

**Frequently Asked Questions for the
Ohio Lead Abatement Tax Credit
Ohio Revised Code (O.R.C.) 3742.50
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Ohio

**Department
of Health**

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Interpretive Guidance for O.R.C. 3742.50 Lead abatement tax credit

Ohio Lead Abatement Tax Credit Eligibility

1. What is the Ohio Lead Abatement Tax Credit?

The Ohio Lead Abatement Tax Credit is a nonrefundable credit that is issued against a taxpayer's state tax liability. In order to be eligible to receive this credit, the taxpayer must have incurred lead abatement costs, associated with an eligible dwelling they own, on or after the taxable year beginning January 1, 2020. A taxpayer may receive a tax credit up to \$10,000.00 (per taxable year).

2. What taxpayers are eligible to receive this tax credit?

For purposes of this credit, taxpayer is limited to individuals, estates, and trusts. Business entities are not eligible to claim this credit.

3. What dwellings are eligible?

All residential units that were constructed prior to 1978 are eligible.

Per O.R.C. 3742.01 (DD), "Residential unit" means a dwelling or any part of a building being used as an individual's private residence. "Residential unit" includes a residential rental unit.

4. What are lead abatement costs?

Lead abatement costs include:

- A lead risk assessment that is conducted by an Ohio licensed lead risk assessor within an eligible dwelling
- Lead abatement work that is conducted by an Ohio licensed lead abatement contractor or lead abatement project designer within an eligible dwelling
- Clearance examination(s) that are conducted by an Ohio licensed lead risk assessor, lead inspector, or clearance technician within an eligible dwelling
- Relocation expense of the eligible dwelling's occupants during a lead abatement project in order to achieve occupant protection

Lead abatement costs do not include:

- Any costs that the taxpayer is reimbursed (including grant funding)
- Any costs that the taxpayer deducts or excludes in computing their federal adjusted gross income for federal income tax purposes or Ohio adjusted gross income (as determined under O.R.C. 5747.01)

5. Are there specific abatement activities that must have occurred in order to qualify?

All eligible dwellings must, at minimum, pass a clearance examination in accordance with standards prescribed in rules adopted under O.R.C. 3742.03 or O.R.C. 3742.45. There are no additional abatement activities that must have occurred within an eligible dwelling for an owner to qualify for this credit.

6. What is a lead risk assessment?

A risk assessment involves inspecting the condition of the painted surfaces in a home, determining the occupant's use of the rooms, collecting dust samples to be tested for lead, and testing deteriorated paint (by XRF or paint chip analysis). A risk assessment report, which is compiled from this information, indicates the location and severity of lead hazards and suggests remedies for them. Only an Ohio licensed lead risk assessor may perform a lead risk assessment.

7. What is lead abatement?

Lead abatement is a measure or set of measures performed by a lead abatement contractor or lead abatement project designer for the purpose of permanently eliminating lead hazards. Per O.R.C. 3742.01 (K)(1), ..."Lead abatement" includes all of the following:

- (a) Removal of lead-based paint and lead-contaminated dust;
- (b) Permanent enclosure or encapsulation of lead-based paint;
- (c) Replacement of surfaces or fixtures painted with lead-based paint;
- (d) Removal or permanent covering of lead-contaminated soil;
- (e) Preparation, cleanup, and disposal activities associated with lead abatement.

Only an Ohio licensed lead abatement contractor or lead abatement project designer may perform lead abatement.

8. What is a clearance examination?

A clearance examination involves the examination of a residential unit to determine if lead hazards have been sufficiently controlled. Components of the clearance include visual assessment and the collection of environmental samples for analysis.

Only an Ohio licensed lead risk assessor or lead inspector may perform a clearance examination on a lead abatement project.

A lead clearance technician may perform a clearance examination in instances where no lead abatement has been completed.

9. Can a Renovation, Repair, and Painting (RRP) contractor conduct lead-safe renovation in lieu of using an Ohio licensed lead abatement contractor or lead abatement project designer to perform lead abatement?

No. The Ohio Revised Code prohibits individuals from performing lead-safe renovation in lieu of abatement, or any individual from performing lead abatement without a valid lead abatement contractor or lead abatement project designer license.

Costs incurred for work performed by RRP certified firms or individuals are not eligible for the lead abatement tax credit.

10. When is relocation required during lead abatement?

Occupants are not permitted to enter the work area (the area where lead abatement work is being performed) and any containment area associated with the lead abatement activities until it has been cleaned and passed a clearance examination. Occupants must be relocated before and during lead abatement work unless:

- Only the exterior of the dwelling is treated, and windows, doors, ventilation intakes and other openings in or near the work area are sealed during lead abatement work and cleaned afterward, and lead-safe entry/egress is provided.
- The work, final cleanup, and clearance are achieved in one 8-hour period, and the work area is contained to prevent the release of leaded dust and debris into other areas, and treatment does not create any other safety, health or environmental hazards.
- Lead abatement work in the interior will occur in limited areas and treatment does not create other safety, health or environmental hazards. At the end of each workday, the work area and the area within at least 10 feet of the containment area is cleaned to remove any visible dust or debris, and occupants have continual lead-safe access to a sleeping area, bathroom and kitchen facilities, and entrance/egress.

Occupants may NOT reoccupy any lead abatement work area until it has been cleaned, passed a visual examination, and dust samples pass clearance.

11. What relocation expenses are eligible for this tax credit?

Relocation expenses may only be submitted for the cost of occupant lodging for lead abatement work that lasts more than one workday. Eligible relocation expenses must have occurred during the lead abatement project. There is no reimbursement of meals or incidental expenses. The reimbursement rate is based upon the current U.S. General Services Administration per diem rate for lodging in the city or county where the eligible dwelling is located. Per diem rate information can be found at:

https://www.gsa.gov/travel/plan-book/per-diem-rates/per-diem-rates-lookup/?action=perdiems_report&state=OH&fiscal_year=2020&zip=&city=

12. Where do I find licensed individuals to complete work on my property?

Licensed lead professionals that have requested to be listed for hire can be found at the link below. In the “Select a Report” field, select “Licensed Service Providers for Hire”. You may then further limit your search results by selecting the licensee type and area code in which the eligible property is located.

http://publicapps.odh.ohio.gov/Envlicense_Reports/reports/External_Report_Criteria.aspx?Program=Lead

13. Does this credit cover the replacement of lead service lines and demolition of properties?

No, this program does not cover such expenses.

Application and Deadlines

14. How do I apply to receive this tax credit?

In order to apply for the tax credit, the taxpayer must complete the Application for Lead Abatement Tax Credit form and submit it to the Ohio Department of Health (ODH), to the address listed at the top of the application form.

15. What do I need to include with my application?

The application form must be submitted with a copy of the county auditor's page which shows the property owner's name, address of the property being considered, and the year the property was built.

ODH reserves the right to request additional documentation as part of the application process.

16. How many properties can I include on my application?

The application form allows for a total of four residential units to be listed. If you have additional properties with abatement costs, and you would like to include them on your application, an additional copy of application page two may be filled out and submitted. Please be aware that a maximum of \$10,000.00 per taxpayer, and per residential unit, may be issued per taxable year.

Example 1- An applicant applies and lists four residential units with the following eligible abatement costs.

Unit 1	\$3,250
Unit 2	\$4,000
Unit 3	\$4,200
Unit 4	\$1,000
Total Abatement Costs	\$12,450

The applicant will receive a tax credit certificate for \$10,000.00 because it is the maximum allowable tax credit per taxpayer. There will be no tax credit certificate issued for the additional \$2,450.00 abatement costs incurred because the maximum allotted credit has been met for that taxable year.

Example 2- An applicant applies and lists two residential units with a total \$7,500.00 in eligible abatement costs. The taxpayer will be issued a credit of \$7,500.00.

17. What if I don't know the license number of the lead inspector, lead risk assessor, lead abatement project designer, or lead abatement contractor that completed the work?

In order to locate the lead licensee's license number, the search engine below may be utilized. Entering the first and last name of the individual will yield search results of licensees with that name. You may then further limit your results by entering the individual's company name as well as license type.

http://publicapps.odh.ohio.gov/Envlicense_Reports/External_License_Search.aspx?Program=Lead

18. When is the deadline to apply to ODH for a tax credit for abatement costs incurred in a taxable year?

The deadline to apply for a tax credit certificate with ODH is January 15th of the year following the tax year for which you are applying. For example, if you incurred abatement costs in 2020, you would need to file your application with ODH by January 15, 2021.

19. If I am an eligible taxpayer that applies for a tax credit, am I guaranteed to receive it?

Applications shall be reviewed in the order in which they are received. If an application is found to be incomplete, the applicant shall be sent an e-mail containing a request for the missing information. Until such time that the applicant corrects their application, the applicant is not in line to receive a tax credit. **ODH may not issue more than \$5,000,000.00 in tax credits per fiscal year.** Once tax credits have been allocated to taxpayers in the amount of \$5,000,000.00 in a fiscal year, review of additional applications will be halted until the beginning of the next fiscal year (July 1st).

Award, Receiving, and Use of the Tax Credit Certificate

20. How will I receive my certificate?

The certificate will be sent as a PDF attachment to the monitored e-mail listed on your tax credit application.

21. How large of a tax credit will I receive?

ODH may issue a tax credit certificate, to a taxpayer, for the lead abatement costs incurred, **up to** \$10,000.00. The amount awarded will be based on the total abatement costs submitted for reimbursement.

22. What if my state taxes due are less than the amount I received on my tax credit certificate?

Any additional remaining balance on your tax credit certificate, after filing your taxes for that taxable year, may be carried forward as a credit for up to seven taxable years. Any excess credit utilized in any such additional years shall be deducted from the balance carried forward. Additional information can be found in O.R.C. 5747.26.

23. Who do I contact if I have further questions?

For any additional questions regarding the application process, you may e-mail ODH at leadtaxcredit@odh.ohio.gov. If you have questions regarding tax implications, it is highly recommended that you seek the advice of a tax professional.