

# SALT

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*Current State of The States*

**WATCH**

## Ohio Proposes to Extend Training Credit for One More Year

### Overview

On November 8, 2007, legislation (S.B. 250) was introduced in the Senate that would extend the Ohio Training Tax Credit (“OTTC”) through December 31, 2008. The OTTC is currently scheduled to expire at the end of this year. If the legislation passes, it would be the second consecutive year the Ohio General Assembly has extended the OTTC on the eve of its expiration.

S.B. 250 currently is in committee. The proposed bill was referred to the Senate Ways and Means and Economic Development Committee on November 14, 2007 and is scheduled for its first hearing on Wednesday, December 5, 2007. There is strong bipartisan and gubernatorial support for extending the OTTC, making it likely the bill will pass.

Even with an extension of time, however, the OTTC would not be applicable against the commercial activity tax. The OTTC would continue to be available to C corporations subject to the franchise tax, dealers in intangibles, insurance companies, pass-through entities (S corporations, partnerships, and LLCs), and sole proprietors.

The proposed legislation also does not appear to change any of the current requirements of the OTTC. In order to qualify, the taxpayer would still need to conduct an eligible training program for its employees, and the credit would be limited to the lesser of \$100,000 annually per company or \$1,000 per eligible employee trained. Taxpayers would need to submit an on-line application to the Ohio Department of Jobs and Family Services (“ODJFS”) during a pre-selected period in order to be considered for the credit. As in prior years, the OTTC would be granted on a random lottery basis.

### Action Items

GBQ will continue to monitor this development, as necessary. GBQ SALT professionals are available to assist you in determining eligibility for the OTTC and filing a timely application for the credit.

### **FOR MORE INFORMATION, PLEASE CONTACT:**

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