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# OHIO LEGISLATIVE SERVICE COMMISSION

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## Synopsis of Senate Committee Amendments

(This synopsis does not address amendments that may have been adopted on the Senate Floor.)

### H.B. 66 of the 134<sup>th</sup> General Assembly

#### Senate Ways & Means

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### Property taxation

#### Exemption reporting

Removes the House-passed bill's requirement that the Tax Expenditure Review Committee review property tax exemptions. That Committee was discontinued by H.B. 110 of the 134<sup>th</sup> General Assembly, and the bill accelerates its termination (see below).

#### Community school tax exemption applications

Removes a requirement that community schools file an annual statement after an initial application with the Tax Commissioner as a condition of retaining a property tax exemption.

#### Combined school district property and income tax levies

Allows a school district to propose to renew an emergency property tax levy and a combination income and property tax levy in a single ballot question.

Applies the changes to resolutions adopted or proceedings that are pending or completed on or before the provision's effective date

#### ADAMHS district taxing authority

Requires revenue from certain joint-county alcohol, drug addiction, and mental health service (ADAMHS) district property taxes to be expended for the benefit of the residents of the county from which it is collected.

Requires a member county of a joint-county ADAMHS district and, in certain circumstances, a withdrawing county from such a district to continue to levy and collect an ADAMHS-related tax following reorganization of the district.

Requires, under certain circumstances, a new ADAMHS-related county tax to be labeled as a renewal or replacement for ballot language purposes.

## **Tax abatements**

Provides a temporary period for the owner of property located in an enterprise zone to apply for exemption from property taxation; and abatement and refund of unpaid taxes.

Provides a temporary period for a school district that acquired property in February 2021 to apply for abatement and remission of paid taxes, penalties, and interest for that tax year, payable to the person that paid them.

Provides a temporary period for an agricultural society that acquired property from a county in March 2021 to apply for tax exemption for the property, notwithstanding the fact that the property has outstanding taxes assessed prior to its transfer.

## **Exemption and abatement of certain TIF property**

Allows municipal corporations that adopted a tax increment financing ordinance between June 1 and December 31, 2002, to temporarily file for tax exemption according to the terms of the ordinance, including parcel-by-parcel exemptions.

Applies the temporary provision to exemption applications pending on or before the bill's deadline.

## **Sales and use tax exemptions**

Exempts from sales and use tax all of the following:

- Electronic tax filing and payment services used in business to report or pay income tax, other than employee withholding, on behalf of an individual;
- Certain taxable services that might be provided incidentally or supplementally to those electronic tax preparation services;
- Documentary service charges imposed by motor vehicle and manufactured home dealers from the sales and use tax;
- Certain watercraft that are seasonally stored or repaired in Ohio.

## **Pollution control and energy conversion facility exemptions**

Modifies existing property and sales and use tax exemptions for facilities primarily devoted to pollution control, energy conversion, and thermal efficiency improvement, as follows:

- Extends the exemptions to leased property;
- Extends the exemptions to property that primarily benefits a business, so long as that benefit aligns with an exempt purpose;
- Extends the exemptions to property used to haul industrial waste to a point of disposal or treatment, or to store, filter, process, or dispose of such waste.

Applies the changes to new exemption applications and applications pending on the provision's effective date.

## **Income tax**

### **Unemployment compensation income tax withholding**

Delays by two years, from 2023 to 2025, the date by which the Ohio Department of Job and Family Services (ODJFS) must begin to accept state income tax withholding requests from unemployment compensation recipients.

### **Tax credit for commercial vehicle operator training expenses**

Authorizes a temporary nonrefundable personal income tax credit of up to \$25,000 per year for training expenses paid by employers to train employees to operate a commercial vehicle between January 1, 2024, and January 1, 2028.

Makes the credit available for one-half of expenses, other than wages, paid to train employees to obtain a commercial driver's license (CDL) or to operate a commercial motor vehicle.

Limits the total amount of credits that may be awarded each year to \$1.5 million, except that any unspent amount in a particular year can be added to the following year's limit.

### **Tax credit for donations to scholarship organizations**

Modifies the credit cap of an existing income tax credit for donations to scholarship granting organizations for joint filers.

## **Refunds of tax penalties**

Allows taxpayers to obtain a refund, with interest, of any tax-related penalties and fees the taxpayer overpaid or paid improperly.

## **Tax Expenditure Review Committee**

Eliminates the Tax Expenditure Review Committee as of the provision's effective date. The Committee was discontinued by H.B. 110 of the 134<sup>th</sup> General Assembly, but due to a technical error, the sunset was delayed until September 30, 2024.

## **Video service changes**

Limits "video service" to "the provision by a video service provider of video programming" (a person granted video service authorization under Ohio's Video Service Authorization Law is a video service provider).

Provides that direct-to-home satellite services, as defined under federal law, and video streaming content, are not video services.

Clarifies that direct-to-home satellite services and video streaming services are subject to sales tax.

## **Appropriations**

Appropriates \$30,000,000 in FY2023 to provide grants to eligible minor league sports teams.

Appropriates \$35,000,000 in the FY 2023-FY 2024 biennium to fund certain cultural and sports facilities projects.