



## Ohio Revised Code

### Section 5747.28 Credit for purchase of qualifying property by taxpayer engaged in the business of producing grapes.

Effective: February 15, 2016

Legislation: Senate Bill 208 - 131st General Assembly

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(A) As used in this section:

(1) "Qualifying property" means any property, plant, or equipment used to produce grapes in this state, and includes but is not limited to land and improvements to land, grape seeds and vines, stakes, wiring, tractors, and other machinery used in the growth, harvesting, or producing of grapes.

(2) "Related member" has the same meaning as in division (A)(6) of section 5733.042 of the Revised Code, without regard to division (B) of that section.

(B) A nonrefundable credit is allowed against a taxpayer's aggregate tax liability under section 5747.02 of the Revised Code for a taxpayer engaged in the business of producing grapes who purchases qualifying property on or after January 1, 1994. The amount of the credit equals ten per cent of the cost of purchasing and installing or constructing the qualifying property. The taxpayer shall claim the credit in the taxable year in which the qualifying property is placed in operation. The taxpayer shall claim the credit in the order required under section 5747.98 of the Revised Code. The taxpayer may carry forward for the ensuing seven taxable years any credit amount in excess of its aggregate tax due under section 5747.02 of the Revised Code in the taxable year in which the qualifying property is placed in operation after allowing for any other credits that precede the credit under this section in that order, and shall deduct the amount of the excess credit allowed in any such year from the balance carried forward to the next year. However, if the taxpayer is subject to a recapture tax under division (C)(1) of this section because the taxpayer disposes of the qualifying property or ceases to use it as qualifying property during the seven-year recapture period prescribed under that division, the taxpayer may claim no credit in connection with that property in the taxable year of disposal or cessation or any ensuing taxable year.

(C)(1) If, within the seven-year period after qualifying property is placed in operation, the taxpayer disposes of the property or ceases to use it as qualifying property, the amount of tax otherwise



imposed on the taxpayer by section 5747.02 of the Revised Code shall be increased in the taxable year in which the property is disposed of or ceases to be used as qualifying property. The amount of the increase shall equal the recapture percentage multiplied by the aggregate credit the taxpayer has been allowed under this section in all prior taxable years in connection with that property. The recapture percentage shall be determined in accordance with the following table:

If the property is disposed of or ceases to be used as qualifying property within this amount of time after being placed in operation:	The recapture percentage is:
One year	100%
Two years	86%
Three years	72%
Four years	58%
Five years	44%
Six years	30%
Seven years	15%

(2) Division (C)(1) of this section does not apply in any of the following circumstances:

(a) The qualifying property is transferred to a related member and the related member continues to use the property to produce grapes in this state;

(b) The qualifying property is transferred to a family member and the family member continues to use the property to produce grapes in this state;

(c) There is an involuntary disposition of the qualifying property. The involuntary disposition may be due to, without limitation, a bankruptcy, a receivership, or destruction by natural forces.

(D) The tax commissioner, by rule, may prescribe guidelines for taxpayers to use in determining if their property is qualifying property for the purposes of this section.