

From the Department of Taxation

**A Comparison of the ORC Section 5733.33 Manufacturer's Credit
To the ORC Section 122.173 Manufacturer's Grant
Amended Substitute House Bill 66 (the Budget Bill), 126th Ohio General Assembly**

	5733.33 Credit	122.173 Grant
Applies to taxable years ending:	*Before July 1, 2005. See ORC 5733.33(B)(1).	*On or after July 1, 2005. See ORC 122.172(B)(1).
Qualifying purchase period:	July 1, 1995 to June 30, 2005. See ORC 5733.33(A)(4).	July 1, 1995 to June 30, 2005. See ORC 122.173(A)(4).
New manufacturing M&E must be installed by:	June 30, 2006. See ORC 5733.33(B)(1).	June 30, 2006. See ORC 122.173(B)(1).
In computing the credit/grant for purchases of qualifying M&E for the purchase period 1/1/05 to 6/30/05, can the taxpayer multiply the county average baseline year purchases by ½?	No. There is no statutory provision for adjusting the base.	No. There is no statutory provision for adjusting the base.
If the taxpayer should later be required to repay the credit (because of <i>Cuno</i>), does the ORC 122.173 grant automatically become available to the taxpayer for taxable years ending before July 1, 2005?	Not applicable.	Yes. See ORC 122.172(C).
Order in which credit/grant must be claimed:	As provided in ORC 5733.98.	After all nonrefundable credits and before refundable credits. See ORC 122.172(A).
Is the credit/grant refundable or nonrefundable?	Nonrefundable. See ORC 5733.33(B)(1).	Nonrefundable. See ORC 122.172(B)(2).
Can the credit/grant reduce the tax below the minimum fee?	No.	No. See ORC 122.172(B)(2).
If the taxpayer is subject to the franchise tax phase-out and CAT phase-in, does the phase-out percent apply to the credit? To the grant?	Yes. See ORC 5733.01(G)(2).	Yes. See ORC 122.173(J).
After the franchise tax phase-out, can the unused credit/grant amounts be applied against the CAT?	No. There is no statutory authority for applying the credit against the CAT.	No. There is no statutory authority for applying the grant against the CAT.
Is a "notice of intent" required as a prerequisite for claiming the credit? If so, by what date?	Yes. Notice of intent must be filed by the date of a timely filed return, including extensions, for the taxable year that includes September 30, 2005. See ORC 5733.33(E).	Yes. Notice of intent must be filed by the date of a timely filed return, including extensions, for the taxable year that includes September 30, 2005. See ORC 122.173(E).
If a notice of intent was properly filed pursuant to ORC 5733.33(E), will that notice be considered a notice of intent to claim the ORC 122.173 grant?	Not applicable.	Yes. See ORC 122.173(E).
Must the taxpayer complete a credit/grant request form and file it with the tax return for the taxable year in which the credit/grant is claimed?	No.	Yes. See ORC 122.172(B)(2).

* Both the ORC 5733.33 credit and the ORC 122.173 grant will appear on the 2006 franchise tax form. The credit will apply to taxpayers whose taxable year ended before July, 1, 2005, and the grant will apply to taxpayers whose taxable year ended on or after July 1, 2005. For tax years 2007 and thereafter only the grant will be shown on the form.