

As Introduced

**133rd General Assembly
Regular Session
2019-2020**

S. B. No. 210

Senator Roegner

Cosponsors: Senators Peterson, Brenner, Schaffer, Rulli

A BILL

To amend section 5747.05 of the Revised Code to
change the computation of the income tax joint
filer credit for taxable years beginning in or
after 2021. 1
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BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 5747.05 of the Revised Code be
amended to read as follows: 5
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Sec. 5747.05. As used in this section, "income tax"
includes both a tax on net income and a tax measured by net
income. 7
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The following credits shall be allowed against the
aggregate income tax liability imposed by section 5747.02 of the
Revised Code on individuals and estates: 10
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(A) (1) The amount of tax otherwise due under section
5747.02 of the Revised Code on such portion of the combined
adjusted gross income and business income of any nonresident
taxpayer that is not allocable or apportionable to this state
pursuant to sections 5747.20 to 5747.23 of the Revised Code. The
credit provided under this division shall not exceed the total 13
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tax due under section 5747.02 of the Revised Code. 19

(2) The tax commissioner may enter into an agreement with 20
the taxing authorities of any state or of the District of 21
Columbia that imposes an income tax to provide that compensation 22
paid in this state to a nonresident taxpayer shall not be 23
subject to the tax levied in section 5747.02 of the Revised Code 24
so long as compensation paid in such other state or in the 25
District of Columbia to a resident taxpayer shall likewise not 26
be subject to the income tax of such other state or of the 27
District of Columbia. 28

(B) The lesser of division (B) (1) or (2) of this section: 29

(1) The aggregate amount of tax otherwise due under 30
section 5747.02 of the Revised Code on such portion of the 31
combined adjusted gross income and business income of a resident 32
taxpayer that in another state or in the District of Columbia is 33
subjected to an income tax. The credit provided under division 34
(B) (1) of this section shall not exceed the total tax due under 35
section 5747.02 of the Revised Code. 36

(2) The amount of income tax liability to another state or 37
the District of Columbia on the portion of the combined adjusted 38
gross income and business income of a resident taxpayer that in 39
another state or in the District of Columbia is subjected to an 40
income tax. The credit provided under division (B) (2) of this 41
section shall not exceed the total amount of tax otherwise due 42
under section 5747.02 of the Revised Code. 43

(3) If the credit provided under division (B) of this 44
section is affected by a change in either the portion of the 45
combined adjusted gross income and business income of a resident 46
taxpayer subjected to an income tax in another state or the 47

District of Columbia or the amount of income tax liability that 48
has been paid to another state or the District of Columbia, the 49
taxpayer shall report the change to the tax commissioner within 50
sixty days of the change in such form as the commissioner 51
requires. 52

(a) In the case of an underpayment, the report shall be 53
accompanied by payment of any additional tax due as a result of 54
the reduction in credit together with interest on the additional 55
tax and is a return subject to assessment under section 5747.13 56
of the Revised Code solely for the purpose of assessing any 57
additional tax due under this division, together with any 58
applicable penalty and interest. It shall not reopen the 59
computation of the taxpayer's tax liability under this chapter 60
from a previously filed return no longer subject to assessment 61
except to the extent that such liability is affected by an 62
adjustment to the credit allowed by division (B) of this 63
section. 64

(b) In the case of an overpayment, an application for 65
refund may be filed under this division within the sixty-day 66
period prescribed for filing the report even if it is beyond the 67
period prescribed in section 5747.11 of the Revised Code if it 68
otherwise conforms to the requirements of such section. An 69
application filed under this division shall only claim refund of 70
overpayments resulting from an adjustment to the credit allowed 71
by division (B) of this section unless it is also filed within 72
the time prescribed in section 5747.11 of the Revised Code. It 73
shall not reopen the computation of the taxpayer's tax liability 74
except to the extent that such liability is affected by an 75
adjustment to the credit allowed by division (B) of this 76
section. 77

(4) No credit shall be allowed under division (B) of this section:	78 79
(a) For income tax paid or accrued to another state or to the District of Columbia if the taxpayer, when computing federal adjusted gross income, has directly or indirectly deducted, or was required to directly or indirectly deduct, the amount of that income tax;	80 81 82 83 84
(b) For compensation that is not subject to the income tax of another state or the District of Columbia as the result of an agreement entered into by the tax commissioner under division (A) (3) of this section; or	85 86 87 88
(c) For income tax paid or accrued to another state or the District of Columbia if the taxpayer fails to furnish such proof as the tax commissioner shall require that such income tax liability has been paid.	89 90 91 92
(C) An individual who is a resident for part of a taxable year and a nonresident for the remainder of the taxable year is allowed the credits under divisions (A) and (B) of this section in accordance with rules prescribed by the tax commissioner. In no event shall the same income be subject to both credits.	93 94 95 96 97
(D) The credit allowed under division (A) of this section shall be calculated based upon the amount of tax due under section 5747.02 of the Revised Code after subtracting any other credits that precede the credit under that division in the order required under section 5747.98 of the Revised Code. The credit allowed under division (B) of this section shall be calculated based upon the amount of tax due under section 5747.02 of the Revised Code after subtracting any other credits that precede the credit under that division in the order required under	98 99 100 101 102 103 104 105 106

section 5747.98 of the Revised Code. 107

(E) (1) On a joint return filed by a husband and wife, ~~each~~ 108
~~of whom had adjusted gross income of at least five hundred~~ 109
~~dollars, exclusive of interest, dividends and distributions,~~ 110
~~royalties, rent, and capital gains,~~ a nonrefundable credit equal 111
to the ~~lesser of six hundred fifty dollars or the percentage~~ 112
~~shown in column B that corresponds with the taxpayer's modified~~ 113
~~adjusted gross income, less exemptions for the taxable year, of~~ 114
~~the total amount~~ difference of the amount of tax shown to be due 115
on the joint return, calculated without regard to the credit 116
authorized under this division, minus the husband's and wife's 117
minimum combined amount of tax due, after allowing for any other 118
credit that precedes this credit as required under section 119
5747.98 of the Revised Code:— 120

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A	A.	B.
B	IF THE MODIFIED ADJUSTED GROSS INCOME, LESS EXEMPTIONS, FOR THE TAX YEAR IS:	THE CREDIT FOR THE TAXABLE YEAR IS:
C	\$25,000 or less	20%
D	More than \$25,000 but not more than \$50,000	15%
E	More than \$50,000 but not more than \$75,000	10%

F ~~More than \$75,000~~ 5%.

~~(2) The credit shall be claimed in the order required~~ 122
~~under~~ As used in division (E) of this section: 123

(a) "Minimum combined amount of tax" means the sum of the 124
tax that would be due on the husband's and wife's returns if the 125
husband and wife filed separate returns, notwithstanding 126
division (E) of section 5747.08 of the Revised Code, if the 127
husband and wife made all adjustments and claimed all credits to 128
which the husband and wife would be required or allowed to make 129
or claim on each separate return. For the purpose of calculating 130
"minimum combined amount of tax," adjustments or credits that 131
could be taken or claimed by either the husband or wife on the 132
husband's or wife's separate return shall be claimed by each 133
spouse in a manner that would result in the least combined tax 134
due. 135

(b) "Adjustment" means a deduction taken on a federal 136
income tax return that is included in the computation of the 137
husband's or the wife's federal adjusted gross income or an 138
addition or deduction described in division (A) of section 139
5747.01 of the Revised Code and allowed to the husband or wife. 140

(c) "Credit" means any credit described in section 5747.98 141
of the Revised Code. 142

(F) No claim for credit under this section shall be 143
allowed unless the claimant furnishes such supporting 144
information as the tax commissioner prescribes by rules. 145

Section 2. That existing section 5747.05 of the Revised 146
Code is hereby repealed. 147

Section 3. The amendment by this act of section 5747.05 of 148

the Revised Code applies to taxable years beginning on or after	149
January 1, 2021.	150