



Ohio Revised Code

Section 5747.39 [Repealed effective 11/15/2015 by S.B. 208, 131st General Assembly] Pass-through entity credit for eligible employee training costs.

Effective: March 29, 2007

Legislation: House Bill 699 - 126th General Assembly

(A) As used in this section, "eligible employee" and "eligible training costs" have the same meanings as in section 5733.42 of the Revised Code, and "pass-through entity" includes a sole proprietorship.

(B)(1) For taxable years beginning in 2003, 2004, 2005, 2006, and 2007 there is hereby allowed a nonrefundable credit against the tax imposed by section 5747.02 of the Revised Code for a taxpayer that is an investor in a pass-through entity for which a tax credit certificate is issued under section 5733.42 of the Revised Code. For the taxable year beginning in 2003, the amount of eligible training costs for which a credit may be claimed by all taxpayers that are investors in an entity shall equal one-half of the average of the eligible training costs incurred by the entity during calendar years 1999, 2000, and 2001, but shall not exceed one thousand dollars for each eligible employee on account of whom such costs were paid or incurred by the entity. The amount of a taxpayer's credit for the taxpayer's taxable year beginning in 2003 shall equal the taxpayer's interest in the entity on December 31, 2001, multiplied by the credit available to the entity as computed by the entity.

(2) For the taxable year beginning in 2004, the amount of the eligible training costs for which a credit may be claimed by all taxpayers that are investors in an entity shall equal one-half of the average of the eligible training costs incurred by the entity during calendar years 2002, 2003, and 2004, but shall not exceed one thousand dollars for each eligible employee on account of whom such costs were paid or incurred by the entity. The amount of a taxpayer's credit for the taxpayer's taxable year beginning in 2004 shall equal the taxpayer's interest in the entity on December 31, 2004, multiplied by the credit available to the entity as computed by the entity.

(3) For the taxable year beginning in 2005, the amount of the eligible training costs for which a credit may be claimed by all taxpayers that are investors in an entity shall equal one-half of the average of the eligible training costs incurred by the entity during calendar years 2003, 2004, and 2005, but shall not exceed one thousand dollars for each eligible employee on account of whom such costs were paid or incurred by the entity. The amount of a taxpayer's credit for the taxpayer's taxable



year beginning in 2005 shall equal the taxpayer's interest in the entity on December 31, 2005, multiplied by the credit available to the entity as computed by the entity.

(4) For the taxable year beginning in 2006, the amount of the eligible training costs for which a credit may be claimed by all taxpayers that are investors in an entity shall equal one-half of the average of the eligible training costs incurred by the entity during calendar years 2004, 2005, and 2006, but shall not exceed one thousand dollars for each eligible employee on account of whom such costs were paid or incurred by the entity. The amount of a taxpayer's credit for the taxpayer's taxable year beginning in 2006 shall equal the taxpayer's interest in the entity on December 31, 2006, multiplied by the credit available to the entity as computed by the entity.

(5) For the taxable year beginning in 2007, the amount of the eligible training costs for which a credit may be claimed by all taxpayers that are investors in an entity shall equal one-half of the average of the eligible training costs incurred by the entity during calendar years 2005, 2006, and 2007, but shall not exceed one thousand dollars for each eligible employee on account of whom such costs were paid or incurred by the entity. The amount of a taxpayer's credit for the taxpayer's taxable year beginning in 2007 shall equal the taxpayer's interest in the entity on December 31, 2007, multiplied by the credit available to the entity as computed by the entity.

(6) The total amount of credits that may be claimed by all such taxpayers with respect to each pass-through entity for each taxable year shall not exceed one hundred thousand dollars.

(C) The credit shall be claimed in the order prescribed by section 5747.98 of the Revised Code. A taxpayer may carry forward the credit to the extent that the taxpayer's credit exceeds the taxpayer's tax due after allowing for any other credits that precede the credit allowed by this section in the order prescribed by section 5747.98 of the Revised Code. The taxpayer may carry the excess credit forward for three taxable years following the taxable year for which the taxpayer first claims the credit under this section.

(D) A pass-through entity shall apply to the director of job and family services for a tax credit certificate in the manner prescribed by division (C) of section 5733.42 of the Revised Code. Divisions (C) to (H) of that section govern the tax credit allowed by this section, except that "taxable year" shall be substituted for "tax year" wherever that phrase appears in those divisions, and that



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"pass-through entity" shall be substituted for "taxpayer" wherever "taxpayer" appears in those divisions.