



Ohio Legislative Service Commission

Bill Analysis

Joe McDaniels

H.B. 297

131st General Assembly
(As Introduced)

Reps. Hill, Burkley, Hambley, Hayes, Derickson, LaTourette, Rezabek

BILL SUMMARY

- Authorizes a refundable income tax credit for Ohio livestock owners that make eligible investments related to manure application between December 31, 2004, and January 1, 2020.
 - Establishes the amount of the credit at 50% of the eligible investment, spread over five years.
 - Restricts the credit to persons owning livestock on the bill's effective date.
 - Requires that the eligible investment be used by the livestock owner to comply with state laws and federal guidelines concerning the application of manure.
-

CONTENT AND OPERATION

Manure storage and application tax credit

The bill authorizes a refundable income tax credit for Ohio livestock owners that make eligible investments related to the storage, handling, application, and transportation of manure. The credit is restricted to persons who own livestock in this state on the bill's effective date and for the entire taxable year in which the credit is claimed. New and former livestock owners would not be eligible for the credit.

The amount of the credit equals 50% of all eligible investments made by the livestock owner between December 31, 2004, and January 1, 2020. The livestock owner may claim one-fifth of the credit amount in the taxable year in which the investment is made (or, for investments made before the bill's effective date, the taxable year in which the bill is effective) and an additional one-fifth of the credit amount in each of the four

ensuing taxable years. If the amount of the credit exceeds the tax otherwise due, the livestock owner is entitled to a refund of the difference.

"Eligible investments" are costs incurred by livestock owners that assist in compliance with state laws concerning the application of manure in the Western Basin of Lake Erie¹ and U.S. Department of Agriculture guidelines for manure application of manure across various regions of the state. Expenditures related to manure application anywhere in the state, not just the Western Basin, may qualify for the tax credit. The bill describes three types of eligible investments for the purposes of the credit:

(1) Costs incurred to plan, design, excavate, construct, or install a manure storage or treatment facility;²

(2) Costs incurred in acquiring manure application equipment, which includes any machinery, device, equipment, motor vehicle, or system used to apply or inject manure into or onto soil;

(3) Costs incurred in acquiring manure handling and transportation equipment, which includes any machinery, device, equipment, tool, motor vehicle, system, or infrastructure improvement used primarily to move manure or clean or decontaminate land or surfaces on or in which manure is deposited or stored.

The bill requires the Tax Commissioner to adopt rules necessary to administer the credit. These rules may require livestock owners to submit information substantiating their investment, divulging the location of their livestock, and describing how their investment will assist them in complying with state law and federal guidelines.³

HISTORY

ACTION	DATE
Introduced	08-05-15

H0297-I-131.docx/ks

¹ See S.B. 1 of the 131st General Assembly.

² Under continuing law, a "manure storage or treatment facility" means any excavated, diked, or walled structure or a combination of structures designed for the biological stabilization, holding, or storage of manure (R.C. 903.01).

³ R.C. 5747.052.

