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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Legislative Budget
Office

H.B. 165
134th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsor: Rep. McClain

Michael Hinel, Attorney

SUMMARY

- Authorizes a nonrefundable tax credit for the retail sale of high-ethanol blend motor fuel.
- Limits the tax credit to four years.

DETAILED ANALYSIS

High-ethanol blend motor fuel tax credit

The bill authorizes a tax credit of 5¢ per gallon for the retail sale of high-ethanol blend motor fuel, which contains between 15% and 85% ethanol, that is sold and dispensed through metered pumps at a retail dealer's retail service station. The credit may be claimed by retail dealers either against the dealer's income tax or commercial activity tax (CAT) liability.¹

Carry forward

The credit is nonrefundable, which means that the credit may not exceed a taxpayer's tax liability in any year. However, if the credit does exceed a taxpayer's liability for a particular year, the taxpayer may carry forward and apply the difference to a future tax liability. There is no limit on the number of carryforward years.

Term of credit

The credit is available for retail sales made in the four calendar years after the year that includes the credit's effective date. No credit is available for retail sales made after those four calendar years. For example, if the bill becomes effective in 2021, the credit may be claimed for

¹ R.C. 5747.74, 5747.98, 5751.55, and 5751.98.

retails sales occurring in years 2022, 2023, 2024, and 2025. A taxpayer would claim the credit for the taxpayer’s taxable year or tax period that includes the last day of the calendar year.²

HISTORY

Action	Date
Introduced	03-02-21

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² R.C. 5747.74 and 5751.55.