the day an assessment is issued under section 5747.13 of the Revised Code, whichever occurs first.

If the tax commissioner considers it necessary in order to ensure the payment of the tax imposed by section 5747.02 of the Revised Code or any tax imposed under Chapter 5748. of the Revised Code, the tax commissioner may require returns and payments to be made otherwise than as provided in this section.

To the extent that any provision in this division conflicts with any provision in section 5747.026 of the Revised Code, the provision in that section prevails.

Back

ORC 5747.08(I) – Filing Income Tax Return

(I) The amounts withheld by the employer pursuant to section 5747.06 of the Revised Code shall be allowed to the recipient of the compensation as credits against payment of the appropriate taxes imposed on the recipient by section 5747.02 and under Chapter 5748. of the Revised Code.

Back

ORC 5747.08(K) – Filing Income Tax Return

(K) The tax commissioner shall ensure that each return required to be filed under this section includes a box that the taxpayer may check to authorize a paid tax preparer who prepared the return to communicate with the department of taxation about matters pertaining to the return. The return or instructions accompanying the return shall indicate that by checking the box the taxpayer authorizes the department of taxation to contact the preparer concerning questions that arise during the processing of the return and authorizes the preparer only to provide the department with information that is missing from the return, to contact the department for information about the processing of the return or the status of the taxpayer's refund or payments, and to respond to notices about mathematical errors, offsets, or return preparation that the taxpayer has received from the department and has shown to the preparer.

Back

ORC 5747.081 – Designating Contribution to Political Party Fund

An individual whose state income tax liability for a tax year is one dollar or more may designate that one dollar be paid into the Ohio political party fund to be divided among qualifying political parties. If a husband and wife who file a joint tax return have a tax liability of two dollars or more, each spouse may designate that one dollar be paid into the fund. The tax commissioner shall provide, on the face of the individual income tax return form, a place where a taxpayer may make the designation authorized in this section. The tax commissioner shall include language informing the taxpayer of the purpose of the designation and indicating that a designation will not increase or decrease the taxpayer's tax liability.

Effective Date: 10-20-1987

Back

ORC 5747.083 – Report or Payment on Use Tax on Personal Income Tax Return

The tax commissioner may not require the taxpayer, as a part of the taxpayer's personal income tax return, to report or pay use tax for any purchase made during the tax year on which the taxpayer has paid any sales tax to this state or any other state at the time of the purchase.

Effective Date: 06-21-2002

Back

ORC 5747.09(A)(3) – Declaration of Estimated Taxes

(A) As used in this section:

(3) “Taxes paid” include payments of estimated taxes made under division (C) of this section, taxes withheld from the taxpayer’s compensation, and tax refunds applied by the taxpayer in payment of estimated taxes.

Back

ORC 5747.09(D)&(E) – Declaration of Estimated Taxes

(D) In the case of any underpayment of estimated taxes, an interest penalty shall be added to the taxes for the tax year at the rate per annum prescribed by section 5703.47 of the Revised Code upon the amount of underpayment for the period of underpayment, unless the underpayment is due to reasonable cause as described in division (E) of this section. The amount of the underpayment shall be determined as follows:

(1) For the first payment of estimated taxes each year, twenty-two and one-half per cent of the tax liability, less the amount of taxes paid by the date prescribed for that payment;

(2) For the second payment of estimated taxes each year, forty-five per cent of the tax liability, less the amount of taxes paid by the date prescribed for that payment;

(3) For the third payment of estimated taxes each year, sixty-seven and one-half per cent of the tax liability, less the amount of taxes paid by the date prescribed for that payment;

(4) For the fourth payment of estimated taxes each year, ninety per cent of the tax liability, less the amount of taxes paid by the date prescribed for that payment.

The period of the underpayment shall run from the day the estimated payment was required to be made to the date on which the payment is made. For purposes of this section, a payment of estimated taxes on or before any payment date shall be considered a payment of any previous underpayment only to the extent the payment of estimated taxes exceeds the amount of the payment presently required to be paid to avoid any penalty.

The interest penalty imposed under division (D) of this section shall be in lieu of any other interest charge or penalty imposed for failure to file an estimated return and make estimated payments as required by this section.

(E) An underpayment of estimated taxes determined under division (D) of this section shall be due to reasonable cause and the interest penalty imposed by this section shall not be added to the taxes for the tax year if either of the following apply:

(1) The amount of tax that was paid equals at least ninety per cent of the tax liability for the current taxable year, determined by annualizing the income received during the year up to the end of the month immediately preceding the month in which the payment is due;

(2) The amount of tax that was paid equals at least one hundred per cent of the tax liability shown on the return of the taxpayer for the preceding taxable year, provided that the immediately preceding taxable year reflected a period of twelve months and the taxpayer filed a return under section 5747.08 of the Revised Code for that year.

The tax commissioner may waive the requirement for filing a declaration of estimated taxes for any class of taxpayers after finding that the waiver is reasonable and proper in view of administrative costs and other factors.

Effective Date: 09-29-2000

Back

ORC 5747.11(A) – Refunds – Interest

(A) The tax commissioner shall refund to employers, qualifying entities, or taxpayers, with respect to any tax imposed under section 5733.41, 5747.02, or 5747.41, or Chapter 5748. of the Revised Code:

(1) Overpayments of more than one dollar;

(2) Amounts in excess of one dollar paid illegally or erroneously;

(3) Amounts in excess of one dollar paid on an illegal, erroneous, or excessive assessment.

Back

ORC 5747.11(A) – Refunds – Interest

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(1) Overpayments of more than one dollar;

(2) Amounts in excess of one dollar paid illegally or erroneously;

(3) Amounts in excess of one dollar paid on an illegal, erroneous, or excessive assessment.

Effective Date: 09-29-1999; 12-31-2006

Back

ORC 5747.15 – Failure to File or Remit Tax – Filing Frivolous, Dilatory or Fraudulent claim

(A) In addition to any other penalty imposed by this chapter or Chapter 5703. of the Revised Code, the following penalties shall apply:

(1) If a taxpayer, qualifying entity, or employer required to file any report or return, including an informational notice, report, or return, under this chapter fails to make and file the report or return within the time prescribed, including any extensions of time granted by the tax commissioner, a penalty may be imposed not exceeding the greater of fifty dollars per month or fraction of a month, not to exceed five hundred dollars, or five per cent per month or fraction of a month, not to exceed fifty per cent, of the sum of the taxes required to be shown on the report or return, for each month or fraction of a month elapsing between the due date, including extensions of the due date, and the date on which filed.

(2) If a taxpayer fails to pay any amount of tax required to be paid under section 5733.41 or Chapters 5747. or 5748. of the Revised Code, except estimated tax under section 5747.09 or 5747.43 of the Revised Code, by the dates prescribed for payment, a penalty may be imposed not exceeding twice the applicable interest charged under division (G) of section 5747.08 of the Revised Code for the delinquent payment.

(3)(a) If an employer fails to pay any amount of tax imposed by section 5747.02 of the Revised Code and required to be paid under this chapter by the dates prescribed for payment, a penalty may be imposed not exceeding the sum of ten per cent of the delinquent payment plus twice the interest charged under division (F)(5) of section 5747.07 of the Revised Code for the delinquent payment.

(b) If a qualifying entity fails to pay any amount of tax imposed by section 5733.41 or 5747.41 of the Revised Code and required to be paid under this chapter by the dates prescribed for payment, a penalty may be imposed not exceeding the sum of ten per cent of the delinquent payment plus twice the applicable interest charged under division (G) of section 5747.08 of the Revised Code for the delinquent payment.

(4)(a) If an employer withholds from employees the tax imposed by section 5747.02 of the Revised Code and fails to remit the tax withheld to the state as required by this chapter on or before the dates prescribed for payment, a penalty may be imposed not exceeding fifty per cent of the delinquent payment.

(b) If a qualifying entity withholds any amount of tax imposed under section 5747.41 of the Revised Code from an individual's qualifying amount and fails to remit that amount to the state as required by sections 5747.42 to 5747.453 of the Revised Code on or before the dates prescribed for payment, a penalty may be imposed not exceeding fifty per cent of the delinquent payment.

(5) If a taxpayer, qualifying entity, or employer files what purports to be a return required by this chapter that does not contain information upon which the substantial correctness of the return may be judged or contains information that on its face indicates that the return is substantially incorrect, and the filing of the return in that manner is due to a position that is frivolous or a desire that is apparent from the return to delay or impede the administration of the tax levied by section 5733.41, 5747.02, or 5747.41, or Chapter 5748. of the Revised Code, a penalty of up to five hundred dollars may be imposed.

(6) If a taxpayer or qualifying entity makes a fraudulent attempt to evade the reporting or payment of the tax required to be shown on any return required under this chapter, a penalty may be imposed not exceeding the greater of one thousand dollars or one hundred per cent of the tax required to be shown on the return.

(7) If any person makes a false or fraudulent claim for a refund under this chapter, a penalty may be imposed not exceeding the greater of one thousand dollars or one hundred per cent of the claim. The penalty imposed under division (A)(7) of this section, any refund issued on the claim, and interest on any refund from the date of the refund, may be assessed under section 5747.13 of the Revised Code as tax, penalty, or interest imposed under section 5733.41, 5747.02, or 5747.41 of the Revised Code, without regard to whether the person making the claim is otherwise subject to the provisions of this chapter or Chapter 5733. of the Revised Code, and without regard to any time limitation for the assessment imposed by division (A) of section 5747.13 of the Revised Code.

(B) For purposes of this section, the taxes required to be shown on the return shall be reduced by the amount of any part of the taxes paid on or before the date, including any extensions of the date, prescribed for filing the return.

(C) Any penalty imposed under this section shall be in addition to all other penalties imposed under this section. All or part of any penalty imposed under this section may be abated by the commissioner. All or part of any penalty imposed under this section may be abated by the commissioner if the taxpayer, qualifying entity, or employer shows that the failure to comply with the provisions of this chapter is due to reasonable cause and not willful neglect.

Effective Date: 12-21-2000

Back

ORC 5747.17 – Maintaining Records

The tax commissioner may prescribe requirements as to the keeping of records and other pertinent documents, and the filing of copies of federal income tax returns and determinations. The commissioner may require any person, by rule or notice served on such person, to keep such records as the commissioner determines necessary to show whether or not such person is liable, and the extent of liability, under this chapter or Chapter 5748. of the Revised Code, for tax or for the withholding of tax. Such records and other documents shall be open to the commissioner's inspection during business hours and shall be preserved for a period of four years unless the commissioner, in writing, consents to their destruction within that period, or by order requires that they be kept longer.

Effective Date: 11-15-1981

Back

ORC 5747.113 – Income Tax Refund Contribution System

(A) Any taxpayer claiming a refund under section 5747.11 of the Revised Code for taxable years ending on or after October 14, 1983, who wishes to contribute any part of the taxpayer's refund to the natural areas and preserves fund created in section 1517.11 of the Revised Code, the nongame and endangered wildlife fund created in section 1531.26 of the Revised Code, the military injury relief fund created in section 5101.98 of the Revised Code, or all of those funds, may designate on the taxpayer's income tax return the amount that the taxpayer wishes to contribute to the fund or funds. A designated contribution is irrevocable upon the filing of the return and shall be made in the full amount designated if the refund found due the taxpayer upon the initial processing of the taxpayer's return, after any deductions including those required by section 5747.12 of the Revised Code, is greater than or equal to the designated contribution. If the refund due as initially determined is less than the designated contribution, the contribution shall be made in the full amount of the refund. The tax commissioner shall subtract the amount of the contribution from the amount of the refund initially found due the taxpayer and shall certify the difference to the director of budget and management and treasurer of state for payment to the taxpayer in accordance with section 5747.11 of the Revised Code. For the purpose of any subsequent determination of the taxpayer's net tax payment, the contribution shall be considered a part of the refund paid to the taxpayer.

(B) The tax commissioner shall provide a space on the income tax return form in which a taxpayer may indicate that the taxpayer wishes to make a donation in accordance with this section. The tax commissioner shall also print in the instructions accompanying the income tax return form a description of the purposes for which the natural areas and preserves fund , the nongame and endangered wildlife fund, and the military injury relief fund were created and the use of moneys from the income tax refund contribution system established in this section. No person shall designate on the person's income tax return any part of a refund claimed under section 5747.11 of the Revised Code as a contribution to any fund other than the natural areas and preserves fund, the nongame and endangered wildlife fund, the military injury relief fund or all of those funds.

(C) The money collected under the income tax refund contribution system established in this section shall be deposited by the tax commissioner into the natural areas and preserves fund , the nongame and endangered wildlife fund, and the military injury relief fund in the amounts designated on the tax returns.

(D) No later than the thirtieth day of September each year, the tax commissioner shall determine the total amount contributed to each fund under this section during the preceding eight months, any adjustments to prior months, and the cost to the department of taxation of administering the income tax refund contribution system during that eight-month period. The commissioner shall make an additional determination no later than the thirty-first day of January of each year of the total amount contributed to each fund under this section during the preceding four calendar months, any adjustments to prior years made during that four-month period, and the cost to the department of taxation of administering the income tax contribution system during that period. The cost of administering the income tax contribution system shall be certified by the tax commissioner to the director of budget and management, who shall transfer an amount equal to one-third of such administrative costs from the natural areas and preserves fund , one-third of such costs from the nongame and endangered wildlife fund, and one-third of such costs from the military injury relief fund to the litter control and natural resource tax administration fund, which is hereby created, provided that the moneys that the department receives to pay the cost of administering the income tax refund contribution system in any year shall not exceed two and one-half per cent of the total amount contributed under that system during that year.

(E)(1) The director of natural resources, in January of every odd-numbered year, shall report to the general assembly on the effectiveness of the income tax refund contribution system as it pertains to the natural areas and preserves fund and the nongame and endangered wildlife fund. The report shall include the amount of money contributed to each fund in each of the previous five years, the amount of money contributed directly to each fund in addition to or independently of the income tax refund contribution system in each of the previous five years, and the purposes for which the money was expended.

(2) The director of job and family services, in January of every odd-numbered year, shall report to the general assembly on the effectiveness of the income tax refund contribution system as it pertains to the military injury relief fund. The report shall include the amount of money contributed to the fund in each of the previous five years, the amount of money contributed directly to the fund in addition to or independently of the income tax refund contribution system in each of the previous five years, and the purposes for which the money was expended.

Effective Date: 02-11-1988; 06-30-2005

Back

ORC 5747.24 – Presumption of Domicile

This section is to be applied solely for the purposes of Chapters 5747. and 5748. of the Revised Code.

(A) As used in this section :

(1) An individual "has one contact period in this state" if the individual is away overnight from the individual's abode located outside this state and while away overnight from that abode spends at least some portion, however minimal, of each of two consecutive days in this state.

(2) An individual is considered to be "away overnight from the individual's abode located outside this state" if the individual is away from the individual's abode located outside this state for a continuous period of time, however minimal, beginning at any time on one day and ending at any time on the next day.

(B) (1) Except as provided in division (B)(2) of this section, an individual who during a taxable year has no more than one hundred eighty-two contact periods in this state, which need not be consecutive, and who during the entire taxable year has at least one abode outside this state, is presumed to be not domiciled in this state during the taxable year if, on or before the fifteenth day of the fourth month following the close of the taxable year, the individual files with the tax commissioner, on the form prescribed by the commissioner, a statement from the individual verifying that the individual was not domiciled in this state under this division during the taxable year. In the statement, the individual shall verify both of the following:

(a) During the entire taxable year, the individual was not domiciled in this state;

(b) During the entire taxable year, the individual had at least one abode outside this state. The individual shall specify in the statement the location of each such abode outside this state.

The presumption that the individual was not domiciled in this state is irrebuttable unless the individual fails to timely file the statement as required or makes a false statement. If the individual fails to file the statement as required or makes a false statement, the individual is presumed under division (C) of this section to have been domiciled in this state the entire taxable year.

In the case of an individual who dies before the statement would otherwise be due, the personal representative of the estate of the deceased individual may comply with this division by making to the best of the representative's knowledge and belief the statement under division (B)(1) of this section with respect to the deceased individual, and filing the statement with the commissioner within the later of the date the statement would otherwise be due or sixty days after the date of the individual's death.

An individual or personal representative of an estate who knowingly makes a false statement under division (B)(1) of this section is guilty of perjury under section 2921.11 of the Revised Code.

(2) Division (B) of this section does not apply to an individual changing domicile from or to this state during the taxable year. Such an individual is domiciled in this state for that portion of the taxable year before or after the change, as applicable.

(C) An individual who during a taxable year has fewer than one hundred eighty-three contact periods in this state, which need not be consecutive, and who is not irrebuttably presumed under division (B) of this section to be not domiciled in this state with respect to that taxable year, is presumed to be domiciled in this state for the entire taxable year, except as provided in division (B)(2) of this section. An individual can rebut this presumption for any portion of the taxable year only with a preponderance of the evidence to the contrary. An individual who rebuts the presumption under this division for any portion of the taxable year is presumed to be domiciled in this state for the remainder of the taxable year for which the individual does not provide a preponderance of the evidence to the contrary.

(D) An individual who during a taxable year has at least one hundred eighty-three contact periods in this state, which need not be consecutive, is presumed to be domiciled in this state for the entire taxable year, except as provided in division (B)(2) of this section. An individual can rebut this presumption for any portion of the taxable year only with clear and convincing evidence to the contrary. An individual who rebuts the presumption under this division for any portion of the taxable year is presumed to be domiciled in this state for the remainder of the taxable year for which the individual does not provide clear and convincing evidence to the contrary.

(E) If the tax commissioner challenges the number of contact periods an individual claims to have in this state during a taxable year, the individual bears the burden of proof to verify such number, by a preponderance of the evidence. An individual challenged by the commissioner is presumed to have a contact period in this state for any period for which the individual does not prove by a preponderance of the evidence that the individual had no such contact period.

Effective Date: 12-21-2000; 04-04-2007

Back

ORC 5747.27 – Credit for Displaced Worker Who Pays for Job Training to Enhance Ability to Get New Job

As used in this section, “displaced worker” means an individual who has lost or left his job due to the closing or moving of the facility at which he was employed or the abolishment of his position or shift at that facility and who has not obtained another job at which he works more than twenty hours a week.

A nonrefundable credit is allowed against the tax imposed under section 5747.02 of the Revised Code for a displaced worker who pays for job training to enhance his ability to get a new job. The amount of the credit equals the lesser of five hundred dollars or fifty per cent of the amount paid for job training during the twelve-month period beginning when he loses or leaves his job and becomes displaced. However, if the worker receives reimbursement for his job training expenses from any source, the amount of the credit equals the lesser of five hundred dollars or fifty per cent of the amount obtained by subtracting the reimbursement from the amount paid for job training during that twelve-month period. The credit shall be claimed for the taxable year in which the worker pays for the job training. If the twelve-month period after he loses or leaves his job extends over two taxable years and the worker pays for job training in both those taxable years, the worker may claim the credit for both those taxable years, but the aggregate amount claimed shall not exceed five hundred dollars. The worker shall claim the credit in the order required under section 5747.98 of the Revised Code. The credit for a taxable year shall not exceed the worker’s tax liability for that year after allowing for any other credit that precedes the credit under this section in that order.

Effective Date: 07-22-1994

Back

ORC 5747.29 – Contributions of Money to Candidates for Statewide Office or Member of General Assembly

A nonrefundable credit is allowed against the tax imposed by section 5747.02 of the Revised Code for contributions of money made to the campaign committee of candidates for any of the following public offices: governor, lieutenant governor, secretary of state, auditor of state, treasurer of state, attorney general, member of the state board of education, chief justice of the supreme court, justice of the supreme court, or member of the general assembly. The amount of the credit for a taxable year equals the lesser of the combined total contributions made during the taxable year by each taxpayer filing a return required to be filed under section 5747.08 of the Revised Code or the amount of fifty dollars, in the case of an individual return, or one hundred dollars, in the case of a joint return.

As used in this section:

(A) “Candidate” has the same meaning as in division (B)(3) of section 3517.01 of the Revised Code, but is limited to candidates for the public offices specified in this section.

(B) “Contribution” has the same meaning as in division (B)(5) of section 3517.01 of the Revised Code, but is limited to contributions of money only.

The taxpayer shall claim the credit in the order required under section 5747.98 of the Revised Code. The credit for a taxable year shall not exceed the tax otherwise due for that year after allowing for any other credits that precede the credit under this section in that order.

Effective Date: 08-23-1995

Back

ORC 5747.37 – Credit for Legally Adopted Minor Child

(A) “Minor child” means a person under eighteen years of age.

(B) “Legally adopt” means to adopt a minor child pursuant to Chapter 3107. of the Revised Code, or pursuant to the laws of any other state or nation if such an adoption is recognizable under section 3107.18 of the Revised Code. For the purposes of this section, a minor child is legally adopted when the final decree or order of adoption is issued by the proper court under the laws of the state or nation under which the child is adopted, or, in the case of an interlocutory order of adoption, when the order becomes final under the laws of the state or nation. “Legally adopt” does not include the adoption of a minor child by the child’s stepparent.

There is hereby granted a credit against the tax imposed by section 5747.02 of the Revised Code for the legal adoption by a taxpayer of a minor child. The amount of the credit shall be one thousand five hundred dollars for each minor child legally adopted by the taxpayer. The taxpayer shall claim the credit for each child beginning with the taxable year in which the child was legally adopted. If the sum of the credit to which the taxpayer would otherwise be entitled under this section is greater than the tax due under section 5747.02 of the Revised Code for that taxable year after allowing for any other credits that precede the credit under this section in the order required under section 5747.98 of the Revised Code, such excess shall be allowed as a credit in each of the ensuing two taxable years, but the amount of any excess credit allowed in any such taxable year shall be deducted from the balance carried forward to the ensuing taxable year. The credit shall be claimed in the order required under section 5747.98 of the Revised Code. For the purposes of making tax payments under this chapter, taxes equal to the amount of the credit shall be considered to be paid to this state on the first day of the taxable year.

Effective Date: 08-19-1999; 2007 SB20 08-30-2007

Back

ORC 5747.66 – Credit for Any Individual Who is the Certificate Owner of a Tax Credit Certificate

(A) Any term used in this section has the same meaning as in section 122.85 of the Revised Code.

(B) There is allowed a credit against the tax imposed by section 5747.02 of the Revised Code for any individual who, on the last day of the individual's taxable year, is the certificate owner of a tax credit certificate issued under section 122.85 of the Revised Code. The credit shall be claimed for the taxable year that includes the date the certificate was issued by the director of development. The credit amount equals the amount stated in the certificate. The credit shall be claimed in the order required under section 5747.98 of the Revised Code. If the credit amount exceeds the tax otherwise due under section 5747.02 of the Revised Code after deducting all other credits in that order, the excess shall be refunded.

Nothing in this section limits or disallows pass-through treatment of the credit.

Added by 128th General Assembly File No. 9, HB 1, § 101.01, eff. 10/16/2009.

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ORC 5747.76 – Refundable Income Tax Credit for Owner of R.C. 149.311 Certificate

(A) As used in this section, “certificate owner” has the same meaning as in section 149.311 of the Revised Code.

(B) There is allowed a credit against the tax imposed under section 5747.02 of the Revised Code for a taxpayer that is the certificate owner of a rehabilitation tax credit certificate issued under section 149.311 of the Revised Code. The credit shall equal twenty-five per cent of the dollar amount indicated on the certificate, but the amount of credit allowed for any taxpayer shall not exceed five million dollars. The credit shall be claimed for the taxable year specified in the certificate and in the order required under section 5747.98 of the Revised Code.

(C) Nothing in this section limits or disallows pass-through treatment of the credit if the certificate owner is a pass-through entity. If the certificate owner is a pass-through entity, the amount of the credit allowed for the pass-through entity shall not exceed five million dollars. If the certificate owner is a pass-through entity, the credit may be allocated among the entity’s equity owners in proportion to their ownership interests or in such proportions or amounts as the equity owners mutually agree.

(D) If the credit allowed for any taxable year exceeds the tax otherwise due under section 5747.02 of the Revised Code, after allowing for any other credits preceding the credit in the order prescribed by section 5747.98 of the Revised Code, the excess shall be refunded to the taxpayer but, if any amount of the credit is refunded, the sum of the amount refunded and the amount applied to reduce the tax otherwise due for that year shall not exceed three million dollars or, if the certificate owner is a pass-through entity, shall not exceed the taxpayer’s distributive or proportionate share, as allocated under division (C) of this section, of three million dollars. The taxpayer may carry forward any balance of the credit in excess of the amount claimed for that year for not more than five ensuing taxable years, and shall deduct any amount claimed for any such year from the amount claimed in an ensuing year.

(E) A taxpayer claiming a credit under this section shall retain the rehabilitation tax credit certificate for four years following the end of the taxable year to which the credit was applied, and shall make the certificate available for inspection by the tax commissioner upon the request of the tax commissioner during that period.

Amended by 128th General Assembly File No. 9, HB 1, § 101.01, eff. 10/16/2009.

Effective Date: 04-04-2007; 2008 HB554 06-12-2008

See 128th General Assembly File No. 9, HB 1, §803.20.

Back

Servicemembers Civil Relief Act Section 511(b) – Residence for Tax Purposes

(b) MILITARY SERVICE COMPENSATION – Compensation of a servicemember for military service shall not be deemed to be income for services performed or from sources within a tax jurisdiction of the United States if the servicemember is not a resident or domiciliary of the jurisdiction in which the servicemember is serving in compliance with military orders.

Back

Servicemembers Civil Relief Act section 511(d) – Residence for Tax Purposes

(d) INCREASE OF TAX LIABILITY – A tax jurisdiction may not use the military compensation of a nonresident servicemember to increase the tax liability imposed on other income earned by the nonresident servicemember or spouse subject to tax by the jurisdiction.

Back

Tax Commissioner Rule 5703-7-09 – Taxpayers Reporting of School District of Residence

Pursuant to Section 5747.04 of the Revised Code, as amended by Am. Sub. S.B. No. 170 of the 111th General Assembly and the decision in *State, ex rel. Akron Edn. Assn. v. Essex,* 47 Ohio St. 2d 47 (July 14, 1976), each taxpayer required by Chapter 5747., Revised Code, to file an annual Ohio income tax return shall indicate thereon the public school district in which the taxpayer resides.

The appropriate public school district shall be indicated on the return by the taxpayer by the use of a number for such public school district as designated by the Tax Commissioner and reflected in the instructions to the return.

Taxpayers who file a joint return but reside in different public school districts shall report the public school district of the spouse earning the majority of the income.

Resident taxpayers who have moved from one location in Ohio to another location in Ohio during the year shall indicate the public school district in which they resided when the majority of income was earned.

Partial year taxpayers who have moved into or out of Ohio during the year shall indicate the Ohio public school district in which they resided while in Ohio.

Taxpayers who were not residents of Ohio during the year shall indicate such nonresidence in accordance with the instructions to the return.

Effective: 9-15-76 as TX-47-09

Promulgated under: 5703.14

Back

Tax Commissioner Rule 5703-7-16 – Determination of Resident Status

(A) The following factors shall not be considered in making a determination of an individual's domicile under division (c) or (d) of section 5747.24 of the Revised Code:

(1) The location of financial institutions in which the individual or the individual's spouse have any accounts, including, but not limited to, checking, savings, certificates of deposit, or individual retirement accounts.

(2) The location of issuers of credit cards to the individual or the individual's spouse or any other persons making installment loans to the individual or the individual's spouse.

(3) The location of institutional lenders which have made loans to or loans which are guaranteed by the individual or the individual's spouse.

(4) The location of investment facilities, brokerage firms, realtors, financial advisors or consultants used by the individual or the individual's spouse.

(5) The location of either the insurance company that issued or the insurance agent that sold any policy of insurance to the individual or the individual's spouse including, but not limited to, life, health, disability, automobile, or homeowner's insurance.

(6) The location of law firms, accounting firms, and similar professionals utilized by the individual or the individual's spouse for legal, tax, accounting, financial, or retirement services.

(7) The location of physicians, dentists, osteopaths, optometrists, or other health care providers, or veterinarians utilized by the individual or the individual's spouse.

(8) The location of organizations described in section 501(c) of the Internal Revenue Code, except organizations described in paragraphs (2), (7), and (10) of that section, to which the individual or the individual's spouse make contributions or other payments or in which they participate as a congregant, member, board member, committee member, adviser, or consultant provided that participation does not exceed attendance at more than twelve meetings or functions of any one such organization during a calendar year.

(9) The location of funeral facilities or the burial plot of the individual or the individual's spouse.

(10) The location of business ventures or business entities in which the individual or the individual's spouse hold board membership unless the individual or the individual's spouse exercise significant control, either individually or jointly, over the affairs of the entity. An individual or individual's spouse exercises significant control, either jointly or individually, over the affairs of a corporation if he or she owns more than five percent of the stock in or five percent of the value of such corporation including constructive ownership as defined in section 1563(e) of the Internal Revenue Code. An individual or individual's spouse exercises significant control, either individually or jointly, over the affairs of a partnership or limited liability company or other business entity or business venture if he or she owns more than a five percent interest in the capital or profits of the partnership, limited liability company, or other business entity or business venture applying constructive ownership principles parallel to those in section 1563(e) of the Internal Revenue Code.

(11) The location, place of business, or place of organization or incorporation of a corporation, partnership, limited liability company, or other business entity or business venture in which the individual or the individual's spouse is a shareholder or limited partner unless the individual or the individual's spouse exercises significant control, either individually or jointly, over the affairs of the corporation, partnership, limited liability company, or other business entity or business venture as defined in paragraph (A)(10) of this rule.

(12) The recitation of residency or domicile in a will, trust, or other estate planning document.

(13) The location of the individual's friends, dependents as defined in section 152 of the Internal Revenue Code, and family members other than his or her spouse, if not legally separated from his or her spouse under a decree of divorce or separate maintenance as provided in section 7703(a)(2) of the Internal Revenue Code.

(14) The location of educational institutions attended by the individual's dependents as defined in section 152 of the Internal Revenue Code, unless those dependents pay tuition at that educational institution based on the residency of the individual or the individual's spouse in the state where the educational institution is located.

(15) The location of trustees, executors, guardians, or other fiduciaries named in estate planning documents of the individual or the individual's spouse.

(16) The location of a business at which the individual or the individual's spouse makes purchases of tangible personal property.

(17) The location where the individual married.

(18) The location or identity of recipients of political contributions made by the individual or the individual's spouse.

(B) The following factors may be considered in making a determination of an individual's domicile under division (C) or (D) of section 5747.24 of the Revised Code:

(1) The number of contact periods (determined under paragraph (C) of this rule) which the individual has in Ohio.

(2) The individual's activities in tax years other than the tax year or years at issue.

(3) Any other fact the tax commissioner deems relevant, excepting those set forth in paragraph (A) of this rule.

(C)(1) If the tax commissioner challenges the number of contact periods an individual claims to have in this state during a taxable year, the individual bears the burden of proof to verify such number, by a preponderance of the evidence. An individual challenged by the tax commissioner is presumed to have a contact period in this state for any period for which he or she does not prove by a preponderance of the evidence that he or she had no such contact period.

(2) An individual can support his or her claim of the number of contact periods in this state by oral or written statements or by writings or recordings. The absence of writings or recordings shall not prevent the individual from supporting his or her claims of the number of contact periods and meeting the individual's burden of proof, but such evidence shall be subject to review for veracity and credibility for determining whether the individual has met the burden of proof.

(3) The tax commissioner can request that any statement offered by the individual be made under penalty of perjury, and any such statement which the individual cannot or will not make under penalty of perjury shall be given no weight and shall not be considered by the tax commissioner as evidence which would otherwise allow the individual to meet or help meet the individual's burden of proof.

(D) If the tax commissioner challenges the number of contact periods an individual claims to have in this state during the taxable year, the type of writings or recordings that an individual can submit to support a claim that he or she did not have a contact period or contact periods in this state includes the following:

(1) Credit card or cash receipts;

(2) Personal diaries, calendars or expense reports for business travel;

(3) Written statements of the individual or others having knowledge of the facts;

(4) Mail forwarding;

(5) Transportation tickets or receipts, travel vouchers, logs of airplanes, yachts, or other means of transportation;

(6) Personal checks;

(7) Payroll records;

(8) Evidence of use of club facilities;

(9) Utility shut-off or disconnect statements or telephone bills;

(10) Photographs and videotape;

(11) Health care practitioner statements;

(12) Attendance records of schools;

(13) Minutes of meetings of any business or other organization;

(14) Voting records and other public records;

(15) Armed services records; and

(16) Any other writings or recordings tending to show the physical whereabouts of the individual.

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Promulgated under: 5703.14

Authorized by: 5703.05, section 3 of S.B. 123 (120th G.A.)

Amplifies: 5747.01, 5747.24, 5747.25, 5748.01