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Substitute Bill Comparative Synopsis

Sub. S.B. 95

133rd General Assembly

House Ways and Means

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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_0526-3)
Megaproject investment and payroll thresholds	
<p>Requires a project operator to make at least \$1 billion in fixed-asset investments in a project or create and maintain an employee payroll at the project of at least \$75 million to qualify as a megaproject, and thus for the bill's tax incentives (R.C. 122.17(A)(10)).</p> <p>Requires a supplier to make at least \$100 million in Ohio fixed-asset investment and create and maintain an Ohio employee payroll of at least \$10 million to qualify as a megaproject supplier, thus for the bill's tax incentives (R.C. 122.17(A)(12)).</p>	<p>Indexes for inflation the fixed-asset investment thresholds and the Ohio employee payroll thresholds required for a project to qualify as a megaproject or a supplier to qualify as a megaproject supplier under the bill. Each new threshold amount is calculated by multiplying the current threshold by the percentage increase, if any, in the gross domestic product (GDP) deflator over the preceding five years and adding that result to the current threshold. Requires the Tax Commissioner to make the adjustments and certify the new thresholds to the Director of Development Services and to the Tax Credit</p>

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	Authority once every five years, beginning in 2025. (R.C. 122.17(A)(10), (A)(12), and (U).)
Precious metal and coins sales and use tax exemption	
No provision.	Reinstates an exemption from sales and use taxation of sales of investment metal bullion and investment coins. The exemption was repealed in H.B. 166 of the 133 rd G.A., the biennial budget bill. (R.C. 5739.02(B)(57); Section 3.)
Temporarily stored watercraft use tax exemption	
No provision.	<p>Exempts from state and local use tax the following watercraft that are seasonally stored or repaired in Ohio:</p> <ul style="list-style-type: none"> ▪ Watercraft purchased outside Ohio. ▪ Watercraft purchased in Ohio but titled, registered, or used outside Ohio, even if the jurisdiction of titling or registration does not tax the sale, use, or ownership of the watercraft. ▪ Watercraft purchased by a nonresident who paid a portion of Ohio sales tax at the time of purchase. <p>Specifies that the exemption does not apply to watercraft storage, repair, or installation services. (R.C. 5741.02(C)(11); Sections 3 and 5.)</p>
Pass-through entity withholding tax rate	
No provision.	Sets the rates at which pass-through entities (PTEs) remit taxes on nonresident investor income equal to the 3% income tax rate that applies to taxable business income, effectively reducing the PTE withholding rates from 5% to 3% for individual investors and from 8.5% to 3% for nonindividual investors. Applies rate change for PTEs'

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	taxable years beginning on or after January 1, 2023. <i>(R.C. 5733.41 and 5747.41; Section 3.)</i>
Property tax exemption for federal law enforcement property	
No provision.	Exempts from taxation any property that is not owned by the federal government, but is leased to a federal law enforcement agency, if: (1) the agency is the sole tenant of the property, (2) the agency uses the property in furtherance of its law enforcement mission, and (3) the lease requires that the agency reimburse the property owner for any property taxes that would be charged against the property <i>(R.C. 5709.08(C)).</i>
Property tax complaints by political subdivisions	
No provision.	<p>Requires that, before a school district or other political subdivision may file a property tax complaint or counter-complaint with the county board of revision with respect to property the political subdivision does not itself own, the school board or legislative authority must first notify the property owner and adopt a resolution authorizing the complaint or counter-complaint <i>(R.C. 5715.19(A)(6) and (7)).</i></p> <p>Modifies the circumstances under which a county auditor must notify the property owner or a school board that a property tax complaint has been filed against a property. Under continuing law, the county auditor must notify a school board or property owner whenever a property owner or school board, respectively, alleges a change in value of at least \$50,000 in fair market value (i.e., \$17,500 in taxable value). The bill specifies that multiple complaints filed with respect to parcels that are part of the same “economic unit” must be treated as a single complaint and aggregated for purposes of calculating this \$17,500 taxable value notice threshold. <i>(R.C. 5715.19(B).)</i></p>

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	Applies the above changes to any complaint or counter-complaint filed for tax year 2021 or later (<i>Section 3</i>).
Property tax complaints by commercial tenants	
No provision.	<p>Authorizes commercial or industrial tenants to file a property valuation complaint if their lease requires them to pay the property taxes charged against the property and the lease or their landlord authorizes them to file the complaint (<i>R.C. 5715.19(A)(1) and (B)</i>).</p> <p>Applies the change to any complaint filed for tax year 2021 or later (<i>Section 3</i>).</p>
Applicability of property tax complaints	
No provision.	<p>Clarifies that any adjustment resulting from a property tax complaint carries forward to any tax year in the same “interim period” (i.e., the three-year period between a reappraisal or update) in which the complaint is filed, but ends at the beginning of the next interim period (<i>R.C. 5715.19(A) and (D)</i>).</p> <p>Applies the change to any complaint filed for tax year 2021 or later (<i>Section 3</i>).</p>
Publication of delinquent tax list	
No provision.	Authorizes the second publication of a county delinquent property tax list to be made online, provided the list’s first publication continues to be made in a newspaper of general circulation (<i>R.C. 5721.03</i>).

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Publication of tax foreclosure notices	
No provision.	<p>Authorizes the second and third publication of a notice of an impending property tax foreclosure action to be made online, provided the notice’s first publication continues to be made in a newspaper of general circulation (<i>R.C. 323.25(D), 323.69(C), 5721.14(C), and 5721.18(A) and (B)(1)</i>).</p> <p>Specifies that existing abbreviated newspaper publication procedures for government notices apply to the publication of a property tax foreclosure notice if the second and third publication of the notice continues to be made in a newspaper (<i>R.C. 323.25(D), 5721.14(C), and 5721.18(A) and (B)(1)</i>).</p>
TIF service payment enforceability	
No provision.	<p>Specifies that all tax increment financing (TIF) service payment obligation agreements are enforceable against subsequent property owners as a covenant running with the land. Applies to any proceedings commenced after, or pending on, the provision’s effective date and any instruments recorded on, before, or after that date. (<i>R.C. 5709.91; Section 4.</i>)</p> <p>Continuing law allows municipalities, townships, and counties to create a TIF arrangement to finance public infrastructure improvements. Through a TIF, the subdivision grants a real property tax exemption with respect to the incremental increase in the assessed value of designated parcels that are part of a development project. The owners of the parcels make payments in lieu of taxes to the subdivision equal to the amount of taxes that would otherwise have been paid with respect to the exempted improvements (“service payments”).</p>

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Evaluation of property tax exemptions	
No provision.	Requires the Tax Commissioner’s biennial report on state tax expenditures to include information on property tax exemptions (<i>R.C. 107.03(D)(6) and 5703.48</i>). Requires the Tax Expenditure Review Committee to periodically review each property tax exemption (<i>R.C. 5703.95</i>).