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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

**H.B. 231**  
**136<sup>th</sup> General Assembly**

## Bill Analysis

**Version:** As Introduced

**Primary Sponsors:** Reps. Williams and M. Miller

Zachary P. Bowerman, Attorney

### SUMMARY

- Authorizes a nonrefundable income tax credit for an employer that offers at least four weeks of paid parental leave to its employees.

### DETAILED ANALYSIS

#### Income tax credit for paid parental leave

The bill authorizes a nonrefundable income tax credit for certain employers that offer at least four weeks of paid parental leave to their employees. The leave must be offered pursuant to a policy that provides for compensation equal to what the employee would have received if the employee had worked for the period of leave and that does not deduct time from other paid leave. While an employer must offer at least four weeks of leave under the bill, the credit may cover additional parental leave beyond four weeks. An employer must also be registered to use the federal E-Verify employment verification program to qualify for the credit. To qualify for the credit, the leave must be awarded to a parent following the birth or adoption of a child, or for a stillbirth, i.e., the fetal death of an infant at least 20 weeks in gestation.

The amount of the credit is the amount of leave benefits paid to an employee in a taxable year, up to \$300 per day of leave. An employer may claim a total credit of up to \$54,000 in a single taxable year. An employer may carry forward any unused credit amount for up to three years.

The Tax Commissioner may require an employer to provide information necessary to support a claim for the credit, such as the parental leave policy, and may adopt rules to administer the credit. The owner of a pass-through entity that is an employer qualifying for the

credit may claim the owner's proportionate share of the credit.<sup>1</sup> Qualifying employers may claim the credit starting in taxable years beginning on or after January 1, 2025.<sup>2</sup>

### **Annual report**

On September 1 of each year, beginning in 2026, the Tax Commissioner must issue a report to the General Assembly detailing the number of taxpayers that claimed the bill's credit and the total value of all credits earned and claimed in the preceding taxable year.<sup>3</sup>

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## **HISTORY**

| Action     | Date     |
|------------|----------|
| Introduced | 04-15-25 |

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ANHB0231IN-136/ar

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<sup>1</sup> R.C. 5747.74 and 5747.98.

<sup>2</sup> Section 3.

<sup>3</sup> R.C. 5747.74(D).