

**As Reported by the Senate Ways and Means and Economic
Development Committee**

**129th General Assembly
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Sub. H. B. No. 508

Representative Beck

**Cosponsors: Representatives Amstutz, Stautberg, Anielski, Antonio, Baker,
Blessing, Boose, Bubp, Combs, Damschroder, Derickson, Garland, Gerberry,
Grossman, Hackett, Hagan, R., Hayes, Huffman, Kozlowski, Lynch, Martin,
McClain, Ruhl, Sears, Smith, Sprague, Stebelton, Terhar, Thompson, Young**

Speaker Batchelder

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A B I L L

To amend sections 122.85, 131.02, 349.01, 1545.21,	1
1701.86, 1702.47, 3769.28, 4301.42, 4303.33,	2
4701.01, 4701.04, 5703.261, 5703.37, 5703.47,	3
5705.313, 5709.084, 5709.40, 5709.41, 5709.73,	4
5709.78, 5727.84, 5727.86, 5731.39, 5733.056,	5
5735.02, 5735.03, 5735.35, 5739.01, 5739.02,	6
5739.021, 5739.023, 5739.026, 5739.04, 5739.17,	7
5741.08, 5743.20, 5743.61, 5743.66, 5747.082,	8
5751.01, 5751.011, 5751.012, 5751.03, 5751.04,	9
5751.05, 5751.051, 5751.12, 5751.20, 5751.22, and	10
5753.03, to enact section 5703.061, and to repeal	11
section 5751.032 of the Revised Code to make	12
changes to the laws governing the assessment,	13
levy, and collection of taxes in the state, to the	14
laws governing public accounting firm peer review,	15
and to the school facilities construction law.	16

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 122.85, 131.02, 349.01, 1545.21, 17
1701.86, 1702.47, 3769.28, 4301.42, 4303.33, 4701.01, 4701.04, 18
5703.261, 5703.37, 5703.47, 5705.313, 5709.084, 5709.40, 5709.41, 19
5709.73, 5709.78, 5727.84, 5727.86, 5731.39, 5733.056, 5735.02, 20
5735.03, 5735.35, 5739.01, 5739.02, 5739.021, 5739.023, 5739.026, 21
5739.04, 5739.17, 5741.08, 5743.20, 5743.61, 5743.66, 5747.082, 22
5751.01, 5751.011, 5751.012, 5751.03, 5751.04, 5751.05, 5751.051, 23
5751.12, 5751.20, 5751.22, and 5753.03 be amended and section 24
5703.061 of the Revised Code be enacted to read as follows: 25

Sec. 122.85. (A) As used in this section and in sections 26
5733.59 and 5747.66 of the Revised Code: 27

(1) "Tax credit-eligible production" means a motion picture 28
production certified by the director of development under division 29
(B) of this section as qualifying the motion picture company for a 30
tax credit under section 5733.59 or 5747.66 of the Revised Code. 31

(2) "Certificate owner" means a motion picture company to 32
which a tax credit certificate is issued. 33

(3) "Motion picture company" means an individual, 34
corporation, partnership, limited liability company, or other form 35
of business association producing a motion picture. 36

(4) "Eligible production expenditures" means expenditures 37
made after June 30, 2009, for goods or services purchased and 38
consumed in this state by a motion picture company directly for 39
the production of a tax credit-eligible production. 40

"Eligible production expenditures" includes, but is not 41
limited to, expenditures for resident and nonresident cast and 42
crew wages, accommodations, costs of set construction and 43
operations, editing and related services, photography, sound 44
synchronization, lighting, wardrobe, makeup and accessories, film 45
processing, transfer, sound mixing, special and visual effects, 46

music, location fees, and the purchase or rental of facilities and 47
equipment. 48

(5) "Motion picture" means entertainment content created in 49
whole or in part within this state for distribution or exhibition 50
to the general public, including, but not limited to, 51
feature-length films; documentaries; long-form, specials, 52
miniseries, series, and interstitial television programming; 53
interactive web sites; sound recordings; videos; music videos; 54
interactive television; interactive games; ~~videogames~~ video games; 55
commercials; any format of digital media; and any trailer, pilot, 56
video teaser, or demo created primarily to stimulate the sale, 57
marketing, promotion, or exploitation of future investment in 58
either a product or a motion picture by any means and media in any 59
digital media format, film, or videotape, provided the motion 60
picture qualifies as a motion picture. "Motion picture" does not 61
include any television program created primarily as news, weather, 62
or financial market reports, a production featuring current events 63
or sporting events, an awards show or other gala event, a 64
production whose sole purpose is fundraising, a long-form 65
production that primarily markets a product or service or in-house 66
corporate advertising or other similar productions, a production 67
for purposes of political advocacy, or any production for which 68
records are required to be maintained under 18 U.S.C. 2257 with 69
respect to sexually explicit content. 70

(B) For the purpose of encouraging and developing a strong 71
film industry in this state, the director of development may 72
certify a motion picture produced by a motion picture company as a 73
tax credit-eligible production. In the case of a television 74
series, the director may certify the production of each episode of 75
the series as a separate tax credit-eligible production. A motion 76
picture company shall apply for certification of a motion picture 77
as a tax credit-eligible production on a form and in the manner 78

prescribed by the director. Each application shall include the	79
following information:	80
(1) The name and telephone number of the motion picture	81
production company;	82
(2) The name and telephone number of the company's contact	83
person;	84
(3) A list of the first preproduction date through the last	85
production date in Ohio;	86
(4) The Ohio production office address and telephone number;	87
(5) The total production budget of the motion picture;	88
(6) The total budgeted eligible production expenditures and	89
the percentage that amount is of the total production budget of	90
the motion picture;	91
(7) The total percentage of the motion picture being shot in	92
Ohio;	93
(8) The level of employment of cast and crew who reside in	94
Ohio;	95
(9) A synopsis of the script;	96
(10) The shooting script;	97
(11) A creative elements list that includes the names of the	98
principal cast and crew and the producer and director;	99
(12) Documentation of financial ability to undertake and	100
complete the motion picture;	101
(13) Estimated value of the tax credit based upon total	102
budgeted eligible production expenditures;	103
(14) Any other information considered necessary by the	104
director.	105
Within ninety days after certification of a motion picture as	106

a tax credit-eligible production, and any time thereafter upon the 107
director's request, the motion picture company shall present to 108
the director of development sufficient evidence of reviewable 109
progress. If the motion picture company fails to present 110
sufficient evidence, the director of development may rescind the 111
certification. Upon rescission, the director shall notify the 112
applicant that the certification has been rescinded. Nothing in 113
this section prohibits an applicant whose tax credit-eligible 114
production certification has been rescinded from submitting a 115
subsequent application for certification. 116

(C)(1) A motion picture company whose motion picture has been 117
certified as a tax credit-eligible production may apply to the 118
director of development on or after July 1, 2009, for a refundable 119
credit against the tax imposed by section 5733.06 or 5747.02 of 120
the Revised Code. The director in consultation with the tax 121
commissioner shall prescribe the form and manner of the 122
application and the information or documentation required to be 123
submitted with the application. 124

The credit is determined as follows: 125

(a) If the total budgeted eligible production expenditures 126
stated in the application submitted under division (B) of this 127
section or the actual eligible production expenditures as finally 128
determined under division (D) of this section, whichever is least, 129
is less than or equal to three hundred thousand dollars, no credit 130
is allowed; 131

(b) If the total budgeted eligible production expenditures 132
stated in the application submitted under division (B) of this 133
section or the actual eligible production expenditures as finally 134
determined under division (D) of this section, whichever is least, 135
is greater than three hundred thousand dollars, the credit equals 136
the sum of the following, subject to the limitation in division 137
(C)(4) of this section: 138

(i) Twenty-five per cent of the least of such budgeted or 139
actual eligible expenditure amounts excluding budgeted or actual 140
eligible expenditures for resident cast and crew wages; 141

(ii) Thirty-five per cent of budgeted or actual eligible 142
expenditures for resident cast and crew wages. 143

(2) Except as provided in division (C)(4) of this section, if 144
the director of development approves a motion picture company's 145
application for a credit, the director shall issue a tax credit 146
certificate to the company. The director in consultation with the 147
tax commissioner shall prescribe the form and manner of issuing 148
certificates. The director shall assign a unique identifying 149
number to each tax credit certificate and shall record the 150
certificate in a register devised and maintained by the director 151
for that purpose. The certificate shall state the amount of the 152
eligible production expenditures on which the credit is based and 153
the amount of the credit. Upon the issuance of a certificate, the 154
director shall certify to the tax commissioner the name of the 155
applicant, the amount of eligible production expenditures shown on 156
the certificate, and any other information required by the rules 157
adopted to administer this section. 158

(3) The amount of eligible production expenditures for which 159
a tax credit may be claimed is subject to inspection and 160
examination by the tax commissioner or employees of the 161
commissioner under section 5703.19 of the Revised Code and any 162
other applicable law. Once the eligible production expenditures 163
are finally determined under section 5703.19 of the Revised Code 164
and division (D) of this section, the credit amount is not subject 165
to adjustment unless the director determines an error was 166
committed in the computation of the credit amount. 167

(4) No tax credit certificate may be issued before the 168
completion of the tax credit-eligible production. ~~For the fiscal~~ 169
~~biennium beginning July 1, 2009, and ending June 30, 2011, not~~ 170

~~more than thirty million dollars of tax credit may be allowed, of~~ 171
~~which not more than ten million dollars of tax credit may be~~ 172
~~allowed in the first year of the biennium. In succeeding fiscal~~ 173
~~biennia, not~~ Not more than ~~twenty~~ forty million dollars of tax 174
credit may be allowed per fiscal biennium beginning on or after 175
July 1, 2011, and not more than ~~ten~~ twenty million dollars may be 176
allowed in the first year of the biennium. At any time, not more 177
than five million dollars of tax credit may be allowed per tax 178
credit-eligible production. 179

(D) A motion picture company whose motion picture has been 180
certified as a tax credit-eligible production shall engage, at the 181
company's expense, an independent certified public accountant to 182
examine the company's production expenditures to identify the 183
expenditures that qualify as eligible production expenditures. The 184
certified public accountant shall issue a report to the company 185
and to the director of development certifying the company's 186
eligible production expenditures and any other information 187
required by the director. Upon receiving and examining the report, 188
the director may disallow any expenditure the director determines 189
is not an eligible production expenditure. If the director 190
disallows an expenditure, the director shall issue a written 191
notice to the motion picture production company stating that the 192
expenditure is disallowed and the reason for the disallowance. 193
Upon examination of the report and disallowance of any 194
expenditures, the director shall determine finally the lesser of 195
the total budgeted eligible production expenditures stated in the 196
application submitted under division (B) of this section or the 197
actual eligible production expenditures for the purpose of 198
computing the amount of the credit. 199

(E) No credit shall be allowed under section 5733.59 or 200
5747.66 of the Revised Code unless the director has reviewed the 201
report and made the determination prescribed by division (D) of 202

this section. 203

(F) This state reserves the right to refuse the use of this 204
state's name in the credits of any tax credit-eligible motion 205
picture production. 206

(G)(1) The director of development in consultation with the 207
tax commissioner shall adopt rules for the administration of this 208
section, including rules setting forth and governing the criteria 209
for determining whether a motion picture production is a tax 210
credit-eligible production; activities that constitute the 211
production of a motion picture; reporting sufficient evidence of 212
reviewable progress; expenditures that qualify as eligible 213
production expenditures; a competitive process for approving 214
credits; and consideration of geographic distribution of credits. 215
The rules shall be adopted under Chapter 119. of the Revised Code. 216

(2) The director may require a reasonable application fee to 217
cover administrative costs of the tax credit program. The fees 218
collected shall be credited to the motion picture tax credit 219
program operating fund, which is hereby created in the state 220
treasury. The motion picture tax credit program operating fund 221
shall consist of all grants, gifts, fees, and contributions made 222
to the director of development for marketing and promotion of the 223
motion picture industry within this state. The director of 224
development shall use money in the fund to pay expenses related to 225
the administration of the Ohio film office and the credit 226
authorized by this section and sections 5733.59 and 5747.66 of the 227
Revised Code. 228

Sec. 131.02. (A) Except as otherwise provided in section 229
4123.37, section 5703.061, and division (K) of section 4123.511 of 230
the Revised Code, whenever any amount is payable to the state, the 231
officer, employee, or agent responsible for administering the law 232
under which the amount is payable shall immediately proceed to 233

collect the amount or cause the amount to be collected and shall 234
pay the amount into the state treasury or into the appropriate 235
custodial fund in the manner set forth pursuant to section 113.08 236
of the Revised Code. Except as otherwise provided in this 237
division, if the amount is not paid within forty-five days after 238
payment is due, the officer, employee, or agent shall certify the 239
amount due to the attorney general, in the form and manner 240
prescribed by the attorney general, and notify the director of 241
budget and management thereof. In the case of an amount payable by 242
a student enrolled in a state institution of higher education, the 243
amount shall be certified within the later of forty-five days 244
after the amount is due or the tenth day after the beginning of 245
the next academic semester, quarter, or other session following 246
the session for which the payment is payable. The attorney general 247
may assess the collection cost to the amount certified in such 248
manner and amount as prescribed by the attorney general. If an 249
amount payable to a political subdivision is past due, the 250
political subdivision may, with the approval of the attorney 251
general, certify the amount to the attorney general pursuant to 252
this section. 253

For the purposes of this section, the attorney general and 254
the officer, employee, or agent responsible for administering the 255
law under which the amount is payable shall agree on the time a 256
payment is due, and that agreed upon time shall be one of the 257
following times: 258

(1) If a law, including an administrative rule, of this state 259
prescribes the time a payment is required to be made or reported, 260
when the payment is required by that law to be paid or reported. 261

(2) If the payment is for services rendered, when the 262
rendering of the services is completed. 263

(3) If the payment is reimbursement for a loss, when the loss 264
is incurred. 265

(4) In the case of a fine or penalty for which a law or administrative rule does not prescribe a time for payment, when the fine or penalty is first assessed.	266 267 268
(5) If the payment arises from a legal finding, judgment, or adjudication order, when the finding, judgment, or order is rendered or issued.	269 270 271
(6) If the payment arises from an overpayment of money by the state to another person, when the overpayment is discovered.	272 273
(7) The date on which the amount for which an individual is personally liable under section 5735.35, section 5739.33, or division (G) of section 5747.07 of the Revised Code is determined.	274 275 276
(8) Upon proof of claim being filed in a bankruptcy case.	277
(9) Any other appropriate time determined by the attorney general and the officer, employee, or agent responsible for administering the law under which the amount is payable on the basis of statutory requirements or ordinary business processes of the state agency to which the payment is owed.	278 279 280 281 282
(B)(1) The attorney general shall give immediate notice by mail or otherwise to the party indebted of the nature and amount of the indebtedness.	283 284 285
(2) If the amount payable to this state arises from a tax levied under Chapter 5733., 5739., 5741., 5747., or 5751. of the Revised Code, the notice also shall specify all of the following:	286 287 288
(a) The assessment or case number;	289
(b) The tax pursuant to which the assessment is made;	290
(c) The reason for the liability, including, if applicable, that a penalty or interest is due;	291 292
(d) An explanation of how and when interest will be added to the amount assessed;	293 294

(e) That the attorney general and tax commissioner, acting together, have the authority, but are not required, to compromise the claim and accept payment over a reasonable time, if such actions are in the best interest of the state.

(C) The attorney general shall collect the claim or secure a judgment and issue an execution for its collection.

(D) Each claim shall bear interest, from the day on which the claim became due, at the rate per annum required by section 5703.47 of the Revised Code.

(E) The attorney general and the chief officer of the agency reporting a claim, acting together, may do any of the following if such action is in the best interests of the state:

(1) Compromise the claim;

(2) Extend for a reasonable period the time for payment of the claim by agreeing to accept monthly or other periodic payments. The agreement may require security for payment of the claim.

(3) Add fees to recover the cost of processing checks or other draft instruments returned for insufficient funds and the cost of providing electronic payment options.

(F)(1) Except as provided in division (F)(2) of this section, if the attorney general finds, after investigation, that any claim due and owing to the state is uncollectible, the attorney general, with the consent of the chief officer of the agency reporting the claim, may do the following:

(a) Sell, convey, or otherwise transfer the claim to one or more private entities for collection;

(b) Cancel the claim or cause it to be canceled.

(2) The attorney general shall cancel or cause to be canceled an unsatisfied claim on the date that is forty years after the

date the claim is certified. 325

(3) No initial action shall be commenced to collect any tax 326
payable to the state that is administered by the tax commissioner, 327
whether or not such tax is subject to division (B) of this 328
section, or any penalty, interest, or additional charge on such 329
tax, after the expiration of the period ending on the later of the 330
dates specified in divisions (F)(3)(a) and (b) of this section, 331
provided that such period shall be extended by the period of any 332
stay to such collection or by any other period to which the 333
parties mutually agree. If the initial action in aid of execution 334
is commenced before the later of the dates specified in divisions 335
(F)(3)(a) and (b) of this section, any and all subsequent actions 336
may be pursued in aid of execution of judgment for as long as the 337
debt exists. 338

(a) Seven years after the assessment of the tax, penalty, 339
interest, or additional charge is issued. 340

(b) Four years after the assessment of the tax, penalty, 341
interest, or additional charge becomes final. For the purposes of 342
division (F)(3)(b) of this section, the assessment becomes final 343
at the latest of the following: upon expiration of the period to 344
petition for reassessment, or if applicable, to appeal a final 345
determination of the commissioner or decision of the board of tax 346
appeals or a court, or, if applicable, upon decision of the United 347
States supreme court. 348

For the purposes of division (F)(3) of this section, an 349
initial action to collect a tax debt is commenced at the time when 350
any action, including any action in aid of execution on a 351
judgment, commences after a certified copy of the tax 352
commissioner's entry making an assessment final has been filed in 353
the office of the clerk of court of common pleas in the county in 354
which the taxpayer resides or has its principal place of business 355
in this state, or in the office of the clerk of court of common 356

pleas of Franklin county, as provided in section 5739.13, 5741.14, 357
5747.13, or 5751.09 of the Revised Code or in any other applicable 358
law requiring such a filing. If an assessment has not been issued 359
and there is no time limitation on the issuance of an assessment 360
under applicable law, an action to collect a tax debt commences 361
when the action is filed in the courts of this state to collect 362
the liability. 363

(4) If information contained in a claim that is sold, 364
conveyed, or transferred to a private entity pursuant to this 365
section is confidential pursuant to federal law or a section of 366
the Revised Code that implements a federal law governing 367
confidentiality, such information remains subject to that law 368
during and following the sale, conveyance, or transfer. 369

Sec. 349.01. As used in this chapter: 370

(A) "New community" means a community or an addition to an 371
existing community planned pursuant to this chapter so that it 372
includes facilities for the conduct of industrial, commercial, 373
residential, cultural, educational, and recreational activities, 374
and designed in accordance with planning concepts for the 375
placement of utility, open space, and other supportive facilities. 376

In the case of a new community authority established within 377
three years after March 22, 2012, the effective date of H.B. 225 378
of the 129th general assembly, "new community" may mean a 379
community or development of property planned under this chapter in 380
relation to an existing community so that the community includes 381
facilities for the conduct of community activities, and is 382
designed in accordance with planning concepts for the placement of 383
utility, open space, and other supportive facilities for the 384
community. 385

(B) "New community development program" means a program for 386
the development of a new community characterized by well-balanced 387

and diversified land use patterns and which includes land 388
acquisition and land development, the acquisition, construction, 389
operation, and maintenance of community facilities, and the 390
provision of services authorized in this chapter. 391

In the case of a new community authority established within 392
three years after March 22, 2012, the effective date of H.B. 225 393
of the 129th general assembly, a new community development program 394
may take into account any existing community in relation to which 395
a new community is developed for purposes of being characterized 396
by well-balanced and diversified land use patterns. 397

(C) "New community district" means the area of land described 398
by the developer in the petition as set forth in division (A) of 399
section 349.03 of the Revised Code for development as a new 400
community and any lands added to the district by amendment of the 401
resolution establishing the community authority. 402

(D) "New community authority" means a body corporate and 403
politic in this state, established pursuant to section 349.03 of 404
the Revised Code and governed by a board of trustees as provided 405
in section 349.04 of the Revised Code. 406

(E) "Developer" means any person, organized for carrying out 407
a new community development program who owns or controls, through 408
leases of at least seventy-five years' duration, options, or 409
contracts to purchase, the land within a new community district, 410
or any municipal corporation, county, or port authority that owns 411
the land within a new community district, or has the ability to 412
acquire such land, either by voluntary acquisition or condemnation 413
in order to eliminate slum, blighted, and deteriorated or 414
deteriorating areas and to prevent the recurrence thereof. In the 415
case of a new community authority established within three years 416
after March 22, 2012, the effective date of H.B. 225 of the 129th 417
general assembly, "developer" may mean a person, municipal 418
corporation, county, or port authority that controls land within a 419

new community district through leases of at least forty years' 420
duration. 421

(F) "Organizational board of commissioners" means, if the new 422
community district is located in only one county, the board of 423
county commissioners of such county; if located in more than one 424
county, a board consisting of the members of the board of county 425
commissioners of each of the counties in which the district is 426
located, provided that action of such board shall require a 427
majority vote of the members of each separate board of county 428
commissioners; or, if more than half of the new community district 429
is located within the boundaries of the most populous municipal 430
corporation of a county, the legislative authority of the 431
municipal corporation. 432

(G) "Land acquisition" means the acquisition of real property 433
and interests in real property as part of a new community 434
development program. 435

(H) "Land development" means the process of clearing and 436
grading land, making, installing, or constructing water 437
distribution systems, sewers, sewage collection systems, steam, 438
gas, and electric lines, roads, streets, curbs, gutters, 439
sidewalks, storm drainage facilities, and other installations or 440
work, whether within or without the new community district, and 441
the construction of community facilities. 442

(I)(1) "Community facilities" means all real property, 443
buildings, structures, or other facilities, including related 444
fixtures, equipment, and furnishings, to be owned, operated, 445
financed, constructed, and maintained under this chapter, 446
including public, community, village, neighborhood, or town 447
buildings, centers and plazas, auditoriums, day care centers, 448
recreation halls, educational facilities, hospital facilities as 449
defined in section 140.01 of the Revised Code, recreational 450
facilities, natural resource facilities, including parks and other 451

open space land, lakes and streams, cultural facilities, community 452
streets, pathway and bikeway systems, pedestrian underpasses and 453
overpasses, lighting facilities, design amenities, or other 454
community facilities, and buildings needed in connection with 455
water supply or sewage disposal installations or steam, gas, or 456
electric lines or installation. 457

(2) In the case of a new community authority established 458
within three years after March 22, 2012, the effective date of 459
H.B. 225 of the 129th general assembly, "community facilities" may 460
mean, in addition to the facilities authorized in division (I)(1) 461
of this section, any community facilities that are owned, 462
operated, financed, constructed, or maintained for, relating to, 463
or in furtherance of community activities, including, but not 464
limited to, town buildings or other facilities, health care 465
facilities including, but limited to, hospital facilities, and 466
off-street parking facilities. 467

(J) "Cost" as applied to a new community development program 468
means all costs related to land acquisition and land development, 469
the acquisition, construction, maintenance, and operation of 470
community facilities and offices of the community authority, and 471
of providing furnishings and equipment therefor, financing charges 472
including interest prior to and during construction and for the 473
duration of the new community development program, planning 474
expenses, engineering expenses, administrative expenses including 475
working capital, and all other expenses necessary and incident to 476
the carrying forward of the new community development program. 477

(K) "Income source" means any and all sources of income to 478
the community authority, including community development charges 479
of which the new community authority is the beneficiary as 480
provided in section 349.07 of the Revised Code, rentals, user fees 481
and other charges received by the new community authority, any 482
gift or grant received, any moneys received from any funds 483

invested by or on behalf of the new community authority, and 484
proceeds from the sale or lease of land and community facilities. 485

(L) "Community development charge" means: 486

(1) A dollar amount which shall be determined on the basis of 487
the assessed valuation of real property or interests in real 488
property in a new community district sold, leased, or otherwise 489
conveyed by the developer or the new community authority, the 490
income of the residents of such property subject to such charge 491
under section 349.07 of the Revised Code, if such property is 492
devoted to residential uses or to the profits of any business, a 493
uniform fee on each parcel of such real property originally sold, 494
leased, or otherwise conveyed by the developer or new community 495
authority, or any combination of the foregoing bases. 496

(2) For a new community authority that is established within 497
three years after March 22, 2012, the effective date of H.B. 225 498
of the 129th general assembly, "community development charge" 499
includes, in addition to the charges authorized in division (L)(1) 500
of this section, a charge determined on the basis of all or a part 501
of the income of the residents of real property within the new 502
community district if such property is devoted to residential 503
uses, or all or a part of the profits, gross receipts, or other 504
revenues of any business operating in the new community district, 505
including rentals received from leases of real property located in 506
the district. If a new community authority imposes a community 507
development charge determined on the basis of rentals received 508
from leases of real property, improvements of any real property 509
located in the new community district and subject to that charge 510
may not be exempted from taxation under section 5709.40, 5709.41, 511
5709.73, or 5709.78 of the Revised Code. 512

(M) "Proximate city" means any city that, as of the date of 513
filing of the petition under section 349.03 of the Revised Code, 514
is the city with the greatest population located in the county in 515

which the proposed new community district is located, is the city 516
with the greatest population located in an adjoining county if any 517
portion of such city is within five miles of any part of the 518
boundaries of such district, or exercises extraterritorial 519
subdivision authority under section 711.09 of the Revised Code 520
with respect to any part of such district. 521

In the case of a new community authority that is established 522
within three years after March 22, 2012, the effective date of 523
H.B. 225 of the 129th general assembly, "proximate city" may mean 524
a municipal corporation in which, at the time of filing the 525
petition under section 349.03 of the Revised Code, any portion of 526
the proposed new community district is located, or, if at the time 527
of that filing more than one-half of the proposed district is 528
contained within a joint economic development district created 529
under sections 715.70 to 715.83 of the Revised Code, the township 530
containing the greatest portion of the territory of the joint 531
economic development district. 532

(N) "Community activities" means cultural, educational, 533
governmental, recreational, residential, industrial, commercial, 534
distribution and research activities, or any combination thereof 535
that includes residential activities. 536

Sec. 1545.21. The board of park commissioners, by resolution, 537
may submit to the electors of the park district the question of 538
levying taxes for the use of the district. The resolution shall 539
declare the necessity of levying such taxes, shall specify the 540
purpose for which such taxes shall be used, the annual rate 541
proposed, and the number of consecutive years the rate shall be 542
levied. Such resolution shall be forthwith certified to the board 543
of elections in each county in which any part of such district is 544
located, not later than the ninetieth day before the day of the 545
election, and the question of the levy of taxes as provided in 546

such resolution shall be submitted to the electors of the district 547
at a special election to be held on whichever of the following 548
occurs first: 549

(A) The day of the next general election; 550

(B) The first Tuesday after the first Monday in May in any 551
calendar year, except that if a presidential primary election is 552
held in that calendar year, then the day of that election. The 553
ballot shall set forth the purpose for which the taxes shall be 554
levied, the annual rate of levy, and the number of years of such 555
levy. If the tax is to be placed on the current tax list, the form 556
of the ballot shall state that the tax will be levied in the 557
current tax year and shall indicate the first calendar year the 558
tax will be due. If the resolution of the board of park 559
commissioners provides that an existing levy will be canceled upon 560
the passage of the new levy, the ballot may include a statement 561
that: "an existing levy of ... mills (stating the original levy 562
millage), having ... years remaining, will be canceled and 563
replaced upon the passage of this levy." In such case, the ballot 564
may refer to the new levy as a "replacement levy" if the new 565
millage does not exceed the original millage of the levy being 566
canceled or as a "replacement and additional levy" if the new 567
millage exceeds the original millage of the levy being canceled. 568
If a majority of the electors voting upon the question of such 569
levy vote in favor thereof, such taxes shall be levied and shall 570
be in addition to the taxes authorized by section 1545.20 of the 571
Revised Code, and all other taxes authorized by law. The rate 572
submitted to the electors at any one time shall not exceed two 573
mills annually upon each dollar of valuation unless the purpose of 574
the levy includes providing operating revenues for one of Ohio's 575
major metropolitan zoos, as defined in section 4503.74 of the 576
Revised Code, in which case the rate shall not exceed three mills 577
annually upon each dollar of valuation. When a tax levy has been 578

authorized as provided in this section or in section 1545.041 of 579
the Revised Code, the board of park commissioners may issue bonds 580
pursuant to section 133.24 of the Revised Code in anticipation of 581
the collection of such levy, provided that such bonds shall be 582
issued only for the purpose of acquiring and improving lands. Such 583
levy, when collected, shall be applied in payment of the bonds so 584
issued and the interest thereon. The amount of bonds so issued and 585
outstanding at any time shall not exceed one per cent of the total 586
tax valuation in such district. Such bonds shall bear interest at 587
a rate not to exceed the rate determined as provided in section 588
9.95 of the Revised Code. 589

Sec. 1701.86. (A) A corporation may be dissolved voluntarily 590
in the manner provided in this section, provided the provisions of 591
Chapter 1704. of the Revised Code do not prevent the dissolution 592
from being effected. 593

(B) A resolution of dissolution for a corporation shall set 594
forth that the corporation elects to be dissolved. The resolution 595
also may include any of the following: 596

(1) The date on which the certificate of dissolution is to be 597
filed or the conditions or events that will result in the filing 598
of the certificate; 599

(2) Authorization for the officers or directors to abandon 600
the proposed dissolution before the filing of the certificate of 601
dissolution; 602

(3) Any additional provision considered necessary with 603
respect to the proposed dissolution and winding up. 604

(C) If an initial stated capital is not set forth in the 605
articles then before the corporation begins business, or if an 606
initial stated capital is set forth in the articles then before 607
subscriptions to shares shall have been received in the amount of 608

that initial stated capital, the incorporators or a majority of 609
them may adopt, by a writing signed by each of them, a resolution 610
of dissolution. 611

(D) The directors may adopt a resolution of dissolution in 612
any of the following cases: 613

(1) When the corporation has been adjudged bankrupt or has 614
made a general assignment for the benefit of creditors; 615

(2) By leave of the court, when a receiver has been appointed 616
in a general creditors' suit or in any suit in which the affairs 617
of the corporation are to be wound up; 618

(3) When substantially all of the assets have been sold at 619
judicial sale or otherwise; 620

(4) When the articles have been canceled for failure to file 621
annual franchise or excise tax returns or for failure to pay 622
franchise or excise taxes and the corporation has not been 623
reinstated or does not desire to be reinstated; 624

(5) When the period of existence of the corporation specified 625
in its articles has expired. 626

(E) The shareholders at a meeting held for such purpose may 627
adopt a resolution of dissolution by the affirmative vote of the 628
holders of shares entitling them to exercise two-thirds of the 629
voting power of the corporation on such proposal or, if the 630
articles provide or permit, by the affirmative vote of a greater 631
or lesser proportion, though not less than a majority, of such 632
voting power, and by such affirmative vote of the holders of 633
shares of any particular class as is required by the articles. 634
Notice of the meeting of the shareholders shall be given to all 635
the shareholders whether or not entitled to vote at it. 636

(F) Upon the adoption of a resolution of dissolution, a 637
certificate shall be prepared, on a form prescribed by the 638

secretary of state, setting forth all of the following:	639
(1) The name of the corporation;	640
(2) A statement that a resolution of dissolution has been adopted;	641 642
(3) A statement of the manner of adoption of such resolution, and, in the case of its adoption by the incorporators or directors, a statement of the basis for such adoption;	643 644 645
(4) The place in this state where its principal office is or is to be located;	646 647
(5) The internet address of each domain name held or maintained by or on behalf of the corporation;	648 649
(6) The name and address of its statutory agent;	650
(7) The date of dissolution, if other than the filing date. The date of dissolution shall not be more than ninety days after the filing of the certificate of dissolution.	651 652 653
(G) When the resolution of dissolution is adopted by the incorporators, the certificate shall be signed by not less than a majority of them. In all other cases, the certificate shall be signed by any authorized officer, unless the officer fails to execute and file such certificate within thirty days after the date upon which such certificate is to be filed. In that latter event, the certificate of dissolution may be signed by any three shareholders or, if there are less than three shareholders, all of the shareholders and shall set forth a statement that the persons signing the certificate are shareholders and are filing the certificate because of the failure of the officers to do so.	654 655 656 657 658 659 660 661 662 663 664
(H) Except as otherwise provided in division (I) of this section, a certificate of dissolution, filed with the secretary of state, shall be accompanied by all of the following:	665 666 667
(1) An affidavit of one or more of the persons executing the	668

certificate of dissolution or of an officer of the corporation 669
containing a statement of the counties, if any, in this state in 670
which the corporation has personal property or a statement that 671
the corporation is of a type required to pay personal property 672
taxes to state authorities only; 673

(2) A certificate or other evidence from the department of 674
taxation showing that the payment of all franchise, sales, use, 675
and highway use taxes accruing up to the date of dissolution or 676
showing that such payment has been adequately guaranteed, 677
corporation has paid all taxes administered by and required to be 678
paid to the tax commissioner that are or will be due from the 679
corporation on the date of the dissolution or an affidavit of one 680
or more of the persons executing the certificate of dissolution or 681
of an officer of the corporation containing a statement that the 682
corporation is not required to pay or the department of taxation 683
has not assessed any tax for which such a certificate or other 684
evidence is not provided; 685

(3) A certificate or other evidence showing the payment of 686
all personal property ~~and commercial activity~~ taxes accruing up to 687
the date of dissolution or showing that such payment has been 688
adequately guaranteed, or an affidavit of one or more of the 689
persons executing the certificate of dissolution or of an officer 690
of the corporation containing a statement that the corporation is 691
not required to pay or the department of taxation has not assessed 692
any tax for which such a certificate or other evidence is not 693
provided; 694

(4) A receipt, certificate, or other evidence from the 695
director of job and family services showing that all contributions 696
due from the corporation as an employer have been paid, or that 697
such payment has been adequately guaranteed, or that the 698
corporation is not subject to such contributions; 699

(5) A receipt, certificate, or other evidence from the bureau 700

of workers' compensation showing that all premiums due from the 701
corporation as an employer have been paid, or that such payment 702
has been adequately guaranteed, or that the corporation is not 703
subject to such premium payments. 704

(I) In lieu of the receipt, certificate, or other evidence 705
described in division (H)(2), (3), (4), or (5) of this section, an 706
affidavit of one or more persons executing the certificate of 707
dissolution or of an officer of the corporation containing a 708
statement of the date upon which the particular department, 709
agency, or authority was advised in writing of the scheduled 710
effective date of the dissolution and was advised in writing of 711
the acknowledgment by the corporation of the applicability of the 712
provisions of section 1701.95 of the Revised Code. 713

(J) Upon the filing of a certificate of dissolution and such 714
accompanying documents or on a later date specified in the 715
certificate that is not more than ninety days after the filing, 716
the corporation shall be dissolved. 717

Sec. 1702.47. (A) A corporation may be dissolved voluntarily 718
in the manner provided in this section. 719

(B) A resolution of dissolution for a corporation shall set 720
forth: 721

(1) That the corporation elects to be dissolved; 722

(2) Any additional provision deemed necessary with respect to 723
the proposed dissolution and winding up. 724

(C) The directors may adopt a resolution of dissolution in 725
the following cases: 726

(1) When the corporation has been adjudged bankrupt or has 727
made a general assignment for the benefit of creditors; 728

(2) By leave of the court, when a receiver has been appointed 729
in a general creditors' suit or in any suit in which the affairs 730

of the corporation are to be wound up; 731

(3) When substantially all of the assets have been sold at 732
judicial sale or otherwise; 733

(4) When the period of existence of the corporation specified 734
in its articles has expired. 735

(D)(1) The voting members at a meeting held for that purpose 736
may adopt a resolution of dissolution by the affirmative vote of a 737
majority of the voting members present in person or, if permitted, 738
by mail, by proxy, or by the use of authorized communications 739
equipment, if a quorum is present or, if the articles or the 740
regulations provide or permit, by the affirmative vote of a 741
greater or lesser proportion or number of the voting members, and 742
by the affirmative vote of the voting members or the affirmative 743
vote of the voting members of any particular class that is 744
required by the articles or the regulations. Notice of the meeting 745
of the members shall be sent to all the members who would be 746
entitled to vote at the meeting by mail, overnight delivery 747
service, or any authorized communications equipment. 748

(2) For purposes of division (D)(1) of this section, 749
participation by a voting member at a meeting through the use of 750
any of the means of communication described in that division 751
constitutes presence in person of that voting member at the 752
meeting for purposes of determining a quorum. 753

(E) Upon the adoption of a resolution of dissolution, a 754
certificate shall be prepared, on a form prescribed by the 755
secretary of state, setting forth the following: 756

(1) The name of the corporation; 757

(2) A statement that a resolution of dissolution has been 758
adopted; 759

(3) A statement of the manner of adoption of that resolution, 760

and, in the case of its adoption by the directors, a statement of 761
the basis for the adoption; 762

(4) The place in this state where its principal office is or 763
is to be located; 764

(5) The names and addresses of its directors and officers; 765

(6) The name and address of its statutory agent; 766

(7) The date of dissolution, if other than the filing date. 767

(F) The certificate described in division (E) of this section 768
shall be signed by any authorized officer, unless the officer 769
fails to execute and file the certificate within thirty days after 770
the adoption of the resolution, or upon any date specified in the 771
resolution as the date upon which the certificate is to be filed, 772
or upon the expiration of any period specified in the resolution 773
as the period within which the certificate is to be filed, 774
whichever is latest, in which event the certificate of dissolution 775
may be signed by any three voting members and shall set forth a 776
statement that the persons signing the certificate are voting 777
members and are filing the certificate because of the failure of 778
the officers to do so. 779

(G) A certificate of dissolution, filed with the secretary of 780
state, shall be accompanied by: 781

~~(1) An affidavit of one or more of the persons executing the 782
certificate of dissolution or of an officer of the corporation 783
containing a statement of the counties, if any, in this state in 784
which the corporation has personal property subject to personal 785
property taxes or a statement that the corporation is of a type 786
required to pay personal property taxes to state authorities only; 787~~

~~(2) A receipt, certificate, or other evidence showing the 788
payment of all personal property taxes accruing up to the date of 789
such filing or, if applicable, to the later date specified in the 790~~

~~certificate of dissolution in accordance with division (E) of this section, unless the affidavit provided for in division (G)(1) of this section states that the corporation has in this state no personal property subject to personal property taxes;~~

~~(3) A receipt, certificate, or other evidence from the director of job and family services showing that all contributions due from the corporation as an employer have been paid, that such payment has been adequately guaranteed, or that the corporation is not subject to such contributions;~~

~~(4)(2) A receipt, certificate, or other evidence showing that the payment of all sales, use, and highway use taxes accruing up to the date of such filing or, if applicable, to the later date specified in the certificate of corporation has paid all taxes imposed under the laws of this state that are or will be due from the corporation on the date of the dissolution in accordance with division (E) of this section, or that such payment has been adequately guaranteed;~~

~~(5)(3) In lieu of the receipt, certificate, or other evidence described in division (G)(1) or (2), (3), or (4) of this section, an affidavit of one or more of the persons executing the certificate of dissolution or of an officer of the corporation containing a statement of the date upon which the particular department, agency, or authority was advised in writing of the scheduled effective date of the dissolution and was advised in writing of the acknowledgement by the corporation of the applicability of section 1702.55 of the Revised Code.~~

(H) Upon the filing of a certificate of dissolution and those accompanying documents or on a later date specified in the certificate that is not more than ninety days after the filing, the corporation shall be dissolved.

Sec. 3769.28. The tax commissioner shall collect from each

permit holder who conducts a pari-mutuel system of wagering where 822
the wagering is less than five million dollars a sum of money 823
equal to one-tenth of one per cent of the total amount wagered and 824
where the wagering is five million dollars or more a sum of money 825
equal to fifteen hundredths of one per cent of the total amount 826
wagered during any horse-racing meeting for the purpose of 827
providing operating revenue for the political subdivisions wherein 828
such meetings are held. ~~Such moneys shall be collected by the~~ 829
~~commissioner within~~ Within ten days after the close of ~~such a~~ 830
meeting ~~and shall be sent back to,~~ the permit holder ~~who paid the~~ 831
~~tax. Such permit holder shall prepare and transmit to the tax~~ 832
commissioner a final report showing the total amount wagered 833
during the horse-racing meeting and any other information required 834
by the commissioner relative to the tax levied by this section. 835
The final report shall be signed by the permit holder or an 836
authorized agent of the permit holder. The commissioner shall 837
prescribe the form of the final report. 838

The commissioner shall collect the tax due under this section 839
on amounts wagered during a horse-racing meeting within ten days 840
after the close of the meeting. The amount collected by the 841
commissioner shall be made payable to the chief fiscal officers of 842
the municipal corporations or townships in which such horse-racing 843
meeting took place and in which any such facilities or accessory 844
uses therefor were located. The commissioner shall then 845
immediately forward the ~~moneys~~ amount collected to the such chief 846
fiscal officers ~~of the municipal corporations or townships in~~ 847
~~which such horse racing meeting took place and in which any such~~ 848
~~facilities or accessory uses therefor were located. Such moneys~~ 849
The amount collected shall be divided equally between the 850
municipal corporations or townships in which such horse-racing 851
meeting took place and in which any facilities or accessory uses 852
therefor were located. Such municipal corporations or townships 853
may distribute a portion of the moneys so received to any 854

adjoining political subdivision which incurs increased expenses 855
because of such horse-racing meeting. 856

This section shall not apply to any agricultural society 857
which holds a horse-racing permit. 858

The amount collected under this section from any one permit 859
holder shall not exceed fifteen thousand dollars from any one 860
horse-racing meeting in any calendar year. 861

Sec. 4301.42. For the purpose of providing revenue for the 862
support of the state, a tax is hereby levied on the sale of beer 863
in sealed bottles and cans having twelve ounces or less of liquid 864
content, at the rate of fourteen one-hundredths of one cent on 865
each ounce of liquid content or fractional part of each ounce of 866
liquid content, and on such containers in excess of twelve ounces, 867
at the rate of eighty-four one-hundredths of one cent on each six 868
ounces of liquid content or fractional part of each six ounces of 869
liquid content. Sections 4307.01 to 4307.12 of the Revised Code 870
apply in the administration of that tax. Manufacturers, bottlers, 871
and canners of ~~and wholesale dealers in beer,~~ wholesale dealers in 872
beer, and S permit holders have the duty to pay the tax imposed by 873
this section and are entitled to the privileges in the manner 874
provided in section 4303.33 of the Revised Code. 875

Sec. 4303.33. (A) Every A-1 permit holder in this state, 876
every bottler, importer, wholesale dealer, broker, producer, or 877
manufacturer of beer outside this state and within the United 878
States, and every B-1 permit holder and importer importing beer 879
from any manufacturer, bottler, person, or group of persons 880
however organized outside the United States for sale or 881
distribution for sale in this state, on or before the eighteenth 882
day of each month, shall make and file with the tax commissioner 883
upon a form prescribed by the tax commissioner an advance tax 884

payment in an amount estimated to equal the taxpayer's tax 885
liability for the month in which the advance tax payment is made. 886
If the advance tax payment credits claimed on the report are for 887
advance tax payments received by the tax commissioner on or before 888
the eighteenth day of the month covered by the report, the 889
taxpayer is entitled to an additional credit of three per cent of 890
the advance tax payment and a discount of three per cent shall be 891
allowed the taxpayer at the time of filing the report if filed as 892
provided in division (B) of this section on any amount by which 893
the tax liability reflected in the report exceeds the advance tax 894
payment estimate by not more than ten per cent. The additional 895
three per cent credit and three per cent discount shall be in 896
consideration for advancing the payment of the tax and other 897
services performed by the permit holder and other taxpayers in the 898
collection of the tax. 899

"Advance tax payment credit" means credit for payments made 900
by an A-1 or B-1 permit holder and any other persons during the 901
period covered by a report which was made in anticipation of the 902
tax liability required to be reported on that report. 903

"Tax liability" as used in division (A) of this section means 904
the total gross tax liability of an A-1 or B-1 permit holder and 905
any other persons for the period covered by a report before any 906
allowance for credits and discount. 907

(B) Every A-1 permit holder in this state, every bottler, 908
importer, wholesale dealer, broker, producer, or manufacturer of 909
beer outside this state and within the United States, ~~and~~ every 910
B-1 permit holder importing beer from any manufacturer, bottler, 911
person, or group of persons however organized outside the United 912
States, and every S permit holder, on or before the tenth day of 913
each month, shall make and file a report for the preceding month 914
upon a form prescribed by the tax commissioner which report shall 915
show the amount of beer produced, sold, and distributed for sale 916

in this state by the A-1 permit holder, sold and distributed for 917
sale in this state by each manufacturer, bottler, importer, 918
wholesale dealer, or broker outside this state and within the 919
United States, ~~and~~ the amount of beer imported into this state 920
from outside the United States and sold and distributed for sale 921
in this state by the B-1 permit holder or importer, and the amount 922
of beer sold in this state by the S permit holder. 923

The report shall be filed by mailing it to the tax 924
commissioner, together with payment of the tax levied by sections 925
4301.42 and 4305.01 of the Revised Code shown to be due on the 926
report after deduction of advance payment credits and any 927
additional credits or discounts provided for under this section. 928

(C)(1) Every A-2, A-4, B-2, B-2a, B-3, B-4, B-5, and S permit 929
holder in this state, on or before the eighteenth day of each 930
month, shall make and file a report with the tax commissioner upon 931
a form prescribed by the tax commissioner which report shall show, 932
on the report of each A-2, A-4, B-2a, and S permit holder the 933
amount of wine, cider, and mixed beverages produced and sold, or 934
sold in this state by each such A-2, A-4, B-2a, and S permit 935
holder for the next preceding calendar month and such other 936
information as the tax commissioner requires, and on the report of 937
each such B-2, B-3, B-4, and B-5 permit holder the amount of wine, 938
cider, and mixed beverages purchased from an importer, broker, 939
wholesale dealer, producer, or manufacturer located outside this 940
state and sold and distributed in this state by such B-2, B-3, 941
B-4, and B-5 permit holder, for the next preceding calendar month 942
and such other information as the tax commissioner requires. 943

(2) Every such A-2, A-4, B-2, B-2a, B-3, B-4, B-5, and S 944
permit holder in this state shall remit with the report the tax 945
levied by sections 4301.43 and, if applicable, 4301.432 of the 946
Revised Code less a discount thereon of three per cent of the 947
total tax so levied and paid, provided the return is filed 948

together with remittance of the amount of tax shown to be due 949
thereon, within the time prescribed. Any permit holder or other 950
persons who fail to file a report under this section, for each day 951
the person so fails, may be required to forfeit and pay into the 952
state treasury the sum of one dollar as revenue arising from the 953
tax imposed by sections 4301.42, 4301.43, 4301.432, and 4305.01 of 954
the Revised Code, and that sum may be collected by assessment in 955
the manner provided in section 4305.13 of the Revised Code. 956

(3) If the tax commissioner determines that the quantity 957
reported by a person does not warrant monthly reporting, the 958
commissioner may authorize the filing of returns and the payment 959
of the tax required by this section for periods longer than one 960
month. 961

(D) Every B-1 permit holder and importer in this state 962
importing beer from any manufacturer, bottler, person, or group of 963
persons however organized, outside the United States, if required 964
by the tax commissioner shall post a bond payable to the state in 965
such form and amount as the commissioner prescribes with surety to 966
the satisfaction of the tax commissioner, conditioned upon the 967
payment to the tax commissioner of taxes levied by sections 968
4301.42 and 4305.01 of the Revised Code. 969

(E) No such wine, beer, cider, or mixed beverages sold or 970
distributed in this state shall be taxed more than once under 971
sections 4301.42, 4301.43, and 4305.01 of the Revised Code. 972

(F) As used in this section: 973

(1) "Cider" has the same meaning as in section 4301.01 of the 974
Revised Code. 975

(2) "Wine" has the same meaning as in section 4301.01 of the 976
Revised Code, except that "wine" does not include cider. 977

(G) All money collected by the tax commissioner under this 978
section shall be paid to the treasurer of state as revenue arising 979

from the taxes levied by sections 4301.42, 4301.43, 4301.432, and 980
4305.01 of the Revised Code. 981

Sec. 4701.01. As used in this chapter: 982

(A) "Practice of public accounting" means performing or 983
offering to perform any engagement that will result in the 984
issuance of an attest report and, with respect to a person who 985
holds a CPA certificate, PA registration, foreign certificate, or 986
firm registration, any other services involving the use of 987
accounting or auditing skills as established by rules adopted by 988
the accountancy board. 989

(B) "Public accounting firm" means a sole proprietorship, a 990
partnership, a limited liability company, a professional 991
association, a corporation-for-profit, or any other business 992
organization that is engaged in the practice of public accounting 993
in this state. 994

(C) "Opinion report" means any opinion on a financial 995
statement that is expressed in accordance with generally accepted 996
auditing standards as to the fairness of presentation of 997
information and that is used for guidance in financial 998
transactions, for accounting, or for assessing the status or 999
performance of commercial and noncommercial enterprises, whether 1000
public, private, or governmental. 1001

(D) "Peer review" means a study, appraisal, or review of one 1002
or more aspects of the professional work of a public accounting 1003
firm that meets the standards and requirements set forth by the 1004
accountancy board. 1005

(E) "Review report" means either of the following: 1006

(1) Any review report on a financial statement that is issued 1007
with respect to any of the following: 1008

(a) Interim financial information in accordance with 1009

generally accepted auditing standards;	1010
(b) The financial information of a nonpublic entity in	1011
accordance with statements on standards for accounting and review	1012
services;	1013
(c) The reliability of another party's written assertion in	1014
accordance with statements on standards for attestation	1015
engagements.	1016
(2) Any other review report on a financial statement that is	1017
not described in division (E)(1) of this section and that is	1018
issued in accordance with standards promulgated by the American	1019
institute of certified public accountants.	1020
(F) "Compilation report" means any compilation report on a	1021
financial statement that is issued with respect to financial	1022
information of a nonpublic entity in accordance with statements on	1023
standards for accounting and review services as promulgated by the	1024
American institute of certified public accountants.	1025
(G) "Examination report" means any examination report on a	1026
financial statement that is issued with respect to another party's	1027
written assertion in accordance with statements on standards for	1028
attestation engagements as promulgated by the American institute	1029
of certified public accountants.	1030
(H) "Agreed-upon procedures report" means any report that is	1031
on a financial statement and that is based on agreed-upon	1032
procedures issued with respect to another party's written	1033
assertion in accordance with statements on standards for	1034
attestation engagements as promulgated by the American institute	1035
of certified public accountants.	1036
(I) "Qualified firm" means a sole proprietorship,	1037
partnership, professional association, corporation-for-profit,	1038
limited liability company, or other business organization in which	1039
the individuals who own a majority of the business organization	1040

interests in the business organization and control the business 1041
organization hold an Ohio permit or a foreign certificate. 1042

(J) "Own" means any direct or indirect ownership of an equity 1043
interest in a public accounting firm or qualified firm. 1044

(K) "Control" or "controlled" means the right to exercise the 1045
majority of the voting equity interests in a public accounting 1046
firm or qualified firm with respect to any matter. 1047

(L) "Equity interest" means any capital interest or profit 1048
interest in a sole proprietorship, partnership, professional 1049
association, corporation-for-profit, limited liability company, or 1050
other business organization. 1051

(M) "Ohio permit" means a permit to practice public 1052
accounting issued under division (A) of section 4701.10 of the 1053
Revised Code that is not revoked or suspended. 1054

(N) "Ohio registration" means the registration under division 1055
(B) of section 4701.10 of the Revised Code of a holder of a CPA 1056
certificate or PA registration who is not in the practice of 1057
public accounting in this state. 1058

(O) "Firm registration" or "registered firm" means 1059
registration as a public accounting firm under section 4701.04 of 1060
the Revised Code. 1061

(P) "PA registration" means registration as a public 1062
accountant under section 4701.07 of the Revised Code that is not 1063
revoked or suspended. 1064

(Q) "CPA certificate" means a certificate issued under 1065
section 4701.06 or 4701.061 of the Revised Code that is not 1066
revoked or suspended. 1067

(R) "Foreign certificate" means a license, permit, 1068
certificate of, or registration issued to a certified public 1069
accountant ~~issued~~ under the laws of another state that authorizes 1070

the holder to practice public accounting in that state, is valid, 1071
is in good standing, and has not expired. 1072

(S) "Attest report" means an opinion report, review report, 1073
compilation report, examination report, agreed-upon procedures 1074
report, or any similar report prepared in accordance with 1075
standards established by the American institute of certified 1076
public accountants with respect to a financial statement or other 1077
financial information. 1078

(T) "Person" means any individual, corporation-for-profit, 1079
business trust, estate, partnership, limited liability company, 1080
professional association, or other business organization. 1081

(U) Technical terms that define specific public accounting 1082
engagements have the same meanings as in the professional 1083
standards promulgated by the American institute of certified 1084
public accountants. 1085

(V)(1) "Good moral character" means the combination of 1086
personal traits of honesty, integrity, attention to duty, 1087
forthrightness, and self-restraint that enables a person to 1088
discharge the duties of the accounting profession fully and 1089
faithfully. 1090

(2) A history of dishonest acts or felonious acts or 1091
convictions is sufficient to prove lack of good moral character if 1092
that history demonstrates by a preponderance of the evidence that 1093
the person lacks one or more of the personal traits referred to in 1094
division (V)(1) of this section. A person who has a felony 1095
conviction related to one or more of those personal traits bears 1096
the burden of establishing the person's present good moral 1097
character, including the person's full and complete rehabilitation 1098
subsequent to the conviction. If less than one year has passed 1099
since the completion of the person's sentence on a felony 1100
conviction, including any period under a community control 1101

sanction or post-release control, the board may delay any 1102
determination of the person's good moral character until one year 1103
has passed from the time of the completion of that sentence. 1104

(3) In determining whether a person who has a felony 1105
conviction has met the person's burden of proof described in 1106
division (V)(2) of this section, the accountancy board may 1107
consider the following factors: 1108

(a) The person's path toward professional licensing following 1109
completion of the person's sentence; 1110

(b) The nature and degree of the person's academic 1111
achievements; 1112

(c) The nature and degree of the person's employment 1113
following completion of the person's sentence; 1114

(d) The person's degree of self-sufficiency following 1115
completion of the person's sentence; 1116

(e) The nature and degree of the person's other 1117
responsibilities following completion of the person's sentence; 1118

(f) The person's conviction for any other criminal offense 1119
since completion of the person's sentence for the person's first 1120
felony conviction; 1121

(g) Whether the person's application or presentation contains 1122
any inconsistencies or misleading explanations that convince the 1123
board that either the person or the person's attorney is trying to 1124
keep the board from acquiring a true, though damaging, 1125
representation of the person's character; 1126

(h) The nature and circumstances of the dishonest acts or 1127
felonious acts or convictions of the person; 1128

(i) Any other specifically identifiable information that the 1129
board determines to be relevant to the person's ability to 1130
discharge the duties of the accounting profession fully and 1131

faithfully. 1132

Sec. 4701.04. (A) No public accounting firm located in this 1133
state shall engage in the practice of public accounting in this 1134
state unless it registers with the accountancy board and pays a 1135
registration fee set by the board. 1136

(B) Public accounting firms shall apply for initial 1137
registration within ninety days after formation or within ninety 1138
days after the commencement of practicing public accounting in 1139
this state. All public accounting firms shall renew their 1140
registration triennially. All public accounting firms shall submit 1141
with their initial and renewal registration applications all of 1142
the following: 1143

(1) A list of the names, addresses, and certificate or 1144
registration numbers of all individuals who hold an Ohio permit 1145
and who own an equity interest in the public accounting firm or 1146
are employed by the public accounting firm; 1147

(2) A list of the names and addresses of each person who does 1148
not hold an Ohio permit or a foreign certificate and who owns an 1149
equity interest in the public accounting firm if the person's 1150
principal place of business is located in this state; 1151

(3) A statement that the public accounting firm and each 1152
person who owns an equity interest in the public accounting firm 1153
or is employed by the public accounting firm and who does not hold 1154
an Ohio permit or a foreign certificate is in compliance with 1155
divisions (C) and (D) of this section. 1156

(C) A public accounting firm shall satisfy all of the 1157
following requirements in order to register: 1158

(1) Except as provided in division (C)(5) of this section, 1159
each partner, shareholder, member, or other person who owns an 1160
equity interest in the public accounting firm shall hold an Ohio 1161

permit or a foreign certificate. 1162

(2) ~~The chief executive of any office of a public accounting~~ 1163
~~firm located in or doing business in this state shall hold~~ 1164
designate an individual who holds an Ohio permit or a foreign 1165
certificate who shall be responsible for the proper registration 1166
of the firm. The public accounting firm shall identify this 1167
individual to the board. 1168

(3) Each individual in a public accounting firm who signs any 1169
attest report issued from an office of the public accounting firm 1170
located in this state shall hold an Ohio permit. 1171

(4) An individual who owns an equity interest in the public 1172
accounting firm or is employed by the public accounting firm and 1173
who holds an Ohio permit or a foreign certificate, or a qualified 1174
firm that owns an equity interest in the public accounting firm, 1175
shall assume ultimate responsibility for any attest report issued 1176
from an office of the public accounting firm located in this 1177
state. 1178

(5) Any person who does not hold an Ohio permit or a foreign 1179
certificate and who holds an equity interest in the public 1180
accounting firm shall satisfy the conditions set forth in division 1181
(D) of this section. 1182

(6) The public accounting firm shall provide for the transfer 1183
of the equity interest owned by persons who do not hold an Ohio 1184
permit or a foreign certificate to either the public accounting 1185
firm or to another person who owns an equity interest in the firm 1186
if a person who does not hold an Ohio permit or a foreign 1187
certificate withdraws from or ceases to be employed by the public 1188
accounting firm. The public accounting firm may make payments in 1189
connection with the person's withdrawal from the firm to that 1190
person or, if that person is deceased or dissolved, to the 1191
person's estate or successor in interest. 1192

(D) A person who does not hold an Ohio permit or a foreign certificate may own an equity interest in a public accounting firm if all of the following conditions are met:

(1) All of the individuals who hold an Ohio permit or a foreign certificate and who own equity interests in the public accounting firm, and qualified firms that own equity interests in the public accounting firm, own, in the aggregate, a majority of the equity interests in the public accounting firm and control the public accounting firm.

(2) The person does not assume or use any titles or designations specified in division (A) of section 4701.14 of the Revised Code. The person may designate or refer to the person as a shareholder, partner, member, principal, owner, or officer of the public accounting firm and also may use any other title that the board authorizes by rule.

(3) The person is not in violation of any standard regarding the character or conduct of that person that the board establishes by rule.

(4) The person's participation in the business of the public accounting firm is the person's principal occupation and consists of providing services to or on behalf of the public accounting firm, and the person is not functioning solely or predominately as a passive investor in the public accounting firm.

~~(5) The person has graduated with a baccalaureate or higher degree conferred by a college or university approved by the board.~~

~~(6)~~ The person meets or exceeds the continuing education requirements that the board establishes by rule.

~~(7)~~(6) A person who holds a professional license, registration, or certification issued by this state or another state complies with the requirements of that license, registration, or certification.

~~(8)~~(7) The person abides by the code of conduct of the American institute of certified public accountants or a comparable code of professional conduct that the board adopts by rule.

~~(9)~~(8) The person complies with all applicable provisions of this chapter and the rules adopted by the board.

(E) A person who owns a voting equity interest in a public accounting firm may not delegate, by proxy or otherwise, the duty to exercise any voting rights to a person that does not hold an Ohio permit or a foreign certificate or to a person that is not a qualified firm.

(F) As a condition for initial or renewal registration of a public accounting firm on and after January 1, 1993, the board, by rule, shall require that each public accounting firm undergo a peer review to determine the public accounting firm's degree of compliance in the practice of public accounting with generally accepted accounting principles, generally accepted auditing standards, and other generally accepted technical standards as defined by the board in rule, unless the public accounting firm meets one of the exceptions in division (J) of this section.

(G) The board shall adopt rules establishing guidelines for peer reviews, and may authorize an agent to administer all or part of the board's peer review program and to assess a reasonable fee to firms to cover the costs incurred by the agent for program administration. The rules shall do all of the following:

(1) Designate a peer review committee consisting of accounting professionals to serve as advisors to the board and to ensure that the board's guidelines are followed. ~~The board may establish fair and reasonable compensation for the committee members to be paid for time they spend conducting committee business.~~

(2) Require that the peer review be conducted by a reviewer

that is both independent of the public accounting firm reviewed 1255
and qualified pursuant to board rules; 1256

(3) Require that the standards and practices applied by the 1257
reviewer be at least as stringent as those applied by the American 1258
institute of certified public accountants; 1259

(4) Prohibit the use or disclosure of information obtained by 1260
members of the board or a committee of peer reviewers during or in 1261
connection with the peer review process for purposes other than 1262
those related to determining the degree of compliance by the 1263
public accounting firm with generally accepted accounting 1264
principles, generally accepted auditing standards, and other 1265
generally accepted technical standards as defined by the board in 1266
rule. Division (G)(4) of this section does not apply to the use or 1267
disclosure of information that is described in division (K)(3) of 1268
this section or that is necessary to comply with any provision of 1269
law. 1270

(H)(1) If a peer review report indicates that a public 1271
accounting firm does not comply with standards and practices set 1272
forth in the rules adopted by the board guidelines, the board, in 1273
its discretion, may ~~hold a hearing to~~ review the results of the 1274
peer review report. If the board, ~~after conducting the hearing or~~ 1275
its authorized peer review program administrator, determines that 1276
the public accounting firm does not comply with the standards and 1277
practices, it may ~~issue an order that requires~~ require both of the 1278
following: 1279

(a) Remedial ~~or disciplinary~~ action, which may include any of 1280
the following: 1281

(i) Requiring employees of the public accounting firm to 1282
complete general or specific continuing professional education 1283
courses; 1284

(ii) Requiring the public accounting firm to undergo peer 1285

review more frequently than triennially and peer review that is 1286
conducted in whole or part under the direct supervision of the 1287
board or its designee; 1288

(iii) Any other remedial action specified by the board; 1289

~~(iv) Imposing any disciplinary measures set forth in division 1290
(B) of section 4701.16 of the Revised Code. 1291~~

(b) An affidavit and supporting documentation from the public 1292
accounting firm submitted within the time specified by the board 1293
indicating completion of required remedial actions. 1294

(2) If the board, or its authorized peer review program 1295
administrator, determines that a public accounting firm has not 1296
complied with any requirement ordered under division (H) of this 1297
section, or if the board determines, after the review of a peer 1298
review report, that the public accounting firm has a history of 1299
noncompliance with standards and practices set forth in board 1300
rules, the board may hold a hearing to determine the extent of the 1301
firm's noncompliance. If the board, after conducting the hearing, 1302
determines that the public accounting firm does not comply with 1303
appropriate standards and practices, the board may issue an order 1304
that imposes any disciplinary measure set forth in division (B) of 1305
section 4701.16 of the Revised Code. 1306

(3) Notwithstanding divisions (K)(1) and (2) of this section, 1307
all matters relating to the procedures for determining compliance 1308
with the standards and practices under division (H)~~(1)~~(2) of this 1309
section are subject to Chapter 119. of the Revised Code, including 1310
the notice and conduct of any hearing and the issuance and appeal 1311
of any order. Remedial orders made under division (H)(1) of this 1312
section are not subject to Chapter 119. of the Revised Code. 1313

(I) The public accounting firm reviewed shall pay for any 1314
peer review performed. 1315

(J) The board may exempt a public accounting firm from the 1316

requirement to undergo a peer review if the public accounting firm 1317
submits to the board a written and notarized statement that the 1318
public accounting firm meets at least one of the following grounds 1319
for exemption identified in the statement: 1320

(1) Within three years of the date of application for initial 1321
or renewal registration, the public accounting firm has ~~been~~ 1322
~~subject to~~ completed a peer review acceptable to the board and 1323
conducted pursuant to standards not less stringent than the peer 1324
review standards applied promulgated by the American institute of 1325
certified public accountants. A peer review that does not comply 1326
with standards and practices set forth in the rules adopted by the 1327
board and that may subject a public accounting firm to remedial or 1328
disciplinary action pursuant to division (H) of this section, does 1329
not qualify as an acceptable peer review. The public accounting 1330
firm shall submit to the board a copy of the results of the peer 1331
review and any additional documentation required by the board. The 1332
board shall not require submittal of the working papers related to 1333
the peer review process. 1334

(2) Within three years of the date of application for initial 1335
or renewal registration, the public accounting firm has ~~undergone~~ 1336
completed a peer review acceptable to the board that was conducted 1337
in another state or foreign country. The public accounting firm 1338
shall submit to the board a copy of the results of the peer review 1339
and any additional documentation required by the board, including 1340
a detailed report of the procedures and standards applied by the 1341
reviewer. 1342

(3) The public accounting firm has never practiced public 1343
accounting in this state or any other state or foreign country 1344
~~and~~, will ~~undergo~~ complete a peer review acceptable to the board 1345
within eighteen months of initial registration, and will review 1346
its registration with the board two years after initial 1347
registration as specified in rules the board adopts. 1348

(4) The public accounting firm, on a schedule as required by 1349
rule adopted by the board, submits a report to the board that 1350
states all of the following: 1351

(a) The public accounting firm does not undertake any 1352
engagement that will result in the issuance of an attest report or 1353
other engagement that is subject to peer review in accordance with 1354
division (F) of this section. 1355

~~(b) Within the next three years, the public accounting firm 1356
does not intend to undertake any engagement that will result in 1357
the issuance of any attest report. 1358~~

~~(e)~~ The public accounting firm agrees to notify the board 1359
within ninety days after accepting any engagement that will result 1360
in the issuance of any attest report or other engagement that is 1361
subject to peer review in accordance with division (F) of this 1362
section and will ~~undergo~~ complete a peer review acceptable to the 1363
board within one year after the acceptance of an engagement of 1364
that nature. 1365

(5) Subject to the board's approval, and ~~for reasons of~~ 1366
~~personal health, military service, or other~~ good cause as defined 1367
in rules the board adopts, the public accounting firm is entitled 1368
to an exemption. 1369

(K) In any civil action, arbitration, or administrative 1370
proceeding involving a public accounting firm, all of the 1371
following shall apply: 1372

(1) The proceedings, records, and work papers of any 1373
reviewer, including board members and review committee members, 1374
involved in the peer review process are privileged and not subject 1375
to discovery, subpoena, or other means of legal process and may 1376
not be introduced into evidence. 1377

(2) No reviewer, including board members and review committee 1378
members, involved in the peer review process shall be permitted or 1379

required to testify as to any matters produced, presented, 1380
disclosed, or discussed during or in connection with the peer 1381
review process or shall be required to testify to any finding, 1382
recommendation, evaluation, opinion, or other actions of those 1383
committees or their members. 1384

(3) No privilege exists under this section for either of the 1385
following: 1386

(a) Information presented or considered in the peer review 1387
process that was otherwise available to the public; 1388

(b) Materials prepared in connection with a particular 1389
engagement merely because they subsequently are presented or 1390
considered as part of the peer review process. 1391

(L)(1) If a peer review report indicates that a public 1392
accounting firm complies with standards and practices set forth in 1393
rules adopted by the board guidelines, the board shall destroy all 1394
documents and reports related to the peer review within thirty 1395
days after the board completes its review of the report. ~~If~~ 1396

(2) If a peer review report indicates that a public 1397
accounting firm does not comply with those standards and practices 1398
set forth in rules adopted by the board, the board shall retain 1399
all documents and reports related to the peer review until 1400
completion of the next peer review that complies with standards 1401
and practices set forth in rules adopted by the board pursuant to 1402
division (G) of this section. The board also may use these 1403
documents to determine a history of noncompliance with standards 1404
and practices in any proceeding held under division (H)(2) of this 1405
section. 1406

Sec. 5703.061. Except as otherwise provided in this section, 1407
the tax commissioner may cancel a debt owed to the state arising 1408
from any tax administered by the commissioner if the total amount 1409

of the debt does not exceed fifty dollars and if the debt consists 1410
only of unpaid taxes due for a single reporting period and of any 1411
penalty, interest, assessment, or other charge arising from such 1412
unpaid taxes. The commissioner shall not cancel any debt that has 1413
been certified to the attorney general under section 131.02 of the 1414
Revised Code or that is subject to an appeal filed with the board 1415
of tax appeals. 1416

Sec. 5703.261. ~~If~~ (A) As used in this section: 1417

(1) "Instrument" has the same meaning as in section 1303.03 1418
of the Revised Code. 1419

(2) "Financial transaction device" has the same meaning as in 1420
section 113.40 of the Revised Code. 1421

(B) If a taxpayer or employer required by any tax 1422
administered by the department of taxation to pay taxes, 1423
penalties, ~~or~~ interest, or other charges arising from unpaid taxes 1424
makes payment of the taxes, penalties, ~~or~~ interest, or other 1425
charges with a ~~nonnegotiable or~~ dishonored instrument, an 1426
instrument that is determined to be nonnegotiable, or with any 1427
financial transaction device that is declined, returned, or 1428
dishonored, a penalty of fifty dollars shall be added to the 1429
amount due. The penalty imposed by this section shall be assessed 1430
and collected in the same manner as the taxes, penalties, ~~or~~ 1431
interest, or other charges. All or part of any penalty imposed 1432
under this section may be abated by the tax commissioner. The 1433
commissioner may assess only one penalty under this section 1434
against the same instrument or the same financial transaction 1435
device for the same payment. 1436

Sec. 5703.37. (A)(1) Except as provided in division (B) of 1437
this section, whenever service of a notice or order is required in 1438
the manner provided in this section, a copy of the notice or order 1439

shall be served upon the person affected thereby either by 1440
personal service, by certified mail, or by a delivery service 1441
authorized under section 5703.056 of the Revised Code that 1442
notifies the tax commissioner of the date of delivery. 1443

(2) ~~With the permission of the person affected by the notice~~ 1444
~~or order, the commissioner may enter into a written agreement to~~ 1445
~~deliver a notice or order by~~ In lieu of serving a copy of a notice 1446
or order through one of the means provided in division (A)(1) of 1447
this section, the commissioner may serve a notice or order upon 1448
the person affected thereby through alternative means as provided 1449
in this section, including, but not limited to, delivery by secure 1450
electronic mail as provided in division (F) of this section. 1451
Delivery by such means satisfies the requirements for delivery 1452
under this section. 1453

(B)(1)(a) If certified mail is returned because of an 1454
undeliverable address, the commissioner shall first utilize 1455
reasonable means to ascertain a new last known address, including 1456
the use of a change of address service offered by the United 1457
States postal service or an authorized delivery service under 1458
section 5703.056 of the Revised Code. If, after using reasonable 1459
means, the commissioner is unable to ascertain a new last known 1460
address, the assessment is final for purposes of section 131.02 of 1461
the Revised Code sixty days after the notice or order sent by 1462
certified mail is first returned to the commissioner, and the 1463
commissioner shall certify the notice or order, if applicable, to 1464
the attorney general for collection under section 131.02 of the 1465
Revised Code. 1466

(b) Notwithstanding certification to the attorney general 1467
under division (B)(1)(a) of this section, once the commissioner or 1468
attorney general, or the designee of either, makes an initial 1469
contact with the person to whom the notice or order is directed, 1470
the person may protest an assessment by filing a petition for 1471

reassessment within sixty days after the initial contact. The 1472
certification of an assessment under division (B)(1)(a) of this 1473
section is prima-facie evidence that delivery is complete and that 1474
the notice or order is served. 1475

(2) If mailing of a notice or order by certified mail is 1476
returned for some cause other than an undeliverable address, the 1477
~~tax~~ commissioner shall resend the notice or order by ordinary 1478
mail. The notice or order shall show the date the commissioner 1479
sends the notice or order and include the following statement: 1480

"This notice or order is deemed to be served on the addressee 1481
under applicable law ten days from the date this notice or order 1482
was mailed by the commissioner as shown on the notice or order, 1483
and all periods within which an appeal may be filed apply from and 1484
after that date." 1485

Unless the mailing is returned because of an undeliverable 1486
address, the mailing of that information is prima-facie evidence 1487
that delivery of the notice or order was completed ten days after 1488
the commissioner sent the notice or order by ordinary mail and 1489
that the notice or order was served. 1490

If the ordinary mail is subsequently returned because of an 1491
undeliverable address, the commissioner shall proceed under 1492
division (B)(1)(a) of this section. A person may challenge the 1493
presumption of delivery and service under this division in 1494
accordance with division (C) of this section. 1495

(C)(1) A person disputing the presumption of delivery and 1496
service under division (B) of this section bears the burden of 1497
proving by a preponderance of the evidence that the address to 1498
which the notice or order was sent was not an address with which 1499
the person was associated at the time the commissioner originally 1500
mailed the notice or order by certified mail. For the purposes of 1501
this section, a person is associated with an address at the time 1502

the commissioner originally mailed the notice or order if, at that 1503
time, the person was residing, receiving legal documents, or 1504
conducting business at the address; or if, before that time, the 1505
person had conducted business at the address and, when the notice 1506
or order was mailed, the person's agent or the person's affiliate 1507
was conducting business at the address. For the purposes of this 1508
section, a person's affiliate is any other person that, at the 1509
time the notice or order was mailed, owned or controlled at least 1510
twenty per cent, as determined by voting rights, of the 1511
addressee's business. 1512

(2) If the person elects to protest an assessment certified 1513
to the attorney general for collection, the person must do so 1514
within sixty days after the attorney general's initial contact 1515
with the person. The attorney general may enter into a compromise 1516
with the person under sections 131.02 and 5703.06 of the Revised 1517
Code if the person does not file a petition for reassessment with 1518
the ~~tax~~ commissioner. 1519

(D) Nothing in this section prohibits the ~~tax~~ commissioner or 1520
the commissioner's designee from delivering a notice or order by 1521
personal service. 1522

(E) Collection actions taken pursuant to section 131.02 of 1523
the Revised Code upon any assessment being challenged under 1524
division (B)(1)(b) of this section shall be stayed upon the 1525
pendency of an appeal under this section. If a petition for 1526
reassessment is filed pursuant to this section on a claim that has 1527
been certified to the attorney general for collection, the claim 1528
shall be uncertified. 1529

(F) The commissioner may serve a notice or order upon the 1530
person affected by the notice or order through secure electronic 1531
means only with the person's consent. The commissioner must inform 1532
the recipient, electronically or by mail, that a notice or order 1533
is available for electronic review and provide instructions to 1534

access and print the notice or order. The recipient's electronic 1535
access of the notice or order satisfies the requirements for 1536
delivery under this section. If the recipient fails to access the 1537
notice or order electronically within ten business days, the 1538
notice or order shall be served upon the person through one of the 1539
means provided in division (A)(1) of this section. 1540

(G) As used in this section: 1541

(1) "Last known address" means the address the department has 1542
at the time the document is originally sent by certified mail, or 1543
any address the department can ascertain using reasonable means 1544
such as the use of a change of address service offered by the 1545
United States postal service or an authorized delivery service 1546
under section 5703.056 of the Revised Code. 1547

(2) "Undeliverable address" means an address to which the 1548
United States postal service or an authorized delivery service 1549
under section 5703.056 of the Revised Code is not able to deliver 1550
a notice or order, except when the reason for nondelivery is 1551
because the addressee fails to acknowledge or accept the notice or 1552
order. 1553

Sec. 5703.47. (A) As used in this section, "federal 1554
short-term rate" means the rate of the average market yield on 1555
outstanding marketable obligations of the United States with 1556
remaining periods to maturity of three years or less, as 1557
determined under section 1274 of the "Internal Revenue Code of 1558
1986," 100 Stat. 2085, 26 U.S.C.A. 1274, for July of the current 1559
year. 1560

(B) On the fifteenth day of October of each year, the tax 1561
commissioner shall determine the federal short-term rate. For 1562
purposes of any section of the Revised Code requiring interest to 1563
be computed at the rate per annum required by this section, the 1564
rate determined by the commissioner under this section, rounded to 1565

the nearest whole number per cent, plus three per cent, shall be 1566
the interest rate per annum used in making the computation for 1567
interest that accrues during the following calendar year. For the 1568
purposes of sections 5719.041 and 5731.23 of the Revised Code, 1569
references to the "federal short-term rate" are references to the 1570
federal short-term rate as determined by the tax commissioner 1571
under this section rounded to the nearest whole number per cent. 1572

(C) Within ten days after the interest rate per annum is 1573
determined under this section, the tax commissioner shall notify 1574
the auditor of each county ~~in writing~~ of that rate of interest. 1575

Sec. 5705.313. (A)(1) Whenever a board of county 1576
commissioners adopts a resolution pursuant to section 5739.021 or 1577
5739.026 of the Revised Code to levy or increase the rate of a 1578
sales tax, the board may adopt an accompanying resolution reducing 1579
the rate of any property tax the county currently is levying for 1580
current expenses within the ten-mill limitation or amending a 1581
previously adopted accompanying resolution increasing the amount 1582
of an existing reduction made under this division. 1583

(2) At any time after a board of county commissioners has 1584
adopted a resolution pursuant to section 5739.021 or 5739.026 of 1585
the Revised Code to levy or increase the rate of the sales tax, 1586
the board may adopt another resolution reducing the rate of any 1587
property tax the county currently is levying for current expenses 1588
within the ten-mill limitation or amending a previously adopted 1589
accompanying resolution increasing the amount of an existing 1590
reduction made under this division. This resolution may be adopted 1591
at any time during which the county is levying the sales tax under 1592
section 5739.021 or 5739.026 of the Revised Code. 1593

The rate reduction under division (A)(1) or (2) of this 1594
section may be any amount, provided it does not reduce the annual 1595
property tax revenue for current expenses within the ten-mill 1596

limitation by more than the amount of annual revenue the 1597
commissioners estimate the sales tax levy to generate. The 1598
resolution shall set forth the current millage rate for current 1599
expenses of the county within the ten-mill limitation; the number 1600
of such mills not currently levied under this division, if any; 1601
the number of such mills currently levied that will not be levied 1602
until a resolution is adopted under division (C) of this section 1603
or the expiration of the specified number of years the rate is not 1604
to be levied, and the tax year in which the rate reduction shall 1605
first apply. The resolution may state that the property tax rate 1606
reduction will be for a specified number of years. A copy of the 1607
resolution shall be certified to the county auditor. 1608

(B) Notwithstanding any other provision of law, whenever a 1609
board of county commissioners adopts a resolution under division 1610
(A) of this section, no other taxing unit may levy any portion of 1611
the rate the county does not levy until the expiration of the 1612
specified number of years that such portion of the rate reduction 1613
is in effect as set forth in the resolution, except as may be 1614
required by the county budget commission pursuant to division (D) 1615
of section 5705.31 of the Revised Code to provide for the levies 1616
required in division (B) of that section for debt charges of a 1617
subdivision or taxing unit. 1618

(C) At any time a rate reduction is in effect the board of 1619
county commissioners may, by two-thirds vote of its members, adopt 1620
a resolution increasing the rate of the levy by any amount up to 1621
the rate at which it was levied prior to its rate reduction under 1622
this section. The board shall then immediately certify its action 1623
to the county auditor. If the commissioners increase the rate to 1624
the full rate at which it was levied prior to its rate reduction 1625
under this section, this section shall thereupon cease to apply to 1626
that county until another resolution is adopted pursuant to 1627
division (A)(1) or (2) of this section. 1628

Sec. 5709.084. Real and personal property comprising a 1629
convention center that is constructed or, in the case of personal 1630
property, acquired, after January 1, 2010, are exempt from 1631
taxation if the convention center is located in a county having a 1632
population, when construction of the convention center commences, 1633
of more than one million two hundred thousand according to the 1634
most recent federal decennial census, and if the convention 1635
center, or the land upon which the convention center is situated, 1636
is owned or leased by the county. For the purposes of this 1637
section, construction of the convention center commences upon the 1638
earlier of issuance of debt to finance all or a portion of the 1639
convention center, demolition of existing structures on the site, 1640
or grading of the site in preparation for construction. 1641

Real and personal property comprising a convention center 1642
owned by the largest city in a county having a population greater 1643
than seven hundred thousand but less than nine hundred thousand 1644
according to the most recent federal decennial census is exempt 1645
from taxation, regardless of whether the property is leased to or 1646
otherwise operated or managed by a person other than the city. 1647

Real and personal property comprising a convention center or 1648
arena owned by the largest city in a county having a population 1649
greater than two hundred thirty-five thousand but less than three 1650
hundred thousand according to the most recent federal decennial 1651
census at the time of the construction of the convention center or 1652
arena is exempt from taxation, regardless of whether the property 1653
is leased to or otherwise operated or managed by a person other 1654
than the city. 1655

As used in this section, "convention center" ~~has~~ and "arena" 1656
have the same ~~meaning~~ meanings as in section 307.695 of the 1657
Revised Code. 1658

Sec. 5709.40. (A) As used in this section:	1659
(1) "Blighted area" and "impacted city" have the same meanings as in section 1728.01 of the Revised Code.	1660 1661
(2) "Business day" means a day of the week excluding Saturday, Sunday, and a legal holiday as defined under section 1.14 of the Revised Code.	1662 1663 1664
(3) "Housing renovation" means a project carried out for residential purposes.	1665 1666
(4) "Improvement" means the increase in the assessed value of any real property that would first appear on the tax list and duplicate of real and public utility property after the effective date of an ordinance adopted under this section were it not for the exemption granted by that ordinance.	1667 1668 1669 1670 1671
(5) "Incentive district" means an area not more than three hundred acres in size enclosed by a continuous boundary in which a project is being, or will be, undertaken and having one or more of the following distress characteristics:	1672 1673 1674 1675
(a) At least fifty-one per cent of the residents of the district have incomes of less than eighty per cent of the median income of residents of the political subdivision in which the district is located, as determined in the same manner specified under section 119(b) of the "Housing and Community Development Act of 1974," 88 Stat. 633, 42 U.S.C. 5318, as amended;	1676 1677 1678 1679 1680 1681
(b) The average rate of unemployment in the district during the most recent twelve-month period for which data are available is equal to at least one hundred fifty per cent of the average rate of unemployment for this state for the same period.	1682 1683 1684 1685
(c) At least twenty per cent of the people residing in the district live at or below the poverty level as defined in the federal Housing and Community Development Act of 1974, 42 U.S.C.	1686 1687 1688

5301, as amended, and regulations adopted pursuant to that act.	1689
(d) The district is a blighted area.	1690
(e) The district is in a situational distress area as	1691
designated by the director of development under division (F) of	1692
section 122.23 of the Revised Code.	1693
(f) As certified by the engineer for the political	1694
subdivision, the public infrastructure serving the district is	1695
inadequate to meet the development needs of the district as	1696
evidenced by a written economic development plan or urban renewal	1697
plan for the district that has been adopted by the legislative	1698
authority of the subdivision.	1699
(g) The district is comprised entirely of unimproved land	1700
that is located in a distressed area as defined in section 122.23	1701
of the Revised Code.	1702
(6) "Project" means development activities undertaken on one	1703
or more parcels, including, but not limited to, construction,	1704
expansion, and alteration of buildings or structures, demolition,	1705
remediation, and site development, and any building or structure	1706
that results from those activities.	1707
(7) "Public infrastructure improvement" includes, but is not	1708
limited to, public roads and highways; water and sewer lines;	1709
environmental remediation; land acquisition, including acquisition	1710
in aid of industry, commerce, distribution, or research;	1711
demolition, including demolition on private property when	1712
determined to be necessary for economic development purposes;	1713
stormwater and flood remediation projects, including such projects	1714
on private property when determined to be necessary for public	1715
health, safety, and welfare; the provision of gas, electric, and	1716
communications service facilities; and the enhancement of public	1717
waterways through improvements that allow for greater public	1718
access.	1719

(B) The legislative authority of a municipal corporation, by 1720
ordinance, may declare improvements to certain parcels of real 1721
property located in the municipal corporation to be a public 1722
purpose. Improvements with respect to a parcel that is used or to 1723
be used for residential purposes may be declared a public purpose 1724
under this division only if the parcel is located in a blighted 1725
area of an impacted city. Except with the approval under division 1726
(D) of this section of the board of education of each city, local, 1727
or exempted village school district within which the improvements 1728
are located, not more than seventy-five per cent of an improvement 1729
thus declared to be a public purpose may be exempted from real 1730
property taxation for a period of not more than ten years. The 1731
ordinance shall specify the percentage of the improvement to be 1732
exempted from taxation and the life of the exemption. 1733

An ordinance adopted or amended under this division shall 1734
designate the specific public infrastructure improvements made, to 1735
be made, or in the process of being made by the municipal 1736
corporation that directly benefit, or that once made will directly 1737
benefit, the parcels for which improvements are declared to be a 1738
public purpose. The service payments provided for in section 1739
5709.42 of the Revised Code shall be used to finance the public 1740
infrastructure improvements designated in the ordinance, for the 1741
purpose described in division (D)(1) of this section or as 1742
provided in section 5709.43 of the Revised Code. 1743

(C)(1) The legislative authority of a municipal corporation 1744
may adopt an ordinance creating an incentive district and 1745
declaring improvements to parcels within the district to be a 1746
public purpose and, except as provided in division (F) of this 1747
section, exempt from taxation as provided in this section, but no 1748
legislative authority of a municipal corporation that has a 1749
population that exceeds twenty-five thousand, as shown by the most 1750
recent federal decennial census, shall adopt an ordinance that 1751

creates an incentive district if the sum of the taxable value of 1752
real property in the proposed district for the preceding tax year 1753
and the taxable value of all real property in the municipal 1754
corporation that would have been taxable in the preceding year 1755
were it not for the fact that the property was in an existing 1756
incentive district and therefore exempt from taxation exceeds 1757
twenty-five per cent of the taxable value of real property in the 1758
municipal corporation for the preceding tax year. The ordinance 1759
shall delineate the boundary of the district and specifically 1760
identify each parcel within the district. A district may not 1761
include any parcel that is or has been exempted from taxation 1762
under division (B) of this section or that is or has been within 1763
another district created under this division. An ordinance may 1764
create more than one such district, and more than one ordinance 1765
may be adopted under division (C)(1) of this section. 1766

(2) Not later than thirty days prior to adopting an ordinance 1767
under division (C)(1) of this section, if the municipal 1768
corporation intends to apply for exemptions from taxation under 1769
section 5709.911 of the Revised Code on behalf of owners of real 1770
property located within the proposed incentive district, the 1771
legislative authority of a municipal corporation shall conduct a 1772
public hearing on the proposed ordinance. Not later than thirty 1773
days prior to the public hearing, the legislative authority shall 1774
give notice of the public hearing and the proposed ordinance by 1775
first class mail to every real property owner whose property is 1776
located within the boundaries of the proposed incentive district 1777
that is the subject of the proposed ordinance. 1778

(3)(a) An ordinance adopted under division (C)(1) of this 1779
section shall specify the life of the incentive district and the 1780
percentage of the improvements to be exempted, shall designate the 1781
public infrastructure improvements made, to be made, or in the 1782
process of being made, that benefit or serve, or, once made, will 1783

benefit or serve parcels in the district. The ordinance also shall 1784
identify one or more specific projects being, or to be, undertaken 1785
in the district that place additional demand on the public 1786
infrastructure improvements designated in the ordinance. The 1787
project identified may, but need not be, the project under 1788
division (C)(3)(b) of this section that places real property in 1789
use for commercial or industrial purposes. Except as otherwise 1790
permitted under that division, the service payments provided for 1791
in section 5709.42 of the Revised Code shall be used to finance 1792
the designated public infrastructure improvements, for the purpose 1793
described in division (D)(1) or (E) of this section, or as 1794
provided in section 5709.43 of the Revised Code. 1795

An ordinance adopted under division (C)(1) of this section on 1796
or after March 30, 2006, shall not designate police or fire 1797
equipment as public infrastructure improvements, and no service 1798
payment provided for in section 5709.42 of the Revised Code and 1799
received by the municipal corporation under the ordinance shall be 1800
used for police or fire equipment. 1801

(b) An ordinance adopted under division (C)(1) of this 1802
section may authorize the use of service payments provided for in 1803
section 5709.42 of the Revised Code for the purpose of housing 1804
renovations within the incentive district, provided that the 1805
ordinance also designates public infrastructure improvements that 1806
benefit or serve the district, and that a project within the 1807
district places real property in use for commercial or industrial 1808
purposes. Service payments may be used to finance or support 1809
loans, deferred loans, and grants to persons for the purpose of 1810
housing renovations within the district. The ordinance shall 1811
designate the parcels within the district that are eligible for 1812
housing renovation. The ordinance shall state separately the 1813
amounts or the percentages of the expected aggregate service 1814
payments that are designated for each public infrastructure 1815

improvement and for the general purpose of housing renovations. 1816

(4) Except with the approval of the board of education of 1817
each city, local, or exempted village school district within the 1818
territory of which the incentive district is or will be located, 1819
and subject to division (E) of this section, the life of an 1820
incentive district shall not exceed ten years, and the percentage 1821
of improvements to be exempted shall not exceed seventy-five per 1822
cent. With approval of the board of education, the life of a 1823
district may be not more than thirty years, and the percentage of 1824
improvements to be exempted may be not more than one hundred per 1825
cent. The approval of a board of education shall be obtained in 1826
the manner provided in division (D) of this section. 1827

(D)(1) If the ordinance declaring improvements to a parcel to 1828
be a public purpose or creating an incentive district specifies 1829
that payments in lieu of taxes provided for in section 5709.42 of 1830
the Revised Code shall be paid to the city, local, or exempted 1831
village, and joint vocational school district in which the parcel 1832
or incentive district is located in the amount of the taxes that 1833
would have been payable to the school district if the improvements 1834
had not been exempted from taxation, the percentage of the 1835
improvement that may be exempted from taxation may exceed 1836
seventy-five per cent, and the exemption may be granted for up to 1837
thirty years, without the approval of the board of education as 1838
otherwise required under division (D)(2) of this section. 1839

(2) Improvements with respect to a parcel may be exempted 1840
from taxation under division (B) of this section, and improvements 1841
to parcels within an incentive district may be exempted from 1842
taxation under division (C) of this section, for up to ten years 1843
or, with the approval under this paragraph of the board of 1844
education of the city, local, or exempted village school district 1845
within which the parcel or district is located, for up to thirty 1846
years. The percentage of the improvement exempted from taxation 1847

may, with such approval, exceed seventy-five per cent, but shall 1848
not exceed one hundred per cent. Not later than forty-five 1849
business days prior to adopting an ordinance under this section 1850
declaring improvements to be a public purpose that is subject to 1851
approval by a board of education under this division, the 1852
legislative authority shall deliver to the board of education a 1853
notice stating its intent to adopt an ordinance making that 1854
declaration. The notice regarding improvements with respect to a 1855
parcel under division (B) of this section shall identify the 1856
parcels for which improvements are to be exempted from taxation, 1857
provide an estimate of the true value in money of the 1858
improvements, specify the period for which the improvements would 1859
be exempted from taxation and the percentage of the improvement 1860
that would be exempted, and indicate the date on which the 1861
legislative authority intends to adopt the ordinance. The notice 1862
regarding improvements to parcels within an incentive district 1863
under division (C) of this section shall delineate the boundaries 1864
of the district, specifically identify each parcel within the 1865
district, identify each anticipated improvement in the district, 1866
provide an estimate of the true value in money of each such 1867
improvement, specify the life of the district and the percentage 1868
of improvements that would be exempted, and indicate the date on 1869
which the legislative authority intends to adopt the ordinance. 1870
The board of education, by resolution adopted by a majority of the 1871
board, may approve the exemption for the period or for the 1872
exemption percentage specified in the notice; may disapprove the 1873
exemption for the number of years in excess of ten, may disapprove 1874
the exemption for the percentage of the improvement to be exempted 1875
in excess of seventy-five per cent, or both; or may approve the 1876
exemption on the condition that the legislative authority and the 1877
board negotiate an agreement providing for compensation to the 1878
school district equal in value to a percentage of the amount of 1879
taxes exempted in the eleventh and subsequent years of the 1880

exemption period or, in the case of exemption percentages in 1881
excess of seventy-five per cent, compensation equal in value to a 1882
percentage of the taxes that would be payable on the portion of 1883
the improvement in excess of seventy-five per cent were that 1884
portion to be subject to taxation, or other mutually agreeable 1885
compensation. If an agreement is negotiated between the 1886
legislative authority and the board to compensate the school 1887
district for all or part of the taxes exempted, including 1888
agreements for payments in lieu of taxes under section 5709.42 of 1889
the Revised Code, the legislative authority shall compensate the 1890
joint vocational school district within which the parcel or 1891
district is located at the same rate and under the same terms 1892
received by the city, local, or exempted village school district. 1893

(3) The board of education shall certify its resolution to 1894
the legislative authority not later than fourteen days prior to 1895
the date the legislative authority intends to adopt the ordinance 1896
as indicated in the notice. If the board of education and the 1897
legislative authority negotiate a mutually acceptable compensation 1898
agreement, the ordinance may declare the improvements a public 1899
purpose for the number of years specified in the ordinance or, in 1900
the case of exemption percentages in excess of seventy-five per 1901
cent, for the exemption percentage specified in the ordinance. In 1902
either case, if the board and the legislative authority fail to 1903
negotiate a mutually acceptable compensation agreement, the 1904
ordinance may declare the improvements a public purpose for not 1905
more than ten years, and shall not exempt more than seventy-five 1906
per cent of the improvements from taxation. If the board fails to 1907
certify a resolution to the legislative authority within the time 1908
prescribed by this division, the legislative authority thereupon 1909
may adopt the ordinance and may declare the improvements a public 1910
purpose for up to thirty years, or, in the case of exemption 1911
percentages proposed in excess of seventy-five per cent, for the 1912
exemption percentage specified in the ordinance. The legislative 1913

authority may adopt the ordinance at any time after the board of 1914
education certifies its resolution approving the exemption to the 1915
legislative authority, or, if the board approves the exemption on 1916
the condition that a mutually acceptable compensation agreement be 1917
negotiated, at any time after the compensation agreement is agreed 1918
to by the board and the legislative authority. 1919

(4) If a board of education has adopted a resolution waiving 1920
its right to approve exemptions from taxation under this section 1921
and the resolution remains in effect, approval of exemptions by 1922
the board is not required under division (D) of this section. If a 1923
board of education has adopted a resolution allowing a legislative 1924
authority to deliver the notice required under division (D) of 1925
this section fewer than forty-five business days prior to the 1926
legislative authority's adoption of the ordinance, the legislative 1927
authority shall deliver the notice to the board not later than the 1928
number of days prior to such adoption as prescribed by the board 1929
in its resolution. If a board of education adopts a resolution 1930
waiving its right to approve agreements or shortening the 1931
notification period, the board shall certify a copy of the 1932
resolution to the legislative authority. If the board of education 1933
rescinds such a resolution, it shall certify notice of the 1934
rescission to the legislative authority. 1935

(5) If the legislative authority is not required by division 1936
(D) of this section to notify the board of education of the 1937
legislative authority's intent to declare improvements to be a 1938
public purpose, the legislative authority shall comply with the 1939
notice requirements imposed under section 5709.83 of the Revised 1940
Code, unless the board has adopted a resolution under that section 1941
waiving its right to receive such a notice. 1942

(E)(1) If a proposed ordinance under division (C)(1) of this 1943
section exempts improvements with respect to a parcel within an 1944
incentive district for more than ten years, or the percentage of 1945

the improvement exempted from taxation exceeds seventy-five per 1946
cent, not later than forty-five business days prior to adopting 1947
the ordinance the legislative authority of the municipal 1948
corporation shall deliver to the board of county commissioners of 1949
the county within which the incentive district will be located a 1950
notice that states its intent to adopt an ordinance creating an 1951
incentive district. The notice shall include a copy of the 1952
proposed ordinance, identify the parcels for which improvements 1953
are to be exempted from taxation, provide an estimate of the true 1954
value in money of the improvements, specify the period of time for 1955
which the improvements would be exempted from taxation, specify 1956
the percentage of the improvements that would be exempted from 1957
taxation, and indicate the date on which the legislative authority 1958
intends to adopt the ordinance. 1959

(2) The board of county commissioners, by resolution adopted 1960
by a majority of the board, may object to the exemption for the 1961
number of years in excess of ten, may object to the exemption for 1962
the percentage of the improvement to be exempted in excess of 1963
seventy-five per cent, or both. If the board of county 1964
commissioners objects, the board may negotiate a mutually 1965
acceptable compensation agreement with the legislative authority. 1966
In no case shall the compensation provided to the board exceed the 1967
property taxes forgone due to the exemption. If the board of 1968
county commissioners objects, and the board and legislative 1969
authority fail to negotiate a mutually acceptable compensation 1970
agreement, the ordinance adopted under division (C)(1) of this 1971
section shall provide to the board compensation in the eleventh 1972
and subsequent years of the exemption period equal in value to not 1973
more than fifty per cent of the taxes that would be payable to the 1974
county or, if the board's objection includes an objection to an 1975
exemption percentage in excess of seventy-five per cent, 1976
compensation equal in value to not more than fifty per cent of the 1977
taxes that would be payable to the county, on the portion of the 1978

improvement in excess of seventy-five per cent, were that portion 1979
to be subject to taxation. The board of county commissioners shall 1980
certify its resolution to the legislative authority not later than 1981
thirty days after receipt of the notice. 1982

(3) If the board of county commissioners does not object or 1983
fails to certify its resolution objecting to an exemption within 1984
thirty days after receipt of the notice, the legislative authority 1985
may adopt the ordinance, and no compensation shall be provided to 1986
the board of county commissioners. If the board timely certifies 1987
its resolution objecting to the ordinance, the legislative 1988
authority may adopt the ordinance at any time after a mutually 1989
acceptable compensation agreement is agreed to by the board and 1990
the legislative authority, or, if no compensation agreement is 1991
negotiated, at any time after the legislative authority agrees in 1992
the proposed ordinance to provide compensation to the board of 1993
fifty per cent of the taxes that would be payable to the county in 1994
the eleventh and subsequent years of the exemption period or on 1995
the portion of the improvement in excess of seventy-five per cent, 1996
were that portion to be subject to taxation. 1997

(F) Service payments in lieu of taxes that are attributable 1998
to any amount by which the effective tax rate of either a renewal 1999
levy with an increase or a replacement levy exceeds the effective 2000
tax rate of the levy renewed or replaced, or that are attributable 2001
to an additional levy, for a levy authorized by the voters for any 2002
of the following purposes on or after January 1, 2006, and which 2003
are provided pursuant to an ordinance creating an incentive 2004
district under division (C)(1) of this section that is adopted on 2005
or after January 1, 2006, shall be distributed to the appropriate 2006
taxing authority as required under division (C) of section 5709.42 2007
of the Revised Code in an amount equal to the amount of taxes from 2008
that additional levy or from the increase in the effective tax 2009
rate of such renewal or replacement levy that would have been 2010

payable to that taxing authority from the following levies were it 2011
not for the exemption authorized under division (C) of this 2012
section: 2013

(1) A tax levied under division (L) of section 5705.19 or 2014
section 5705.191 of the Revised Code for community mental 2015
retardation and developmental disabilities programs and services 2016
pursuant to Chapter 5126. of the Revised Code; 2017

(2) A tax levied under division (Y) of section 5705.19 of the 2018
Revised Code for providing or maintaining senior citizens services 2019
or facilities; 2020

(3) A tax levied under section 5705.22 of the Revised Code 2021
for county hospitals; 2022

(4) A tax levied by a joint-county district or by a county 2023
under section 5705.19, 5705.191, or 5705.221 of the Revised Code 2024
for alcohol, drug addiction, and mental health services or 2025
facilities; 2026

(5) A tax levied under section 5705.23 of the Revised Code 2027
for library purposes; 2028

(6) A tax levied under section 5705.24 of the Revised Code 2029
for the support of children services and the placement and care of 2030
children; 2031

(7) A tax levied under division (Z) of section 5705.19 of the 2032
Revised Code for the provision and maintenance of zoological park 2033
services and facilities under section 307.76 of the Revised Code; 2034

(8) A tax levied under section 511.27 or division (H) of 2035
section 5705.19 of the Revised Code for the support of township 2036
park districts; 2037

(9) A tax levied under division (A), (F), or (H) of section 2038
5705.19 of the Revised Code for parks and recreational purposes of 2039
a joint recreation district organized pursuant to division (B) of 2040

section 755.14 of the Revised Code;	2041
(10) A tax levied under section 1545.20 or 1545.21 of the Revised Code for park district purposes;	2042 2043
(11) A tax levied under section 5705.191 of the Revised Code for the purpose of making appropriations for public assistance; human or social services; public relief; public welfare; public health and hospitalization; and support of general hospitals;	2044 2045 2046 2047
(12) A tax levied under section 3709.29 of the Revised Code for a general health district program.	2048 2049
(G) An exemption from taxation granted under this section commences with the tax year specified in the ordinance so long as the year specified in the ordinance commences after the effective date of the ordinance. If the ordinance specifies a year commencing before the effective date of the resolution or specifies no year whatsoever, the exemption commences with the tax year in which an exempted improvement first appears on the tax list and duplicate of real and public utility property and that commences after the effective date of the ordinance. Except as otherwise provided in this division, the exemption ends on the date specified in the ordinance as the date the improvement ceases to be a public purpose or the incentive district expires, or ends on the date on which the public infrastructure improvements and housing renovations are paid in full from the municipal public improvement tax increment equivalent fund established under division (A) of section 5709.43 of the Revised Code, whichever occurs first. The exemption of an improvement with respect to a parcel or within an incentive district may end on a later date, as specified in the ordinance, if the legislative authority and the board of education of the city, local, or exempted village school district within which the parcel or district is located have entered into a compensation agreement under section 5709.82 of the Revised Code with respect to the improvement, and the board of	2050 2051 2052 2053 2054 2055 2056 2057 2058 2059 2060 2061 2062 2063 2064 2065 2066 2067 2068 2069 2070 2071 2072

education has approved the term of the exemption under division 2073
(D)(2) of this section, but in no case shall the improvement be 2074
exempted from taxation for more than thirty years. Exemptions 2075
shall be claimed and allowed in the same manner as in the case of 2076
other real property exemptions. If an exemption status changes 2077
during a year, the procedure for the apportionment of the taxes 2078
for that year is the same as in the case of other changes in tax 2079
exemption status during the year. 2080

(H) Additional municipal financing of public infrastructure 2081
improvements and housing renovations may be provided by any 2082
methods that the municipal corporation may otherwise use for 2083
financing such improvements or renovations. If the municipal 2084
corporation issues bonds or notes to finance the public 2085
infrastructure improvements and housing renovations and pledges 2086
money from the municipal public improvement tax increment 2087
equivalent fund to pay the interest on and principal of the bonds 2088
or notes, the bonds or notes are not subject to Chapter 133. of 2089
the Revised Code. 2090

(I) The municipal corporation, not later than fifteen days 2091
after the adoption of an ordinance under this section, shall 2092
submit to the director of development a copy of the ordinance. On 2093
or before the thirty-first day of March of each year, the 2094
municipal corporation shall submit a status report to the director 2095
of development. The report shall indicate, in the manner 2096
prescribed by the director, the progress of the project during 2097
each year that an exemption remains in effect, including a summary 2098
of the receipts from service payments in lieu of taxes; 2099
expenditures of money from the funds created under section 5709.43 2100
of the Revised Code; a description of the public infrastructure 2101
improvements and housing renovations financed with such 2102
expenditures; and a quantitative summary of changes in employment 2103
and private investment resulting from each project. 2104

(J) Nothing in this section shall be construed to prohibit a legislative authority from declaring to be a public purpose improvements with respect to more than one parcel.

(K) If a parcel is located in a new community district in which the new community authority imposes a community development charge on the basis of rentals received from leases of real property as described in division (L)(2) of section 349.01 of the Revised Code, the parcel may not be exempted from taxation under this section.

Sec. 5709.41. (A) As used in this section:

(1) "Business day" means a day of the week excluding Saturday, Sunday, and a legal holiday as defined under section 1.14 of the Revised Code.

(2) "Improvement" means the increase in assessed value of any parcel of property subsequent to the acquisition of the parcel by a municipal corporation engaged in urban redevelopment.

(B) The legislative authority of a municipal corporation, by ordinance, may declare to be a public purpose any improvement to a parcel of real property if both of the following apply:

(1) The municipal corporation held fee title to the parcel prior to the adoption of the ordinance;

(2) The parcel is leased, or the fee of the parcel is conveyed, to any person either before or after adoption of the ordinance.

Improvements used or to be used for residential purposes may be declared a public purpose under this section only if the parcel is located in a blighted area of an impacted city as those terms are defined in section 1728.01 of the Revised Code.

(C) Except as otherwise provided in division (C)(1), (2), or (3) of this section, not more than seventy-five per cent of an

improvement thus declared to be a public purpose may be exempted 2135
from real property taxation. The ordinance shall specify the 2136
percentage of the improvement to be exempted from taxation. If a 2137
parcel is located in a new community district in which the new 2138
community authority imposes a community development charge on the 2139
basis of rentals received from leases of real property as 2140
described in division (L)(2) of section 349.01 of the Revised 2141
Code, the parcel may not be exempted from taxation under this 2142
section. 2143

(1) If the ordinance declaring improvements to a parcel to be 2144
a public purpose specifies that payments in lieu of taxes provided 2145
for in section 5709.42 of the Revised Code shall be paid to the 2146
city, local, or exempted village school district in which the 2147
parcel is located in the amount of the taxes that would have been 2148
payable to the school district if the improvements had not been 2149
exempted from taxation, the percentage of the improvement that may 2150
be exempted from taxation may exceed seventy-five per cent, and 2151
the exemption may be granted for up to thirty years, without the 2152
approval of the board of education as otherwise required under 2153
division (C)(2) of this section. 2154

(2) Improvements may be exempted from taxation for up to ten 2155
years or, with the approval of the board of education of the city, 2156
local, or exempted village school district within the territory of 2157
which the improvements are or will be located, for up to thirty 2158
years. The percentage of the improvement exempted from taxation 2159
may, with such approval, exceed seventy-five per cent, but shall 2160
not exceed one hundred per cent. Not later than forty-five 2161
business days prior to adopting an ordinance under this section, 2162
the legislative authority shall deliver to the board of education 2163
a notice stating its intent to declare improvements to be a public 2164
purpose under this section. The notice shall describe the parcel 2165
and the improvements, provide an estimate of the true value in 2166

money of the improvements, specify the period for which the 2167
improvements would be exempted from taxation and the percentage of 2168
the improvements that would be exempted, and indicate the date on 2169
which the legislative authority intends to adopt the ordinance. 2170
The board of education, by resolution adopted by a majority of the 2171
board, may approve the exemption for the period or for the 2172
exemption percentage specified in the notice, may disapprove the 2173
exemption for the number of years in excess of ten, may disapprove 2174
the exemption for the percentage of the improvements to be 2175
exempted in excess of seventy-five per cent, or both, or may 2176
approve the exemption on the condition that the legislative 2177
authority and the board negotiate an agreement providing for 2178
compensation to the school district equal in value to a percentage 2179
of the amount of taxes exempted in the eleventh and subsequent 2180
years of the exemption period, or, in the case of exemption 2181
percentages in excess of seventy-five per cent, compensation equal 2182
in value to a percentage of the taxes that would be payable on the 2183
portion of the improvement in excess of seventy-five per cent were 2184
that portion to be subject to taxation. The board of education 2185
shall certify its resolution to the legislative authority not 2186
later than fourteen days prior to the date the legislative 2187
authority intends to adopt the ordinance as indicated in the 2188
notice. If the board of education approves the exemption on the 2189
condition that a compensation agreement be negotiated, the board 2190
in its resolution shall propose a compensation percentage. If the 2191
board of education and the legislative authority negotiate a 2192
mutually acceptable compensation agreement, the ordinance may 2193
declare the improvements a public purpose for the number of years 2194
specified in the ordinance or, in the case of exemption 2195
percentages in excess of seventy-five per cent, for the exemption 2196
percentage specified in the ordinance. In either case, if the 2197
board and the legislative authority fail to negotiate a mutually 2198
acceptable compensation agreement, the ordinance may declare the 2199

improvements a public purpose for not more than ten years, but 2200
shall not exempt more than seventy-five per cent of the 2201
improvements from taxation. If the board fails to certify a 2202
resolution to the legislative authority within the time prescribed 2203
by this division, the legislative authority thereupon may adopt 2204
the ordinance and may declare the improvements a public purpose 2205
for up to thirty years. The legislative authority may adopt the 2206
ordinance at any time after the board of education certifies its 2207
resolution approving the exemption to the legislative authority, 2208
or, if the board approves the exemption on the condition that a 2209
mutually acceptable compensation agreement be negotiated, at any 2210
time after the compensation agreement is agreed to by the board 2211
and the legislative authority. If a mutually acceptable 2212
compensation agreement is negotiated between the legislative 2213
authority and the board, including agreements for payments in lieu 2214
of taxes under section 5709.42 of the Revised Code, the 2215
legislative authority shall compensate the joint vocational school 2216
district within the territory of which the improvements are or 2217
will be located at the same rate and under the same terms received 2218
by the city, local, or exempted village school district. 2219

(3) If a board of education has adopted a resolution waiving 2220
its right to approve exemptions from taxation and the resolution 2221
remains in effect, approval of exemptions by the board is not 2222
required under this division. If a board of education has adopted 2223
a resolution allowing a legislative authority to deliver the 2224
notice required under this division fewer than forty-five business 2225
days prior to the legislative authority's adoption of the 2226
ordinance, the legislative authority shall deliver the notice to 2227
the board not later than the number of days prior to such adoption 2228
as prescribed by the board in its resolution. If a board of 2229
education adopts a resolution waiving its right to approve 2230
exemptions or shortening the notification period, the board shall 2231
certify a copy of the resolution to the legislative authority. If 2232

the board of education rescinds such a resolution, it shall 2233
certify notice of the rescission to the legislative authority. 2234

(4) If the legislative authority is not required by division 2235
(C)(1), (2), or (3) of this section to notify the board of 2236
education of the legislative authority's intent to declare 2237
improvements to be a public purpose, the legislative authority 2238
shall comply with the notice requirements imposed under section 2239
5709.83 of the Revised Code, unless the board has adopted a 2240
resolution under that section waiving its right to receive such a 2241
notice. 2242

(D) The exemption commences on the effective date of the 2243
ordinance and ends on the date specified in the ordinance as the 2244
date the improvement ceases to be a public purpose. The exemption 2245
shall be claimed and allowed in the same or a similar manner as in 2246
the case of other real property exemptions. If an exemption status 2247
changes during a tax year, the procedure for the apportionment of 2248
the taxes for that year is the same as in the case of other 2249
changes in tax exemption status during the year. 2250

(E) A municipal corporation, not later than fifteen days 2251
after the adoption of an ordinance granting a tax exemption under 2252
this section, shall submit to the director of development a copy 2253
of the ordinance. On or before the thirty-first day of March each 2254
year, the municipal corporation shall submit a status report to 2255
the director of development outlining the progress of the project 2256
during each year that the exemption remains in effect. 2257

Sec. 5709.73. (A) As used in this section and section 5709.74 2258
of the Revised Code: 2259

(1) "Business day" means a day of the week excluding 2260
Saturday, Sunday, and a legal holiday as defined in section 1.14 2261
of the Revised Code. 2262

(2) "Further improvements" or "improvements" means the 2263
increase in the assessed value of real property that would first 2264
appear on the tax list and duplicate of real and public utility 2265
property after the effective date of a resolution adopted under 2266
this section were it not for the exemption granted by that 2267
resolution. For purposes of division (B) of this section, 2268
"improvements" do not include any property used or to be used for 2269
residential purposes. 2270

(3) "Housing renovation" means a project carried out for 2271
residential purposes. 2272

(4) "Incentive district" has the same meaning as in section 2273
5709.40 of the Revised Code, except that a blighted area is in the 2274
unincorporated area of a township. 2275

(5) "Project" and "public infrastructure improvement" have 2276
the same meanings as in section 5709.40 of the Revised Code. 2277

(B) A board of township trustees may, by unanimous vote, 2278
adopt a resolution that declares to be a public purpose any public 2279
infrastructure improvements made that are necessary for the 2280
development of certain parcels of land located in the 2281
unincorporated area of the township. Except with the approval 2282
under division (D) of this section of the board of education of 2283
each city, local, or exempted village school district within which 2284
the improvements are located, the resolution may exempt from real 2285
property taxation not more than seventy-five per cent of further 2286
improvements to a parcel of land that directly benefits from the 2287
public infrastructure improvements, for a period of not more than 2288
ten years. The resolution shall specify the percentage of the 2289
further improvements to be exempted and the life of the exemption. 2290

(C)(1) A board of township trustees may adopt, by unanimous 2291
vote, a resolution creating an incentive district and declaring 2292
improvements to parcels within the district to be a public purpose 2293

and, except as provided in division (F) of this section, exempt 2294
from taxation as provided in this section, but no board of 2295
township trustees of a township that has a population that exceeds 2296
twenty-five thousand, as shown by the most recent federal 2297
decennial census, shall adopt a resolution that creates an 2298
incentive district if the sum of the taxable value of real 2299
property in the proposed district for the preceding tax year and 2300
the taxable value of all real property in the township that would 2301
have been taxable in the preceding year were it not for the fact 2302
that the property was in an existing incentive district and 2303
therefore exempt from taxation exceeds twenty-five per cent of the 2304
taxable value of real property in the township for the preceding 2305
tax year. The district shall be located within the unincorporated 2306
area of the township and shall not include any territory that is 2307
included within a district created under division (B) of section 2308
5709.78 of the Revised Code. The resolution shall delineate the 2309
boundary of the district and specifically identify each parcel 2310
within the district. A district may not include any parcel that is 2311
or has been exempted from taxation under division (B) of this 2312
section or that is or has been within another district created 2313
under this division. A resolution may create more than one 2314
district, and more than one resolution may be adopted under 2315
division (C)(1) of this section. 2316

(2) Not later than thirty days prior to adopting a resolution 2317
under division (C)(1) of this section, if the township intends to 2318
apply for exemptions from taxation under section 5709.911 of the 2319
Revised Code on behalf of owners of real property located within 2320
the proposed incentive district, the board shall conduct a public 2321
hearing on the proposed resolution. Not later than thirty days 2322
prior to the public hearing, the board shall give notice of the 2323
public hearing and the proposed resolution by first class mail to 2324
every real property owner whose property is located within the 2325
boundaries of the proposed incentive district that is the subject 2326

of the proposed resolution. 2327

(3)(a) A resolution adopted under division (C)(1) of this 2328
section shall specify the life of the incentive district and the 2329
percentage of the improvements to be exempted, shall designate the 2330
public infrastructure improvements made, to be made, or in the 2331
process of being made, that benefit or serve, or, once made, will 2332
benefit or serve parcels in the district. The resolution also 2333
shall identify one or more specific projects being, or to be, 2334
undertaken in the district that place additional demand on the 2335
public infrastructure improvements designated in the resolution. 2336
The project identified may, but need not be, the project under 2337
division (C)(3)(b) of this section that places real property in 2338
use for commercial or industrial purposes. 2339

A resolution adopted under division (C)(1) of this section on 2340
or after March 30, 2006, shall not designate police or fire 2341
equipment as public infrastructure improvements, and no service 2342
payment provided for in section 5709.74 of the Revised Code and 2343
received by the township under the resolution shall be used for 2344
police or fire equipment. 2345

(b) A resolution adopted under division (C)(1) of this 2346
section may authorize the use of service payments provided for in 2347
section 5709.74 of the Revised Code for the purpose of housing 2348
renovations within the incentive district, provided that the 2349
resolution also designates public infrastructure improvements that 2350
benefit or serve the district, and that a project within the 2351
district places real property in use for commercial or industrial 2352
purposes. Service payments may be used to finance or support 2353
loans, deferred loans, and grants to persons for the purpose of 2354
housing renovations within the district. The resolution shall 2355
designate the parcels within the district that are eligible for 2356
housing renovations. The resolution shall state separately the 2357
amount or the percentages of the expected aggregate service 2358

payments that are designated for each public infrastructure 2359
improvement and for the purpose of housing renovations. 2360

(4) Except with the approval of the board of education of 2361
each city, local, or exempted village school district within the 2362
territory of which the incentive district is or will be located, 2363
and subject to division (E) of this section, the life of an 2364
incentive district shall not exceed ten years, and the percentage 2365
of improvements to be exempted shall not exceed seventy-five per 2366
cent. With approval of the board of education, the life of a 2367
district may be not more than thirty years, and the percentage of 2368
improvements to be exempted may be not more than one hundred per 2369
cent. The approval of a board of education shall be obtained in 2370
the manner provided in division (D) of this section. 2371

(D) Improvements with respect to a parcel may be exempted 2372
from taxation under division (B) of this section, and improvements 2373
to parcels within an incentive district may be exempted from 2374
taxation under division (C) of this section, for up to ten years 2375
or, with the approval of the board of education of the city, 2376
local, or exempted village school district within which the parcel 2377
or district is located, for up to thirty years. The percentage of 2378
the improvements exempted from taxation may, with such approval, 2379
exceed seventy-five per cent, but shall not exceed one hundred per 2380
cent. Not later than forty-five business days prior to adopting a 2381
resolution under this section declaring improvements to be a 2382
public purpose that is subject to approval by a board of education 2383
under this division, the board of township trustees shall deliver 2384
to the board of education a notice stating its intent to adopt a 2385
resolution making that declaration. The notice regarding 2386
improvements with respect to a parcel under division (B) of this 2387
section shall identify the parcels for which improvements are to 2388
be exempted from taxation, provide an estimate of the true value 2389
in money of the improvements, specify the period for which the 2390

improvements would be exempted from taxation and the percentage of 2391
the improvements that would be exempted, and indicate the date on 2392
which the board of township trustees intends to adopt the 2393
resolution. The notice regarding improvements made under division 2394
(C) of this section to parcels within an incentive district shall 2395
delineate the boundaries of the district, specifically identify 2396
each parcel within the district, identify each anticipated 2397
improvement in the district, provide an estimate of the true value 2398
in money of each such improvement, specify the life of the 2399
district and the percentage of improvements that would be 2400
exempted, and indicate the date on which the board of township 2401
trustees intends to adopt the resolution. The board of education, 2402
by resolution adopted by a majority of the board, may approve the 2403
exemption for the period or for the exemption percentage specified 2404
in the notice; may disapprove the exemption for the number of 2405
years in excess of ten, may disapprove the exemption for the 2406
percentage of the improvements to be exempted in excess of 2407
seventy-five per cent, or both; or may approve the exemption on 2408
the condition that the board of township trustees and the board of 2409
education negotiate an agreement providing for compensation to the 2410
school district equal in value to a percentage of the amount of 2411
taxes exempted in the eleventh and subsequent years of the 2412
exemption period or, in the case of exemption percentages in 2413
excess of seventy-five per cent, compensation equal in value to a 2414
percentage of the taxes that would be payable on the portion of 2415
the improvements in excess of seventy-five per cent were that 2416
portion to be subject to taxation, or other mutually agreeable 2417
compensation. 2418

The board of education shall certify its resolution to the 2419
board of township trustees not later than fourteen days prior to 2420
the date the board of township trustees intends to adopt the 2421
resolution as indicated in the notice. If the board of education 2422
and the board of township trustees negotiate a mutually acceptable 2423

compensation agreement, the resolution may declare the 2424
improvements a public purpose for the number of years specified in 2425
the resolution or, in the case of exemption percentages in excess 2426
of seventy-five per cent, for the exemption percentage specified 2427
in the resolution. In either case, if the board of education and 2428
the board of township trustees fail to negotiate a mutually 2429
acceptable compensation agreement, the resolution may declare the 2430
improvements a public purpose for not more than ten years, and 2431
shall not exempt more than seventy-five per cent of the 2432
improvements from taxation. If the board of education fails to 2433
certify a resolution to the board of township trustees within the 2434
time prescribed by this section, the board of township trustees 2435
thereupon may adopt the resolution and may declare the 2436
improvements a public purpose for up to thirty years or, in the 2437
case of exemption percentages proposed in excess of seventy-five 2438
per cent, for the exemption percentage specified in the 2439
resolution. The board of township trustees may adopt the 2440
resolution at any time after the board of education certifies its 2441
resolution approving the exemption to the board of township 2442
trustees, or, if the board of education approves the exemption on 2443
the condition that a mutually acceptable compensation agreement be 2444
negotiated, at any time after the compensation agreement is agreed 2445
to by the board of education and the board of township trustees. 2446
If a mutually acceptable compensation agreement is negotiated 2447
between the board of township trustees and the board of education, 2448
including agreements for payments in lieu of taxes under section 2449
5709.74 of the Revised Code, the board of township trustees shall 2450
compensate the joint vocational school district within which the 2451
parcel or district is located at the same rate and under the same 2452
terms received by the city, local, or exempted village school 2453
district. 2454

If a board of education has adopted a resolution waiving its 2455
right to approve exemptions from taxation under this section and 2456

the resolution remains in effect, approval of such exemptions by 2457
the board of education is not required under division (D) of this 2458
section. If a board of education has adopted a resolution allowing 2459
a board of township trustees to deliver the notice required under 2460
division (D) of this section fewer than forty-five business days 2461
prior to adoption of the resolution by the board of township 2462
trustees, the board of township trustees shall deliver the notice 2463
to the board of education not later than the number of days prior 2464
to the adoption as prescribed by the board of education in its 2465
resolution. If a board of education adopts a resolution waiving 2466
its right to approve exemptions or shortening the notification 2467
period, the board of education shall certify a copy of the 2468
resolution to the board of township trustees. If the board of 2469
education rescinds the resolution, it shall certify notice of the 2470
rescission to the board of township trustees. 2471

If the board of township trustees is not required by division 2472
(D) of this section to notify the board of education of the board 2473
of township trustees' intent to declare improvements to be a 2474
public purpose, the board of township trustees shall comply with 2475
the notice requirements imposed under section 5709.83 of the 2476
Revised Code before taking formal action to adopt the resolution 2477
making that declaration, unless the board of education has adopted 2478
a resolution under that section waiving its right to receive the 2479
notice. 2480

(E)(1) If a proposed resolution under division (C)(1) of this 2481
section exempts improvements with respect to a parcel within an 2482
incentive district for more than ten years, or the percentage of 2483
the improvement exempted from taxation exceeds seventy-five per 2484
cent, not later than forty-five business days prior to adopting 2485
the resolution the board of township trustees shall deliver to the 2486
board of county commissioners of the county within which the 2487
incentive district is or will be located a notice that states its 2488

intent to adopt a resolution creating an incentive district. The 2489
notice shall include a copy of the proposed resolution, identify 2490
the parcels for which improvements are to be exempted from 2491
taxation, provide an estimate of the true value in money of the 2492
improvements, specify the period of time for which the 2493
improvements would be exempted from taxation, specify the 2494
percentage of the improvements that would be exempted from 2495
taxation, and indicate the date on which the board of township 2496
trustees intends to adopt the resolution. 2497

(2) The board of county commissioners, by resolution adopted 2498
by a majority of the board, may object to the exemption for the 2499
number of years in excess of ten, may object to the exemption for 2500
the percentage of the improvement to be exempted in excess of 2501
seventy-five per cent, or both. If the board of county 2502
commissioners objects, the board may negotiate a mutually 2503
acceptable compensation agreement with the board of township 2504
trustees. In no case shall the compensation provided to the board 2505
of county commissioners exceed the property taxes foregone due to 2506
the exemption. If the board of county commissioners objects, and 2507
the board of county commissioners and board of township trustees 2508
fail to negotiate a mutually acceptable compensation agreement, 2509
the resolution adopted under division (C)(1) of this section shall 2510
provide to the board of county commissioners compensation in the 2511
eleventh and subsequent years of the exemption period equal in 2512
value to not more than fifty per cent of the taxes that would be 2513
payable to the county or, if the board of county commissioner's 2514
objection includes an objection to an exemption percentage in 2515
excess of seventy-five per cent, compensation equal in value to 2516
not more than fifty per cent of the taxes that would be payable to 2517
the county, on the portion of the improvement in excess of 2518
seventy-five per cent, were that portion to be subject to 2519
taxation. The board of county commissioners shall certify its 2520
resolution to the board of township trustees not later than thirty 2521

days after receipt of the notice. 2522

(3) If the board of county commissioners does not object or 2523
fails to certify its resolution objecting to an exemption within 2524
thirty days after receipt of the notice, the board of township 2525
trustees may adopt its resolution, and no compensation shall be 2526
provided to the board of county commissioners. If the board of 2527
county commissioners timely certifies its resolution objecting to 2528
the trustees' resolution, the board of township trustees may adopt 2529
its resolution at any time after a mutually acceptable 2530
compensation agreement is agreed to by the board of county 2531
commissioners and the board of township trustees, or, if no 2532
compensation agreement is negotiated, at any time after the board 2533
of township trustees agrees in the proposed resolution to provide 2534
compensation to the board of county commissioners of fifty per 2535
cent of the taxes that would be payable to the county in the 2536
eleventh and subsequent years of the exemption period or on the 2537
portion of the improvement in excess of seventy-five per cent, 2538
were that portion to be subject to taxation. 2539

(F) Service payments in lieu of taxes that are attributable 2540
to any amount by which the effective tax rate of either a renewal 2541
levy with an increase or a replacement levy exceeds the effective 2542
tax rate of the levy renewed or replaced, or that are attributable 2543
to an additional levy, for a levy authorized by the voters for any 2544
of the following purposes on or after January 1, 2006, and which 2545
are provided pursuant to a resolution creating an incentive 2546
district under division (C)(1) of this section that is adopted on 2547
or after January 1, 2006, shall be distributed to the appropriate 2548
taxing authority as required under division (C) of section 5709.74 2549
of the Revised Code in an amount equal to the amount of taxes from 2550
that additional levy or from the increase in the effective tax 2551
rate of such renewal or replacement levy that would have been 2552
payable to that taxing authority from the following levies were it 2553

not for the exemption authorized under division (C) of this	2554
section:	2555
(1) A tax levied under division (L) of section 5705.19 or	2556
section 5705.191 of the Revised Code for community mental	2557
retardation and developmental disabilities programs and services	2558
pursuant to Chapter 5126. of the Revised Code;	2559
(2) A tax levied under division (Y) of section 5705.19 of the	2560
Revised Code for providing or maintaining senior citizens services	2561
or facilities;	2562
(3) A tax levied under section 5705.22 of the Revised Code	2563
for county hospitals;	2564
(4) A tax levied by a joint-county district or by a county	2565
under section 5705.19, 5705.191, or 5705.221 of the Revised Code	2566
for alcohol, drug addiction, and mental health services or	2567
families;	2568
(5) A tax levied under section 5705.23 of the Revised Code	2569
for library purposes;	2570
(6) A tax levied under section 5705.24 of the Revised Code	2571
for the support of children services and the placement and care of	2572
children;	2573
(7) A tax levied under division (Z) of section 5705.19 of the	2574
Revised Code for the provision and maintenance of zoological park	2575
services and facilities under section 307.76 of the Revised Code;	2576
(8) A tax levied under section 511.27 or division (H) of	2577
section 5705.19 of the Revised Code for the support of township	2578
park districts;	2579
(9) A tax levied under division (A), (F), or (H) of section	2580
5705.19 of the Revised Code for parks and recreational purposes of	2581
a joint recreation district organized pursuant to division (B) of	2582
section 755.14 of the Revised Code;	2583

(10) A tax levied under section 1545.20 or 1545.21 of the Revised Code for park district purposes;	2584 2585
(11) A tax levied under section 5705.191 of the Revised Code for the purpose of making appropriations for public assistance; human or social services; public relief; public welfare; public health and hospitalization; and support of general hospitals;	2586 2587 2588 2589
(12) A tax levied under section 3709.29 of the Revised Code for a general health district program.	2590 2591
(G) An exemption from taxation granted under this section commences with the tax year specified in the resolution so long as the year specified in the resolution commences after the effective date of the resolution. If the resolution specifies a year commencing before the effective date of the resolution or specifies no year whatsoever, the exemption commences with the tax year in which an exempted improvement first appears on the tax list and duplicate of real and public utility property and that commences after the effective date of the resolution. Except as otherwise provided in this division, the exemption ends on the date specified in the resolution as the date the improvement ceases to be a public purpose or the incentive district expires, or ends on the date on which the public infrastructure improvements and housing renovations are paid in full from the township public improvement tax increment equivalent fund established under section 5709.75 of the Revised Code, whichever occurs first. The exemption of an improvement with respect to a parcel or within an incentive district may end on a later date, as specified in the resolution, if the board of township trustees and the board of education of the city, local, or exempted village school district within which the parcel or district is located have entered into a compensation agreement under section 5709.82 of the Revised Code with respect to the improvement and the board of education has approved the term of the exemption under division	2592 2593 2594 2595 2596 2597 2598 2599 2600 2601 2602 2603 2604 2605 2606 2607 2608 2609 2610 2611 2612 2613 2614 2615

(D) of this section, but in no case shall the improvement be 2616
exempted from taxation for more than thirty years. The board of 2617
township trustees may, by majority vote, adopt a resolution 2618
permitting the township to enter into such agreements as the board 2619
finds necessary or appropriate to provide for the construction or 2620
undertaking of public infrastructure improvements and housing 2621
renovations. Any exemption shall be claimed and allowed in the 2622
same or a similar manner as in the case of other real property 2623
exemptions. If an exemption status changes during a tax year, the 2624
procedure for the apportionment of the taxes for that year is the 2625
same as in the case of other changes in tax exemption status 2626
during the year. 2627

(H) The board of township trustees may issue the notes of the 2628
township to finance all costs pertaining to the construction or 2629
undertaking of public infrastructure improvements and housing 2630
renovations made pursuant to this section. The notes shall be 2631
signed by the board and attested by the signature of the township 2632
fiscal officer, shall bear interest not to exceed the rate 2633
provided in section 9.95 of the Revised Code, and are not subject 2634
to Chapter 133. of the Revised Code. The resolution authorizing 2635
the issuance of the notes shall pledge the funds of the township 2636
public improvement tax increment equivalent fund established 2637
pursuant to section 5709.75 of the Revised Code to pay the 2638
interest on and principal of the notes. The notes, which may 2639
contain a clause permitting prepayment at the option of the board, 2640
shall be offered for sale on the open market or given to the 2641
vendor or contractor if no sale is made. 2642

(I) The township, not later than fifteen days after the 2643
adoption of a resolution under this section, shall submit to the 2644
director of development a copy of the resolution. On or before the 2645
thirty-first day of March of each year, the township shall submit 2646
a status report to the director of development. The report shall 2647

indicate, in the manner prescribed by the director, the progress 2648
of the project during each year that the exemption remains in 2649
effect, including a summary of the receipts from service payments 2650
in lieu of taxes; expenditures of money from the fund created 2651
under section 5709.75 of the Revised Code; a description of the 2652
public infrastructure improvements and housing renovations 2653
financed with the expenditures; and a quantitative summary of 2654
changes in private investment resulting from each project. 2655

(J) Nothing in this section shall be construed to prohibit a 2656
board of township trustees from declaring to be a public purpose 2657
improvements with respect to more than one parcel. 2658

If a parcel is located in a new community district in which 2659
the new community authority imposes a community development charge 2660
on the basis of rentals received from leases of real property as 2661
described in division (L)(2) of section 349.01 of the Revised 2662
Code, the parcel may not be exempted from taxation under this 2663
section. 2664

(K) A board of township trustees that adopted a resolution 2665
under this section prior to July 21, 1994, may amend that 2666
resolution to include any additional public infrastructure 2667
improvement. A board of township trustees that seeks by the 2668
amendment to utilize money from its township public improvement 2669
tax increment equivalent fund for land acquisition in aid of 2670
industry, commerce, distribution, or research, demolition on 2671
private property, or stormwater and flood remediation projects may 2672
do so provided that the board currently is a party to a 2673
hold-harmless agreement with the board of education of the city, 2674
local, or exempted village school district within the territory of 2675
which are located the parcels that are subject to an exemption. 2676
For the purposes of this division, a "hold-harmless agreement" 2677
means an agreement under which the board of township trustees 2678
agrees to compensate the school district for one hundred per cent 2679

of the tax revenue that the school district would have received 2680
from further improvements to parcels designated in the resolution 2681
were it not for the exemption granted by the resolution. 2682

Sec. 5709.78. (A) A board of county commissioners may, by 2683
resolution, declare improvements to certain parcels of real 2684
property located in the unincorporated territory of the county to 2685
be a public purpose. Except with the approval under division (C) 2686
of this section of the board of education of each city, local, or 2687
exempted village school district within which the improvements are 2688
located, not more than seventy-five per cent of an improvement 2689
thus declared to be a public purpose may be exempted from real 2690
property taxation, for a period of not more than ten years. The 2691
resolution shall specify the percentage of the improvement to be 2692
exempted and the life of the exemption. 2693

A resolution adopted under this division shall designate the 2694
specific public infrastructure improvements made, to be made, or 2695
in the process of being made by the county that directly benefit, 2696
or that once made will directly benefit, the parcels for which 2697
improvements are declared to be a public purpose. The service 2698
payments provided for in section 5709.79 of the Revised Code shall 2699
be used to finance the public infrastructure improvements 2700
designated in the resolution, or as provided in section 5709.80 of 2701
the Revised Code. 2702

(B)(1) A board of county commissioners may adopt a resolution 2703
creating an incentive district and declaring improvements to 2704
parcels within the district to be a public purpose and, except as 2705
provided in division (E) of this section, exempt from taxation as 2706
provided in this section, but no board of county commissioners of 2707
a county that has a population that exceeds twenty-five thousand, 2708
as shown by the most recent federal decennial census, shall adopt 2709
a resolution that creates an incentive district if the sum of the 2710

taxable value of real property in the proposed district for the 2711
preceding tax year and the taxable value of all real property in 2712
the county that would have been taxable in the preceding year were 2713
it not for the fact that the property was in an existing incentive 2714
district and therefore exempt from taxation exceeds twenty-five 2715
per cent of the taxable value of real property in the county for 2716
the preceding tax year. The district shall be located within the 2717
unincorporated territory of the county and shall not include any 2718
territory that is included within a district created under 2719
division (C) of section 5709.73 of the Revised Code. The 2720
resolution shall delineate the boundary of the district and 2721
specifically identify each parcel within the district. A district 2722
may not include any parcel that is or has been exempted from 2723
taxation under division (A) of this section or that is or has been 2724
within another district created under this division. A resolution 2725
may create more than one such district, and more than one 2726
resolution may be adopted under division (B)(1) of this section. 2727

(2) Not later than thirty days prior to adopting a resolution 2728
under division (B)(1) of this section, if the county intends to 2729
apply for exemptions from taxation under section 5709.911 of the 2730
Revised Code on behalf of owners of real property located within 2731
the proposed incentive district, the board of county commissioners 2732
shall conduct a public hearing on the proposed resolution. Not 2733
later than thirty days prior to the public hearing, the board 2734
shall give notice of the public hearing and the proposed 2735
resolution by first class mail to every real property owner whose 2736
property is located within the boundaries of the proposed 2737
incentive district that is the subject of the proposed resolution. 2738
The board also shall provide the notice by first class mail to the 2739
clerk of each township in which the proposed incentive district 2740
will be located. 2741

(3)(a) A resolution adopted under division (B)(1) of this 2742

section shall specify the life of the incentive district and the 2743
percentage of the improvements to be exempted, shall designate the 2744
public infrastructure improvements made, to be made, or in the 2745
process of being made, that benefit or serve, or, once made, will 2746
benefit or serve parcels in the district. The resolution also 2747
shall identify one or more specific projects being, or to be, 2748
undertaken in the district that place additional demand on the 2749
public infrastructure improvements designated in the resolution. 2750
The project identified may, but need not be, the project under 2751
division (B)(3)(b) of this section that places real property in 2752
use for commercial or industrial purposes. 2753

A resolution adopted under division (B)(1) of this section on 2754
or after March 30, 2006, shall not designate police or fire 2755
equipment as public infrastructure improvements, and no service 2756
payment provided for in section 5709.79 of the Revised Code and 2757
received by the county under the resolution shall be used for 2758
police or fire equipment. 2759

(b) A resolution adopted under division (B)(1) of this 2760
section may authorize the use of service payments provided for in 2761
section 5709.79 of the Revised Code for the purpose of housing 2762
renovations within the incentive district, provided that the 2763
resolution also designates public infrastructure improvements that 2764
benefit or serve the district, and that a project within the 2765
district places real property in use for commercial or industrial 2766
purposes. Service payments may be used to finance or support 2767
loans, deferred loans, and grants to persons for the purpose of 2768
housing renovations within the district. The resolution shall 2769
designate the parcels within the district that are eligible for 2770
housing renovations. The resolution shall state separately the 2771
amount or the percentages of the expected aggregate service 2772
payments that are designated for each public infrastructure 2773
improvement and for the purpose of housing renovations. 2774

(4) Except with the approval of the board of education of each city, local, or exempted village school district within the territory of which the incentive district is or will be located, and subject to division (D) of this section, the life of an incentive district shall not exceed ten years, and the percentage of improvements to be exempted shall not exceed seventy-five per cent. With approval of the board of education, the life of a district may be not more than thirty years, and the percentage of improvements to be exempted may be not more than one hundred per cent. The approval of a board of education shall be obtained in the manner provided in division (C) of this section.

(C)(1) Improvements with respect to a parcel may be exempted from taxation under division (A) of this section, and improvements to parcels within an incentive district may be exempted from taxation under division (B) of this section, for up to ten years or, with the approval of the board of education of each city, local, or exempted village school district within which the parcel or district is located, for up to thirty years. The percentage of the improvements exempted from taxation may, with such approval, exceed seventy-five per cent, but shall not exceed one hundred per cent. Not later than forty-five business days prior to adopting a resolution under this section declaring improvements to be a public purpose that is subject to the approval of a board of education under this division, the board of county commissioners shall deliver to the board of education a notice stating its intent to adopt a resolution making that declaration. The notice regarding improvements with respect to a parcel under division (A) of this section shall identify the parcels for which improvements are to be exempted from taxation, provide an estimate of the true value in money of the improvements, specify the period for which the improvements would be exempted from taxation and the percentage of the improvements that would be exempted, and indicate the date on which the board of county commissioners

intends to adopt the resolution. The notice regarding improvements 2808
to parcels within an incentive district under division (B) of this 2809
section shall delineate the boundaries of the district, 2810
specifically identify each parcel within the district, identify 2811
each anticipated improvement in the district, provide an estimate 2812
of the true value in money of each such improvement, specify the 2813
life of the district and the percentage of improvements that would 2814
be exempted, and indicate the date on which the board of county 2815
commissioners intends to adopt the resolution. The board of 2816
education, by resolution adopted by a majority of the board, may 2817
approve the exemption for the period or for the exemption 2818
percentage specified in the notice; may disapprove the exemption 2819
for the number of years in excess of ten, may disapprove the 2820
exemption for the percentage of the improvements to be exempted in 2821
excess of seventy-five per cent, or both; or may approve the 2822
exemption on the condition that the board of county commissioners 2823
and the board of education negotiate an agreement providing for 2824
compensation to the school district equal in value to a percentage 2825
of the amount of taxes exempted in the eleventh and subsequent 2826
years of the exemption period or, in the case of exemption 2827
percentages in excess of seventy-five per cent, compensation equal 2828
in value to a percentage of the taxes that would be payable on the 2829
portion of the improvements in excess of seventy-five per cent 2830
were that portion to be subject to taxation, or other mutually 2831
agreeable compensation. 2832

(2) The board of education shall certify its resolution to 2833
the board of county commissioners not later than fourteen days 2834
prior to the date the board of county commissioners intends to 2835
adopt its resolution as indicated in the notice. If the board of 2836
education and the board of county commissioners negotiate a 2837
mutually acceptable compensation agreement, the resolution of the 2838
board of county commissioners may declare the improvements a 2839
public purpose for the number of years specified in that 2840

resolution or, in the case of exemption percentages in excess of 2841
seventy-five per cent, for the exemption percentage specified in 2842
the resolution. In either case, if the board of education and the 2843
board of county commissioners fail to negotiate a mutually 2844
acceptable compensation agreement, the resolution may declare the 2845
improvements a public purpose for not more than ten years, and 2846
shall not exempt more than seventy-five per cent of the 2847
improvements from taxation. If the board of education fails to 2848
certify a resolution to the board of county commissioners within 2849
the time prescribed by this section, the board of county 2850
commissioners thereupon may adopt the resolution and may declare 2851
the improvements a public purpose for up to thirty years or, in 2852
the case of exemption percentages proposed in excess of 2853
seventy-five per cent, for the exemption percentage specified in 2854
the resolution. The board of county commissioners may adopt the 2855
resolution at any time after the board of education certifies its 2856
resolution approving the exemption to the board of county 2857
commissioners, or, if the board of education approves the 2858
exemption on the condition that a mutually acceptable compensation 2859
agreement be negotiated, at any time after the compensation 2860
agreement is agreed to by the board of education and the board of 2861
county commissioners. If a mutually acceptable compensation 2862
agreement is negotiated between the board of county commissioners 2863
and the board of education, including agreements for payments in 2864
lieu of taxes under section 5709.79 of the Revised Code, the board 2865
of county commissioners shall compensate the joint vocational 2866
school district within which the parcel or district is located at 2867
the same rate and under the same terms received by the city, 2868
local, or exempted village school district. 2869

(3) If a board of education has adopted a resolution waiving 2870
its right to approve exemptions from taxation under this section 2871
and the resolution remains in effect, approval of such exemptions 2872
by the board of education is not required under division (C) of 2873

this section. If a board of education has adopted a resolution 2874
allowing a board of county commissioners to deliver the notice 2875
required under division (C) of this section fewer than forty-five 2876
business days prior to approval of the resolution by the board of 2877
county commissioners, the board of county commissioners shall 2878
deliver the notice to the board of education not later than the 2879
number of days prior to such approval as prescribed by the board 2880
of education in its resolution. If a board of education adopts a 2881
resolution waiving its right to approve exemptions or shortening 2882
the notification period, the board of education shall certify a 2883
copy of the resolution to the board of county commissioners. If 2884
the board of education rescinds such a resolution, it shall 2885
certify notice of the rescission to the board of county 2886
commissioners. 2887

(D)(1) If a proposed resolution under division (B)(1) of this 2888
section exempts improvements with respect to a parcel within an 2889
incentive district for more than ten years, or the percentage of 2890
the improvement exempted from taxation exceeds seventy-five per 2891
cent, not later than forty-five business days prior to adopting 2892
the resolution the board of county commissioners shall deliver to 2893
the board of township trustees of any township within which the 2894
incentive district is or will be located a notice that states its 2895
intent to adopt a resolution creating an incentive district. The 2896
notice shall include a copy of the proposed resolution, identify 2897
the parcels for which improvements are to be exempted from 2898
taxation, provide an estimate of the true value in money of the 2899
improvements, specify the period of time for which the 2900
improvements would be exempted from taxation, specify the 2901
percentage of the improvements that would be exempted from 2902
taxation, and indicate the date on which the board intends to 2903
adopt the resolution. 2904

(2) The board of township trustees, by resolution adopted by 2905

a majority of the board, may object to the exemption for the 2906
number of years in excess of ten, may object to the exemption for 2907
the percentage of the improvement to be exempted in excess of 2908
seventy-five per cent, or both. If the board of township trustees 2909
objects, the board of township trustees may negotiate a mutually 2910
acceptable compensation agreement with the board of county 2911
commissioners. In no case shall the compensation provided to the 2912
board of township trustees exceed the property taxes forgone due 2913
to the exemption. If the board of township trustees objects, and 2914
the board of township trustees and the board of county 2915
commissioners fail to negotiate a mutually acceptable compensation 2916
agreement, the resolution adopted under division (B)(1) of this 2917
section shall provide to the board of township trustees 2918
compensation in the eleventh and subsequent years of the exemption 2919
period equal in value to not more than fifty per cent of the taxes 2920
that would be payable to the township or, if the board of township 2921
trustee's objection includes an objection to an exemption 2922
percentage in excess of seventy-five per cent, compensation equal 2923
in value to not more than fifty per cent of the taxes that would 2924
be payable to the township on the portion of the improvement in 2925
excess of seventy-five per cent, were that portion to be subject 2926
to taxation. The board of township trustees shall certify its 2927
resolution to the board of county commissioners not later than 2928
thirty days after receipt of the notice. 2929

(3) If the board of township trustees does not object or 2930
fails to certify a resolution objecting to an exemption within 2931
thirty days after receipt of the notice, the board of county 2932
commissioners may adopt its resolution, and no compensation shall 2933
be provided to the board of township trustees. If the board of 2934
township trustees certifies its resolution objecting to the 2935
commissioners' resolution, the board of county commissioners may 2936
adopt its resolution at any time after a mutually acceptable 2937
compensation agreement is agreed to by the board of county 2938

commissioners and the board of township trustees. If the board of 2939
township trustees certifies a resolution objecting to the 2940
commissioners' resolution, the board of county commissioners may 2941
adopt its resolution at any time after a mutually acceptable 2942
compensation agreement is agreed to by the board of county 2943
commissioners and the board of township trustees, or, if no 2944
compensation agreement is negotiated, at any time after the board 2945
of county commissioners in the proposed resolution to provide 2946
compensation to the board of township trustees of fifty per cent 2947
of the taxes that would be payable to the township in the eleventh 2948
and subsequent years of the exemption period or on the portion of 2949
the improvement in excess of seventy-five per cent, were that 2950
portion to be subject to taxation. 2951

(E) Service payments in lieu of taxes that are attributable 2952
to any amount by which the effective tax rate of either a renewal 2953
levy with an increase or a replacement levy exceeds the effective 2954
tax rate of the levy renewed or replaced, or that are attributable 2955
to an additional levy, for a levy authorized by the voters for any 2956
of the following purposes on or after January 1, 2006, and which 2957
are provided pursuant to a resolution creating an incentive 2958
district under division (B)(1) of this section that is adopted on 2959
or after January 1, 2006, shall be distributed to the appropriate 2960
taxing authority as required under division (D) of section 5709.79 2961
of the Revised Code in an amount equal to the amount of taxes from 2962
that additional levy or from the increase in the effective tax 2963
rate of such renewal or replacement levy that would have been 2964
payable to that taxing authority from the following levies were it 2965
not for the exemption authorized under division (B) of this 2966
section: 2967

(1) A tax levied under division (L) of section 5705.19 or 2968
section 5705.191 of the Revised Code for community mental 2969
retardation and developmental disabilities programs and services 2970

pursuant to Chapter 5126. of the Revised Code;	2971
(2) A tax levied under division (Y) of section 5705.19 of the Revised Code for providing or maintaining senior citizens services or facilities;	2972 2973 2974
(3) A tax levied under section 5705.22 of the Revised Code for county hospitals;	2975 2976
(4) A tax levied by a joint-county district or by a county under section 5705.19, 5705.191, or 5705.221 of the Revised Code for alcohol, drug addiction, and mental health services or facilities;	2977 2978 2979 2980
(5) A tax levied under section 5705.23 of the Revised Code for library purposes;	2981 2982
(6) A tax levied under section 5705.24 of the Revised Code for the support of children services and the placement and care of children;	2983 2984 2985
(7) A tax levied under division (Z) of section 5705.19 of the Revised Code for the provision and maintenance of zoological park services and facilities under section 307.76 of the Revised Code;	2986 2987 2988
(8) A tax levied under section 511.27 or division (H) of section 5705.19 of the Revised Code for the support of township park districts;	2989 2990 2991
(9) A tax levied under division (A), (F), or (H) of section 5705.19 of the Revised Code for parks and recreational purposes of a joint recreation district organized pursuant to division (B) of section 755.14 of the Revised Code;	2992 2993 2994 2995
(10) A tax levied under section 1545.20 or 1545.21 of the Revised Code for park district purposes;	2996 2997
(11) A tax levied under section 5705.191 of the Revised Code for the purpose of making appropriations for public assistance; human or social services; public relief; public welfare; public	2998 2999 3000

health and hospitalization; and support of general hospitals; 3001

(12) A tax levied under section 3709.29 of the Revised Code 3002
for a general health district program. 3003

(F) An exemption from taxation granted under this section 3004
commences with the tax year specified in the resolution so long as 3005
the year specified in the resolution commences after the effective 3006
date of the resolution. If the resolution specifies a year 3007
commencing before the effective date of the resolution or 3008
specifies no year whatsoever, the exemption commences with the tax 3009
year in which an exempted improvement first appears on the tax 3010
list and duplicate of real and public utility property and that 3011
commences after the effective date of the resolution. Except as 3012
otherwise provided in this division, the exemption ends on the 3013
date specified in the resolution as the date the improvement 3014
ceases to be a public purpose or the incentive district expires, 3015
or ends on the date on which the county can no longer require 3016
annual service payments in lieu of taxes under section 5709.79 of 3017
the Revised Code, whichever occurs first. The exemption of an 3018
improvement with respect to a parcel or within an incentive 3019
district may end on a later date, as specified in the resolution, 3020
if the board of commissioners and the board of education of the 3021
city, local, or exempted village school district within which the 3022
parcel or district is located have entered into a compensation 3023
agreement under section 5709.82 of the Revised Code with respect 3024
to the improvement, and the board of education has approved the 3025
term of the exemption under division (C)(1) of this section, but 3026
in no case shall the improvement be exempted from taxation for 3027
more than thirty years. Exemptions shall be claimed and allowed in 3028
the same or a similar manner as in the case of other real property 3029
exemptions. If an exemption status changes during a tax year, the 3030
procedure for the apportionment of the taxes for that year is the 3031
same as in the case of other changes in tax exemption status 3032

during the year. 3033

(G) If the board of county commissioners is not required by 3034
this section to notify the board of education of the board of 3035
county commissioners' intent to declare improvements to be a 3036
public purpose, the board of county commissioners shall comply 3037
with the notice requirements imposed under section 5709.83 of the 3038
Revised Code before taking formal action to adopt the resolution 3039
making that declaration, unless the board of education has adopted 3040
a resolution under that section waiving its right to receive such 3041
a notice. 3042

(H) The county, not later than fifteen days after the 3043
adoption of a resolution under this section, shall submit to the 3044
director of development a copy of the resolution. On or before the 3045
thirty-first day of March of each year, the county shall submit a 3046
status report to the director of development. The report shall 3047
indicate, in the manner prescribed by the director, the progress 3048
of the project during each year that an exemption remains in 3049
effect, including a summary of the receipts from service payments 3050
in lieu of taxes; expenditures of money from the fund created 3051
under section 5709.80 of the Revised Code; a description of the 3052
public infrastructure improvements and housing renovations 3053
financed with such expenditures; and a quantitative summary of 3054
changes in employment and private investment resulting from each 3055
project. 3056

(I) Nothing in this section shall be construed to prohibit a 3057
board of county commissioners from declaring to be a public 3058
purpose improvements with respect to more than one parcel. 3059

(J) If a parcel is located in a new community district in 3060
which the new community authority imposes a community development 3061
charge on the basis of rentals received from leases of real 3062
property as described in division (L)(2) of section 349.01 of the 3063
Revised Code, the parcel may not be exempted from taxation under 3064

this section. 3065

Sec. 5727.84. (A) As used in this section and sections 3066
5727.85, 5727.86, and 5727.87 of the Revised Code: 3067

(1) "School district" means a city, local, or exempted 3068
village school district. 3069

(2) "Joint vocational school district" means a joint 3070
vocational school district created under section 3311.16 of the 3071
Revised Code, and includes a cooperative education school district 3072
created under section 3311.52 or 3311.521 of the Revised Code and 3073
a county school financing district created under section 3311.50 3074
of the Revised Code. 3075

(3) "Local taxing unit" means a subdivision or taxing unit, 3076
as defined in section 5705.01 of the Revised Code, a park district 3077
created under Chapter 1545. of the Revised Code, or a township 3078
park district established under section 511.23 of the Revised 3079
Code, but excludes school districts and joint vocational school 3080
districts. 3081

(4) "State education aid," for a school district, means the 3082
following: 3083

(a) For fiscal years prior to fiscal year 2010, the sum of 3084
state aid amounts computed for the district under the following 3085
provisions, as they existed for the applicable fiscal year: 3086
divisions (A), (C)(1), (C)(4), (D), (E), and (F) of section 3087
3317.022; divisions (B), (C), and (D) of section 3317.023; 3088
divisions (G), (L), and (N) of section 3317.024; and sections 3089
3317.029, 3317.0216, 3317.0217, 3317.04, 3317.05, 3317.052, and 3090
3317.053 of the Revised Code; and the adjustments required by: 3091
division (C) of section 3310.08; division (C)(2) of section 3092
3310.41; division (C) of section 3314.08; division (D)(2) of 3093
section 3314.091; division (D) of section 3314.13; divisions (E), 3094

(K), (L), (M), and (N) of section 3317.023; division (C) of 3095
section 3317.20; and sections 3313.979 and 3313.981 of the Revised 3096
Code. However, when calculating state education aid for a school 3097
district for fiscal years 2008 and 2009, include the amount 3098
computed for the district under Section 269.20.80 of H.B. 119 of 3099
the 127th general assembly, as subsequently amended, instead of 3100
division (D) of section 3317.022 of the Revised Code; and include 3101
amounts calculated under Section 269.30.80 of H.B. 119 of the 3102
127th general assembly, as subsequently amended. 3103

(b) For fiscal years 2010 and 2011, the sum of the amounts 3104
computed for the district under former sections 3306.052, 3306.12, 3105
3306.13, 3306.19, 3306.191, and 3306.192 of the Revised Code and 3106
the following provisions, as they existed for the applicable 3107
fiscal year: division (G) of section 3317.024; sections 3317.05, 3108
3317.052, and 3317.053 of the Revised Code; and the adjustments 3109
required by division (C) of section 3310.08; division (C)(2) of 3110
section 3310.41; division (C) of section 3314.08; division (D)(2) 3111
of section 3314.091; division (D) of section 3314.13; divisions 3112
(E), (K), (L), (M), and (N) of section 3317.023; division (C) of 3113
section 3317.20; and sections 3313.979, 3313.981, and 3326.33 of 3114
the Revised Code. 3115

(c) For fiscal years 2012 and 2013, the amount paid in 3116
accordance with the section of H.B. 153 of the 129th general 3117
assembly entitled "FUNDING FOR CITY, EXEMPTED VILLAGE, AND LOCAL 3118
SCHOOL DISTRICTS" and the adjustments required by division (C) of 3119
section 3310.08; division (C)(2) of section 3310.41; section 3120
3310.55; division (C) of section 3314.08; division (D)(2) of 3121
section 3314.091; division (D) of section 3314.13; divisions (B), 3122
(H), (I), (J), and (K) of section 3317.023; division (C) of 3123
section 3317.20; and sections 3313.979 and 3313.981 of the Revised 3124
Code. 3125

(5) "State education aid," for a joint vocational school 3126

district, means the following: 3127

(a) For fiscal years prior to fiscal year 2010, the sum of 3128
the state aid amounts computed for the district under division (N) 3129
of section 3317.024 and section 3317.16 of the Revised Code. 3130
However, when calculating state education aid for a joint 3131
vocational school district for fiscal years 2008 and 2009, include 3132
the amount computed for the district under Section 269.30.90 of 3133
H.B. 119 of the 127th general assembly, as subsequently amended. 3134

(b) For fiscal years 2010 and 2011, the amount computed for 3135
the district in accordance with the section of H.B. 1 of the 128th 3136
general assembly entitled "FUNDING FOR JOINT VOCATIONAL SCHOOL 3137
DISTRICTS". 3138

(c) For fiscal years 2012 and 2013, the amount paid in 3139
accordance with the section of H.B. 153 of the 129th general 3140
assembly entitled "FUNDING FOR JOINT VOCATIONAL SCHOOL DISTRICTS." 3141

(6) "State education aid offset" means the amount determined 3142
for each school district or joint vocational school district under 3143
division (A)(1) of section 5727.85 of the Revised Code. 3144

(7) "Recognized valuation" has the same meaning as in section 3145
3317.02 of the Revised Code. 3146

(8) "Electric company tax value loss" means the amount 3147
determined under division (D) of this section. 3148

(9) "Natural gas company tax value loss" means the amount 3149
determined under division (E) of this section. 3150

(10) "Tax value loss" means the sum of the electric company 3151
tax value loss and the natural gas company tax value loss. 3152

(11) "Fixed-rate levy" means any tax levied on property other 3153
than a fixed-sum levy. 3154

(12) "Fixed-rate levy loss" means the amount determined under 3155
division (G) of this section. 3156

(13) "Fixed-sum levy" means a tax levied on property at 3157
whatever rate is required to produce a specified amount of tax 3158
money or levied in excess of the ten-mill limitation to pay debt 3159
charges, and includes school district emergency levies ~~imposed~~ 3160
charged and payable pursuant to section 5705.194 of the Revised 3161
Code. 3162

(14) "Fixed-sum levy loss" means the amount determined under 3163
division (H) of this section. 3164

(15) "Consumer price index" means the consumer price index 3165
(all items, all urban consumers) prepared by the bureau of labor 3166
statistics of the United States department of labor. 3167

(16) "Total resources" ~~has~~ and "total library resources" have 3168
the same ~~meaning~~ meanings as in section 5751.20 of the Revised 3169
Code. 3170

(17) "2011 current expense S.B. 3 allocation" means the sum 3171
of payments received by a school district or joint vocational 3172
school district in fiscal year 2011 for current expense levy 3173
losses pursuant to division (C)(2) of section 5727.85 of the 3174
Revised Code. If a fixed-rate levy eligible for reimbursement is 3175
not ~~imposed~~ charged and payable in any year after tax year 2010, 3176
"2011 current expense S.B. 3 allocation" used to compute payments 3177
to be made under division (C)(3) of section 5727.85 of the Revised 3178
Code in the tax years following the last year the levy is ~~imposed~~ 3179
charged and payable shall be reduced ~~by the amount of~~ to the 3180
extent that those payments are attributable to the fixed-rate levy 3181
loss of that levy. 3182

(18) "2010 current expense S.B. 3 allocation" means the sum 3183
of payments received by a municipal corporation in calendar year 3184
2010 for current expense levy losses pursuant to division (A)(1) 3185
of section 5727.86 of the Revised Code, excluding any such 3186
payments received for current expense levy losses attributable to 3187

a tax levied under section 5705.23 of the Revised Code. If a 3188
fixed-rate levy eligible for reimbursement is not ~~imposed~~ charged 3189
and payable in any year after tax year 2010, "2010 current expense 3190
S.B. 3 allocation" used to compute payments to be made under 3191
division (A)(1)(d) or (e) of section 5727.86 of the Revised Code 3192
in the tax years following the last year the levy is ~~imposed~~ 3193
charged and payable shall be reduced ~~by the amount of~~ to the 3194
extent that those payments are attributable to the fixed-rate levy 3195
loss of that levy. 3196

(19) "2010 S.B. 3 allocation" means the sum of payments 3197
received by a local taxing unit during calendar year 2010 pursuant 3198
to division (A)(1) of section 5727.86 of the Revised Code, 3199
excluding any such payments received for fixed-rate levy losses 3200
attributable to a tax levied under section 5705.23 of the Revised 3201
Code. If a fixed-rate levy eligible for reimbursement is not 3202
~~imposed~~ charged and payable in any year after tax year 2010, "2010 3203
S.B. 3 allocation" used to compute payments to be made under 3204
division (A)(1)(d) or (e) of section 5727.86 of the Revised Code 3205
in the tax years following the last year the levy is ~~imposed~~ 3206
charged and payable shall be reduced ~~by the amount of~~ to the 3207
extent that those payments are attributable to the fixed-rate levy 3208
loss of that levy. 3209

(20) "Total S.B. 3 allocation" means, in the case of a school 3210
district or joint vocational school district, the sum of the 3211
~~amounts~~ payments received in fiscal year 2011 pursuant to 3212
divisions (C)(2) and (D) of section 5727.85 of the Revised Code. 3213
In the case of a local taxing unit, "total S.B. 3 allocation" 3214
means the sum of payments received by the unit in calendar year 3215
2010 pursuant to divisions (A)(1) and (4) of section 5727.86 of 3216
the Revised Code, excluding any such payments received for 3217
fixed-rate levy losses attributable to a tax levied under section 3218
5705.23 of the Revised Code. If a fixed-rate levy eligible for 3219

reimbursement is not ~~imposed~~ charged and payable in any year after 3220
tax year 2010, "total S.B. 3 allocation" used to compute payments 3221
to be made under division (C)(3) of section 5727.85 or division 3222
(A)(1)(d) or (e) of section 5727.86 of the Revised Code in the tax 3223
years following the last year the levy is ~~imposed~~ charged and 3224
payable shall be reduced ~~by the amount of~~ to the extent that those 3225
payments are attributable to the fixed-rate levy loss of that levy 3226
as would be computed under division (C)(2) of section 5727.85 or 3227
division (A)(1)(b) of section 5727.86 of the Revised Code. 3228

(21) "2011 non-current expense S.B. 3 allocation" means the 3229
difference of a school district's or joint vocational school 3230
district's total S.B. 3 allocation minus the sum of the school 3231
district's 2011 current expense S.B. 3 allocation and the portion 3232
of the school district's total S.B. 3 allocation constituting 3233
reimbursement for debt levies pursuant to division (D) of section 3234
5727.85 of the Revised Code. 3235

(22) "2010 non-current expense S.B. 3 allocation" means the 3236
difference of a municipal corporation's total S.B. 3 allocation 3237
minus the sum of its 2010 current expense S.B. 3 allocation and 3238
the portion of its total S.B. 3 allocation constituting 3239
reimbursement for debt levies pursuant to division (A)(4) of 3240
section 5727.86 of the Revised Code. 3241

(23) "S.B. 3 allocation for library purposes" means, in the 3242
case of a county, municipal corporation, school district, or 3243
township public library that receives the proceeds of a tax levied 3244
under section 5705.23 of the Revised Code, the sum of the payments 3245
received by the public library in calendar year 2010 pursuant to 3246
section 5727.86 of the Revised Code for fixed-rate levy losses 3247
attributable to a tax levied under section 5705.23 of the Revised 3248
Code. If a fixed-rate levy authorized under section 5705.23 of the 3249
Revised Code that is eligible for reimbursement is not charged and 3250
payable in any year after tax year 2010, "S.B. 3 allocation for 3251

library purposes" used to compute payments to be made under 3252
division (A)(1)(f) of section 5727.86 of the Revised Code in the 3253
tax years following the last year the levy is charged and payable 3254
shall be reduced to the extent that those payments are 3255
attributable to the fixed-rate levy loss of that levy as would be 3256
computed under division (A)(1)(b) of section 5727.86 of the 3257
Revised Code. 3258

(24) "Threshold per cent" means, in the case of a school 3259
district or joint vocational school district, two per cent for 3260
fiscal year 2012 and four per cent for fiscal years 2013 and 3261
thereafter. In the case of a local taxing unit or public library 3262
that receives the proceeds of a tax levied under section 5705.23 3263
of the Revised Code, "threshold per cent" means two per cent for 3264
calendar year 2011, four per cent for calendar year 2012, and six 3265
per cent for calendar years 2013 and thereafter. 3266

(B) The kilowatt-hour tax receipts fund is hereby created in 3267
the state treasury and shall consist of money arising from the tax 3268
imposed by section 5727.81 of the Revised Code. All money in the 3269
kilowatt-hour tax receipts fund shall be credited as follows: 3270

Fiscal Year	General Revenue	School District	Local Government	
	Fund	Property Tax	Property Tax	
		Replacement Fund	Replacement Fund	
2001-2011	63.0%	25.4%	11.6%	3272
2012 and	88.0%	9.0%	3.0%	3273
thereafter				

(C) The natural gas tax receipts fund is hereby created in 3274
the state treasury and shall consist of money arising from the tax 3275
imposed by section 5727.811 of the Revised Code. All money in the 3276
fund shall be credited as follows: 3277

(1) For fiscal years before fiscal year 2012: 3278

(a) Sixty-eight and seven-tenths per cent shall be credited 3279

to the school district property tax replacement fund for the 3280
purpose of making the payments described in section 5727.85 of the 3281
Revised Code. 3282

(b) Thirty-one and three-tenths per cent shall be credited to 3283
the local government property tax replacement fund for the purpose 3284
of making the payments described in section 5727.86 of the Revised 3285
Code. 3286

(2) For fiscal years 2012 and thereafter, one hundred per 3287
cent to the general revenue fund. 3288

(D) Not later than January 1, 2002, the tax commissioner 3289
shall determine for each taxing district its electric company tax 3290
value loss, which is the sum of the applicable amounts described 3291
in divisions (D)(1) to (4) of this section: 3292

(1) The difference obtained by subtracting the amount 3293
described in division (D)(1)(b) from the amount described in 3294
division (D)(1)(a) of this section. 3295

(a) The value of electric company and rural electric company 3296
tangible personal property as assessed by the tax commissioner for 3297
tax year 1998 on a preliminary assessment, or an amended 3298
preliminary assessment if issued prior to March 1, 1999, and as 3299
apportioned to the taxing district for tax year 1998; 3300

(b) The value of electric company and rural electric company 3301
tangible personal property as assessed by the tax commissioner for 3302
tax year 1998 had the property been apportioned to the taxing 3303
district for tax year 2001, and assessed at the rates in effect 3304
for tax year 2001. 3305

(2) The difference obtained by subtracting the amount 3306
described in division (D)(2)(b) from the amount described in 3307
division (D)(2)(a) of this section. 3308

(a) The three-year average for tax years 1996, 1997, and 1998 3309

of the assessed value from nuclear fuel materials and assemblies 3310
assessed against a person under Chapter 5711. of the Revised Code 3311
from the leasing of them to an electric company for those 3312
respective tax years, as reflected in the preliminary assessments; 3313

(b) The three-year average assessed value from nuclear fuel 3314
materials and assemblies assessed under division (D)(2)(a) of this 3315
section for tax years 1996, 1997, and 1998, as reflected in the 3316
preliminary assessments, using an assessment rate of twenty-five 3317
per cent. 3318

(3) In the case of a taxing district having a nuclear power 3319
plant within its territory, any amount, resulting in an electric 3320
company tax value loss, obtained by subtracting the amount 3321
described in division (D)(1) of this section from the difference 3322
obtained by subtracting the amount described in division (D)(3)(b) 3323
of this section from the amount described in division (D)(3)(a) of 3324
this section. 3325

(a) The value of electric company tangible personal property 3326
as assessed by the tax commissioner for tax year 2000 on a 3327
preliminary assessment, or an amended preliminary assessment if 3328
issued prior to March 1, 2001, and as apportioned to the taxing 3329
district for tax year 2000; 3330

(b) The value of electric company tangible personal property 3331
as assessed by the tax commissioner for tax year 2001 on a 3332
preliminary assessment, or an amended preliminary assessment if 3333
issued prior to March 1, 2002, and as apportioned to the taxing 3334
district for tax year 2001. 3335

(4) In the case of a taxing district having a nuclear power 3336
plant within its territory, the difference obtained by subtracting 3337
the amount described in division (D)(4)(b) of this section from 3338
the amount described in division (D)(4)(a) of this section, 3339
provided that such difference is greater than ten per cent of the 3340

amount described in division (D)(4)(a) of this section. 3341

(a) The value of electric company tangible personal property 3342
as assessed by the tax commissioner for tax year 2005 on a 3343
preliminary assessment, or an amended preliminary assessment if 3344
issued prior to March 1, 2006, and as apportioned to the taxing 3345
district for tax year 2005; 3346

(b) The value of electric company tangible personal property 3347
as assessed by the tax commissioner for tax year 2006 on a 3348
preliminary assessment, or an amended preliminary assessment if 3349
issued prior to March 1, 2007, and as apportioned to the taxing 3350
district for tax year 2006. 3351

(E) Not later than January 1, 2002, the tax commissioner 3352
shall determine for each taxing district its natural gas company 3353
tax value loss, which is the sum of the amounts described in 3354
divisions (E)(1) and (2) of this section: 3355

(1) The difference obtained by subtracting the amount 3356
described in division (E)(1)(b) from the amount described in 3357
division (E)(1)(a) of this section. 3358

(a) The value of all natural gas company tangible personal 3359
property, other than property described in division (E)(2) of this 3360
section, as assessed by the tax commissioner for tax year 1999 on 3361
a preliminary assessment, or an amended preliminary assessment if 3362
issued prior to March 1, 2000, and apportioned to the taxing 3363
district for tax year 1999; 3364

(b) The value of all natural gas company tangible personal 3365
property, other than property described in division (E)(2) of this 3366
section, as assessed by the tax commissioner for tax year 1999 had 3367
the property been apportioned to the taxing district for tax year 3368
2001, and assessed at the rates in effect for tax year 2001. 3369

(2) The difference in the value of current gas obtained by 3370
subtracting the amount described in division (E)(2)(b) from the 3371

amount described in division (E)(2)(a) of this section. 3372

(a) The three-year average assessed value of current gas as 3373
assessed by the tax commissioner for tax years 1997, 1998, and 3374
1999 on a preliminary assessment, or an amended preliminary 3375
assessment if issued prior to March 1, 2001, and as apportioned in 3376
the taxing district for those respective years; 3377

(b) The three-year average assessed value from current gas 3378
under division (E)(2)(a) of this section for tax years 1997, 1998, 3379
and 1999, as reflected in the preliminary assessment, using an 3380
assessment rate of twenty-five per cent. 3381

(F) The tax commissioner may request that natural gas 3382
companies, electric companies, and rural electric companies file a 3383
report to help determine the tax value loss under divisions (D) 3384
and (E) of this section. The report shall be filed within thirty 3385
days of the commissioner's request. A company that fails to file 3386
the report or does not timely file the report is subject to the 3387
penalty in section 5727.60 of the Revised Code. 3388

(G) Not later than January 1, 2002, the tax commissioner 3389
shall determine for each school district, joint vocational school 3390
district, and local taxing unit its fixed-rate levy loss, which is 3391
the sum of its electric company tax value loss multiplied by the 3392
tax rate in effect in tax year 1998 for fixed-rate levies and its 3393
natural gas company tax value loss multiplied by the tax rate in 3394
effect in tax year 1999 for fixed-rate levies. 3395

(H) Not later than January 1, 2002, the tax commissioner 3396
shall determine for each school district, joint vocational school 3397
district, and local taxing unit its fixed-sum levy loss, which is 3398
the amount obtained by subtracting the amount described in 3399
division (H)(2) of this section from the amount described in 3400
division (H)(1) of this section: 3401

(1) The sum of the electric company tax value loss multiplied 3402

by the tax rate in effect in tax year 1998, and the natural gas 3403
company tax value loss multiplied by the tax rate in effect in tax 3404
year 1999, for fixed-sum levies for all taxing districts within 3405
each school district, joint vocational school district, and local 3406
taxing unit. For the years 2002 through 2006, this computation 3407
shall include school district emergency levies that existed in 3408
1998 in the case of the electric company tax value loss, and 1999 3409
in the case of the natural gas company tax value loss, and all 3410
other fixed-sum levies that existed in 1998 in the case of the 3411
electric company tax value loss and 1999 in the case of the 3412
natural gas company tax value loss and continue to be charged in 3413
the tax year preceding the distribution year. For the years 2007 3414
through 2016 in the case of school district emergency levies, and 3415
for all years after 2006 in the case of all other fixed-sum 3416
levies, this computation shall exclude all fixed-sum levies that 3417
existed in 1998 in the case of the electric company tax value loss 3418
and 1999 in the case of the natural gas company tax value loss, 3419
but are no longer in effect in the tax year preceding the 3420
distribution year. For the purposes of this section, an emergency 3421
levy that existed in 1998 in the case of the electric company tax 3422
value loss, and 1999 in the case of the natural gas company tax 3423
value loss, continues to exist in a year beginning on or after 3424
January 1, 2007, but before January 1, 2017, if, in that year, the 3425
board of education levies a school district emergency levy for an 3426
annual sum at least equal to the annual sum levied by the board in 3427
tax year 1998 or 1999, respectively, less the amount of the 3428
payment certified under this division for 2002. 3429

(2) The total taxable value in tax year 1999 less the tax 3430
value loss in each school district, joint vocational school 3431
district, and local taxing unit multiplied by one-fourth of one 3432
mill. 3433

If the amount computed under division (H) of this section for 3434

any school district, joint vocational school district, or local 3435
taxing unit is greater than zero, that amount shall equal the 3436
fixed-sum levy loss reimbursed pursuant to division (F) of section 3437
5727.85 of the Revised Code or division (A)(2) of section 5727.86 3438
of the Revised Code, and the one-fourth of one mill that is 3439
subtracted under division (H)(2) of this section shall be 3440
apportioned among all contributing fixed-sum levies in the 3441
proportion of each levy to the sum of all fixed-sum levies within 3442
each school district, joint vocational school district, or local 3443
taxing unit. 3444

(I) Notwithstanding divisions (D), (E), (G), and (H) of this 3445
section, in computing the tax value loss, fixed-rate levy loss, 3446
and fixed-sum levy loss, the tax commissioner shall use the 3447
greater of the 1998 tax rate or the 1999 tax rate in the case of 3448
levy losses associated with the electric company tax value loss, 3449
but the 1999 tax rate shall not include for this purpose any tax 3450
levy approved by the voters after June 30, 1999, and the tax 3451
commissioner shall use the greater of the 1999 or the 2000 tax 3452
rate in the case of levy losses associated with the natural gas 3453
company tax value loss. 3454

(J) Not later than January 1, 2002, the tax commissioner 3455
shall certify to the department of education the tax value loss 3456
determined under divisions (D) and (E) of this section for each 3457
taxing district, the fixed-rate levy loss calculated under 3458
division (G) of this section, and the fixed-sum levy loss 3459
calculated under division (H) of this section. The calculations 3460
under divisions (G) and (H) of this section shall separately 3461
display the levy loss for each levy eligible for reimbursement. 3462

(K) Not later than September 1, 2001, the tax commissioner 3463
shall certify the amount of the fixed-sum levy loss to the county 3464
auditor of each county in which a school district with a fixed-sum 3465
levy loss has territory. 3466

Sec. 5727.86. (A) ~~Not later than January 1, 2002, the~~ The tax 3467
commissioner shall compute the payments to be made to each local 3468
taxing unit, and to each public library that receives the proceeds 3469
of a tax levied under section 5705.23 of the Revised Code, for 3470
each year according to divisions (A)(1), (2), (3), and (4) and 3471
division (E) of this section, and shall distribute the payments in 3472
the manner prescribed by division (C) of this section. The 3473
calculation of the fixed-sum levy loss shall cover a time period 3474
sufficient to include all fixed-sum levies for which the tax 3475
commissioner determined, pursuant to division (H) of section 3476
5727.84 of the Revised Code, that a fixed-sum levy loss is to be 3477
reimbursed. 3478

(1) Except as provided in divisions (A)(3) and (4) of this 3479
section, the following amounts shall be paid on or before the 3480
thirty-first day of August and the twenty-eighth day of February: 3481

(a) For years 2002 through 2006, fifty per cent of the 3482
fixed-rate levy loss computed under division (G) of section 3483
5727.84 of the Revised Code; 3484

(b) For years 2007 through 2010, forty per cent of the 3485
fixed-rate levy loss computed under division (G) of section 3486
5727.84 of the Revised Code; 3487

(c) For the payment in 2011 to be made on or before the 3488
twentieth day of February, the amount required to be paid in 2010 3489
on or before the twentieth day of February; 3490

(d) For the payment in 2011 to be made on or before the 3491
thirty-first day of August ~~and for all payments to be made in~~ 3492
~~years 2012 and thereafter,~~ the sum of the amounts in divisions 3493
(A)(1)(d)(i) or (ii) and (iii) of this section: 3494

(i) If the ratio of fifty per cent of the taxing unit's 2010 3495
S.B. 3 allocation to its total resources is equal to or less than 3496

the threshold per cent, zero; 3497

(ii) If the ratio of fifty per cent of the taxing unit's 2010 3498
S.B. 3 allocation to its total resources is greater than the 3499
threshold per cent, the difference of fifty per cent of the 2010 3500
S.B. 3 allocation minus the product of total resources multiplied 3501
by the threshold per cent; 3502

(iii) In the case of a municipal corporation, fifty per cent 3503
of the product of its 2010 non-current expense S.B. 3 allocation 3504
multiplied by seventy-five per cent ~~for year 2011, fifty per cent~~ 3505
~~for year 2012, and twenty five percent for years 2013 and~~ 3506
~~thereafter.~~ 3507

(e) For 2012 and each year thereafter, the sum of the amounts 3508
in divisions (A)(1)(e)(i) or (ii) and (iii) of this section: 3509

(i) If the ratio of the taxing unit's 2010 S.B. 3 allocation 3510
to its total resources is equal to or less than the threshold per 3511
cent, zero; 3512

(ii) If the ratio of the taxing unit's 2010 S.B. 3 allocation 3513
to its total resources is greater than the threshold per cent, 3514
fifty per cent of the difference of the 2010 S.B. 3 allocation 3515
minus the product of total resources multiplied by the threshold 3516
per cent; 3517

(iii) In the case of a municipal corporation, fifty per cent 3518
of the product of its 2010 non-current expense S.B. 3 allocation 3519
multiplied by fifty per cent for year 2012 and by twenty-five per 3520
cent for years 2013 and thereafter. 3521

(f) For the payment in 2012 to be made to a public library on 3522
or before the thirty-first day of August and for all such payments 3523
to be made in 2013 and thereafter, the amount in division 3524
(A)(1)(f)(i) or (ii) of this section: 3525

(i) If the ratio of S.B. 3 allocation for library purposes to 3526

total library resources is equal to or less than the threshold per cent, zero; 3527
3528

(ii) If the ratio of S.B. 3 allocation for library purposes to total library resources is greater than the threshold per cent, fifty per cent of the difference of the S.B. 3 allocation for library purposes minus the product of total library resources multiplied by the threshold per cent. 3529
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(2) For fixed-sum levy losses determined under division (H) of section 5727.84 of the Revised Code, payments shall be made in the amount of one hundred per cent of the fixed-sum levy loss for payments required to be made in 2002 and thereafter. 3534
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(3) A local taxing unit in a county of less than two hundred fifty square miles that receives eighty per cent or more of its combined general fund and bond retirement fund revenues from property taxes and rollbacks based on 1997 actual revenues as presented in its 1999 tax budget, and in which electric companies and rural electric companies comprise over twenty per cent of its property valuation, shall receive one hundred per cent of its fixed-rate levy losses from electric company tax value losses certified under division (A) of this section in years 2002 to 2010. Beginning in 2011, payments for such local taxing units shall be determined under division (A)(1) of this section. 3538
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(4) For taxes levied within the ten-mill limitation or pursuant to a municipal charter for debt purposes in tax year 1998 in the case of electric company tax value losses, and in tax year 1999 in the case of natural gas company tax value losses, payments shall be made equal to one hundred per cent of the loss computed as if the tax were a fixed-rate levy, but those payments shall extend from 2011 through 2016 if the levy was ~~imposed~~ charged and payable for debt purposes in tax year 2010. If the levy is not ~~imposed~~ charged and payable for debt purposes in tax year 2010 or any following tax year before tax year 2016, payments for that 3549
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levy shall be made under division (A)(1) of this section beginning 3559
with the first year after the year the levy is ~~imposed~~ charged and 3560
payable for a purpose other than debt. For the purposes of this 3561
division, taxes levied pursuant to a municipal charter refer to 3562
taxes levied pursuant to a provision of a municipal charter that 3563
permits the tax to be levied without prior voter approval. 3564

(B) Beginning in 2003, by the thirty-first day of January of 3565
each year, the tax commissioner shall review the calculation 3566
originally made under division (A) of this section of the 3567
fixed-sum levy loss determined under division (H) of section 3568
5727.84 of the Revised Code. If the commissioner determines that a 3569
fixed-sum levy that had been scheduled to be reimbursed in the 3570
current year has expired, a revised calculation for that and all 3571
subsequent years shall be made. 3572

(C) Payments to local taxing units and public libraries 3573
required to be made under divisions (A) and (E) of this section 3574
shall be paid from the local government property tax replacement 3575
fund to the county undivided income tax fund in the proper county 3576
treasury. The county treasurer shall distribute amounts paid under 3577
division (A) of this section to the proper local taxing unit or 3578
public library as if they had been levied and collected as taxes, 3579
and the local taxing unit or public library shall apportion the 3580
amounts so received among its funds in the same proportions as if 3581
those amounts had been levied and collected as taxes. Except in 3582
the case of amounts distributed to the county as a local taxing 3583
unit, amounts distributed under division (E)(2) of this section 3584
shall be credited to the general fund of the local taxing unit 3585
that receives them. Amounts distributed to each county as a local 3586
taxing unit under division (E)(2) of this section shall be 3587
credited in the proportion that the current taxes charged and 3588
payable from each levy of or by the county bears to the total 3589
current taxes charged and payable from all levies of or by the 3590

county. 3591

(D) By February 5, 2002, the tax commissioner shall estimate 3592
the amount of money in the local government property tax 3593
replacement fund in excess of the amount necessary to make 3594
payments in that month under division (C) of this section. 3595
Notwithstanding division (A) of this section, the tax commissioner 3596
may pay any local taxing unit, from those excess funds, nine and 3597
four-tenths times the amount computed for 2002 under division 3598
(A)(1) of this section. A payment made under this division shall 3599
be in lieu of the payment to be made in February 2002 under 3600
division (A)(1) of this section. A local taxing unit receiving a 3601
payment under this division will no longer be entitled to any 3602
further payments under division (A)(1) of this section. A payment 3603
made under this division shall be paid from the local government 3604
property tax replacement fund to the county undivided income tax 3605
fund in the proper county treasury. The county treasurer shall 3606
distribute the payment to the proper local taxing unit as if it 3607
had been levied and collected as taxes, and the local taxing unit 3608
shall apportion the amounts so received among its funds in the 3609
same proportions as if those amounts had been levied and collected 3610
as taxes. 3611

(E)(1) On the thirty-first day of July of 2002, 2003, 2004, 3612
2005, and 2006, and on the thirty-first day of January and July of 3613
2007 through January 2011, if the amount credited to the local 3614
government property tax replacement fund exceeds the amount needed 3615
to be distributed from the fund under division (A) of this section 3616
in the following month, the tax commissioner shall distribute the 3617
excess to each county as follows: 3618

(a) One-half shall be distributed to each county in 3619
proportion to each county's population. 3620

(b) One-half shall be distributed to each county in the 3621
proportion that the amounts determined under divisions (G) and (H) 3622

of section 5727.84 of the Revised Code for all local taxing units 3623
in the county is of the total amounts so determined for all local 3624
taxing units in the state. 3625

(2) The amounts distributed to each county under division (E) 3626
of this section shall be distributed by the county auditor to each 3627
local taxing unit in the county in the proportion that the unit's 3628
current taxes charged and payable are of the total current taxes 3629
charged and payable of all the local taxing units in the county. 3630
If the amount that the county auditor determines to be distributed 3631
to a local taxing unit is less than five dollars, that amount 3632
shall not be distributed, and the amount not distributed shall 3633
remain credited to the county undivided income tax fund. At the 3634
time of the next distribution under division (E)(2) of this 3635
section, any amount that had not been distributed in the prior 3636
distribution shall be added to the amount available for the next 3637
distribution prior to calculation of the amount to be distributed. 3638
As used in this division, "current taxes charged and payable" 3639
means the taxes charged and payable as most recently determined 3640
for local taxing units in the county. 3641

After January 2011, any amount that exceeds the amount needed 3642
to be distributed from the fund under division (A) of this section 3643
in the following month shall be transferred to the general revenue 3644
fund. 3645

(F) If the total amount in the local government property tax 3646
replacement fund is insufficient to make all payments under 3647
division (C) of this section at the times the payments are to be 3648
made, the director of budget and management shall transfer from 3649
the general revenue fund to the local government property tax 3650
replacement fund the difference between the total amount to be 3651
paid and the amount in the local government property tax 3652
replacement fund, except that no transfer shall be made by reason 3653
of a deficiency to the extent that it results from the amendment 3654

of section 5727.84 of the Revised Code by Amended Substitute House 3655
Bill 95 of the 125th general assembly. 3656

(G) If all or a part of the territories of two or more local 3657
taxing units are merged, or unincorporated territory of a township 3658
is annexed by a municipal corporation, the tax commissioner shall 3659
adjust the payments made under this section to each of the local 3660
taxing units in proportion to the square mileage apportioned to 3661
the merged or annexed territory, or as otherwise provided by a 3662
written agreement between the legislative authorities of the local 3663
taxing units certified to the tax commissioner not later than the 3664
first day of June of the calendar year in which the payment is to 3665
be made. 3666

Sec. 5731.39. ~~(A)~~ This section does not apply to, and the 3667
written permission of the tax commissioner is not required for 3668
asset transfers with respect to, decedents dying on or after 3669
January 1, 2013. 3670

(A) No corporation organized or existing under the laws of 3671
this state shall transfer on its books or issue a new certificate 3672
for any share of its capital stock registered in the name of a 3673
decedent, or in trust for a decedent, or in the name of a decedent 3674
and another person or persons, without the written consent of the 3675
tax commissioner. 3676

(B) No safe deposit company, trust company, financial 3677
institution as defined in division (A) of section 5725.01 of the 3678
Revised Code or other corporation or person, having in possession, 3679
control, or custody a deposit standing in the name of a decedent, 3680
or in trust for a decedent, or in the name of a decedent and 3681
another person or persons, shall deliver or transfer an amount in 3682
excess of three-fourths of the total value of such deposit, 3683
including accrued interest and dividends, as of the date of 3684
decedent's death, without the written consent of the tax 3685

commissioner. The written consent of the tax commissioner need not 3686
be obtained prior to the delivery or transfer of amounts having a 3687
value of three-fourths or less of said total value. 3688

(C) No life insurance company shall pay the proceeds of an 3689
annuity or matured endowment contract, or of a life insurance 3690
contract payable to the estate of a decedent, or of any other 3691
insurance contract taxable under Chapter 5731. of the Revised 3692
Code, without the written consent of the tax commissioner. Any 3693
life insurance company may pay the proceeds of any insurance 3694
contract not specified in this division (C) without the written 3695
consent of the tax commissioner. 3696

(D) No trust company or other corporation or person shall pay 3697
the proceeds of any death benefit, retirement, pension or profit 3698
sharing plan in excess of two thousand dollars, without the 3699
written consent of the tax commissioner. Such trust company or 3700
other corporation or person, however, may pay the proceeds of any 3701
death benefit, retirement, pension, or profit-sharing plan which 3702
consists of insurance on the life of the decedent payable to a 3703
beneficiary other than the estate of the insured without the 3704
written consent of the tax commissioner. 3705

(E) No safe deposit company, trust company, financial 3706
institution as defined in division (A) of section 5725.01 of the 3707
Revised Code, or other corporation or person, having in 3708
possession, control, or custody securities, assets, or other 3709
property (including the shares of the capital stock of, or other 3710
interest in, such safe deposit company, trust company, financial 3711
institution as defined in division (A) of section 5725.01 of the 3712
Revised Code, or other corporation), standing in the name of a 3713
decedent, or in trust for a decedent, or in the name of a decedent 3714
and another person or persons, and the transfer of which is 3715
taxable under Chapter 5731. of the Revised Code, shall deliver or 3716
transfer any such securities, assets, or other property which have 3717

a value as of the date of decedent's death in excess of 3718
three-fourths of the total value thereof, without the written 3719
consent of the tax commissioner. The written consent of the tax 3720
commissioner need not be obtained prior to the delivery or 3721
transfer of any such securities, assets, or other property having 3722
a value of three-fourths or less of said total value. 3723

(F) No safe deposit company, financial institution as defined 3724
in division (A) of section 5725.01 of the Revised Code, or other 3725
corporation or person having possession or control of a safe 3726
deposit box or similar receptacle standing in the name of a 3727
decedent or in the name of the decedent and another person or 3728
persons, or to which the decedent had a right of access, except 3729
when such safe deposit box or other receptacle stands in the name 3730
of a corporation or partnership, or in the name of the decedent as 3731
guardian or executor, shall deliver any of the contents thereof 3732
unless the safe deposit box or similar receptacle has been opened 3733
and inventoried in the presence of the tax commissioner or the 3734
commissioner's agent, and a written consent to transfer issued; 3735
provided, however, that a safe deposit company, financial 3736
institution, or other corporation or person having possession or 3737
control of a safe deposit box may deliver wills, deeds to burial 3738
lots, and insurance policies to a representative of the decedent, 3739
but that a representative of the safe deposit company, financial 3740
institution, or other corporation or person must supervise the 3741
opening of the box and make a written record of the wills, deeds, 3742
and policies removed. Such written record shall be included in the 3743
tax commissioner's inventory records. 3744

(G) Notwithstanding any provision of this section: 3745

(1) The tax commissioner may authorize any delivery or 3746
transfer or waive any of the foregoing requirements under such 3747
terms and conditions as the commissioner may prescribe; 3748

(2) An adult care facility, as defined in section 5119.70 of 3749

the Revised Code, or a home, as defined in section 3721.10 of the Revised Code, may transfer or use the money in a personal needs allowance account in accordance with section 5111.113 of the Revised Code without the written consent of the tax commissioner, and without the account having been opened and inventoried in the presence of the commissioner or the commissioner's agent.

Failure to comply with this section shall render such safe deposit company, trust company, life insurance company, financial institution as defined in division (A) of section 5725.01 of the Revised Code, or other corporation or person liable for the amount of the taxes and interest due under the provisions of Chapter 5731. of the Revised Code on the transfer of such stock, deposit, proceeds of an annuity or matured endowment contract or of a life insurance contract payable to the estate of a decedent, or other insurance contract taxable under Chapter 5731. of the Revised Code, proceeds of any death benefit, retirement, pension, or profit sharing plan in excess of two thousand dollars, or securities, assets, or other property of any resident decedent, and in addition thereto, to a penalty of not less than five hundred or more than five thousand dollars.

Sec. 5733.056. (A) As used in this section:

(1) "Billing address" means the address where any notice, statement, or bill relating to a customer's account is mailed, as indicated in the books and records of the taxpayer on the first day of the taxable year or on such later date in the taxable year when the customer relationship began.

(2) "Borrower or credit card holder located in this state" means:

(a) A borrower, other than a credit card holder, that is engaged in a trade or business and maintains its commercial domicile in this state; or

(b) A borrower that is not engaged in a trade or business, or 3781
a credit card holder, whose billing address is in this state. 3782

(3) "Branch" means a "domestic branch" as defined in section 3783
3 of the "Federal Deposit Insurance Act," 64 Stat. 873, 12 U.S.C. 3784
1813(o), as amended. 3785

(4) "Compensation" means wages, salaries, commissions, and 3786
any other form of remuneration paid to employees for personal 3787
services that are included in such employee's gross income under 3788
the Internal Revenue Code. In the case of employees not subject to 3789
the Internal Revenue Code, such as those employed in foreign 3790
countries, the determination of whether such payments would 3791
constitute gross income to such employees under the Internal 3792
Revenue Code shall be made as though such employees were subject 3793
to the Internal Revenue Code. 3794

(5) "Credit card" means a credit, travel, or entertainment 3795
card. 3796

(6) "Credit card issuer's reimbursement fee" means the fee a 3797
taxpayer receives from a merchant's bank because one of the 3798
persons to whom the taxpayer has issued a credit card has charged 3799
merchandise or services to the credit card. 3800

(7) "Deposits" has the meaning given in section 3 of the 3801
"Federal Deposit Insurance Act," 64 Stat. 873, 12 U.S.C. 1813(1), 3802
as amended. 3803

(8) "Employee" means, with respect to a particular taxpayer, 3804
any individual who under the usual common law rules applicable in 3805
determining the employer-employee relationship, has the status of 3806
an employee of that taxpayer. 3807

(9) "Gross rents" means the actual sum of money or other 3808
consideration payable for the use or possession of property. 3809
"Gross rents" includes: 3810

(a) Any amount payable for the use or possession of real property or tangible personal property whether designated as a fixed sum of money or as a percentage of receipts, profits, or otherwise;	3811 3812 3813 3814
(b) Any amount payable as additional rent or in lieu of rent, such as interest, taxes, insurance, repairs, or any other amount required to be paid by the terms of a lease or other arrangement; and	3815 3816 3817 3818
(c) A proportionate part of the cost of any improvement to real property made by or on behalf of the taxpayer which reverts to the owner or lessor upon termination of a lease or other arrangement. The amount to be included in gross rents is the amount of amortization or depreciation allowed in computing the taxable income base for the taxable year. However, where a building is erected on leased land, by or on behalf of the taxpayer, the value of the land is determined by multiplying the gross rent by eight, and the value of the building is determined in the same manner as if owned by the taxpayer.	3819 3820 3821 3822 3823 3824 3825 3826 3827 3828
(d) The following are not included in the term "gross rents":	3829
(i) Reasonable amounts payable as separate charges for water and electric service furnished by the lessor;	3830 3831
(ii) Reasonable amounts payable as service charges for janitorial services furnished by the lessor;	3832 3833
(iii) Reasonable amounts payable for storage, provided such amounts are payable for space not designated and not under the control of the taxpayer; and	3834 3835 3836
(iv) That portion of any rental payment which is applicable to the space subleased from the taxpayer and not used by it.	3837 3838
(10) "Loan" means any extension of credit resulting from direct negotiations between the taxpayer and its customer, or the	3839 3840

purchase, in whole or in part, of such extension of credit from 3841
another. Loans include debt obligations of subsidiaries, 3842
participations, syndications, and leases treated as loans for 3843
federal income tax purposes. "Loan" does not include: properties 3844
treated as loans under section 595 of the Internal Revenue Code; 3845
futures or forward contracts; options; notional principal 3846
contracts such as swaps; credit card receivables, including 3847
purchased credit card relationships; non-interest bearing balances 3848
due from depositor institutions; cash items in the process of 3849
collection; federal funds sold; securities purchased under 3850
agreements to resell; assets held in a trading account; 3851
securities; interests in a real estate mortgage investment conduit 3852
or other mortgage-backed or asset-backed security; and other 3853
similar items. 3854

(11) "Loan secured by real property" means that fifty per 3855
cent or more of the aggregate value of the collateral used to 3856
secure a loan or other obligation, when valued at fair market 3857
value as of the time the original loan or obligation was incurred, 3858
was real property. 3859

(12) "Merchant discount" means the fee, or negotiated 3860
discount, charged to a merchant by the taxpayer for the privilege 3861
of participating in a program whereby a credit card is accepted in 3862
payment for merchandise or services sold to the card holder. 3863

(13) "Participation" means an extension of credit in which an 3864
undivided ownership interest is held on a pro rata basis in a 3865
single loan or pool of loans and related collateral. In a loan 3866
participation, the credit originator initially makes the loan and 3867
then subsequently resells all or a portion of it to other lenders. 3868
The participation may or may not be known to the borrower. 3869

(14) "Principal base of operations" with respect to 3870
transportation property means the place of more or less permanent 3871
nature from which the property is regularly directed or 3872

controlled. With respect to an employee, the "principal base of 3873
operations" means the place of more or less permanent nature from 3874
which the employee regularly (a) starts work and to which the 3875
employee customarily returns in order to receive instructions from 3876
the employer or (b) communicates with the employee's customers or 3877
other persons or (c) performs any other functions necessary to the 3878
exercise of the trade or profession at some other point or points. 3879

(15) "Qualified institution" means a financial institution 3880
that on or after June 1, 1997: 3881

(a)(i) Has consummated one or more approved transactions with 3882
insured banks with different home states that would qualify under 3883
section 102 of the "Riegle-Neal Interstate Banking and Branching 3884
Efficiency Act of 1994," Public Law 103-328, 108 Stat. 2338; 3885

(ii) Is a federal savings association or federal savings bank 3886
that has consummated one or more interstate acquisitions that 3887
result in a financial institution that has branches in more than 3888
one state; or 3889

(iii) Has consummated one or more approved interstate 3890
acquisitions under authority of Title XI of the Revised Code that 3891
result in a financial institution that has branches in more than 3892
one state; and 3893

(b) Has at least nine per cent of its deposits in this state 3894
as of the last day of June prior to the beginning of the tax year. 3895

(16) "Real property owned" and "tangible personal property 3896
owned" mean real and tangible personal property, respectively, on 3897
which the taxpayer may claim depreciation for federal income tax 3898
purposes, or to which the taxpayer holds legal title and on which 3899
no other person may claim depreciation for federal income tax 3900
purposes, or could claim depreciation if subject to federal income 3901
tax. Real and tangible personal property do not include coin, 3902
currency, or property acquired in lieu of or pursuant to a 3903

foreclosure. 3904

(17) "Regular place of business" means an office at which the 3905
taxpayer carries on its business in a regular and systematic 3906
manner and which is continuously maintained, occupied, and used by 3907
employees of the taxpayer. 3908

(18) "State" means a state of the United States, the District 3909
of Columbia, the commonwealth of Puerto Rico, or any territory or 3910
possession of the United States. 3911

(19) "Syndication" means an extension of credit in which two 3912
or more persons fund and each person is at risk only up to a 3913
specified percentage of the total extension of credit or up to a 3914
specified dollar amount. 3915

(20) "Transportation property" means vehicles and vessels 3916
capable of moving under their own power, such as aircraft, trains, 3917
water vessels and motor vehicles, as well as any equipment or 3918
containers attached to such property, such as rolling stock, 3919
barges, trailers, or the like. 3920

(21) "Qualified financial institution" means a financial 3921
institution in which not less than eighty per cent of the 3922
financial institution's ownership interest is owned directly or 3923
indirectly by a grandfathered unitary savings and loan holding 3924
company described in 12 U.S.C. 1467a(c)(9)(C). 3925

(B) The annual financial institution report determines the 3926
value of the issued and outstanding shares of stock of the 3927
taxpayer, and is the base or measure of the franchise tax 3928
liability. Such determination shall be made as of the date shown 3929
by the report to have been the beginning of the financial 3930
institution's annual accounting period that includes the first day 3931
of January of the tax year. For purposes of this section, division 3932
(A) of section 5733.05, and division (D) of section 5733.06 of the 3933
Revised Code, the value of the issued and outstanding shares of 3934

stock of the financial institution shall include the total value, 3935
as shown by the books of the financial institution, of its 3936
capital, surplus, whether earned or unearned, undivided profits, 3937
and reserves, but exclusive of: 3938

(1) Reserves for accounts receivable, depreciation, 3939
depletion, and any other valuation reserves with respect to 3940
specific assets; 3941

(2) Taxes due and payable during the year for which such 3942
report was made; 3943

(3) Voting stock and participation certificates in 3944
corporations chartered pursuant to the "Farm Credit Act of 1971," 3945
85 Stat. 597, 12 U.S.C. 2091, as amended; 3946

(4) Good will, appreciation, and abandoned property as set up 3947
in the annual report of the financial institution, provided a 3948
certified balance sheet of the company is made available upon the 3949
request of the tax commissioner. Such balance sheet shall not be a 3950
part of the public records, but shall be a confidential report for 3951
use of the tax commissioner only. 3952

(5) A portion of the value of the issued and outstanding 3953
shares of stock of such financial institution equal to the amount 3954
obtained by multiplying such value by the quotient obtained by: 3955

(a) Dividing (1) the amount of the financial institution's 3956
assets, as shown on its books, represented by investments in the 3957
capital stock and indebtedness of public utilities, except 3958
electric companies and combined companies, and, for tax years 2005 3959
and thereafter, telephone companies, of which at least eighty per 3960
cent of the utility's issued and outstanding common stock is owned 3961
by the financial institution by (2) the total assets of such 3962
financial institution as shown on its books; 3963

(b) Dividing (1) the amount of the financial institution's 3964
assets, as shown on its books, represented by investments in the 3965

capital stock and indebtedness of insurance companies of which at 3966
least eighty per cent of the insurance company's issued and 3967
outstanding common stock is owned by the financial institution by 3968
(2) the total assets of such financial institution as shown on its 3969
books; 3970

(c) Dividing (1) the amount of the financial institution's 3971
assets, as shown on its books, represented by investments in the 3972
capital stock and indebtedness of other financial institutions of 3973
which at least twenty-five per cent of the other financial 3974
institution's issued and outstanding common stock is owned by the 3975
financial institution by (2) the total assets of the financial 3976
institution as shown on its books. Division (B)(5)(c) of this 3977
section applies only with respect to such other financial 3978
institutions that for the tax year immediately following the 3979
taxpayer's taxable year will pay the tax imposed by division (D) 3980
of section 5733.06 of the Revised Code. 3981

(6) Land that has been determined pursuant to section 5713.31 3982
of the Revised Code by the county auditor of the county in which 3983
the land is located to be devoted exclusively to agricultural use 3984
as of the first Monday of June in the financial institution's 3985
taxable year. 3986

(7) Property within this state used exclusively during the 3987
taxable year for qualified research as defined in section 5733.05 3988
of the Revised Code. 3989

(C) ~~The~~ Except as provided under division (I) of this 3990
section, the base upon which the tax levied under division (D) of 3991
section 5733.06 of the Revised Code shall be computed by 3992
multiplying the value of a financial institution's issued and 3993
outstanding shares of stock as determined in division (B) of this 3994
section by a fraction. The numerator of the fraction is the sum of 3995
the following: the property factor multiplied by fifteen, the 3996
payroll factor multiplied by fifteen, and the sales factor 3997

multiplied by seventy. The denominator of the fraction is one 3998
hundred, provided that the denominator shall be reduced by fifteen 3999
if the property factor has a denominator of zero, by fifteen if 4000
the payroll factor has a denominator of zero, and by seventy if 4001
the sales factor has a denominator of zero. 4002

(D) A financial institution shall calculate the property 4003
factor as follows: 4004

(1) The property factor is a fraction, the numerator of which 4005
is the average value of real property and tangible personal 4006
property rented to the taxpayer that is located or used within 4007
this state during the taxable year, the average value of real and 4008
tangible personal property owned by the taxpayer that is located 4009
or used within this state during the taxable year, and the average 4010
value of the taxpayer's loans and credit card receivables that are 4011
located within this state during the taxable year; and the 4012
denominator of which is the average value of all such property 4013
located or used within and without this state during the taxable 4014
year. 4015

(2)(a) The value of real property and tangible personal 4016
property owned by the taxpayer is the original cost or other basis 4017
of such property for federal income tax purposes without regard to 4018
depletion, depreciation, or amortization. 4019

(b) Loans are valued at their outstanding principal balance, 4020
without regard to any reserve for bad debts. If a loan is 4021
charged-off in whole or in part for federal income tax purposes, 4022
the portion of the loan charged-off is not outstanding. A 4023
specifically allocated reserve established pursuant to financial 4024
accounting guidelines which is treated as charged-off for federal 4025
income tax purposes shall be treated as charged-off for purposes 4026
of this section. 4027

(c) Credit card receivables are valued at their outstanding 4028

principal balance, without regard to any reserve for bad debts. If 4029
a credit card receivable is charged-off in whole or in part for 4030
federal income tax purposes, the portion of the receivable 4031
charged-off is not outstanding. 4032

(3) The average value of property owned by the taxpayer is 4033
computed on an annual basis by adding the value of the property on 4034
the first day of the taxable year and the value on the last day of 4035
the taxable year and dividing the sum by two. If averaging on this 4036
basis does not properly reflect average value, the tax 4037
commissioner may require averaging on a more frequent basis. The 4038
taxpayer may elect to average on a more frequent basis. When 4039
averaging on a more frequent basis is required by the tax 4040
commissioner or is elected by the taxpayer, the same method of 4041
valuation must be used consistently by the taxpayer with respect 4042
to property within and without this state and on all subsequent 4043
returns unless the taxpayer receives prior permission from the tax 4044
commissioner or the tax commissioner requires a different method 4045
of determining value. 4046

(4)(a) The average value of real property and tangible 4047
personal property that the taxpayer has rented from another and is 4048
not treated as property owned by the taxpayer for federal income 4049
tax purposes, shall be determined annually by multiplying the 4050
gross rents payable during the taxable year by eight. 4051

(b) Where the use of the general method described in division 4052
(D)(4)(a) of this section results in inaccurate valuations of 4053
rented property, any other method which properly reflects the 4054
value may be adopted by the tax commissioner or by the taxpayer 4055
when approved in writing by the tax commissioner. Once approved, 4056
such other method of valuation must be used on all subsequent 4057
returns unless the taxpayer receives prior approval from the tax 4058
commissioner or the tax commissioner requires a different method 4059
of valuation. 4060

(5)(a) Except as described in division (D)(5)(b) of this section, real property and tangible personal property owned by or rented to the taxpayer is considered to be located within this state if it is physically located, situated, or used within this state.

(b) Transportation property is included in the numerator of the property factor to the extent that the property is used in this state. The extent an aircraft will be deemed to be used in this state and the amount of value that is to be included in the numerator of this state's property factor is determined by multiplying the average value of the aircraft by a fraction, the numerator of which is the number of landings of the aircraft in this state and the denominator of which is the total number of landings of the aircraft everywhere. If the extent of the use of any transportation property within this state cannot be determined, then the property will be deemed to be used wholly in the state in which the property has its principal base of operations. A motor vehicle will be deemed to be used wholly in the state in which it is registered.

(6)(a)(i) A loan, other than a loan or advance described in division (D)(6)(d) of this section, is considered to be located within this state if it is properly assigned to a regular place of business of the taxpayer within this state.

(ii) A loan is properly assigned to the regular place of business with which it has a preponderance of substantive contacts. A loan assigned by the taxpayer to a regular place of business without the state shall be presumed to have been properly assigned if:

(I) The taxpayer has assigned, in the regular course of its business, such loan on its records to a regular place of business consistent with federal or state regulatory requirements;

(II) Such assignment on its records is based upon substantive 4092
contacts of the load to such regular place of business; and 4093

(III) The taxpayer uses the records reflecting assignment of 4094
loans for the filing of all state and local tax returns for which 4095
an assignment of loans to a regular place of business is required. 4096

(iii) The presumption of proper assignment of a loan provided 4097
in division (D)(6)(a)(ii) of this section may be rebutted upon a 4098
showing by the tax commissioner, supported by a preponderance of 4099
the evidence, that the preponderance of substantive contacts 4100
regarding such loan did not occur at the regular place of business 4101
to which it was assigned on the taxpayer's records. When such 4102
presumption has been rebutted, the loan shall then be located 4103
within this state if (1) the taxpayer had a regular place of 4104
business within this state at the time the loan was made; and (2) 4105
the taxpayer fails to show, by a preponderance of the evidence, 4106
that the preponderance of substantive contacts regarding such loan 4107
did not occur within this state. 4108

(b) In the case of a loan which is assigned by the taxpayer 4109
to a place without this state which is not a regular place of 4110
business, it shall be presumed, subject to rebuttal by the 4111
taxpayer on a showing supported by the preponderance of evidence, 4112
that the preponderance of substantive contacts regarding the loan 4113
occurred within this state if, at the time the loan was made the 4114
taxpayer's commercial domicile was within this state. 4115

(c) To determine the state in which the preponderance of 4116
substantive contacts relating to a loan have occurred, the facts 4117
and circumstances regarding the loan at issue shall be reviewed on 4118
a case-by-case basis and consideration shall be given to such 4119
activities as the solicitation, investigation, negotiation, 4120
approval, and administration of the loan. The terms 4121
"solicitation," "investigation," "negotiation," "approval," and 4122
"administration" are defined as follows: 4123

(i) "Solicitation" is either active or passive. Active 4124
solicitation occurs when an employee of the taxpayer initiates the 4125
contact with the customer. Such activity is located at the regular 4126
place of business which the taxpayer's employee is regularly 4127
connected with or working out of, regardless of where the services 4128
of such employee were actually performed. Passive solicitation 4129
occurs when the customer initiates the contact with the taxpayer. 4130
If the customer's initial contact was not at a regular place of 4131
business of the taxpayer, the regular place of business, if any, 4132
where the passive solicitation occurred is determined by the facts 4133
in each case. 4134

(ii) "Investigation" is the procedure whereby employees of 4135
the taxpayer determine the creditworthiness of the customer as 4136
well as the degree of risk involved in making a particular 4137
agreement. Such activity is located at the regular place of 4138
business which the taxpayer's employees are regularly connected 4139
with or working out of, regardless of where the services of such 4140
employees were actually performed. 4141

(iii) Negotiation is the procedure whereby employees of the 4142
taxpayer and its customer determine the terms of the agreement, 4143
such as the amount, duration, interest rate, frequency of 4144
repayment, currency denomination, and security required. Such 4145
activity is located at the regular place of business to which the 4146
taxpayer's employees are regularly connected or working from, 4147
regardless of where the services of such employees were actually 4148
performed. 4149

(iv) "Approval" is the procedure whereby employees or the 4150
board of directors of the taxpayer make the final determination 4151
whether to enter into the agreement. Such activity is located at 4152
the regular place of business to which the taxpayer's employees 4153
are regularly connected or working from, regardless of where the 4154
services of such employees were actually performed. If the board 4155

of directors makes the final determination, such activity is 4156
located at the commercial domicile of the taxpayer. 4157

(v) "Administration" is the process of managing the account. 4158
This process includes bookkeeping, collecting the payments, 4159
corresponding with the customer, reporting to management regarding 4160
the status of the agreement, and proceeding against the borrower 4161
or the security interest if the borrower is in default. Such 4162
activity is located at the regular place of business that oversees 4163
this activity. 4164

(d) A loan or advance to a subsidiary corporation at least 4165
fifty-one per cent of whose common stock is owned by the financial 4166
institution shall be allocated in and out of the state by the 4167
application of a ratio whose numerator is the sum of the net book 4168
value of the subsidiary's real property owned in this state and 4169
the subsidiary's tangible personal property owned in this state 4170
and whose denominator is the sum of the subsidiary's real property 4171
owned wherever located and the subsidiary's tangible personal 4172
property owned wherever located. For purposes of calculating this 4173
ratio, the taxpayer shall determine net book value in accordance 4174
with generally accepted accounting principles. If the subsidiary 4175
corporation owns at least fifty-one per cent of the common stock 4176
of another corporation, the ratio shall be calculated by including 4177
the other corporation's real property and tangible personal 4178
property. The calculation of the ratio applies with respect to all 4179
lower-tiered subsidiaries, provided that the immediate parent 4180
corporation of the subsidiary owns at least fifty-one per cent of 4181
the common stock of that subsidiary. 4182

(7) For purposes of determining the location of credit card 4183
receivables, credit card receivables shall be treated as loans and 4184
shall be subject to division (D)(6) of this section. 4185

(8) A loan that has been properly assigned to a state shall, 4186
absent any change of material fact, remain assigned to that state 4187

for the length of the original term of the loan. Thereafter, the 4188
loan may be properly assigned to another state if the loan has a 4189
preponderance of substantive contact to a regular place of 4190
business there. 4191

(E) A financial institution shall calculate the payroll 4192
factor as follows: 4193

(1) The payroll factor is a fraction, the numerator of which 4194
is the total amount paid in this state during the taxable year by 4195
the taxpayer for compensation, and the denominator of which is the 4196
total compensation paid both within and without this state during 4197
the taxable year. 4198

(2) Compensation is paid in this state if any one of the 4199
following tests, applied consecutively, is met: 4200

(a) The employee's services are performed entirely within 4201
this state. 4202

(b) The employee's services are performed both within and 4203
without this state, but the service performed without this state 4204
is incidental to the employee's service within this state. The 4205
term "incidental" means any service which is temporary or 4206
transitory in nature, or which is rendered in connection with an 4207
isolated transaction. 4208

(c) The employee's services are performed both within and 4209
without this state, and: 4210

(i) The employee's principal base of operations is within 4211
this state; or 4212

(ii) There is no principal base of operations in any state in 4213
which some part of the services are performed, but the place from 4214
which the services are directed or controlled is in this state; or 4215

(iii) The principal base of operations and the place from 4216
which the services are directed or controlled are not in any state 4217

in which some part of the service is performed but the employee's 4218
residence is in this state. 4219

(F) A financial institution shall calculate the sales factor 4220
as follows: 4221

(1) The sales factor is a fraction, the numerator of which is 4222
the receipts of the taxpayer in this state during the taxable year 4223
and the denominator of which is the receipts of the taxpayer 4224
within and without this state during the taxable year. The method 4225
of calculating receipts for purposes of the denominator is the 4226
same as the method used in determining receipts for purposes of 4227
the numerator. 4228

(2) The numerator of the sales factor includes receipts from 4229
the lease or rental of real property owned by the taxpayer if the 4230
property is located within this state, or receipts from the 4231
sublease of real property if the property is located within this 4232
state. 4233

(3)(a) Except as described in division (F)(3)(b) of this 4234
section the numerator of the sales factor includes receipts from 4235
the lease or rental of tangible personal property owned by the 4236
taxpayer if the property is located within this state when it is 4237
first placed in service by the lessee. 4238

(b) Receipts from the lease or rental of transportation 4239
property owned by the taxpayer are included in the numerator of 4240
the sales factor to the extent that the property is used in this 4241
state. The extent an aircraft will be deemed to be used in this 4242
state and the amount of receipts that is to be included in the 4243
numerator of this state's sales factor is determined by 4244
multiplying all the receipts from the lease or rental of the 4245
aircraft by a fraction, the numerator of which is the number of 4246
landings of the aircraft in this state and the denominator of 4247
which is the total number of landings of the aircraft. If the 4248

extent of the use of any transportation property within this state 4249
cannot be determined, then the property will be deemed to be used 4250
wholly in the state in which the property has its principal base 4251
of operations. A motor vehicle will be deemed to be used wholly in 4252
the state in which it is registered. 4253

(4)(a) The numerator of the sales factor includes interest 4254
and fees or penalties in the nature of interest from loans secured 4255
by real property if the property is located within this state. If 4256
the property is located both within this state and one or more 4257
other states, the receipts described in this paragraph are 4258
included in the numerator of the sales factor if more than fifty 4259
per cent of the fair market value of the real property is located 4260
within this state. If more than fifty per cent of the fair market 4261
value of the real property is not located within any one state, 4262
then the receipts described in this paragraph shall be included in 4263
the numerator of the sales factor if the borrower is located in 4264
this state. 4265

(b) The determination of whether the real property securing a 4266
loan is located within this state shall be made as of the time the 4267
original agreement was made and any and all subsequent 4268
substitutions of collateral shall be disregarded. 4269

(5) The numerator of the sales factor includes interest and 4270
fees or penalties in the nature of interest from loans not secured 4271
by real property if the borrower is located in this state. 4272

(6) The numerator of the sales factor includes net gains from 4273
the sale of loans. Net gains from the sale of loans includes 4274
income recorded under the coupon stripping rules of section 1286 4275
of the Internal Revenue Code. 4276

(a) The amount of net gains, but not less than zero, from the 4277
sale of loans secured by real property included in the numerator 4278
is determined by multiplying such net gains by a fraction the 4279

numerator of which is the amount included in the numerator of the 4280
sales factor pursuant to division (F)(4) of this section and the 4281
denominator of which is the total amount of interest and fees or 4282
penalties in the nature of interest from loans secured by real 4283
property. 4284

(b) The amount of net gains, but not less than zero, from the 4285
sale of loans not secured by real property included in the 4286
numerator is determined by multiplying such net gains by a 4287
fraction the numerator of which is the amount included in the 4288
numerator of the sales factor pursuant to division (F)(5) of this 4289
section and the denominator of which is the total amount of 4290
interest and fees or penalties in the nature of interest from 4291
loans not secured by real property. 4292

(7) The numerator of the sales factor includes interest and 4293
fees or penalties in the nature of interest from credit card 4294
receivables and receipts from fees charged to card holders, such 4295
as annual fees, if the billing address of the card holder is in 4296
this state. 4297

(8) The numerator of the sales factor includes net gains, but 4298
not less than zero, from the sale of credit card receivables 4299
multiplied by a fraction, the numerator of which is the amount 4300
included in the numerator of the sales factor pursuant to division 4301
(F)(7) of this section and the denominator of which is the 4302
taxpayer's total amount of interest and fees or penalties in the 4303
nature of interest from credit card receivables and fees charged 4304
to card holders. 4305

(9) The numerator of the sales factor includes all credit 4306
card issuer's reimbursement fees multiplied by a fraction, the 4307
numerator of which is the amount included in the numerator of the 4308
sales factor pursuant to division (F)(7) of this section and the 4309
denominator of which is the taxpayer's total amount of interest 4310
and fees or penalties in the nature of interest from credit card 4311

receivables and fees charged to card holders. 4312

(10) The numerator of the sales factor includes receipts from 4313
merchant discount if the commercial domicile of the merchant is in 4314
this state. Such receipts shall be computed net of any card holder 4315
charge backs, but shall not be reduced by any interchange 4316
transaction fees or by any issuer's reimbursement fees paid to 4317
another for charges made by its card holders. 4318

(11)(a)(i) The numerator of the sales factor includes loan 4319
servicing fees derived from loans secured by real property 4320
multiplied by a fraction the numerator of which is the amount 4321
included in the numerator of the sales factor pursuant to division 4322
(F)(4) of this section and the denominator of which is the total 4323
amount of interest and fees or penalties in the nature of interest 4324
from loans secured by real property. 4325

(ii) The numerator of the sales factor includes loan 4326
servicing fees derived from loans not secured by real property 4327
multiplied by a fraction the numerator of which is the amount 4328
included in the numerator of the sales factor pursuant to division 4329
(F)(5) of this section and the denominator of which is the total 4330
amount of interest and fees or penalties in the nature of interest 4331
from loans not secured by real property. 4332

(b) In circumstances in which the taxpayer receives loan 4333
servicing fees for servicing either the secured or the unsecured 4334
loans of another, the numerator of the sales factor shall include 4335
such fees if the borrower is located in this state. 4336

(12) The numerator of the sales factor includes receipts from 4337
services not otherwise apportioned under this section if the 4338
service is performed in this state. If the service is performed 4339
both within and without this state, the numerator of the sales 4340
factor includes receipts from services not otherwise apportioned 4341
under this section, if a greater proportion of the 4342

income-producing activity is performed in this state based on 4343
cost of performance. 4344

(13)(a) Interest, dividends, net gains, but not less than 4345
zero, and other income from investment assets and activities and 4346
from trading assets and activities shall be included in the sales 4347
factor. Investment assets and activities and trading assets and 4348
activities include but are not limited to: investment securities; 4349
trading account assets; federal funds; securities purchased and 4350
sold under agreements to resell or repurchase; options; futures 4351
contracts; forward contracts; notional principal contracts such as 4352
swaps; equities; and foreign currency transactions. With respect 4353
to the investment and trading assets and activities described in 4354
divisions (F)(13)(a)(i) and (ii) of this section, the sales factor 4355
shall include the amounts described in such divisions. 4356

(i) The sales factor shall include the amount by which 4357
interest from federal funds sold and securities purchased under 4358
resale agreements exceeds interest expense on federal funds 4359
purchased and securities sold under repurchase agreements. 4360

(ii) The sales factor shall include the amount by which 4361
interest, dividends, gains, and other income from trading assets 4362
and activities, including, but not limited to, assets and 4363
activities in the matched book, in the arbitrage book, and foreign 4364
currency transactions, exceed amounts paid in lieu of interest, 4365
amounts paid in lieu of dividends, and losses from such assets and 4366
activities. 4367

(b) The numerator of the sales factor includes interest, 4368
dividends, net gains, but not less than zero, and other income 4369
from investment assets and activities and from trading assets and 4370
activities described in division (F)(13)(a) of this section that 4371
are attributable to this state. 4372

(i) The amount of interest, other than interest described in 4373

division (F)(13)(b)(iv) of this section, dividends, other than 4374
dividends described in that division, net gains, but not less than 4375
zero, and other income from investment assets and activities in 4376
the investment account to be attributed to this state and included 4377
in the numerator is determined by multiplying all such income from 4378
such assets and activities by a fraction, the numerator of which 4379
is the average value of such assets which are properly assigned to 4380
a regular place of business of the taxpayer within this state and 4381
the denominator of which is the average value of all such assets. 4382

(ii) The amount of interest from federal funds sold and 4383
purchased and from securities purchased under resale agreements 4384
and securities sold under repurchase agreements attributable to 4385
this state and included in the numerator is determined by 4386
multiplying the amount described in division (F)(13)(a)(i) of this 4387
section from such funds and such securities by a fraction, the 4388
numerator of which is the average value of federal funds sold and 4389
securities purchased under agreements to resell which are properly 4390
assigned to a regular place of business of the taxpayer within 4391
this state and the denominator of which is the average value of 4392
all such funds and such securities. 4393

(iii) The amount of interest, dividends, gains, and other 4394
income from trading assets and activities, including but not 4395
limited to assets and activities in the matched book, in the 4396
arbitrage book, and foreign currency transaction, but excluding 4397
amounts described in division (F)(13)(b)(i) or (ii) of this 4398
section, attributable to this state and included in the numerator 4399
is determined by multiplying the amount described in division 4400
(F)(13)(a)(ii) of this section by a fraction, the numerator of 4401
which is the average value of such trading assets which are 4402
properly assigned to a regular place of business of the taxpayer 4403
within this state and the denominator of which is the average 4404
value of all such assets. 4405

(iv) The amount of dividends received on the capital stock 4406
of, and the amount of interest received from loans and advances 4407
to, subsidiary corporations at least fifty-one per cent of whose 4408
common stock is owned by the reporting financial institution shall 4409
be allocated in and out of this state by the application of a 4410
ratio whose numerator is the sum of the net book value of the 4411
payor's real property owned in this state and the payor's tangible 4412
personal property owned in this state and whose denominator is the 4413
sum of the net book value of the payor's real property owned 4414
wherever located and the payor's tangible personal property owned 4415
wherever located. For purposes of calculating this ratio, the 4416
taxpayer shall determine net book value in accordance with 4417
generally accepted accounting principles. 4418

(v) For purposes of this division, average value shall be 4419
determined using the rules for determining the average value of 4420
tangible personal property set forth in division (D)(2) and (3) of 4421
this section. 4422

(c) In lieu of using the method set forth in division 4423
(F)(13)(b) of this section, the taxpayer may elect, or the tax 4424
commissioner may require in order to fairly represent the business 4425
activity of the taxpayer in this state, the use of the method set 4426
forth in division (F)(13)(c) of this section. 4427

(i) The amount of interest, other than interest described in 4428
division (F)(13)(b)(iv) of this section, dividends, other than 4429
dividends described in that division, net gains, but not less than 4430
zero, and other income from investment assets and activities in 4431
the investment account to be attributed to this state and included 4432
in the numerator is determined by multiplying all such income from 4433
such assets and activities by a fraction, the numerator of which 4434
is the gross income from such assets and activities which are 4435
properly assigned to a regular place of business of the taxpayer 4436
within this state, and the denominator of which is the gross 4437

income from all such assets and activities. 4438

(ii) The amount of interest from federal funds sold and 4439
purchased and from securities purchased under resale agreements 4440
and securities sold under repurchase agreements attributable to 4441
this state and included in the numerator is determined by 4442
multiplying the amount described in division (F)(13)(a)(i) of this 4443
section from such funds and such securities by a fraction, the 4444
numerator of which is the gross income from such funds and such 4445
securities which are properly assigned to a regular place of 4446
business of the taxpayer within this state and the denominator of 4447
which is the gross income from all such funds and such securities. 4448

(iii) The amount of interest, dividends, gains, and other 4449
income from trading assets and activities, including, but not 4450
limited to, assets and activities in the matched book, in the 4451
arbitrage book, and foreign currency transactions, but excluding 4452
amounts described in division (F)(13)(a)(i) or (ii) of this 4453
section, attributable to this state and included in the numerator, 4454
is determined by multiplying the amount described in division 4455
(F)(13)(a)(ii) of this section by a fraction, the numerator of 4456
which is the gross income from such trading assets and activities 4457
which are properly assigned to a regular place of business of the 4458
taxpayer within this state and the denominator of which is the 4459
gross income from all such assets and activities. 4460

(iv) The amount of dividends received on the capital stock 4461
of, and the amount of interest received from loans and advances 4462
to, subsidiary corporations at least fifty-one per cent of whose 4463
common stock is owned by the reporting financial institution shall 4464
be allocated in and out of this state by the application of a 4465
ratio whose numerator is the sum of the net book value of the 4466
payor's real property owned in this state and the payor's tangible 4467
personal property owned in this state and whose denominator is the 4468
sum of the payor's real property owned wherever located and the 4469

payor's tangible personal property owned wherever located. For 4470
purposes of calculating this ratio, the taxpayer shall determine 4471
net book value in accordance with generally accepted accounting 4472
principles. 4473

(d) If the taxpayer elects or is required by the tax 4474
commissioner to use the method set forth in division (F)(13)(c) of 4475
this section, it shall use this method on all subsequent returns 4476
unless the taxpayer receives prior permission from the tax 4477
commissioner to use or the tax commissioner requires a different 4478
method. 4479

(e) The taxpayer shall have the burden of proving that an 4480
investment asset or activity or trading asset or activity was 4481
properly assigned to a regular place of business outside of this 4482
state by demonstrating that the day-to-day decisions regarding the 4483
asset or activity occurred at a regular place of business outside 4484
this state. Where the day-to-day decisions regarding an investment 4485
asset or activity or trading asset or activity occur at more than 4486
one regular place of business and one such regular place of 4487
business is in this state and one such regular place of business 4488
is outside this state such asset or activity shall be considered 4489
to be located at the regular place of business of the taxpayer 4490
where the investment or trading policies or guidelines with 4491
respect to the asset or activity are established. Unless the 4492
taxpayer demonstrates to the contrary, such policies and 4493
guidelines shall be presumed to be established at the commercial 4494
domicile of the taxpayer. 4495

(14) The numerator of the sales factor includes all other 4496
receipts if either: 4497

(a) The income-producing activity is performed solely in this 4498
state; or 4499

(b) The income-producing activity is performed both within 4500

and without this state and a greater proportion of the 4501
income-producing activity is performed within this state than in 4502
any other state, based on costs of performance. 4503

(G) A qualified institution may calculate the base upon which 4504
the fee provided for in division (D) of section 5733.06 of the 4505
Revised Code is determined for each tax year by multiplying the 4506
value of its issued and outstanding shares of stock determined 4507
under division (B) of this section by a single deposits fraction 4508
whose numerator is the deposits assigned to branches in this state 4509
and whose denominator is the deposits assigned to branches 4510
everywhere. Deposits shall be assigned to branches in the same 4511
manner in which the assignment is made for regulatory purposes. If 4512
the base calculated under this division is less than the base 4513
calculated under division (C) of this section, then the qualifying 4514
institution may elect to substitute the base calculated under this 4515
division for the base calculated under division (C) of this 4516
section. Such election may be made annually for each tax year on 4517
the corporate report. The election need not accompany the report; 4518
rather, the election may accompany a subsequently filed but timely 4519
application for refund, a subsequently filed but timely amended 4520
report, or a subsequently filed but timely petition for 4521
reassessment. The election is not irrevocable and it applies only 4522
to the specified tax year. Nothing in this division shall be 4523
construed to extend any statute of limitations set forth in this 4524
chapter. 4525

(H) If the apportionment provisions of this section do not 4526
fairly represent the extent of the taxpayer's business activity in 4527
this state, the taxpayer may petition for or the tax commissioner 4528
may require, in respect to all or any part of the taxpayer's 4529
business activity, if reasonable: 4530

(1) Separate accounting; 4531

(2) The exclusion of any one or more of the factors; 4532

(3) The inclusion of one or more additional factors which 4533
will fairly represent the taxpayer's business activity in this 4534
state; or 4535

(4) The employment of any other method to effectuate an 4536
equitable allocation and apportionment of the taxpayer's value. 4537

(I) For tax year 2012 and every tax year thereafter, a 4538
qualified financial institution may calculate the base upon which 4539
the tax imposed by division (D) of section 5733.06 of the Revised 4540
Code is determined by multiplying the value of the qualified 4541
financial institution's issued and outstanding shares of stock as 4542
determined under division (B) of this section by the sales factor 4543
calculated in division (F) of this section instead of using the 4544
base calculated under division (C) of this section. An election 4545
under this division shall accompany the report or a subsequently 4546
filed but timely amended report. 4547

Sec. 5735.02. (A) A motor fuel dealer shall not receive, use, 4548
sell, or distribute any motor fuel or engage in business within 4549
this state unless the motor fuel dealer holds an unrevoked license 4550
issued by the tax commissioner to engage in such business. ~~Fe~~ 4551

(B) To procure ~~such a motor fuel dealer's~~ license, every 4552
motor fuel dealer shall file with the commissioner an application 4553
verified under oath by the applicant and in such form as the 4554
commissioner prescribes, setting forth, in addition to such other 4555
information required by the commissioner, the following: 4556

~~(A)~~(1) The name under which the motor fuel dealer will 4557
transact business within the state; 4558

~~(B)~~(2) The location, including street number address, of its 4559
principal office or place of business within this state; 4560

~~(C)~~(3) The name and address of the owner, or the names and 4561
addresses of the partners if such motor fuel dealer is a 4562

partnership, or the names and addresses of the principal officers 4563
if such motor fuel dealer is a corporation or an association; 4564

~~(D)~~(4) If such motor fuel dealer is a corporation organized 4565
under the laws of another state, territory, or country, a 4566
certified copy of the certificate or license issued by the Ohio 4567
secretary of state showing that such corporation is authorized to 4568
transact business in this state; 4569

~~(E)~~(5) An agreement that the motor fuel dealer will assume 4570
the liability and will pay the tax on any shipment of motor fuel 4571
made into the state from any other state or foreign country and 4572
sold or caused to be sold by such motor fuel dealer for delivery 4573
to a person in this state who is not the holder of an unrevoked 4574
motor fuel dealer's license. 4575

~~An~~ (C)(1) Except as provided in division (C)(2) of this 4576
section, an application for a license shall be accompanied by a 4577
bond, of the character stipulated and in the amount provided for 4578
in section 5735.03 of the Revised Code, which shall be filed with 4579
the commissioner. 4580

(2) The tax commissioner may exempt a motor fuel dealer from 4581
the requirements set forth in division (C)(1) of this section and 4582
section 5735.03 of the Revised Code if the motor fuel dealer only 4583
sells or distributes motor fuel upon which the motor fuel taxes 4584
imposed under this chapter have been paid or are not required to 4585
be paid by the motor fuel dealer. 4586

(D) If any application for a license to transact business as 4587
a motor fuel dealer in the state is filed by any person who has 4588
had any license previously canceled for cause by the tax 4589
commissioner; if the commissioner believes that such application 4590
is not filed in good faith or that such application is filed as a 4591
subterfuge by some person for the real person in interest who has 4592
previously had any license canceled for cause by the tax 4593

commissioner; or if the person has violated any provision of this 4594
chapter, then the tax commissioner, after a hearing, of which the 4595
applicant shall be given five days' notice in writing and at which 4596
said applicant shall have the right to appear in person or by 4597
counsel and present testimony, may refuse to issue to such person 4598
a license to transact business as a motor fuel dealer in the 4599
state. 4600

(E) When the application in proper form has been accepted for 4601
filing, and the bond accepted and approved, the commissioner shall 4602
issue to such motor fuel dealer a license to transact business as 4603
a motor fuel dealer in the state, subject to cancellation of such 4604
license as provided by law. 4605

(F) No person shall make a false or fraudulent statement on 4606
the application required by this section. 4607

Sec. 5735.03. Every Except as provided in division (C)(2) of 4608
section 5735.02 of the Revised Code, every motor fuel dealer shall 4609
file with the tax commissioner a surety bond of not less than five 4610
thousand dollars, but may be required by the tax commissioner to 4611
submit a surety bond equal to three months' average tax liability, 4612
on a form approved by and with a surety satisfactory to the 4613
commissioner, upon which the motor fuel dealer shall be the 4614
principal obligor and the state shall be the obligee, conditioned 4615
upon the prompt filing of true reports and the payment by the 4616
motor fuel dealer to the treasurer of state of all motor fuel 4617
excise taxes levied by the state, provided that after notice is 4618
received from the state by the surety of the delinquency of any 4619
taxes, if the surety pays the taxes within thirty days after the 4620
receipt of the notice no penalties or interest shall be charged 4621
against the surety. If the surety does not pay the taxes within 4622
thirty days, but does pay within ninety days from the date of the 4623
receipt of notice from the state by the surety, no penalty shall 4624

be assessed against the surety but the surety shall pay interest 4625
at the rate of six per cent per annum on the unpaid taxes from the 4626
date the taxes are due and payable. If the surety does not pay 4627
within ninety days then the surety shall be liable for interest 4628
and penalties, and the tax commissioner may cancel all bonds 4629
issued by the surety. 4630

The commissioner may increase or reduce the amount of the 4631
bond required to be filed by any licensed motor fuel dealer. If 4632
the commissioner finds that it is necessary to increase the bond 4633
to assure payment of the tax, the bond may be increased to an 4634
amount equal to three months/average liability or fifty thousand 4635
dollars, whichever is greater. 4636

If liability upon the bond thus filed by the motor fuel 4637
dealer with the commissioner is discharged or reduced, whether by 4638
judgment rendered, payment made, or otherwise, or if, in the 4639
opinion of the commissioner any surety on the bond theretofore 4640
given has become unsatisfactory or unacceptable, the commissioner 4641
may require the motor fuel dealer to file a new bond with 4642
satisfactory sureties in the same amount, and if a new bond is not 4643
filed the commissioner shall forthwith cancel the license of the 4644
motor fuel dealer. If a new bond is furnished by the motor fuel 4645
dealer, the commissioner shall cancel and surrender the bond of 4646
the motor fuel dealer for which the new bond is substituted. 4647

A surety on a bond furnished by a motor fuel dealer shall be 4648
released from all liability to the state accruing on the bond 4649
after the expiration of sixty days from the date upon which the 4650
surety lodges with the commissioner a written request to be 4651
released. The request shall not operate to release the surety from 4652
any liability already accrued, or which accrues before the 4653
expiration of the sixty-day period. The commissioner shall 4654
promptly on receipt of notice of the request notify the motor fuel 4655
dealer who furnished the bond and, unless the motor fuel dealer on 4656

or before the expiration of the sixty-day period files with the 4657
commissioner a new bond with a surety satisfactory to the 4658
commissioner in the amount and form provided in this section, the 4659
commissioner shall forthwith cancel the license of the motor fuel 4660
dealer. If the new bond is furnished by said motor fuel dealer, 4661
the commissioner shall cancel and surrender the bond of the motor 4662
fuel dealer for which the new bond is substituted. 4663

The commissioner, in lieu of any surety bond required by this 4664
section, may accept a deposit by a motor fuel dealer of cash. Any 4665
cash thus accepted shall be deposited with the treasurer of state 4666
to be held by the treasurer of state, in the same manner as other 4667
cash required to be deposited with the treasurer of state under 4668
the laws of the state, for the account of such motor fuel dealer 4669
and subject to any lawful claim of the state for any excise tax 4670
upon motor fuel, and penalties and interest thereon levied by the 4671
laws of this state. The state shall have a lien upon cash thus 4672
deposited for the amount of any motor fuel excise taxes and 4673
penalty and interest due to the state from the motor fuel dealer 4674
in whose behalf they were deposited. The amount of cash to be thus 4675
accepted shall in all respects be determined in the same manner as 4676
provided in this section for the amount of surety bonds. Any cash 4677
deposited shall be subject to levy upon execution to satisfy any 4678
judgment secured in any action by the state to recover any motor 4679
fuel excise taxes, and penalties and interest found to be due to 4680
the state from such motor fuel dealer. The cash shall be released 4681
by the treasurer of state upon certificate of the commissioner 4682
that the license of the motor fuel dealer in whose behalf they 4683
have been deposited has been canceled or that other security has 4684
been accepted in lieu thereof, and that the state asserts no claim 4685
thereto. 4686

Sec. 5735.35. (A)(1) If any ~~corporation or business trust~~ 4687
person, regardless of organizational form, required to file 4688

reports and to remit taxes imposed under this chapter fails for 4689
any reason to file such reports or pay such taxes, any employees 4690
of the ~~corporation or business trust~~ person having control or 4691
supervision of, or charged with the responsibility of, filing 4692
reports and making payments, or any officers or trustees of the 4693
~~corporation or business trust~~ person responsible for the execution 4694
of the ~~corporation's or business trust's~~ person's fiscal 4695
responsibilities, are personally liable for the ~~unpaid liability~~ 4696
~~resulting from the failure to file such reports or pay such taxes.~~ 4697

(2) The dissolution, termination, or bankruptcy of a 4698
~~corporation or business trust~~ person shall not discharge a 4699
responsible officer's, shareholder's, member's, manager's, 4700
employee's, or trustee's liability for failure of the person to 4701
file reports or remit taxes. The sum due for the liability may be 4702
collected by assessment in the manner provided in sections 5735.12 4703
and 5735.121 of the Revised Code. 4704

(B) If more than one ~~person~~ individual is personally liable 4705
under this section for the unpaid tax of a ~~corporation or business~~ 4706
~~trust~~ person, then the liability of all such individuals shall be 4707
joint and several. 4708

Sec. 5739.01. As used in this chapter: 4709

(A) "Person" includes individuals, receivers, assignees, 4710
trustees in bankruptcy, estates, firms, partnerships, 4711
associations, joint-stock companies, joint ventures, clubs, 4712
societies, corporations, the state and its political subdivisions, 4713
and combinations of individuals of any form. 4714

(B) "Sale" and "selling" include all of the following 4715
transactions for a consideration in any manner, whether absolutely 4716
or conditionally, whether for a price or rental, in money or by 4717
exchange, and by any means whatsoever: 4718

(1) All transactions by which title or possession, or both, 4719
of tangible personal property, is or is to be transferred, or a 4720
license to use or consume tangible personal property is or is to 4721
be granted; 4722

(2) All transactions by which lodging by a hotel is or is to 4723
be furnished to transient guests; 4724

(3) All transactions by which: 4725

(a) An item of tangible personal property is or is to be 4726
repaired, except property, the purchase of which would not be 4727
subject to the tax imposed by section 5739.02 of the Revised Code; 4728

(b) An item of tangible personal property is or is to be 4729
installed, except property, the purchase of which would not be 4730
subject to the tax imposed by section 5739.02 of the Revised Code 4731
or property that is or is to be incorporated into and will become 4732
a part of a production, transmission, transportation, or 4733
distribution system for the delivery of a public utility service; 4734

(c) The service of washing, cleaning, waxing, polishing, or 4735
painting a motor vehicle is or is to be furnished; 4736

(d) Until August 1, 2003, industrial laundry cleaning 4737
services are or are to be provided and, on and after August 1, 4738
2003, laundry and dry cleaning services are or are to be provided; 4739

(e) Automatic data processing, computer services, or 4740
electronic information services are or are to be provided for use 4741
in business when the true object of the transaction is the receipt 4742
by the consumer of automatic data processing, computer services, 4743
or electronic information services rather than the receipt of 4744
personal or professional services to which automatic data 4745
processing, computer services, or electronic information services 4746
are incidental or supplemental. Notwithstanding any other 4747
provision of this chapter, such transactions that occur between 4748
members of an affiliated group are not sales. An "affiliated 4749

group" means two or more persons related in such a way that one 4750
person owns or controls the business operation of another member 4751
of the group. In the case of corporations with stock, one 4752
corporation owns or controls another if it owns more than fifty 4753
per cent of the other corporation's common stock with voting 4754
rights. 4755

(f) Telecommunications service, including prepaid calling 4756
service, prepaid wireless calling service, or ancillary service, 4757
is or is to be provided, but not including coin-operated telephone 4758
service; 4759

(g) Landscaping and lawn care service is or is to be 4760
provided; 4761

(h) Private investigation and security service is or is to be 4762
provided; 4763

(i) Information services or tangible personal property is 4764
provided or ordered by means of a nine hundred telephone call; 4765

(j) Building maintenance and janitorial service is or is to 4766
be provided; 4767

(k) Employment service is or is to be provided; 4768

(l) Employment placement service is or is to be provided; 4769

(m) Exterminating service is or is to be provided; 4770

(n) Physical fitness facility service is or is to be 4771
provided; 4772

(o) Recreation and sports club service is or is to be 4773
provided; 4774

(p) On and after August 1, 2003, satellite broadcasting 4775
service is or is to be provided; 4776

(q) On and after August 1, 2003, personal care service is or 4777
is to be provided to an individual. As used in this division, 4778

"personal care service" includes skin care, the application of cosmetics, manicuring, pedicuring, hair removal, tattooing, body piercing, tanning, massage, and other similar services. "Personal care service" does not include a service provided by or on the order of a licensed physician or licensed chiropractor, or the cutting, coloring, or styling of an individual's hair.

(r) On and after August 1, 2003, the transportation of persons by motor vehicle or aircraft is or is to be provided, when the transportation is entirely within this state, except for transportation provided by an ambulance service, by a transit bus, as defined in section 5735.01 of the Revised Code, and transportation provided by a citizen of the United States holding a certificate of public convenience and necessity issued under 49 U.S.C. 41102;

(s) On and after August 1, 2003, motor vehicle towing service is or is to be provided. As used in this division, "motor vehicle towing service" means the towing or conveyance of a wrecked, disabled, or illegally parked motor vehicle.

(t) On and after August 1, 2003, snow removal service is or is to be provided. As used in this division, "snow removal service" means the removal of snow by any mechanized means, but does not include the providing of such service by a person that has less than five thousand dollars in sales of such service during the calendar year.

(u) Electronic publishing service is or is to be provided to a consumer for use in business, except that such transactions occurring between members of an affiliated group, as defined in division (B)(3)(e) of this section, are not sales.

(4) All transactions by which printed, imprinted, overprinted, lithographic, multilithic, blueprinted, photostatic, or other productions or reproductions of written or graphic matter

are or are to be furnished or transferred; 4810

(5) The production or fabrication of tangible personal 4811
property for a consideration for consumers who furnish either 4812
directly or indirectly the materials used in the production of 4813
fabrication work; and include the furnishing, preparing, or 4814
serving for a consideration of any tangible personal property 4815
consumed on the premises of the person furnishing, preparing, or 4816
serving such tangible personal property. Except as provided in 4817
section 5739.03 of the Revised Code, a construction contract 4818
pursuant to which tangible personal property is or is to be 4819
incorporated into a structure or improvement on and becoming a 4820
part of real property is not a sale of such tangible personal 4821
property. The construction contractor is the consumer of such 4822
tangible personal property, provided that the sale and 4823
installation of carpeting, the sale and installation of 4824
agricultural land tile, the sale and erection or installation of 4825
portable grain bins, or the provision of landscaping and lawn care 4826
service and the transfer of property as part of such service is 4827
never a construction contract. 4828

As used in division (B)(5) of this section: 4829

(a) "Agricultural land tile" means fired clay or concrete 4830
tile, or flexible or rigid perforated plastic pipe or tubing, 4831
incorporated or to be incorporated into a subsurface drainage 4832
system appurtenant to land used or to be used primarily in 4833
production by farming, agriculture, horticulture, or floriculture. 4834
The term does not include such materials when they are or are to 4835
be incorporated into a drainage system appurtenant to a building 4836
or structure even if the building or structure is used or to be 4837
used in such production. 4838

(b) "Portable grain bin" means a structure that is used or to 4839
be used by a person engaged in farming or agriculture to shelter 4840
the person's grain and that is designed to be disassembled without 4841

significant damage to its component parts. 4842

(6) All transactions in which all of the shares of stock of a 4843
closely held corporation are transferred, or an ownership interest 4844
in a pass-through entity, as defined in section 5733.04 of the 4845
Revised Code, is transferred, if the corporation or pass-through 4846
entity is not engaging in business and its entire assets consist 4847
of boats, planes, motor vehicles, or other tangible personal 4848
property operated primarily for the use and enjoyment of the 4849
shareholders or owners; 4850

(7) All transactions in which a warranty, maintenance or 4851
service contract, or similar agreement by which the vendor of the 4852
warranty, contract, or agreement agrees to repair or maintain the 4853
tangible personal property of the consumer is or is to be 4854
provided; 4855

(8) The transfer of copyrighted motion picture films used 4856
solely for advertising purposes, except that the transfer of such 4857
films for exhibition purposes is not a sale; 4858

(9) On and after August 1, 2003, all transactions by which 4859
tangible personal property is or is to be stored, except such 4860
property that the consumer of the storage holds for sale in the 4861
regular course of business; 4862

(10) All transactions in which "guaranteed auto protection" 4863
is provided whereby a person promises to pay to the consumer the 4864
difference between the amount the consumer receives from motor 4865
vehicle insurance and the amount the consumer owes to a person 4866
holding title to or a lien on the consumer's motor vehicle in the 4867
event the consumer's motor vehicle suffers a total loss under the 4868
terms of the motor vehicle insurance policy or is stolen and not 4869
recovered, if the protection and its price are included in the 4870
purchase or lease agreement; 4871

(11)(a) Except as provided in division (B)(11)(b) of this 4872

section, on and after October 1, 2009, all transactions by which 4873
health care services are paid for, reimbursed, provided, 4874
delivered, arranged for, or otherwise made available by a medicaid 4875
health insuring corporation pursuant to the corporation's contract 4876
with the state. 4877

(b) If the centers for medicare and medicaid services of the 4878
United States department of health and human services determines 4879
that the taxation of transactions described in division (B)(11)(a) 4880
of this section constitutes an impermissible health care-related 4881
tax under section 1903(w) of the "Social Security Act," 49 Stat. 4882
620 (1935), 42 U.S.C. 1396b(w), as amended, and regulations 4883
adopted thereunder, the director of job and family services shall 4884
notify the tax commissioner of that determination. Beginning with 4885
the first day of the month following that notification, the 4886
transactions described in division (B)(11)(a) of this section are 4887
not sales for the purposes of this chapter or Chapter 5741. of the 4888
Revised Code. The tax commissioner shall order that the collection 4889
of taxes under sections 5739.02, 5739.021, 5739.023, 5739.026, 4890
5741.02, 5741.021, 5741.022, and 5741.023 of the Revised Code 4891
shall cease for transactions occurring on or after that date. 4892

Except as provided in this section, "sale" and "selling" do 4893
not include transfers of interest in leased property where the 4894
original lessee and the terms of the original lease agreement 4895
remain unchanged, or professional, insurance, or personal service 4896
transactions that involve the transfer of tangible personal 4897
property as an inconsequential element, for which no separate 4898
charges are made. 4899

(C) "Vendor" means the person providing the service or by 4900
whom the transfer effected or license given by a sale is or is to 4901
be made or given and, for sales described in division (B)(3)(i) of 4902
this section, the telecommunications service vendor that provides 4903
the nine hundred telephone service; if two or more persons are 4904

engaged in business at the same place of business under a single 4905
trade name in which all collections on account of sales by each 4906
are made, such persons shall constitute a single vendor. 4907

Physicians, dentists, hospitals, and veterinarians who are 4908
engaged in selling tangible personal property as received from 4909
others, such as eyeglasses, mouthwashes, dentifrices, or similar 4910
articles, are vendors. Veterinarians who are engaged in 4911
transferring to others for a consideration drugs, the dispensing 4912
of which does not require an order of a licensed veterinarian or 4913
physician under federal law, are vendors. 4914

(D)(1) "Consumer" means the person for whom the service is 4915
provided, to whom the transfer effected or license given by a sale 4916
is or is to be made or given, to whom the service described in 4917
division (B)(3)(f) or (i) of this section is charged, or to whom 4918
the admission is granted. 4919

(2) Physicians, dentists, hospitals, and blood banks operated 4920
by nonprofit institutions and persons licensed to practice 4921
veterinary medicine, surgery, and dentistry are consumers of all 4922
tangible personal property and services purchased by them in 4923
connection with the practice of medicine, dentistry, the rendition 4924
of hospital or blood bank service, or the practice of veterinary 4925
medicine, surgery, and dentistry. In addition to being consumers 4926
of drugs administered by them or by their assistants according to 4927
their direction, veterinarians also are consumers of drugs that 4928
under federal law may be dispensed only by or upon the order of a 4929
licensed veterinarian or physician, when transferred by them to 4930
others for a consideration to provide treatment to animals as 4931
directed by the veterinarian. 4932

(3) A person who performs a facility management, or similar 4933
service contract for a contractee is a consumer of all tangible 4934
personal property and services purchased for use in connection 4935
with the performance of such contract, regardless of whether title 4936

to any such property vests in the contractee. The purchase of such 4937
property and services is not subject to the exception for resale 4938
under division (E)(1) of this section. 4939

(4)(a) In the case of a person who purchases printed matter 4940
for the purpose of distributing it or having it distributed to the 4941
public or to a designated segment of the public, free of charge, 4942
that person is the consumer of that printed matter, and the 4943
purchase of that printed matter for that purpose is a sale. 4944

(b) In the case of a person who produces, rather than 4945
purchases, printed matter for the purpose of distributing it or 4946
having it distributed to the public or to a designated segment of 4947
the public, free of charge, that person is the consumer of all 4948
tangible personal property and services purchased for use or 4949
consumption in the production of that printed matter. That person 4950
is not entitled to claim exemption under division (B)(42)(f) of 4951
section 5739.02 of the Revised Code for any material incorporated 4952
into the printed matter or any equipment, supplies, or services 4953
primarily used to produce the printed matter. 4954

(c) The distribution of printed matter to the public or to a 4955
designated segment of the public, free of charge, is not a sale to 4956
the members of the public to whom the printed matter is 4957
distributed or to any persons who purchase space in the printed 4958
matter for advertising or other purposes. 4959

(5) A person who makes sales of any of the services listed in 4960
division (B)(3) of this section is the consumer of any tangible 4961
personal property used in performing the service. The purchase of 4962
that property is not subject to the resale exception under 4963
division (E)(1) of this section. 4964

(6) A person who engages in highway transportation for hire 4965
is the consumer of all packaging materials purchased by that 4966
person and used in performing the service, except for packaging 4967

materials sold by such person in a transaction separate from the 4968
service. 4969

(7) In the case of a transaction for health care services 4970
under division (B)(11) of this section, a medicaid health insuring 4971
corporation is the consumer of such services. The purchase of such 4972
services by a medicaid health insuring corporation is not subject 4973
to the exception for resale under division (E)(1) of this section 4974
or to the exemptions provided under divisions (B)(12), (18), (19), 4975
and (22) of section 5739.02 of the Revised Code. 4976

(E) "Retail sale" and "sales at retail" include all sales, 4977
except those in which the purpose of the consumer is to resell the 4978
thing transferred or benefit of the service provided, by a person 4979
engaging in business, in the form in which the same is, or is to 4980
be, received by the person. 4981

(F) "Business" includes any activity engaged in by any person 4982
with the object of gain, benefit, or advantage, either direct or 4983
indirect. "Business" does not include the activity of a person in 4984
managing and investing the person's own funds. 4985

(G) "Engaging in business" means commencing, conducting, or 4986
continuing in business, and liquidating a business when the 4987
liquidator thereof holds itself out to the public as conducting 4988
such business. Making a casual sale is not engaging in business. 4989

(H)(1)(a) "Price," except as provided in divisions (H)(2), 4990
(3), and (4) of this section, means the total amount of 4991
consideration, including cash, credit, property, and services, for 4992
which tangible personal property or services are sold, leased, or 4993
rented, valued in money, whether received in money or otherwise, 4994
without any deduction for any of the following: 4995

(i) The vendor's cost of the property sold; 4996

(ii) The cost of materials used, labor or service costs, 4997
interest, losses, all costs of transportation to the vendor, all 4998

taxes imposed on the vendor, including the tax imposed under	4999
Chapter 5751. of the Revised Code, and any other expense of the	5000
vendor;	5001
(iii) Charges by the vendor for any services necessary to	5002
complete the sale;	5003
(iv) On and after August 1, 2003, delivery charges. As used	5004
in this division, "delivery charges" means charges by the vendor	5005
for preparation and delivery to a location designated by the	5006
consumer of tangible personal property or a service, including	5007
transportation, shipping, postage, handling, crating, and packing.	5008
(v) Installation charges;	5009
(vi) Credit for any trade-in.	5010
(b) "Price" includes consideration received by the vendor	5011
from a third party, if the vendor actually receives the	5012
consideration from a party other than the consumer, and the	5013
consideration is directly related to a price reduction or discount	5014
on the sale; the vendor has an obligation to pass the price	5015
reduction or discount through to the consumer; the amount of the	5016
consideration attributable to the sale is fixed and determinable	5017
by the vendor at the time of the sale of the item to the consumer;	5018
and one of the following criteria is met:	5019
(i) The consumer presents a coupon, certificate, or other	5020
document to the vendor to claim a price reduction or discount	5021
where the coupon, certificate, or document is authorized,	5022
distributed, or granted by a third party with the understanding	5023
that the third party will reimburse any vendor to whom the coupon,	5024
certificate, or document is presented;	5025
(ii) The consumer identifies the consumer's self to the	5026
seller as a member of a group or organization entitled to a price	5027
reduction or discount. A preferred customer card that is available	5028
to any patron does not constitute membership in such a group or	5029

organization. 5030

(iii) The price reduction or discount is identified as a 5031
third party price reduction or discount on the invoice received by 5032
the consumer, or on a coupon, certificate, or other document 5033
presented by the consumer. 5034

(c) "Price" does not include any of the following: 5035

(i) Discounts, including cash, term, or coupons that are not 5036
reimbursed by a third party that are allowed by a vendor and taken 5037
by a consumer on a sale; 5038

(ii) Interest, financing, and carrying charges from credit 5039
extended on the sale of tangible personal property or services, if 5040
the amount is separately stated on the invoice, bill of sale, or 5041
similar document given to the purchaser; 5042

(iii) Any taxes legally imposed directly on the consumer that 5043
are separately stated on the invoice, bill of sale, or similar 5044
document given to the consumer. For the purpose of this division, 5045
the tax imposed under Chapter 5751. of the Revised Code is not a 5046
tax directly on the consumer, even if the tax or a portion thereof 5047
is separately stated. 5048

(iv) Notwithstanding divisions (H)(1)(b)(i) to (iii) of this 5049
section, any discount allowed by an automobile manufacturer to its 5050
employee, or to the employee of a supplier, on the purchase of a 5051
new motor vehicle from a new motor vehicle dealer in this state. 5052

(v) The dollar value of a gift card that is not sold by a 5053
vendor or purchased by a consumer and that is redeemed by the 5054
consumer in purchasing tangible personal property or services if 5055
the vendor is not reimbursed and does not receive compensation 5056
from a third party to cover all or part of the gift card value. 5057
For the purposes of this division, a gift card is not sold by a 5058
vendor or purchased by a consumer if it is distributed pursuant to 5059
an awards, loyalty, or promotional program. Past and present 5060

purchases of tangible personal property or services by the 5061
consumer shall not be treated as consideration exchanged for a 5062
gift card. 5063

(2) In the case of a sale of any new motor vehicle by a new 5064
motor vehicle dealer, as defined in section 4517.01 of the Revised 5065
Code, in which another motor vehicle is accepted by the dealer as 5066
part of the consideration received, "price" has the same meaning 5067
as in division (H)(1) of this section, reduced by the credit 5068
afforded the consumer by the dealer for the motor vehicle received 5069
in trade. 5070

(3) In the case of a sale of any watercraft or outboard motor 5071
by a watercraft dealer licensed in accordance with section 5072
1547.543 of the Revised Code, in which another watercraft, 5073
watercraft and trailer, or outboard motor is accepted by the 5074
dealer as part of the consideration received, "price" has the same 5075
meaning as in division (H)(1) of this section, reduced by the 5076
credit afforded the consumer by the dealer for the watercraft, 5077
watercraft and trailer, or outboard motor received in trade. As 5078
used in this division, "watercraft" includes an outdrive unit 5079
attached to the watercraft. 5080

(4) In the case of transactions for health care services 5081
under division (B)(11) of this section, "price" means the amount 5082
of managed care premiums received each month by a medicaid health 5083
insuring corporation. 5084

(I) "Receipts" means the total amount of the prices of the 5085
sales of vendors, provided that the dollar value of gift cards 5086
distributed pursuant to an awards, loyalty, or promotional 5087
program, and cash discounts allowed and taken on sales at the time 5088
they are consummated are not included, minus any amount deducted 5089
as a bad debt pursuant to section 5739.121 of the Revised Code. 5090
"Receipts" does not include the sale price of property returned or 5091
services rejected by consumers when the full sale price and tax 5092

are refunded either in cash or by credit. 5093

(J) "Place of business" means any location at which a person 5094
engages in business. 5095

(K) "Premises" includes any real property or portion thereof 5096
upon which any person engages in selling tangible personal 5097
property at retail or making retail sales and also includes any 5098
real property or portion thereof designated for, or devoted to, 5099
use in conjunction with the business engaged in by such person. 5100

(L) "Casual sale" means a sale of an item of tangible 5101
personal property that was obtained by the person making the sale, 5102
through purchase or otherwise, for the person's own use and was 5103
previously subject to any state's taxing jurisdiction on its sale 5104
or use, and includes such items acquired for the seller's use that 5105
are sold by an auctioneer employed directly by the person for such 5106
purpose, provided the location of such sales is not the 5107
auctioneer's permanent place of business. As used in this 5108
division, "permanent place of business" includes any location 5109
where such auctioneer has conducted more than two auctions during 5110
the year. 5111

(M) "Hotel" means every establishment kept, used, maintained, 5112
advertised, or held out to the public to be a place where sleeping 5113
accommodations are offered to guests, in which five or more rooms 5114
are used for the accommodation of such guests, whether the rooms 5115
are in one or several structures, except as otherwise provided in 5116
division (G) of section 5739.09 of the Revised Code. 5117

(N) "Transient guests" means persons occupying a room or 5118
rooms for sleeping accommodations for less than thirty consecutive 5119
days. 5120

(O) "Making retail sales" means the effecting of transactions 5121
wherein one party is obligated to pay the price and the other 5122
party is obligated to provide a service or to transfer title to or 5123

possession of the item sold. "Making retail sales" does not 5124
include the preliminary acts of promoting or soliciting the retail 5125
sales, other than the distribution of printed matter which 5126
displays or describes and prices the item offered for sale, nor 5127
does it include delivery of a predetermined quantity of tangible 5128
personal property or transportation of property or personnel to or 5129
from a place where a service is performed, ~~regardless of whether~~ 5130
~~the vendor is a delivery vendor.~~ 5131

(P) "Used directly in the rendition of a public utility 5132
service" means that property that is to be incorporated into and 5133
will become a part of the consumer's production, transmission, 5134
transportation, or distribution system and that retains its 5135
classification as tangible personal property after such 5136
incorporation; fuel or power used in the production, transmission, 5137
transportation, or distribution system; and tangible personal 5138
property used in the repair and maintenance of the production, 5139
transmission, transportation, or distribution system, including 5140
only such motor vehicles as are specially designed and equipped 5141
for such use. Tangible personal property and services used 5142
primarily in providing highway transportation for hire are not 5143
used directly in the rendition of a public utility service. In 5144
this definition, "public utility" includes a citizen of the United 5145
States holding, and required to hold, a certificate of public 5146
convenience and necessity issued under 49 U.S.C. 41102. 5147

(Q) "Refining" means removing or separating a desirable 5148
product from raw or contaminated materials by distillation or 5149
physical, mechanical, or chemical processes. 5150

(R) "Assembly" and "assembling" mean attaching or fitting 5151
together parts to form a product, but do not include packaging a 5152
product. 5153

(S) "Manufacturing operation" means a process in which 5154
materials are changed, converted, or transformed into a different 5155

state or form from which they previously existed and includes 5156
refining materials, assembling parts, and preparing raw materials 5157
and parts by mixing, measuring, blending, or otherwise committing 5158
such materials or parts to the manufacturing process. 5159

"Manufacturing operation" does not include packaging. 5160

(T) "Fiscal officer" means, with respect to a regional 5161
transit authority, the secretary-treasurer thereof, and with 5162
respect to a county that is a transit authority, the fiscal 5163
officer of the county transit board if one is appointed pursuant 5164
to section 306.03 of the Revised Code or the county auditor if the 5165
board of county commissioners operates the county transit system. 5166

(U) "Transit authority" means a regional transit authority 5167
created pursuant to section 306.31 of the Revised Code or a county 5168
in which a county transit system is created pursuant to section 5169
306.01 of the Revised Code. For the purposes of this chapter, a 5170
transit authority must extend to at least the entire area of a 5171
single county. A transit authority that includes territory in more 5172
than one county must include all the area of the most populous 5173
county that is a part of such transit authority. County population 5174
shall be measured by the most recent census taken by the United 5175
States census bureau. 5176

(V) "Legislative authority" means, with respect to a regional 5177
transit authority, the board of trustees thereof, and with respect 5178
to a county that is a transit authority, the board of county 5179
commissioners. 5180

(W) "Territory of the transit authority" means all of the 5181
area included within the territorial boundaries of a transit 5182
authority as they from time to time exist. Such territorial 5183
boundaries must at all times include all the area of a single 5184
county or all the area of the most populous county that is a part 5185
of such transit authority. County population shall be measured by 5186
the most recent census taken by the United States census bureau. 5187

(X) "Providing a service" means providing or furnishing anything described in division (B)(3) of this section for consideration.

(Y)(1)(a) "Automatic data processing" means processing of others' data, including keypunching or similar data entry services together with verification thereof, or providing access to computer equipment for the purpose of processing data.

(b) "Computer services" means providing services consisting of specifying computer hardware configurations and evaluating technical processing characteristics, computer programming, and training of computer programmers and operators, provided in conjunction with and to support the sale, lease, or operation of taxable computer equipment or systems.

(c) "Electronic information services" means providing access to computer equipment by means of telecommunications equipment for the purpose of either of the following:

(i) Examining or acquiring data stored in or accessible to the computer equipment;

(ii) Placing data into the computer equipment to be retrieved by designated recipients with access to the computer equipment.

For transactions occurring on or after the effective date of the amendment of this section by H.B. 157 of the 127th general assembly, December 21, 2007, "electronic information services" does not include electronic publishing as defined in division (LLL) of this section.

(d) "Automatic data processing, computer services, or electronic information services" shall not include personal or professional services.

(2) As used in divisions (B)(3)(e) and (Y)(1) of this section, "personal and professional services" means all services

other than automatic data processing, computer services, or	5218
electronic information services, including but not limited to:	5219
(a) Accounting and legal services such as advice on tax	5220
matters, asset management, budgetary matters, quality control,	5221
information security, and auditing and any other situation where	5222
the service provider receives data or information and studies,	5223
alters, analyzes, interprets, or adjusts such material;	5224
(b) Analyzing business policies and procedures;	5225
(c) Identifying management information needs;	5226
(d) Feasibility studies, including economic and technical	5227
analysis of existing or potential computer hardware or software	5228
needs and alternatives;	5229
(e) Designing policies, procedures, and custom software for	5230
collecting business information, and determining how data should	5231
be summarized, sequenced, formatted, processed, controlled, and	5232
reported so that it will be meaningful to management;	5233
(f) Developing policies and procedures that document how	5234
business events and transactions are to be authorized, executed,	5235
and controlled;	5236
(g) Testing of business procedures;	5237
(h) Training personnel in business procedure applications;	5238
(i) Providing credit information to users of such information	5239
by a consumer reporting agency, as defined in the "Fair Credit	5240
Reporting Act," 84 Stat. 1114, 1129 (1970), 15 U.S.C. 1681a(f), or	5241
as hereafter amended, including but not limited to gathering,	5242
organizing, analyzing, recording, and furnishing such information	5243
by any oral, written, graphic, or electronic medium;	5244
(j) Providing debt collection services by any oral, written,	5245
graphic, or electronic means.	5246
The services listed in divisions (Y)(2)(a) to (j) of this	5247

section are not automatic data processing or computer services. 5248

(Z) "Highway transportation for hire" means the 5249
transportation of personal property belonging to others for 5250
consideration by any of the following: 5251

(1) The holder of a permit or certificate issued by this 5252
state or the United States authorizing the holder to engage in 5253
transportation of personal property belonging to others for 5254
consideration over or on highways, roadways, streets, or any 5255
similar public thoroughfare; 5256

(2) A person who engages in the transportation of personal 5257
property belonging to others for consideration over or on 5258
highways, roadways, streets, or any similar public thoroughfare 5259
but who could not have engaged in such transportation on December 5260
11, 1985, unless the person was the holder of a permit or 5261
certificate of the types described in division (Z)(1) of this 5262
section; 5263

(3) A person who leases a motor vehicle to and operates it 5264
for a person described by division (Z)(1) or (2) of this section. 5265

(AA)(1) "Telecommunications service" means the electronic 5266
transmission, conveyance, or routing of voice, data, audio, video, 5267
or any other information or signals to a point, or between or 5268
among points. "Telecommunications service" includes such 5269
transmission, conveyance, or routing in which computer processing 5270
applications are used to act on the form, code, or protocol of the 5271
content for purposes of transmission, conveyance, or routing 5272
without regard to whether the service is referred to as voice-over 5273
internet protocol service or is classified by the federal 5274
communications commission as enhanced or value-added. 5275
"Telecommunications service" does not include any of the 5276
following: 5277

(a) Data processing and information services that allow data 5278

to be generated, acquired, stored, processed, or retrieved and	5279
delivered by an electronic transmission to a consumer where the	5280
consumer's primary purpose for the underlying transaction is the	5281
processed data or information;	5282
(b) Installation or maintenance of wiring or equipment on a	5283
customer's premises;	5284
(c) Tangible personal property;	5285
(d) Advertising, including directory advertising;	5286
(e) Billing and collection services provided to third	5287
parties;	5288
(f) Internet access service;	5289
(g) Radio and television audio and video programming	5290
services, regardless of the medium, including the furnishing of	5291
transmission, conveyance, and routing of such services by the	5292
programming service provider. Radio and television audio and video	5293
programming services include, but are not limited to, cable	5294
service, as defined in 47 U.S.C. 522(6), and audio and video	5295
programming services delivered by commercial mobile radio service	5296
providers, as defined in 47 C.F.R. 20.3;	5297
(h) Ancillary service;	5298
(i) Digital products delivered electronically, including	5299
software, music, video, reading materials, or ring tones.	5300
(2) "Ancillary service" means a service that is associated	5301
with or incidental to the provision of telecommunications service,	5302
including conference bridging service, detailed telecommunications	5303
billing service, directory assistance, vertical service, and voice	5304
mail service. As used in this division:	5305
(a) "Conference bridging service" means an ancillary service	5306
that links two or more participants of an audio or video	5307
conference call, including providing a telephone number.	5308

"Conference bridging service" does not include telecommunications services used to reach the conference bridge. 5309
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(b) "Detailed telecommunications billing service" means an ancillary service of separately stating information pertaining to individual calls on a customer's billing statement. 5311
5312
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(c) "Directory assistance" means an ancillary service of providing telephone number or address information. 5314
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(d) "Vertical service" means an ancillary service that is offered in connection with one or more telecommunications services, which offers advanced calling features that allow customers to identify callers and manage multiple calls and call connections, including conference bridging service. 5316
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(e) "Voice mail service" means an ancillary service that enables the customer to store, send, or receive recorded messages. "Voice mail service" does not include any vertical services that the customer may be required to have in order to utilize the voice mail service. 5321
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(3) "900 service" means an inbound toll telecommunications service purchased by a subscriber that allows the subscriber's customers to call in to the subscriber's prerecorded announcement or live service, and which is typically marketed under the name "900" service and any subsequent numbers designated by the federal communications commission. "900 service" does not include the charge for collection services provided by the seller of the telecommunications service to the subscriber, or services or products sold by the subscriber to the subscriber's customer. 5326
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(4) "Prepaid calling service" means the right to access exclusively telecommunications services, which must be paid for in advance and which enables the origination of calls using an access number or authorization code, whether manually or electronically dialed, and that is sold in predetermined units of ~~of~~ or dollars of 5335
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which the number declines with use in a known amount. 5340

(5) "Prepaid wireless calling service" means a 5341
telecommunications service that provides the right to utilize 5342
mobile telecommunications service as well as other 5343
non-telecommunications services, including the download of digital 5344
products delivered electronically, and content and ancillary 5345
services, that must be paid for in advance and that is sold in 5346
predetermined units of ~~of~~ or dollars of which the number declines 5347
with use in a known amount. 5348

(6) "Value-added non-voice data service" means a 5349
telecommunications service in which computer processing 5350
applications are used to act on the form, content, code, or 5351
protocol of the information or data primarily for a purpose other 5352
than transmission, conveyance, or routing. 5353

(7) "Coin-operated telephone service" means a 5354
telecommunications service paid for by inserting money into a 5355
telephone accepting direct deposits of money to operate. 5356

(8) "Customer" has the same meaning as in section 5739.034 of 5357
the Revised Code. 5358

(BB) "Laundry and dry cleaning services" means removing soil 5359
or dirt from towels, linens, articles of clothing, or other fabric 5360
items that belong to others and supplying towels, linens, articles 5361
of clothing, or other fabric items. "Laundry and dry cleaning 5362
services" does not include the provision of self-service 5363
facilities for use by consumers to remove soil or dirt from 5364
towels, linens, articles of clothing, or other fabric items. 5365

(CC) "Magazines distributed as controlled circulation 5366
publications" means magazines containing at least twenty-four 5367
pages, at least twenty-five per cent editorial content, issued at 5368
regular intervals four or more times a year, and circulated 5369
without charge to the recipient, provided that such magazines are 5370

not owned or controlled by individuals or business concerns which 5371
conduct such publications as an auxiliary to, and essentially for 5372
the advancement of the main business or calling of, those who own 5373
or control them. 5374

(DD) "Landscaping and lawn care service" means the services 5375
of planting, seeding, sodding, removing, cutting, trimming, 5376
pruning, mulching, aerating, applying chemicals, watering, 5377
fertilizing, and providing similar services to establish, promote, 5378
or control the growth of trees, shrubs, flowers, grass, ground 5379
cover, and other flora, or otherwise maintaining a lawn or 5380
landscape grown or maintained by the owner for ornamentation or 5381
other nonagricultural purpose. However, "landscaping and lawn care 5382
service" does not include the providing of such services by a 5383
person who has less than five thousand dollars in sales of such 5384
services during the calendar year. 5385

(EE) "Private investigation and security service" means the 5386
performance of any activity for which the provider of such service 5387
is required to be licensed pursuant to Chapter 4749. of the 5388
Revised Code, or would be required to be so licensed in performing 5389
such services in this state, and also includes the services of 5390
conducting polygraph examinations and of monitoring or overseeing 5391
the activities on or in, or the condition of, the consumer's home, 5392
business, or other facility by means of electronic or similar 5393
monitoring devices. "Private investigation and security service" 5394
does not include special duty services provided by off-duty police 5395
officers, deputy sheriffs, and other peace officers regularly 5396
employed by the state or a political subdivision. 5397

(FF) "Information services" means providing conversation, 5398
giving consultation or advice, playing or making a voice or other 5399
recording, making or keeping a record of the number of callers, 5400
and any other service provided to a consumer by means of a nine 5401
hundred telephone call, except when the nine hundred telephone 5402

call is the means by which the consumer makes a contribution to a 5403
recognized charity. 5404

(GG) "Research and development" means designing, creating, or 5405
formulating new or enhanced products, equipment, or manufacturing 5406
processes, and also means conducting scientific or technological 5407
inquiry and experimentation in the physical sciences with the goal 5408
of increasing scientific knowledge which may reveal the bases for 5409
new or enhanced products, equipment, or manufacturing processes. 5410

(HH) "Qualified research and development equipment" means 5411
capitalized tangible personal property, and leased personal 5412
property that would be capitalized if purchased, used by a person 5413
primarily to perform research and development. Tangible personal 5414
property primarily used in testing, as defined in division (A)(4) 5415
of section 5739.011 of the Revised Code, or used for recording or 5416
storing test results, is not qualified research and development 5417
equipment unless such property is primarily used by the consumer 5418
in testing the product, equipment, or manufacturing process being 5419
created, designed, or formulated by the consumer in the research 5420
and development activity or in recording or storing such test 5421
results. 5422

(II) "Building maintenance and janitorial service" means 5423
cleaning the interior or exterior of a building and any tangible 5424
personal property located therein or thereon, including any 5425
services incidental to such cleaning for which no separate charge 5426
is made. However, "building maintenance and janitorial service" 5427
does not include the providing of such service by a person who has 5428
less than five thousand dollars in sales of such service during 5429
the calendar year. 5430

(JJ) "Employment service" means providing or supplying 5431
personnel, on a temporary or long-term basis, to perform work or 5432
labor under the supervision or control of another, when the 5433
personnel so provided or supplied receive their wages, salary, or 5434

other compensation from the provider or supplier of the employment 5435
service or from a third party that provided or supplied the 5436
personnel to the provider or supplier. "Employment service" does 5437
not include: 5438

(1) Acting as a contractor or subcontractor, where the 5439
personnel performing the work are not under the direct control of 5440
the purchaser. 5441

(2) Medical and health care services. 5442

(3) Supplying personnel to a purchaser pursuant to a contract 5443
of at least one year between the service provider and the 5444
purchaser that specifies that each employee covered under the 5445
contract is assigned to the purchaser on a permanent basis. 5446

(4) Transactions between members of an affiliated group, as 5447
defined in division (B)(3)(e) of this section. 5448

(5) Transactions where the personnel so provided or supplied 5449
by a provider or supplier to a purchaser of an employment service 5450
are then provided or supplied by that purchaser to a third party 5451
as an employment service, except "employment service" does include 5452
the transaction between that purchaser and the third party. 5453

(KK) "Employment placement service" means locating or finding 5454
employment for a person or finding or locating an employee to fill 5455
an available position. 5456

(LL) "Exterminating service" means eradicating or attempting 5457
to eradicate vermin infestations from a building or structure, or 5458
the area surrounding a building or structure, and includes 5459
activities to inspect, detect, or prevent vermin infestation of a 5460
building or structure. 5461

(MM) "Physical fitness facility service" means all 5462
transactions by which a membership is granted, maintained, or 5463
renewed, including initiation fees, membership dues, renewal fees, 5464

monthly minimum fees, and other similar fees and dues, by a 5465
physical fitness facility such as an athletic club, health spa, or 5466
gymnasium, which entitles the member to use the facility for 5467
physical exercise. 5468

(NN) "Recreation and sports club service" means all 5469
transactions by which a membership is granted, maintained, or 5470
renewed, including initiation fees, membership dues, renewal fees, 5471
monthly minimum fees, and other similar fees and dues, by a 5472
recreation and sports club, which entitles the member to use the 5473
facilities of the organization. "Recreation and sports club" means 5474
an organization that has ownership of, or controls or leases on a 5475
continuing, long-term basis, the facilities used by its members 5476
and includes an aviation club, gun or shooting club, yacht club, 5477
card club, swimming club, tennis club, golf club, country club, 5478
riding club, amateur sports club, or similar organization. 5479

(OO) "Livestock" means farm animals commonly raised for food, 5480
food production, or other agricultural purposes, including, but 5481
not limited to, cattle, sheep, goats, swine, poultry, and captive 5482
deer. "Livestock" does not include invertebrates, amphibians, 5483
reptiles, domestic pets, animals for use in laboratories or for 5484
exhibition, or other animals not commonly raised for food or food 5485
production. 5486

(PP) "Livestock structure" means a building or structure used 5487
exclusively for the housing, raising, feeding, or sheltering of 5488
livestock, and includes feed storage or handling structures and 5489
structures for livestock waste handling. 5490

(QQ) "Horticulture" means the growing, cultivation, and 5491
production of flowers, fruits, herbs, vegetables, sod, mushrooms, 5492
and nursery stock. As used in this division, "nursery stock" has 5493
the same meaning as in section 927.51 of the Revised Code. 5494

(RR) "Horticulture structure" means a building or structure 5495

used exclusively for the commercial growing, raising, or 5496
overwintering of horticultural products, and includes the area 5497
used for stocking, storing, and packing horticultural products 5498
when done in conjunction with the production of those products. 5499

(SS) "Newspaper" means an unbound publication bearing a title 5500
or name that is regularly published, at least as frequently as 5501
biweekly, and distributed from a fixed place of business to the 5502
public in a specific geographic area, and that contains a 5503
substantial amount of news matter of international, national, or 5504
local events of interest to the general public. 5505

(TT) "Professional racing team" means a person that employs 5506
at least twenty full-time employees for the purpose of conducting 5507
a motor vehicle racing business for profit. The person must 5508
conduct the business with the purpose of racing one or more motor 5509
racing vehicles in at least ten competitive professional racing 5510
events each year that comprise all or part of a motor racing 5511
series sanctioned by one or more motor racing sanctioning 5512
organizations. A "motor racing vehicle" means a vehicle for which 5513
the chassis, engine, and parts are designed exclusively for motor 5514
racing, and does not include a stock or production model vehicle 5515
that may be modified for use in racing. For the purposes of this 5516
division: 5517

(1) A "competitive professional racing event" is a motor 5518
vehicle racing event sanctioned by one or more motor racing 5519
sanctioning organizations, at which aggregate cash prizes in 5520
excess of eight hundred thousand dollars are awarded to the 5521
competitors. 5522

(2) "Full-time employee" means an individual who is employed 5523
for consideration for thirty-five or more hours a week, or who 5524
renders any other standard of service generally accepted by custom 5525
or specified by contract as full-time employment. 5526

(UU)(1) "Lease" or "rental" means any transfer of the 5527
possession or control of tangible personal property for a fixed or 5528
indefinite term, for consideration. "Lease" or "rental" includes 5529
future options to purchase or extend, and agreements described in 5530
26 U.S.C. 7701(h)(1) covering motor vehicles and trailers where 5531
the amount of consideration may be increased or decreased by 5532
reference to the amount realized upon the sale or disposition of 5533
the property. "Lease" or "rental" does not include: 5534

(a) A transfer of possession or control of tangible personal 5535
property under a security agreement or a deferred payment plan 5536
that requires the transfer of title upon completion of the 5537
required payments; 5538

(b) A transfer of possession or control of tangible personal 5539
property under an agreement that requires the transfer of title 5540
upon completion of required payments and payment of an option 5541
price that does not exceed the greater of one hundred dollars or 5542
one per cent of the total required payments; 5543

(c) Providing tangible personal property along with an 5544
operator for a fixed or indefinite period of time, if the operator 5545
is necessary for the property to perform as designed. For purposes 5546
of this division, the operator must do more than maintain, 5547
inspect, or set-up the tangible personal property. 5548

(2) "Lease" and "rental," as defined in division (UU) of this 5549
section, shall not apply to leases or rentals that exist before 5550
June 26, 2003. 5551

(3) "Lease" and "rental" have the same meaning as in division 5552
(UU)(1) of this section regardless of whether a transaction is 5553
characterized as a lease or rental under generally accepted 5554
accounting principles, the Internal Revenue Code, Title XIII of 5555
the Revised Code, or other federal, state, or local laws. 5556

(VV) "Mobile telecommunications service" has the same meaning 5557

as in the "Mobile Telecommunications Sourcing Act," Pub. L. No. 5558
106-252, 114 Stat. 631 (2000), 4 U.S.C.A. 124(7), as amended, and, 5559
on and after August 1, 2003, includes related fees and ancillary 5560
services, including universal service fees, detailed billing 5561
service, directory assistance, service initiation, voice mail 5562
service, and vertical services, such as caller ID and three-way 5563
calling. 5564

(WW) "Certified service provider" has the same meaning as in 5565
section 5740.01 of the Revised Code. 5566

(XX) "Satellite broadcasting service" means the distribution 5567
or broadcasting of programming or services by satellite directly 5568
to the subscriber's receiving equipment without the use of ground 5569
receiving or distribution equipment, except the subscriber's 5570
receiving equipment or equipment used in the uplink process to the 5571
satellite, and includes all service and rental charges, premium 5572
channels or other special services, installation and repair 5573
service charges, and any other charges having any connection with 5574
the provision of the satellite broadcasting service. 5575

(YY) "Tangible personal property" means personal property 5576
that can be seen, weighed, measured, felt, or touched, or that is 5577
in any other manner perceptible to the senses. For purposes of 5578
this chapter and Chapter 5741. of the Revised Code, "tangible 5579
personal property" includes motor vehicles, electricity, water, 5580
gas, steam, and prewritten computer software. 5581

(ZZ) "Direct mail" means printed material delivered or 5582
distributed by United States mail or other delivery service to a 5583
mass audience or to addressees on a mailing list provided by the 5584
consumer or at the direction of the consumer when the cost of the 5585
items are not billed directly to the recipients. "Direct mail" 5586
includes tangible personal property supplied directly or 5587
indirectly by the consumer to the direct mail vendor for inclusion 5588
in the package containing the printed material. "Direct mail" does 5589

not include multiple items of printed material delivered to a 5590
single address. 5591

(AAA) "Computer" means an electronic device that accepts 5592
information in digital or similar form and manipulates it for a 5593
result based on a sequence of instructions. 5594

(BBB) "Computer software" means a set of coded instructions 5595
designed to cause a computer or automatic data processing 5596
equipment to perform a task. 5597

(CCC) "Delivered electronically" means delivery of computer 5598
software from the seller to the purchaser by means other than 5599
tangible storage media. 5600

(DDD) "Prewritten computer software" means computer software, 5601
including prewritten upgrades, that is not designed and developed 5602
by the author or other creator to the specifications of a specific 5603
purchaser. The combining of two or more prewritten computer 5604
software programs or prewritten portions thereof does not cause 5605
the combination to be other than prewritten computer software. 5606
"Prewritten computer software" includes software designed and 5607
developed by the author or other creator to the specifications of 5608
a specific purchaser when it is sold to a person other than the 5609
purchaser. If a person modifies or enhances computer software of 5610
which the person is not the author or creator, the person shall be 5611
deemed to be the author or creator only of such person's 5612
modifications or enhancements. Prewritten computer software or a 5613
prewritten portion thereof that is modified or enhanced to any 5614
degree, where such modification or enhancement is designed and 5615
developed to the specifications of a specific purchaser, remains 5616
prewritten computer software; provided, however, that where there 5617
is a reasonable, separately stated charge or an invoice or other 5618
statement of the price given to the purchaser for the modification 5619
or enhancement, the modification or enhancement shall not 5620
constitute prewritten computer software. 5621

(EEE)(1) "Food" means substances, whether in liquid, 5622
concentrated, solid, frozen, dried, or dehydrated form, that are 5623
sold for ingestion or chewing by humans and are consumed for their 5624
taste or nutritional value. "Food" does not include alcoholic 5625
beverages, dietary supplements, soft drinks, or tobacco. 5626

(2) As used in division (EEE)(1) of this section: 5627

(a) "Alcoholic beverages" means beverages that are suitable 5628
for human consumption and contain one-half of one per cent or more 5629
of alcohol by volume. 5630

(b) "Dietary supplements" means any product, other than 5631
tobacco, that is intended to supplement the diet and that is 5632
intended for ingestion in tablet, capsule, powder, softgel, 5633
gelcap, or liquid form, or, if not intended for ingestion in such 5634
a form, is not represented as conventional food for use as a sole 5635
item of a meal or of the diet; that is required to be labeled as a 5636
dietary supplement, identifiable by the "supplement facts" box 5637
found on the label, as required by 21 C.F.R. 101.36; and that 5638
contains one or more of the following dietary ingredients: 5639

(i) A vitamin; 5640

(ii) A mineral; 5641

(iii) An herb or other botanical; 5642

(iv) An amino acid; 5643

(v) A dietary substance for use by humans to supplement the 5644
diet by increasing the total dietary intake; 5645

(vi) A concentrate, metabolite, constituent, extract, or 5646
combination of any ingredient described in divisions 5647
(EEE)(2)(b)(i) to (v) of this section. 5648

(c) "Soft drinks" means nonalcoholic beverages that contain 5649
natural or artificial sweeteners. "Soft drinks" does not include 5650
beverages that contain milk or milk products, soy, rice, or 5651

similar milk substitutes, or that contains greater than fifty per 5652
cent vegetable or fruit juice by volume. 5653

(d) "Tobacco" means cigarettes, cigars, chewing or pipe 5654
tobacco, or any other item that contains tobacco. 5655

(FFF) "Drug" means a compound, substance, or preparation, and 5656
any component of a compound, substance, or preparation, other than 5657
food, dietary supplements, or alcoholic beverages that is 5658
recognized in the official United States pharmacopoeia, official 5659
homeopathic pharmacopoeia of the United States, or official 5660
national formulary, and supplements to them; is intended for use 5661
in the diagnosis, cure, mitigation, treatment, or prevention of 5662
disease; or is intended to affect the structure or any function of 5663
the body. 5664

(GGG) "Prescription" means an order, formula, or recipe 5665
issued in any form of oral, written, electronic, or other means of 5666
transmission by a duly licensed practitioner authorized by the 5667
laws of this state to issue a prescription. 5668

(HHH) "Durable medical equipment" means equipment, including 5669
repair and replacement parts for such equipment, that can 5670
withstand repeated use, is primarily and customarily used to serve 5671
a medical purpose, generally is not useful to a person in the 5672
absence of illness or injury, and is not worn in or on the body. 5673
"Durable medical equipment" does not include mobility enhancing 5674
equipment. 5675

(III) "Mobility enhancing equipment" means equipment, 5676
including repair and replacement parts for such equipment, that is 5677
primarily and customarily used to provide or increase the ability 5678
to move from one place to another and is appropriate for use 5679
either in a home or a motor vehicle, that is not generally used by 5680
persons with normal mobility, and that does not include any motor 5681
vehicle or equipment on a motor vehicle normally provided by a 5682

motor vehicle manufacturer. "Mobility enhancing equipment" does 5683
not include durable medical equipment. 5684

(JJJ) "Prosthetic device" means a replacement, corrective, or 5685
supportive device, including repair and replacement parts for the 5686
device, worn on or in the human body to artificially replace a 5687
missing portion of the body, prevent or correct physical deformity 5688
or malfunction, or support a weak or deformed portion of the body. 5689
As used in this division, "prosthetic device" does not include 5690
corrective eyeglasses, contact lenses, or dental prosthesis. 5691

(KKK)(1) "Fractional aircraft ownership program" means a 5692
program in which persons within an affiliated group sell and 5693
manage fractional ownership program aircraft, provided that at 5694
least one hundred airworthy aircraft are operated in the program 5695
and the program meets all of the following criteria: 5696

(a) Management services are provided by at least one program 5697
manager within an affiliated group on behalf of the fractional 5698
owners. 5699

(b) Each program aircraft is owned or possessed by at least 5700
one fractional owner. 5701

(c) Each fractional owner owns or possesses at least a 5702
one-sixteenth interest in at least one fixed-wing program 5703
aircraft. 5704

(d) A dry-lease aircraft interchange arrangement is in effect 5705
among all of the fractional owners. 5706

(e) Multi-year program agreements are in effect regarding the 5707
fractional ownership, management services, and dry-lease aircraft 5708
interchange arrangement aspects of the program. 5709

(2) As used in division (KKK)(1) of this section: 5710

(a) "Affiliated group" has the same meaning as in division 5711
(B)(3)(e) of this section. 5712

(b) "Fractional owner" means a person that owns or possesses 5713
at least a one-sixteenth interest in a program aircraft and has 5714
entered into the agreements described in division (KKK)(1)(e) of 5715
this section. 5716

(c) "Fractional ownership program aircraft" or "program 5717
aircraft" means a turbojet aircraft that is owned or possessed by 5718
a fractional owner and that has been included in a dry-lease 5719
aircraft interchange arrangement and agreement under divisions 5720
(KKK)(1)(d) and (e) of this section, or an aircraft a program 5721
manager owns or possesses primarily for use in a fractional 5722
aircraft ownership program. 5723

(d) "Management services" means administrative and aviation 5724
support services furnished under a fractional aircraft ownership 5725
program in accordance with a management services agreement under 5726
division (KKK)(1)(e) of this section, and offered by the program 5727
manager to the fractional owners, including, at a minimum, the 5728
establishment and implementation of safety guidelines; the 5729
coordination of the scheduling of the program aircraft and crews; 5730
program aircraft maintenance; program aircraft insurance; crew 5731
training for crews employed, furnished, or contracted by the 5732
program manager or the fractional owner; the satisfaction of 5733
record-keeping requirements; and the development and use of an 5734
operations manual and a maintenance manual for the fractional 5735
aircraft ownership program. 5736

(e) "Program manager" means the person that offers management 5737
services to fractional owners pursuant to a management services 5738
agreement under division (KKK)(1)(e) of this section. 5739

(LLL) "Electronic publishing" means providing access to one 5740
or more of the following primarily for business customers, 5741
including the federal government or a state government or a 5742
political subdivision thereof, to conduct research: news; 5743
business, financial, legal, consumer, or credit materials; 5744

editorials, columns, reader commentary, or features; photos or 5745
images; archival or research material; legal notices, identity 5746
verification, or public records; scientific, educational, 5747
instructional, technical, professional, trade, or other literary 5748
materials; or other similar information which has been gathered 5749
and made available by the provider to the consumer in an 5750
electronic format. Providing electronic publishing includes the 5751
functions necessary for the acquisition, formatting, editing, 5752
storage, and dissemination of data or information that is the 5753
subject of a sale. 5754

(MMM) "Medicaid health insuring corporation" means a health 5755
insuring corporation that holds a certificate of authority under 5756
Chapter 1751. of the Revised Code and is under contract with the 5757
department of job and family services pursuant to section 5111.17 5758
of the Revised Code. 5759

(NNN) "Managed care premium" means any premium, capitation, 5760
or other payment a medicaid health insuring corporation receives 5761
for providing or arranging for the provision of health care 5762
services to its members or enrollees residing in this state. 5763

(OOO) "Captive deer" means deer and other cervidae that have 5764
been legally acquired, or their offspring, that are privately 5765
owned for agricultural or farming purposes. 5766

(PPP) "Gift card" means a document, card, certificate, or 5767
other record, whether tangible or intangible, that may be redeemed 5768
by a consumer for a dollar value when making a purchase of 5769
tangible personal property or services. 5770

Sec. 5739.02. For the purpose of providing revenue with which 5771
to meet the needs of the state, for the use of the general revenue 5772
fund of the state, for the purpose of securing a thorough and 5773
efficient system of common schools throughout the state, for the 5774
purpose of affording revenues, in addition to those from general 5775

property taxes, permitted under constitutional limitations, and 5776
from other sources, for the support of local governmental 5777
functions, and for the purpose of reimbursing the state for the 5778
expense of administering this chapter, an excise tax is hereby 5779
levied on each retail sale made in this state. 5780

(A)(1) The tax shall be collected as provided in section 5781
5739.025 of the Revised Code. The rate of the tax shall be five 5782
and one-half per cent. The tax applies and is collectible when the 5783
sale is made, regardless of the time when the price is paid or 5784
delivered. 5785

(2) In the case of the lease or rental, with a fixed term of 5786
more than thirty days or an indefinite term with a minimum period 5787
of more than thirty days, of any motor vehicles designed by the 5788
manufacturer to carry a load of not more than one ton, watercraft, 5789
outboard motor, or aircraft, or of any tangible personal property, 5790
other than motor vehicles designed by the manufacturer to carry a 5791
load of more than one ton, to be used by the lessee or renter 5792
primarily for business purposes, the tax shall be collected by the 5793
vendor at the time the lease or rental is consummated and shall be 5794
calculated by the vendor on the basis of the total amount to be 5795
paid by the lessee or renter under the lease agreement. If the 5796
total amount of the consideration for the lease or rental includes 5797
amounts that are not calculated at the time the lease or rental is 5798
executed, the tax shall be calculated and collected by the vendor 5799
at the time such amounts are billed to the lessee or renter. In 5800
the case of an open-end lease or rental, the tax shall be 5801
calculated by the vendor on the basis of the total amount to be 5802
paid during the initial fixed term of the lease or rental, and for 5803
each subsequent renewal period as it comes due. As used in this 5804
division, "motor vehicle" has the same meaning as in section 5805
4501.01 of the Revised Code, and "watercraft" includes an outdrive 5806
unit attached to the watercraft. 5807

A lease with a renewal clause and a termination penalty or 5808
similar provision that applies if the renewal clause is not 5809
exercised is presumed to be a sham transaction. In such a case, 5810
the tax shall be calculated and paid on the basis of the entire 5811
length of the lease period, including any renewal periods, until 5812
the termination penalty or similar provision no longer applies. 5813
The taxpayer shall bear the burden, by a preponderance of the 5814
evidence, that the transaction or series of transactions is not a 5815
sham transaction. 5816

(3) Except as provided in division (A)(2) of this section, in 5817
the case of a sale, the price of which consists in whole or in 5818
part of the lease or rental of tangible personal property, the tax 5819
shall be measured by the installments of that lease or rental. 5820

(4) In the case of a sale of a physical fitness facility 5821
service or recreation and sports club service, the price of which 5822
consists in whole or in part of a membership for the receipt of 5823
the benefit of the service, the tax applicable to the sale shall 5824
be measured by the installments thereof. 5825

(B) The tax does not apply to the following: 5826

(1) Sales to the state or any of its political subdivisions, 5827
or to any other state or its political subdivisions if the laws of 5828
that state exempt from taxation sales made to this state and its 5829
political subdivisions; 5830

(2) Sales of food for human consumption off the premises 5831
where sold; 5832

(3) Sales of food sold to students only in a cafeteria, 5833
dormitory, fraternity, or sorority maintained in a private, 5834
public, or parochial school, college, or university; 5835

(4) Sales of newspapers and of magazine subscriptions and 5836
sales or transfers of magazines distributed as controlled 5837
circulation publications; 5838

(5) The furnishing, preparing, or serving of meals without charge by an employer to an employee provided the employer records the meals as part compensation for services performed or work done;

(6) Sales of motor fuel upon receipt, use, distribution, or sale of which in this state a tax is imposed by the law of this state, but this exemption shall not apply to the sale of motor fuel on which a refund of the tax is allowable under division (A) of section 5735.14 of the Revised Code; and the tax commissioner may deduct the amount of tax levied by this section applicable to the price of motor fuel when granting a refund of motor fuel tax pursuant to division (A) of section 5735.14 of the Revised Code and shall cause the amount deducted to be paid into the general revenue fund of this state;

(7) Sales of natural gas by a natural gas company, of water by a water-works company, or of steam by a heating company, if in each case the thing sold is delivered to consumers through pipes or conduits, and all sales of communications services by a telegraph company, all terms as defined in section 5727.01 of the Revised Code, and sales of electricity delivered through wires;

(8) Casual sales by a person, or auctioneer employed directly by the person to conduct such sales, except as to such sales of motor vehicles, watercraft or outboard motors required to be titled under section 1548.06 of the Revised Code, watercraft documented with the United States coast guard, snowmobiles, and all-purpose vehicles as defined in section 4519.01 of the Revised Code;

(9)(a) Sales of services or tangible personal property, other than motor vehicles, mobile homes, and manufactured homes, by churches, organizations exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986, or nonprofit organizations operated exclusively for charitable purposes as

defined in division (B)(12) of this section, provided that the 5871
number of days on which such tangible personal property or 5872
services, other than items never subject to the tax, are sold does 5873
not exceed six in any calendar year, except as otherwise provided 5874
in division (B)(9)(b) of this section. If the number of days on 5875
which such sales are made exceeds six in any calendar year, the 5876
church or organization shall be considered to be engaged in 5877
business and all subsequent sales by it shall be subject to the 5878
tax. In counting the number of days, all sales by groups within a 5879
church or within an organization shall be considered to be sales 5880
of that church or organization. 5881

(b) The limitation on the number of days on which tax-exempt 5882
sales may be made by a church or organization under division 5883
(B)(9)(a) of this section does not apply to sales made by student 5884
clubs and other groups of students of a primary or secondary 5885
school, or a parent-teacher association, booster group, or similar 5886
organization that raises money to support or fund curricular or 5887
extracurricular activities of a primary or secondary school. 5888

(c) Divisions (B)(9)(a) and (b) of this section do not apply 5889
to sales by a noncommercial educational radio or television 5890
broadcasting station. 5891

(10) Sales not within the taxing power of this state under 5892
the Constitution of the United States; 5893

(11) Except for transactions that are sales under division 5894
(B)(3)(r) of section 5739.01 of the Revised Code, the 5895
transportation of persons or property, unless the transportation 5896
is by a private investigation and security service; 5897

(12) Sales of tangible personal property or services to 5898
churches, to organizations exempt from taxation under section 5899
501(c)(3) of the Internal Revenue Code of 1986, and to any other 5900
nonprofit organizations operated exclusively for charitable 5901

purposes in this state, no part of the net income of which inures 5902
to the benefit of any private shareholder or individual, and no 5903
substantial part of the activities of which consists of carrying 5904
on propaganda or otherwise attempting to influence legislation; 5905
sales to offices administering one or more homes for the aged or 5906
one or more hospital facilities exempt under section 140.08 of the 5907
Revised Code; and sales to organizations described in division (D) 5908
of section 5709.12 of the Revised Code. 5909

"Charitable purposes" means the relief of poverty; the 5910
improvement of health through the alleviation of illness, disease, 5911
or injury; the operation of an organization exclusively for the 5912
provision of professional, laundry, printing, and purchasing 5913
services to hospitals or charitable institutions; the operation of 5914
a home for the aged, as defined in section 5701.13 of the Revised 5915
Code; the operation of a radio or television broadcasting station 5916
that is licensed by the federal communications commission as a 5917
noncommercial educational radio or television station; the 5918
operation of a nonprofit animal adoption service or a county 5919
humane society; the promotion of education by an institution of 5920
learning that maintains a faculty of qualified instructors, 5921
teaches regular continuous courses of study, and confers a 5922
recognized diploma upon completion of a specific curriculum; the 5923
operation of a parent-teacher association, booster group, or 5924
similar organization primarily engaged in the promotion and 5925
support of the curricular or extracurricular activities of a 5926
primary or secondary school; the operation of a community or area 5927
center in which presentations in music, dramatics, the arts, and 5928
related fields are made in order to foster public interest and 5929
education therein; the production of performances in music, 5930
dramatics, and the arts; or the promotion of education by an 5931
organization engaged in carrying on research in, or the 5932
dissemination of, scientific and technological knowledge and 5933
information primarily for the public. 5934

Nothing in this division shall be deemed to exempt sales to 5935
any organization for use in the operation or carrying on of a 5936
trade or business, or sales to a home for the aged for use in the 5937
operation of independent living facilities as defined in division 5938
(A) of section 5709.12 of the Revised Code. 5939

(13) Building and construction materials and services sold to 5940
construction contractors for incorporation into a structure or 5941
improvement to real property under a construction contract with 5942
this state or a political subdivision of this state, or with the 5943
United States government or any of its agencies; building and 5944
construction materials and services sold to construction 5945
contractors for incorporation into a structure or improvement to 5946
real property that are accepted for ownership by this state or any 5947
of its political subdivisions, or by the United States government 5948
or any of its agencies at the time of completion of the structures 5949
or improvements; building and construction materials sold to 5950
construction contractors for incorporation into a horticulture 5951
structure or livestock structure for a person engaged in the 5952
business of horticulture or producing livestock; building 5953
materials and services sold to a construction contractor for 5954
incorporation into a house of public worship or religious 5955
education, or a building used exclusively for charitable purposes 5956
under a construction contract with an organization whose purpose 5957
is as described in division (B)(12) of this section; building 5958
materials and services sold to a construction contractor for 5959
incorporation into a building under a construction contract with 5960
an organization exempt from taxation under section 501(c)(3) of 5961
the Internal Revenue Code of 1986 when the building is to be used 5962
exclusively for the organization's exempt purposes; building and 5963
construction materials sold for incorporation into the original 5964
construction of a sports facility under section 307.696 of the 5965
Revised Code; building and construction materials and services 5966
sold to a construction contractor for incorporation into real 5967

property outside this state if such materials and services, when 5968
sold to a construction contractor in the state in which the real 5969
property is located for incorporation into real property in that 5970
state, would be exempt from a tax on sales levied by that state; 5971
and, until one calendar year after the construction of a 5972
convention center that qualifies for property tax exemption under 5973
section 5709.084 of the Revised Code is completed, building and 5974
construction materials and services sold to a construction 5975
contractor for incorporation into the real property comprising 5976
that convention center; 5977

(14) Sales of ships or vessels or rail rolling stock used or 5978
to be used principally in interstate or foreign commerce, and 5979
repairs, alterations, fuel, and lubricants for such ships or 5980
vessels or rail rolling stock; 5981

(15) Sales to persons primarily engaged in any of the 5982
activities mentioned in division (B)(42)(a), (g), or (h) of this 5983
section, to persons engaged in making retail sales, or to persons 5984
who purchase for sale from a manufacturer tangible personal 5985
property that was produced by the manufacturer in accordance with 5986
specific designs provided by the purchaser, of packages, including 5987
material, labels, and parts for packages, and of machinery, 5988
equipment, and material for use primarily in packaging tangible 5989
personal property produced for sale, including any machinery, 5990
equipment, and supplies used to make labels or packages, to 5991
prepare packages or products for labeling, or to label packages or 5992
products, by or on the order of the person doing the packaging, or 5993
sold at retail. "Packages" includes bags, baskets, cartons, 5994
crates, boxes, cans, bottles, bindings, wrappings, and other 5995
similar devices and containers, but does not include motor 5996
vehicles or bulk tanks, trailers, or similar devices attached to 5997
motor vehicles. "Packaging" means placing in a package. Division 5998
(B)(15) of this section does not apply to persons engaged in 5999

highway transportation for hire. 6000

(16) Sales of food to persons using supplemental nutrition 6001
assistance program benefits to purchase the food. As used in this 6002
division, "food" has the same meaning as in 7 U.S.C. 2012 and 6003
federal regulations adopted pursuant to the Food and Nutrition Act 6004
of 2008. 6005

(17) Sales to persons engaged in farming, agriculture, 6006
horticulture, or floriculture, of tangible personal property for 6007
use or consumption primarily in the production by farming, 6008
agriculture, horticulture, or floriculture of other tangible 6009
personal property for use or consumption primarily in the 6010
production of tangible personal property for sale by farming, 6011
agriculture, horticulture, or floriculture; or material and parts 6012
for incorporation into any such tangible personal property for use 6013
or consumption in production; and of tangible personal property 6014
for such use or consumption in the conditioning or holding of 6015
products produced by and for such use, consumption, or sale by 6016
persons engaged in farming, agriculture, horticulture, or 6017
floriculture, except where such property is incorporated into real 6018
property; 6019

(18) Sales of drugs for a human being that may be dispensed 6020
only pursuant to a prescription; insulin as recognized in the 6021
official United States pharmacopoeia; urine and blood testing 6022
materials when used by diabetics or persons with hypoglycemia to 6023
test for glucose or acetone; hypodermic syringes and needles when 6024
used by diabetics for insulin injections; epoetin alfa when 6025
purchased for use in the treatment of persons with medical 6026
disease; hospital beds when purchased by hospitals, nursing homes, 6027
or other medical facilities; and medical oxygen and medical 6028
oxygen-dispensing equipment when purchased by hospitals, nursing 6029
homes, or other medical facilities; 6030

(19) Sales of prosthetic devices, durable medical equipment 6031

for home use, or mobility enhancing equipment, when made pursuant 6032
to a prescription and when such devices or equipment are for use 6033
by a human being. 6034

(20) Sales of emergency and fire protection vehicles and 6035
equipment to nonprofit organizations for use solely in providing 6036
fire protection and emergency services, including trauma care and 6037
emergency medical services, for political subdivisions of the 6038
state; 6039

(21) Sales of tangible personal property manufactured in this 6040
state, if sold by the manufacturer in this state to a retailer for 6041
use in the retail business of the retailer outside of this state 6042
and if possession is taken from the manufacturer by the purchaser 6043
within this state for the sole purpose of immediately removing the 6044
same from this state in a vehicle owned by the purchaser; 6045

(22) Sales of services provided by the state or any of its 6046
political subdivisions, agencies, instrumentalities, institutions, 6047
or authorities, or by governmental entities of the state or any of 6048
its political subdivisions, agencies, instrumentalities, 6049
institutions, or authorities; 6050

(23) Sales of motor vehicles to nonresidents of this state 6051
under the circumstances described in division (B) of section 6052
5739.029 of the Revised Code; 6053

(24) Sales to persons engaged in the preparation of eggs for 6054
sale of tangible personal property used or consumed directly in 6055
such preparation, including such tangible personal property used 6056
for cleaning, sanitizing, preserving, grading, sorting, and 6057
classifying by size; packages, including material and parts for 6058
packages, and machinery, equipment, and material for use in 6059
packaging eggs for sale; and handling and transportation equipment 6060
and parts therefor, except motor vehicles licensed to operate on 6061
public highways, used in intraplant or interplant transfers or 6062

shipment of eggs in the process of preparation for sale, when the 6063
plant or plants within or between which such transfers or 6064
shipments occur are operated by the same person. "Packages" 6065
includes containers, cases, baskets, flats, fillers, filler flats, 6066
cartons, closure materials, labels, and labeling materials, and 6067
"packaging" means placing therein. 6068

(25)(a) Sales of water to a consumer for residential use, 6069
~~except the sale of bottled water, distilled water, mineral water,~~ 6070
~~carbonated water, or ice;~~ 6071

(b) Sales of water by a nonprofit corporation engaged 6072
exclusively in the treatment, distribution, and sale of water to 6073
consumers, if such water is delivered to consumers through pipes 6074
or tubing. 6075

(26) Fees charged for inspection or reinspection of motor 6076
vehicles under section 3704.14 of the Revised Code; 6077

(27) Sales to persons licensed to conduct a food service 6078
operation pursuant to section 3717.43 of the Revised Code, of 6079
tangible personal property primarily used directly for the 6080
following: 6081

(a) To prepare food for human consumption for sale; 6082

(b) To preserve food that has been or will be prepared for 6083
human consumption for sale by the food service operator, not 6084
including tangible personal property used to display food for 6085
selection by the consumer; 6086

(c) To clean tangible personal property used to prepare or 6087
serve food for human consumption for sale. 6088

(28) Sales of animals by nonprofit animal adoption services 6089
or county humane societies; 6090

(29) Sales of services to a corporation described in division 6091
(A) of section 5709.72 of the Revised Code, and sales of tangible 6092

personal property that qualifies for exemption from taxation under 6093
section 5709.72 of the Revised Code; 6094

(30) Sales and installation of agricultural land tile, as 6095
defined in division (B)(5)(a) of section 5739.01 of the Revised 6096
Code; 6097

(31) Sales and erection or installation of portable grain 6098
bins, as defined in division (B)(5)(b) of section 5739.01 of the 6099
Revised Code; 6100

(32) The sale, lease, repair, and maintenance of, parts for, 6101
or items attached to or incorporated in, motor vehicles that are 6102
primarily used for transporting tangible personal property 6103
belonging to others by a person engaged in highway transportation 6104
for hire, except for packages and packaging used for the 6105
transportation of tangible personal property; 6106

(33) Sales to the state headquarters of any veterans' 6107
organization in this state that is either incorporated and issued 6108
a charter by the congress of the United States or is recognized by 6109
the United States veterans administration, for use by the 6110
headquarters; 6111

(34) Sales to a telecommunications service vendor, mobile 6112
telecommunications service vendor, or satellite broadcasting 6113
service vendor of tangible personal property and services used 6114
directly and primarily in transmitting, receiving, switching, or 6115
recording any interactive, one- or two-way electromagnetic 6116
communications, including voice, image, data, and information, 6117
through the use of any medium, including, but not limited to, 6118
poles, wires, cables, switching equipment, computers, and record 6119
storage devices and media, and component parts for the tangible 6120
personal property. The exemption provided in this division shall 6121
be in lieu of all other exemptions under division (B)(42)(a) or 6122
(n) of this section to which the vendor may otherwise be entitled, 6123

based upon the use of the thing purchased in providing the 6124
telecommunications, mobile telecommunications, or satellite 6125
broadcasting service. 6126

(35)(a) Sales where the purpose of the consumer is to use or 6127
consume the things transferred in making retail sales and 6128
consisting of newspaper inserts, catalogues, coupons, flyers, gift 6129
certificates, or other advertising material that prices and 6130
describes tangible personal property offered for retail sale. 6131

(b) Sales to direct marketing vendors of preliminary 6132
materials such as photographs, artwork, and typesetting that will 6133
be used in printing advertising material; of printed matter that 6134
offers free merchandise or chances to win sweepstake prizes and 6135
that is mailed to potential customers with advertising material 6136
described in division (B)(35)(a) of this section; and of equipment 6137
such as telephones, computers, facsimile machines, and similar 6138
tangible personal property primarily used to accept orders for 6139
direct marketing retail sales. 6140

(c) Sales of automatic food vending machines that preserve 6141
food with a shelf life of forty-five days or less by refrigeration 6142
and dispense it to the consumer. 6143

For purposes of division (B)(35) of this section, "direct 6144
marketing" means the method of selling where consumers order 6145
tangible personal property by United States mail, delivery 6146
service, or telecommunication and the vendor delivers or ships the 6147
tangible personal property sold to the consumer from a warehouse, 6148
catalogue distribution center, or similar fulfillment facility by 6149
means of the United States mail, delivery service, or common 6150
carrier. 6151

(36) Sales to a person engaged in the business of 6152
horticulture or producing livestock of materials to be 6153
incorporated into a horticulture structure or livestock structure; 6154

(37) Sales of personal computers, computer monitors, computer keyboards, modems, and other peripheral computer equipment to an individual who is licensed or certified to teach in an elementary or a secondary school in this state for use by that individual in preparation for teaching elementary or secondary school students;

(38) Sales to a professional racing team of any of the following:

(a) Motor racing vehicles;

(b) Repair services for motor racing vehicles;

(c) Items of property that are attached to or incorporated in motor racing vehicles, including engines, chassis, and all other components of the vehicles, and all spare, replacement, and rebuilt parts or components of the vehicles; except not including tires, consumable fluids, paint, and accessories consisting of instrumentation sensors and related items added to the vehicle to collect and transmit data by means of telemetry and other forms of communication.

(39) Sales of used manufactured homes and used mobile homes, as defined in section 5739.0210 of the Revised Code, made on or after January 1, 2000;

(40) Sales of tangible personal property and services to a provider of electricity used or consumed directly and primarily in generating, transmitting, or distributing electricity for use by others, including property that is or is to be incorporated into and will become a part of the consumer's production, transmission, or distribution system and that retains its classification as tangible personal property after incorporation; fuel or power used in the production, transmission, or distribution of electricity; energy conversion equipment as defined in section 5727.01 of the Revised Code; and tangible personal property and services used in the repair and maintenance of the production, transmission, or

distribution system, including only those motor vehicles as are 6186
specially designed and equipped for such use. The exemption 6187
provided in this division shall be in lieu of all other exemptions 6188
in division (B)(42)(a) or (n) of this section to which a provider 6189
of electricity may otherwise be entitled based on the use of the 6190
tangible personal property or service purchased in generating, 6191
transmitting, or distributing electricity. 6192

(41) Sales to a person providing services under division 6193
(B)(3)(r) of section 5739.01 of the Revised Code of tangible 6194
personal property and services used directly and primarily in 6195
providing taxable services under that section. 6196

(42) Sales where the purpose of the purchaser is to do any of 6197
the following: 6198

(a) To incorporate the thing transferred as a material or a 6199
part into tangible personal property to be produced for sale by 6200
manufacturing, assembling, processing, or refining; or to use or 6201
consume the thing transferred directly in producing tangible 6202
personal property for sale by mining, including, without 6203
limitation, the extraction from the earth of all substances that 6204
are classed geologically as minerals, production of crude oil and 6205
natural gas, or directly in the rendition of a public utility 6206
service, except that the sales tax levied by this section shall be 6207
collected upon all meals, drinks, and food for human consumption 6208
sold when transporting persons. Persons engaged in rendering 6209
services in the exploration for, and production of, crude oil and 6210
natural gas for others are deemed engaged directly in the 6211
exploration for, and production of, crude oil and natural gas. 6212
This paragraph does not exempt from "retail sale" or "sales at 6213
retail" the sale of tangible personal property that is to be 6214
incorporated into a structure or improvement to real property. 6215

(b) To hold the thing transferred as security for the 6216
performance of an obligation of the vendor; 6217

(c) To resell, hold, use, or consume the thing transferred as evidence of a contract of insurance;	6218 6219
(d) To use or consume the thing directly in commercial fishing;	6220 6221
(e) To incorporate the thing transferred as a material or a part into, or to use or consume the thing transferred directly in the production of, magazines distributed as controlled circulation publications;	6222 6223 6224 6225
(f) To use or consume the thing transferred in the production and preparation in suitable condition for market and sale of printed, imprinted, overprinted, lithographic, multilithic, blueprinted, photostatic, or other productions or reproductions of written or graphic matter;	6226 6227 6228 6229 6230
(g) To use the thing transferred, as described in section 5739.011 of the Revised Code, primarily in a manufacturing operation to produce tangible personal property for sale;	6231 6232 6233
(h) To use the benefit of a warranty, maintenance or service contract, or similar agreement, as described in division (B)(7) of section 5739.01 of the Revised Code, to repair or maintain tangible personal property, if all of the property that is the subject of the warranty, contract, or agreement would not be subject to the tax imposed by this section;	6234 6235 6236 6237 6238 6239
(i) To use the thing transferred as qualified research and development equipment;	6240 6241
(j) To use or consume the thing transferred primarily in storing, transporting, mailing, or otherwise handling purchased sales inventory in a warehouse, distribution center, or similar facility when the inventory is primarily distributed outside this state to retail stores of the person who owns or controls the warehouse, distribution center, or similar facility, to retail stores of an affiliated group of which that person is a member, or	6242 6243 6244 6245 6246 6247 6248

by means of direct marketing. This division does not apply to 6249
motor vehicles registered for operation on the public highways. As 6250
used in this division, "affiliated group" has the same meaning as 6251
in division (B)(3)(e) of section 5739.01 of the Revised Code and 6252
"direct marketing" has the same meaning as in division (B)(35) of 6253
this section. 6254

(k) To use or consume the thing transferred to fulfill a 6255
contractual obligation incurred by a warrantor pursuant to a 6256
warranty provided as a part of the price of the tangible personal 6257
property sold or by a vendor of a warranty, maintenance or service 6258
contract, or similar agreement the provision of which is defined 6259
as a sale under division (B)(7) of section 5739.01 of the Revised 6260
Code; 6261

(l) To use or consume the thing transferred in the production 6262
of a newspaper for distribution to the public; 6263

(m) To use tangible personal property to perform a service 6264
listed in division (B)(3) of section 5739.01 of the Revised Code, 6265
if the property is or is to be permanently transferred to the 6266
consumer of the service as an integral part of the performance of 6267
the service; 6268

(n) To use or consume the thing transferred primarily in 6269
producing tangible personal property for sale by farming, 6270
agriculture, horticulture, or floriculture. Persons engaged in 6271
rendering farming, agriculture, horticulture, or floriculture 6272
services for others are deemed engaged primarily in farming, 6273
agriculture, horticulture, or floriculture. This paragraph does 6274
not exempt from "retail sale" or "sales at retail" the sale of 6275
tangible personal property that is to be incorporated into a 6276
structure or improvement to real property. 6277

(o) To use or consume the thing transferred in acquiring, 6278
formatting, editing, storing, and disseminating data or 6279

information by electronic publishing. 6280

As used in division (B)(42) of this section, "thing" includes 6281
all transactions included in divisions (B)(3)(a), (b), and (e) of 6282
section 5739.01 of the Revised Code. 6283

(43) Sales conducted through a coin operated device that 6284
activates vacuum equipment or equipment that dispenses water, 6285
whether or not in combination with soap or other cleaning agents 6286
or wax, to the consumer for the consumer's use on the premises in 6287
washing, cleaning, or waxing a motor vehicle, provided no other 6288
personal property or personal service is provided as part of the 6289
transaction. 6290

(44) Sales of replacement and modification parts for engines, 6291
airframes, instruments, and interiors in, and paint for, aircraft 6292
used primarily in a fractional aircraft ownership program, and 6293
sales of services for the repair, modification, and maintenance of 6294
such aircraft, and machinery, equipment, and supplies primarily 6295
used to provide those services. 6296

(45) Sales of telecommunications service that is used 6297
directly and primarily to perform the functions of a call center. 6298
As used in this division, "call center" means any physical 6299
location where telephone calls are placed or received in high 6300
volume for the purpose of making sales, marketing, customer 6301
service, technical support, or other specialized business 6302
activity, and that employs at least fifty individuals that engage 6303
in call center activities on a full-time basis, or sufficient 6304
individuals to fill fifty full-time equivalent positions. 6305

(46) Sales by a telecommunications service vendor of 900 6306
service to a subscriber. This division does not apply to 6307
information services, as defined in division (FF) of section 6308
5739.01 of the Revised Code. 6309

(47) Sales of value-added non-voice data service. This 6310

division does not apply to any similar service that is not 6311
otherwise a telecommunications service. 6312

(48)(a) Sales of machinery, equipment, and software to a 6313
qualified direct selling entity for use in a warehouse or 6314
distribution center primarily for storing, transporting, or 6315
otherwise handling inventory that is held for sale to independent 6316
salespersons who operate as direct sellers and that is held 6317
primarily for distribution outside this state; 6318

(b) As used in division (B)(48)(a) of this section: 6319

(i) "Direct seller" means a person selling consumer products 6320
to individuals for personal or household use and not from a fixed 6321
retail location, including selling such product at in-home product 6322
demonstrations, parties, and other one-on-one selling. 6323

(ii) "Qualified direct selling entity" means an entity 6324
selling to direct sellers at the time the entity enters into a tax 6325
credit agreement with the tax credit authority pursuant to section 6326
122.17 of the Revised Code, provided that the agreement was 6327
entered into on or after January 1, 2007. Neither contingencies 6328
relevant to the granting of, nor later developments with respect 6329
to, the tax credit shall impair the status of the qualified direct 6330
selling entity under division (B)(48) of this section after 6331
execution of the tax credit agreement by the tax credit authority. 6332

(c) Division (B)(48) of this section is limited to machinery, 6333
equipment, and software first stored, used, or consumed in this 6334
state within the period commencing June 24, 2008, and ending on 6335
the date that is five years after that date. 6336

(49) Sales of materials, parts, equipment, or engines used in 6337
the repair or maintenance of aircraft or avionics systems of such 6338
aircraft, and sales of repair, remodeling, replacement, or 6339
maintenance services in this state performed on aircraft or on an 6340
aircraft's avionics, engine, or component materials or parts. As 6341

used in division (B)(49) of this section, "aircraft" means 6342
aircraft of more than six thousand pounds maximum certified 6343
takeoff weight or used exclusively in general aviation. 6344

(50) Sales of full flight simulators that are used for pilot 6345
or flight-crew training, sales of repair or replacement parts or 6346
components, and sales of repair or maintenance services for such 6347
full flight simulators. "Full flight simulator" means a replica of 6348
a specific type, or make, model, and series of aircraft cockpit. 6349
It includes the assemblage of equipment and computer programs 6350
necessary to represent aircraft operations in ground and flight 6351
conditions, a visual system providing an out-of-the-cockpit view, 6352
and a system that provides cues at least equivalent to those of a 6353
three-degree-of-freedom motion system, and has the full range of 6354
capabilities of the systems installed in the device as described 6355
in appendices A and B of part 60 of chapter 1 of title 14 of the 6356
Code of Federal Regulations. 6357

(51) Any transfer or lease of tangible personal property 6358
between the state and a successful proposer in accordance with 6359
sections 126.60 to 126.605 of the Revised Code, provided the 6360
property is part of a project as defined in section 126.60 of the 6361
Revised Code and the state retains ownership of the project or 6362
part thereof that is being transferred or leased, between the 6363
state and JobsOhio in accordance with section 4313.02 of the 6364
Revised Code. 6365

(C) For the purpose of the proper administration of this 6366
chapter, and to prevent the evasion of the tax, it is presumed 6367
that all sales made in this state are subject to the tax until the 6368
contrary is established. 6369

(D) The levy of this tax on retail sales of recreation and 6370
sports club service shall not prevent a municipal corporation from 6371
levying any tax on recreation and sports club dues or on any 6372
income generated by recreation and sports club dues. 6373

(E) The tax collected by the vendor from the consumer under 6374
this chapter is not part of the price, but is a tax collection for 6375
the benefit of the state, and of counties levying an additional 6376
sales tax pursuant to section 5739.021 or 5739.026 of the Revised 6377
Code and of transit authorities levying an additional sales tax 6378
pursuant to section 5739.023 of the Revised Code. Except for the 6379
discount authorized under section 5739.12 of the Revised Code and 6380
the effects of any rounding pursuant to section 5703.055 of the 6381
Revised Code, no person other than the state or such a county or 6382
transit authority shall derive any benefit from the collection or 6383
payment of the tax levied by this section or section 5739.021, 6384
5739.023, or 5739.026 of the Revised Code. 6385

Sec. 5739.021. (A) For the purpose of providing additional 6386
general revenues for the county or supporting criminal and 6387
administrative justice services in the county, or both, and to pay 6388
the expenses of administering such levy, any county may levy a tax 6389
at the rate of not more than one per cent at any multiple of 6390
one-fourth of one per cent upon every retail sale made in the 6391
county, except sales of watercraft and outboard motors required to 6392
be titled pursuant to Chapter 1548. of the Revised Code and sales 6393
of motor vehicles, and may increase the rate of an existing tax to 6394
not more than one per cent at any multiple of one-fourth of one 6395
per cent. 6396

The tax shall be levied and the rate increased pursuant to a 6397
resolution of the board of county commissioners. The resolution 6398
shall state the purpose for which the tax is to be levied and the 6399
number of years for which the tax is to be levied, or that it is 6400
for a continuing period of time. If the tax is to be levied for 6401
the purpose of providing additional general revenues and for the 6402
purpose of supporting criminal and administrative justice 6403
services, the resolution shall state the rate or amount of the tax 6404
to be apportioned to each such purpose. The rate or amount may be 6405

different for each year the tax is to be levied, but the rates or 6406
amounts actually apportioned each year shall not be different from 6407
that stated in the resolution for that year. If the resolution is 6408
adopted as an emergency measure necessary for the immediate 6409
preservation of the public peace, health, or safety, it must 6410
receive an affirmative vote of all of the members of the board of 6411
county commissioners and shall state the reasons for such 6412
necessity. The board shall deliver a certified copy of the 6413
resolution to the tax commissioner, not later than the sixty-fifth 6414
day prior to the date on which the tax is to become effective, 6415
which shall be the first day of the calendar quarter. 6416

Prior to the adoption of any resolution under this section, 6417
the board of county commissioners shall conduct two public 6418
hearings on the resolution, the second hearing to be not less than 6419
three nor more than ten days after the first. Notice of the date, 6420
time, and place of the hearings shall be given by publication in a 6421
newspaper of general circulation in the county, or as provided in 6422
section 7.16 of the Revised Code, once a week on the same day of 6423
the week for two consecutive weeks, the second publication being 6424
not less than ten nor more than thirty days prior to the first 6425
hearing. 6426

Except as provided in division (B)(3) of this section, the 6427
resolution shall be subject to a referendum as provided in 6428
sections 305.31 to 305.41 of the Revised Code. 6429

If a petition for a referendum is filed, the county auditor 6430
with whom the petition was filed shall, within five days, notify 6431
the board of county commissioners and the tax commissioner of the 6432
filing of the petition by certified mail. If the board of 6433
elections with which the petition was filed declares the petition 6434
invalid, the board of elections, within five days, shall notify 6435
the board of county commissioners and the tax commissioner of that 6436
declaration by certified mail. If the petition is declared to be 6437

invalid, the effective date of the tax or increased rate of tax 6438
levied by this section shall be the first day of a calendar 6439
quarter following the expiration of sixty-five days from the date 6440
the commissioner receives notice from the board of elections that 6441
the petition is invalid. 6442

(B)(1) A resolution that is not adopted as an emergency 6443
measure may direct the board of elections to submit the question 6444
of levying the tax or increasing the rate of tax to the electors 6445
of the county at a special election held on the date specified by 6446
the board of county commissioners in the resolution, provided that 6447
the election occurs not less than ninety days after a certified 6448
copy of such resolution is transmitted to the board of elections 6449
and the election is not held in February or August of any year. 6450
Upon transmission of the resolution to the board of elections, the 6451
board of county commissioners shall notify the tax commissioner in 6452
writing of the levy question to be submitted to the electors. No 6453
resolution adopted under this division shall go into effect unless 6454
approved by a majority of those voting upon it, and, except as 6455
provided in division (B)(3) of this section, shall become 6456
effective on the first day of a calendar quarter following the 6457
expiration of sixty-five days from the date the tax commissioner 6458
receives notice from the board of elections of the affirmative 6459
vote. 6460

(2) A resolution that is adopted as an emergency measure 6461
shall go into effect as provided in division (A) of this section, 6462
but may direct the board of elections to submit the question of 6463
repealing the tax or increase in the rate of the tax to the 6464
electors of the county at the next general election in the county 6465
occurring not less than ninety days after a certified copy of the 6466
resolution is transmitted to the board of elections. Upon 6467
transmission of the resolution to the board of elections, the 6468
board of county commissioners shall notify the tax commissioner in 6469

writing of the levy question to be submitted to the electors. The 6470
ballot question shall be the same as that prescribed in section 6471
5739.022 of the Revised Code. The board of elections shall notify 6472
the board of county commissioners and the tax commissioner of the 6473
result of the election immediately after the result has been 6474
declared. If a majority of the qualified electors voting on the 6475
question of repealing the tax or increase in the rate of the tax 6476
vote for repeal of the tax or repeal of the increase, the board of 6477
county commissioners, on the first day of a calendar quarter 6478
following the expiration of sixty-five days after the date the 6479
board and tax commissioner receive notice of the result of the 6480
election, shall, in the case of a repeal of the tax, cease to levy 6481
the tax, or, in the case of a repeal of an increase in the rate of 6482
the tax, cease to levy the increased rate and levy the tax at the 6483
rate at which it was imposed immediately prior to the increase in 6484
rate. 6485

(3) If a vendor ~~that is registered with the central~~ 6486
~~electronic registration system provided for in section 5740.05 of~~ 6487
~~the Revised Code~~ makes a sale in this state by printed catalog and 6488
the consumer computed the tax on the sale based on local rates 6489
published in the catalog, any tax levied or repealed or rate 6490
changed under this section shall not apply to such a sale until 6491
the first day of a calendar quarter following the expiration of 6492
one hundred twenty days from the date of notice by the tax 6493
commissioner pursuant to division (H) of this section. 6494

(C) If a resolution is rejected at a referendum or if a 6495
resolution adopted after January 1, 1982, as an emergency measure 6496
is repealed by the electors pursuant to division (B)(2) of this 6497
section or section 5739.022 of the Revised Code, then for one year 6498
after the date of the election at which the resolution was 6499
rejected or repealed the board of county commissioners may not 6500
adopt any resolution authorized by this section as an emergency 6501

measure. 6502

(D) The board of county commissioners, at any time while a 6503
tax levied under this section is in effect, may by resolution 6504
reduce the rate at which the tax is levied to a lower rate 6505
authorized by this section. Any reduction in the rate at which the 6506
tax is levied shall be made effective on the first day of a 6507
calendar quarter next following the sixty-fifth day after a 6508
certified copy of the resolution is delivered to the tax 6509
commissioner. 6510

(E) The tax on every retail sale subject to a tax levied 6511
pursuant to this section shall be in addition to the tax levied by 6512
section 5739.02 of the Revised Code and any tax levied pursuant to 6513
section 5739.023 or 5739.026 of the Revised Code. 6514

A county that levies a tax pursuant to this section shall 6515
levy a tax at the same rate pursuant to section 5741.021 of the 6516
Revised Code. 6517

The additional tax levied by the county shall be collected 6518
pursuant to section 5739.025 of the Revised Code. If the 6519
additional tax or some portion thereof is levied for the purpose 6520
of criminal and administrative justice services, the revenue from 6521
the tax, or the amount or rate apportioned to that purpose, shall 6522
be credited to a special fund created in the county treasury for 6523
receipt of that revenue. 6524

Any tax levied pursuant to this section is subject to the 6525
exemptions provided in section 5739.02 of the Revised Code and in 6526
addition shall not be applicable to sales not within the taxing 6527
power of a county under the Constitution of the United States or 6528
the Ohio Constitution. 6529

(F) For purposes of this section, a copy of a resolution is 6530
"certified" when it contains a written statement attesting that 6531
the copy is a true and exact reproduction of the original 6532

resolution. 6533

(G) If a board of commissioners intends to adopt a resolution 6534
to levy a tax in whole or in part for the purpose of criminal and 6535
administrative justice services, the board shall prepare and make 6536
available at the first public hearing at which the resolution is 6537
considered a statement containing the following information: 6538

(1) For each of the two preceding fiscal years, the amount of 6539
expenditures made by the county from the county general fund for 6540
the purpose of criminal and administrative justice services; 6541

(2) For the fiscal year in which the resolution is adopted, 6542
the board's estimate of the amount of expenditures to be made by 6543
the county from the county general fund for the purpose of 6544
criminal and administrative justice services; 6545

(3) For each of the two fiscal years after the fiscal year in 6546
which the resolution is adopted, the board's preliminary plan for 6547
expenditures to be made from the county general fund for the 6548
purpose of criminal and administrative justice services, both 6549
under the assumption that the tax will be imposed for that purpose 6550
and under the assumption that the tax would not be imposed for 6551
that purpose, and for expenditures to be made from the special 6552
fund created under division (E) of this section under the 6553
assumption that the tax will be imposed for that purpose. 6554

The board shall prepare the statement and the preliminary 6555
plan using the best information available to the board at the time 6556
the statement is prepared. Neither the statement nor the 6557
preliminary plan shall be used as a basis to challenge the 6558
validity of the tax in any court of competent jurisdiction, nor 6559
shall the statement or preliminary plan limit the authority of the 6560
board to appropriate, pursuant to section 5705.38 of the Revised 6561
Code, an amount different from that specified in the preliminary 6562
plan. 6563

(H) Upon receipt from a board of county commissioners of a certified copy of a resolution required by division (A) or (D) of this section, or from the board of elections of a notice of the results of an election required by division (A) or (B)(1) or (2) of this section, the tax commissioner shall provide notice of a tax rate change in a manner that is reasonably accessible to all affected vendors. The commissioner shall provide this notice at least sixty days prior to the effective date of the rate change. The commissioner, by rule, may establish the method by which notice will be provided.

(I) As used in this section, "criminal and administrative justice services" means the exercise by the county sheriff of all powers and duties vested in that office by law; the exercise by the county prosecuting attorney of all powers and duties vested in that office by law; the exercise by any court in the county of all powers and duties vested in that court; the exercise by the clerk of the court of common pleas, any clerk of a municipal court having jurisdiction throughout the county, or the clerk of any county court of all powers and duties vested in the clerk by law except, in the case of the clerk of the court of common pleas, the titling of motor vehicles or watercraft pursuant to Chapter 1548. or 4505. of the Revised Code; the exercise by the county coroner of all powers and duties vested in that office by law; making payments to any other public agency or a private, nonprofit agency, the purposes of which in the county include the diversion, adjudication, detention, or rehabilitation of criminals or juvenile offenders; the operation and maintenance of any detention facility, as defined in section 2921.01 of the Revised Code; and the construction, acquisition, equipping, or repair of such a detention facility, including the payment of any debt charges incurred in the issuance of securities pursuant to Chapter 133. of the Revised Code for the purpose of constructing, acquiring, equipping, or repairing such a facility.

Sec. 5739.023. (A)(1) For the purpose of providing additional 6597
general revenues for a transit authority and paying the expenses 6598
of administering such levy, any transit authority as defined in 6599
division (U) of section 5739.01 of the Revised Code may levy a tax 6600
upon every retail sale made in the territory of the transit 6601
authority, except sales of watercraft and outboard motors required 6602
to be titled pursuant to Chapter 1548. of the Revised Code and 6603
sales of motor vehicles, at a rate of not more than one and 6604
one-half per cent at any multiple of one-fourth of one per cent 6605
and may increase the existing rate of tax to not more than one and 6606
one-half per cent at any multiple of one-fourth of one per cent. 6607
The tax shall be levied and the rate increased pursuant to a 6608
resolution of the legislative authority of the transit authority 6609
and a certified copy of the resolution shall be delivered by the 6610
fiscal officer to the board of elections as provided in section 6611
3505.071 of the Revised Code and to the tax commissioner. The 6612
resolution shall specify the number of years for which the tax is 6613
to be in effect or that the tax is for a continuing period of 6614
time, and the date of the election on the question of the tax 6615
pursuant to section 306.70 of the Revised Code. The board of 6616
elections shall certify the results of the election to the transit 6617
authority and tax commissioner. 6618

(2) Except as provided in division (C) of this section, the 6619
tax levied by the resolution shall become effective on the first 6620
day of a calendar quarter next following the sixty-fifth day 6621
following the date the tax commissioner receives from the board of 6622
elections the certification of the results of the election on the 6623
question of the tax. 6624

(B) The legislative authority may, at any time while the tax 6625
is in effect, by resolution fix the rate of the tax at any rate 6626
authorized by this section and not in excess of that approved by 6627
the voters pursuant to section 306.70 of the Revised Code. Except 6628

as provided in division (C) of this section, any change in the 6629
rate of the tax shall be made effective on the first day of a 6630
calendar quarter next following the sixty-fifth day following the 6631
date the tax commissioner receives the certification of the 6632
resolution; provided, that in any case where bonds, or notes in 6633
anticipation of bonds, of a regional transit authority have been 6634
issued under section 306.40 of the Revised Code without a vote of 6635
the electors while the tax proposed to be reduced was in effect, 6636
the board of trustees of the regional transit authority shall 6637
continue to levy and collect under authority of the original 6638
election authorizing the tax a rate of tax that the board of 6639
trustees reasonably estimates will produce an amount in that year 6640
equal to the amount of principal of and interest on those bonds as 6641
is payable in that year. 6642

(C) Upon receipt from the board of elections of the 6643
certification of the results of the election required by division 6644
(A) of this section, or from the legislative authority of the 6645
certification of a resolution under division (B) of this section, 6646
the tax commissioner shall provide notice of a tax rate change in 6647
a manner that is reasonably accessible to all affected vendors. 6648
The commissioner shall provide this notice at least sixty days 6649
prior to the effective date of the rate change. The commissioner, 6650
by rule, may establish the method by which notice will be 6651
provided. 6652

(D) If a vendor ~~that is registered with the central~~ 6653
~~electronic registration system provided for in section 5740.05 of~~ 6654
~~the Revised Code~~ makes a sale in this state by printed catalog and 6655
the consumer computed the tax on the sale based on local rates 6656
published in the catalog, any tax levied or rate changed under 6657
this section shall not apply to such a sale until the first day of 6658
a calendar quarter following the expiration of one hundred twenty 6659
days from the date of notice by the tax commissioner pursuant to 6660

division (C) of this section. 6661

(E) The tax on every retail sale subject to a tax levied 6662
pursuant to this section is in addition to the tax levied by 6663
section 5739.02 of the Revised Code and any tax levied pursuant to 6664
section 5739.021 or 5739.026 of the Revised Code. 6665

(F) The additional tax levied by the transit authority shall 6666
be collected pursuant to section 5739.025 of the Revised Code. 6667

(G) Any tax levied pursuant to this section is subject to the 6668
exemptions provided in section 5739.02 of the Revised Code and in 6669
addition shall not be applicable to sales not within the taxing 6670
power of a transit authority under the constitution of the United 6671
States or the constitution of this state. 6672

(H) The rate of a tax levied under this section is subject to 6673
reduction under section 5739.028 of the Revised Code, if a ballot 6674
question is approved by voters pursuant to that section. 6675

Sec. 5739.026. (A) A board of county commissioners may levy a 6676
tax of one-fourth or one-half of one per cent on every retail sale 6677
in the county, except sales of watercraft and outboard motors 6678
required to be titled pursuant to Chapter 1548. of the Revised 6679
Code and sales of motor vehicles, and may increase an existing 6680
rate of one-fourth of one per cent to one-half of one per cent, to 6681
pay the expenses of administering the tax and, except as provided 6682
in division (A)(6) of this section, for any one or more of the 6683
following purposes provided that the aggregate levy for all such 6684
purposes does not exceed one-half of one per cent: 6685

(1) To provide additional revenues for the payment of bonds 6686
or notes issued in anticipation of bonds issued by a convention 6687
facilities authority established by the board of county 6688
commissioners under Chapter 351. of the Revised Code and to 6689
provide additional operating revenues for the convention 6690

facilities authority;	6691
(2) To provide additional revenues for a transit authority	6692
operating in the county;	6693
(3) To provide additional revenue for the county's general	6694
fund;	6695
(4) To provide additional revenue for permanent improvements	6696
within the county to be distributed by the community improvements	6697
board in accordance with section 307.283 and to pay principal,	6698
interest, and premium on bonds issued under section 307.284 of the	6699
Revised Code;	6700
(5) To provide additional revenue for the acquisition,	6701
construction, equipping, or repair of any specific permanent	6702
improvement or any class or group of permanent improvements, which	6703
improvement or class or group of improvements shall be enumerated	6704
in the resolution required by division (D) of this section, and to	6705
pay principal, interest, premium, and other costs associated with	6706
the issuance of bonds or notes in anticipation of bonds issued	6707
pursuant to Chapter 133. of the Revised Code for the acquisition,	6708
construction, equipping, or repair of the specific permanent	6709
improvement or class or group of permanent improvements;	6710
(6) To provide revenue for the implementation and operation	6711
of a 9-1-1 system in the county. If the tax is levied or the rate	6712
increased exclusively for such purpose, the tax shall not be	6713
levied or the rate increased for more than five years. At the end	6714
of the last year the tax is levied or the rate increased, any	6715
balance remaining in the special fund established for such purpose	6716
shall remain in that fund and be used exclusively for such purpose	6717
until the fund is completely expended, and, notwithstanding	6718
section 5705.16 of the Revised Code, the board of county	6719
commissioners shall not petition for the transfer of money from	6720
such special fund, and the tax commissioner shall not approve such	6721

a petition. 6722

If the tax is levied or the rate increased for such purpose 6723
for more than five years, the board of county commissioners also 6724
shall levy the tax or increase the rate of the tax for one or more 6725
of the purposes described in divisions (A)(1) to (5) of this 6726
section and shall prescribe the method for allocating the revenues 6727
from the tax each year in the manner required by division (C) of 6728
this section. 6729

(7) To provide additional revenue for the operation or 6730
maintenance of a detention facility, as that term is defined under 6731
division (F) of section 2921.01 of the Revised Code; 6732

(8) To provide revenue to finance the construction or 6733
renovation of a sports facility, but only if the tax is levied for 6734
that purpose in the manner prescribed by section 5739.028 of the 6735
Revised Code. 6736

As used in division (A)(8) of this section: 6737

(a) "Sports facility" means a facility intended to house 6738
major league professional athletic teams. 6739

(b) "Constructing" or "construction" includes providing 6740
fixtures, furnishings, and equipment. 6741

(9) To provide additional revenue for the acquisition of 6742
agricultural easements, as defined in section 5301.67 of the 6743
Revised Code; to pay principal, interest, and premium on bonds 6744
issued under section 133.60 of the Revised Code; and for the 6745
supervision and enforcement of agricultural easements held by the 6746
county; 6747

(10) To provide revenue for the provision of ambulance, 6748
paramedic, or other emergency medical services. 6749

Pursuant to section 755.171 of the Revised Code, a board of 6750
county commissioners may pledge and contribute revenue from a tax 6751

levied for the purpose of division (A)(5) of this section to the 6752
payment of debt charges on bonds issued under section 755.17 of 6753
the Revised Code. 6754

The rate of tax shall be a multiple of one-fourth of one per 6755
cent, unless a portion of the rate of an existing tax levied under 6756
section 5739.023 of the Revised Code has been reduced, and the 6757
rate of tax levied under this section has been increased, pursuant 6758
to section 5739.028 of the Revised Code, in which case the 6759
aggregate of the rates of tax levied under this section and 6760
section 5739.023 of the Revised Code shall be a multiple of 6761
one-fourth of one per cent. The tax shall be levied and the rate 6762
increased pursuant to a resolution adopted by a majority of the 6763
members of the board. The board shall deliver a certified copy of 6764
the resolution to the tax commissioner, not later than the 6765
sixty-fifth day prior to the date on which the tax is to become 6766
effective, which shall be the first day of a calendar quarter. 6767

Prior to the adoption of any resolution to levy the tax or to 6768
increase the rate of tax exclusively for the purpose set forth in 6769
division (A)(3) of this section, the board of county commissioners 6770
shall conduct two public hearings on the resolution, the second 6771
hearing to be no fewer than three nor more than ten days after the 6772
first. Notice of the date, time, and place of the hearings shall 6773
be given by publication in a newspaper of general circulation in 6774
the county, or as provided in section 7.16 of the Revised Code, 6775
once a week on the same day of the week for two consecutive weeks. 6776
The second publication shall be no fewer than ten nor more than 6777
thirty days prior to the first hearing. Except as provided in 6778
division (E) of this section, the resolution shall be subject to a 6779
referendum as provided in sections 305.31 to 305.41 of the Revised 6780
Code. If the resolution is adopted as an emergency measure 6781
necessary for the immediate preservation of the public peace, 6782
health, or safety, it must receive an affirmative vote of all of 6783

the members of the board of county commissioners and shall state 6784
the reasons for the necessity. 6785

If the tax is for more than one of the purposes set forth in 6786
divisions (A)(1) to (7), (9), and (10) of this section, or is 6787
exclusively for one of the purposes set forth in division (A)(1), 6788
(2), (4), (5), (6), (7), (9), or (10) of this section, the 6789
resolution shall not go into effect unless it is approved by a 6790
majority of the electors voting on the question of the tax. 6791

(B) The board of county commissioners shall adopt a 6792
resolution under section 351.02 of the Revised Code creating the 6793
convention facilities authority, or under section 307.283 of the 6794
Revised Code creating the community improvements board, before 6795
adopting a resolution levying a tax for the purpose of a 6796
convention facilities authority under division (A)(1) of this 6797
section or for the purpose of a community improvements board under 6798
division (A)(4) of this section. 6799

(C)(1) If the tax is to be used for more than one of the 6800
purposes set forth in divisions (A)(1) to (7), (9), and (10) of 6801
this section, the board of county commissioners shall establish 6802
the method that will be used to determine the amount or proportion 6803
of the tax revenue received by the county during each year that 6804
will be distributed for each of those purposes, including, if 6805
applicable, provisions governing the reallocation of a convention 6806
facilities authority's allocation if the authority is dissolved 6807
while the tax is in effect. The allocation method may provide that 6808
different proportions or amounts of the tax shall be distributed 6809
among the purposes in different years, but it shall clearly 6810
describe the method that will be used for each year. Except as 6811
otherwise provided in division (C)(2) of this section, the 6812
allocation method established by the board is not subject to 6813
amendment during the life of the tax. 6814

(2) Subsequent to holding a public hearing on the proposed 6815

amendment, the board of county commissioners may amend the 6816
allocation method established under division (C)(1) of this 6817
section for any year, if the amendment is approved by the 6818
governing board of each entity whose allocation for the year would 6819
be reduced by the proposed amendment. In the case of a tax that is 6820
levied for a continuing period of time, the board may not so amend 6821
the allocation method for any year before the sixth year that the 6822
tax is in effect. 6823

(a) If the additional revenues provided to the convention 6824
facilities authority are pledged by the authority for the payment 6825
of convention facilities authority revenue bonds for as long as 6826
such bonds are outstanding, no reduction of the authority's 6827
allocation of the tax shall be made for any year except to the 6828
extent that the reduced authority allocation, when combined with 6829
the authority's other revenues pledged for that purpose, is 6830
sufficient to meet the debt service requirements for that year on 6831
such bonds. 6832

(b) If the additional revenues provided to the county are 6833
pledged by the county for the payment of bonds or notes described 6834
in division (A)(4) or (5) of this section, for as long as such 6835
bonds or notes are outstanding, no reduction of the county's or 6836
the community improvements board's allocation of the tax shall be 6837
made for any year, except to the extent that the reduced county or 6838
community improvements board allocation is sufficient to meet the 6839
debt service requirements for that year on such bonds or notes. 6840

(c) If the additional revenues provided to the transit 6841
authority are pledged by the authority for the payment of revenue 6842
bonds issued under section 306.37 of the Revised Code, for as long 6843
as such bonds are outstanding, no reduction of the authority's 6844
allocation of tax shall be made for any year, except to the extent 6845
that the authority's reduced allocation, when combined with the 6846
authority's other revenues pledged for that purpose, is sufficient 6847

to meet the debt service requirements for that year on such bonds. 6848

(d) If the additional revenues provided to the county are 6849
pledged by the county for the payment of bonds or notes issued 6850
under section 133.60 of the Revised Code, for so long as the bonds 6851
or notes are outstanding, no reduction of the county's allocation 6852
of the tax shall be made for any year, except to the extent that 6853
the reduced county allocation is sufficient to meet the debt 6854
service requirements for that year on the bonds or notes. 6855

(D)(1) The resolution levying the tax or increasing the rate 6856
of tax shall state the rate of the tax or the rate of the 6857
increase; the purpose or purposes for which it is to be levied; 6858
the number of years for which it is to be levied or that it is for 6859
a continuing period of time; the allocation method required by 6860
division (C) of this section; and if required to be submitted to 6861
the electors of the county under division (A) of this section, the 6862
date of the election at which the proposal shall be submitted to 6863
the electors of the county, which shall be not less than ninety 6864
days after the certification of a copy of the resolution to the 6865
board of elections and, if the tax is to be levied exclusively for 6866
the purpose set forth in division (A)(3) of this section, shall 6867
not occur in February or August of any year. Upon certification of 6868
the resolution to the board of elections, the board of county 6869
commissioners shall notify the tax commissioner in writing of the 6870
levy question to be submitted to the electors. If approved by a 6871
majority of the electors, the tax shall become effective on the 6872
first day of a calendar quarter next following the sixty-fifth day 6873
following the date the board of county commissioners and tax 6874
commissioner receive from the board of elections the certification 6875
of the results of the election, except as provided in division (E) 6876
of this section. 6877

(2)(a) A resolution specifying that the tax is to be used 6878
exclusively for the purpose set forth in division (A)(3) of this 6879

section that is not adopted as an emergency measure may direct the 6880
board of elections to submit the question of levying the tax or 6881
increasing the rate of the tax to the electors of the county at a 6882
special election held on the date specified by the board of county 6883
commissioners in the resolution, provided that the election occurs 6884
not less than ninety days after the resolution is certified to the 6885
board of elections and the election is not held in February or 6886
August of any year. Upon certification of the resolution to the 6887
board of elections, the board of county commissioners shall notify 6888
the tax commissioner in writing of the levy question to be 6889
submitted to the electors. No resolution adopted under division 6890
(D)(2)(a) of this section shall go into effect unless approved by 6891
a majority of those voting upon it and, except as provided in 6892
division (E) of this section, not until the first day of a 6893
calendar quarter following the expiration of sixty-five days from 6894
the date the tax commissioner receives notice from the board of 6895
elections of the affirmative vote. 6896

(b) A resolution specifying that the tax is to be used 6897
exclusively for the purpose set forth in division (A)(3) of this 6898
section that is adopted as an emergency measure shall become 6899
effective as provided in division (A) of this section, but may 6900
direct the board of elections to submit the question of repealing 6901
the tax or increase in the rate of the tax to the electors of the 6902
county at the next general election in the county occurring not 6903
less than ninety days after the resolution is certified to the 6904
board of elections. Upon certification of the resolution to the 6905
board of elections, the board of county commissioners shall notify 6906
the tax commissioner in writing of the levy question to be 6907
submitted to the electors. The ballot question shall be the same 6908
as that prescribed in section 5739.022 of the Revised Code. The 6909
board of elections shall notify the board of county commissioners 6910
and the tax commissioner of the result of the election immediately 6911
after the result has been declared. If a majority of the qualified 6912

electors voting on the question of repealing the tax or increase 6913
in the rate of the tax vote for repeal of the tax or repeal of the 6914
increase, the board of county commissioners, on the first day of a 6915
calendar quarter following the expiration of sixty-five days after 6916
the date the board and tax commissioner received notice of the 6917
result of the election, shall, in the case of a repeal of the tax, 6918
cease to levy the tax, or, in the case of a repeal of an increase 6919
in the rate of the tax, cease to levy the increased rate and levy 6920
the tax at the rate at which it was imposed immediately prior to 6921
the increase in rate. 6922

(c) A board of county commissioners, by resolution, may 6923
reduce the rate of a tax levied exclusively for the purpose set 6924
forth in division (A)(3) of this section to a lower rate 6925
authorized by this section. Any such reduction shall be made 6926
effective on the first day of the calendar quarter next following 6927
the sixty-fifth day after the tax commissioner receives a 6928
certified copy of the resolution from the board. 6929

(E) If a vendor ~~that is registered with the central~~ 6930
~~electronic registration system provided for in section 5740.05 of~~ 6931
~~the Revised Code~~ makes a sale in this state by printed catalog and 6932
the consumer computed the tax on the sale based on local rates 6933
published in the catalog, any tax levied or repealed or rate 6934
changed under this section shall not apply to such a sale until 6935
the first day of a calendar quarter following the expiration of 6936
one hundred twenty days from the date of notice by the tax 6937
commissioner pursuant to division (G) of this section. 6938

(F) The tax levied pursuant to this section shall be in 6939
addition to the tax levied by section 5739.02 of the Revised Code 6940
and any tax levied pursuant to section 5739.021 or 5739.023 of the 6941
Revised Code. 6942

A county that levies a tax pursuant to this section shall 6943
levy a tax at the same rate pursuant to section 5741.023 of the 6944

Revised Code. 6945

The additional tax levied by the county shall be collected 6946
pursuant to section 5739.025 of the Revised Code. 6947

Any tax levied pursuant to this section is subject to the 6948
exemptions provided in section 5739.02 of the Revised Code and in 6949
addition shall not be applicable to sales not within the taxing 6950
power of a county under the Constitution of the United States or 6951
the Ohio Constitution. 6952

(G) Upon receipt from a board of county commissioners of a 6953
certified copy of a resolution required by division (A) of this 6954
section, or from the board of elections a notice of the results of 6955
an election required by division (D)(1), (2)(a), (b), or (c) of 6956
this section, the tax commissioner shall provide notice of a tax 6957
rate change in a manner that is reasonably accessible to all 6958
affected vendors. The commissioner shall provide this notice at 6959
least sixty days prior to the effective date of the rate change. 6960
The commissioner, by rule, may establish the method by which 6961
notice will be provided. 6962

Sec. 5739.04. If modification of a county's jurisdictional 6963
boundaries or a transit authority's territory results in a change 6964
in the tax rate levied under section 5739.021, 5739.023, or 6965
5739.026 of the Revised Code, the tax commissioner, within thirty 6966
days of such change, shall notify any vendor ~~that is registered~~ 6967
~~with the central electronic registration system provided for in~~ 6968
~~section 5740.05 of the Revised Code~~ or the vendor's certified 6969
service provider, if the vendor has selected one, of such change. 6970
The rate change shall not apply to sales made by such vendor until 6971
the first day of a calendar quarter following the expiration of 6972
sixty days from the date of notice by the ~~tax~~ commissioner. 6973

Sec. 5739.17. (A) No person shall engage in making retail 6974

sales subject to a tax imposed by or pursuant to section 5739.02, 6975
5739.021, 5739.023, or 5739.026 of the Revised Code as a business 6976
without having a license therefor, except as otherwise provided in 6977
divisions (A)(1), (2), and (3) of this section. 6978

(1) In the dissolution of a partnership by death, the 6979
surviving partner may operate under the license of the partnership 6980
for a period of sixty days. 6981

(2) The heirs or legal representatives of deceased persons, 6982
and receivers and trustees in bankruptcy, appointed by any 6983
competent authority, may operate under the license of the person 6984
so succeeded in possession. 6985

(3) Two or more persons who are not partners may operate a 6986
single place of business under one license. In such case neither 6987
the retirement of any such person from business at that place of 6988
business, nor the entrance of any person, under an existing 6989
arrangement, shall affect the license or require the issuance of a 6990
new license, unless the person retiring from the business is the 6991
individual named on the vendor's license. 6992

Except as otherwise provided in this section, each applicant 6993
for a license shall make out and deliver to the county auditor of 6994
each county in which the applicant desires to engage in business, 6995
upon a blank to be furnished by such auditor for that purpose, a 6996
statement showing the name of the applicant, each place of 6997
business in the county where the applicant will make retail sales, 6998
the nature of the business, and any other information the tax 6999
commissioner reasonably prescribes in the form of a statement 7000
prescribed by the commissioner. 7001

At the time of making the application, the applicant shall 7002
pay into the county treasury a license fee in the sum of 7003
twenty-five dollars for each fixed place of business in the county 7004
that will be the situs of retail sales. Upon receipt of the 7005

application and exhibition of the county treasurer's receipt, 7006
showing the payment of the license fee, the county auditor shall 7007
issue to the applicant a license for each fixed place of business 7008
designated in the application, authorizing the applicant to engage 7009
in business at that location. ~~ff~~ 7010

(B) If a vendor's identity changes, the vendor shall apply 7011
for a new license. If a vendor wishes to move an existing fixed 7012
place of business to a new location within the same county, the 7013
vendor shall obtain a new vendor's license or submit a request to 7014
the ~~tax~~ commissioner to transfer the existing vendor's license to 7015
the new location. When the new location has been verified as being 7016
within the same county, the commissioner shall authorize the 7017
transfer and notify the county auditor of the change of location. 7018
If a vendor wishes to move an existing fixed place of business to 7019
another county, the vendor's license shall not transfer and the 7020
vendor shall obtain a new vendor's license from the county in 7021
which the business is to be located. The form of the license shall 7022
be prescribed by the commissioner. The fees collected shall be 7023
credited to the general fund of the county. If a vendor fails to 7024
notify the commissioner of a change of location of its fixed place 7025
of business or that its business has closed, the commissioner may 7026
cancel the vendor's license if ordinary mail sent to the location 7027
shown on the license is returned because of an undeliverable 7028
address. 7029

(C) The ~~tax~~ commissioner may establish or participate in a 7030
registration system whereby any vendor may obtain a vendor's 7031
license by submitting to the commissioner a vendor's license 7032
application and a license fee of twenty-five dollars for each 7033
fixed place of business at which the vendor intends to make retail 7034
sales. Under this registration system, the commissioner shall 7035
issue a vendor's license to the applicant on behalf of the county 7036
auditor of the county in which the applicant desires to engage in 7037

business, and shall forward a copy of the application and license 7038
fee to that county. All such license fees received by the 7039
commissioner for the issuance of vendor's licenses shall be 7040
deposited into the vendor's license application fund, which is 7041
hereby created in the state treasury. The commissioner shall 7042
certify to the director of budget and management within ten 7043
business days after the close of a month the license fees to be 7044
transmitted to each county from the vendor's license application 7045
fund for vendor's license applications received by the 7046
commissioner during that month. License fees transmitted to a 7047
county for which payment was not received by the commissioner may 7048
be netted against a future distribution to that county, including 7049
distributions made pursuant to section 5739.21 of the Revised 7050
Code. 7051

A vendor that makes retail sales subject to tax under Chapter 7052
5739. of the Revised Code pursuant to a permit issued by the 7053
division of liquor control shall obtain a vendor's license in the 7054
identical name and for the identical address as shown on the 7055
permit. 7056

Except as otherwise provided in this section, if a vendor has 7057
no fixed place of business and sells from a vehicle, each vehicle 7058
intended to be used within a county constitutes a place of 7059
business for the purpose of this section. 7060

~~(B)~~(D) As used in this ~~division~~ section, "transient vendor" 7061
means any person who makes sales of tangible personal property 7062
from vending machines located on land owned by others, who leases 7063
titled motor vehicles, titled watercraft, or titled outboard 7064
motors, who effectuates leases that are taxed according to 7065
division (A)(2) of section 5739.02 of the Revised Code, or who, in 7066
the usual course of the person's business, transports inventory, 7067
stock of goods, or similar tangible personal property to a 7068
temporary place of business or temporary exhibition, show, fair, 7069

flea market, or similar event in a county in which the person has 7070
no fixed place of business, for the purpose of making retail sales 7071
of such property. A "temporary place of business" means any public 7072
or quasi-public place including, but not limited to, a hotel, 7073
rooming house, storeroom, building, part of a building, tent, 7074
vacant lot, railroad car, or motor vehicle that is temporarily 7075
occupied for the purpose of making retail sales of goods to the 7076
public. A place of business is not temporary if the same person 7077
conducted business at the place continuously for more than six 7078
months or occupied the premises as the person's permanent 7079
residence for more than six months, or if the person intends it to 7080
be a fixed place of business. 7081

Any transient vendor, in lieu of obtaining a vendor's license 7082
under division (A) of this section for counties in which the 7083
transient vendor has no fixed place of business, may apply to the 7084
tax commissioner, on a form prescribed by the commissioner, for a 7085
transient vendor's license. The transient vendor's license 7086
authorizes the transient vendor to make retail sales in any county 7087
in which the transient vendor does not maintain a fixed place of 7088
business. Any holder of a transient vendor's license shall not be 7089
required to obtain a separate vendor's license from the county 7090
auditor in that county. Upon the commissioner's determination that 7091
an applicant is a transient vendor, the applicant shall pay a 7092
license fee in the amount of twenty-five dollars, at which time 7093
the tax commissioner shall issue the license. The tax commissioner 7094
may require a vendor to be licensed as a transient vendor if, in 7095
the opinion of the commissioner, such licensing is necessary for 7096
the efficient administration of the tax. 7097

Any holder of a valid transient vendor's license may make 7098
retail sales at a temporary place of business or temporary 7099
exhibition, show, fair, flea market, or similar event, held 7100
anywhere in the state without complying with any provision of 7101

section 311.37 of the Revised Code. Any holder of a valid vendor's
license may make retail sales as a transient vendor at a temporary
place of business or temporary exhibition, show, fair, flea
market, or similar event held in any county in which the vendor
maintains a fixed place of business for which the vendor holds a
vendor's license without obtaining a transient vendor's license.

~~(C) As used in this division, "service vendor" means any
person who, in the usual course of the person's business, sells
services described in division (B)(3)(e), (f), (g), (h), (i), (j),
(k), (l), (m), (p), or (t) of section 5739.01 of the Revised Code.~~

~~Every service vendor shall make application to the tax
commissioner for a service vendor's license. Each applicant shall
pay a license fee in the amount of twenty five dollars. Upon the
commissioner's determination that an applicant is a service vendor
and payment of the fee, the commissioner shall issue the applicant
a service vendor's license.~~

~~Only sales described in division (B)(3)(e), (f), (g), (h),
(i), (j), (k), (l), (m), (p), or (t) of section 5739.01 of the
Revised Code may be made under authority of a service vendor's
license, and that license authorizes sales to be made at any place
in this state. Any service vendor who makes sales of other
services or tangible personal property subject to the sales tax
also shall be licensed under division (A), (B), or (D) of this
section.~~

~~(D) As used in this division, "delivery vendor" means any
vendor who engages in one or more of the activities described in
divisions (D)(1) to (4) of this section, and who maintains no
store, showroom, or similar fixed place of business or other
location where merchandise regularly is offered for sale or
displayed or shown in catalogs for selection or pick up by
consumers, or where consumers bring goods for repair or other
service.~~

(1) The vendor makes retail sales of tangible personal property;	7134
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(2) The vendor rents or leases, at retail, tangible personal property, except titled motor vehicles, titled watercraft, or titled outboard motors;	7136
	7137
	7138
(3) The vendor provides a service, at retail, described in division (B)(3)(a), (b), (c), or (d) of section 5739.01 of the Revised Code; or	7139
	7140
	7141
(4) The vendor makes retail sales of warranty, maintenance or service contracts, or similar agreements as described in division (B)(7) of section 5739.01 of the Revised Code.	7142
	7143
	7144
A transient vendor or a seller registered pursuant to section 5741.17 of the Revised Code is not a delivery vendor.	7145
	7146
Delivery vendors shall apply to the tax commissioner, on a form prescribed by the commissioner, for a delivery vendor's license. Each applicant shall pay a license fee of twenty five dollars for each delivery vendor's license, to be credited to the general revenue fund. Upon the commissioner's determination that the applicant is a delivery vendor, the commissioner shall issue the license. A delivery vendor's license authorizes retail sales to be made throughout the state. All sales of the vendor must be reported under the delivery license. The commissioner may require a vendor to be licensed as a delivery vendor if, in the opinion of the commissioner, such licensing is necessary for the efficient administration of the tax. The commissioner shall not issue a delivery vendor license to a vendor who holds a license issued under division (A) of this section.	7147
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(E) Any transient vendor who is issued a license pursuant to this section shall display the license or a copy of it prominently, in plain view, at every place of business of the transient vendor. Every	7161
	7162
	7163
	7164

(F) No owner, organizer, or promoter who operates a fair, flea market, show, exhibition, convention, or similar event at which transient vendors are present shall fail to keep a comprehensive record of all such vendors, listing the vendor's name, permanent address, vendor's license number, and the type of goods sold. Such records shall be kept for four years and shall be open to inspection by the ~~tax~~ commissioner.

(G) The commissioner may issue additional types of licenses if required to efficiently administer the tax imposed by this chapter.

Sec. 5741.08. If modification of a county's jurisdictional boundaries or a transit authority's territory results in a change in the tax rate levied under section 5741.021, 5741.022, or 5741.023 of the Revised Code, the tax commissioner, within thirty days of such change, shall notify any seller ~~that is registered with the central electronic registration system provided for in section 5740.05 of the Revised Code~~ or the seller's certified service provider, if the seller has selected one, of such change. The rate change shall not apply until the first day of a calendar quarter following the expiration of sixty days from the date of notice by the ~~tax~~ commissioner.

Sec. 5743.20. No person shall sell any cigarettes both as a retail dealer and as a wholesale dealer at the same place of business. No person other than a licensed wholesale dealer shall sell cigarettes to a licensed retail dealer. No retail dealer shall purchase cigarettes from any person other than a licensed wholesale dealer.

Subject to section 5743.031 of the Revised Code, a licensed wholesale dealer may not sell cigarettes to any person in this state other than a licensed retail dealer, except a licensed

wholesale dealer may sell cigarettes to another licensed wholesale 7195
dealer if the tax commissioner has authorized the sale of the 7196
cigarettes between those wholesale dealers and the wholesale 7197
dealer that sells the cigarettes received them directly from a 7198
licensed manufacturer or licensed importer. 7199

The tax commissioner shall adopt rules governing sales of 7200
cigarettes between licensed wholesale dealers, including rules 7201
establishing criteria for authorizing such sales. 7202

No manufacturer or importer shall sell cigarettes to any 7203
person in this state other than to a licensed wholesale dealer or 7204
licensed importer. No importer shall purchase cigarettes from any 7205
person other than a licensed manufacturer or licensed importer. 7206

A retail dealer may purchase other tobacco products only from 7207
a licensed distributor. A licensed distributor may sell tobacco 7208
products only to a retail dealer, except a licensed distributor 7209
may sell tobacco products to another licensed distributor if the 7210
tax commissioner has authorized the sale of the tobacco products 7211
between those distributors and the distributor that sells the 7212
tobacco products received them directly from a manufacturer or 7213
importer of tobacco products. 7214

The tax commissioner may adopt rules governing sales of 7215
tobacco products between licensed distributors, including rules 7216
establishing criteria for authorizing such sales. 7217

The identities of cigarette manufacturers and importers, 7218
licensed cigarette wholesalers, licensed distributors of other 7219
tobacco products, and registered manufacturers, and importers, ~~and~~ 7220
~~brokers~~ of other tobacco products are subject to public 7221
disclosure. The tax commissioner shall maintain an alphabetical 7222
list of all such manufacturers, importers, wholesalers, and 7223
distributors, ~~and brokers~~, shall post the list on a web site 7224
accessible to the public through the internet, and shall 7225

periodically update the web site posting. 7226

As used in this section, "licensed" means the manufacturer, 7227
importer, wholesale dealer, or distributor holds a current and 7228
valid license issued under section 5743.15 or 5743.61 of the 7229
Revised Code, and "registered" means registered with the ~~tax~~ 7230
commissioner under section 5743.66 of the Revised Code. 7231

Sec. 5743.61. (A) Except as otherwise provided in this 7232
division, no distributor shall engage in the business of 7233
distributing tobacco products within this state without having a 7234
license issued by the department of taxation to engage in that 7235
business. On the dissolution of a partnership by death, the 7236
surviving partner may operate under the license of the partnership 7237
until the expiration of the license, and the heirs or legal 7238
representatives of deceased persons, and receivers and trustees in 7239
bankruptcy appointed by any competent authority, may operate under 7240
the license of the person succeeded in possession by the heir, 7241
representative, receiver, or trustee in bankruptcy if the partner 7242
or successor notifies the department of taxation of the 7243
dissolution or succession within thirty days after the dissolution 7244
or succession. 7245

(B)(1) Each applicant for a license to engage in the business 7246
of distributing tobacco products, annually, on or before the first 7247
day of February, shall make and deliver to the tax commissioner, 7248
upon a form furnished by the commissioner for that purpose, a 7249
statement showing the name of the applicant, each physical place 7250
from which the applicant distributes to distributors, retail 7251
dealers, or wholesale dealers, and any other information the 7252
commissioner considers necessary for the administration of 7253
sections 5743.51 to 5743.66 of the Revised Code. 7254

(2) At the time of making the license application, the 7255
applicant shall pay an application fee of one thousand dollars for 7256

each place listed on the application where the applicant proposes 7257
to carry on that business. The fee charged for the application 7258
shall accompany the application and shall be made payable to the 7259
treasurer of state for deposit into the cigarette tax enforcement 7260
fund. 7261

(3) Upon receipt of the application and payment of any 7262
licensing fee required by this section, the commissioner shall 7263
issue to the applicant a license for each place of distribution 7264
designated in the application authorizing the applicant to engage 7265
in business at that location for one year commencing on the first 7266
day of February. For licenses issued after the first day of 7267
February, the license application fee shall be reduced 7268
proportionately by the remainder of the twelve-month period for 7269
which the license is issued, except that the application fee 7270
required to be paid under this section shall be not less than two 7271
hundred dollars. If the original license is lost, destroyed, or 7272
defaced, a duplicate license may be obtained from the commissioner 7273
upon payment of a license replacement fee of twenty-five dollars. 7274

(C) The holder of a tobacco products license may transfer the 7275
license to a place of business on condition that the licensee's 7276
ownership and business structure remains unchanged and the 7277
licensee applies to the commissioner for the transfer on a form 7278
issued by the commissioner, and pays a transfer fee of twenty-five 7279
dollars. 7280

(D) If a distributor fails to file forms as required under 7281
Chapter 1346. or section 5743.52 of the Revised Code or pay the 7282
tax due for two consecutive periods or three periods during any 7283
twelve-month period, the commissioner may suspend the license 7284
issued to the distributor under this section. The suspension is 7285
effective ten days after the commissioner notifies the distributor 7286
of the suspension in writing personally or by certified mail. The 7287
commissioner shall lift the suspension when the distributor files 7288

the delinquent forms and pays the tax due, including any 7289
penalties, interest, and additional charges. The commissioner may 7290
refuse to issue the annual renewal of the license required by this 7291
section and may refuse to issue a new license for the same 7292
location until all delinquent forms are filed and outstanding 7293
taxes are paid. This division does not apply to any unpaid or 7294
underpaid tax liability that is the subject of a petition or 7295
appeal filed pursuant to section 5743.56, 5717.02, or 5717.04 of 7296
the Revised Code. 7297

(E)(1) The tax commissioner may impose a penalty of up to one 7298
thousand dollars on any person found to be engaging in the 7299
business of distributing tobacco products without a license as 7300
required by this section. 7301

(2) Any person engaging in the business of distributing 7302
tobacco products without a license as required by this section 7303
shall comply with divisions (B)(1) and (2) of this section within 7304
ten days after being notified of the requirement to do so. Failure 7305
to comply with division (E)(2) of this section subjects a person 7306
to penalties imposed under section 5743.99 of the Revised Code. 7307

Sec. 5743.66. (A) Each manufacturer, or importer, ~~or broker~~ 7308
of tobacco products shall register with the tax commissioner 7309
before it sells or distributes tobacco products to distributors in 7310
this state, and, upon the request of the ~~tax~~ commissioner, shall 7311
provide complete information on sales made to distributors in this 7312
state and a current list of prices charged for tobacco products 7313
sold to distributors in this state. 7314

(B) On or before the last day of each month, every 7315
manufacturer, or importer, ~~or broker~~ of tobacco products shall 7316
file a report with the commissioner listing all sales of tobacco 7317
products to distributors located in this state during the 7318
preceding month and any other information the commissioner finds 7319

necessary for the proper administration of sections 5743.51 to 7320
5743.66 of the Revised Code. 7321

Sec. 5747.082. (A) As used in this section: 7322

(1) "Electronic technology" means electronic technology 7323
acceptable to the tax commissioner under division (B) of this 7324
section. 7325

(2) "Original tax return" means any report, return, or other 7326
tax document required to be filed under this chapter for the 7327
purpose of reporting the taxes due under, and withholdings 7328
required by, this chapter. "Original tax return" does not include 7329
an amended return or any declaration or form required by or filed 7330
in connection with section 5747.09 of the Revised Code. 7331

(3) "Related member" has the same meaning as in section 7332
5733.042 of the Revised Code. 7333

(4) "Tax return preparer" means any person that operates a 7334
business that prepares, or directly or indirectly employs another 7335
person to prepare, for a taxpayer an original tax return in 7336
exchange for compensation or remuneration from the taxpayer or the 7337
taxpayer's related member. With respect to the preparation of a 7338
return or application for refund under this chapter, "tax return 7339
preparer" does not include an individual who performs only one or 7340
more of the following activities: 7341

(a) Furnishes typing, reproducing, or other mechanical 7342
assistance; 7343

(b) Prepares an application for refund or a return on behalf 7344
of an employer by whom the individual is regularly and 7345
continuously employed, or on behalf of an officer or employee of 7346
that employer; 7347

(c) Prepares as a fiduciary an application for refund or a 7348
return; 7349

(d) Prepares an application for refund or a return for a taxpayer in response to a notice of deficiency issued to the taxpayer or the taxpayer's related member, or in response to a waiver of restriction after the commencement of an audit of the taxpayer or the taxpayer's related member.

(B) Divisions (C) and (D) of this section apply to the filing of original tax returns that are due in a calendar year only if the tax commissioner, by the last day of the calendar year immediately preceding the calendar year in which such returns are due, has published on the department of taxation's official internet web site at least one method of electronic technology acceptable to the commissioner for filing such returns.

(C) A tax return preparer that prepares more than seventy-five original tax returns during any calendar year that ~~begins on or after January 1, 2008~~ ends before January 1, 2013, or that prepares more than eleven original tax returns during any calendar year that begins on or after January 1, 2013, shall ~~beginning January 1, 2010,~~ use electronic technology to file with the tax commissioner all original tax returns prepared by the tax return preparer. This division does not apply to a tax return preparer ~~for a~~ in any calendar year that ends before January 1, 2013, if, during the previous calendar year, the tax return preparer prepared no more than twenty-five original tax returns. This division does not apply to a tax return preparer in any calendar year that begins on or after January 1, 2013, if, during the previous calendar year, the tax return preparer prepared not more than ten original tax returns.

(D) If a tax return preparer required by this section to submit original tax returns by electronic technology files an original tax return by some means other than by electronic technology, the tax commissioner shall impose a penalty of fifty dollars for each return, in excess of seventy-five in a calendar

year 2010, 2011, or 2012, or in excess of eleven in any calendar 7382
year thereafter, that is not filed by electronic technology. Upon 7383
good cause shown by the tax return preparer, the tax commissioner 7384
may waive all or any portion of the penalty or may refund all or 7385
any portion of the penalty the tax return preparer has paid. 7386

Sec. 5751.01. As used in this chapter: 7387

(A) "Person" means, but is not limited to, individuals, 7388
combinations of individuals of any form, receivers, assignees, 7389
trustees in bankruptcy, firms, companies, joint-stock companies, 7390
business trusts, estates, partnerships, limited liability 7391
partnerships, limited liability companies, associations, joint 7392
ventures, clubs, societies, for-profit corporations, S 7393
corporations, qualified subchapter S subsidiaries, qualified 7394
subchapter S trusts, trusts, entities that are disregarded for 7395
federal income tax purposes, and any other entities. 7396

(B) "Consolidated elected taxpayer" means a group of two or 7397
more persons treated as a single taxpayer for purposes of this 7398
chapter as the result of an election made under section 5751.011 7399
of the Revised Code. 7400

(C) "Combined taxpayer" means a group of two or more persons 7401
treated as a single taxpayer for purposes of this chapter under 7402
section 5751.012 of the Revised Code. 7403

(D) "Taxpayer" means any person, or any group of persons in 7404
the case of a consolidated elected taxpayer or combined taxpayer 7405
treated as one taxpayer, required to register or pay tax under 7406
this chapter. "Taxpayer" does not include excluded persons. 7407

(E) "Excluded person" means any of the following: 7408

(1) Any person with not more than one hundred fifty thousand 7409
dollars of taxable gross receipts during the calendar year. 7410
Division (E)(1) of this section does not apply to a person that is 7411

a member of a consolidated elected taxpayer; 7412

(2) A public utility that paid the excise tax imposed by 7413
section 5727.24 or 5727.30 of the Revised Code based on one or 7414
more measurement periods that include the entire tax period under 7415
this chapter, except that a public utility that is a combined 7416
company is a taxpayer with regard to the following gross receipts: 7417

(a) Taxable gross receipts directly attributed to a public 7418
utility activity, but not directly attributed to an activity that 7419
is subject to the excise tax imposed by section 5727.24 or 5727.30 7420
of the Revised Code; 7421

(b) Taxable gross receipts that cannot be directly attributed 7422
to any activity, multiplied by a fraction whose numerator is the 7423
taxable gross receipts described in division (E)(2)(a) of this 7424
section and whose denominator is the total taxable gross receipts 7425
that can be directly attributed to any activity; 7426

(c) Except for any differences resulting from the use of an 7427
accrual basis method of accounting for purposes of determining 7428
gross receipts under this chapter and the use of the cash basis 7429
method of accounting for purposes of determining gross receipts 7430
under section 5727.24 of the Revised Code, the gross receipts 7431
directly attributed to the activity of a natural gas company shall 7432
be determined in a manner consistent with division (D) of section 7433
5727.03 of the Revised Code. 7434

As used in division (E)(2) of this section, "combined 7435
company" and "public utility" have the same meanings as in section 7436
5727.01 of the Revised Code. 7437

(3) A financial institution, as defined in section 5725.01 of 7438
the Revised Code, that paid the corporation franchise tax charged 7439
by division (D) of section 5733.06 of the Revised Code based on 7440
one or more taxable years that include the entire tax period under 7441
this chapter; 7442

(4) A dealer in intangibles, as defined in section 5725.01 of the Revised Code, that paid the dealer in intangibles tax levied by division (D) of section 5707.03 of the Revised Code based on one or more measurement periods that include the entire tax period under this chapter;

(5) A financial holding company as defined in the "Bank Holding Company Act," 12 U.S.C. 1841(p);

(6) A bank holding company as defined in the "Bank Holding Company Act," 12 U.S.C. 1841(a);

(7) A savings and loan holding company as defined in the "Home Owners Loan Act," 12 U.S.C. 1467a(a)(1)(D) that is engaging only in activities or investments permissible for a financial holding company under 12 U.S.C. 1843(k);

(8) A person directly or indirectly owned by one or more financial institutions, financial holding companies, bank holding companies, or savings and loan holding companies described in division (E)(3), (5), (6), or (7) of this section that is engaged in activities permissible for a financial holding company under 12 U.S.C. 1843(k), except that any such person held pursuant to merchant banking authority under 12 U.S.C. 1843(k)(4)(H) or 12 U.S.C. 1843(k)(4)(I) is not an excluded person, or a person directly or indirectly owned by one or more insurance companies described in division (E)(9) of this section that is authorized to do the business of insurance in this state.

For the purposes of division (E)(8) 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 7474
in section 1705.01 of the Revised Code, is fifty per cent or more 7475
of the combined membership interests of all persons owning such 7476
interests in the company; 7477

(c) In the case of a partnership, trust, or other 7478
unincorporated business organization other than a limited 7479
liability company, one person owns the organization if, under the 7480
articles of organization or other instrument governing the affairs 7481
of the organization, that person has a beneficial interest in the 7482
organization's profits, surpluses, losses, or distributions of 7483
fifty per cent or more of the combined beneficial interests of all 7484
persons having such an interest in the organization; 7485

(d) In the case of multiple ownership, the ownership 7486
interests of more than one person may be aggregated to meet the 7487
fifty per cent ownership tests in this division only when each 7488
such owner is described in division (E)(3), (5), (6), or (7) of 7489
this section and is engaged in activities permissible for a 7490
financial holding company under 12 U.S.C. 1843(k) or is a person 7491
directly or indirectly owned by one or more insurance companies 7492
described in division (E)(9) of this section that is authorized to 7493
do the business of insurance in this state. 7494

(9) A domestic insurance company or foreign insurance 7495
company, as defined in section 5725.01 of the Revised Code, that 7496
paid the insurance company premiums tax imposed by section 5725.18 7497
or Chapter 5729. of the Revised Code, or an unauthorized insurance 7498
company whose gross premiums are subject to tax under section 7499
3905.36 of the Revised Code based on one or more measurement 7500
periods that include the entire tax period under this chapter; 7501

(10) A person that solely facilitates or services one or more 7502
securitizations or similar transactions for any person described 7503
in division (E)(3), (5), (6), (7), (8), or (9) of this section. 7504
For purposes of this division, "securitization" means transferring 7505

one or more assets to one or more persons and then issuing 7506
securities backed by the right to receive payment from the asset 7507
or assets so transferred. 7508

(11) Except as otherwise provided in this division, a 7509
pre-income tax trust as defined in division (FF)(4) of section 7510
5747.01 of the Revised Code and any pass-through entity of which 7511
such pre-income tax trust owns or controls, directly, indirectly, 7512
or constructively through related interests, more than five per 7513
cent of the ownership or equity interests. If the pre-income tax 7514
trust has made a qualifying pre-income tax trust election under 7515
division (FF)(3) of section 5747.01 of the Revised Code, then the 7516
trust and the pass-through entities of which it owns or controls, 7517
directly, indirectly, or constructively through related interests, 7518
more than five per cent of the ownership or equity interests, 7519
shall not be excluded persons for purposes of the tax imposed 7520
under section 5751.02 of the Revised Code. 7521

(12) Nonprofit organizations or the state and its agencies, 7522
instrumentalities, or political subdivisions. 7523

(F) Except as otherwise provided in divisions (F)(2), (3), 7524
and (4) of this section, "gross receipts" means the total amount 7525
realized by a person, without deduction for the cost of goods sold 7526
or other expenses incurred, that contributes to the production of 7527
gross income of the person, including the fair market value of any 7528
property and any services received, and any debt transferred or 7529
forgiven as consideration. 7530

(1) The following are examples of gross receipts: 7531

(a) Amounts realized from the sale, exchange, or other 7532
disposition of the taxpayer's property to or with another; 7533

(b) Amounts realized from the taxpayer's performance of 7534
services for another; 7535

(c) Amounts realized from another's use or possession of the 7536

taxpayer's property or capital;	7537
(d) Any combination of the foregoing amounts.	7538
(2) "Gross receipts" excludes the following amounts:	7539
(a) Interest income except interest on credit sales;	7540
(b) Dividends and distributions from corporations, and	7541
distributive or proportionate shares of receipts and income from a	7542
pass-through entity as defined under section 5733.04 of the	7543
Revised Code;	7544
(c) Receipts from the sale, exchange, or other disposition of	7545
an asset described in section 1221 or 1231 of the Internal Revenue	7546
Code, without regard to the length of time the person held the	7547
asset. Notwithstanding section 1221 of the Internal Revenue Code,	7548
receipts from hedging transactions also are excluded to the extent	7549
the transactions are entered into primarily to protect a financial	7550
position, such as managing the risk of exposure to (i) foreign	7551
currency fluctuations that affect assets, liabilities, profits,	7552
losses, equity, or investments in foreign operations; (ii)	7553
interest rate fluctuations; or (iii) commodity price fluctuations.	7554
As used in division (F)(2)(c) of this section, "hedging	7555
transaction" has the same meaning as used in section 1221 of the	7556
Internal Revenue Code and also includes transactions accorded	7557
hedge accounting treatment under statement of financial accounting	7558
standards number 133 of the financial accounting standards board.	7559
For the purposes of division (F)(2)(c) of this section, the actual	7560
transfer of title of real or tangible personal property to another	7561
entity is not a hedging transaction.	7562
(d) Proceeds received attributable to the repayment,	7563
maturity, or redemption of the principal of a loan, bond, mutual	7564
fund, certificate of deposit, or marketable instrument;	7565
(e) The principal amount received under a repurchase	7566
agreement or on account of any transaction properly characterized	7567

as a loan to the person;	7568
(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;	7569 7570 7571 7572
(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;	7573 7574 7575 7576 7577 7578 7579 7580 7581
(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;	7582 7583 7584
(i) Proceeds received on the account of payments from insurance policies, except those proceeds received for the loss of business revenue;	7585 7586 7587
(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;	7588 7589 7590 7591 7592 7593 7594
(k) Damages received as the result of litigation in excess of amounts that, if received without litigation, would be gross receipts;	7595 7596 7597
(l) Property, money, and other amounts received or acquired	7598

by an agent on behalf of another in excess of the agent's	7599
commission, fee, or other remuneration;	7600
(m) Tax refunds, other tax benefit recoveries, and	7601
reimbursements for the tax imposed under this chapter made by	7602
entities that are part of the same combined taxpayer or	7603
consolidated elected taxpayer group, and reimbursements made by	7604
entities that are not members of a combined taxpayer or	7605
consolidated elected taxpayer group that are required to be made	7606
for economic parity among multiple owners of an entity whose tax	7607
obligation under this chapter is required to be reported and paid	7608
entirely by one owner, pursuant to the requirements of sections	7609
5751.011 and 5751.012 of the Revised Code;	7610
(n) Pension reversions;	7611
(o) Contributions to capital;	7612
(p) Sales or use taxes collected as a vendor or an	7613
out-of-state seller on behalf of the taxing jurisdiction from a	7614
consumer or other taxes the taxpayer is required by law to collect	7615
directly from a purchaser and remit to a local, state, or federal	7616
tax authority;	7617
(q) In the case of receipts from the sale of cigarettes or	7618
tobacco products by a wholesale dealer, retail dealer,	7619
distributor, manufacturer, or seller, all as defined in section	7620
5743.01 of the Revised Code, an amount equal to the federal and	7621
state excise taxes paid by any person on or for such cigarettes or	7622
tobacco products under subtitle E of the Internal Revenue Code or	7623
Chapter 5743. of the Revised Code;	7624
(r) In the case of receipts from the sale of motor fuel by a	7625
licensed motor fuel dealer, licensed retail dealer, or licensed	7626
permissive motor fuel dealer, all as defined in section 5735.01 of	7627
the Revised Code, an amount equal to federal and state excise	7628
taxes paid by any person on such motor fuel under section 4081 of	7629

the Internal Revenue Code or Chapter 5735. of the Revised Code; 7630

(s) In the case of receipts from the sale of beer or 7631
intoxicating liquor, as defined in section 4301.01 of the Revised 7632
Code, by a person holding a permit issued under Chapter 4301. or 7633
4303. of the Revised Code, an amount equal to federal and state 7634
excise taxes paid by any person on or for such beer or 7635
intoxicating liquor under subtitle E of the Internal Revenue Code 7636
or Chapter 4301. or 4305. of the Revised Code; 7637

(t) Receipts realized by a new motor vehicle dealer or used 7638
motor vehicle dealer, as defined in section 4517.01 of the Revised 7639
Code, from the sale or other transfer of a motor vehicle, as 7640
defined in that section, to another motor vehicle dealer for the 7641
purpose of resale by the transferee motor vehicle dealer, but only 7642
if the sale or other transfer was based upon the transferee's need 7643
to meet a specific customer's preference for a motor vehicle; 7644

(u) Receipts from a financial institution described in 7645
division (E)(3) of this section for services provided to the 7646
financial institution in connection with the issuance, processing, 7647
servicing, and management of loans or credit accounts, if such 7648
financial institution and the recipient of such receipts have at 7649
least fifty per cent of their ownership interests owned or 7650
controlled, directly or constructively through related interests, 7651
by common owners; 7652

(v) Receipts realized from administering anti-neoplastic 7653
drugs and other cancer chemotherapy, biologicals, therapeutic 7654
agents, and supportive drugs in a physician's office to patients 7655
with cancer; 7656

(w) Funds received or used by a mortgage broker that is not a 7657
dealer in intangibles, other than fees or other consideration, 7658
pursuant to a table-funding mortgage loan or warehouse-lending 7659
mortgage loan. Terms used in division (F)(2)(w) of this section 7660

have the same meanings as in section 1322.01 of the Revised Code, 7661
except "mortgage broker" means a person assisting a buyer in 7662
obtaining a mortgage loan for a fee or other consideration paid by 7663
the buyer or a lender, or a person engaged in table-funding or 7664
warehouse-lending mortgage loans that are first lien mortgage 7665
loans. 7666

(x) Property, money, and other amounts received by a 7667
professional employer organization, as defined in section 4125.01 7668
of the Revised Code, from a client employer, as defined in that 7669
section, in excess of the administrative fee charged by the 7670
professional employer organization to the client employer; 7671

(y) In the case of amounts retained as commissions by a 7672
permit holder under Chapter 3769. of the Revised Code, an amount 7673
equal to the amounts specified under that chapter that must be 7674
paid to or collected by the tax commissioner as a tax and the 7675
amounts specified under that chapter to be used as purse money; 7676

(z) Qualifying distribution center receipts. 7677

(i) For purposes of division (F)(2)(z) of this section: 7678

(I) "Qualifying distribution center receipts" means receipts 7679
of a supplier from qualified property that is delivered to a 7680
qualified distribution center, multiplied by a quantity that 7681
equals one minus the Ohio delivery percentage. 7682

(II) "Qualified property" means tangible personal property 7683
delivered to a qualified distribution center that is shipped to 7684
that qualified distribution center solely for further shipping by 7685
the qualified distribution center to another location in this 7686
state or elsewhere. "Further shipping" includes storing and 7687
repackaging such property into smaller or larger bundles, so long 7688
as such property is not subject to further manufacturing or 7689
processing. 7690

(III) "Qualified distribution center" means a warehouse or 7691

other similar facility in this state that, for the qualifying 7692
year, is operated by a person that is not part of a combined 7693
taxpayer group and that has a qualifying certificate. However, all 7694
warehouses or other similar facilities that are operated by 7695
persons in the same taxpayer group and that are located within one 7696
mile of each other shall be treated as one qualified distribution 7697
center. 7698

(IV) "Qualifying year" means the calendar year to which the 7699
qualifying certificate applies. 7700

(V) "Qualifying period" means the period of the first day of 7701
July of the second year preceding the qualifying year through the 7702
thirtieth day of June of the year preceding the qualifying year. 7703

(VI) "Qualifying certificate" means the certificate issued by 7704
the tax commissioner after the operator of a distribution center 7705
files an annual application with the commissioner. The application 7706
and annual fee shall be filed and paid for each qualified 7707
distribution center on or before the first day of September before 7708
the qualifying year or within forty-five days after the 7709
distribution center opens, whichever is later. 7710

The applicant must substantiate to the commissioner's 7711
satisfaction that, for the qualifying period, all persons 7712
operating the distribution center have more than fifty per cent of 7713
the cost of the qualified property shipped to a location such that 7714
it would be situated outside this state under the provisions of 7715
division (E) of section 5751.033 of the Revised Code. The 7716
applicant must also substantiate that the distribution center 7717
cumulatively had costs from its suppliers equal to or exceeding 7718
five hundred million dollars during the qualifying period. (For 7719
purposes of division (F)(2)(z)(i)(VI) of this section, "supplier" 7720
excludes any person that is part of the consolidated elected 7721
taxpayer group, if applicable, of the operator of the qualified 7722
distribution center.) The commissioner may require the applicant 7723

to have an independent certified public accountant certify that 7724
the calculation of the minimum thresholds required for a qualified 7725
distribution center by the operator of a distribution center has 7726
been made in accordance with generally accepted accounting 7727
principles. The commissioner shall issue or deny the issuance of a 7728
certificate within sixty days after the receipt of the 7729
application. A denial is subject to appeal under section 5717.02 7730
of the Revised Code. If the operator files a timely appeal under 7731
section 5717.02 of the Revised Code, the operator shall be granted 7732
a qualifying certificate, provided that the operator is liable for 7733
any tax, interest, or penalty upon amounts claimed as qualifying 7734
distribution center receipts, other than those receipts exempt 7735
under division (C)(1) of section 5751.011 of the Revised Code, 7736
that would have otherwise not been owed by its suppliers if the 7737
qualifying certificate was valid. 7738

(VII) "Ohio delivery percentage" means the proportion of the 7739
total property delivered to a destination inside Ohio from the 7740
qualified distribution center during the qualifying period 7741
compared with total deliveries from such distribution center 7742
everywhere during the qualifying period. 7743

(ii) If the distribution center is new and was not open for 7744
the entire qualifying period, the operator of the distribution 7745
center may request that the commissioner grant a qualifying 7746
certificate. If the certificate is granted and it is later 7747
determined that more than fifty per cent of the qualified property 7748
during that year was not shipped to a location such that it would 7749
be situated outside of this state under the provisions of division 7750
(E) of section 5751.033 of the Revised Code or if it is later 7751
determined that the person that operates the distribution center 7752
had average monthly costs from its suppliers of less than forty 7753
million dollars during that year, then the operator of the 7754
distribution center shall be liable for any tax, interest, or 7755

penalty upon amounts claimed as qualifying distribution center 7756
receipts, other than those receipts exempt under division (C)(1) 7757
of section 5751.011 of the Revised Code, that would have not 7758
otherwise been owed by its suppliers during the qualifying year if 7759
the qualifying certificate was valid. (For purposes of division 7760
(F)(2)(z)(ii) of this section, "supplier" excludes any person that 7761
is part of the consolidated elected taxpayer group, if applicable, 7762
of the operator of the qualified distribution center.) 7763

(iii) When filing an application for a qualifying certificate 7764
under division (F)(2)(z)(i)(VI) of this section, the operator of a 7765
qualified distribution center also shall provide documentation, as 7766
the commissioner requires, for the commissioner to ascertain the 7767
Ohio delivery percentage. The commissioner, upon issuing the 7768
qualifying certificate, also shall certify the Ohio delivery 7769
percentage. The operator of the qualified distribution center may 7770
appeal the commissioner's certification of the Ohio delivery 7771
percentage in the same manner as an appeal is taken from the 7772
denial of a qualifying certificate under division (F)(2)(z)(i)(VI) 7773
of this section. 7774

Within thirty days after all appeals have been exhausted, the 7775
operator of the qualified distribution center shall notify the 7776
affected suppliers of qualified property that such suppliers are 7777
required to file, within sixty days after receiving notice from 7778
the operator of the qualified distribution center, amended reports 7779
for the impacted calendar quarter or quarters or calendar year, 7780
whichever the case may be. Any additional tax liability or tax 7781
overpayment shall be subject to interest but shall not be subject 7782
to the imposition of any penalty so long as the amended returns 7783
are timely filed. The supplier of tangible personal property 7784
delivered to the qualified distribution center shall include in 7785
its report of taxable gross receipts the receipts from the total 7786
sales of property delivered to the qualified distribution center 7787

for the calendar quarter or calendar year, whichever the case may 7788
be, multiplied by the Ohio delivery percentage for the qualifying 7789
year. Nothing in division (F)(2)(z)(iii) of this section shall be 7790
construed as imposing liability on the operator of a qualified 7791
distribution center for the tax imposed by this chapter arising 7792
from any change to the Ohio delivery percentage. 7793

(iv) In the case where the distribution center is new and not 7794
open for the entire qualifying period, the operator shall make a 7795
good faith estimate of an Ohio delivery percentage for use by 7796
suppliers in their reports of taxable gross receipts for the 7797
remainder of the qualifying period. The operator of the facility 7798
shall disclose to the suppliers that such Ohio delivery percentage 7799
is an estimate and is subject to recalculation. By the due date of 7800
the next application for a qualifying certificate, the operator 7801
shall determine the actual Ohio delivery percentage for the 7802
estimated qualifying period and proceed as provided in division 7803
(F)(2)(z)(iii) of this section with respect to the calculation and 7804
recalculation of the Ohio delivery percentage. The supplier is 7805
required to file, within sixty days after receiving notice from 7806
the operator of the qualified distribution center, amended reports 7807
for the impacted calendar quarter or quarters or calendar year, 7808
whichever the case may be. Any additional tax liability or tax 7809
overpayment shall be subject to interest but shall not be subject 7810
to the imposition of any penalty so long as the amended returns 7811
are timely filed. 7812

(v) Qualifying certificates and Ohio delivery percentages 7813
issued by the commissioner shall be open to public inspection and 7814
shall be timely published by the commissioner. A supplier relying 7815
in good faith on a certificate issued under this division shall 7816
not be subject to tax on the qualifying distribution center 7817
receipts under division (F)(2)(z) of this section. A person 7818
receiving a qualifying certificate is responsible for paying the 7819

tax, interest, and penalty upon amounts claimed as qualifying 7820
distribution center receipts that would not otherwise have been 7821
owed by the supplier if the qualifying certificate were available 7822
when it is later determined that the qualifying certificate should 7823
not have been issued because the statutory requirements were in 7824
fact not met. 7825

(vi) The annual fee for a qualifying certificate shall be one 7826
hundred thousand dollars for each qualified distribution center. 7827
If a qualifying certificate is not issued, the annual fee is 7828
subject to refund after the exhaustion of all appeals provided for 7829
in division (F)(2)(z)(i)(VI) of this section. The fee imposed 7830
under this division may be assessed in the same manner as the tax 7831
imposed under this chapter. The first one hundred thousand dollars 7832
of the annual application fees collected each calendar year shall 7833
be credited to the ~~commercial activity tax administrative revenue~~ revenue 7834
enhancement fund. The remainder of the annual application fees 7835
collected shall be distributed in the same manner required under 7836
section 5751.20 of the Revised Code. 7837

(vii) The tax commissioner may require that adequate security 7838
be posted by the operator of the distribution center on appeal 7839
when the commissioner disagrees that the applicant has met the 7840
minimum thresholds for a qualified distribution center as set 7841
forth in divisions (F)(2)(z)(i)(VI) and (F)(2)(z)(ii) of this 7842
section. 7843

(aa) Receipts of an employer from payroll deductions relating 7844
to the reimbursement of the employer for advancing moneys to an 7845
unrelated third party on an employee's behalf; 7846

(bb) Cash discounts allowed and taken; 7847

(cc) Returns and allowances; 7848

(dd) Bad debts from receipts on the basis of which the tax 7849
imposed by this chapter was paid in a prior quarterly tax payment 7850

period. For the purpose of this division, "bad debts" means any 7851
debts that have become worthless or uncollectible between the 7852
preceding and current quarterly tax payment periods, have been 7853
uncollected for at least six months, and that may be claimed as a 7854
deduction under section 166 of the Internal Revenue Code and the 7855
regulations adopted under that section, or that could be claimed 7856
as such if the taxpayer kept its accounts on the accrual basis. 7857
"Bad debts" does not include repossessed property, uncollectible 7858
amounts on property that remains in the possession of the taxpayer 7859
until the full purchase price is paid, or expenses in attempting 7860
to collect any account receivable or for any portion of the debt 7861
recovered; 7862

(ee) Any amount realized from the sale of an account 7863
receivable to the extent the receipts from the underlying 7864
transaction giving rise to the account receivable were included in 7865
the gross receipts of the taxpayer; 7866

(ff) Any receipts directly attributed to providing public 7867
services pursuant to sections 126.60 to 126.605 of the Revised 7868
Code, or any receipts directly attributed to a transfer agreement 7869
or to the enterprise transferred under that agreement under 7870
section 4313.02 of the Revised Code. 7871

~~(gg) Any receipts for which the tax imposed by this chapter 7872
is prohibited by the Constitution or laws of the United States or 7873
the Constitution of Ohio. 7874~~

~~(hh)~~(i) As used in this division: 7875

(I) "Qualified uranium receipts" means receipts from the 7876
sale, exchange, lease, loan, production, processing, or other 7877
disposition of uranium within a uranium enrichment zone certified 7878
by the tax commissioner under division ~~(F)(2)(hh)(ii)~~ 7879
(F)(2)(gg)(ii) of this section. "Qualified uranium receipts" does 7880
not include any receipts with a situs in this state outside a 7881

uranium enrichment zone certified by the tax commissioner under 7882
division ~~(F)(2)(hh)(ii)~~ (F)(2)(gg)(ii) of this section. 7883

(II) "Uranium enrichment zone" means all real property that 7884
is part of a uranium enrichment facility licensed by the United 7885
States nuclear regulatory commission and that was or is owned or 7886
controlled by the United States department of energy or its 7887
successor. 7888

(ii) Any person that owns, leases, or operates real or 7889
tangible personal property constituting or located within a 7890
uranium enrichment zone may apply to the tax commissioner to have 7891
the uranium enrichment zone certified for the purpose of excluding 7892
qualified uranium receipts under division ~~(F)(2)(hh)~~ (F)(2)(gg) of 7893
this section. The application shall include such information that 7894
the tax commissioner prescribes. Within sixty days after receiving 7895
the application, the tax commissioner shall certify the zone for 7896
that purpose if the commissioner determines that the property 7897
qualifies as a uranium enrichment zone as defined in division 7898
~~(F)(2)(hh)~~ (F)(2)(gg) of this section, or, if the tax commissioner 7899
determines that the property does not qualify, the commissioner 7900
shall deny the application or request additional information from 7901
the applicant. If the tax commissioner denies an application, the 7902
commissioner shall state the reasons for the denial. The applicant 7903
may appeal the denial of an application to the board of tax 7904
appeals pursuant to section 5717.02 of the Revised Code. If the 7905
applicant files a timely appeal, the tax commissioner shall 7906
conditionally certify the applicant's property. The conditional 7907
certification shall expire when all of the applicant's appeals are 7908
exhausted. Until final resolution of the appeal, the applicant 7909
shall retain the applicant's records in accordance with section 7910
5751.12 of the Revised Code, notwithstanding any time limit on the 7911
preservation of records under that section. 7912

~~(ii)(hh)~~ Amounts realized by licensed motor fuel dealers or 7913

licensed permissive motor fuel dealers from the exchange of 7914
petroleum products, including motor fuel, between such dealers, 7915
provided that delivery of the petroleum products occurs at a 7916
refinery, terminal, pipeline, or marine vessel and that the 7917
exchanging dealers agree neither dealer shall require monetary 7918
compensation from the other for the value of the exchanged 7919
petroleum products other than such compensation for differences in 7920
product location or grade. Division ~~(F)(2)(ii)~~ (F)(2)(hh) of this 7921
section does not apply to amounts realized as a result of 7922
differences in location or grade of exchanged petroleum products 7923
or from handling, lubricity, dye, or other additive injections 7924
fees, pipeline security fees, or similar fees. As used in this 7925
division, "motor fuel," "licensed motor fuel dealer," "licensed 7926
permissive motor fuel dealer," and "terminal" have the same 7927
meanings as in section 5735.01 of the Revised Code. 7928

~~(hh)~~(ii) In the case of amounts collected by a licensed 7929
casino operator from casino gaming, amounts in excess of the 7930
casino operator's gross casino revenue. In this division, "casino 7931
operator" and "casino gaming" have the meanings defined in section 7932
3772.01 of the Revised Code, and "gross casino revenue" has the 7933
meaning defined in section 5753.01 of the Revised Code. 7934

(jj) Any receipts for which the tax imposed by this chapter 7935
is prohibited by the constitution or laws of the United States or 7936
the constitution of this state. 7937

(3) In the case of a taxpayer when acting as a real estate 7938
broker, "gross receipts" includes only the portion of any fee for 7939
the service of a real estate broker, or service of a real estate 7940
salesperson associated with that broker, that is retained by the 7941
broker and not paid to an associated real estate salesperson or 7942
another real estate broker. For the purposes of this division, 7943
"real estate broker" and "real estate salesperson" have the same 7944
meanings as in section 4735.01 of the Revised Code. 7945

(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 situated 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;	7976
(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	7977 7978 7979
(c) Any amount the person pays for services performed in this state on its behalf by another.	7980 7981
(3) Has during the calendar year taxable gross receipts of at least five hundred thousand dollars.	7982 7983
(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.	7984 7985 7986
(5) Is domiciled in this state as an individual or for corporate, commercial, or other business purposes.	7987 7988
(J) "Tangible personal property" has the same meaning as in section 5739.01 of the Revised Code.	7989 7990
(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.	7991 7992 7993 7994 7995 7996 7997 7998
(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.	7999 8000 8001
(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.	8002 8003 8004
(N) "Calendar year taxpayer" means a taxpayer for which the	8005

tax period is a calendar year.	8006
(O) "Calendar quarter taxpayer" means a taxpayer for which the tax period is a calendar quarter.	8007 8008
(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:	8009 8010 8011
(1) A person receiving a fee to sell financial instruments;	8012
(2) A person retaining only a commission from a transaction with the other proceeds from the transaction being remitted to another person;	8013 8014 8015
(3) A person issuing licenses and permits under section 1533.13 of the Revised Code;	8016 8017
(4) A lottery sales agent holding a valid license issued under section 3770.05 of the Revised Code;	8018 8019
(5) A person acting as an agent of the division of liquor control under section 4301.17 of the Revised Code.	8020 8021
(Q) "Received" includes amounts accrued under the accrual method of accounting.	8022 8023
(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.	8024 8025 8026 8027 8028 8029 8030
Sec. 5751.011. (A) A group of two or more persons may elect to be a consolidated elected taxpayer for the purposes of this chapter if the group satisfies all of the following requirements:	8031 8032 8033
(1) The group elects to include all persons, including	8034

persons enumerated in divisions (E)(2) to (10) of section 5751.01 8035
of the Revised Code, having at least eighty per cent, or having at 8036
least fifty per cent, of the value of their ownership interests 8037
owned or controlled, directly or constructively through related 8038
interests, by common owners during all or any portion of the tax 8039
period, together with the common owners. 8040

A group making its initial election on the basis of the 8041
eighty per cent ownership test may change its election so that its 8042
consolidated elected taxpayer group is formed on the basis of the 8043
fifty per cent ownership test if all of the following are 8044
satisfied: 8045

(a) When the initial election was made, the group did not 8046
have any persons satisfying the fifty per cent ownership test; 8047

(b) One or more of the persons in the initial group 8048
subsequently acquires ownership interests in a person such that 8049
the fifty per cent ownership test is satisfied, the eighty per 8050
cent ownership test is not satisfied, and the acquired person 8051
would be required to be included in a combined taxpayer group 8052
under section 5751.012 of the Revised Code; 8053

(c) The group requests the change in ~~a written request~~ 8054
writing to the ~~tax~~ commissioner ~~on or before the due date for~~ 8055
~~filing the first return due under section 5751.051 of the Revised~~ 8056
~~Code after the date of the acquisition as required by division (D)~~ 8057
of this section; 8058

(d) The group has not previously changed its election. 8059

At the election of the group, all entities that are not 8060
incorporated or formed under the laws of a state or of the United 8061
States and that meet the consolidated elected ownership test shall 8062
either be included in the group or all shall be excluded from the 8063
group. If, at the time of registration, the group does not include 8064
any such entities that meet the consolidated elected ownership 8065

test, the group shall elect to either include or exclude the newly 8066
acquired entities before the due date of the first return due 8067
after the date of the acquisition. 8068

~~Each group shall notify the tax commissioner of the foregoing~~ 8069
~~elections before the due date of the return for the period in~~ 8070
~~which the election becomes binding.~~ If fifty per cent of the value 8071
of a person's ownership interests is owned or controlled by each 8072
of two consolidated elected taxpayer groups formed under the fifty 8073
per cent ownership or control test, that person is a member of 8074
each group for the purposes of this section, and each group shall 8075
include in the group's taxable gross receipts fifty per cent of 8076
that person's taxable gross receipts. Otherwise, all of that 8077
person's taxable gross receipts shall be included in the taxable 8078
gross receipts of the consolidated elected taxpayer group of which 8079
the person is a member. In no event shall the ownership or control 8080
of fifty per cent of the value of a person's ownership interests 8081
by two otherwise unrelated groups form the basis for consolidating 8082
the groups into a single consolidated elected taxpayer group or 8083
permit any exclusion under division (C) of this section of taxable 8084
gross receipts between members of the two groups. Division (A)(3) 8085
of this section applies with respect to the elections described in 8086
this division. 8087

(2) The group makes the election to be treated as a 8088
consolidated elected taxpayer in the manner prescribed under 8089
division (D) of this section. 8090

(3) Subject to review and audit by the tax commissioner, the 8091
group agrees that all of the following apply: 8092

(a) The group shall file reports as a single taxpayer for at 8093
least the next eight calendar quarters following the election so 8094
long as at least two or more of the members of the group meet the 8095
requirements of division (A)(1) of this section. 8096

(b) Before the expiration of the eighth such calendar quarter, the group shall notify the commissioner if it elects to cancel its designation as a consolidated elected taxpayer. If the group does not so notify the tax commissioner, the election remains in effect for another eight calendar quarters.

(c) If, at any time during any of those eight calendar quarters following the election, a former member of the group no longer meets the requirements under division (A)(1) of this section, that member shall report and pay the tax imposed under this chapter separately, as a member of a combined taxpayer, or, if the former member satisfies such requirements with respect to another consolidated elected group, as a member of that consolidated elected group.

(d) The group agrees to the application of division (B) of this section.

(B) A group of persons making the election under this section shall report and pay tax on all of the group's taxable gross receipts even if substantial nexus with this state does not exist for one or more persons in the group.

(C)(1)(a) Members of a consolidated elected taxpayer group shall exclude gross receipts among persons included in the consolidated elected taxpayer group.

(b) Subject to divisions (C)(1)(c) and (C)(2) of this section, nothing in this section shall have the effect of requiring a consolidated elected taxpayer group to include gross receipts received by a person enumerated in divisions (E)(2) to (10) of section 5751.01 of the Revised Code if that person is a member of the group pursuant to the elections made by the group under division (A)(1) of this section.

(c)(i) As used in division (C)(1)(c) of this section, "dealer transfer" means a transfer of property that satisfies both of the

following: (I) the property is directly transferred by any means 8128
from one member of the group to another member of the group that 8129
is a dealer in intangibles but is not a qualifying dealer as 8130
defined in section 5707.031 of the Revised Code; and (II) the 8131
property is subsequently delivered by the dealer in intangibles to 8132
a person that is not a member of the group. 8133

(ii) In the event of a dealer transfer, a consolidated 8134
elected taxpayer group shall not exclude, under division (C) of 8135
this section, gross receipts from the transfer described in 8136
division (C)(1)(c)(i)(I) of this section. 8137

(2) Gross receipts related to the sale or transmission of 8138
electricity through the use of an intermediary regional 8139
transmission organization approved by the federal energy 8140
regulatory commission shall be excluded from taxable gross 8141
receipts under division (C)(1) of this section if all other 8142
requirements of that division are met, even if the receipts are 8143
from and to the same member of the group. 8144

(D) To make the election to be a consolidated elected 8145
taxpayer, a group of persons shall notify the ~~tax~~ commissioner of 8146
the election ~~in the manner prescribed by the commissioner and pay~~ 8147
~~the commissioner a registration fee equal to the lesser of two~~ 8148
~~hundred dollars or twenty dollars for each person in the group. No~~ 8149
~~additional fee shall be imposed for the addition of new members to~~ 8150
~~the group once the group has remitted a fee in the amount of two~~ 8151
~~hundred dollars. The election on a form prescribed by the~~ 8152
~~commissioner for that purpose, which shall be signed by one or~~ 8153
~~more individuals with authority, separately or together, to make a~~ 8154
~~binding election on behalf of all persons in the group. Elections~~ 8155
~~under division (A) of this section shall be made and the fee paid~~ 8156
~~on or before the beginning of due date for filing the first~~ 8157
~~calendar quarter to which return due after the election applies. 8158~~
~~The fee shall be collected and used in the same manner as provided 8159~~

~~in section 5751.04 of the Revised Code.~~ 8160

~~The election shall be made on a form prescribed by the tax 8161
commissioner for that purpose and shall be signed by one or more 8162
individuals with authority, separately or together, to make a 8163
binding election on behalf of all persons in the group.~~ 8164

Any person acquired or formed after the filing of the 8165
registration shall be included in the group if the person meets 8166
the requirements of division (A)(1) of this section, and the group 8167
shall notify the ~~tax~~ commissioner of any additions to the group 8168
~~with the next tax return it files with~~ on a form prescribed by the 8169
commissioner for such purpose. 8170

Sec. 5751.012. (A) All persons, other than persons enumerated 8171
in divisions (E)(2) to (10) of section 5751.01 of the Revised 8172
Code, having more than fifty per cent of the value of their 8173
ownership interest owned or controlled, directly or constructively 8174
through related interests, by common owners during all or any 8175
portion of the tax period, together with the common owners, shall 8176
be members of a combined taxpayer group if those persons are not 8177
members of a consolidated elected taxpayer group pursuant to an 8178
election under section 5751.011 of the Revised Code. 8179

(B) A combined taxpayer group shall register, file returns, 8181
and pay taxes under this chapter as a single taxpayer. 8182

~~(C) A combined taxpayer~~ and shall neither exclude taxable 8183
gross receipts between its members nor from others that are not 8184
members. 8185

~~(D) A combined taxpayer shall pay to the tax commissioner a 8186
registration fee equal to the lesser of two hundred dollars or 8187
twenty dollars for each person in the group. No additional fee 8188
shall be imposed for the addition of new members to the group once 8189~~

~~the group has remitted a fee in the amount of two hundred dollars. 8190
The fee shall be timely paid before the later of the beginning of 8191
the first calendar quarter or November 15, 2005. The fee shall be 8192
collected and used in the same manner as provided in section 8193
5751.04 of the Revised Code. 8194~~

(C) Any person acquired or formed after the filing of the 8195
registration shall be included in the group if the person meets 8196
the requirements of division (A) of this section, and the group 8197
must notify the ~~tax~~ commissioner of any additions ~~with the next~~ 8198
~~quarterly tax return it files with~~ to the group on a form 8199
prescribed by the commissioner for such purpose. 8200

Sec. 5751.03. (A) Except as provided in ~~divisions~~ division 8201
(B) ~~and (D)~~ of this section and in ~~sections~~ section 5751.031 ~~and~~ 8202
~~5751.032~~ of the Revised Code, the tax levied under this section 8203
for each tax period shall be the product of two and six-tenths 8204
mills per dollar times the remainder of the taxpayer's taxable 8205
gross receipts for the tax period after subtracting the exclusion 8206
amount provided for in division (C) of this section. 8207

(B) Notwithstanding division (C) of this section, the tax on 8208
the first one million dollars in taxable gross receipts each 8209
calendar year shall be one hundred fifty dollars. ~~For calendar~~ 8210
~~year 2006, the tax imposed under this division shall be paid not~~ 8211
~~later than May 10, 2006, by both calendar year taxpayers and~~ 8212
~~calendar quarter taxpayers. For calendar years 2007, 2008, and~~ 8213
~~2009, the tax imposed under this division shall be paid with the~~ 8214
~~fourth quarter tax return or annual tax return for the prior~~ 8215
~~calendar year by both calendar year taxpayers and calendar quarter~~ 8216
~~taxpayers. For calendar years 2010 and thereafter, the~~ The tax 8217
imposed under this division shall be paid not later than the tenth 8218
day of May of each year along with the first quarter or annual tax 8219
return, as applicable. 8220

(C)(1) Each ~~calendar quarter~~ taxpayer may exclude the first 8221
~~two hundred fifty thousand~~ one million dollars of taxable gross 8222
receipts for a calendar ~~quarter~~ year. Calendar quarter taxpayers 8223
shall apply the full exclusion amount to the first calendar 8224
quarter return the taxpayer files that calendar year and may carry 8225
forward and apply any unused exclusion amount to ~~the three~~ 8226
subsequent calendar quarters within that same calendar year. ~~Each~~ 8227
~~calendar year taxpayer may exclude the first one million dollars~~ 8228
~~of taxable gross receipts for a calendar year.~~ 8229

(2) A taxpayer switching from a calendar year tax period to a 8230
calendar quarter tax period may, for the first quarter of the 8231
change, apply the ~~prior calendar quarter~~ full one-million-dollar 8232
~~exclusion amounts~~ amount to the first calendar quarter return the 8233
taxpayer files that calendar year. Such taxpayers may carry 8234
forward and apply any unused exclusion amount to subsequent 8235
calendar quarters within that same calendar year. The tax rate 8236
shall be based on the rate imposed that calendar quarter when the 8237
taxpayer switches from a calendar year to a calendar quarter tax 8238
period. 8239

~~(D) There is hereby allowed a credit against the tax imposed~~ 8240
~~under this chapter for each of the following calendar years if a~~ 8241
~~transfer was made in the preceding calendar year from the general~~ 8242
~~revenue fund to the commercial activity tax refund fund under~~ 8243
~~division (D) of section 5751.032 of the Revised Code: calendar~~ 8244
~~years 2008, 2010, and 2012. The credit is allowed for taxpayers~~ 8245
~~that paid in full the tax imposed under this chapter for the~~ 8246
~~calendar year in which the transfer was made. The amount of a~~ 8247
~~taxpayer's credit equals the amount computed under division (D) of~~ 8248
~~section 5751.032 of the Revised Code~~ (3) A taxpayer shall not 8249
exclude more than one million dollars pursuant to division (C) of 8250
this section in a calendar year. 8251

Sec. 5751.04. (A) As used in this section, "person" includes 8252
a reporting person. 8253

(B) Not later than thirty days after a person first has more 8254
than one hundred fifty thousand dollars in taxable gross receipts 8255
in a calendar year, each person subject to this chapter shall 8256
register with the tax commissioner on the form prescribed by the 8257
commissioner. The form shall include the following: 8258

(1) The person's name; 8259

~~(2) If applicable, the name of the state or country under the 8260
laws of which the person is incorporated;~~ 8261

~~(3) If applicable, the location of a person's principal 8262
office and the name and address of the officer or agent of the 8263
corporation in charge of the business;~~ 8264

~~(4) If applicable, the names of the person's president, 8265
secretary, treasurer, and statutory agent designated pursuant to 8266
section 1703.041 of the Revised Code, with the post office address 8267
of each;~~ 8268

~~(5) The person's primary address;~~ 8269

~~(3) The kind of business in which the person is engaged, 8270
including applicable business or industry codes for the person;~~ 8271

~~(6) If required by the tax commissioner, the date of the 8272
beginning of the person's annual accounting period that includes 8273
the first day of January of the taxable calendar year;~~ 8274

~~(7) If the person is not a corporation or a sole proprietor, 8275
the names of the person's owners and officers, if required by the 8276
tax commissioner;~~ 8277

~~(8)(4) The person's federal employer identification number or 8278
numbers or, if those are not applicable, the person's social 8279
security number or equivalent, as applicable;~~ 8280

<u>(9)(5) The person's organizational type;</u>	8281
<u>(6) The date the person is first subject to the tax imposed by this chapter;</u>	8282
<u>(7) The names, addresses, federal identification numbers or social security numbers or equivalents, and organization types of each member that is commonly owned in a consolidated elected taxpayer or combined taxpayer group;</u>	8284
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<u>(8) All other information that the commissioner requires to administer and enforce this chapter.</u>	8288
	8289
(C) Except as otherwise provided in this division, each person registering with the tax commissioner as required by division (B) of this section shall pay a registration fee. The fee shall be in the amount of fifteen dollars if a person registers electronically and twenty dollars if a person does not register electronically. The registration fee shall be paid in the manner prescribed by the tax commissioner at the same time the registration is due if a person is subject to the tax imposed under this chapter before January 1, 2006. If a person first becomes subject to the tax after that date, the registration fee is payable with the first tax period return the person is required to file as prescribed by section 5751.051 of the Revised Code.	8290
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<u>(1) To help defray the costs of administering the tax imposed by this chapter, the commissioner shall collect a registration fee in the amount of twenty dollars per person up to a maximum of two hundred dollars per consolidated elected taxpayer or combined taxpayer group. The commissioner shall systematically deduct and collect the fee from the first tax payment each taxpayer makes after registering or adding members, as applicable. No separate registration fee may be collected in addition to the tax imposed by this chapter.</u>	8302
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<u>(2) If a person does not register within the time prescribed</u>	8311

by this section, an additional fee is imposed in the amount of one 8312
hundred dollars per month or part thereof that the fee is 8313
outstanding, not to exceed one thousand dollars. The tax 8314
commissioner may abate the additional fee. The fee imposed under 8315
this division may be assessed in the same manner as the tax 8316
imposed under this chapter. ~~Proceeds~~ 8317

(D) Proceeds from the fee imposed under division (C) of this 8318
section shall be credited to the ~~commercial activity tax~~ 8319
~~administrative revenue enhancement~~ fund, which is hereby created 8320
in the state treasury ~~for the commissioner to use in implementing~~ 8321
~~and administering the tax imposed under this chapter.~~ 8322

~~Registration fees paid under this section, excluding any~~ 8323
~~additional fee imposed for a person's failure to timely register,~~ 8324
~~shall be credited against the first payment of tax payable under~~ 8325
~~section 5751.03 of the Revised Code.~~ 8326

~~(D)~~(E) If a person that has registered under this section is 8327
no longer a taxpayer subject to this chapter, ~~including no longer~~ 8328
~~being a taxpayer because of the application of division (E)(1) of~~ 8329
~~section 5751.01 of the Revised Code,~~ the person shall notify the 8330
commissioner that the person's registration should be cancelled. 8331

~~(E)~~(F) With respect to registrations received by the 8332
commissioner before ~~the effective date of the amendment of this~~ 8333
~~section by the main operating appropriations act of the 128th~~ 8334
~~general assembly October 16, 2009,~~ the taxpayer listed as the 8335
primary taxpayer on the registration shall be the reporting person 8336
until the taxpayer notifies the commissioner otherwise. 8337

Sec. 5751.05. (A) If a person subject to this chapter 8338
anticipates that the person's taxable gross receipts will be more 8339
than one million dollars in a calendar year, the person shall 8340
notify the tax commissioner on the person's initial registration 8341
form and file on a quarterly basis as a calendar quarter taxpayer. 8342

Any taxpayer with taxable gross receipts of one million dollars or 8343
less shall register as a calendar year taxpayer and shall file 8344
annually. 8345

(B) Any person that is a calendar year taxpayer under 8346
division (A) of this section shall become a calendar quarter 8347
taxpayer in the subsequent calendar year if the person's taxable 8348
gross receipts for the prior calendar year are more than one 8349
million dollars, and shall remain a calendar quarter taxpayer 8350
until the person notifies the ~~tax~~ commissioner, and receives 8351
approval in writing from the ~~tax~~ commissioner, to switch back to 8352
being a calendar year taxpayer. ~~Nothing in this division prohibits~~ 8353
~~a person that has elected to be a calendar year taxpayer from~~ 8354
~~notifying the tax commissioner, using the procedures prescribed by~~ 8355
~~the commissioner, that it is switching back to being a calendar~~ 8356
~~quarter taxpayer.~~ 8357

(C) ~~Any taxpayer that is not a calendar quarter taxpayer~~ 8358
~~pursuant to this section is a calendar year taxpayer.~~ The 8359
commissioner may grant written approval for a calendar quarter 8360
taxpayer to use an alternative reporting schedule or estimate the 8361
amount of tax due for a calendar quarter if the taxpayer 8362
demonstrates to the commissioner the need for such a deviation. 8363
The commissioner may adopt a rule to apply division (C) of this 8364
section to a group of taxpayers without the taxpayers having to 8365
receive written approval from the commissioner. 8366

Sec. 5751.051. (A)(1) Not later than the tenth day of the 8367
second month after the end of each calendar quarter, every 8368
taxpayer other than a calendar year taxpayer shall file with the 8369
tax commissioner a tax return in such form as the commissioner 8370
prescribes. The return shall include, but is not limited to, the 8371
amount of the taxpayer's taxable gross receipts for the calendar 8372
quarter and shall indicate the amount of tax due under section 8373

5751.03 of the Revised Code for the calendar quarter. 8374

(2)(a) Subject to division (C) of section 5751.05 of the 8375
Revised Code, a calendar quarter taxpayer shall report the taxable 8376
gross receipts for that calendar quarter. 8377

(b) With respect to taxable gross receipts incorrectly 8378
reported in a calendar quarter that has a lower tax rate, the tax 8379
shall be computed at the tax rate in effect for the quarterly 8380
return in which such receipts should have been reported. Nothing 8381
in division (A)(2)(b) of this section prohibits a taxpayer from 8382
filing an application for refund under section 5751.08 of the 8383
Revised Code with regard to the incorrect reporting of taxable 8384
gross receipts discovered after filing the annual return described 8385
in division (A)(3) of this section. 8386

A tax return shall not be deemed to be an incorrect reporting 8387
of taxable gross receipts for the purposes of division (A)(2)(b) 8388
of this section if the return reflects between ninety-five and one 8389
hundred five per cent of the actual taxable gross receipts for the 8390
calendar quarter. 8391

(3) For the purposes of division (A)(2)(b) of this section, 8392
the tax return filed for the fourth calendar quarter of a calendar 8393
year is the annual return for the privilege tax imposed by this 8394
chapter. Such return shall report any additional taxable gross 8395
receipts not previously reported in the calendar year and shall 8396
adjust for any over-reported taxable gross receipts in the 8397
calendar year. If the taxpayer ceases to be a taxpayer before the 8398
end of the calendar year, the last return the taxpayer is required 8399
to file shall be the annual return for the taxpayer and the 8400
taxpayer shall report any additional taxable gross receipts not 8401
previously reported in the calendar year and shall adjust for any 8402
over-reported taxable gross receipts in the calendar year. 8403

(4) Because the tax imposed by this chapter is a privilege 8404

tax, the tax rate with respect to taxable gross receipts for a 8405
calendar quarter is not fixed until the end of the measurement 8406
period for each calendar quarter. Subject to division (A)(2)(b) of 8407
this section, the total amount of taxable gross receipts reported 8408
for a given calendar quarter shall be subject to the tax rate in 8409
effect in that quarter. 8410

(5) Not later than the tenth day of May following the end of 8411
each calendar year, every calendar year taxpayer shall file with 8412
the tax commissioner a tax return in such form as the commissioner 8413
prescribes. The return shall include, but is not limited to, the 8414
amount of the taxpayer's taxable gross receipts for the calendar 8415
year and shall indicate the amount of tax due under section 8416
5751.03 of the Revised Code for the calendar year. 8417

(B)(1) A person that first becomes subject to the tax imposed 8418
under this chapter shall pay the minimum tax imposed under 8419
division (B) of section 5751.03 of the Revised Code ~~along with the~~ 8420
~~registration fee imposed under this section, if applicable,~~ on or 8421
before the day the return is required to be filed for that quarter 8422
under division (A)(1) of this section, regardless of whether the 8423
person ~~elects to be~~ registers as a calendar year taxpayer under 8424
section 5751.05 of the Revised Code. 8425

(2) The amount of the minimum tax for a person subject to 8426
division (B)(1) of this section shall be reduced to seventy-five 8427
dollars if the registration is timely filed after the first day of 8428
May and before the first day of January of the following calendar 8429
year. 8430

Sec. 5751.12. The tax commissioner may prescribe requirements 8431
for the keeping of records and other pertinent documents, the 8432
filing of copies of federal income tax returns and determinations, 8433
and computations reconciling federal income tax returns with the 8434
returns and reports required by section ~~5751.05~~ 5751.051 of the 8435

Revised Code. The commissioner may require any person, by rule or notice served on that person, to keep those records that the commissioner considers necessary to show whether, and the extent to which, a person is subject to this chapter. Those records and other documents shall be open during business hours to the inspection of the commissioner, and shall be preserved for a period of four years unless the commissioner, in writing, consents to their destruction within that period, or by order requires that they be kept longer. If such records are normally kept by the person electronically, the person shall provide such records to the commissioner electronically at the commissioner's request.

Any information required by the ~~tax~~ commissioner under this chapter is confidential as provided for in section 5703.21 of the Revised Code. However, the commissioner shall make public an electronic list of all actively registered persons required to remit the tax under this chapter, including legal names, trade names, addresses, and account numbers. In addition, such list shall include all persons that cancelled their registration at any time during the preceding four calendar years, including the effective date of the registration was cancelled cancellation.

Sec. 5751.20. (A) As used in sections 5751.20 to 5751.22 of the Revised Code:

(1) "School district," "joint vocational school district," "local taxing unit," "recognized valuation," "fixed-rate levy," and "fixed-sum levy" have the same meanings as used in section 5727.84 of the Revised Code.

(2) "State education aid" for a school district means the following:

(a) For fiscal years prior to fiscal year 2010, the sum of

state aid amounts computed for the district under the following provisions, as they existed for the applicable fiscal year: division (A) of section 3317.022 of the Revised Code, including the amounts calculated under sections 3317.029 and 3317.0217 of the Revised Code; divisions (C)(1), (C)(4), (D), (E), and (F) of section 3317.022; divisions (B), (C), and (D) of section 3317.023; divisions (L) and (N) of section 3317.024; section 3317.0216; and any unit payments for gifted student services paid under sections 3317.05, 3317.052, and 3317.053 of the Revised Code; except that, for fiscal years 2008 and 2009, the amount computed for the district under Section 269.20.80 of H.B. 119 of the 127th general assembly and as that section subsequently may be amended shall be substituted for the amount computed under division (D) of section 3317.022 of the Revised Code, and the amount computed under Section 269.30.80 of H.B. 119 of the 127th general assembly and as that section subsequently may be amended shall be included.

(b) For fiscal years 2010 and 2011, the sum of the amounts computed under former sections 3306.052, 3306.12, 3306.13, 3306.19, 3306.191, and 3306.192 of the Revised Code;

(c) For fiscal years 2012 and 2013, the amount paid in accordance with ~~the section~~ Section 267.30.50 of H.B. 153 of the 129th general assembly entitled "FUNDING FOR CITY, EXEMPTED VILLAGE, AND LOCAL SCHOOL DISTRICTS."

(3) "State education aid" for a joint vocational school district means the following:

(a) For fiscal years prior to fiscal year 2010, the sum of the state aid computed for the district under division (N) of section 3317.024 and section 3317.16 of the Revised Code, except that, for fiscal years 2008 and 2009, the amount computed under Section 269.30.80 of H.B. 119 of the 127th general assembly and as that section subsequently may be amended shall be included.

(b) For fiscal years 2010 and 2011, the amount paid in accordance with the section <u>Section 265.30.50</u> of H.B. 1 of the 128th general assembly entitled "FUNDING FOR JOINT VOCATIONAL SCHOOL DISTRICTS."	8497 8498 8499 8500
(c) For fiscal years 2012 and 2013, the amount paid in accordance with the section <u>Section 267.30.60</u> of H.B. 153 of the 129th general assembly entitled "FUNDING FOR JOINT VOCATIONAL SCHOOL DISTRICTS."	8501 8502 8503 8504
(4) "State education aid offset" means the amount determined for each school district or joint vocational school district under division (A)(1) of section 5751.21 of the Revised Code.	8505 8506 8507
(5) "Machinery and equipment property tax value loss" means the amount determined under division (C)(1) of this section.	8508 8509
(6) "Inventory property tax value loss" means the amount determined under division (C)(2) of this section.	8510 8511
(7) "Furniture and fixtures property tax value loss" means the amount determined under division (C)(3) of this section.	8512 8513
(8) "Machinery and equipment fixed-rate levy loss" means the amount determined under division (D)(1) of this section.	8514 8515
(9) "Inventory fixed-rate levy loss" means the amount determined under division (D)(2) of this section.	8516 8517
(10) "Furniture and fixtures fixed-rate levy loss" means the amount determined under division (D)(3) of this section.	8518 8519
(11) "Total fixed-rate levy loss" means the sum of the machinery and equipment fixed-rate levy loss, the inventory fixed-rate levy loss, the furniture and fixtures fixed-rate levy loss, and the telephone company fixed-rate levy loss.	8520 8521 8522 8523
(12) "Fixed-sum levy loss" means the amount determined under division (E) of this section.	8524 8525
(13) "Machinery and equipment" means personal property	8526

subject to the assessment rate specified in division (F) of 8527
section 5711.22 of the Revised Code. 8528

(14) "Inventory" means personal property subject to the 8529
assessment rate specified in division (E) of section 5711.22 of 8530
the Revised Code. 8531

(15) "Furniture and fixtures" means personal property subject 8532
to the assessment rate specified in division (G) of section 8533
5711.22 of the Revised Code. 8534

(16) "Qualifying levies" are levies in effect for tax year 8535
2004 or applicable to tax year 2005 or approved at an election 8536
conducted before September 1, 2005. For the purpose of determining 8537
the rate of a qualifying levy authorized by section 5705.212 or 8538
5705.213 of the Revised Code, the rate shall be the rate that 8539
would be in effect for tax year 2010. 8540

(17) "Telephone property" means tangible personal property of 8541
a telephone, telegraph, or interexchange telecommunications 8542
company subject to an assessment rate specified in section 8543
5727.111 of the Revised Code in tax year 2004. 8544

(18) "Telephone property tax value loss" means the amount 8545
determined under division (C)(4) of this section. 8546

(19) "Telephone property fixed-rate levy loss" means the 8547
amount determined under division (D)(4) of this section. 8548

(20) "Taxes charged and payable" means taxes charged and 8549
payable after the reduction required by section 319.301 of the 8550
Revised Code but before the reductions required by sections 8551
319.302 and 323.152 of the Revised Code. 8552

(21) "Median estate tax collections" means, in the case of a 8553
municipal corporation to which revenue from the taxes levied in 8554
Chapter 5731. of the Revised Code was distributed in each of 8555
calendar years 2006, 2007, 2008, and 2009, the median of those 8556

distributions. In the case of a municipal corporation to which no 8557
distributions were made in one or more of those years, "median 8558
estate tax collections" means zero. 8559

(22) "Total resources," in the case of a school district, 8560
means the sum of the amounts in divisions (A)(22)(a) to (h) of 8561
this section less any reduction required under division (A)(32) or 8562
(33) of this section. 8563

(a) The state education aid for fiscal year 2010; 8564

(b) The sum of the payments received by the school district 8565
in fiscal year 2010 for current expense levy losses pursuant to 8566
division (C)(2) of section 5727.85 and divisions (C)(8) and (9) of 8567
section 5751.21 of the Revised Code, excluding the portion of such 8568
payments attributable to levies for joint vocational school 8569
district purposes; 8570

(c) The sum of fixed-sum levy loss payments received by the 8571
school district in fiscal year 2010 pursuant to division (E)(1) of 8572
section 5727.85 and division (E)(1) of section 5751.21 of the 8573
Revised Code for fixed-sum levies ~~imposed~~ charged and payable for 8574
a purpose other than paying debt charges; 8575

(d) Fifty per cent of the school district's taxes charged and 8576
payable against all property on the tax list of real and public 8577
utility property for current expense purposes for tax year 2008, 8578
including taxes charged and payable from emergency levies ~~imposed~~ 8579
charged and payable under section 5709.194 of the Revised Code and 8580
excluding taxes levied for joint vocational school district 8581
purposes; 8582

(e) Fifty per cent of the school district's taxes charged and 8583
payable against all property on the tax list of real and public 8584
utility property for current expenses for tax year 2009, including 8585
taxes charged and payable from emergency levies and excluding 8586
taxes levied for joint vocational school district purposes; 8587

(f) The school district's taxes charged and payable against	8588
all property on the general tax list of personal property for	8589
current expenses for tax year 2009, including taxes charged and	8590
payable from emergency levies;	8591
(g) The amount certified for fiscal year 2010 under division	8592
(A)(2) of section 3317.08 of the Revised Code;	8593
(h) Distributions received during calendar year 2009 from	8594
taxes levied under section 718.09 of the Revised Code.	8595
(23) "Total resources," in the case of a joint vocational	8596
school district, means the sum of amounts in divisions (A)(23)(a)	8597
to (g) of this section less any reduction required under division	8598
(A)(32) of this section.	8599
(a) The state education aid for fiscal year 2010;	8600
(b) The sum of the payments received by the joint vocational	8601
school district in fiscal year 2010 for current expense levy	8602
losses pursuant to division (C)(2) of section 5727.85 and	8603
divisions (C)(8) and (9) of section 5751.21 of the Revised Code;	8604
(c) Fifty per cent of the joint vocational school district's	8605
taxes charged and payable against all property on the tax list of	8606
real and public utility property for current expense purposes for	8607
tax year 2008;	8608
(d) Fifty per cent of the joint vocational school district's	8609
taxes charged and payable against all property on the tax list of	8610
real and public utility property for current expenses for tax year	8611
2009;	8612
(e) Fifty per cent of a city, local, or exempted village	8613
school district's taxes charged and payable against all property	8614
on the tax list of real and public utility property for current	8615
expenses of the joint vocational school district for tax year	8616
2008;	8617

(f) Fifty per cent of a city, local, or exempted village school district's taxes charged and payable against all property on the tax list of real and public utility property for current expenses of the joint vocational school district for tax year 2009;

(g) The joint vocational school district's taxes charged and payable against all property on the general tax list of personal property for current expenses for tax year 2009.

(24) "Total resources," in the case of county mental health and disability related functions, means the sum of the amounts in divisions (A)(24)(a) and (b) of this section less any reduction required under division (A)(32) of this section.

(a) The sum of the payments received by the county for mental health and developmental disability related functions in calendar year 2010 under division (A)(1) of section 5727.86 and ~~division~~ divisions (A)(1) and (2) of section 5751.22 of the Revised Code as they existed at that time;

(b) With respect to taxes levied by the county for mental health and developmental disability related purposes, the taxes charged and payable for such purposes against all property on the tax list of real and public utility property for tax year 2009.

(25) "Total resources," in the case of county senior services related functions, means the sum of the amounts in divisions (A)(25)(a) and (b) of this section less any reduction required under division (A)(32) of this section.

(a) The sum of the payments received by the county for senior services related functions in calendar year 2010 under division (A)(1) of section 5727.86 and divisions (A)(1) and (2) of section 5751.22 of the Revised Code as they existed at that time;

(b) With respect to taxes levied by the county for senior services related purposes, the taxes charged and payable for such

purposes against all property on the tax list of real and public 8649
utility property for tax year 2009. 8650

(26) "Total resources," in the case of county children's 8651
services related functions, means the sum of the amounts in 8652
divisions (A)(26)(a) and (b) of this section less any reduction 8653
required under division (A)(32) of this section. 8654

(a) The sum of the payments received by the county for 8655
children's services related functions in calendar year 2010 under 8656
division (A)(1) of section 5727.86 and divisions (A)(1) and (2) of 8657
section 5751.22 of the Revised Code as they existed at that time; 8658

(b) With respect to taxes levied by the county for children's 8659
services related purposes, the taxes charged and payable for such 8660
purposes against all property on the tax list of real and public 8661
utility property for tax year 2009. 8662

(27) "Total resources," in the case of county public health 8663
related functions, means the sum of the amounts in divisions 8664
(A)(27)(a) and (b) of this section less any reduction required 8665
under division (A)(32) of this section. 8666

(a) The sum of the payments received by the county for public 8667
health related functions in calendar year 2010 under division 8668
(A)(1) of section 5727.86 and divisions (A)(1) and (2) of section 8669
5751.22 of the Revised Code as they existed at that time; 8670

(b) With respect to taxes levied by the county for public 8671
health related purposes, the taxes charged and payable for such 8672
purposes against all property on the tax list of real and public 8673
utility property for tax year 2009. 8674

(28) "Total resources," in the case of all county functions 8675
not included in divisions (A)(24) to (27) of this section, means 8676
the sum of the amounts in divisions (A)(28)(a) to (d) of this 8677
section less any reduction required under division (A)(32) or (33) 8678
of this section. 8679

(a) The sum of the payments received by the county for all 8680
other purposes in calendar year 2010 under division (A)(1) of 8681
section 5727.86 and divisions (A)(1) and (2) of section 5751.22 of 8682
the Revised Code as they existed at that time; 8683

(b) The county's percentage share of county undivided local 8684
government fund allocations as certified to the tax commissioner 8685
for calendar year 2010 by the county auditor under division (J) of 8686
section 5747.51 of the Revised Code or division (F) of section 8687
5747.53 of the Revised Code multiplied by the total amount 8688
actually distributed in calendar year 2010 from the county 8689
undivided local government fund; 8690

(c) With respect to taxes levied by the county for all other 8691
purposes, the taxes charged and payable for such purposes against 8692
all property on the tax list of real and public utility property 8693
for tax year 2009, excluding taxes charged and payable for the 8694
purpose of paying debt charges; 8695

(d) The sum of the amounts distributed to the county in 8696
calendar year 2010 for the taxes levied pursuant to sections 8697
5739.021 and 5741.021 of the Revised Code. 8698

(29) "Total resources," in the case of a municipal 8699
corporation, means the sum of the amounts in divisions (A)(29)(a) 8700
to (g) of this section less any reduction required under division 8701
(A)(32) or (33) of this section. 8702

(a) The sum of the payments received by the municipal 8703
corporation in calendar year 2010 for current expense levy losses 8704
under division (A)(1) of section 5727.86 and divisions (A)(1) and 8705
(2) of section 5751.22 of the Revised Code as they existed at that 8706
time; 8707

(b) The municipal corporation's percentage share of county 8708
undivided local government fund allocations as certified to the 8709
tax commissioner for calendar year 2010 by the county auditor 8710

under division (J) of section 5747.51 of the Revised Code or 8711
division (F) of section 5747.53 of the Revised Code multiplied by 8712
the total amount actually distributed in calendar year 2010 from 8713
the county undivided local government fund; 8714

(c) The sum of the amounts distributed to the municipal 8715
corporation in calendar year 2010 pursuant to section 5747.50 of 8716
the Revised Code; 8717

(d) With respect to taxes levied by the municipal 8718
corporation, the taxes charged and payable against all property on 8719
the tax list of real and public utility property for current 8720
expenses, defined in division (A)~~(33)~~(35) of this section, for tax 8721
year 2009; 8722

(e) The amount of admissions tax collected by the municipal 8723
corporation in calendar year 2008, or if such information has not 8724
yet been reported to the tax commissioner, in the most recent year 8725
before 2008 for which the municipal corporation has reported data 8726
to the commissioner; 8727

(f) The amount of income taxes collected by the municipal 8728
corporation in calendar year 2008, or if such information has not 8729
yet been reported to the tax commissioner, in the most recent year 8730
before 2008 for which the municipal corporation has reported data 8731
to the commissioner; 8732

(g) The municipal corporation's median estate tax 8733
collections. 8734

(30) "Total resources," in the case of a township, means the 8735
sum of the amounts in divisions (A)(30)(a) to (c) of this section 8736
less any reduction required under division (A)(32) or (33) of this 8737
section. 8738

(a) The sum of the payments received by the township in 8739
calendar year 2010 pursuant to division (A)(1) of section 5727.86 8740
of the Revised Code and divisions (A)(1) and (2) of section 8741

5751.22 of the Revised Code as they existed at that time, 8742
excluding payments received for debt purposes; 8743

(b) The township's percentage share of county undivided local 8744
government fund allocations as certified to the tax commissioner 8745
for calendar year 2010 by the county auditor under division (J) of 8746
section 5747.51 of the Revised Code or division (F) of section 8747
5747.53 of the Revised Code multiplied by the total amount 8748
actually distributed in calendar year 2010 from the county 8749
undivided local government fund; 8750

(c) With respect to taxes levied by the township, the taxes 8751
charged and payable against all property on the tax list of real 8752
and public utility property for tax year 2009 excluding taxes 8753
charged and payable for the purpose of paying debt charges. 8754

(31) "Total resources," in the case of a local taxing unit 8755
that is not a county, municipal corporation, or township, means 8756
the sum of the amounts in divisions (A)(31)(a) to (e) of this 8757
section less any reduction required under division (A)(32) of this 8758
section. 8759

(a) The sum of the payments received by the local taxing unit 8760
in calendar year 2010 pursuant to division (A)(1) of section 8761
5727.86 of the Revised Code and divisions (A)(1) and (2) of 8762
section 5751.22 of the Revised Code as they existed at that time; 8763

(b) The local taxing unit's percentage share of county 8764
undivided local government fund allocations as certified to the 8765
tax commissioner for calendar year 2010 by the county auditor 8766
under division (J) of section 5747.51 of the Revised Code or 8767
division (F) of section 5747.53 of the Revised Code multiplied by 8768
the total amount actually distributed in calendar year 2010 from 8769
the county undivided local government fund; 8770

(c) With respect to taxes levied by the local taxing unit, 8771
the taxes charged and payable against all property on the tax list 8772

of real and public utility property for tax year 2009 excluding 8773
taxes charged and payable for the purpose of paying debt charges; 8774

(d) The amount received from the tax commissioner during 8775
calendar year 2010 for sales or use taxes authorized under 8776
sections 5739.023 and 5741.022 of the Revised Code; 8777

(e) For institutions of higher education receiving tax 8778
revenue from a local levy, as identified in section 3358.02 of the 8779
Revised Code, the final state share of instruction allocation for 8780
fiscal year 2010 as calculated by the board of regents and 8781
reported to the state controlling board. 8782

(32) If a fixed-rate levy that is a qualifying levy is not 8783
~~imposed charged and payable~~ in any year after tax year 2010, 8784
"total resources" used to compute payments to be made under 8785
division (C)(12) of section 5751.21 or division (A)(1)(b) or (c) 8786
of section 5751.22 of the Revised Code in the tax years following 8787
the last year the levy is ~~imposed charged and payable~~ shall be 8788
reduced ~~by the amount of~~ to the extent that the payments are 8789
attributable to the fixed-rate levy loss of that levy as would be 8790
computed under division (C)(2) of section 5727.85, division (A)(1) 8791
of section 5727.85, divisions (C)(8) and (9) of section 5751.21, 8792
or division (A)(1) of section 5751.22 of the Revised Code. 8793

(33) In the case of a county, municipal corporation, school 8794
district, or township with fixed-rate levy losses attributable to 8795
a tax levied under section 5705.23 of the Revised Code, "total 8796
resources" used to compute payments to be made under division 8797
(C)(3) of section 5727.85, division (A)(1)(d) of section 5727.86, 8798
division (C)(12) of section 5751.21, or division (A)(1)(c) of 8799
section 5751.22 of the Revised Code shall be reduced by the 8800
amounts described in divisions (A)(34)(a) to (c) of this section 8801
to the extent that those amounts were included in calculating the 8802
"total resources" of the school district or local taxing unit 8803
under division (A)(22), (28), (29), or (30) of this section. 8804

(34) "Total library resources," in the case of a county, municipal corporation, school district, or township public library that receives the proceeds of a tax levied under section 5705.23 of the Revised Code, means the sum of the amounts in divisions (A)(34)(a) to (c) of this section less any reduction required under division (A)(32) of this section.

(a) The sum of the payments received by the county, municipal corporation, school district, or township public library in calendar year 2010 pursuant to sections 5727.86 and 5751.22 of the Revised Code, as they existed at that time, for fixed-rate levy losses attributable to a tax levied under section 5705.23 of the Revised Code for the benefit of the public library;

(b) The public library's percentage share of county undivided local government fund allocations as certified to the tax commissioner for calendar year 2010 by the county auditor under division (J) of section 5747.51 of the Revised Code or division (F) of section 5747.53 of the Revised Code multiplied by the total amount actually distributed in calendar year 2010 from the county undivided local government fund;

(c) With respect to a tax levied pursuant to section 5705.23 of the Revised Code for the benefit of the public library, the amount of such tax that is charged and payable against all property on the tax list of real and public utility property for tax year 2009 excluding any tax that is charged and payable for the purpose of paying debt charges.

(35) "Municipal current expense property tax levies" means all property tax levies of a municipality, except those with the following levy names: airport resurfacing; bond or any levy name including the word "bond"; capital improvement or any levy name including the word "capital"; debt or any levy name including the word "debt"; equipment or any levy name including the word "equipment," unless the levy is for combined operating and

equipment; employee termination fund; fire pension or any levy 8837
containing the word "pension," including police pensions; 8838
fireman's fund or any practically similar name; sinking fund; road 8839
improvements or any levy containing the word "road"; fire truck or 8840
apparatus; flood or any levy containing the word "flood"; 8841
conservancy district; county health; note retirement; sewage, or 8842
any levy containing the words "sewage" or "sewer"; park 8843
improvement; parkland acquisition; storm drain; street or any levy 8844
name containing the word "street"; lighting, or any levy name 8845
containing the word "lighting"; and water. 8846

~~(34)~~(36) "Current expense TPP allocation" means, in the case 8847
of a school district or joint vocational school district, the sum 8848
of the payments received by the school district in fiscal year 8849
2011 pursuant to divisions (C)(10) and (11) of section 5751.21 of 8850
the Revised Code to the extent paid for current expense levies. In 8851
the case of a municipal corporation, "current expense TPP 8852
allocation" means the sum of the payments received by the 8853
municipal corporation in calendar year 2010 pursuant to divisions 8854
(A)(1) and (2) of section 5751.22 of the Revised Code to the 8855
extent paid for municipal current expense property tax levies as 8856
defined in division (A)~~(33)~~(35) of this section, excluding any 8857
such payments received for current expense levy losses 8858
attributable to a tax levied under section 5705.23 of the Revised 8859
Code. If a fixed-rate levy that is a qualifying levy is not 8860
~~imposed~~ charged and payable in any year after tax year 2010, 8861
"current expense TPP allocation" used to compute payments to be 8862
made under division (C)(12) of section 5751.21 or division 8863
(A)(1)(b) or (c) of section 5751.22 of the Revised Code in the tax 8864
years following the last year the levy is ~~imposed~~ charged and 8865
payable shall be reduced ~~by the amount of~~ to the extent that the 8866
payments are attributable to the fixed-rate levy loss of that levy 8867
as would be computed under divisions (C)(10) and (11) of section 8868
5751.21 or division (A)(1) of section 5751.22 of the Revised Code. 8869

~~(35)~~(37) "TPP allocation" means the sum of payments received 8870
by a local taxing unit in calendar year 2010 pursuant to divisions 8871
(A)(1) and (2) of section 5751.22 of the Revised Code, excluding 8872
any such payments received for fixed-rate levy losses attributable 8873
to a tax levied under section 5705.23 of the Revised Code. If a 8874
fixed-rate levy that is a qualifying levy is not ~~imposed~~ charged 8875
and payable in any year after tax year 2010, "TPP allocation" used 8876
to compute payments to be made under division (A)(1)(b) or (c) of 8877
section 5751.22 of the Revised Code in the tax years following the 8878
last year the levy is ~~imposed~~ charged and payable shall be reduced 8879
~~by the amount of payment to the extent that the payments are~~ 8880
attributable to the fixed-rate levy loss of that levy as would be 8881
computed under division (A)(1) of that section. 8882

~~(36)~~(38) "Total TPP allocation" means, in the case of a 8883
school district or joint vocational school district, the sum of 8884
the amounts received in fiscal year 2011 pursuant to divisions 8885
(C)(10) and (11) and (D) of section 5751.21 of the Revised Code. 8886
In the case of a local taxing unit, "total TPP allocation" means 8887
the sum of payments received by the unit in calendar year 2010 8888
pursuant to divisions (A)(1), (2), and (3) of section 5751.22 of 8889
the Revised Code. If a fixed-rate levy that is a qualifying levy 8890
is not ~~imposed~~ charged and payable in any year after tax year 8891
2010, "total TPP allocation" used to compute payments to be made 8892
under division (C)(12) of section 5751.21 or division (A)(1)(b) or 8893
(c) of section 5751.22 of the Revised Code in the tax years 8894
following the last year the levy is ~~imposed~~ charged and payable 8895
shall be reduced ~~by the amount of~~ to the extent that the payments 8896
are attributable to the fixed-rate levy loss of that levy as would 8897
be computed under divisions (C)(10) and (11) of section 5751.21 or 8898
division (A)(1) of section 5751.22 of the Revised Code. 8899

~~(37)~~(39) "Non-current expense TPP allocation" means the 8900
difference of total TPP allocation minus the sum of current 8901

expense TPP allocation and the portion of total TPP allocation 8902
constituting reimbursement for debt levies, pursuant to division 8903
(D) of section 5751.21 of the Revised Code in the case of a school 8904
district or joint vocational school district and pursuant to 8905
division (A)(3) of section 5751.22 of the Revised Code in the case 8906
of a municipal corporation. 8907

~~(38)~~(40) "TPP allocation for library purposes" means the sum 8908
of payments received by a county, municipal corporation, school 8909
district, or township public library in calendar year 2010 8910
pursuant to section 5751.22 of the Revised Code for fixed-rate 8911
levy losses attributable to a tax levied under section 5705.23 of 8912
the Revised Code. If a fixed-rate levy authorized under section 8913
5705.23 of the Revised Code that is a qualifying levy is not 8914
charged and payable in any year after tax year 2010, "TPP 8915
allocation for library purposes" used to compute payments to be 8916
made under division (A)(1)(d) of section 5751.22 of the Revised 8917
Code in the tax years following the last year the levy is charged 8918
and payable shall be reduced to the extent that the payments are 8919
attributable to the fixed-rate levy loss of that levy as would be 8920
computed under division (A)(1) of section 5751.22 of the Revised 8921
Code. 8922

(41) "Threshold per cent" means, in the case of a school 8923
district or joint vocational school district, two per cent for 8924
fiscal year 2012 and four per cent for fiscal years 2013 and 8925
thereafter. In the case of a local taxing unit or public library 8926
that receives the proceeds of a tax levied under section 5705.23 8927
of the Revised Code, "threshold per cent" means two per cent for 8928
tax year 2011, four per cent for tax year 2012, and six per cent 8929
for tax years 2013 and thereafter. 8930

(B) The commercial activities tax receipts fund is hereby 8931
created in the state treasury and shall consist of money arising 8932
from the tax imposed under this chapter. Eighty-five 8933

one-hundredths of one per cent of the money credited to that fund 8934
shall be credited to the ~~tax reform system implementation revenue~~ 8935
enhancement fund, ~~which is hereby created in the state treasury,~~ 8936
and shall be used to defray the costs incurred by the department 8937
of taxation in administering the tax imposed by this chapter and 8938
in implementing tax reform measures. The remainder in the 8939
commercial activities tax receipts fund shall be credited for each 8940
fiscal year in the following percentages to the general revenue 8941
fund, to the school district tangible property tax replacement 8942
fund, which is hereby created in the state treasury for the 8943
purpose of making the payments described in section 5751.21 of the 8944
Revised Code, and to the local government tangible property tax 8945
replacement fund, which is hereby created in the state treasury 8946
for the purpose of making the payments described in section 8947
5751.22 of the Revised Code, in the following percentages: 8948

Fiscal year	General Revenue Fund	School District Tangible Property Tax Replacement Fund	Local Government Tangible Property Tax Replacement Fund	
2006	67.7%	22.6%	9.7%	8950
2007	0%	70.0%	30.0%	8951
2008	0%	70.0%	30.0%	8952
2009	0%	70.0%	30.0%	8953
2010	0%	70.0%	30.0%	8954
2011	0%	70.0%	30.0%	8955
2012	25.0%	52.5%	22.5%	8956
2013 and	50.0%	35.0%	15.0%	8957

thereafter

(C) Not later than September 15, 2005, the tax commissioner 8958
shall determine for each school district, joint vocational school 8959
district, and local taxing unit its machinery and equipment, 8960
inventory property, furniture and fixtures property, and telephone 8961
property tax value losses, which are the applicable amounts 8962

described in divisions (C)(1), (2), (3), and (4) of this section, 8963
except as provided in division (C)(5) of this section: 8964

(1) Machinery and equipment property tax value loss is the 8965
taxable value of machinery and equipment property as reported by 8966
taxpayers for tax year 2004 multiplied by: 8967

(a) For tax year 2006, thirty-three and eight-tenths per 8968
cent; 8969

(b) For tax year 2007, sixty-one and three-tenths per cent; 8970

(c) For tax year 2008, eighty-three per cent; 8971

(d) For tax year 2009 and thereafter, one hundred per cent. 8972

(2) Inventory property tax value loss is the taxable value of 8973
inventory property as reported by taxpayers for tax year 2004 8974
multiplied by: 8975

(a) For tax year 2006, a fraction, the numerator of which is 8976
five and three-fourths and the denominator of which is 8977
twenty-three; 8978

(b) For tax year 2007, a fraction, the numerator of which is 8979
nine and one-half and the denominator of which is twenty-three; 8980

(c) For tax year 2008, a fraction, the numerator of which is 8981
thirteen and one-fourth and the denominator of which is 8982
twenty-three; 8983

(d) For tax year 2009 and thereafter a fraction, the 8984
numerator of which is seventeen and the denominator of which is 8985
twenty-three. 8986

(3) Furniture and fixtures property tax value loss is the 8987
taxable value of furniture and fixture property as reported by 8988
taxpayers for tax year 2004 multiplied by: 8989

(a) For tax year 2006, twenty-five per cent; 8990

(b) For tax year 2007, fifty per cent; 8991

(c) For tax year 2008, seventy-five per cent; 8992

(d) For tax year 2009 and thereafter, one hundred per cent. 8993

The taxable value of property reported by taxpayers used in 8994
divisions (C)(1), (2), and (3) of this section shall be such 8995
values as determined to be final by the tax commissioner as of 8996
August 31, 2005. Such determinations shall be final except for any 8997
correction of a clerical error that was made prior to August 31, 8998
2005, by the tax commissioner. 8999

(4) Telephone property tax value loss is the taxable value of 9000
telephone property as taxpayers would have reported that property 9001
for tax year 2004 if the assessment rate for all telephone 9002
property for that year were twenty-five per cent, multiplied by: 9003

(a) For tax year 2006, zero per cent; 9004

(b) For tax year 2007, zero per cent; 9005

(c) For tax year 2008, zero per cent; 9006

(d) For tax year 2009, sixty per cent; 9007

(e) For tax year 2010, eighty per cent; 9008

(f) For tax year 2011 and thereafter, one hundred per cent. 9009

(5) Division (C)(5) of this section applies to any school 9010
district, joint vocational school district, or local taxing unit 9011
in a county in which is located a facility currently or formerly 9012
devoted to the enrichment or commercialization of uranium or 9013
uranium products, and for which the total taxable value of 9014
property listed on the general tax list of personal property for 9015
any tax year from tax year 2001 to tax year 2004 was fifty per 9016
cent or less of the taxable value of such property listed on the 9017
general tax list of personal property for the next preceding tax 9018
year. 9019

In computing the fixed-rate levy losses under divisions 9020
(D)(1), (2), and (3) of this section for any school district, 9021

joint vocational school district, or local taxing unit to which 9022
division (C)(5) of this section applies, the taxable value of such 9023
property as listed on the general tax list of personal property 9024
for tax year 2000 shall be substituted for the taxable value of 9025
such property as reported by taxpayers for tax year 2004, in the 9026
taxing district containing the uranium facility, if the taxable 9027
value listed for tax year 2000 is greater than the taxable value 9028
reported by taxpayers for tax year 2004. For the purpose of making 9029
the computations under divisions (D)(1), (2), and (3) of this 9030
section, the tax year 2000 valuation is to be allocated to 9031
machinery and equipment, inventory, and furniture and fixtures 9032
property in the same proportions as the tax year 2004 values. For 9033
the purpose of the calculations in division (A) of section 5751.21 9034
of the Revised Code, the tax year 2004 taxable values shall be 9035
used. 9036

To facilitate the calculations required under division (C) of 9037
this section, the county auditor, upon request from the tax 9038
commissioner, shall provide by August 1, 2005, the values of 9039
machinery and equipment, inventory, and furniture and fixtures for 9040
all single-county personal property taxpayers for tax year 2004. 9041

(D) Not later than September 15, 2005, the tax commissioner 9042
shall determine for each tax year from 2006 through 2009 for each 9043
school district, joint vocational school district, and local 9044
taxing unit its machinery and equipment, inventory, and furniture 9045
and fixtures fixed-rate levy losses, and for each tax year from 9046
2006 through 2011 its telephone property fixed-rate levy loss. 9047
Except as provided in division (F) of this section, such losses 9048
are the applicable amounts described in divisions (D)(1), (2), 9049
(3), and (4) of this section: 9050

(1) The machinery and equipment fixed-rate levy loss is the 9051
machinery and equipment property tax value loss multiplied by the 9052
sum of the tax rates of fixed-rate qualifying levies. 9053

(2) The inventory fixed-rate loss is the inventory property tax value loss multiplied by the sum of the tax rates of fixed-rate qualifying levies.

(3) The furniture and fixtures fixed-rate levy loss is the furniture and fixture property tax value loss multiplied by the sum of the tax rates of fixed-rate qualifying levies.

(4) The telephone property fixed-rate levy loss is the telephone property tax value loss multiplied by the sum of the tax rates of fixed-rate qualifying levies.

(E) Not later than September 15, 2005, the tax commissioner shall determine for each school district, joint vocational school district, and local taxing unit its fixed-sum levy loss. The fixed-sum levy loss is the amount obtained by subtracting the amount described in division (E)(2) of this section from the amount described in division (E)(1) of this section:

(1) The sum of the machinery and equipment property tax value loss, the inventory property tax value loss, and the furniture and fixtures property tax value loss, and, for 2008 through 2010, the telephone property tax value loss of the district or unit multiplied by the sum of the fixed-sum tax rates of qualifying levies. For 2006 through 2010, this computation shall include all qualifying levies remaining in effect for the current tax year and any school district levies ~~imposed~~ charged and payable under section 5705.194 or 5705.213 of the Revised Code that are qualifying levies not remaining in effect for the current year. For 2011 through 2017 in the case of school district levies ~~imposed~~ charged and payable under section 5705.194 or 5705.213 of the Revised Code and for all years after 2010 in the case of other fixed-sum levies, this computation shall include only qualifying levies remaining in effect for the current year. For purposes of this computation, a qualifying school district levy ~~imposed~~ charged and payable under section 5705.194 or 5705.213 of the

Revised Code remains in effect in a year after 2010 only if, for 9086
that year, the board of education levies a school district levy 9087
~~imposed~~ charged and payable under section 5705.194, 5705.199, 9088
5705.213, or 5705.219 of the Revised Code for an annual sum at 9089
least equal to the annual sum levied by the board in tax year 2004 9090
less the amount of the payment certified under this division for 9091
2006. 9092

(2) The total taxable value in tax year 2004 less the sum of 9093
the machinery and equipment, inventory, furniture and fixtures, 9094
and telephone property tax value losses in each school district, 9095
joint vocational school district, and local taxing unit multiplied 9096
by one-half of one mill per dollar. 9097

(3) For the calculations in divisions (E)(1) and (2) of this 9098
section, the tax value losses are those that would be calculated 9099
for tax year 2009 under divisions (C)(1), (2), and (3) of this 9100
section and for tax year 2011 under division (C)(4) of this 9101
section. 9102

(4) To facilitate the calculation under divisions (D) and (E) 9103
of this section, not later than September 1, 2005, any school 9104
district, joint vocational school district, or local taxing unit 9105
that has a qualifying levy that was approved at an election 9106
conducted during 2005 before September 1, 2005, shall certify to 9107
the tax commissioner a copy of the county auditor's certificate of 9108
estimated property tax millage for such levy as required under 9109
division (B) of section 5705.03 of the Revised Code, which is the 9110
rate that shall be used in the calculations under such divisions. 9111

If the amount determined under division (E) of this section 9112
for any school district, joint vocational school district, or 9113
local taxing unit is greater than zero, that amount shall equal 9114
the reimbursement to be paid pursuant to division (E) of section 9115
5751.21 or division (A)(3) of section 5751.22 of the Revised Code, 9116
and the one-half of one mill that is subtracted under division 9117

(E)(2) of this section shall be apportioned among all contributing 9118
fixed-sum levies in the proportion that each levy bears to the sum 9119
of all fixed-sum levies within each school district, joint 9120
vocational school district, or local taxing unit. 9121

(F) If a school district levies a tax under section 5705.219 9122
of the Revised Code, the fixed-rate levy loss for qualifying 9123
levies, to the extent repealed under that section, shall equal the 9124
sum of the following amounts in lieu of the amounts computed for 9125
such levies under division (D) of this section: 9126

(1) The sum of the rates of qualifying levies to the extent 9127
so repealed multiplied by the sum of the machinery and equipment, 9128
inventory, and furniture and fixtures tax value losses for 2009 as 9129
determined under that division; 9130

(2) The sum of the rates of qualifying levies to the extent 9131
so repealed multiplied by the telephone property tax value loss 9132
for 2011 as determined under that division. 9133

The fixed-rate levy losses for qualifying levies to the 9134
extent not repealed under section 5705.219 of the Revised Code 9135
shall be as determined under division (D) of this section. The 9136
revised fixed-rate levy losses determined under this division and 9137
division (D) of this section first apply in the year following the 9138
first year the district levies the tax under section 5705.219 of 9139
the Revised Code. 9140

(G) Not later than October 1, 2005, the tax commissioner 9141
shall certify to the department of education for every school 9142
district and joint vocational school district the machinery and 9143
equipment, inventory, furniture and fixtures, and telephone 9144
property tax value losses determined under division (C) of this 9145
section, the machinery and equipment, inventory, furniture and 9146
fixtures, and telephone fixed-rate levy losses determined under 9147
division (D) of this section, and the fixed-sum levy losses 9148

calculated under division (E) of this section. The calculations 9149
under divisions (D) and (E) of this section shall separately 9150
display the levy loss for each levy eligible for reimbursement. 9151

(H) Not later than October 1, 2005, the tax commissioner 9152
shall certify the amount of the fixed-sum levy losses to the 9153
county auditor of each county in which a school district, joint 9154
vocational school district, or local taxing unit with a fixed-sum 9155
levy loss reimbursement has territory. 9156

(I) Not later than the twenty-eighth day of February each 9157
year beginning in 2011 and ending in 2014, the tax commissioner 9158
shall certify to the department of education for each school 9159
district first levying a tax under section 5705.219 of the Revised 9160
Code in the preceding year the revised fixed-rate levy losses 9161
determined under divisions (D) and (F) of this section. 9162

Sec. 5751.22. (A) Not later than January 1, 2006, the tax 9163
commissioner shall compute the payments to be made to each local 9164
taxing unit, and to each public library that receives the proceeds 9165
of a tax levied under section 5705.23 of the Revised Code, for 9166
each year according to divisions (A)(1), (2), (3), and (4) of this 9167
section as this section existed on that date, and shall distribute 9168
the payments in the manner prescribed by division (C) of this 9169
section. The calculation of the fixed-sum levy loss shall cover a 9170
time period sufficient to include all fixed-sum levies for which 9171
the commissioner determined, pursuant to division (E) of section 9172
5751.20 of the Revised Code, that a fixed-sum levy loss is to be 9173
reimbursed. 9174

(1) Except as provided in division (A)(3) of this section, 9175
for fixed-rate levy losses determined under division (D) of 9176
section 5751.20 of the Revised Code, payments shall be made in an 9177
amount equal to the following: 9178

(a) For tax years 2006 through 2010, one hundred per cent of 9179

such losses;	9180
(b) For the payment in tax year 2011 to be made on or before the twentieth day of November, the sum of the amount in division (A)(1)(b)(i) or (ii) and division (A)(1)(b)(iii) of this section:	9181 9182 9183
(i) If the ratio of six-sevenths of the TPP allocation to total resources is equal to or less than the threshold per cent, zero;	9184 9185 9186
(ii) If the ratio of six-sevenths of the TPP allocation to total resources is greater than the threshold per cent, the difference of six-sevenths of the TPP allocation minus the product of total resources multiplied by the threshold per cent;	9187 9188 9189 9190
(iii) In the case of a municipal corporation, six-sevenths of the product of the non-current expense TPP allocation multiplied by seventy-five per cent.	9191 9192 9193
(c) For tax years 2012 and thereafter, the sum of the amount in division (A)(1)(c)(i) or (ii) and division (A)(1)(c)(iii) of this section:	9194 9195 9196
(i) If the ratio of TPP allocation to total resources is equal to or less than the threshold per cent, zero;	9197 9198
(ii) If the ratio of TPP allocation to total resources is greater than the threshold per cent, the TPP allocation minus the product of total resources multiplied by the threshold per cent;	9199 9200 9201
(iii) In the case of a municipal corporation, non-current expense TPP allocation multiplied by fifty per cent for tax year 2012 and twenty-five per cent for tax years 2013 and thereafter;	9202 9203 9204
<u>(d) For tax years 2012 and thereafter, in the case of a county, school district, municipal corporation, or township public library, the amount in division (A)(1)(d)(i) or (ii) of this section:</u>	9205 9206 9207 9208
<u>(i) If the ratio of TPP allocation for library purposes to</u>	9209

total library resources is equal to or less than the threshold per cent, zero; 9210
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(ii) If the ratio of TPP allocation for library purposes to total library resources is greater than the threshold per cent, the TPP allocation for library purposes minus the product of total library resources multiplied by the threshold per cent. 9212
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(2) For fixed-sum levy losses determined under division (E) of section 5751.20 of the Revised Code, payments shall be made in the amount of one hundred per cent of the fixed-sum levy loss for payments required to be made in 2006 ~~and thereafter~~ through 2011, except that no payments shall be made for qualifying levies that have expired. For payments required to be made in 2012 and thereafter, payments shall be made in the amount of fifty per cent of the fixed-sum levy loss until the qualifying levy has expired. 9216
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(3) For taxes levied within the ten-mill limitation or pursuant to a municipal charter for debt purposes in tax year 2005, payments shall be made based on the schedule in division (A)(1) of this section for each of the calendar years 2006 through 2010. For each of the calendar years 2011 through 2017, the percentages for calendar year 2010 shall be used for taxes levied within the ten-mill limitation or pursuant to a municipal charter for debt purposes in tax year 2010, as long as such levies continue to be used for debt purposes. If the purpose of such a qualifying levy is changed, that levy becomes subject to the payment schedules in divisions (A)(1)(a) to (h) of this section. No payments shall be made for such levies after calendar year 2017. For the purposes of this division, taxes levied pursuant to a municipal charter refer to taxes levied pursuant to a provision of a municipal charter that permits the tax to be levied without prior voter approval. 9224
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(B) Beginning in 2007, by the thirty-first day of January of each year, the tax commissioner shall review the calculation 9240
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originally made under division (A) of this section of the 9242
fixed-sum levy losses determined under division (E) of section 9243
5751.20 of the Revised Code. If the commissioner determines that a 9244
fixed-sum levy that had been scheduled to be reimbursed in the 9245
current year has expired, a revised calculation for that and all 9246
subsequent years shall be made. 9247

(C) Payments to local taxing units and public libraries 9248
required to be made under division (A) of this section shall be 9249
paid from the local government tangible property tax replacement 9250
fund to the county undivided income tax fund in the proper county 9251
treasury. From May 2006 through November 2010, one-seventh of the 9252
amount determined under that division shall be paid by the last 9253
day of May each year, and three-sevenths shall be paid by the last 9254
day of August and October each year. From May 2011 through 9255
November 2013, one-seventh of the amount determined under that 9256
division shall be paid on or before the last day of May each year, 9257
and six-sevenths shall be paid on or before the ~~twentieth~~ 9258
thirtieth day of November each year, except that in November 2011, 9259
the payment shall equal one hundred per cent of the amount 9260
calculated for that payment. Beginning in May 2014, one-half of 9261
the amount determined under that division shall be paid on or 9262
before the last day of May each year, and one-half shall be paid 9263
on or before the ~~twentieth~~ thirtieth day of November each year. 9264
Within ~~forty~~ thirty days after receipt of such payments, the 9265
county treasurer shall distribute amounts determined under 9266
division (A) of this section to the proper local taxing unit or 9267
public library as if they had been levied and collected as taxes, 9268
and the local taxing unit or public library shall apportion the 9269
amounts so received among its funds in the same proportions as if 9270
those amounts had been levied and collected as taxes. 9271

(D) For each of the fiscal years 2006 through 2018, if the 9272
total amount in the local government tangible property tax 9273

replacement fund is insufficient to make all payments under 9274
division (C) of this section at the times the payments are to be 9275
made, the director of budget and management shall transfer from 9276
the general revenue fund to the local government tangible property 9277
tax replacement fund the difference between the total amount to be 9278
paid and the amount in the local government tangible property tax 9279
replacement fund. For each fiscal year after 2018, at the time 9280
payments under division (A)(2) of this section are to be made, the 9281
director of budget and management shall transfer from the general 9282
revenue fund to the local government property tax replacement fund 9283
the amount necessary to make such payments. 9284

(E) On the fifteenth day of June of each year from 2006 9285
through 2018, the director of budget and management may transfer 9286
any balance in the local government tangible property tax 9287
replacement fund to the general revenue fund. 9288

(F) If all or a part of the territories of two or more local 9289
taxing units are merged, or unincorporated territory of a township 9290
is annexed by a municipal corporation, the tax commissioner shall 9291
adjust the payments made under this section to each of the local 9292
taxing units in proportion to the square mileage of the merged or 9293
annexed territory as a percentage of the total square mileage of 9294
the jurisdiction from which the territory originated, or as 9295
otherwise provided by a written agreement between the legislative 9296
authorities of the local taxing units certified to the 9297
commissioner not later than the first day of June of the calendar 9298
year in which the payment is to be made. 9299

Sec. 5753.03. (A) For the purpose of receiving and 9300
distributing, and accounting for, revenue received from the tax 9301
levied by section 5753.02 of the Revised Code, the following funds 9302
are created in the state treasury: 9303

(1) The casino tax revenue fund; 9304

(2) The gross casino revenue county fund;	9305
(3) The gross casino revenue county student fund;	9306
(4) The gross casino revenue host city fund;	9307
(5) The Ohio state racing commission fund;	9308
(6) The Ohio law enforcement training fund;	9309
(7) The problem casino gambling and addictions fund;	9310
(8) The casino control commission fund;	9311
(9) The casino tax administration fund;	9312
<u>(10) The peace officer training academy fund;</u>	9313
<u>(11) The criminal justice services casino tax revenue fund.</u>	9314
(B) All moneys collected from the tax levied under this	9315
chapter shall be deposited into the casino tax revenue fund.	9316
(C) From the casino tax revenue fund the director of budget	9317
and management shall transfer as needed to the tax refund fund	9318
amounts equal to the refunds certified by the tax commissioner	9319
under section 5753.06 of the Revised Code.	9320
(D) After making any transfers required by division (C) of	9321
this section, but not later than the fifteenth day of the month	9322
following the end of each calendar quarter, the director of budget	9323
and management shall transfer amounts to each fund as follows:	9324
(1) Fifty-one per cent to the gross casino revenue county	9325
fund to make payments as required by Section 6(C)(3)(a) of Article	9326
XV, Ohio Constitution;	9327
(2) Thirty-four per cent to the gross casino revenue county	9328
student fund to make payments as required by Section 6(C)(3)(b) of	9329
Article XV, Ohio Constitution;	9330
(3) Five per cent to the gross casino revenue host city fund	9331
for the benefit of the cities in which casino facilities are	9332

located; 9333

(4) Three per cent to the Ohio state racing commission fund 9334
to support the efforts and activities of the Ohio state racing 9335
commission to promote horse racing in this state at which the 9336
pari-mutuel system of wagering is conducted; 9337

(5) Two per cent to the Ohio law enforcement training fund to 9338
support law enforcement functions in the state; 9339

(6) Two per cent to the problem casino gambling and 9340
addictions fund to support efforts of the department of alcohol 9341
and drug addiction services to alleviate problem gambling and 9342
substance abuse and related research in the state under section 9343
3793.032 of the Revised Code; 9344

(7) Three per cent to the casino control commission fund to 9345
support the operations of the Ohio casino control commission and 9346
to defray the cost of administering the tax levied under section 9347
5753.02 of the Revised Code. 9348

Payments under divisions (D)(1), (2), and (3) of this section 9349
shall be made by the end of the month following the end of the 9350
quarterly period. The tax commissioner shall make the data 9351
available to the director of budget and management for this 9352
purpose. 9353

Of the money credited to the Ohio law enforcement training 9354
fund, the director of budget and management shall distribute 9355
eighty-five per cent of the money to the police officer training 9356
academy fund for the purpose of supporting the law enforcement 9357
training efforts of the Ohio peace officer training academy and 9358
fifteen per cent of the money to the criminal justice services 9359
casino tax revenue fund for the purpose of supporting the law 9360
enforcement training efforts of the division of criminal justice 9361
services. 9362

(E) The director of budget and management shall transfer one 9363

per cent of the money credited to the casino control commission 9364
fund to the casino tax administration fund. The tax commissioner 9365
shall use the casino tax administration fund to defray the costs 9366
incurred in administering the tax levied by this chapter. 9367

Section 2. That existing sections 122.85, 131.02, 349.01, 9368
1545.21, 1701.86, 1702.47, 3769.28, 4301.42, 4303.33, 4701.01, 9369
4701.04, 5703.261, 5703.37, 5703.47, 5705.313, 5709.084, 5709.40, 9370
5709.41, 5709.73, 5709.78, 5727.84, 5727.86, 5731.39, 5733.056, 9371
5735.02, 5735.03, 5735.35, 5739.01, 5739.02, 5739.021, 5739.023, 9372
5739.026, 5739.04, 5739.17, 5741.08, 5743.20, 5743.61, 5743.66, 9373
5747.082, 5751.01, 5751.011, 5751.012, 5751.03, 5751.04, 5751.05, 9374
5751.051, 5751.12, 5751.20, 5751.22, and 5753.03 and section 9375
5751.032 of the Revised Code are hereby repealed. 9376

Section 757.10. Notwithstanding sections 5713.01 and 5715.24 9377
of the Revised Code, for the purpose of equalizing and 9378
regionalizing real property assessment cycles, beginning in tax 9379
year 2014 and continuing for not more than five years, the Tax 9380
Commissioner may extend the revaluation of real property required 9381
in any county by not more than one year. 9382

Section 757.20. The Tax Commissioner is not required to issue 9383
the certifications that are or were otherwise required to be made 9384
on or before May 15, 2012, or June 1, 2012, under sections 9385
3317.026, 3317.027, 3317.028, and divisions (A)(4), (6), and (7) 9386
of section 3317.021 of the Revised Code. This section is intended 9387
to be remedial in nature and to be construed liberally to 9388
accomplish the purpose of avoiding unnecessary certifications. 9389

Section 757.30. Section 5709.084 of the Revised Code, as 9390
amended by this act, is remedial in nature and applies to the tax 9391
years at issue in any application for exemption from taxation or 9392

any appeal from such an application pending before the Tax 9393
Commissioner, the Board of Tax Appeals, any Court of Appeals, or 9394
the Supreme Court on the effective date of this act and to the 9395
property that is the subject of any such application or appeal. 9396

Section 757.40. The amendment by this act of section 5751.03 9397
of the Revised Code takes effect January 1, 2013. No taxpayer 9398
shall carry forward any unused exclusion amount from calendar year 9399
2012 to calendar year 2013, but shall fully utilize any such 9400
amount in calendar year 2012. 9401

Section 806.10. The items of law contained in this act, and 9402
their applications, are severable. If any item of law contained in 9403
this act, or if any application of any item of law contained in 9404
this act, is held invalid, the invalidity does not affect other 9405
items of law contained in this act and their applications that can 9406
be given effect without the invalid item of law or application. 9407

Section 812.10. Sections subject to referendum: general 9408
effective date. Except as otherwise provided in this act, the 9409
amendment, enactment, or repeal by this act of a section is 9410
subject to the referendum under Ohio Constitution, Article II, 9411
Section 1c and therefore takes effect on the ninety-first day 9412
after this act is filed with the Secretary of State. 9413

Section 812.20. Sections exempt from referendum: general 9414
effective date. The amendment, enactment, or repeal by this act of 9415
the following sections is exempt from the referendum under Ohio 9416
Constitution, Article II, Section 1d and section 1.471 of the 9417
Revised Code and therefore takes effect immediately when this act 9418
becomes law: 9419

Sections 5727.84, 5727.86, 5751.20, 5751.22, and 5753.03 of 9420
the Revised Code. 9421

Section 757.20 of this act. 9422

Section 815.10. Section 5751.01 of the Revised Code is 9423
presented in this act as a composite of the section as amended by 9424
both Am. Sub. H.B. 153 and Sub. H.B. 277 of the 129th General 9425
Assembly. The General Assembly, applying the principle stated in 9426
division (B) of section 1.52 of the Revised Code that amendments 9427
are to be harmonized if reasonably capable of simultaneous 9428
operation, finds that the composite is the resulting version of 9429
the section in effect prior to the effective date of the section 9430
as presented in this act. 9431