



www.lsc.ohio.gov

OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

Synopsis of House Committee Amendments

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

S.B. 95 of the 133rd General Assembly

House Ways & Means

Michael Hinel, Attorney

Megaproject tax incentives

Indexes for inflation, once every five years beginning in 2025, 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 eligible for the bill's accompanying tax incentives.

Income tax

Sets the rates at which pass-through entities (PTEs) remit taxes on nonresident investor income, for taxable years beginning on or after January 1, 2023, 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.

Sales and use tax

Reinstates an exemption from sales and use taxation, recently repealed in H.B. 166 of the 133rd General Assembly, the biennial budget bill, of sales of investment metal bullion and investment coins.

Exempts from state and local use tax, beginning on or after January 1, 2023, the following watercraft that are seasonally stored or repaired in Ohio:

- 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.

Property tax

Authorizes a property tax exemption for certain housing used by individuals diagnosed with mental illness or substance use disorder.

Authorizes commercial or industrial tenants to file a property valuation complaint, for tax year 2021 or any tax thereafter, 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.

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.

Requires the Tax Commissioner’s biennial report on state tax expenditures to include information on property tax exemptions.

Requires the Tax Expenditure Review Committee to periodically review each property tax exemption.

Tax increment financing

Specifies that tax increment financing (TIF) service payment obligation agreements between a property owner and a local government are enforceable against subsequent property owners.