



## **Program Guidelines**

### **Ohio Opportunity Zone Tax Credit**

**Fiscal Year 2026 (July 2025 and January 2026 Application Rounds)**

### **Definitions**

Except as otherwise provided, terms used in this document have the same meaning as Section 122.84 of the Ohio Revised Code (“ORC”).

### **Applicant Qualifications**

The applicant can be either:

- A taxpayer that is subject to taxation under ORC Section 5725.18, 5726.02, 5729.03, or 5747.02 (an individual, a trust, an estate, a pass-through entity, or other that elects to file a return on behalf of its investors to receive a tax credit from the program).
- A person that is not subject to the above sections can apply but cannot claim the credit. If this applicant receives a tax credit, they may transfer the right to claim the credit, as outlined below.

The applicant must invest in one (or more) Ohio Qualified Opportunity Fund (Fund).

### **Investments**

A qualifying investment is an investment of money into a qualified Opportunity Zone property or business:

- In the case of an Opportunity Zone property, in exchange for purchasing the property and/or construction costs related to the construction or remodeling of new or existing structures.
- In the case of an Opportunity Zone business, in exchange for stock or partnership interest in the business.

A qualifying investment does not include either:

- Any investment of money which is the basis of a small business investment certificate issued under ORC Section 122.86.

## **Ohio Qualified Opportunity Fund Requirements**

- The fund must be designated as a Qualified Opportunity Fund as defined by the federal government in 26 U.S.C. 1400Z-2.
- The fund must hold 100 percent of its invested assets in Qualified Opportunity Zone property situated in Ohio.
- The fund may invest its assets in qualified stock, qualified partnership interests, or qualified business property.
- Stock and/or partnership interest is situated in an Ohio Opportunity Zone only if, during the entirety of the fund's holding period for such stock or interest, all of the use of the corporation's or partnership's tangible property was in an Ohio Opportunity Zone.
- For business property that is Qualified Opportunity Zone Business Property, the property is situated in an Ohio Opportunity Zone if, during the entirety of the fund's holding period for such property, all of the use of the property was in an Ohio Opportunity Zone

## **Application**

The application shall be made on forms prescribed by the director of the Ohio Department of Development (director).

The director shall accept and review applications submitted under this section during two annual periods, the first of which begins on or after January 10 and on or before the application period ends February 1 of each year, and the second of which begins on July 10 and ends after August 1. If any of those dates fall on a day that is not a business day, then the application period begins on or ends after the next business day, as applicable. Any awarded credits shall equal ten percent of the amount of the applicant's investment in the fund that the fund invested during the immediately preceding six-month investment period into projects located in Ohio Opportunity Zones.

## **Required Application Information**

Information to be provided by the applicant:

- The amount of the applicant's investment in the fund(s) during the applicant's qualifying taxable year. The information must be arranged according to the amount invested in each such fund if the applicant invested in more than one such fund.
- A certified statement from an employee or officer of each fund identified by the applicant (Form A).
- A certified statement from the owner of each project funded by the applicant's investment (Form B).

Information to be provided by the fund:

- Must provide a statement to the applicant certifying the following:
  - The fund meets the definition of Ohio Qualified Opportunity Fund in ORC Section 122.84(A)(1).
  - Amount of the applicant's investment in the fund.
    - Amount of applicant's investment in the fund subsequently invested in project(s) located in Ohio Opportunity Zones during the investment period preceding the application filing.
    - Verification of capital investment transfer from fund to project(s).
    - Description of each project funded by the applicant's investment.
    - Location of each project funded by the applicant's investment.
    - The portion of the applicant's investment that the fund invested in the project.

Information to be provided by the owner of Qualified Opportunity Zone property:

- Must provide a statement to the applicant certifying the following:
  - The project property is located in an Ohio Opportunity Zone; and
  - The investment was received from the fund.

### **Tax Credit Approval Process**

- The director shall review and award qualified applications in the order they are received.
- The director shall issue tax credits until all qualified applicants are awarded tax credits or the total amount of tax credits is issued, whichever comes first.
- The director shall not issue certificates in a total amount that would cause the tax credits claimed to exceed:
  - \$75 million for the fiscal biennium beginning July 1, 2021, and ending June 30, 2023;
  - \$50 million any for fiscal year 2024;
  - \$25 million for each fiscal year thereafter.
- The director shall not issue certificates to a single applicant in an amount that would cause the tax credits claimed in any fiscal biennium by that applicant and any person to whom the applicant transfers the certificate to exceed \$2 million.
- If an application hits the maximum amount of tax credits allocated, the credit awarded may only be a portion for which the applicant qualified.
- For information on the review process for received applications, please see the review process and frequently asked questions documents on the Ohio Opportunity Zones Tax Credit website.

## **Tax Credit Claiming**

- Once the director determines that the applicant qualifies for a tax credit, the director shall issue a tax credit certificate within 60 days after the last date on which an application may be submitted for that application period.
- The tax credit certificate will be identified with a unique number and list the amount of credit the director determines the applicant is eligible to claim.
- The tax credit shall equal 10 percent of the amount of the applicant's investment in the fund that the fund invested in projects located in Ohio Opportunity Zones in the investment period preceding the application, not to exceed \$2 million in the biennium.
- The credit is a nonrefundable tax credit against the tax levied under Sections 5725.18, 5726.02, 5729.03, or 5747.02 of the Ohio Revised Code.
- The credit shall be claimed by a person under ORC Section 5725.38, 5726.61, 5729.21, or 5747.86, as applicable. Any excess credit amount may be carried forward for the ensuing five taxable years.
- The director may not issue a certificate under the Ohio Opportunity Zone Tax Credit Program on the basis of any investment for which a small business investment certificate has been issued under ORC Section 122.86.
- An Applicant claiming an Ohio Opportunity Zone Tax Credit shall submit a copy of the certificate to the Ohio Department of Taxation with their return or report.

## **Transfer of the Ohio Opportunity Zone Tax Credit**

- An applicant that holds an unclaimed Ohio Opportunity Zone Tax Credit Certificate in whole or in part may notify the tax commissioner in writing that the applicant is transferring the right to claim all or part of the remaining credit to other persons.
- An applicant that is not a taxpayer shall not claim the credit, but if the applicant is the entity to which the certificate was initially issued, the applicant may transfer the right to claim the credit.
- The applicant, in that notification, shall identify the certificate's number and the name and tax identification number of the transferee.
- The transferee may claim the credit stated on the certificate, subject to the limitations of ORC Section 122.84.
- Transferring a credit does not extend the taxable years in which the credit may be claimed or number of years for which the unclaimed credit amount may be carried forward.
- Any transferee to which a credit has been transferred may transfer the right to claim all or part of the transferred credit amount to any other person, in the same manner for the initial transfer, including that any such transfer be reported by the transferor to the Tax Commissioner.