



Ohio Legislative Service Commission

Bill Analysis

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H.B. 133

131st General Assembly
(As Introduced)

Reps. Schaffer and Ashford

BILL SUMMARY

- Allows an income tax credit of up to \$1,500 per year for a taxpayer that pays tuition and fees to an Ohio college or university at which the taxpayer, the taxpayer's spouse, or a dependent of the taxpayer is earning a degree in nonprofit management.
- Provides an income tax credit of up to \$500 for taxpayers who earn certain professional designations.
- Authorizes a sales and use tax exemption for sales of goods and services to nonprofit organizations that relocate at least 50 full-time jobs to Ohio.

CONTENT AND OPERATION

The bill authorizes the following tax incentives: (1) an income tax credit for tuition and fees paid to earn a degree in nonprofit management, (2) an income tax credit for taxpayers who earn certain professional designations, and (3) a sales and use tax exemption for purchases by nonprofit organizations that relocate jobs to Ohio.

Income tax credit for earning a degree in nonprofit management

The bill provides an income tax credit for a taxpayer that pays tuition and fees to an Ohio college or university, public or private, at which the taxpayer, the taxpayer's spouse, or a dependent of the taxpayer is earning a degree in nonprofit management. The credit equals the amount of tuition and fees paid in the taxable year, up to \$1,500.¹

¹ R.C. 5747.78(A) and 5747.98.

Income tax credit for earning certain professional designations

The bill also authorizes an income tax credit for a taxpayer who incurs expenses to do any of the following:

--Complete the Institute of Organization Management program sponsored by the United States Chamber of Commerce;

--Complete the Lobbying Certificate program sponsored by the American League of Lobbyists;

--Receive an accreditation in public relations;

--Become certified as a certified fund raising executive, certified sports event executive, certified destination marketing executive, or certified meeting planner.

The credit equals the lesser of \$500 or 50% of the expenses incurred to complete the program or receive the accreditation or certification. For purposes of calculating the credit, the taxpayer's expenses do not include any portion of such expenses that are reimbursed to the taxpayer from any source.²

Credit carry-forward

If either of the credits authorized in the bill exceed a taxpayer's tax liability for the year in which the credit is claimed, the taxpayer may carry forward the excess credit to future taxable years.³

Sales and use tax exemption for sales to certain nonprofit organizations

The bill authorizes a sales and use tax exemption for the sale of goods or services to a nonprofit organization that relocates jobs to Ohio. To qualify, the organization must relocate at least 50 full-time jobs from one or more other states to Ohio within one year after the organization first establishes a physical presence in the state.

The nonprofit organization must apply to the Tax Commissioner for a job relocation exemption certificate. If approved, the certificate is valid for three years from the date of issuance. If the nonprofit corporation fails to maintain at least 50 full-time jobs in the state during that three-year period, the Commissioner must revoke the certificate. In order to ensure compliance with this requirement, the Commissioner may

² R.C. 5747.78(B) and 5747.98.

³ R.C. 5747.78(C).



require nonprofit organizations to report their employment figures to the Commissioner periodically.⁴

HISTORY

ACTION	DATE
Introduced	03-24-15

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⁴ R.C. 5739.02(B)(54) and 5739.40.

