Topic: Remove fee limitation; exclude de novo banks from CAT

__________________________ moved to amend as follows:

In line 1, of the title, delete "1121.29 and"; after "5726.01" insert "and 5751.01"

In line 5, of the title, delete "and to limit the application fees charged"

Delete line 6

In line 7, of the title, delete "for approval to incorporate a state bank"

In line 8, delete "1121.29 and"; after "5726.01" insert "and 5751.01"

Delete lines 10 through 105

After line 331, insert:

"Sec. 5751.01. As used in this chapter:

(A) "Person" means, but is not limited to, individuals, combinations of individuals of any form, receivers, assignees,

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trustees in bankruptcy, firms, companies, joint-stock companies,  
business trusts, estates, partnerships, limited liability  
partnerships, limited liability companies, associations, joint  
ventures, clubs, societies, for-profit corporations, S  
corporations, qualified subchapter S subsidiaries, qualified  
subchapter S trusts, trusts, entities that are disregarded for  
federal income tax purposes, and any other entities.

(B) "Consolidated elected taxpayer" means a group of two  
or more persons treated as a single taxpayer for purposes of  
this chapter as the result of an election made under section  
5751.011 of the Revised Code.

(C) "Combined taxpayer" means a group of two or more  
persons treated as a single taxpayer for purposes of this  
chapter under section 5751.012 of the Revised Code.

(D) "Taxpayer" means any person, or any group of persons  
in the case of a consolidated elected taxpayer or combined  
taxpayer treated as one taxpayer, required to register or pay  
tax under this chapter. "Taxpayer" does not include excluded  
persons.

(E) "Excluded person" means any of the following:

(1) Any person with not more than one hundred fifty  
thousand dollars of taxable gross receipts during the calendar  
year. Division (E)(1) of this section does not apply to a person  
that is a member of a consolidated elected taxpayer;

(2) A public utility that paid the excise tax imposed by  
section 5727.24 or 5727.30 of the Revised Code based on one or  
more measurement periods that include the entire tax period  
under this chapter, except that a public utility that is a  
combined company is a taxpayer with regard to the following
gross receipts:

(a) Taxable gross receipts directly attributed to a public utility activity, but not directly attributed to an activity that is subject to the excise tax imposed by section 5727.24 or 5727.30 of the Revised Code;

(b) Taxable gross receipts that cannot be directly attributed to any activity, multiplied by a fraction whose numerator is the taxable gross receipts described in division (E)(2)(a) of this section and whose denominator is the total taxable gross receipts that can be directly attributed to any activity;

(c) Except for any differences resulting from the use of an accrual basis method of accounting for purposes of determining gross receipts under this chapter and the use of the cash basis method of accounting for purposes of determining gross receipts under section 5727.24 of the Revised Code, the gross receipts directly attributed to the activity of a natural gas company shall be determined in a manner consistent with division (D) of section 5727.03 of the Revised Code.

As used in division (E)(2) of this section, "combined company" and "public utility" have the same meanings as in section 5727.01 of the Revised Code.

(3) A financial institution, as defined in section 5726.01 of the Revised Code, that paid the tax imposed by section 5726.02 of the Revised Code based on one or more taxable years that include the entire tax period under this chapter or a [de novo bank organization, as those terms are defined in section 5726.01 of the Revised Code;]

(4) A person directly or indirectly owned by one or more
financial institutions, as defined in section 5726.01 of the Revised Code, that paid the tax imposed by section 5726.02 of the Revised Code based on one or more taxable years that include the entire tax period under this chapter.

For the purposes of division (E)(4) of this section, a person owns another person under the following circumstances:

(a) In the case of corporations issuing capital stock, one corporation owns another corporation if it owns fifty per cent or more of the other corporation's capital stock with current voting rights;

(b) In the case of a limited liability company, one person owns the company if that person's membership interest, as defined in section 1705.01 of the Revised Code, is fifty per cent or more of the combined membership interests of all persons owning such interests in the company;

(c) In the case of a partnership, trust, or other unincorporated business organization other than a limited liability company, one person owns the organization if, under the articles of organization or other instrument governing the affairs of the organization, that person has a beneficial interest in the organization's profits, surpluses, losses, or distributions of fifty per cent or more of the combined beneficial interests of all persons having such an interest in the organization.

(5) A domestic insurance company or foreign insurance company, as defined in section 5725.01 of the Revised Code, that paid the insurance company premiums tax imposed by section 5725.18 or Chapter 5729. of the Revised Code, or an unauthorized insurance company whose gross premiums are subject to tax under
section 3905.36 of the Revised Code based on one or more measurement periods that include the entire tax period under this chapter;

(6) A person that solely facilitates or services one or more securitizations of phase-in-recovery property pursuant to a final financing order as those terms are defined in section 4928.23 of the Revised Code. For purposes of this division, "securitization" means transferring one or more assets to one or more persons and then issuing securities backed by the right to receive payment from the asset or assets so transferred.

(7) Except as otherwise provided in this division, a pre-income tax trust as defined in division (FF)(4) of section 5747.01 of the Revised Code and any pass-through entity of which such pre-income tax trust owns or controls, directly, indirectly, or constructively through related interests, more than five per cent of the ownership or equity interests. If the pre-income tax trust has made a qualifying pre-income tax trust election under division (FF)(3) of section 5747.01 of the Revised Code, then the trust and the pass-through entities of which it owns or controls, directly, indirectly, or constructively through related interests, more than five per cent of the ownership or equity interests, shall not be excluded persons for purposes of the tax imposed under section 5751.02 of the Revised Code.

(8) Nonprofit organizations or the state and its agencies, instrumentalities, or political subdivisions.

(F) Except as otherwise provided in divisions (F)(2), (3), and (4) of this section, "gross receipts" means the total amount realized by a person, without deduction for the cost of goods sold or other expenses incurred, that contributes to the
production of gross income of the person, including the fair
market value of any property and any services received, and any
debt transferred or forgiven as consideration.

(1) The following are examples of gross receipts:

(a) Amounts realized from the sale, exchange, or other
disposition of the taxpayer's property to or with another;

(b) Amounts realized from the taxpayer's performance of
services for another;

(c) Amounts realized from another's use or possession of
the taxpayer's property or capital;

(d) Any combination of the foregoing amounts.

(2) "Gross receipts" excludes the following amounts:

(a) Interest income except interest on credit sales;

(b) Dividends and distributions from corporations, and
distributive or proportionate shares of receipts and income from
a pass-through entity as defined under section 5733.04 of the
Revised Code;

(c) Receipts from the sale, exchange, or other disposition
of an asset described in section 1221 or 1231 of the Internal
Revenue Code, without regard to the length of time the person
held the asset. Notwithstanding section 1221 of the Internal
Revenue Code, receipts from hedging transactions also are
excluded to the extent the transactions are entered into
primarily to protect a financial position, such as managing the
risk of exposure to (i) foreign currency fluctuations that
affect assets, liabilities, profits, losses, equity, or
investments in foreign operations; (ii) interest rate
fluctuations; or (iii) commodity price fluctuations. As used in
division (F)(2)(c) of this section, "hedging transaction" has
the same meaning as used in section 1221 of the Internal Revenue
Code and also includes transactions accorded hedge accounting
treatment under statement of financial accounting standards
number 133 of the financial accounting standards board. For the
purposes of division (F)(2)(c) of this section, the actual
transfer of title of real or tangible personal property to
another entity is not a hedging transaction.

(d) Proceeds received attributable to the repayment,
maturity, or redemption of the principal of a loan, bond, mutual
fund, certificate of deposit, or marketable instrument;

(e) The principal amount received under a repurchase
agreement or on account of any transaction properly
characterized as a loan to the person;

(f) Contributions received by a trust, plan, or other
arrangement, any of which is described in section 501(a) of the
Internal Revenue Code, or to which Title 26, Subtitle A, Chapter
1, Subchapter (D) of the Internal Revenue Code applies;

(g) Compensation, whether current or deferred, and whether
in cash or in kind, received or to be received by an employee,
former employee, or the employee's legal successor for services
rendered to or for an employer, including reimbursements
received by or for an individual for medical or education
expenses, health insurance premiums, or employee expenses, or on
account of a dependent care spending account, legal services
plan, any cafeteria plan described in section 125 of the
Internal Revenue Code, or any similar employee reimbursement;

(h) Proceeds received from the issuance of the taxpayer's
own stock, options, warrants, puts, or calls, or from the sale
of the taxpayer's treasury stock;

   (i) Proceeds received on the account of payments from
insurance policies, except those proceeds received for the loss
of business revenue;

   (j) Gifts or charitable contributions received; membership
dues received by trade, professional, homeowners', or
condominium associations; and payments received for educational
courses, meetings, meals, or similar payments to a trade,
professional, or other similar association; and fundraising
receipts received by any person when any excess receipts are
donated or used exclusively for charitable purposes;

   (k) Damages received as the result of litigation in excess
of amounts that, if received without litigation, would be gross
receipts;

   (l) Property, money, and other amounts received or
acquired by an agent on behalf of another in excess of the
agent's commission, fee, or other remuneration;

   (m) Tax refunds, other tax benefit recoveries, and
reimbursements for the tax imposed under this chapter made by
entities that are part of the same combined taxpayer or
consolidated elected taxpayer group, and reimbursements made by
entities that are not members of a combined taxpayer or
consolidated elected taxpayer group that are required to be made
for economic parity among multiple owners of an entity whose tax
obligation under this chapter is required to be reported and
paid entirely by one owner, pursuant to the requirements of
sections 5751.011 and 5751.012 of the Revised Code;

   (n) Pension reversions;
(o) Contributions to capital;

(p) Sales or use taxes collected as a vendor or an out-of-state seller on behalf of the taxing jurisdiction from a consumer or other taxes the taxpayer is required by law to collect directly from a purchaser and remit to a local, state, or federal tax authority;

(q) In the case of receipts from the sale of cigarettes, tobacco products, or vapor products by a wholesale dealer, retail dealer, distributor, manufacturer, vapor distributor, or seller, all as defined in section 5743.01 of the Revised Code, an amount equal to the federal and state excise taxes paid by any person on or for such cigarettes, tobacco products, or vapor products under subtitle E of the Internal Revenue Code or Chapter 5743. of the Revised Code;

(r) In the case of receipts from the sale, transfer, exchange, or other disposition of motor fuel as "motor fuel" is defined in section 5736.01 of the Revised Code, an amount equal to the value of the motor fuel, including federal and state motor fuel excise taxes and receipts from billing or invoicing the tax imposed under section 5736.02 of the Revised Code to another person;

(s) In the case of receipts from the sale of beer or intoxicating liquor, as defined in section 4301.01 of the Revised Code, by a person holding a permit issued under Chapter 4301. or 4303. of the Revised Code, an amount equal to federal and state excise taxes paid by any person on or for such beer or intoxicating liquor under subtitle E of the Internal Revenue Code or Chapter 4301. or 4305. of the Revised Code;

(t) Receipts realized by a new motor vehicle dealer or
used motor vehicle dealer, as defined in section 4517.01 of the
Revised Code, from the sale or other transfer of a motor
vehicle, as defined in that section, to another motor vehicle
dealer for the purpose of resale by the transferee motor vehicle
dealer, but only if the sale or other transfer was based upon
the transferee's need to meet a specific customer's preference
for a motor vehicle;

(u) Receipts from a financial institution or de novo bank
organization described in division (E)(3) of this section for
services provided to the financial institution or de novo bank
organization in connection with the issuance, processing,
servicing, and management of loans or credit accounts, if such
financial institution or de novo bank organization and the
recipient of such receipts have at least fifty per cent of their
ownership interests owned or controlled, directly or
constructively through related interests, by common owners;

(v) Receipts realized from administering anti-neoplastic
drugs and other cancer chemotherapy, biologicals, therapeutic
agents, and supportive drugs in a physician's office to patients
with cancer;

(w) Funds received or used by a mortgage broker that is
not a dealer in intangibles, other than fees or other
consideration, pursuant to a table-funding mortgage loan or
warehouse-lending mortgage loan. Terms used in division (F)(2)
(w) of this section have the same meanings as in section 1322.01
of the Revised Code, except "mortgage broker" means a person
assisting a buyer in obtaining a mortgage loan for a fee or
other consideration paid by the buyer or a lender, or a person
engaged in table-funding or warehouse-lending mortgage loans
that are first lien mortgage loans.
(x) Property, money, and other amounts received by a professional employer organization, as defined in section 4125.01 of the Revised Code, from a client employer, as defined in that section, in excess of the administrative fee charged by the professional employer organization to the client employer;

(y) In the case of amounts retained as commissions by a permit holder under Chapter 3769. of the Revised Code, an amount equal to the amounts specified under that chapter that must be paid to or collected by the tax commissioner as a tax and the amounts specified under that chapter to be used as purse money;

(z) Qualifying distribution center receipts.

(i) For purposes of division (F)(2)(z) of this section:

(I) "Qualifying distribution center receipts" means receipts of a supplier from qualified property that is delivered to a qualified distribution center, multiplied by a quantity that equals one minus the Ohio delivery percentage. If the qualified distribution center is a refining facility, "supplier" includes all dealers, brokers, processors, sellers, vendors, cosigners, and distributors of qualified property.

(II) "Qualified property" means tangible personal property delivered to a qualified distribution center that is shipped to that qualified distribution center solely for further shipping by the qualified distribution center to another location in this state or elsewhere or, in the case of gold, silver, platinum, or palladium delivered to a refining facility solely for refining to a grade and fineness acceptable for delivery to a registered commodities exchange. "Further shipping" includes storing and repackaging property into smaller or larger bundles, so long as the property is not subject to further manufacturing or
processing. "Refining" is limited to extracting impurities from gold, silver, platinum, or palladium through smelting or some other process at a refining facility.

(III) "Qualified distribution center" means a warehouse, a facility similar to a warehouse, or a refining facility in this state that, for the qualifying year, is operated by a person that is not part of a combined taxpayer group and that has a qualifying certificate. All warehouses or facilities similar to warehouses that are operated by persons in the same taxpayer group and that are located within one mile of each other shall be treated as one qualified distribution center. All refining facilities that are operated by persons in the same taxpayer group and that are located in the same or adjacent counties may be treated as one qualified distribution center.

(IV) "Qualifying year" means the calendar year to which the qualifying certificate applies.

(V) "Qualifying period" means the period of the first day of July of the second year preceding the qualifying year through the thirtieth day of June of the year preceding the qualifying year.

(VI) "Qualifying certificate" means the certificate issued by the tax commissioner after the operator of a distribution center files an annual application with the commissioner. The application and annual fee shall be filed and paid for each qualified distribution center on or before the first day of September before the qualifying year or within forty-five days after the distribution center opens, whichever is later.

The applicant must substantiate to the commissioner's satisfaction that, for the qualifying period, all persons
operating the distribution center have more than fifty per cent of the cost of the qualified property shipped to a location such that it would be sitused outside this state under the provisions of division (E) of section 5751.033 of the Revised Code. The applicant must also substantiate that the distribution center cumulatively had costs from its suppliers equal to or exceeding five hundred million dollars during the qualifying period. (For purposes of division (F)(2)(z)(i)(VI) of this section, "supplier" excludes any person that is part of the consolidated elected taxpayer group, if applicable, of the operator of the qualified distribution center.) The commissioner may require the applicant to have an independent certified public accountant certify that the calculation of the minimum thresholds required for a qualified distribution center by the operator of a distribution center has been made in accordance with generally accepted accounting principles. The commissioner shall issue or deny the issuance of a certificate within sixty days after the receipt of the application. A denial is subject to appeal under section 5717.02 of the Revised Code. If the operator files a timely appeal under section 5717.02 of the Revised Code, the operator shall be granted a qualifying certificate effective for the remainder of the qualifying year or until the appeal is finalized, whichever is earlier. If the operator does not prevail in the appeal, the operator shall pay the ineligible operator's supplier tax liability.

(VII) "Ohio delivery percentage" means the proportion of the total property delivered to a destination inside Ohio from the qualified distribution center during the qualifying period compared with total deliveries from such distribution center everywhere during the qualifying period.

(VIII) "Refining facility" means one or more buildings
located in a county in the Appalachian region of this state as defined by section 107.21 of the Revised Code and utilized for refining or smelting gold, silver, platinum, or palladium to a grade and fineness acceptable for delivery to a registered commodities exchange.

(IX) "Registered commodities exchange" means a board of trade, such as New York mercantile exchange, inc. or commodity exchange, inc., designated as a contract market by the commodity futures trading commission under the "Commodity Exchange Act," 7 U.S.C. 1 et seq., as amended.

(X) "Ineligible operator's supplier tax liability" means an amount equal to the tax liability of all suppliers of a distribution center had the distribution center not been issued a qualifying certificate for the qualifying year. Ineligible operator's supplier tax liability shall not include interest or penalties. The tax commissioner shall determine an ineligible operator's supplier tax liability based on information that the commissioner may request from the operator of the distribution center. An operator shall provide a list of all suppliers of the distribution center and the corresponding costs of qualified property for the qualifying year at issue within sixty days of a request by the commissioner under this division.

(ii)(I) If the distribution center is new and was not open for the entire qualifying period, the operator of the distribution center may request that the commissioner grant a qualifying certificate. If the certificate is granted and it is later determined that more than fifty per cent of the qualified property during that year was not shipped to a location such that it would be sitused outside of this state under the provisions of division (E) of section 5751.033 of the Revised
Code or if it is later determined that the person that operates the distribution center had average monthly costs from its suppliers of less than forty million dollars during that year, then the operator of the distribution center shall pay the ineligible operator's supplier tax liability. (For purposes of division (F)(2)(z)(ii) of this section, "supplier" excludes any person that is part of the consolidated elected taxpayer group, if applicable, of the operator of the qualified distribution center.)

(II) The commissioner may grant a qualifying certificate to a distribution center that does not qualify as a qualified distribution center for an entire qualifying period if the operator of the distribution center demonstrates that the business operations of the distribution center have changed or will change such that the distribution center will qualify as a qualified distribution center within thirty-six months after the date the operator first applies for a certificate. If, at the end of that thirty-six-month period, the business operations of the distribution center have not changed such that the distribution center qualifies as a qualified distribution center, the operator of the distribution center shall pay the ineligible operator's supplier tax liability for each year that the distribution center received a certificate but did not qualify as a qualified distribution center. For each year the distribution center receives a certificate under division (F)(2)(z)(ii)(II) of this section, the distribution center shall pay all applicable fees required under division (F)(2)(z) of this section and shall submit an updated business plan showing the progress the distribution center made toward qualifying as a qualified distribution center during the preceding year.

(III) An operator may appeal a determination under...
division (F)(2)(z)(ii)(I) or (II) of this section that the ineligible operator is liable for the operator's supplier tax liability as a result of not qualifying as a qualified distribution center, as provided in section 5717.02 of the Revised Code.

(iii) When filing an application for a qualifying certificate under division (F)(2)(z)(i)(VI) of this section, the operator of a qualified distribution center also shall provide documentation, as the commissioner requires, for the commissioner to ascertain the Ohio delivery percentage. The commissioner, upon issuing the qualifying certificate, also shall certify the Ohio delivery percentage. The operator of the qualified distribution center may appeal the commissioner's certification of the Ohio delivery percentage in the same manner as an appeal is taken from the denial of a qualifying certificate under division (F)(2)(z)(i)(VI) of this section.

(iv)(I) In the case where the distribution center is new and not open for the entire qualifying period, the operator shall make a good faith estimate of an Ohio delivery percentage for use by suppliers in their reports of taxable gross receipts for the remainder of the qualifying period. The operator of the facility shall disclose to the suppliers that such Ohio delivery percentage is an estimate and is subject to recalculation. By the due date of the next application for a qualifying certificate, the operator shall determine the actual Ohio delivery percentage for the estimated qualifying period and proceed as provided in division (F)(2)(z)(iii) of this section with respect to the calculation and recalculation of the Ohio delivery percentage. The supplier is required to file, within sixty days after receiving notice from the operator of the qualified distribution center, amended reports for the impacted
calendar quarter or quarters or calendar year, whichever the 458 case may be. Any additional tax liability or tax overpayment 459 shall be subject to interest but shall not be subject to the 460 imposition of any penalty so long as the amended returns are 461 timely filed.

(II) The operator of a distribution center that receives a 462 qualifying certificate under division (F)(2)(z)(ii)(II) of this 463 section shall make a good faith estimate of the Ohio delivery 464 percentage that the operator estimates will apply to the 465 distribution center at the end of the thirty-six-month period 466 after the operator first applied for a qualifying certificate 467 under that division. The result of the estimate shall be 468 multiplied by a factor of one and seventy-five one-hundredths. 469 The product of that calculation shall be the Ohio delivery 470 percentage used by suppliers in their reports of taxable gross 471 receipts for each qualifying year that the distribution center 472 receives a qualifying certificate under division (F)(2)(z)(ii) 473 (II) of this section, except that, if the product is less than 474 five per cent, the Ohio delivery percentage used shall be five 475 per cent and that, if the product exceeds forty-nine per cent, 476 the Ohio delivery percentage used shall be forty-nine per cent.

(v) Qualifying certificates and Ohio delivery percentages 479 issued by the commissioner shall be open to public inspection 480 and shall be timely published by the commissioner. A supplier 481 relying in good faith on a certificate issued under this 482 division shall not be subject to tax on the qualifying 483 distribution center receipts under division (F)(2)(z) of this 484 section. An operator receiving a qualifying certificate is 485 liable for the ineligible operator's supplier tax liability for 486 each year the operator received a certificate but did not 487 qualify as a qualified distribution center.
(vi) The annual fee for a qualifying certificate shall be one hundred thousand dollars for each qualified distribution center. If a qualifying certificate is not issued, the annual fee is subject to refund after the exhaustion of all appeals provided for in division (F)(2)(z)(i)(VI) of this section. The first one hundred thousand dollars of the annual application fees collected each calendar year shall be credited to the revenue enhancement fund. The remainder of the annual application fees collected shall be distributed in the same manner required under section 5751.20 of the Revised Code.

(vii) The tax commissioner may require that adequate security be posted by the operator of the distribution center on appeal when the commissioner disagrees that the applicant has met the minimum thresholds for a qualified distribution center as set forth in division (F)(2)(z) of this section.

(aa) Receipts of an employer from payroll deductions relating to the reimbursement of the employer for advancing moneys to an unrelated third party on an employee's behalf;

(bb) Cash discounts allowed and taken;

(cc) Returns and allowances;

(dd) Bad debts from receipts on the basis of which the tax imposed by this chapter was paid in a prior quarterly tax payment period. For the purpose of this division, "bad debts" means any debts that have become worthless or uncollectible between the preceding and current quarterly tax payment periods, have been uncollected for at least six months, and that may be claimed as a deduction under section 166 of the Internal Revenue Code and the regulations adopted under that section, or that could be claimed as such if the taxpayer kept its accounts on
the accrual basis. "Bad debts" does not include repossessed property, uncollectible amounts on property that remains in the possession of the taxpayer until the full purchase price is paid, or expenses in attempting to collect any account receivable or for any portion of the debt recovered;

(ee) Any amount realized from the sale of an account receivable to the extent the receipts from the underlying transaction giving rise to the account receivable were included in the gross receipts of the taxpayer;

(ff) Any receipts directly attributed to a transfer agreement or to the enterprise transferred under that agreement under section 4313.02 of the Revised Code.

(gg)(i) As used in this division:

(I) "Qualified uranium receipts" means receipts from the sale, exchange, lease, loan, production, processing, or other disposition of uranium within a uranium enrichment zone certified by the tax commissioner under division (F)(2)(gg)(ii) of this section. "Qualified uranium receipts" does not include any receipts with a situs in this state outside a uranium enrichment zone certified by the tax commissioner under division (F)(2)(gg)(ii) of this section.

(II) "Uranium enrichment zone" means all real property that is part of a uranium enrichment facility licensed by the United States nuclear regulatory commission and that was or is owned or controlled by the United States department of energy or its successor.

(ii) Any person that owns, leases, or operates real or tangible personal property constituting or located within a uranium enrichment zone may apply to the tax commissioner to
have the uranium enrichment zone certified for the purpose of
excluding qualified uranium receipts under division (F)(2)(gg)
of this section. The application shall include such information
that the tax commissioner prescribes. Within sixty days after
receiving the application, the tax commissioner shall certify
the zone for that purpose if the commissioner determines that
the property qualifies as a uranium enrichment zone as defined
in division (F)(2)(gg) of this section, or, if the tax
commissioner determines that the property does not qualify, the
commissioner shall deny the application or request additional
information from the applicant. If the tax commissioner denies
an application, the commissioner shall state the reasons for the
denial. The applicant may appeal the denial of an application to
the board of tax appeals pursuant to section 5717.02 of the
Revised Code. If the applicant files a timely appeal, the tax
commissioner shall conditionally certify the applicant's
property. The conditional certification shall expire when all of
the applicant's appeals are exhausted. Until final resolution of
the appeal, the applicant shall retain the applicant's records
in accordance with section 5751.12 of the Revised Code,
notwithstanding any time limit on the preservation of records
under that section.

(hh) In the case of amounts collected by a licensed casino
operator from casino gaming, amounts in excess of the casino
operator's gross casino revenue. In this division, "casino
operator" and "casino gaming" have the meanings defined in
section 3772.01 of the Revised Code, and "gross casino revenue"
has the meaning defined in section 5753.01 of the Revised Code.

(ii) Receipts realized from the sale of agricultural
commodities by an agricultural commodity handler, both as
defined in section 926.01 of the Revised Code, that is licensed
by the director of agriculture to handle agricultural
commodities in this state.

(jj) Qualifying integrated supply chain receipts.

As used in division (F)(2)(jj) of this section:

(i) "Qualifying integrated supply chain receipts" means
receipts of a qualified integrated supply chain vendor from the
sale of qualified property delivered to, or integrated supply
chain services provided to, another qualified integrated supply
chain vendor or to a retailer that is a member of the integrated
supply chain. "Qualifying integrated supply chain receipts" does
not include receipts of a person that is not a qualified
integrated supply chain vendor from the sale of raw materials to
a member of an integrated supply chain, or receipts of a member
of an integrated supply chain from the sale of qualified
property or integrated supply chain services to a person that is
not a member of the integrated supply chain.

(ii) "Qualified property" means any of the following:

(I) Component parts used to hold, contain, package, or
dispense qualified products, excluding equipment;

(II) Work-in-process inventory that will become, comprise,
or form a component part of a qualified product capable of being
sold at retail, excluding equipment, machinery, furniture, and
fixtures;

(III) Finished goods inventory that is a qualified product
capable of being sold at retail in the inventory's present form.

(iii) "Qualified integrated supply chain vendor" means a
person that is a member of an integrated supply chain and that
provides integrated supply chain services within a qualified
integrated supply chain district to a retailer that is a member of the integrated supply chain or to another qualified integrated supply chain vendor that is located within the same such district as the person but does not share a common owner with that person.

(iv) "Qualified product" means a personal care, health, or beauty product or an aromatic product, including a candle. "Qualified product" does not include a drug that may be dispensed only pursuant to a prescription, durable medical equipment, mobility enhancing equipment, or a prosthetic device, as those terms are defined in section 5739.01 of the Revised Code.

(v) "Integrated supply chain" means two or more qualified integrated supply chain vendors certified on the most recent list certified to the tax commissioner under this division that systematically collaborate and coordinate business operations with a retailer on the flow of tangible personal property from material sourcing through manufacturing, assembly, packaging, and delivery to the retailer to improve long-term financial performance of each vendor and the supply chain that includes the retailer.

For the purpose of the certification required under this division, the reporting person for each retailer, on or before the first day of October of each year, shall certify to the tax commissioner a list of the qualified integrated supply chain vendors providing or receiving integrated supply chain services within a qualified integrated supply chain district for the ensuing calendar year. On or before the following first day of November, the commissioner shall issue a certificate to the retailer and to each vendor certified to the commissioner on
that list. The certificate shall include the names of the retailer and of the qualified integrated supply chain vendors.

The retailer shall notify the commissioner of any changes to the list, including additions to or subtractions from the list or changes in the name or legal entity of vendors certified on the list, within sixty days after the date the retailer becomes aware of the change. Within thirty days after receiving that notification, the commissioner shall issue a revised certificate to the retailer and to each vendor certified on the list. The revised certificate shall include the effective date of the change.

Each recipient of a certificate issued pursuant to this division shall maintain a copy of the certificate for four years from the date the certificate was received.

(vi) "Integrated supply chain services" means procuring raw materials or manufacturing, processing, refining, assembling, packaging, or repackaging tangible personal property that will become finished goods inventory capable of being sold at retail by a retailer that is a member of an integrated supply chain.

(vii) "Retailer" means a person primarily engaged in making retail sales and any member of that person's consolidated elected taxpayer group or combined taxpayer group, whether or not that member is primarily engaged in making retail sales.

(viii) "Qualified integrated supply chain district" means the parcel or parcels of land from which a retailer's integrated supply chain that existed on September 29, 2015, provides or receives integrated supply chain services, and to which all of the following apply:
(I) The parcel or parcels are located wholly in a county having a population of greater than one hundred sixty-five thousand but less than one hundred seventy thousand based on the 2010 federal decennial census.

(II) The parcel or parcels are located wholly in the corporate limits of a municipal corporation with a population greater than seven thousand five hundred and less than eight thousand based on the 2010 federal decennial census that is partly located in the county described in division (F)(2)(jj)(viii)(I) of this section, as those corporate limits existed on September 29, 2015.

(III) The aggregate acreage of the parcel or parcels equals or exceeds one hundred acres.

(kk) In the case of a railroad company described in division (D)(9) of section 5727.01 of the Revised Code that purchases dyed diesel fuel directly from a supplier as defined by section 5736.01 of the Revised Code, an amount equal to the product of the number of gallons of dyed diesel fuel purchased directly from such a supplier multiplied by the average wholesale price for a gallon of diesel fuel as determined under section 5736.02 of the Revised Code for the period during which the fuel was purchased multiplied by a fraction, the numerator of which equals the rate of tax levied by section 5736.02 of the Revised Code less the rate of tax computed in section 5751.03 of the Revised Code, and the denominator of which equals the rate of tax computed in section 5751.03 of the Revised Code.

(ll) Receipts realized by an out-of-state disaster business from disaster work conducted in this state during a disaster response period pursuant to a qualifying solicitation received by the business. Terms used in division (F)(2)(ll) of
this section have the same meanings as in section 5703.94 of the Revised Code.

(mm) Any receipts for which the tax imposed by this chapter is prohibited by the constitution or laws of the United States or the constitution of this state.

(3) In the case of a taxpayer when acting as a real estate broker, "gross receipts" includes only the portion of any fee for the service of a real estate broker, or service of a real estate salesperson associated with that broker, that is retained by the broker and not paid to an associated real estate salesperson or another real estate broker. For the purposes of this division, "real estate broker" and "real estate salesperson" have the same meanings as in section 4735.01 of the Revised Code.

(4) A taxpayer's method of accounting for gross receipts for a tax period shall be the same as the taxpayer's method of accounting for federal income tax purposes for the taxpayer's federal taxable year that includes the tax period. If a taxpayer's method of accounting for federal income tax purposes changes, its method of accounting for gross receipts under this chapter shall be changed accordingly.

(G) "Taxable gross receipts" means gross receipts sitused to this state under section 5751.033 of the Revised Code.

(H) A person has "substantial nexus with this state" if any of the following applies. The person:

(1) Owns or uses a part or all of its capital in this state;

(2) Holds a certificate of compliance with the laws of
this state authorizing the person to do business in this state;

(3) Has bright-line presence in this state;

(4) Otherwise has nexus with this state to an extent that
the person can be required to remit the tax imposed under this
chapter under the Constitution of the United States.

(I) A person has "bright-line presence" in this state for
a reporting period and for the remaining portion of the calendar
year if any of the following applies. The person:

(1) Has at any time during the calendar year property in
this state with an aggregate value of at least fifty thousand
dollars. For the purpose of division (I)(1) of this section,
owned property is valued at original cost and rented property is
valued at eight times the net annual rental charge.

(2) Has during the calendar year payroll in this state of
at least fifty thousand dollars. Payroll in this state includes
all of the following:

(a) Any amount subject to withholding by the person under
section 5747.06 of the Revised Code;

(b) Any other amount the person pays as compensation to an
individual under the supervision or control of the person for
work done in this state; and

(c) Any amount the person pays for services performed in
this state on its behalf by another.

(3) Has during the calendar year taxable gross receipts of
at least five hundred thousand dollars.

(4) Has at any time during the calendar year within this
state at least twenty-five per cent of the person's total
property, total payroll, or total gross receipts.

(5) Is domiciled in this state as an individual or for corporate, commercial, or other business purposes.

(J) "Tangible personal property" has the same meaning as in section 5739.01 of the Revised Code.

(K) "Internal Revenue Code" means the Internal Revenue Code of 1986, 100 Stat. 2085, 26 U.S.C. 1, as amended. Any term used in this chapter that is not otherwise defined has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes unless a different meaning is clearly required. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

(L) "Calendar quarter" means a three-month period ending on the thirty-first day of March, the thirtieth day of June, the thirtieth day of September, or the thirty-first day of December.

(M) "Tax period" means the calendar quarter or calendar year on the basis of which a taxpayer is required to pay the tax imposed under this chapter.

(N) "Calendar year taxpayer" means a taxpayer for which the tax period is a calendar year.

(O) "Calendar quarter taxpayer" means a taxpayer for which the tax period is a calendar quarter.

(P) "Agent" means a person authorized by another person to act on its behalf to undertake a transaction for the other, including any of the following:

(1) A person receiving a fee to sell financial instruments;
(2) A person retaining only a commission from a
transaction with the other proceeds from the transaction being
remitted to another person;

(3) A person issuing licenses and permits under section
1533.13 of the Revised Code;

(4) A lottery sales agent holding a valid license issued
under section 3770.05 of the Revised Code;

(5) A person acting as an agent of the division of liquor
control under section 4301.17 of the Revised Code.

(Q) "Received" includes amounts accrued under the accrual
method of accounting.

(R) "Reporting person" means a person in a consolidated
elected taxpayer or combined taxpayer group that is designated
by that group to legally bind the group for all filings and tax
liabilities and to receive all legal notices with respect to
matters under this chapter, or, for the purposes of section
5751.04 of the Revised Code, a separate taxpayer that is not a
member of such a group."

In line 332, delete "1121.29 and"; after "5726.01" insert "and
5751.01"

After line 337, insert:

"The amendment by this act of section 5751.01 of the
Revised Code applies to tax periods ending on or after the
effective date of this section."

The motion was __________ agreed to.