

The following bills, listed in numerical order, were enacted by the General Assembly during fiscal year 2000.

HOUSE BILLS

Am. Sub. House Bill 4; effective October 14, 1999, **Personal Income Tax**

R.C. 5747.01 - Creates income tax deductions for medical expenses, in excess of 7.5 percent of Federal Adjusted Gross Income, for qualified long-term care insurance expenses and medical insurance expenses for taxpayers who are ineligible for employer-sponsored health insurance.

Sub. House Bill 27; effective September 24, 1999, **Personal Property Tax**

R.C. 5723.06, 5709.61, Uncodified Section 3 - Temporarily provides for a limited abatement of property taxes and penalties and interest owed that would have been exempt except for failure to comply with certain procedures. Prohibits sales of forfeited land to delinquent taxpayers. Extends the Enterprise Zone program to certain qualified electric generating peaking units.

Sub. House Bill 59; effective October 29, 2000, **Estate Tax**

R.C. 1340, and 2103 - Various changes to probate law.

Am. House Bill 78; effective March 17, 2000, **Corporate Franchise Tax**

R.C. Chapter 1701 - Modifies general corporation law including modifications for the formation of a corporation.

Am. House Bill 99; effective September 29, 1999, **Personal Income Tax**

R.C. 5747.032 - A taxpayer receiving a refund above the amount that was requested is not subject to interest or penalties if reimbursement is made to the state within 30 days after notification of the overpayment.

Sub. House Bill 152; effective September 21, 2000, **Public Utility Excise Tax**

R.C. 4931.40, 4931.44, 4931.49, 4931.50 to 4931.54

Provides for a monthly charge not exceeding fifty cents on telephone access lines to fund the operating and equipment costs of establishing and maintaining no more than one public safety answering point of a county wide 9-1-1 system that previously lacked funding.

Am. Sub. House Bill 163; effective July 1, 1999, **Motor Fuel and Sales Tax**

R.C. 5735.051, 5739, and 5741 - Increases from 0.5 to 0.75 percent the proportion of motor vehicle fuel tax that is allocated to the Waterways Safety Fund. Clarifies exemption for the sales of used manufactured and mobile homes, granted in Senate Bill 142 (122nd General Assembly), is effective for sales made on or after January 1, 2000.

Am. House Bill 194; effective November 24, 1999, **Real Property Tax**

R.C. Section 5709.12 (E) - Exempts from taxation certain real property held by a nonprofit organization that is organized and operated exclusively for charitable purposes and exempted from federal income taxation under Internal Revenue Code section 501. The purpose of the organization must be to construct or rehabilitate residences for eventual transfer to qualified low-income families through sale, lease, or land installment contract.

Sub. House Bill 262; effective June 8, 2000, **General Provisions**

R.C. 5727.391, 5733.39, 5703.55 and 5705.28 - Prohibits the Department of Taxation from putting social security numbers on the outside of materials mailed to taxpayers, makes changes to the law regarding the adoption of a tax budget by taxing units that do not levy taxes, and allows the Ohio coal tax credit to be taken for additional compliance facilities.

**Am. Sub. House Bill 283; effective July 1, 1999,
Corporate Franchise Tax**

R.C. 5733.05, 5733.33, 5733.351, 5733.39, 5733.42, Temporary Law Section 177, and Temporary Law Section 178 - Excludes the value of land devoted exclusively to agriculture from the taxpayer's computation of net worth. Extends the period for making qualifying purchases for purposes of the manufacturing investment tax credit, from January 1, 2001 through December 31, 2005. Allows the credit to be taken when the property is sold or otherwise removed from Ohio before the end of the seven years, if such property has been fully depreciated for federal income tax purposes. Requires that the calculation of thresholds and investment increases include all related members. Grants a nonrefundable tax credit equal to seven percent of the excess of qualified research expenses incurred during the taxable year over the taxpayer's average annual qualified research expenses incurred in the state for the three preceding taxable years. Grants a nonrefundable tax credit to railroad companies for the cost of maintaining active grade crossing warning devices in Ohio. The credit is equal to the lesser of \$200 or 10 percent of the annual maintenance cost of each device. Allows a nonrefundable tax credit for one-half of the direct instructional costs of training employees that exceed the taxpayer's average annual training costs for the three preceding years. Credits cannot exceed \$500 for each eligible employee.

**Am. Sub. House Bill 313; effective August 29, 2000,
Estate Tax**

R.C. 319.54(F)(3), 1339.411, 1339.68, 2101, 2106, 2107, 2113, 2113.031(E), 2113.61(A)(2), and 5731.21 - Permits the transfer of titled assets of a decedent to certain persons who pay or are obligated to pay the decedent's funeral expenses; and permits an owner of an interest in real property to designate on a deed one or more beneficiaries to take title to the interest upon the death of the grantee under the deed without having to go through probate.

**Am. House Bill 384, Effective November 24, 1999,
Corporate Franchise Tax**

R.C. 5733.39 - Increases the Ohio coal credit from \$1 to \$3 per ton of coal burned in a coal-fired electric generating unit. The credit applies only to coal used between May 1, 2001 and December 31, 2004. The credit may be claimed beginning in tax year 2002. Also removes certain restrictions contained in Senate Bill 3 that require a minimum percentage of the coal used in an electric generating unit be Ohio coal.

**Sub. House Bill 417; effective September 21, 2000,
Real Property Tax**

R.C. 511.18, 511.19, 511.20, 511.21, 511.22, 511.23, 511.234, 511.241, 511.25, 511.27, 511.30, 511.37, 755.16, and 5705.19 - Revises township park district law, including allowing a combined tax levy for recreational purposes and greenspace.

**Sub. House Bill 477; effective September 26, 2000,
Municipal Income Tax**

R.C. Chapter 718, Sections 733.85, and 5703.49 - Modifies the authority of municipal corporations to impose income taxes by creating a bright-line test for non-resident employers and individuals as to when they owe tax to a municipality.

**Sub. House Bill 483; effective September 21, 2000,
Sales Tax & Municipal Income Tax**

R.C. 113.061, 718.01, 718.011, 718.02, 718.08, 5703.053, 5703.19, 5703.21, 5745.01-03, 5745.031, 5745.04, 5745.041, and 5745.05-16 - Prescribes a uniform set of procedures and remedies regarding municipal taxation of electric light company income; provides for the collection of municipal taxes on those companies by the state; and authorizes the tax commissioner to discuss with other states the development of a system to collect and administer sales and use taxes from remote sellers. Sets uniform procedures for municipal taxation of electric utility companies after deregulation.

Sub. House Bill 484; effective October 5, 2000, Personal Income Tax & Corp. Franchise Tax

R.C. 5733.44, 5733.98, 5747.38, and 5747.98 - Grants tax credits to farms and farmers up to \$1,000 for the cost of equipping existing multi-wheel agricultural tractors with the required lights and reflectors.

Sub. House Bill 544; effective June 14, 2000, Real Property Tax

R.C. 9.44, 124.13, 124.38, 303.99, 325.19, 504.11, 519.99, 711.10, 713.22, and 5555.46 - Extends the period property owners may pay special assessments for county road improvements from 10 to 20 years.

Sub. House Bill 589; effective October 17, 2000, Property Tax

R.C. 3317.01, 3317.021, 3317.025, 5709.61, 5727.08, 5727.47, and 5727.471 - Requires public utilities to pay only the undisputed portion of property taxes if the utility disputes the tax commissioner's valuation; provides for notification of any disputes to be given to county auditors and affected taxing districts; and allows electricity generation plants and equipment to be exempted from taxation under the enterprise zone law even if they operate during non-peak periods and for more than one-half of a year.

House Bill 612; effective September 29, 2000, General Provisions — Various sections

Authorizes the electronic filing of certain documents; changes the appeal period between the Department of Taxation and the Board of Tax Appeals from 30 days to 60 days; extends the time for filing petitions for reassessments; makes various charges and penalties discretionary rather than mandatory; changes the method of service of notices by the tax commissioner; authorizes the use of delivery services other than the postal service for delivery of certain documents; authorizes the tax commissioner to designate electronic signatures/filings; authorizes the requirement of 'rounding'; and makes other changes related to the administration of the tax laws by the Department of Taxation. [Changes

specific to the various tax programs are mentioned in the respective sections.]

Am. Sub. House Bill 640; effective June 15, 2000, Property Tax, Public Utility and Public Utility Excise and Sales Tax

R.C. 5727.01, 5727.03, 5727.111, 5727.15, 5727.24-31, 5727.311, 5727.32, 5727.33, 5727.38, 5727.42, 5727.60, 5733.33, 5735.05, 5735.23, 5739.02, 5743.02, 5743.023, 5743.32, 5743.322, and 5747.31 - Resolves effective date issues created by simultaneous changes to the public utility excise tax law by Am. Sub. H.B. 283 and Am. Sub. S.B. 3 of the 123rd General Assembly. Exempts from the sales tax machinery, equipment, and supplies used to make labels or packages, to prepare packages or products for labeling, or to label packages or products. Changes the ownership threshold that triggers the manufacturing machinery and equipment consolidated credit requirement.

SENATE BILLS

Am. Sub. Senate Bill 3; Various Effective Dates Corporate Franchise, Personal Income and Personal Property Tax

R.C. 4905 (multiple), 4933 (multiple), 5727 (multiple), 5117 (multiple), 5711.22, 5733.05, 5733.09, 5733.39, 5739.011, 5739.02, 5747.31 (multiple) and Temporary Law Section 12 - Electric companies are made subject to corporation franchise tax beginning in tax year 2002. Stipulates the method to situs sales of electricity to this state, and provides a method of apportioning sales of electric transmission and distribution services to this state. Effective in tax year 2002, a non-refundable tax credit is allowed for Ohio coal used in coal-fired electric generating units, under certain conditions. The credit equals one dollar per ton of Ohio coal burned. Makes various changes to sales tax law to accommodate electric utility deregulation, effective May 1, 2001. Reduces the assessment rate on electrical generating equipment from the current 100 percent to 25 percent in tax year 2002.

**Am. Senate Bill 4; effective August 19, 1999,
Personal Income Tax**

R.C. 5747.37 - Creates a \$500 non-refundable income tax credit for adoption expenses. Qualifying adoptions do not include the adoption of step-children.

**Am. Sub. Senate Bill 6; effective August 15, 1999,
Real Property Tax**

R.C. 323.151 and 323.152 - Exempts from the calculation of income disability benefits that converted to old age benefits when the applicant reached age 65, if the applicant had previously qualified as permanently and totally disabled.

**Am. Senate Bill 41; effective September 27, 1999,
Real Property Tax**

R.C. 322.07 - Permits a Board of County Commissioners to charge a lower real estate transfer fee for homestead exemption qualifiers than for other taxpayers.

**Sub. Senate Bill 108; effective September 29, 2000,
Estate Tax**

R.C. 5731, 5731.02(B), 5731.14, 5731.20, 5731.47, 5731.48, and Uncodified Section 3 - Reduces the estate tax by increasing the credit amount; exempts the value of family-owned businesses from the estate tax when such a business passes to family members; reduces the share of the estate tax paid to the state; and specifies that a trustee of a trust qualifying for the estate tax marital deduction has a duty to annually distribute income from an IRA to the surviving spouse.

**Am. Sub. Senate Bill 161; effective June 08, 2000,
Personal Income Tax**

R.C. Chapter 3334, Sections. 5747.01, and 5747.70

Requires the Ohio Tuition Trust Authority to establish a variable college savings program; allows a tax deduction of up to \$2,000 per beneficiary for purchases of tuition credits and contributions to variable college savings program accounts; and provides for taxation of amounts previously deducted if such amounts are not distributed or refunded for specified purposes.

**Senate Bill 221; effective July 26, 2000,
Energy Credit Program**

R.C. 5117.01 - Maintains the disability deduction for certain elderly persons who previously qualified for the Energy Credit Program on the basis of their disability. This begins with the 2000/2001 heating season.

**Sub. Senate Bill 245; effective March 30, 2000,
Public Utility Personal Prop. & Real Prop. Tax**

R.C. 5117.071, 5705.34, 5727.84, and 5727.85 - Corrects certain several property tax replacement revenue provisions created in Am. Sub. S.B. 3.

**Am. Sub. S.B. 272; effective September 14, 2000,
Real Property Tax**

R.C. Chapter 3317, and 3318 - Permits school districts to levy more than one-half mill for maintenance; requires the tax levy for maintenance be "not less than one-half mill" for a specific period of 23 years; provides a special exception to the maintenance tax requirement for school districts where the tax would raise only a small amount of money; and school districts are not required to levy the maintenance if the Department of Taxation estimates that the tax during the first 12-month period of collection would raise less than 10% of the amount that the district is required to deposit.