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Substitute Bill Comparative Synopsis

Sub. S.B. 39

133rd General Assembly

House Economic and Workforce Development

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This table summarizes how the latest substitute version of the bill differs from the immediately preceding version. It addresses only the topics on which the two versions differ substantively. It does not list topics on which the two bills are substantively the same.

Previous Version (As Passed by the Senate)	Latest Version (I_133_0488-7)
Project cap	
No limitation.	Limits the number of transformational mixed use development projects that may be certified (and preliminarily approved for a tax credit) to four projects per fiscal year.
No similar provision.	Allows the Director of Development Services to reallocate unused certifications from prior years and certifications that are rescinded.
No similar provision.	If there are more tax credit applications than there are certifications available, the Director must rank the qualified applications and certify the projects that present the best combination of economic value and transformational impact. (R.C. 122.09(C)(2).)
Credit amount	
The credit equals 10% of documented development costs or, if the applicant is an insurance company contributing capital to the project, 10% of the capital contribution. The full	The credit amount and when it is awarded depend, in part, on the increase in tax collections at the project site and the surrounding area.

Previous Version (As Passed by the Senate)	Latest Version (I_133_0488-7)
<p>credit amount is awarded upon completion of the project. <i>(R.C. 122.09(F).)</i></p>	<p>A credit equal to 5% of documented development costs or 5% of an insurance company’s capital contribution (whichever is applicable) is issued upon completion of the project.</p> <p>The remainder of the credit – up to an additional 5% – is awarded if, when, and to the extent that the increase in tax collections exceeds 5% of development costs. The applicant may receive some or all of the remaining credit amount on the date the project is completed and they may reapply for any portion of the credit that has yet to be awarded on the first, second, third, fourth, and fifth anniversaries of that date.</p> <p>If the full 10% credit has not been awarded following the fifth anniversary of the date the project is completed, the remainder is forfeited.</p> <p>The increase in tax collections is computed by the Director in consultation with the Tax Commissioner and the tax administrators of any municipal corporations that levy an income tax on the project site or the surrounding area. <i>(R.C. 122.09(F), (G), and (H).)</i></p>
Completion period	
<p>The increase in tax collections is computed based on the five years following completion of the project – referred to by the bill as the “completion period.” <i>(R.C. 122.09(A)(4) and (5).)</i></p>	<p>Same, but extends the completion period backward to the date the project is certified. <i>(R.C. 122.09(A)(4) and (5).)</i></p>
Progress and reporting requirements	
<p>Requires a person that is preliminarily approved for the tax credit to provide the Director with sufficient evidence of reviewable progress and an updated schedule for completion of the project within 12 months of the date the project is certified. The person must submit evidence that financing has been secured and closed within 18 months of the certification date.</p>	<p>Eliminates the 18-month reporting requirement and modifies the 12-month reporting requirement by replacing “sufficient evidence with reviewable progress” with “documentation sufficient to demonstrate that construction has begun.”</p>

Previous Version (As Passed by the Senate)	Latest Version (I_133_0488-7)
<p>The Director is allowed, but not required, to rescind certification of the project if either or both of the reporting requirements are not timely met. <i>(R.C. 122.09(D).)</i></p> <p>The person that is preliminarily approved for a tax credit, regardless of whether that person is the property owner or an insurance company, is required to notify the Director upon completion of the project. <i>(R.C. 122.09(F).)</i></p>	<p>Requires the Director to rescind certification of the project if the reporting requirement is not timely met. <i>(R.C. 122.09(D).)</i></p> <p>The property owner is required to notify the Director upon completion of the project. <i>(R.C. 122.09(F).)</i></p>
Rulemaking	
<p>Requires the Director to adopt rules on a number of topics concerning the administration of the tax credit. <i>(R.C. 122.09(H).)</i></p>	<p>Adds the following to the list of topics that must be addressed by rules:</p> <ul style="list-style-type: none"> --Application deadlines (if any); --Procedure for ranking applications; --Timing and frequency by which projects are certified; and --Procedure for computing the increase in tax collections. <i>(R.C. 122.09(L).)</i>
Historic building rehabilitation tax credit	
<p>No similar provision.</p>	<p>Increases the amount of the existing-law tax credit for rehabilitating a historic building if the building is in a rural area (defined under existing law for other purposes as a county having a population less than 200,000) from 25% to 35% of qualified rehabilitation expenditures. The credit remains 25% of qualified rehabilitation expenditures for buildings not located in rural areas.</p> <p>Retains the same per-project tax credit caps for all rehabilitation projects, regardless of location (\$25 million for catalytic projects and \$5 million for all others). Also retains the \$60 million overall cap on the tax credits approved each fiscal year. <i>(R.C. 149.311, 5725.34, 5726.52, 5729.17, and 5747.76.)</i></p>