



## Ohio Administrative Code Rule 122:7-1-06 Tax credit per cent and term.

Effective: July 28, 2016

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(A) Except as otherwise provided in paragraph (E) of this rule, the authority shall not grant a tax credit in which the estimated value to the taxpayer exceeds seventy five per cent of the estimated excess income tax revenue to be received by the state.

(B) Except as otherwise provided in paragraph (F) of this rule, the authority shall not grant a tax credit that exceeds a term of ten years. The tax credit may be claimed by the taxpayer only for the consecutive taxable years during the term.

(C) The authority shall consider the following factors in determining the tax credit percentage and term to be granted to a taxpayer:

- (1) The number of full-time equivalent employees to be created;
- (2) The average hourly wage rate, excluding benefits, of the full-time equivalent employees to be created;
- (3) The total fixed-asset investment amount the taxpayer will make or cause to be made in the project;
- (4) The number of full-time equivalent employees to be retained at the project location;
- (5) The economic condition of the county and region of the state where the project is to be located;
- (6) The specific percentage of disadvantaged persons and minorities the taxpayer is agreeing to hire for the project;
- (7) The industry sector of the project proposed for tax credit assistance;



(8) The amount of direct local financial support committed to the project; and

(9) The amount of other financial assistance to be provided by the state in support of the project.

(D) In addition to the tax credit percentage and term, the authority shall also annually determine the "pay increase factor," as defined in paragraph (P) of rule 122:7-1-01 of the Administrative Code, for each project approved. Once determined, the pay increase factor shall be fixed for the term of the tax credit. The authority shall determine the pay increase factor by an examination of the average per cent change in the consumer price index - all urban consumers - midwest urban during each of the previous five years for which such consumer price index data are then available.

(E) The authority may grant a tax credit with an estimated value to the taxpayer greater than seventy-five per cent of the estimated excess income tax revenue to be received by the state if the director recommends and the authority finds that there is an extraordinary circumstance which merits such an exception. At the time the authority approves the project, the estimated value of the tax credit shall not exceed the project's estimated excess income tax revenue.

(F) The authority may grant a tax credit term between eleven and fifteen years if the director recommends and the authority finds that there is an extraordinary circumstance which merits such an exception. The authority shall not grant a tax credit that exceeds a term allowable under division (D)(2) of section 122.17 of the Revised Code.