

Ohio Job Retention Tax Credit

Overview	Provides a Commercial Activity Tax (CAT) credit for businesses that retain operations in Ohio. The business must commit to retaining 500 full-time positions at the project site. The tax credit is based on the state income tax withheld by the taxpayer for retained jobs as a result of new business investment in facilities, equipment, machinery, construction, renovation or acquisition. The program is used exclusively for large scale capital investment projects.
Benefits	Substantial tax credit available for businesses retaining jobs by investing in land, building, machinery, equipment or infrastructure improvements.
Eligibility	Businesses that expand or locate in Ohio. State guidelines regulate the type of business and project eligible for the incentive. <i>See additional conditions on back >>>></i>
Rate/Terms	All taxpayers interested in applying for JRTC assistance must consult with an ODOD representative prior to submitting an application and before project starts. The Ohio Tax Credit Authority determines eligibility, rates and terms based on the number of jobs to be created, the new payroll generated by the project, the fixed asset investment in the project and the extent of interstate competition for the project. Companies may receive credits generally up to 75 percent of withheld state income taxes for a period of up to 10 years. Projects with at least \$40 million in annual payroll may be eligible for a 15 year period. Businesses must generally agree to maintain at least 500 full-time jobs and invest \$50 million at the project site within three years of operation. The business must demonstrate to the Authority that the tax credit is a major factor in its decision to go forward with the project. The local community in which the project is located must provide a letter of support for the project.
Contact	Youngstown/Warren Regional Chamber at 330.392.6140 or Ohio Department of Development at 330.797.6301

This summary is prepared as a reference, and should not be construed as the actual law. For more information, contact the Youngstown/Warren Regional Chamber.

Eligible Projects

Projects must meet the following specific eligibility criteria to receive JRTC assistance:

1. The taxpayer must employ at least 500 full-time equivalent employees at the project site at the time the tax credit authority grants the tax credit.
2. The potential JRTC grantee must commit to maintaining at least 500 full-time equivalent employees for the term of the tax credit and maintain operations at the project site for the post-term reporting period.
3. The taxpayer must invest at least \$50 million in fixed assets for manufacturing operations or \$20 million in fixed assets for significant corporate administrative functions at the project site. Investment must be completed within three consecutive calendar years preceding the taxable year in which the taxpayer first claims the tax credit. The investment must involve a fixed-asset investment in land, building, machinery/equipment and/or infrastructure improvements.
4. The taxpayer must demonstrate to the state, through its financial statements and sources and uses of funds, that it is economically sound and possesses the financial ability to complete the required capital investment.
5. The potential JRTC grantee must demonstrate that the tax credit is a "major factor" in its decision to begin, continue, and complete the capital investment project.
6. Intrastate relocation projects are generally ineligible to receive JCTC assistance unless a formal determination is made by the Director of Development that the legislative authority of the negatively impacted county, township, or municipal corporation has been notified of the relocation by the potential taxpayer. The notice must include: the number of full-time equivalent employees that will be relocated; payroll attributed to the relocated employees; and the business reason for the move. The taxpayer must also send a copy of the notice to the Tax Credit Authority.
7. The local community in which a project is located must provide a letter of support for the project.
8. The potential taxpayer must maintain operations at the project site for the greater of (a) the term of the credit plus three years or (b) 7 years.