



Ohio Revised Code

Section 5747.057 Tax credit for career-technical education program employees.

Effective: March 23, 2022

Legislation: Senate Bill 166 - 134th General Assembly

(A) As used in this section:

(1) "Eligible employee" means an employee who is nineteen years of age or younger and enrolled in a career-technical education program approved under section 3317.161 of the Revised Code.

(2) "Eligible compensation" means compensation paid on and after the effective date of this section from which the employer is required to deduct and withhold income tax under section 5747.06 of the Revised Code.

(B) A nonrefundable credit is allowed against a taxpayer's aggregate tax liability under section 5747.02 of the Revised Code for a taxpayer that holds a tax credit certificate issued under this section. The credit equals the amount listed on the certificate and shall be claimed for the taxable year that includes the last day of the calendar year for which the certificate was issued. The credit shall be claimed in the order required under section 5747.98 of the Revised Code.

(C) An employer that is a taxpayer or a pass-through entity and that employs an eligible employee in fulfillment of a work-based learning experience, internship, or cooperative education program associated with the career-technical education program in which the eligible employee is enrolled may apply to the department of education for a tax credit certificate. The application shall be made on forms prescribed by the department, in consultation with the tax commissioner, on or after the first day of January and on or before the first day of February of each year. The application shall include all of the following information for the calendar year preceding the year in which the application is made:

(1) The amount of eligible compensation paid by the applicant to each of its eligible employees;

(2) The name, birth date, and social security number of each eligible employee employed by the applicant;



(3) The career-technical education program in which each eligible employee is enrolled;

(4) A description of each eligible employee's duties as part of the employee's work-based learning experience, internship, or cooperative education program;

(5) Any other information requested by the department.

(D)(1) After determining that the applicant satisfies the conditions described in division (C) of this section, the department of education shall issue, within sixty days after the receipt of a complete application under that division, a tax credit certificate to the applicant equal to the lesser of (a) fifteen per cent of the eligible compensation paid by the applicant to all eligible employees during the calendar year or (b) five thousand dollars per eligible employee, in either case subject to the limitations in division (D)(2) of this section.

(2) If the applicant pays eligible compensation to an employee who ceases to qualify as an eligible employee during the calendar year, only the eligible compensation paid to the employee while the employee qualified as an eligible employee may be used to calculate the credit amount on a tax credit certificate issued under this section. The department shall not issue certificates in a total amount that would cause the tax credits claimed in any fiscal biennium to exceed five million dollars.

(3) Each tax credit certificate issued under this section shall include a unique identification number and shall state the amount of tax credit that may be claimed. A taxpayer claiming the credit allowed under this section shall submit a copy of the certificate with the taxpayer's return or report.

(E) If a tax credit certificate is issued to a pass-through entity under this section, any taxpayer that is a direct or indirect investor in the pass-through entity on the last day of the entity's taxable year ending in the calendar year for which the certificate was issued may claim the taxpayer's distributive or proportionate share of the credit against the taxpayer's aggregate tax liability under section 5747.02 of the Revised Code.