



Ohio Revised Code

Section 5745.06 Nonrefundable credit for tax due from or paid by qualifying pass-through entity.

Effective: January 1, 2001

Legislation: House Bill 483 - 123rd General Assembly

(A) As used in this section:

(1) "Qualifying pass-through entity" means a pass-through entity, as defined in section 5733.04 of the Revised Code, that is a taxpayer under this chapter.

(2) "Qualifying taxpayer" means a taxpayer, that, during any portion of the taxable year of a qualifying pass-through entity, holds a direct ownership interest in that qualifying pass-through entity.

(B) There is hereby allowed a nonrefundable credit against the amount of tax payable under this chapter to a municipal corporation by a qualifying taxpayer. The credit shall equal the qualifying taxpayer's proportionate share of the lesser of the tax due from or the tax paid by a qualifying pass-through entity to that municipal corporation under this chapter for the entity's taxable year ending in the qualifying taxpayer's taxable year. The taxpayer shall claim the credit for the taxpayer's taxable year in which the qualifying pass-through entity's taxable year ends. In determining the taxpayer's proportionate share of the tax due or tax paid by the qualifying pass-through entity, the taxpayer shall follow the concepts set forth in subchapters J and K of the Internal Revenue Code.

If the amount of the credit claimed for a taxable year exceeds the amount of tax due to that municipal corporation for that year, the excess shall be allowed as a credit against the taxes payable to that municipal corporation for ensuing taxable years until the full amount of the credit is claimed. Any amount of the credit claimed for a taxable year shall be deducted from the balance carried forward to the ensuing taxable year.
