

As Introduced

**130th General Assembly
Regular Session
2013-2014**

H. B. No. 5

Representatives Grossman, Henne

—

A BILL

To amend sections 715.013, 718.02, 718.03, 718.051, 1
718.07, 718.09, 718.10, 718.11, 718.121, 718.13, 2
5703.059, 5703.57, 5717.011, 5717.03, 5739.12, 3
5739.124, 5741.122, 5747.063, 5747.064, and 4
5751.07, to amend, for the purpose of adopting a 5
new section number as indicated in parentheses, 6
section 718.04 (718.50), to enact new sections 7
718.01, 718.011, 718.04, 718.05, 718.06, 718.08, 8
and 718.12 and sections 718.052, 718.18 to 718.31, 9
718.35 to 718.39, 718.41 to 718.44, and 718.99, 10
and to repeal sections 718.01, 718.011, 718.041, 11
718.05, 718.06, 718.08, 718.12, and 718.14 of the 12
Revised Code to revise the laws governing income 13
taxes imposed by municipal corporations. 14

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

Section 1. That sections 715.013, 718.02, 718.03, 718.051, 15
718.07, 718.09, 718.10, 718.11, 718.121, 718.13, 5703.059, 16
5703.57, 5717.011, 5717.03, 5739.12, 5739.124, 5741.122, 5747.063, 17
5747.064, and 5751.07 be amended, section 718.04 (718.50) be 18
amended for the purpose of adopting a new section number as 19
indicated in parentheses, and new sections 718.01, 718.011, 20
718.04, 718.05, 718.06, 718.08, and 718.12 and sections 718.052, 21

718.18, 718.19, 718.20, 718.21, 718.22, 718.23, 718.24, 718.25, 22
718.26, 718.27, 718.28, 718.29, 718.30, 718.31, 718.35, 718.36, 23
718.37, 718.38, 718.39, 718.41, 718.42, 718.43, 718.44, and 718.99 24
of the Revised Code be enacted to read as follows: 25

Sec. 715.013. (A) Except as otherwise expressly authorized by 26
the Revised Code, no municipal corporation shall levy a tax that 27
is the same as or similar to a tax levied under Chapter 322., 28
3734., 3769., 4123., 4141., 4301., 4303., 4305., 4307., 4309., 29
5707., 5725., 5727., 5728., 5729., 5731., 5735., 5737., 5739., 30
5741., 5743., ~~or 5749.~~ or 5751. of the Revised Code. 31

(B) This section does not prohibit a municipal corporation 32
from levying a tax on any of the following: 33

(1) Amounts received for admission to any place; 34

(2) The income of an electric company or combined company, as 35
defined in section 5727.01 of the Revised Code; 36

(3) On and after January 1, 2004, the income of a telephone 37
company, as defined in section 5727.01 of the Revised Code. 38

Sec. 718.01. Any term used in this chapter that is not 39
otherwise defined in this chapter has the same meaning as when 40
used in a comparable context in laws of the United States relating 41
to federal income taxation or in Title LVII of the Revised Code, 42
unless a different meaning is clearly required. If a term used in 43
this chapter that is not otherwise defined in this chapter is used 44
in a comparable context in both the laws of the United States 45
relating to federal income tax and in Title LVII of the Revised 46
Code and the use is not consistent, then the use of the term in 47
the laws of the United States relating to federal income tax shall 48
control over the use of the term in Title LVII of the Revised 49
Code. 50

As used in this chapter: 51

(A) "Municipal taxable income," in the case of a person who 52
is not an individual who is a resident of a municipal corporation, 53
means income, reduced by exempt income to the extent otherwise 54
included in income and then apportioned or sitused to the 55
municipal corporation under section 718.02 of the Revised Code. In 56
the case of an individual who is a resident of the municipal 57
corporation, "municipal taxable income" means income reduced by 58
exempt income to the extent included in income. 59

(B) "Income" means the following: 60

(1)(a) For residents, all income, salaries, qualifying wages, 61
commissions, and other compensation from whatever source earned or 62
received by the resident, including the resident's distributive 63
share of the net profit of pass-through entities owned directly or 64
indirectly by the resident and any net profit of the resident, 65
except as provided in division (B)(1)(b) of this section. Any 66
losses reflected on a taxpayer's federal tax return from an 67
investment as a partner in a pass-through entity shall not be 68
allowed as a deduction against any other source of income other 69
than the income described in division (B)(1)(a) of this section. 70

(b) Federal adjusted gross income in the case of a municipal 71
corporation that, by resolution or ordinance adopted on or before 72
December 31, 2011, adopted federal adjusted gross income as the 73
income subject to tax for purposes of imposing a tax on income. 74

(2) In the case of nonresidents, all income, salaries, 75
qualifying wages, commissions, and other compensation from 76
whatever source earned or received by the nonresident for work 77
done, services performed or rendered, or activities conducted in 78
the municipal corporation, including both of the following: 79

(a) The nonresident's distributive share of the net profit of 80
pass-through entities owned, directly or indirectly, by the 81

nonresident, but any losses reflected on a taxpayer's federal tax return from an investment as a partner in a pass-through entity shall not be allowed as a deduction against any other source of income other than the income described in division (B)(2)(a) of this section; and

(b) Any net profit of the nonresident.

(3) Net profit of any taxpayer that is not an individual;

(4) Lottery, sweepstakes, gambling and sports winnings, winnings from games of chance, and prizes and awards, minus any related deductions authorized under the Internal Revenue Code and claimed against such winnings.

(C) "Exempt income" means all of the following:

(1) The military pay or allowances of members of the armed forces of the United States or members of their reserve components, including the national guard of any state;

(2)(a) Except as provided in division (C)(2)(b) of this section, intangible income;

(b) A municipal corporation that taxed any type of intangible income on March 29, 1988, pursuant to Section 3 of S.B. 238 of the 116th general assembly, may continue to tax that type of income if a majority of the electors of the municipal corporation voting on the question of whether to permit the taxation of that type of intangible income after 1988 voted in favor thereof at an election held on November 8, 1988.

(3) Social security benefits, railroad retirement benefits, unemployment compensation, payments from pension plans, retirement benefits, annuities, and similar payments made to an employee or to the beneficiary of an employee under a retirement program or plan, whether qualified or nonqualified, disability payments received from private industry or local, state, or federal

governments or from charitable, religious or educational organizations, and the proceeds of sickness, accident, or liability insurance policies. The amounts described in division (C)(3) of this section qualify as exempt income only to the extent such amounts are not included in qualifying wages. As used in division (C)(3) of this section, "unemployment compensation" does not include supplemental unemployment compensation described in section 3402(o)(2) of the Internal Revenue Code. 112
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(4) The income of religious, fraternal, charitable, scientific, literary, or educational institutions to the extent such income is derived from tax-exempt real estate, tax-exempt tangible or intangible property, or tax-exempt activities. 120
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(5) Compensation paid under section 3501.28 or 3501.36 of the Revised Code to a person serving as a precinct election official to the extent that such compensation does not exceed one thousand dollars for the taxable year. Such compensation in excess of one thousand dollars for the taxable year may be subject to taxation by a municipal corporation. A municipal corporation shall not require the payer of such compensation to withhold any tax from that compensation. 124
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(6) Dues, contributions, and similar payments received by charitable, religious, educational, or literary organizations or labor unions, lodges, and similar organizations; 132
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(7) Alimony and child support received; 135

(8) Compensation for personal injuries or for damages to property from insurance proceeds or otherwise, excluding compensation paid for lost salaries or wages or compensation from punitive damages; 136
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(9) Income of a public utility when that public utility is subject to the tax levied under section 5727.24 or 5727.30 of the Revised Code. Division (C)(9) of this section does not apply for 140
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purposes of Chapter 5745. of the Revised Code. 143

(10) Gains from involuntary conversions, interest on federal obligations, items of income subject to a tax levied by the state and that a municipal corporation is specifically prohibited by law from taxing, and income of a decedent's estate during the period of administration except such income from the operation of a trade or business; 144
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(11) Compensation or allowances excluded from federal gross income under section 107 of the Internal Revenue Code; 150
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(12) Employee compensation that is not qualifying wages; 152

(13) Compensation paid to a person employed within the boundaries of a United States air force base under the jurisdiction of the United States air force that is used for the housing of members of the United States air force and is a center for air force operations, unless the person is subject to taxation because of residence or domicile. If the compensation is subject to taxation because of residence or domicile, tax on such income shall be payable only to the municipal corporation of residence or domicile. 153
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(14) For an individual under eighteen years of age, all income except qualifying wages; 162
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(15)(a) Qualifying wages described in division (B)(1) of section 718.011 of the Revised Code to the extent the qualifying wages are not subject to withholding under division (B)(2) of that section. 164
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(b) Nothing in this division prohibits an employee from receiving a refund of the taxes described in division (B)(2) of section 718.011 of the Revised Code. 168
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(c) The exemption provided in division (C)(15)(a) of this section does not apply for the municipal corporation in which the 171
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employee resided at the time the employee earned the qualifying wages that are not subject to withholding under division (B)(1) of section 718.011 of the Revised Code. 173
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(16) Income the taxation of which is prohibited by the constitution or laws of the United States. 176
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(D)(1) "Net profit" for a person other than an individual means adjusted federal taxable income. 178
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(2) "Net profit" for a person who is an individual means the individual's net profit required to be reported on schedule C, schedule E, schedule F, or form 4797, reduced by any net operating loss carried forward. For the purposes of division (D)(2) of this section, the net operating loss carried forward shall be calculated and deducted in the same manner as provided in divisions (E)(8) and (9) of this section. 180
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(3) For the purposes of this chapter, and notwithstanding division (D)(1) of this section, net profit of a single member limited liability company that for federal income tax purposes is treated as neither an S corporation nor a C corporation shall not be taxable as against that single member limited liability company, but shall instead be included in the net profit of the owner of the single member limited liability company. 187
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(4) For the purposes of this chapter, and notwithstanding division (D)(1) of this section, the net profits of a pass-through entity shall only be taxed and reported in the manner described in section 718.43 of the Revised Code. 194
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(E) "Adjusted federal taxable income," for a person required to file as a C corporation means a C corporation's federal taxable income before net operating losses and special deductions as determined under the Internal Revenue Code, adjusted as follows: 198
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(1) Deduct intangible income to the extent included in federal taxable income. The deduction shall be allowed regardless 202
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of whether the intangible income relates to assets used in a trade 204
or business or assets held for the production of income. 205

(2) Add an amount equal to five per cent of intangible income 206
deducted under division (E)(1) of this section, but excluding that 207
portion of intangible income directly related to the sale, 208
exchange, or other disposition of property described in section 209
1221 of the Internal Revenue Code; 210

(3) Add any losses allowed as a deduction in the computation 211
of federal taxable income if the losses directly relate to the 212
sale, exchange, or other disposition of an asset described in 213
section 1221 or 1231 of the Internal Revenue Code; 214

(4)(a) Except as provided in division (E)(4)(b) of this 215
section, deduct income and gain included in federal taxable income 216
to the extent the income and gain directly relate to the sale, 217
exchange, or other disposition of an asset described in section 218
1221 or 1231 of the Internal Revenue Code; 219

(b) Division (E)(4)(a) of this section does not apply to the 220
extent the income or gain is income or gain described in section 221
1245 or 1250 of the Internal Revenue Code. 222

(5) Add taxes on or measured by net income allowed as a 223
deduction in the computation of federal taxable income; 224

(6) In the case of a real estate investment trust or 225
regulated investment company, add all amounts with respect to 226
dividends to, distributions to, or amounts set aside for or 227
credited to the benefit of investors and allowed as a deduction in 228
the computation of federal taxable income; 229

(7) Deduct, to the extent not otherwise deducted or excluded 230
in computing federal taxable income, any income derived from 231
providing public services under a contract through a project owned 232
by the state, as described in section 126.604 of the Revised Code 233
or derived from a transfer agreement or from the enterprise 234

transferred under that agreement under section 4313.02 of the 235
Revised Code; 236

(8)(a) Except as limited by divisions (E)(8)(b), (c), and (d) 237
of this section, deduct any net operating loss incurred by the 238
taxpayer in taxable years beginning after 2014. The amount of the 239
net operating loss as apportioned and sitused under section 718.02 240
of the Revised Code for the year the loss was incurred shall be 241
deducted from net profit reduced by exempt income to the extent 242
necessary to reduce municipal taxable income to zero, with the 243
remaining unused portion of the deduction, if any, carried forward 244
to the remaining years of a designated carryover period, but in no 245
case for more years than necessary for the deduction to be fully 246
utilized. For the purposes of this chapter, "net operating loss" 247
includes, but is not limited to, unutilized losses resulting from 248
basis limitations, at-risk limitations, or passive activity loss 249
limitations. 250

(b) No taxpayer shall use the deduction allowed by division 251
(E)(8) of this section to offset qualifying wages. 252

(c)(i) For taxable years beginning after 2015, a taxpayer may 253
not deduct more than twenty per cent of the amount of the 254
deduction otherwise allowed by division (E)(8)(a) of this section. 255

(ii) For taxable years beginning after 2016, a taxpayer may 256
not deduct more than forty per cent of the amount of the deduction 257
otherwise allowed by division (E)(8)(a) of this section. 258

(iii) For taxable years beginning after 2017, a taxpayer may 259
not deduct more than sixty per cent of the amount of the deduction 260
otherwise allowed by division (E)(8)(a) of this section. 261

(iv) For taxable years beginning after 2018, a taxpayer may 262
not deduct more than eighty per cent of the amount of the 263
deduction otherwise allowed by division (E)(8)(a) of this section. 264

(v) For taxable years beginning after 2019 and thereafter, a 265

taxpayer may deduct the full amount allowed by division (E)(8)(a) 266
of this section. 267

(d) Any net operating loss deduction that is available under 268
division (E)(9) of this section must be utilized before a taxpayer 269
may deduct any amount pursuant to division (E)(8) of this section. 270

(e) Nothing in divisions (E)(8)(c)(i) to (v) of this section 271
prevents a taxpayer from carrying forward, for the period 272
otherwise permitted under division (E)(8)(a) of this section, any 273
amount of net operating loss that was not fully utilized by 274
operation of divisions (E)(8)(c)(i) to (v) of this section. 275

(f) As used in division (E)(8) of this section, "designated 276
carryover period" means the five consecutive taxable years after 277
the taxable year in which the net operating loss occurred. 278

(9) Deduct any net operating loss incurred in a taxable year 279
beginning before January 1, 2015, to the extent such deduction was 280
permitted by a resolution or ordinance of a municipal corporation 281
adopted by the municipal corporation before January 1, 2014. Any 282
deduction taken under division (E)(9) of this section may be 283
carried forward to any taxable year, including taxable years 284
beginning in 2015 or thereafter, for the number of taxable years 285
provided in the resolution or ordinance or until fully utilized, 286
whichever is earlier. 287

(10) Patronage dividends that a person paid, distributed, or 288
accrued for the taxable year and that the person is entitled to 289
deduct for federal income tax purposes for the taxable year shall 290
be allowed for the purpose of computing municipal taxable income 291
for the taxable year and shall not be added back, in whole or in 292
part, in the computation of adjusted federal taxable income for 293
the taxable year. 294

If the taxpayer is not a C corporation, is not a single 295
member limited liability company that is treated as a disregarded 296

entity for federal income tax purposes, and is not an individual, 297
the taxpayer shall compute adjusted federal taxable income under 298
this section as if the taxpayer were a C corporation, except 299
guaranteed payments and other similar amounts paid or accrued to a 300
partner, former partner, shareholder, former shareholder, member, 301
or former member shall not be allowed as a deductible expense; 302
amounts paid or accrued to a qualified self-employed retirement 303
plan with respect to a partner, former partner, shareholder, 304
former shareholder, member, or former member of the taxpayer, 305
amounts paid or accrued to or for health insurance for a partner, 306
former partner, shareholder, former shareholder, member, or former 307
member, and amounts paid or accrued to or for life insurance for a 308
partner, former partner, shareholder, former shareholder, member, 309
or former member shall not be allowed as a deduction. 310

Nothing in division (E) of this section shall be construed as 311
allowing the taxpayer to add or deduct any amount more than once 312
or shall be construed as allowing any taxpayer to deduct any 313
amount paid to or accrued for purposes of federal self-employment 314
tax. Nothing in division (E) of this section shall be construed as 315
allowing the owner of a pass-through entity to utilize any current 316
year net operating loss or net operating loss carryforward of such 317
pass-through entity to offset the net profit or wages of the 318
owner. 319

(F) "Schedule C" means internal revenue service schedule C 320
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 321
Code. 322

(G) "Schedule E" means internal revenue service schedule E 323
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 324
Code. 325

(H) "Schedule F" means internal revenue service schedule F 326
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 327
Code. 328

(I) "Internal Revenue Code" has the same meaning as in 329
section 5747.01 of the Revised Code. 330

(J) "Resident" means an individual who is both domiciled in 331
this state for purposes of being subject to the tax levied by 332
section 5747.02 as determined under section 5747.24 of the Revised 333
Code and domiciled in the municipal corporation. 334

(K) "Nonresident" means an individual that is not a resident. 335

(L)(1) "Taxpayer" means a person subject to a tax levied on 336
income by a municipal corporation in accordance with this chapter. 337
"Taxpayer" does not include a grantor trust or, except as provided 338
in division (L)(2)(a) of this section, a single member limited 339
liability company that is treated as a disregarded entity for 340
federal income tax purposes. 341

(2)(a) A single member limited liability company that is a 342
disregarded entity for federal tax purposes may be a separate 343
taxpayer from its single member in all Ohio municipal corporations 344
in which it either filed as a separate taxpayer or did not file 345
for its taxable year ending in 2003, if all of the following 346
conditions are met: 347

(i) The limited liability company's single member is also a 348
limited liability company. 349

(ii) The limited liability company and its single member were 350
formed and doing business in one or more Ohio municipal 351
corporations for at least five years before January 1, 2004. 352

(iii) Not later than December 31, 2004, the limited liability 353
company and its single member each made an election to be treated 354
as a separate taxpayer under division (L)(2) of this section. 355

(iv) The limited liability company was not formed for the 356
purpose of evading or reducing Ohio municipal corporation income 357
tax liability of the limited liability company or its single 358

member. 359

(v) The Ohio municipal corporation that was the primary place 360
of business of the sole member of the limited liability company 361
consented to the election. 362

(b) For purposes of division (L)(2)(a)(v) of this section, a 363
municipal corporation was the primary place of business of a 364
limited liability company if, for the limited liability company's 365
taxable year ending in 2003, its income tax liability was greater 366
in that municipal corporation than in any other municipal 367
corporation in Ohio, and that tax liability to that municipal 368
corporation for its taxable year ending in 2003 was at least four 369
hundred thousand dollars. 370

(M) "Person" includes individuals, firms, companies, joint 371
stock companies, business trusts, estates, trusts, partnerships, 372
limited liability partnerships, limited liability companies, 373
associations, C corporations, S corporations, governmental 374
entities, and any other entity. "Person" does not include grantor 375
trusts. 376

(N) "Pass-through entity" means a partnership not treated as 377
an association taxable as a corporation for federal income tax 378
purposes, a limited liability company not treated as an 379
association taxable as a corporation for federal income tax 380
purposes, an S corporation, or any other class of entity from 381
which the income or profits of the entity are given pass-through 382
treatment for federal income tax purposes. "Pass-through entity" 383
does not include a trust, estate, grantor of a grantor trust, or 384
single member limited liability company. 385

(O) "S corporation" means a person that has made an election 386
under subchapter S of Chapter 1 of Subtitle A of the Internal 387
Revenue Code for its taxable year. 388

(P) "Single member limited liability company" means a limited 389

liability company that has one direct owner and is treated as a 390
disregarded entity for federal income tax purposes. 391

(O) "Limited liability company" means a limited liability 392
company formed under Chapter 1705. of the Revised Code or under 393
the laws of another state. 394

(R) "Qualifying wages" means wages, as defined in section 395
3121(a) of the Internal Revenue Code, without regard to any wage 396
limitations, adjusted as follows: 397

(1) Deduct the following amounts: 398

(a) Any amount included in wages if the amount constitutes 399
compensation attributable to a plan or program described in 400
section 125 of the Internal Revenue Code. 401

(b) Any amount included in wages if the amount constitutes 402
payment on account of a disability related to sickness or an 403
accident paid by a party unrelated to the employer, agent of an 404
employer, or other payer. 405

(c) Any amount attributable to a nonqualified deferred 406
compensation plan or program described in section 3121(v)(2)(C) of 407
the Internal Revenue Code if the compensation is included in wages 408
and the municipal corporation has, by resolution or ordinance 409
adopted before January 1, 2015, exempted the amount from 410
withholding and tax. 411

(d) Any amount included in wages if the amount arises from 412
the sale, exchange, or other disposition of a stock option, the 413
exercise of a stock option, or the sale, exchange, or other 414
disposition of stock purchased under a stock option and the 415
municipal corporation has, by resolution or ordinance adopted 416
before January 1, 2015, exempted the amount from withholding and 417
tax. 418

(2) Add the following amounts: 419

(a) Any amount not included in wages solely because the employee was employed by the employer before April 1, 1986. 420
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(b) Any amount not included in wages because the amount arises from the sale, exchange, or other disposition of a stock option, the exercise of a stock option, or the sale, exchange, or other disposition of stock purchased under a stock option and the municipal corporation has not, by resolution or ordinance, exempted the amount from withholding and tax adopted before January 1, 2015. Division (R)(2)(b) of this section applies only to those amounts constituting ordinary income. 422
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(c) Any amount not included in wages if the amount is an amount described in section 401(k), 403(b), or 457 of the Internal Revenue Code. Division (R)(2)(c) of this section applies only to employee contributions and employee deferrals. 430
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(d) Any amount that is supplemental unemployment compensation benefits described in section 3402(o)(2) of the Internal Revenue Code and not included in wages. 434
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(e) Any amount received that is treated as self-employment income for federal tax purposes in accordance with section 1402(a)(8) of the Internal Revenue Code. 437
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(f) Any amount not included in wages if all of the following apply: 440
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(i) For the taxable year the amount is employee compensation that is included in the taxpayer's gross income for federal income tax purposes; 442
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(ii) For no preceding taxable year did the amount constitute wages as defined in section 3121(a) of the Internal Revenue Code; 445
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(iii) For no succeeding taxable year will the amount constitute wages; and 447
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(iv) For any taxable year the amount has not otherwise been 449

added to wages pursuant to either division (R)(2) of this section 450
or section 718.03 of the Revised Code, as that section existed 451
before the effective date of ...B... of the 130th general 452
assembly. 453

(3) Except as otherwise provided in division (R)(2)(a) of 454
this section and division (F) of section 718.03 of the Revised 455
Code, no amount shall be deducted on the basis that the amount is 456
exempt income. 457

(S) "Intangible income" means income of any of the following 458
types: income yield, interest, capital gains, dividends, or other 459
income arising from the ownership, sale, exchange, or other 460
disposition of intangible property including, but not limited to, 461
investments, deposits, money, or credits as those terms are 462
defined in Chapter 5701. of the Revised Code, and patents, 463
copyrights, trademarks, tradenames, investments in real estate 464
investment trusts, investments in regulated investment companies, 465
and appreciation on deferred compensation. "Intangible income" 466
does not include income required to be reported by a taxpayer on 467
schedule C, schedule E, or schedule F, prizes, awards, or other 468
income associated with any lottery winnings, gambling winnings, or 469
other similar games of chance. 470

(T) "Taxable year" means the corresponding tax reporting 471
period as prescribed for the taxpayer under the Internal Revenue 472
Code. 473

(U) "Tax administrator" means the individual charged with 474
direct responsibility for administration of an income tax levied 475
by a municipal corporation in accordance with this chapter, and 476
also includes the following: 477

(1) A municipal corporation acting as the agent of another 478
municipal corporation; 479

(2) A person retained by a municipal corporation to 480

administer a tax levied by the municipal corporation, but only if 481
the municipal corporation does not compensate the person in whole 482
or in part on a contingency basis; 483

(3) The central collection agency or the regional income tax 484
agency or their successors in interest, or another entity 485
organized to perform functions similar to those performed by the 486
central collection agency and the regional income tax agency, if, 487
in any case, the agency or entity administers municipal income 488
taxes on behalf of at least thirty-one municipal corporations. 489

(V) "Employer" means a person that is an employer for federal 490
income tax purposes. 491

(W) "Employee" means an individual who is an employee for 492
federal income tax purposes. 493

(X) "Other payer" means any person, other than an 494
individual's employer or the employer's agent, that pays an 495
individual any amount included in the federal gross income of the 496
individual. "Other payer" includes casino operators and video 497
lottery terminal sales agents. 498

(Y) "Calendar quarter" means the three-month period ending on 499
the last day of March, June, September, or December. 500

(Z) "Form 4797" means internal revenue service form 4797 501
filed by a taxpayer pursuant to the Internal Revenue Code. 502

(AA) "Municipal corporation" includes a joint economic 503
development district or joint economic development zone that 504
levies an income tax under section 715.691, 715.70, 715.71, or 505
715.74 of the Revised Code. 506

(BB) "Audit" means the examination of a person or the 507
inspection of the books, records, memoranda, or accounts of a 508
person for the purpose of determining liability for a municipal 509
income tax, provided the tax administrator has contacted the 510

person, whether in writing, through telecommunication, or in 511
person, regarding the examination or to request additional data 512
from the person. "Audit" does not include the review of a 513
taxpayer's tax return unless the tax administrator has contacted 514
the person regarding such return. 515

(CC) "Generic form" means an electronic or paper form 516
designed for reporting taxes withheld by an employer, agent of an 517
employer, other payer, or pass-through entity, estimated municipal 518
income taxes, or annual municipal income tax liability or for 519
filing a refund claim that is prescribed by the municipal tax 520
policy board pursuant to section 718.42 of the Revised Code or 521
otherwise includes all the information required by the municipal 522
tax policy board on the corresponding electronic or paper form. 523

(DD) "Tax return preparer" means any individual described in 524
section 7701(a)(36) of the Internal Revenue Code and 26 C.F.R. 525
301.7701-15. 526

(EE) "Ohio business gateway" means the online computer 527
network system, created under section 125.30 of the Revised Code, 528
that allows persons to electronically file business reply forms 529
with state agencies and includes any successor electronic filing 530
and payment system. 531

(FF) "Local board of tax review" and "board of tax review" 532
mean the entity created under section 718.11 of the Revised Code. 533

(GG) "Municipal tax policy board" means the board created in 534
section 718.42 of the Revised Code. 535

(HH) "Casino operator" and "casino facility" have the same 536
meanings as in section 3772.01 of the Revised Code. 537

(II) "Video lottery terminal" has the same meaning as in 538
section 3770.21 of the Revised Code. 539

(JJ) "Video lottery terminal sales agent" means a lottery 540

sales agent licensed under Chapter 3770. of the Revised Code to 541
conduct video lottery terminals on behalf of the state pursuant to 542
section 3770.21 of the Revised Code. 543

(KK) "Postal service" means the United States postal service. 544

(LL) "Certified mail," "express mail," "United States mail," 545
"postal service," and similar terms include any delivery service 546
authorized pursuant to section 5703.056 of the Revised Code. 547

(MM) "Postmark date," "date of postmark," and similar terms 548
include the date recorded and marked in the manner described in 549
division (B)(3) of section 5703.056 of the Revised Code. 550

(NN) "Related member" means a person that, with respect to 551
the taxpayer during all or any portion of the taxable year, is 552
either a related entity, a component member as defined in section 553
1563(b) of the Internal Revenue Code, or a person to or from whom 554
there is attribution of stock ownership in accordance with section 555
1563(e) of the Internal Revenue Code except, for purposes of 556
determining whether a person is a related member under this 557
division, "twenty per cent" shall be substituted for "5 percent" 558
wherever "5 percent" appears in section 1563(e) of the Internal 559
Revenue Code. 560

(OO) "Related entity" means any of the following: 561

(1) An individual stockholder, or a member of the 562
stockholder's family enumerated in section 318 of the Internal 563
Revenue Code, if the stockholder and the members of the 564
stockholder's family own directly, indirectly, beneficially, or 565
constructively, in the aggregate, at least fifty per cent of the 566
value of the taxpayer's outstanding stock; 567

(2) A stockholder, or a stockholder's partnership, estate, 568
trust, or corporation, if the stockholder and the stockholder's 569
partnerships, estates, trusts, or corporations own directly, 570
indirectly, beneficially, or constructively, in the aggregate, at 571

least fifty per cent of the value of the taxpayer's outstanding 572
stock; 573

(3) A corporation, or a party related to the corporation in a 574
manner that would require an attribution of stock from the 575
corporation to the party or from the party to the corporation 576
under division (OO)(4) of this section, provided the taxpayer owns 577
directly, indirectly, beneficially, or constructively, at least 578
fifty per cent of the value of the corporation's outstanding 579
stock; 580

(4) The attribution rules described in section 318 of the 581
Internal Revenue Code apply for the purpose of determining whether 582
the ownership requirements in divisions (OO)(1) to (3) of this 583
section have been met. 584

(PP)(1) "Assessment" means a written finding by the tax 585
administrator that a person has underpaid municipal income tax, or 586
owes penalty and interest, or any combination of tax, penalty, or 587
interest, to the municipal corporation that commences the person's 588
time limitation for making an appeal to the local board of tax 589
review pursuant to section 718.11 or 718.12 of the Revised Code, 590
and has "ASSESSMENT" written in all capital letters at the top of 591
such finding. 592

(2) "Assessment" also includes a tax administrator's denial, 593
in whole or in part, of a taxpayer's qualified refund claim. 594

(3) "Assessment" does not include a tax administrator's 595
written denial, in whole or in part, of a taxpayer's refund claim 596
made on an originally filed annual tax return or a tax 597
administrator's written correspondence to a person or taxpayer 598
unless the receipt of such correspondence commences the time 599
limitation for making an appeal to the local board of tax review 600
pursuant to section 718.11 or 718.12 of the Revised Code. 601

(OO) "Qualified refund claim" means a refund claim made on a 602

timely filed amended tax return. 603

Sec. 718.011. (A) As used in this section: 604

(1) "Employer" includes a person that is a related member to 605
or of an employer. 606

(2) "Professional athlete" means an athlete who performs 607
services in a professional athletic event for wages or other 608
remuneration. 609

(3) "Professional entertainer" means a person who performs 610
services in the professional performing arts for wages or other 611
remuneration on a per-event basis. 612

(4) "Public figure" means a person of prominence who performs 613
services at discrete events, such as speeches, public appearances, 614
or similar events, for wages or other remuneration on a per-event 615
basis. 616

(5) "Fixed location" means a permanent place of doing 617
business in this state, such as an office, warehouse, storefront, 618
or similar location owned or controlled by an employer. 619

(6) "Worksite location" means a construction site or 620
temporary worksite in this state at which the employer provides 621
services for more than twenty days during the calendar year. 622
"Worksite location" does not include the home of an employee. 623

(7) "Principal place of work" means the fixed location to 624
which an employee is required to report for employment duties on a 625
regular and ordinary basis. If the employee is not required to 626
report for employment duties on a regular and ordinary basis to a 627
fixed location, "principal place of business" means the worksite 628
location to which the employee is required to report for 629
employment duties on a regular and ordinary basis. If the employee 630
is not required to report for employment duties on a regular and 631
ordinary basis to a fixed location or worksite location, 632

"principal place of work" means the location in this state at 633
which the employee spends the greatest number of days in a 634
calendar year performing services for or on behalf of the 635
employee's employer. For the purposes of this division, the 636
location at which an employee spends a particular day shall be 637
determined in accordance with division (B)(2) of this section, 638
except that "location" shall be substituted for "municipal 639
corporation" wherever "municipal corporation" appears in that 640
division. 641

(B)(1) Subject to divisions (C) and (E) of this section, an 642
employer is not required to withhold municipal income tax on 643
qualifying wages paid to an employee for the performance of 644
personal services in a municipal corporation that imposes such a 645
tax if the employee performed such services in the municipal 646
corporation on twenty or fewer days in a calendar year, unless one 647
of the following conditions applies: 648

(a) The employee's principal place of work is located in the 649
municipal corporation. 650

(b) The employee is a resident of the municipal corporation 651
and has requested that the employer withhold tax from the 652
employee's qualifying wages as provided in section 718.03 of the 653
Revised Code. 654

(c) The employee is a professional athlete, professional 655
entertainer, or public figure, and the qualifying wages are paid 656
for the performance of services in the employee's capacity as a 657
professional athlete, professional entertainer, or public figure. 658

(2) For the purposes of division (B)(1) of this section, an 659
employee shall be considered to have spent a day performing 660
services in a municipal corporation only if the employee spent 661
more time performing services for or on behalf of the employer in 662
that municipal corporation than in any other municipal corporation 663

on that day. For the purposes of determining the amount of time an 664
employee spent in a particular location, the time spent performing 665
one of more of the following activities shall be considered to 666
have been spent at the employee's principal place of work: 667

(a) Traveling to the location at which the employee will 668
first perform services for the employer for the day; 669

(b) Traveling from a location at which the employee was 670
performing services for the employer to any other location; 671

(c) Traveling from any location to another location in order 672
to pick up or load, for the purpose of transportation or delivery, 673
property that has been purchased, sold, assembled, fabricated, 674
repaired, refurbished, processed, remanufactured, or improved by 675
the employee's employer; 676

(d) Transporting or delivering property described in division 677
(B)(2)(c) of this section, provided that, upon delivery of the 678
property, the employee does not temporarily or permanently affix 679
the property to real estate owned, used, or controlled by a person 680
other than the employee's employer; 681

(e) Traveling from the location at which the employee makes 682
the employee's final delivery or pick-up for the day to either the 683
employee's principal place of work or a location at which the 684
employee will not perform services for the employer. 685

(C) If the principal place of work of an employee is located 686
in a municipal corporation that imposes an income tax in 687
accordance with this chapter, the exception from withholding 688
requirements described in division (B)(1) of this section shall 689
apply only if, with respect to the employee's qualifying wages 690
described in that division, the employer withholds and remits tax 691
on such qualifying wages to the municipal corporation in which the 692
employee's principal place of work is located. 693

(D) If, during a calendar year, the number of days an 694

employee spends performing personal services in a municipal corporation exceeds the twenty-day threshold described in division (B)(1) of this section, the employer shall begin withholding tax for any subsequent days in that calendar year on which the employer pays qualifying wages to the employee for personal services performed in that municipal corporation. 695
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(E) Divisions (B)(1) and (D) of this section shall not apply to the extent that a tax administrator and an employer enter into an agreement regarding the manner in which the employer shall comply with the requirements of section 718.03 of the Revised Code. 701
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(F)(1) As used in this division, "duty days" means every day on which a professional athlete performs services for a professional athletic team, including, but not limited to, any day on which the team competes or is scheduled to compete in a regular or post-season game, practice days, days on which team meetings are held, promotional days, pre-season training camp days, off-season team mini-camp days, and days on which work-out or rehabilitation activities are conducted at team facilities. 706
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(2) The income that a professional athlete receives for services performed for a professional athletic team shall be situated to a municipal corporation based upon the ratio of the number of duty days the professional athlete spent in the municipal corporation to the total number of duty days spent both within and outside of the municipal corporation during the taxable year. 714
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(3) For the purposes of division (A)(2) of section 718.02 of the Revised Code, the wages, salaries, and other remuneration paid to a professional athlete for the performance of services for a professional athletic team shall be situated to a municipal corporation in a manner that is consistent with the method for situsing the professional athlete's income to the municipal 721
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corporation under division (F)(2) of this section. 727

Sec. 718.02. ~~This section does not apply to taxpayers that~~ 728
~~are subject to and required to file reports under Chapter 5745. of~~ 729
~~the Revised Code. This section applies to any taxpayer engaged in~~ 730
a business or profession in a municipal corporation that imposes 731
an income tax in accordance with this chapter, unless the taxpayer 732
is an individual who resides in the municipal corporation or the 733
taxpayer is an electric company, combined company, or telephone 734
company that is subject to and required to file reports under 735
Chapter 5745. of the Revised Code. 736

(A) Except as otherwise provided in ~~division (D)~~ divisions 737
(B) and (G) of this section, net profit from a business or 738
profession conducted both within and without the boundaries of a 739
municipal corporation shall be considered as having a taxable 740
situs in ~~such~~ the municipal corporation for purposes of municipal 741
income taxation in the same proportion as the average ratio of the 742
following: 743

(1) The average original cost of the real and tangible 744
personal property owned or used by the taxpayer in the business or 745
profession in ~~such~~ the municipal corporation during the taxable 746
period to the average original cost of all of the real and 747
tangible personal property owned or used by the taxpayer in the 748
business or profession during the same period, wherever situated. 749

As used in the preceding paragraph, real and tangible 750
personal property shall include property rented or leased by the 751
taxpayer and the value of such property shall be determined by 752
multiplying the annual rental thereon by eight; 753

(2) Wages, salaries, and other compensation paid during the 754
taxable period to ~~persons~~ individuals employed in the business or 755
profession for services performed in ~~such~~ the municipal 756
corporation to wages, salaries, and other compensation paid during 757

the same period to ~~persons~~ individuals employed in the business or 758
profession, wherever ~~their~~ the individual's services are 759
performed, excluding compensation ~~that is not taxable by the~~ 760
~~municipal corporation under section 718.011 described in division~~ 761
(C)(15) of section 718.01 of the Revised Code; 762

(3) ~~Gross~~ Total gross receipts of the business or profession 763
from sales and rentals made and services performed during the 764
taxable period in ~~such~~ the municipal corporation to total gross 765
receipts of the business or profession during the same period from 766
sales, rentals, and services, wherever made or performed. 767

~~If the foregoing apportionment formula does not produce an~~ 768
~~equitable result, another basis may be substituted, under uniform~~ 769
~~regulations, so as to produce an equitable result.~~ 770

~~(B) As used in division (A) of this section, "sales made in a~~ 771
~~municipal corporation" mean:~~ 772

~~(1) All sales of tangible personal property delivered within~~ 773
~~such municipal corporation regardless of where title passes if~~ 774
~~shipped or delivered from a stock of goods within such municipal~~ 775
~~corporation;~~ 776

~~(2) All sales of tangible personal property delivered within~~ 777
~~such municipal corporation regardless of where title passes even~~ 778
~~though transported from a point outside such municipal corporation~~ 779
~~if the taxpayer is regularly engaged through its own employees in~~ 780
~~the solicitation or promotion of sales within such municipal~~ 781
~~corporation and the sales result from such solicitation or~~ 782
~~promotion;~~ 783

~~(3) All sales of tangible personal property shipped from a~~ 784
~~place within such municipal corporation to purchasers outside such~~ 785
~~municipal corporation regardless of where title passes if the~~ 786
~~taxpayer is not, through its own employees, regularly engaged in~~ 787
~~the solicitation or promotion of sales at the place where delivery~~ 788

is made. 789

~~(C) Except as otherwise provided in division (D) of this~~ 790
~~section, net (B)(1) If the apportionment factors described in~~ 791
~~division (A) of this section do not fairly represent the extent of~~ 792
~~a taxpayer's business activity in a municipal corporation, the tax~~ 793
~~administrator of the municipal corporation may require or allow~~ 794
~~the taxpayer to use, with respect to all or any portion of the~~ 795
~~income of the taxpayer, an alternative apportionment method~~ 796
~~involving one or more of the following:~~ 797

(a) Separate accounting; 798

(b) The exclusion of one or more of the factors; 799

(c) The inclusion of one or more additional factors that 800
would provide for a more fair apportionment of the income of the 801
taxpayer to the municipal corporation; 802

(d) A modification of one or more of the factors. 803

(2) A taxpayer may request to use an alternative 804
apportionment method under this division by submitting a request 805
to the tax administrator. The request shall be in writing. 806

A taxpayer may not use an alternative apportionment method on 807
the taxpayer's tax return without the prior approval of the tax 808
administrator. A taxpayer may use an alternative apportionment 809
method on a timely filed amended tax return or in a timely filed 810
appeal of an assessment without the prior approval of the tax 811
commissioner; in such a case, the taxpayer shall file the request 812
to use the alternative method with the amended return or the 813
appeal. If approved, the alternative method shall apply only to 814
the taxable years included in the taxpayer's request unless the 815
tax administrator provides otherwise in writing. If the tax 816
administrator denies a request filed with an amended tax return 817
under this section, the taxpayer may appeal the denial in the same 818
manner prescribed for the appeal of an assessment under section 819

718.18 of the Revised Code. 820

(3) Nothing in this section prohibits a taxpayer that 821
requests the use of an alternative method in one or more taxable 822
years from requesting the use of an alternative method in any 823
other taxable year. The approval or denial of a taxpayer's request 824
to use an alternative method in one taxable year shall not limit 825
the authority of the tax administrator to approve or deny requests 826
from the same taxpayer with respect to other taxable years. 827

(C) As used in division (A)(2) of this section, "wages, 828
salaries, and other compensation" includes only wages, salaries, 829
or other compensation paid to an employee for services performed 830
at any of the following locations: 831

(1) A location that is owned, controlled, or used by, rented 832
to, or under the possession of one of the following: 833

(a) The employer; 834

(b) A vendor, customer, client, or patient of the employer, 835
or a related member of such a vendor, customer, client, or 836
patient; 837

(c) A vendor, customer, client, or patient of a person 838
described in division (C)(1)(b) of this section, or a related 839
member of such a vendor, customer, client, or patient. 840

(2) Any location at which a trial, appeal, hearing, 841
investigation, inquiry, review, court-martial, or similar 842
administrative, judicial, or legislative matter or proceeding is 843
being conducted, provided that the compensation is paid for 844
services performed for, or on behalf of, the employer or that the 845
employee's presence at the location directly or indirectly 846
benefits the employer; 847

(3) Any other location, if the tax administrator determines 848
that the employer directed the employee to perform the services at 849

the other location in lieu of a location described in division 850
(C)(1) or (2) of this section solely in order to avoid or reduce 851
the employer's municipal income tax liability. If a tax 852
administrator makes such a determination, the employer may dispute 853
the determination by establishing, by a preponderance of the 854
evidence, that the tax administrator's determination was 855
unreasonable. 856

(D) For the purposes of division (A)(3) of this section, 857
receipts from sales and rentals made and services performed shall 858
be sitused to a municipal corporation as follows: 859

(1) Gross receipts from the sale of tangible personal 860
property shall be sitused to the municipal corporation if the 861
property is received in the municipal corporation by the 862
purchaser. In the case of delivery of tangible personal property 863
by common carrier or by other means of transportation, the place 864
at which title to such property is transferred to the buyer shall 865
be considered the place where the purchaser receives the property. 866

(2) Gross receipts from the sale of services shall be sitused 867
to the municipal corporation to the extent that such services are 868
performed in the municipal corporation. 869

(3) To the extent included in income, gross receipts from the 870
sale of real property located in the municipal corporation shall 871
be sitused to the municipal corporation. 872

(4) To the extent included in income, gross receipts from 873
rents and royalties from real property located in the municipal 874
corporation shall be sitused to the municipal corporation. 875

(5) Gross receipts from rents and royalties from tangible 876
personal property shall be sitused to the municipal corporation 877
based upon the extent to which the tangible personal property is 878
used in the municipal corporation. 879

(E) Net profit from rental activity not constituting a 880

business or profession shall be subject to tax only by the 881
municipal corporation in which the property generating the net 882
profit is located. 883

~~(D) This section does not apply to individuals who are 884
residents of the municipal corporation and, except as otherwise 885
provided in section 718.01 of the Revised Code, a municipal 886
corporation may impose a tax on all income earned by residents of 887
the municipal corporation to the extent allowed by the United 888
States Constitution. 889~~

~~(E) If, in computing the taxpayer's adjusted federal taxable 890
income, the taxpayer deducted any amount with respect to a stock 891
option granted to an employee, and if the employee is not required 892
to include in income any amount or any portion thereof because it 893
is exempted from taxation under division (H)(10) of section 718.01 894
of the Revised Code and division (A)(2)(d) of section 718.03 of 895
the Revised Code by a municipal corporation to which the taxpayer 896
has apportioned a portion of its net profit, the taxpayer shall 897
add the amount that is exempt from taxation to the taxpayer's net 898
profit that was apportioned to that municipal corporation. In no 899
case shall a taxpayer be required to add to its net profit that 900
was apportioned to that municipal corporation any amount other 901
than the amount upon which the employee would be required to pay 902
tax were the amount related to the stock option not exempted from 903
taxation. 904~~

~~This division applies solely for the purpose of making an 905
adjustment to the amount of a taxpayer's net profit that was 906
apportioned to a municipal corporation under divisions (A) and (B) 907
of this section. 908~~

A municipal corporation shall allow taxpayers to elect to use 909
separate accounting for the purpose of calculating net profit 910
situated to the municipal corporation under this division, but 911
shall permit such an election only if the taxpayer requests to 912

make the same election in every municipal corporation in which the taxpayer must report such net profit for the taxable year and if the taxpayer agrees to use separate accounting with respect to such net profit in every municipal corporation that approves such a request for at least five consecutive taxable years after making the election.

(F) Net profit relating to the sales and commissions of a real estate agent or broker shall be situated to a municipal corporation based upon the ratio of the commissions the agent or broker received from sales of real estate located in the municipal corporation to the commissions received from sales of real estate everywhere in the taxable year.

(G) Items of income described in division (B)(4) of section 718.01 of the Revised Code that are received by a person who is not conducting a trade or business and whose primary activity is generating such income shall be situated to the municipal corporation in which the person resides at the time the person receives such income, if the taxpayer is an individual, and to the municipal corporation in which the person receives such income.

(H) When calculating the ratios described in division (A) of this section for the purposes of that division or division (B) of this section, the owner of a person that is a disregarded entity for federal income tax purposes shall include in the owner's ratios the property, payroll, and gross receipts of such disregarded entity.

Sec. 718.03. ~~(A) As used in this section:~~

~~(1) "Other payer" means any person, other than an individual's employer or the employer's agent, that pays an individual any amount included in the federal gross income of the individual.~~

(2) "Qualifying wages" means wages, as defined in section	943
3121(a) of the Internal Revenue Code, without regard to any wage	944
limitations, adjusted as follows:	945
(a) Deduct the following amounts:	946
(i) Any amount included in wages if the amount constitutes	947
compensation attributable to a plan or program described in	948
section 125 of the Internal Revenue Code;	949
(ii) For purposes of division (B) of this section, any amount	950
included in wages if the amount constitutes payment on account of	951
sickness or accident disability.	952
(b) Add the following amounts:	953
(i) Any amount not included in wages solely because the	954
employee was employed by the employer prior to April 1, 1986;	955
(ii) Any amount not included in wages because the amount	956
arises from the sale, exchange, or other disposition of a stock	957
option, the exercise of a stock option, or the sale, exchange, or	958
other disposition of stock purchased under a stock option and the	959
municipal corporation has not, by resolution or ordinance,	960
exempted the amount from withholding and tax. Division	961
(A)(2)(b)(ii) of this section applies only to those amounts	962
constituting ordinary income.	963
(iii) Any amount not included in wages if the amount is an	964
amount described in section 401(k) or 457 of the Internal Revenue	965
Code. Division (A)(2)(b)(iii) of this section applies only to	966
employee contributions and employee deferrals.	967
(iv) Any amount that is supplemental unemployment	968
compensation benefits described in section 3402(o)(2) of the	969
Internal Revenue Code and not included in wages.	970
(c) Deduct any amount attributable to a nonqualified deferred	971
compensation plan or program described in section 3121(v)(2)(C) of	972

~~the Internal Revenue Code if the compensation is included in wages 973
and has, by resolution or ordinance, been exempted from taxation 974
by the municipal corporation. 975~~

~~(d) Deduct any amount included in wages if the amount arises 976
from the sale, exchange, or other disposition of a stock option, 977
the exercise of a stock option, or the sale, exchange, or other 978
disposition of stock purchased under a stock option and the 979
municipal corporation has, by resolution or ordinance, exempted 980
the amount from withholding and tax. 981~~

~~(B) Except as provided in division (F) of this section, for 982
taxable years beginning after 2003, no municipal corporation shall 983
require any employer or any agent of any employer or any other 984
payer, to withhold tax with respect to any amount other than 985
qualifying wages. Nothing in this section prohibits an employer 986
from withholding tax on a basis greater than qualifying wages. 987~~

~~(C) Each employer, agent of an employer, or other payer 988
located or doing business in a municipal corporation that imposes 989
a tax on income in accordance with this chapter shall withhold 990
from each employee an amount equal to the qualifying wages of the 991
employee earned by the employee in the municipal corporation 992
multiplied by the applicable rate of the municipal corporation's 993
income tax, except for qualifying wages for which withholding is 994
not required under division (D) or (F) of this section or section 995
718.011 of the Revised Code. An employer, agent of an employer, or 996
other payer shall deduct and withhold the tax from qualifying 997
wages on the date that the employer, agent, or other payer 998
directly, indirectly, or constructively pays the qualifying wages 999
to, or credits the qualifying wages to the benefit of, the 1000
employee. 1001~~

~~An employer, agent of an employer, or other payer may deduct 1002
and withhold, on the request of an employee, taxes for the 1003
municipal corporation in which the employee is a resident. 1004~~

(B) An employer, agent of an employer, or other payer shall 1005
remit to the tax administrator of a municipal corporation the 1006
creator of the income taxes deducted and withheld or the income 1007
taxes required to be deducted and withheld by the employer, agent, 1008
or other payer according to the following schedule: 1009

(1) Taxes deducted and withheld shall be remitted semimonthly 1010
to the tax administrator if the total taxes deducted and withheld 1011
or required to be deducted and withheld by the employer, agent, or 1012
other payer on behalf of the municipal corporation in the 1013
preceding calendar year exceeded eleven thousand nine hundred 1014
ninety-nine dollars, or if the total amount of taxes deducted and 1015
withheld or required to be deducted and withheld on behalf of the 1016
municipal corporation in any month of the preceding calendar 1017
quarter exceeded one thousand dollars. Payment under division 1018
(B)(1) of this section shall be made so that the payment is 1019
received by the tax administrator not later than one of the 1020
following: 1021

(a) If the taxes were deducted and withheld or required to be 1022
deducted and withheld during the first fifteen days of a month, 1023
the third banking day after the fifteenth day of that month; 1024

(b) If the taxes were deducted and withheld or required to be 1025
deducted and withheld after the fifteenth day of a month and 1026
before the first day of the immediately following month, the third 1027
banking day after the last day of that month. 1028

(2) If not required to be remitted in accordance with 1029
division (B)(1) of this section, taxes required to be deducted and 1030
withheld shall be remitted monthly to the tax administrator if the 1031
total taxes deducted and withheld or required to be deducted and 1032
withheld by the employer, agent, or other payer on behalf of the 1033
municipal corporation in the preceding calendar year did not 1034
exceed eleven thousand nine hundred ninety-nine dollars but did 1035
exceed two thousand three hundred ninety-nine dollars, or if the 1036

total amount of taxes deducted and withheld or required to be 1037
deducted and withheld on behalf of the municipal corporation in 1038
any month of the preceding calendar quarter did not exceed one 1039
thousand dollars, but exceeded two hundred dollars. Payment under 1040
division (B)(2) of this section shall be made so that the payment 1041
is received by the tax administrator not later than fifteen days 1042
after the last day of each month. 1043

(3) Any employer, agent of an employer, or other payer not 1044
required to make payments under division (B)(1) or (2) of this 1045
section of taxes required to be deducted and withheld shall make 1046
quarterly payments to the tax administrator not later than the 1047
last day of the month following the end of the last day of each 1048
calendar quarter. 1049

(C) An employer, agent of an employer, or other payer shall 1050
make and file a return on forms prescribed by the municipal tax 1051
policy board pursuant to section 718.42 of the Revised Code, 1052
showing the amount of tax withheld by the employer, agent, or 1053
other payer from the qualifying wages of each employee and 1054
remitted to the tax administrator. Unless the tax administrator 1055
requires all individual taxpayers to file a tax return under 1056
section 718.05 of the Revised Code, a return filed by an employer, 1057
agent, or other payer under this division shall be accepted by a 1058
tax administrator and municipal corporation as the return required 1059
of an employee whose sole income subject to the tax under this 1060
chapter is the qualifying wages reported by the employee's 1061
employer, agent of an employer, or other payer. 1062

(D) An employer, agent of an employer, or other payer is not 1063
required to ~~make any withholding~~ withhold municipal income tax 1064
with respect to an individual's disqualifying disposition of an 1065
incentive stock option if, at the time of the disqualifying 1066
disposition, the individual is not an employee of either the 1067
corporation with respect to whose stock the option has been issued 1068

or of such corporation's successor entity. 1069

~~(D)~~(E)(1) An employee is not relieved from liability for a 1070
tax by the failure of the employer, agent of an employer, or other 1071
payer to withhold the tax as required ~~by a municipal corporation~~ 1072
under this chapter or by the employer's, agent's, or other payer's 1073
exemption from the requirement to withhold the tax. 1074

(2) The failure of an employer, agent of an employer, or 1075
other payer to remit to the municipal corporation the tax withheld 1076
relieves the employee from liability for that tax unless the 1077
employee colluded with the employer, agent, or other payer in 1078
connection with the failure to remit the tax withheld. 1079

~~(E)~~(F) Compensation deferred before June 26, 2003, is not 1080
subject to any municipal corporation income tax or municipal 1081
income tax withholding requirement to the extent the deferred 1082
compensation does not constitute qualifying wages at the time the 1083
deferred compensation is paid or distributed. 1084

~~(F)~~ A ~~municipal corporation may require a casino facility or~~ 1085
~~a casino operator, as defined in Section 6(C)(9) of Article XV,~~ 1086
~~Ohio Constitution, and section 3772.01 of the Revised Code,~~ 1087
~~respectively, or a lottery sales agent conducting video lottery~~ 1088
~~terminals on behalf of the state to withhold and remit tax with~~ 1089
~~respect to amounts other than qualifying wages.~~ 1090

(G) Each employer, agent of an employer, or other payer 1091
required to withhold taxes is liable for the payment of that 1092
amount required to be withheld, whether or not such taxes have 1093
been withheld, and such amount shall be deemed to be held in trust 1094
for the municipal corporation until such time as the withheld 1095
amount is remitted to the tax administrator. 1096

(H) On or before the twenty-eighth day of February of each 1097
year, an employer shall file a withholding return with the tax 1098
administrator listing the names, addresses, and social security 1099

numbers of all employees from whose qualifying wages tax was 1100
withheld for the municipal corporation during the preceding 1101
calendar year, the amount of tax withheld from each employee, and 1102
other information as may be required on the forms created by the 1103
municipal tax policy board under section 718.42 of the Revised 1104
Code. 1105

(I) The officer or the employee of the employer, agent of an 1106
employer, or other payer with control or direct supervision of or 1107
charged with the responsibility for withholding the tax or filing 1108
the reports and making payments as required by this section, shall 1109
be personally liable for a failure to file a report or pay the tax 1110
due as required by this section. The dissolution of an employer, 1111
agent of an employer, or other payer does not discharge the 1112
officer's or employee's liability for a failure of the employer, 1113
agent of an employer, or other payer to file returns or pay any 1114
tax due. 1115

(J) An employer is required to deduct and withhold municipal 1116
income tax on tips and gratuities received by the employer's 1117
employees and constituting qualifying wages only to the extent 1118
that the tips and gratuities are under the employer's control. For 1119
the purposes of this division, a tip or gratuity is under the 1120
employer's control if the tip or gratuity is paid by the customer 1121
to the employer for subsequent remittance to the employee, or if 1122
the customer pays the tip or gratuity by credit card, debit card, 1123
or other electronic means. 1124

Sec. 718.031. (A) A municipal corporation shall require a 1125
casino facility or a casino operator, as defined in Section 1126
6(C)(9) of Article XV, Ohio Constitution, and section 3772.01 of 1127
the Revised Code, respectively, or a lottery sales agent 1128
conducting video lottery terminals on behalf of the state to 1129
withhold and remit municipal income tax with respect to amounts 1130

other than qualifying wages as provided in this section. 1131

(B)(1) If a person's winnings at a casino facility are an 1132
amount for which reporting to the internal revenue service of the 1133
amount is required by section 6041 of the Internal Revenue Code, 1134
as amended, the casino operator shall deduct and withhold 1135
municipal income tax from the person's winnings at the rate of the 1136
tax imposed by the municipal corporation in which the casino 1137
facility is located. 1138

(C) Amounts deducted and withheld by a casino operator are 1139
held in trust for the benefit of the municipal corporation to 1140
which the tax is owed. 1141

(1) On or before the tenth day of each month, the casino 1142
operator shall file a return electronically with the tax 1143
administrator of the municipal corporation, identifying the person 1144
from whose winnings amounts were deducted and withheld, the amount 1145
of each such deduction and withholding during the preceding 1146
calendar month, the amount of the winnings from which each such 1147
amount was withheld, the type of casino gaming that resulted in 1148
such winnings, and any other information required by the tax 1149
administrator. With this return, the casino operator shall remit 1150
electronically to the municipal corporation all amounts deducted 1151
and withheld during the preceding month. 1152

(2) Annually, on or before the thirty-first day of January, a 1153
casino operator shall file an annual return electronically with 1154
the tax administrator of the municipal corporation in which the 1155
casino facility is located, indicating the total amount deducted 1156
and withheld during the preceding calendar year. The casino 1157
operator shall remit electronically with the annual return any 1158
amount that was deducted and withheld and that was not previously 1159
remitted. If the identity of a person and the amount deducted and 1160
withheld with respect to that person were omitted on a monthly 1161

return for that reporting period, that information shall be 1162
indicated on the annual return. 1163

(3) Annually, on or before the thirty-first day of January, a 1164
casino operator shall issue an information return to each person 1165
with respect to whom an amount has been deducted and withheld 1166
during the preceding calendar year. The information return shall 1167
show the total amount of municipal income tax deducted from the 1168
person's winnings during the preceding year. The casino operator 1169
shall provide to the tax administrator a copy of each information 1170
return issued under this division. The administrator may require 1171
that such copies be transmitted electronically. 1172

(4) A casino operator that fails to file a return and remit 1173
the amounts deducted and withheld shall be personally liable for 1174
the amount withheld and not remitted. Such personal liability 1175
extends to any penalty and interest imposed for the late filing of 1176
a return or the late payment of tax deducted and withheld. 1177

(5) If a casino operator sells the casino facility or 1178
otherwise quits the casino business, the amounts deducted and 1179
withheld along with any penalties and interest thereon are 1180
immediately due and payable. The successor shall withhold an 1181
amount of the purchase money that is sufficient to cover the 1182
amounts deducted and withheld along with any penalties and 1183
interest thereon until the predecessor casino operator produces 1184
either of the following: 1185

(a) A receipt from the tax administrator showing that the 1186
amounts deducted and withheld and penalties and interest thereon 1187
have been paid; 1188

(b) A certificate from the tax administrator indicating that 1189
no amounts are due. 1190

If the successor fails to withhold purchase money, the 1191
successor is personally liable for the payment of the amounts 1192

deducted and withheld and penalties and interest thereon. 1193

(6) The failure of a casino operator to deduct and withhold 1194
the required amount from a person's winnings does not relieve that 1195
person from liability for the municipal income tax with respect to 1196
those winnings. 1197

(D) If a person's prize award from a video lottery terminal 1198
is an amount for which reporting to the internal revenue service 1199
is required by section 6041 of the Internal Revenue Code, as 1200
amended, the video lottery sales agent shall deduct and withhold 1201
municipal income tax from the person's prize award at the rate of 1202
the tax imposed by the municipal corporation in which the video 1203
lottery terminal facility is located. 1204

(E) Amounts deducted and withheld by a video lottery sales 1205
agent are held in trust for the benefit of the municipal 1206
corporation to which the tax is owed. 1207

(1) The video lottery sales agent shall issue to a person 1208
from whose prize award an amount has been deducted and withheld a 1209
receipt for the amount deducted and withheld, and shall obtain 1210
from the person receiving a prize award the person's name, 1211
address, and social security number in order to facilitate the 1212
preparation of returns required by this section. 1213

(2) On or before the tenth day of each month, the video 1214
lottery sales agent shall file a return electronically with the 1215
tax administrator of the municipal corporation identifying the 1216
persons from whose prize awards amounts were deducted and 1217
withheld, the amount of each such deduction and withholding during 1218
the preceding calendar month, the amount of the prize award from 1219
which each such amount was withheld, and any other information 1220
required by the tax administrator. With the return, the video 1221
lottery sales agent shall remit electronically to the tax 1222
administrator all amounts deducted and withheld during the 1223

preceding month. 1224

(3) A video lottery sales agent shall maintain a record of 1225
all receipts issued under division (E) of this section and shall 1226
make those records available to the tax administrator upon 1227
request. Such records shall be maintained in accordance with 1228
section 5747.17 of the Revised Code and any rules adopted pursuant 1229
thereto. 1230

(4) Annually, on or before the thirty-first day of January, 1231
each video lottery terminal sales agent shall file an annual 1232
return electronically with the tax administrator of the municipal 1233
corporation in which the facility is located indicating the total 1234
amount deducted and withheld during the preceding calendar year. 1235
The video lottery sales agent shall remit electronically with the 1236
annual return any amount that was deducted and withheld and that 1237
was not previously remitted. If the identity of a person and the 1238
amount deducted and withheld with respect to that person were 1239
omitted on a monthly return for that reporting period, that 1240
information shall be indicated on the annual return. 1241

(5) Annually, on or before the thirty-first day of January, a 1242
video lottery sales agent shall issue an information return to 1243
each person with respect to whom an amount has been deducted and 1244
withheld during the preceding calendar year. The information 1245
return shall show the total amount of municipal income tax 1246
deducted and withheld from the person's prize award by the video 1247
lottery sales agent during the preceding year. A video lottery 1248
sales agent shall provide to the tax administrator of the 1249
municipal corporation a copy of each information return issued 1250
under this division. The tax administrator may require that such 1251
copies be transmitted electronically. 1252

(6) A video lottery sales agent who fails to file a return 1253
and remit the amounts deducted and withheld is personally liable 1254
for the amount deducted and withheld and not remitted. Such 1255

personal liability extends to any penalty and interest imposed for 1256
the late filing of a return or the late payment of tax deducted 1257
and withheld. 1258

(F) If a video lottery sales agent ceases to operate video 1259
lottery terminals, the amounts deducted and withheld along with 1260
any penalties and interest thereon are immediately due and 1261
payable. The successor of the video lottery sales agent that 1262
purchases the video lottery terminals from the agent shall 1263
withhold an amount from the purchase money that is sufficient to 1264
cover the amounts deducted and withheld and any penalties and 1265
interest thereon until the predecessor video lottery sales agent 1266
operator produces either of the following: 1267

(1) A receipt from the tax administrator showing that the 1268
amounts deducted and withheld and penalties and interest thereon 1269
have been paid; 1270

(2) A certificate from the tax administrator indicating that 1271
no amounts are due. 1272

If the successor fails to withhold purchase money, the 1273
successor is personally liable for the payment of the amounts 1274
deducted and withheld and penalties and interest thereon. 1275

(G) The failure of a video lottery sales agent to deduct and 1276
withhold the required amount from a person's prize award does not 1277
relieve that person from liability for the municipal income tax 1278
with respect to that prize award. 1279

(H) The tax administrator of a municipal corporation may 1280
impose a penalty of up to one thousand dollars if a casino 1281
operator or video lottery sales agent files a return late, fails 1282
to file a return, remits amounts deducted and withheld late, or 1283
fails to remit amounts deducted and withheld as required under 1284
this section. Interest shall accrue on past due amounts deducted 1285
and withheld at the rate prescribed in section 5703.47 of the 1286

<u>Revised Code.</u>	1287
<u>(I) Amounts deducted and withheld on behalf of a municipal corporation shall be allowed as a credit against payment of the tax imposed by the municipal corporation and shall be treated as taxes paid for purposes of section 718.08 of the Revised Code.</u>	1288
<u>This division applies only to the person for whom the amount is deducted and withheld.</u>	1289
	1290
	1291
	1292
	1293
<u>(J) The tax administrator shall prescribe the forms of the receipts and returns required under this section.</u>	1294
	1295
<u>Sec. 718.04.</u> <u>(A) A municipal corporation may levy a tax on income only in accordance with the limitations specified in this chapter. On or after January 1, 2015, no municipal corporation shall levy such a tax unless the ordinance or resolution levying the tax, as adopted or amended by the legislative authority of the municipal corporation, includes all of the following:</u>	1296
	1297
	1298
	1299
	1300
	1301
<u>(1) A statement that the tax is an annual tax levied on the income of every person residing in or earning or receiving income in the municipal corporation and that the tax shall be measured by municipal taxable income;</u>	1302
	1303
	1304
	1305
<u>(2) A statement that the municipal corporation is levying the tax in accordance with the limitations specified in this chapter and that the resolution or ordinance thereby incorporates, by reference, the provisions of this chapter;</u>	1306
	1307
	1308
	1309
<u>(3) The rate of the tax;</u>	1310
<u>(4) Whether, and the extent to which, a credit will be allowed against the tax as described in division (E) of this section;</u>	1311
	1312
	1313
<u>(5) The purpose or purposes of the tax;</u>	1314
<u>(6) Any other provision necessary for the administration of the tax, provided that the provision does not conflict with any</u>	1315
	1316

provision of this chapter or any rule adopted by the municipal tax 1317
policy board pursuant to this chapter. 1318

(B) Before January 1, 2015, the legislative authority of each 1319
municipal corporation that levies a municipal income tax that 1320
would otherwise be in effect on that date shall take one of the 1321
following actions: 1322

(1) Repeal the ordinance or resolution that levies the tax; 1323

(2) Amend the ordinance or resolution that levies the tax to 1324
include the provisions described in division (A) of this section 1325
and to otherwise comply with the limitations specified in this 1326
chapter. 1327

Any municipal income tax ordinance or resolution that is not 1328
repealed or amended as provided in this division before January 1, 1329
2015, shall be considered to be repealed on December 31, 2014, and 1330
the municipal corporation that adopted the ordinance or resolution 1331
shall not enforce the ordinance or resolution after that date. 1332

(C) Any municipal corporation that, on or before the 1333
effective date of the enactment of this section, levies an income 1334
tax at a rate in excess of one per cent and that amends the 1335
ordinance or resolution levying the tax as provided in division 1336
(B)(2) of this section may continue to levy the tax at the rate 1337
specified in the original resolution, provided that such rate 1338
continues in effect only for the taxable years specified in the 1339
original ordinance or resolution. Any such municipal corporation 1340
that repeals an ordinance or resolution as provided in division 1341
(B)(1) of this section may, notwithstanding division (D)(2) of 1342
this section, enact a new ordinance or resolution under division 1343
(A) of this section that levies a tax at the same rate specified 1344
in the repealed ordinance or resolution, provided that the tax is 1345
levied at such rate only for the taxable years specified in the 1346
repealed ordinance or resolution and that the municipal 1347

corporation adopts the new ordinance or resolution on or before 1348
December 31, 2015. 1349

(D)(1) No municipal corporation shall tax income at other 1350
than a uniform rate. 1351

(2) Except as provided in division (C) of this section, no 1352
municipal corporation shall levy a tax on income at a rate in 1353
excess of one per cent without having obtained the approval of the 1354
excess by a majority of the electors of the municipality voting on 1355
the question at a general, primary, or special election. The 1356
legislative authority of the municipal corporation shall file with 1357
the board of elections at least ninety days before the day of the 1358
election a copy of the ordinance together with a resolution 1359
specifying the date the election is to be held and directing the 1360
board of elections to conduct the election. The ballot shall be in 1361
the following form: "Shall the Ordinance providing for a ... per 1362
cent levy on income for (Brief description of the purpose of the 1363
proposed levy) be passed? 1364

	<u>FOR THE INCOME TAX</u>	
	<u>AGAINST THE INCOME TAX</u>	"

In the event of an affirmative vote, the proceeds of the levy may 1365
be used only for the specified purpose. 1366

(E) A municipal corporation may, by ordinance or resolution, 1367
grant a credit to residents of the municipal corporation for all 1372
or a portion of the taxes the resident paid to other municipal 1373
corporations, in this state or elsewhere, on income the resident 1374
earned or received in the other municipal corporations. 1375

(F) Except as otherwise provided in this chapter, a municipal 1376
corporation that levies an income tax in effect for taxable years 1377
beginning before January 1, 2015, may continue to administer and 1378

enforce the provisions of such tax for all taxable years beginning 1379
before January 1, 2015, provided that the provisions of such tax 1380
are consistent with this chapter as it existed prior to the 1381
effective date of the enactment of this section. 1382

(G) Nothing in this chapter authorizes a municipal 1383
corporation to levy a tax on income or net profit, or to 1384
administer or collect such a tax or penalties or interest related 1385
to such a tax, contrary to the limitations specified in this 1386
chapter. 1387

Sec. 718.05. An annual return with respect to the income tax 1388
levied by a municipal corporation shall be completed and filed by 1389
every taxpayer for any taxable year for which the taxpayer is 1390
liable for the tax. If the total credit allowed against the tax as 1391
described in division (E) of section 718.04 of the Revised Code 1392
for the year is equal to or exceeds the tax imposed by the 1393
municipal corporation, no return shall be required unless the 1394
municipal ordinance or resolution levying the tax requires the 1395
filing of a return in such circumstances. 1396

(A) If an individual is deceased, any return or notice 1397
required of that individual shall be completed and filed by that 1398
decedent's executor, administrator, or other person charged with 1399
the property of that decedent. 1400

(B) If an individual is unable to complete and file a return 1401
or notice required by a municipal corporation in accordance with 1402
this chapter, the return or notice required of that individual 1403
shall be completed and filed by the individual's duly authorized 1404
agent, guardian, conservator, fiduciary, or other person charged 1405
with the care of the person or property of that individual. 1406

(C) Returns or notices required of an estate or a trust shall 1407
be completed and filed by the fiduciary of the estate or trust. 1408

(D) No municipal corporation shall deny spouses the ability 1409
to file a joint return. 1410

(E) Each return required to be filed under this section shall 1411
contain the signature of the taxpayer or the taxpayer's duly 1412
authorized agent and of the person who prepared the return for the 1413
taxpayer, and shall include the taxpayer's social security number 1414
or taxpayer identification number. Each return shall be verified 1415
by a declaration under the penalties of perjury in accordance with 1416
division (H) of section 718.42 of the Revised Code. 1417

(F)(1) Except as otherwise provided in this chapter, each 1418
return required to be filed under this section shall be completed 1419
and filed as required by the tax administrator on or before the 1420
date prescribed for the filing of state individual income tax 1421
returns and notices under division (G) of section 5747.08 of the 1422
Revised Code. The taxpayer shall complete and file the return or 1423
notice on forms prescribed by the municipal tax policy board or on 1424
generic forms, together with remittance made payable to the 1425
municipal corporation or tax administrator. No remittance is 1426
required if the amount shown to be due is five dollars or less. 1427

(2) Any taxpayer that is subject to a municipal corporation's 1428
income tax and that has received an extension to file a federal 1429
income tax return shall not be required to notify the municipal 1430
corporation of the federal extension and shall not be required to 1431
file any municipal income tax return that relates to the same tax 1432
period to which the federal extension relates until the due date 1433
to which the filing of the federal return has been extended. An 1434
extension of time to file under this division is not an extension 1435
of the time to pay any tax due. Upon the filing of the municipal 1436
income tax return, the taxpayer shall include a copy of the 1437
request for the federal filing extension. 1438

(3) If a taxpayer does not request and obtain a federal 1439
extension as described in division (F)(2) of this section, the 1440

taxpayer may request an extension of time to file a municipal 1441
income tax return by filing the request through the Ohio business 1442
gateway or directly with the tax administrator of the municipal 1443
corporation with which the return is required to be filed. 1444

Upon good cause shown, the tax administrator may extend the 1445
period for filing any notice or return. 1446

(4) In order to facilitate the filing of extension requests, 1447
the tax commissioner and the Ohio business gateway steering 1448
committee shall take all steps necessary to provide taxpayers with 1449
the ability to file such requests through the Ohio business 1450
gateway and to notify tax administrators when such requests are 1451
filed. 1452

(5) If the tax administrator considers it necessary in order 1453
to ensure the payment of the tax imposed by the municipal 1454
corporation in accordance with this chapter, the tax administrator 1455
may require taxpayers to file returns and make payments otherwise 1456
than as provided in this section, including taxpayers not 1457
otherwise required to file annual returns. 1458

(6) To the extent that any provision in this division 1459
conflicts with any provision in section 718.052 of the Revised 1460
Code, the provision in that section prevails. 1461

(G)(1) For taxable years beginning after 2014, a municipal 1462
corporation shall not require a taxpayer to file a return or remit 1463
tax with respect to net profits if divisions (G)(1)(a), (b), and 1464
(c) apply: 1465

(a) The average ratio computed under section 718.02 of the 1466
Revised Code for the purposes of apportioning the taxpayer's net 1467
profit to the municipal corporation for the taxable year is less 1468
than one per cent; 1469

(b) If not for the application of division (G) of this 1470
section, the amount of tax the taxpayer would owe to the municipal 1471

corporation on the taxpayer's net profit for the taxable year is 1472
less than fifty dollars; 1473

(c) The total amount of qualifying wages the taxpayer paid to 1474
employees for services performed within the municipal corporation 1475
during the taxable year is less than fifty thousand dollars. 1476

(2) Any taxpayer not required to file a tax return with or 1477
remit tax to a municipal corporation for a taxable year pursuant 1478
to division (G)(1) of this section shall file with the municipal 1479
corporation an affidavit exemption form. The municipal tax policy 1480
board shall prescribe the form and contents of the affidavit 1481
exemption form. No taxpayer shall be required to file an affidavit 1482
exemption form pursuant to this division until the municipal tax 1483
policy board prescribes the form. 1484

(H) This division shall not apply to payments required to be 1485
made under division (B)(1) or (2) of section 718.03 of the Revised 1486
Code. 1487

If any report, claim, statement, or other document required 1488
to be filed, or any payment required to be made, within a 1489
prescribed period or on or before a prescribed date under this 1490
chapter is delivered after that period or that date by United 1491
States mail to the tax administrator or other municipal official 1492
with which the report, claim, statement, or other document is 1493
required to be filed, or to which the payment is required to be 1494
made, the date of the postmark stamped on the cover in which the 1495
report, claim, statement, or other document, or payment is mailed 1496
shall be deemed to be the date of delivery or the date of payment. 1497

If a payment is required to be made by electronic funds 1498
transfer, the payment is considered to be made when the payment is 1499
credited to an account designated by the tax administrator for the 1500
receipt of tax payments, except that, when a payment made by 1501
electronic funds transfer is delayed due to circumstances not 1502

under the control of the taxpayer, the payment is considered to be 1503
made when the taxpayer submitted the payment. 1504

"The date of the postmark" means, in the event there is more 1505
than one date on the cover, the earliest date imprinted on the 1506
cover by the postal service. 1507

(I) The amounts withheld by an employer, the agent of an 1508
employer, or an other payer as described in section 718.03 of the 1509
Revised Code shall be allowed to the recipient of the compensation 1510
as credits against payment of the tax imposed on the recipient by 1511
the municipal corporation, unless the amounts withheld were not 1512
remitted to the municipal corporation and the recipient colluded 1513
with the employer, agent, or other payer in connection with the 1514
failure to remit the amounts withheld. 1515

(J) The municipal tax policy board shall ensure that each 1516
return required by a municipal corporation to be filed in 1517
accordance with this section includes a box that the taxpayer may 1518
check to authorize another person, including a tax return preparer 1519
who prepared the return, to communicate with the tax administrator 1520
about matters pertaining to the return. The return or instructions 1521
accompanying the return shall indicate that by checking the box 1522
the taxpayer authorizes the tax administrator to contact the 1523
preparer or other person concerning questions that arise during 1524
the auditing or other review of the return and authorizes the 1525
preparer or other person only to provide the tax administrator 1526
with information that is missing from the return, to contact the 1527
tax administrator for information about the auditing or other 1528
review of the return or the status of the taxpayer's refund or 1529
payments, and to respond to notices about mathematical errors, 1530
offsets, or return preparation that the taxpayer has received from 1531
the tax administrator and has shown to the preparer or other 1532
person. 1533

(K) The tax administrator of a municipal corporation shall 1534

accept for filing a generic form of any income tax return, report, 1535
or document required by the municipal corporation in accordance 1536
with this chapter, provided that the generic form, once completed 1537
and filed, contains all of the information required by rules 1538
adopted by the municipal tax policy board, and provided that the 1539
taxpayer or tax return preparer filing the generic form otherwise 1540
complies with the provisions of this chapter and of the municipal 1541
corporation ordinance or resolution governing the filing of 1542
returns, reports, or documents. 1543

(L) When income tax returns, reports, or other documents 1544
require the signature of a tax return preparer, the tax 1545
administrator shall accept a facsimile of such a signature in lieu 1546
of a manual signature. 1547

~~Sec. 718.051. (A) As used in this section, "Ohio business~~ 1548
~~gateway" means the online computer network system, initially~~ 1549
~~created by the department of administrative services under section~~ 1550
~~125.30 of the Revised Code, that allows private businesses to~~ 1551
~~electronically file business reply forms with state agencies and~~ 1552
~~includes any successor electronic filing and payment system.~~ 1553

~~(B) Notwithstanding section 718.05 of the Revised Code, on~~ 1554
~~and after January 1, 2005, any taxpayer that is subject to any~~ 1555
~~municipal corporation's tax on the net profit from a business or~~ 1556
~~profession and has received an extension to file the federal~~ 1557
~~income tax return shall not be required to notify the municipal~~ 1558
~~corporation of the federal extension and shall not be required to~~ 1559
~~file any municipal income tax return until the last day of the~~ 1560
~~month to which the due date for filing the federal return has been~~ 1561
~~extended, provided that, on or before the date for filing the~~ 1562
~~municipal income tax return, the person notifies the tax~~ 1563
~~commissioner of the federal extension through the Ohio business~~ 1564
~~gateway. An extension of time to file is not an extension of the~~ 1565

~~time to pay any tax due.~~ 1566

~~(C) For taxable years beginning on or after January 1, 2005,~~ 1567
a Any taxpayer subject to ~~any municipal corporation's tax on~~ 1568
income taxation with respect to the taxpayer's net profit from a 1569
business or profession may file any municipal income tax return or 1570
estimated municipal income return, and may make payment of amounts 1571
shown to be due on such returns, by using the Ohio business 1572
gateway. 1573

~~(D)(1) As used in this division, "qualifying wages" has the~~ 1574
~~same meaning as in section 718.03 of the Revised Code.~~ 1575

~~(2)(B) Any employer, agent of an employer, or other payer~~ 1576
report the amount of municipal income tax withheld from qualifying 1577
wages ~~paid on or after January 1, 2007,~~ and may make remittance of 1578
such amounts, by using the Ohio business gateway. 1579

~~(E)(C) Nothing in this section affects the due dates for~~ 1580
filing employer withholding tax returns. 1581

~~(F)(D) No municipal corporation shall be required to pay any~~ 1582
fee or charge for the operation or maintenance of the Ohio 1583
business gateway. 1584

~~(G)(E) The use of the Ohio business gateway by municipal~~ 1585
corporations, taxpayers, or other persons pursuant to this section 1586
does not affect the legal rights of municipalities or taxpayers as 1587
otherwise permitted by law. This state shall not be a party to the 1588
administration of municipal income taxes or to an appeal of a 1589
municipal income tax matter, except as otherwise specifically 1590
provided by law. 1591

~~(H)(F)(1) The tax commissioner shall adopt rules~~ 1592
establishing: 1593

(a) The format of documents to be used by taxpayers to file 1594
returns and make payments through the Ohio business gateway; and 1595

(b) The information taxpayers must submit when filing 1596
municipal income tax returns through the Ohio business gateway. 1597

(2) The commissioner shall consult with the Ohio business 1598
gateway steering committee before adopting the rules described in 1599
division ~~(H)~~(F)(1) of this section. 1600

~~(I)~~(G) Nothing in this section shall be construed as limiting 1601
or removing the ~~ability~~ authority of any municipal corporation to 1602
administer, audit, and enforce the provisions of its municipal 1603
income tax. 1604

(H) Upon the request of a tax administrator, the tax 1605
commissioner shall provide to the tax administrator any municipal 1606
income tax data the commissioner has acquired under Chapter 5745. 1607
of the Revised Code. 1608

Sec. 718.052. (A) Each member of the national guard of any 1609
state and each member of a reserve component of the armed forces 1610
of the United States called to active duty pursuant to an 1611
executive order issued by the president of the United States or an 1612
act of the congress of the United States, and each civilian 1613
serving as support personnel in a combat zone or contingency 1614
operation in support of the armed forces, may apply to the tax 1615
administrator of a municipal corporation for both an extension of 1616
time for filing of the return and an extension of time for payment 1617
of taxes required by the municipal corporation in accordance with 1618
this chapter during the period of the member's or civilian's duty 1619
service and for one hundred eighty days thereafter. The 1620
application shall be filed on or before the one hundred eightieth 1621
day after the member's or civilian's duty terminates. An applicant 1622
shall provide such evidence as the tax administrator considers 1623
necessary to demonstrate eligibility for the extension. 1624

(B)(1) If the tax administrator ascertains that an applicant 1625
is qualified for an extension under this section, the tax 1626

administrator shall enter into a contract with the applicant for 1627
the payment of the tax in installments that begin on the one 1628
hundred eighty-first day after the applicant's active duty or 1629
service terminates. Except as provided in division (B)(3) of this 1630
section, the tax administrator may prescribe such contract terms 1631
as the tax administrator considers appropriate. If the amount owed 1632
is two thousand four hundred dollars or less, the contract shall 1633
be for not longer than twelve months. If the amount owed is more 1634
than two thousand four hundred dollars, the contract shall be for 1635
not longer than twenty-four months. 1636

(2) If the tax administrator ascertains that an applicant is 1637
qualified for an extension under this section, the applicant shall 1638
neither be required to file any return, report, or other tax 1639
document nor be required to pay any tax otherwise due to the 1640
municipal corporation before the one hundred eighty-first day 1641
after the applicant's active duty or service terminates. 1642

(3) Taxes paid pursuant to a contract entered into under 1643
division (B)(1) of this section are not delinquent. The tax 1644
administrator shall not require any payments of penalties, 1645
interest penalties, or interest in connection with those taxes for 1646
the extension period. 1647

(C)(1) Nothing in this division denies to any person 1648
described in this division the application of divisions (A) and 1649
(B) of this section. 1650

(2)(a) A qualifying taxpayer who is eligible for an extension 1651
under the Internal Revenue Code shall receive both an extension of 1652
time in which to file any return, report, or other tax document 1653
and an extension of time in which to make any payment of taxes 1654
required by a municipal corporation in accordance with this 1655
chapter. The length of any extension granted under division 1656
(C)(2)(a) of this section shall be equal to the length of the 1657
corresponding extension that the taxpayer receives under the 1658

Internal Revenue Code. As used in this section, "qualifying taxpayer" means a member of the national guard, or a member of the reserve component of the armed forces of the United States, who is called to active duty pursuant to either an executive order issued by the president of the United States or an act of the congress of the United States. 1659
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(b) Taxes whose payment is extended in accordance with division (C)(2)(a) of this section are not delinquent during the extension period. Such taxes become delinquent on the first day after the expiration of the extension period if the taxes are not paid prior to that date. The tax administrator shall not require any payment of penalties, interest penalties, or interest in connection with those taxes for the extension period. The tax administrator shall not include any period of extension granted under division (C)(2)(a) of this section in calculating the penalty, interest penalty, or interest due on any unpaid tax. 1665
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(D) For each taxable year to which division (A), (B), or (C) of this section applies to a taxpayer, the provisions of divisions (B)(2) and (3) or (C) of this section, as applicable, apply to the spouse of that taxpayer if the filing status of the spouse and the taxpayer is married filing jointly for that year. 1675
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Sec. 718.06. (A) As used in this section: 1680

(1) "Consolidated federal income tax return" means a consolidated return filed for federal income tax purposes pursuant to section 1501 of the Internal Revenue Code. 1681
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(2) "Consolidated federal taxable income" means the consolidated taxable income of an affiliated group of corporations, as computed for the purposes of filing a consolidated federal income tax return, before consideration of net operating losses or special deductions. 1684
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(B) For taxable years beginning on or after January 1, 2015, 1689
a taxpayer that is a member of an affiliated group of corporations 1690
may elect to file a consolidated municipal income tax return for a 1691
taxable year if at least one member of the affiliated group is 1692
subject to the municipal income tax in that taxable year and if 1693
the affiliated group filed a consolidated federal income tax 1694
return with respect to that taxable year. 1695

(C) A taxpayer shall prepare a consolidated municipal income 1696
tax return in the same manner as is required under the United 1697
States department of treasury regulations that prescribe 1698
procedures for the preparation of the consolidated federal income 1699
tax return required to be filed by the common parent of the 1700
affiliated group of which the taxpayer is a member. 1701

(D)(1) Except as otherwise provided in divisions (D)(2) and 1702
(3) of this section, corporations that elect to file a 1703
consolidated municipal income tax return shall compute adjusted 1704
federal taxable income, as defined in section 718.01 of the 1705
Revised Code, by substituting "consolidated federal taxable 1706
income" for "federal taxable income" wherever "federal taxable 1707
income" appears in that division and by substituting "an 1708
affiliated group of corporation's" for "a C corporation's" 1709
wherever "a C corporation's" appears in that division. 1710

(2) No corporation electing to file a consolidated municipal 1711
income tax return shall make any adjustment otherwise required 1712
under division (E) of section 718.01 of the Revised Code to the 1713
extent that the item of income or deduction otherwise subject to 1714
the adjustment has been eliminated or consolidated in the 1715
computation of consolidated federal taxable income. 1716

(3) If eighty per cent or more of the net profit or loss of a 1717
pass-through entity is included in an affiliated group's 1718
consolidated federal taxable income, both of the following shall 1719
apply: 1720

(a) The pass-through entity shall not be required to collect and remit the tax described in section 718.43 of the Revised Code on the portion of the entity's net profits that are included in the consolidated federal taxable income of the affiliated group. 1721
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(b) For the purposes of making the computations required under section 718.02 of the Revised Code, the property, payroll, and gross receipts of the pass-through entity shall be included in the calculation of the affiliated group's net profit sitused to a municipal corporation. 1725
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(4) If less than eighty per cent of the net profit or loss of a pass-through entity is included in an affiliated group's consolidated federal taxable income, all of the following shall apply: 1730
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1733

(a) The pass-through entity is required to collect and remit the tax described in section 718.43 of the Revised Code on the portion of the entity's net profits that are included in the consolidated federal taxable income of the affiliated group. 1734
1735
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(b) For the purposes of making the computations required under section 718.02 of the Revised Code, the property, payroll, and gross receipts of the pass-through entity shall not be included in the calculation of the affiliated group's net profit sitused to a municipal corporation. 1738
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(c) The affiliated group shall deduct from the group's consolidated federal taxable income any portion of the net profit of the pass-through entity that is included in the consolidated federal taxable income of affiliated group. 1743
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(d) The affiliated group shall add back to the group's consolidated federal taxable income any amount of loss incurred by the pass-through entity that is included in the consolidated federal taxable income of affiliated group. 1747
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(E) Corporations electing to file a consolidated municipal 1751

income tax return shall make the computations required under 1752
section 718.02 of the Revised Code by substituting "consolidated 1753
federal taxable income attributable to" for "net profit from" 1754
wherever "net profit from" appears in that section and by 1755
substituting "affiliated group of corporations" for "taxpayer" 1756
wherever "taxpayer" appears in that section. 1757

(F) Each corporation electing to file a consolidated 1758
municipal income tax return is jointly and severally liable for 1759
any tax, interest, penalties, fines, charges, or other amounts 1760
imposed by a municipal corporation in accordance with this chapter 1761
on the corporation, an affiliated group of which the corporation 1762
is a member for any portion of the taxable year, or any one or 1763
more members of such an affiliated group. 1764

(G) Once a taxpayer has elected to file a consolidated 1765
municipal income tax return, or once a tax administrator has 1766
required the taxpayer to file such a return, for any taxable year, 1767
the taxpayer shall continue to file consolidated municipal income 1768
tax returns in each subsequent taxable year unless the taxpayer 1769
receives written permission from the tax administrator to file a 1770
separate return for a taxable year. 1771

(H) Corporations that made an election with a municipal 1772
corporation before January 1, 2015, to file a consolidated tax 1773
return with such municipal corporation in a manner similar to that 1774
provided in division (B) of this section shall continue to file 1775
consolidated tax returns in such manner unless the corporations 1776
obtain permission from the tax administrator to discontinue such 1777
filing. 1778

Sec. 718.07. ~~On and after January 1, 2002, each~~ The tax 1779
administrator of a municipal corporation that imposes a tax on 1780
income in accordance with this chapter shall make electronic 1781
versions of any rules or ordinances governing the tax available to 1782

the public through the internet, including, but not limited to, 1783
ordinances or rules governing the rate of tax; payment and 1784
withholding of taxes; filing any prescribed returns, reports, or 1785
other documents; dates for filing or paying taxes, including 1786
estimated taxes; penalties, interest, assessment, and other 1787
collection remedies; rights of taxpayers to appeal; and procedures 1788
for filing appeals. ~~On and after that date, any municipal~~ 1789
~~corporation that requires taxpayers to file income tax returns,~~ 1790
~~reports, or other documents~~ The tax administrator shall make 1791
blanks of ~~such~~ any prescribed returns, reports, or documents, and 1792
any instructions pertaining thereto, available to the public 1793
electronically through the internet. Electronic versions of rules, 1794
ordinances, blanks, and instructions shall be made available 1795
~~either~~ by posting them on the electronic site established by the 1796
tax commissioner under section 5703.49 of the Revised Code ~~or~~ and, 1797
if the municipal corporation or tax administrator maintains an 1798
electronic site for the posting of such documents that is 1799
accessible through the internet, by posting them on ~~an~~ that 1800
electronic site ~~established by the municipal corporation that is~~ 1801
~~accessible through the internet.~~ If a municipal corporation or tax 1802
administrator establishes such an electronic site, the municipal 1803
corporation shall incorporate an electronic link between that site 1804
and the site established pursuant to section 5703.49 of the 1805
Revised Code, and shall provide to the tax commissioner the 1806
uniform resource locator of the site established pursuant to this 1807
division. 1808

Sec. 718.08. (A) As used in this section: 1809

(1) "Estimated taxes" means the amount that the taxpayer 1810
reasonably estimates to be the taxpayer's tax liability for a 1811
municipal corporation's income tax for the current taxable year. 1812

(2) "Tax liability" means the total taxes due for the taxable 1813

year, after allowing any credit to which the taxpayer is entitled, 1814
but prior to applying any estimated tax payment, withholding 1815
payment, or credit from another taxable year. 1816

(3) "Taxes paid" include payments of estimated taxes made 1817
under division (C) of this section, taxes withheld from the 1818
taxpayer's compensation, taxes collected on behalf of the taxpayer 1819
by a pass-through entity under section 718.43 of the Revised Code, 1820
and tax credits applied by the taxpayer in payment of estimated 1821
taxes. 1822

(B)(1) Every taxpayer shall make a declaration of estimated 1823
taxes for the current taxable year, in the form prescribed by the 1824
municipal tax policy board under section 718.42 of the Revised 1825
Code, if the amount payable as estimated taxes, less the amount to 1826
be withheld from the taxpayer's compensation, is more than two 1827
hundred dollars. For the purposes of this section: 1828

(a) Taxes withheld from compensation shall be considered as 1829
paid in equal amounts on each payment date unless the taxpayer 1830
establishes the dates on which all amounts were actually withheld, 1831
in which case the amounts withheld shall be considered as paid on 1832
the dates on which the amounts were actually withheld. 1833

(b) Tax refunds applied as credits to a subsequent taxable 1834
year are deemed to be paid on the date the taxpayer files a return 1835
showing the credits to be applied. 1836

(c) Taxes collected on behalf of the taxpayer by a 1837
pass-through entity under section 718.43 of the Revised Code are 1838
deemed to be paid on the date the pass-through entity is required 1839
to collect and remit the taxes under that section. 1840

(d) Taxes withheld by a casino operator or by a lottery sales 1841
agent under section 718.031 of the Revised Code are deemed to be 1842
paid on the date the taxes are withheld from the taxpayer's 1843
winnings. 1844

(2) Taxpayers filing joint returns shall file joint 1845
declarations of estimated taxes. A taxpayer may amend a 1846
declaration under rules prescribed by the municipal tax policy 1847
board. A taxpayer having a taxable year of less than twelve months 1848
shall make a declaration under rules prescribed by the municipal 1849
tax policy board. The declaration of estimated taxes for an 1850
individual under a disability shall be made and filed by the 1851
person who is required to file the income tax return. 1852

(3) The declaration of estimated taxes shall be filed on or 1853
before the date prescribed for the filing of municipal income tax 1854
returns under division (F) of section 718.05 of the Revised Code 1855
or on or before the fifteenth day of the fourth month after the 1856
taxpayer becomes subject to tax for the first time. 1857

(4) Taxpayers reporting on a fiscal year basis shall file a 1858
declaration on or before the fifteenth day of the fourth month 1859
after the beginning of each fiscal year or period. 1860

(5) The declaration shall be filed upon a form prescribed by 1861
the municipal tax policy board. 1862

(6) The original declaration or any subsequent amendment may 1863
be increased or decreased on or before any subsequent quarterly 1864
payment day as provided in this section. 1865

(C)(1) The required portion of the tax liability for the 1866
taxable year that shall be paid through estimated taxes made 1867
payable to the municipal corporation or tax administrator, 1868
including the application of tax refunds to estimated taxes, and 1869
withholding on or before the applicable payment date shall be as 1870
follows: 1871

(a) On or before the fifteenth day of the fourth month after 1872
the beginning of the taxable year, twenty-two and one-half per 1873
cent of the tax liability for the taxable year; 1874

(b) On or before the fifteenth day of the sixth month after 1875

the beginning of the taxable year, forty-five per cent of the tax liability for the taxable year; 1876
1877

(c) On or before the fifteenth day of the ninth month after the beginning of the taxable year, sixty-seven and one-half per cent of the tax liability for the taxable year; 1878
1879
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(d) On or before the fifteenth day of the twelfth month of the taxable year, ninety per cent of the tax liability for the taxable year. 1881
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(2) When an amended return has been filed, the unpaid balance shown due on the amended return shall be paid in equal installments on or before the remaining payment dates. 1884
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1886

(3) On or before the last day of the fourth month of the year following that for which the declaration or amended declaration was filed, an annual return shall be filed and any balance which may be due shall be paid with the return in accordance with section 718.05 of the Revised Code. 1887
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(D)(1) In the case of any underpayment of estimated taxes, a penalty shall be added to the taxes for the taxable year computed as interest at the rate per annum prescribed by section 5703.47 of the Revised Code upon the amount of underpayment for the period of underpayment, unless the underpayment is due to reasonable cause as described in division (E) of this section. The amount of the underpayment shall be determined as follows: 1892
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(a) For the first payment of estimated taxes each year, twenty-two and one-half per cent of the tax liability, less the amount of taxes paid by the date prescribed for that payment; 1899
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(b) For the second payment of estimated taxes each year, forty-five per cent of the tax liability, less the amount of taxes paid by the date prescribed for that payment; 1902
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(c) For the third payment of estimated taxes each year, 1905

sixty-seven and one-half per cent of the tax liability, less the amount of taxes paid by the date prescribed for that payment; 1906
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(d) For the fourth payment of estimated taxes each year, ninety per cent of the tax liability, less the amount of taxes paid by the date prescribed for that payment. 1908
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(2) The period of the underpayment shall run from the day the estimated payment was required to be made to the date on which the payment is made. For purposes of this section, a payment of estimated taxes on or before any payment date shall be considered a payment of any previous underpayment only to the extent the payment of estimated taxes exceeds the amount of the payment presently required to be paid to avoid any penalty. 1911
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(3) The penalty imposed under division (D) of this section shall be in lieu of any other interest charge or penalty imposed for failure to file an estimated return and make estimated payments as required by this section. 1918
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(E)(1) An underpayment of estimated taxes determined under division (D) of this section shall be due to reasonable cause and the penalty imposed by this section shall not be added to the taxes for the taxable year if any of the following apply: 1922
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(a) The amount of tax that was paid equals at least ninety per cent of the tax liability for the current taxable year, determined by annualizing the income received during the year up to the end of the month immediately preceding the month in which the payment is due. 1926
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(b) The amount of tax that was paid equals at least one hundred per cent of the tax liability shown on the return of the taxpayer for the preceding taxable year, provided that the immediately preceding taxable year reflected a period of twelve months and the taxpayer filed a return with the municipal corporation under section 718.05 of the Revised Code for that 1931
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<u>year.</u>	1937
<u>(c) The taxpayer is an individual who resides in the</u>	1938
<u>municipal corporation but was not domiciled there on the first day</u>	1939
<u>of January of the current calendar year.</u>	1940
<u>(2) The tax administrator may waive the requirement for</u>	1941
<u>filing a declaration of estimated taxes for any class of taxpayers</u>	1942
<u>after finding that the waiver is reasonable and proper in view of</u>	1943
<u>administrative costs and other factors.</u>	1944
Sec. 718.09. (A) This section applies to either of the	1945
following:	1946
(1) A municipal corporation that shares the same territory as	1947
a city, local, or exempted village school district, to the extent	1948
that not more than five per cent of the territory of the municipal	1949
corporation is located outside the school district and not more	1950
than five per cent of the territory of the school district is	1951
located outside the municipal corporation;	1952
(2) A municipal corporation that shares the same territory as	1953
a city, local, or exempted village school district, to the extent	1954
that not more than five per cent of the territory of the municipal	1955
corporation is located outside the school district, more than five	1956
per cent but not more than ten per cent of the territory of the	1957
school district is located outside the municipal corporation, and	1958
that portion of the territory of the school district that is	1959
located outside the municipal corporation is located entirely	1960
within another municipal corporation having a population of four	1961
hundred thousand or more according to the federal decennial census	1962
most recently completed before the agreement is entered into under	1963
division (B) of this section.	1964
(B) The legislative authority of a municipal corporation to	1965
which this section applies may propose to the electors an income	1966

tax, one of the purposes of which shall be to provide financial 1967
assistance to the school district through payment to the district 1968
of not less than twenty-five per cent of the revenue generated by 1969
the tax, except that the legislative authority may not propose to 1970
levy the income tax on the incomes of nonresident individuals. 1971
Prior to proposing the tax, the legislative authority shall 1972
negotiate and enter into a written agreement with the board of 1973
education of the school district specifying the tax rate, the 1974
percentage of tax revenue to be paid to the school district, the 1975
purpose for which the school district will use the money, the 1976
first year the tax will be levied, which shall be the first year 1977
after the year in which the levy is approved or any later year, 1978
the date of the special election on the question of the tax, and 1979
the method and schedule by which the municipal corporation will 1980
make payments to the school district. The special election shall 1981
be held on a day specified in division (D) of section 3501.01 of 1982
the Revised Code, except that the special election may not be held 1983
on the day for holding a primary election as authorized by the 1984
municipal corporation's charter unless the municipal corporation 1985
is to have a primary election on that day. 1986

After the legislative authority and board of education have 1987
entered into the agreement, the legislative authority shall 1988
provide for levying the tax by ordinance. The ordinance shall 1989
include the provisions described in division (A) of section 718.04 1990
of the Revised Code and shall state the tax rate, the percentage 1991
of tax revenue to be paid to the school district, the purpose for 1992
which the municipal corporation will use its share of the tax 1993
revenue, the first year the tax will be levied, and that the 1994
question of the income tax will be submitted to the electors of 1995
the municipal corporation. The legislative authority also shall 1996
adopt a resolution specifying the regular or special election date 1997
the election will be held and directing the board of elections to 1998
conduct the election. At least ninety days before the date of the 1999

election, the legislative authority shall file certified copies of the ordinance and resolution with the board of elections.

(C) The board of elections shall make the necessary arrangements for the submission of the question to the electors of the municipal corporation, and shall conduct the election in the same manner as any other municipal income tax election. Notice of the election shall be published in a newspaper of general circulation in the municipal corporation once a week for four consecutive weeks, or as provided in section 7.16 of the Revised Code, prior to the election, and shall include statements of the rate and municipal corporation and school district purposes of the income tax, the percentage of tax revenue that will be paid to the school district, and the first year the tax will be levied. The ballot shall be in the following form:

"Shall the ordinance providing for a per cent levy on income for (brief description of the municipal corporation and school district purposes of the levy, including a statement of the percentage of tax revenue that will be paid to the school district) be passed? The income tax, if approved, will not be levied on the incomes of individuals who do not reside in (the name of the municipal corporation).

	For the income tax
	Against the income tax

(D) If the question is approved by a majority of the electors, the municipal corporation shall impose the income tax beginning ~~in~~ on the first day of January of the year specified in the ordinance. The proceeds of the levy may be used only for the specified purposes, including payment of the specified percentage to the school district.

Sec. 718.10. (A) This section applies to a group of two or 2031
more municipal corporations that, taken together, share the same 2032
territory as a single city, local, or exempted village school 2033
district, to the extent that not more than five per cent of the 2034
territory of the municipal corporations as a group is located 2035
outside the school district and not more than five per cent of the 2036
territory of the school district is located outside the municipal 2037
corporations as a group. 2038

(B) The legislative authorities of the municipal corporations 2039
in a group of municipal corporations to which this section applies 2040
each may propose to the electors an income tax, to be levied in 2041
concert with income taxes in the other municipal corporations of 2042
the group, except that a legislative authority may not propose to 2043
levy the income tax on the incomes of individuals who do not 2044
reside in the municipal corporation. One of the purposes of such a 2045
tax shall be to provide financial assistance to the school 2046
district through payment to the district of not less than 2047
twenty-five per cent of the revenue generated by the tax. Prior to 2048
proposing the taxes, the legislative authorities shall negotiate 2049
and enter into a written agreement with each other and with the 2050
board of education of the school district specifying the tax rate, 2051
the percentage of the tax revenue to be paid to the school 2052
district, the first year the tax will be levied, which shall be 2053
the first year after the year in which the levy is approved or any 2054
later year, and the date of the election on the question of the 2055
tax, all of which shall be the same for each municipal 2056
corporation. The agreement also shall state the purpose for which 2057
the school district will use the money, and specify the method and 2058
schedule by which each municipal corporation will make payments to 2059
the school district. The special election shall be held on a day 2060
specified in division (D) of section 3501.01 of the Revised Code, 2061
including a day on which all of the municipal corporations are to 2062

have a primary election. 2063

After the legislative authorities and board of education have 2064
entered into the agreement, each legislative authority shall 2065
provide for levying its tax by ordinance. Each ordinance shall 2066
include the provisions described in division (A) of section 718.04 2067
of the Revised Code and shall state the rate of the tax, the 2068
percentage of tax revenue to be paid to the school district, the 2069
purpose for which the municipal corporation will use its share of 2070
the tax revenue, and the first year the tax will be levied. Each 2071
ordinance also shall state that the question of the income tax 2072
will be submitted to the electors of the municipal corporation on 2073
the same date as the submission of questions of an identical tax 2074
to the electors of each of the other municipal corporations in the 2075
group, and that unless the electors of all of the municipal 2076
corporations in the group approve the tax in their respective 2077
municipal corporations, none of the municipal corporations in the 2078
group shall levy the tax. Each legislative authority also shall 2079
adopt a resolution specifying the regular or special election date 2080
the election will be held and directing the board of elections to 2081
conduct the election. At least ninety days before the date of the 2082
election, each legislative authority shall file certified copies 2083
of the ordinance and resolution with the board of elections. 2084

(C) For each of the municipal corporations, the board of 2085
elections shall make the necessary arrangements for the submission 2086
of the question to the electors, and shall conduct the election in 2087
the same manner as any other municipal income tax election. For 2088
each of the municipal corporations, notice of the election shall 2089
be published in a newspaper of general circulation in the 2090
municipal corporation once a week for four consecutive weeks, or 2091
as provided in section 7.16 of the Revised Code, prior to the 2092
election. The notice shall include a statement of the rate and 2093
municipal corporation and school district purposes of the income 2094

tax, the percentage of tax revenue that will be paid to the school district, and the first year the tax will be levied, and an explanation that the tax will not be levied unless an identical tax is approved by the electors of each of the other municipal corporations in the group. The ballot shall be in the following form:

"Shall the ordinance providing for a ... per cent levy on income for (brief description of the municipal corporation and school district purposes of the levy, including a statement of the percentage of income tax revenue that will be paid to the school district) be passed? The income tax, if approved, will not be levied on the incomes of individuals who do not reside in (the name of the municipal corporation). In order for the income tax to be levied, the voters of (the other municipal corporations in the group), which are also in the (name of the school district) school district, must approve an identical income tax and agree to pay the same percentage of the tax revenue to the school district.

	For the income tax
	Against the income tax

"

(D) If the question is approved by a majority of the electors and identical taxes are approved by a majority of the electors in each of the other municipal corporations in the group, the municipal corporation shall impose the tax beginning ~~in~~ on the first day of January of the year specified in the ordinance. The proceeds of the levy may be used only for the specified purposes, including payment of the specified percentage to the school district.

Sec. 718.11. (A)(1) The legislative authority of each municipal corporation that imposes a tax on income in accordance

with this chapter shall maintain a local board of tax review to 2126
hear appeals as provided in this section. The legislative 2127
authority of any municipal corporation that does not impose a tax 2128
on income on ~~the effective date of this amendment~~ June 26, 2003, 2129
but that imposes such a tax after that date, shall establish such 2130
a board by ordinance not later than one hundred eighty days after 2131
the tax takes effect. 2132

(2) The local board of tax review shall consist of three 2133
members. Two members shall be appointed by the legislative 2134
authority of the municipal corporation, but such appointees may 2135
not be employees, elected officials, or contractors with the 2136
municipal corporation at any time during their term or in the five 2137
years immediately preceding the date of appointment. One member 2138
shall be appointed by the top administrative official of the 2139
municipal corporation. This member may be an employee of the 2140
municipal corporation, but may not be the director of finance or 2141
equivalent officer, or the tax administrator or other similar 2142
official or an employee directly involved in municipal tax 2143
matters, or any direct subordinate thereof. 2144

(3) The term for members of the local board of tax review 2145
appointed by the legislative authority of the municipal 2146
corporation shall be two years. The board member appointed by the 2147
top administrative official of the municipal corporation shall 2148
serve at the discretion of the administrative official. 2149

(4) Members of the board of tax review appointed by the 2150
legislative authority may be removed by the legislative authority 2151
by majority vote for malfeasance, misfeasance, or nonfeasance in 2152
office. To remove such a member, the legislative authority must 2153
give the member a copy of the charges against the member and 2154
afford the member an opportunity to be publicly heard in person or 2155
by counsel in the member's own defense upon not less than ten 2156
days' notice. The decision by the legislative authority on the 2157

charges is final and not appealable. 2158

(5) A member of the board who, for any reason, ceases to meet 2159
the qualifications for the position prescribed by this section 2160
shall resign immediately by operation of law. 2161

(6) A vacancy in an unexpired term shall be filled in the 2162
same manner as the original appointment within sixty days of when 2163
the vacancy was created. Any member appointed to fill a vacancy 2164
occurring prior to the expiration of the term for which the 2165
member's predecessor was appointed shall hold office for the 2166
remainder of such term. No vacancy on the board shall impair the 2167
power and authority of the remaining members to exercise all the 2168
powers of the board. 2169

(B) Whenever a tax administrator issues a ~~decision~~ an 2170
assessment regarding a an underpayment of municipal income tax 2171
obligation that is subject to appeal as provided in this section 2172
or in an ordinance or regulation of the municipal corporation or 2173
denies a qualified refund claim, the tax administrator shall 2174
notify the taxpayer in writing at the same time of the taxpayer's 2175
right to appeal the ~~decision~~ assessment or denial and of the 2176
manner in which the taxpayer may appeal the ~~decision~~ assessment or 2177
denial. 2178

(C) Any person who ~~is aggrieved by a decision by the tax~~ 2179
administrator and who has filed with the municipal corporation the 2180
required returns or other documents pertaining to the municipal 2181
income tax obligation at issue in the decision has been issued an 2182
assessment may appeal the ~~decision~~ assessment to the board created 2183
pursuant to this section by filing a request with the board. The 2184
request shall be in writing, shall ~~state~~ specify the reason or 2185
reasons why the ~~decision~~ assessment should be deemed incorrect or 2186
unlawful, and shall be filed within ~~thirty~~ sixty days after the 2187
~~tax administrator issues~~ taxpayer receives the ~~decision complained~~ 2188
of assessment. 2189

(D) The local board of tax review shall schedule a hearing to 2190
be held within forty-five sixty days after receiving the request 2191
an appeal of an assessment under division (C) of this section, 2192
unless the taxpayer requests additional time to prepare or 2193
waives a hearing. If the taxpayer does not waive the hearing, the 2194
taxpayer may appear before the board and may be represented by an 2195
attorney at law, certified public accountant, or other 2196
representative. The board may allow a hearing to be continued as 2197
jointly agreed to by the parties, but the hearing must be 2198
completed within one hundred twenty days after the first day of 2199
the hearing. 2200

(E) The board may affirm, reverse, or modify the tax 2201
administrator's ~~decision~~ assessment or any part of that ~~decision~~ 2202
assessment. The board shall issue a final ~~decision~~ determination 2203
on the appeal within ninety days after the board's final hearing 2204
on the appeal, and send a copy of its final ~~decision~~ determination 2205
by ordinary mail to all of the parties to the appeal within 2206
fifteen days after issuing the ~~decision~~ final determination. The 2207
taxpayer or the tax administrator may appeal the board's ~~decision~~ 2208
final determination as provided in section 5717.011 of the Revised 2209
Code. 2210

~~Each~~ (F) The local board of appeal tax review created 2211
pursuant to this section shall adopt rules governing its 2212
procedures and shall keep a record of its transactions. Such 2213
records are not public records available for inspection under 2214
section 149.43 of the Revised Code. Hearings requested by a 2215
taxpayer before a local board of appeal tax review created 2216
pursuant to this section are not meetings of a public body subject 2217
to section 121.22 of the Revised Code. 2218

(G) The tax administrator of a municipal corporation that 2219
imposes a tax on income in accordance with this chapter shall post 2220
on the web site of the tax administrator or on the web site of the 2221

municipal corporation the rules of the local board of tax review, 2222
the names of the board members, and the address to which appeals 2223
and other correspondence must be sent. Any tax administrator that 2224
fails to comply with this division shall not be permitted to 2225
impose penalties or interest under section 718.27 of the Revised 2226
Code on any taxpayer until compliance is attained. 2227

Sec. 718.12. (A)(1) If an employer, agent of an employer, or 2228
other payer collects a tax levied in accordance with this chapter 2229
and fails to remit the tax as required by law, or fails to collect 2230
the tax, the employer, agent of the employer, or other payer is 2231
personally liable for any amount collected and not remitted, or 2232
any amount not collected. If any taxpayer fails to file a return 2233
or fails to pay a tax levied in accordance with this chapter, the 2234
taxpayer is personally liable for the amount of the tax. 2235

(2) If a taxpayer, employer, agent of an employer, or other 2236
payer required to file a return as required by this chapter fails 2237
to file the return within the time prescribed, files an incorrect 2238
return, fails to remit the full amount of the taxes due for the 2239
period covered by the return, or fails to remit any additional tax 2240
due together with interest on the additional tax within the 2241
prescribed time, the tax administrator of such municipal 2242
corporation, based on any information in that tax administrator's 2243
possession, may issue an assessment against any person liable for 2244
any deficiency for the period for which the return is due or for 2245
which the taxes are due. 2246

(3) An assessment issued against the taxpayer or against the 2247
employer, agent of the employer, or other payer pursuant to this 2248
section shall not be considered an election of remedies or a bar 2249
to an assessment against the other for failure to report or pay 2250
the same tax. No assessment shall be issued against any person if 2251
the tax has been paid by another. An assessment that has been paid 2252

by another shall be canceled. 2253

(4) The tax administrator of a municipal corporation shall 2254
give the party assessed, whether pursuant to this section or 2255
division (B) of section 718.02 of the Revised Code, written notice 2256
of the assessment in the manner provided in section 718.18 of the 2257
Revised Code. With the notice, the tax administrator shall provide 2258
instructions on how to appeal the assessment and request a hearing 2259
on the appeal at the local board of tax review. 2260

(B) Except as provided in this division, no assessment shall 2261
be issued against a taxpayer, employer, agent of an employer, or 2262
other payer more than three years after the final date the return 2263
subject to the assessment was required to be filed or the date the 2264
return was filed, whichever is later. 2265

Subject to division (C) of this section, the tax 2266
administrator may assess any balance due as the result of a 2267
reduction in the credit described in division (G) of section 2268
718.04 of the Revised Code, including applicable penalty and 2269
interest, within three years of the date on which the taxpayer 2270
reports a change in either the portion of the taxpayer's income 2271
subjected to a tax levied in accordance with this chapter or the 2272
amount of tax paid to a municipal corporation pursuant to a tax 2273
levied in accordance with this chapter. 2274

Subject to division (C) of this section, the time limits 2275
prescribed by this division may be extended if both the taxpayer, 2276
employer, agent of the employer, or other payer and the tax 2277
administrator consent in writing to the extension. Any such 2278
extension shall also extend the three-year time limit in division 2279
(B) of section 718.19 of the Revised Code for the same period of 2280
time. 2281

This division does not apply to an assessment against an 2282
employer, agent of an employer, or other payer for taxes withheld 2283

and not remitted to the municipal corporation, against a taxpayer, 2284
employer, agent of an employer, or other payer that fails to file 2285
a return subject to assessment as required by this chapter, or 2286
against a taxpayer, employer, agent of an employer, or other payer 2287
that files a fraudulent return. 2288

(C)(1) Except as provided in division (C)(2) of this section, 2289
the tax administrator shall not issue an assessment for any tax 2290
payable to the municipal corporation that is administered by the 2291
tax administrator, or for any penalty, interest, or additional 2292
charge on such tax, after the expiration of ten years from the 2293
date, including any extension, the tax return or report was due 2294
when such amount was not reported and paid, provided that the 2295
ten-year period shall be extended by the period of any lawful stay 2296
to the assessment. 2297

(2) There is no bar or limit to an assessment against any 2298
person who fraudulently attempts to avoid a tax imposed in 2299
accordance with this chapter. 2300

(D) With or before the issuance of an assessment, the tax 2301
administrator shall provide all of the following to the taxpayer, 2302
employer, agent of the employer, or other payer: 2303

(1) A written description of the basis for the assessment and 2304
any penalty required to be imposed with the assessment; 2305

(2) A written description of the right to appeal the 2306
assessment and an explanation of the steps required to make such 2307
an appeal to the municipal corporation's local board of tax 2308
review, including the address at which such appeals must be filed; 2309

(3) A written description of the collection remedies 2310
available to the tax administrator, including a statement that if 2311
the taxpayer, employer, agent of the employer, or other payer 2312
fails to pay an assessment or appeal to the local board of tax 2313
review within sixty days after service of the notice of 2314

assessment, the tax administrator will certify the amount for 2315
collection, and a summary of the provisions contained in this 2316
chapter that relate to the right to appeal the assessment. 2317

The failure of the tax administrator to comply with division 2318
(D) of this section shall neither excuse a taxpayer from payment 2319
of any taxes owed by the taxpayer nor cure any procedural defect 2320
in a taxpayer's case. If the tax administrator fails to 2321
substantially comply with division (D)(1) of this section, the tax 2322
administrator, upon application by the taxpayer, shall excuse the 2323
taxpayer from penalties and interest arising from the assessment. 2324

(E) An assessment becomes final, with the amount being due 2325
and payable to the municipal corporation, unless the party 2326
assessed files an appeal to the local board of tax review within 2327
sixty days after service of the notice of assessment as provided 2328
in section 718.11 of the Revised Code. The appeal must be signed 2329
by the party assessed or the party's authorized agent having 2330
knowledge of the facts and must be delivered to the local board of 2331
tax review and the tax administrator either personally or by 2332
certified mail. 2333

The tax administrator shall indicate on the assessment how 2334
the party may make remittance. The appeal shall indicate the 2335
objections of the party assessed, but additional objections may be 2336
raised in writing if received by the local board of tax review 2337
before the date the hearing on the appeal commences. If the appeal 2338
has been properly filed, the local board of tax review, tax 2339
administrator, and taxpayer shall proceed under section 718.11 of 2340
the Revised Code. 2341

(F) After an assessment issued by the tax administrator 2342
becomes final, or after a final determination issued by the local 2343
board of tax review becomes final, if any portion of the 2344
assessment or the amount due pursuant to the final determination 2345
remains unpaid, including accrued interest, a certified copy of 2346

the tax administrator's assessment or the local board of tax 2347
review's final determination shall be filed in the office of the 2348
clerk of court of common pleas in the county in which the 2349
municipal corporation is located. An assessment or final 2350
determination shall become final upon the exhaustion of the 2351
assessed party's appellate options or, if no appeal is timely 2352
made, when the time period for making an appeal has expired. 2353

Immediately upon the filing of the assessment or final 2354
determination, the clerk shall enter a judgment against the party 2355
assessed in the amount shown on the assessment or final 2356
determination. The judgment shall have the same effect as other 2357
judgments. Execution shall issue upon the judgment upon the 2358
request of the tax administrator, and all laws applicable to sales 2359
on execution shall apply to sales made under the judgment. 2360

The portion of the assessment not paid within sixty days 2361
after the assessment was issued shall bear interest at the rate 2362
per annum prescribed by section 5703.47 of the Revised Code from 2363
the day the tax administrator issues the assessment until it is 2364
paid. Interest shall be paid in the same manner as the tax and may 2365
be collected by the issuance of an assessment under this section. 2366

(G) If the party assessed files an appeal under division (E) 2367
of this section, the person, on or before the last day the appeal 2368
may be filed, shall pay the assessed amount, including assessed 2369
interest and assessed penalties, if any of the following 2370
conditions exists: 2371

(1) The person files a tax return reporting municipal taxable 2372
income in an amount less than one cent and the reported amount is 2373
not based on the computations required under this chapter. 2374

(2) The person files a tax return that the tax administrator 2375
determines to be incomplete, false, fraudulent, or frivolous. 2376

(3) The person fails to file a tax return, and the basis for 2377

this failure is not either of the following: 2378

(a) An assertion that the person has no nexus with the 2379
municipal corporation; 2380

(b) The computations required under this chapter or the 2381
application of credits allowed in accordance with this chapter 2382
have the result that the person's tax liability is less than five 2383
dollars and one cent. 2384

(H)(1) Notwithstanding the fact that an appeal is pending, 2385
the petitioner may pay all or a portion of the assessment that is 2386
the subject of the appeal. The acceptance of a payment by the 2387
municipal corporation does not prejudice any claim for refund upon 2388
final determination of the appeal. 2389

(2) If upon final determination of the appeal an error in the 2390
assessment is corrected by the tax administrator, upon an appeal 2391
so filed or pursuant to a decision of the local board of tax 2392
review created under section 718.11 of the Revised Code, of the 2393
Ohio board of tax appeals, or any court to which the decision of 2394
the Ohio board of tax appeals has been appealed, so that the 2395
amount due from the party assessed under the corrected assessment 2396
is less than the amount paid, there shall be issued to the 2397
appellant or to the appellant's assigns or legal representative a 2398
refund in the amount of the overpayment as provided by section 2399
718.19 of the Revised Code, with interest on that amount as 2400
provided by that section. 2401

Sec. 718.121. (A) Except as provided in division (B) of this 2402
section, if tax or withholding is paid to a municipal corporation 2403
on income or wages, and if a second municipal corporation imposes 2404
or assesses a tax on that income or wages after the time period 2405
allowed for a refund of the tax or withholding paid to the first 2406
municipal corporation, the second municipal corporation shall 2407
allow a nonrefundable credit, against the tax or withholding the 2408

second municipality claims is due with respect to such income or wages, equal to the tax or withholding paid to the first municipal corporation with respect to such income or wages.

(B) If the tax rate in the second municipal corporation is less than the tax rate in the first municipal corporation, then the credit described in division (A) of this section shall be calculated using the tax rate in effect in the second municipal corporation.

(C) If the tax rate in the second municipal corporation is greater than the tax rate in the first municipal corporation, the tax due in excess of the credit afforded is to be paid to the second municipal corporation, along with any interest accruing thereto during the period of nonpayment.

(D) Nothing in this section permits any credit carryforward.

Sec. 718.13. (A) Any information gained as a result of returns, investigations, hearings, or verifications required or authorized by this chapter or by a charter or ordinance of a municipal corporation levying an income tax pursuant to this chapter is confidential, and no person shall access or disclose such information except in accordance with a proper judicial order or in connection with the performance of that person's official duties or the official business of the municipal corporation as authorized by this chapter or the charter or ordinance authorizing the levy. The tax administrator of the municipal corporation or a designee thereof may furnish copies of returns filed or otherwise received under this chapter and other related tax information to the internal revenue service ~~and to~~, the tax commissioner, and tax administrators of other municipal corporations.

(B) This section does not prohibit ~~the legislative authority of a municipal corporation, by ordinance or resolution,~~ from authorizing the tax administrator to publish publishing or

disclosing statistics in a form that does not disclose information 2440
with respect to particular taxpayers. 2441

(C)(1) By the fifteenth day of June of each calendar year, 2442
the tax administrator of each municipal corporation shall report 2443
to the municipal tax policy board and the tax commissioner the 2444
amount of tax revenue collected by type of tax and the amount 2445
refunded by type of tax by the municipal corporation during the 2446
preceding calendar year. The tax commissioner shall include a 2447
summary of all such reports in the annual report issued under 2448
section 5703.42 of the Revised Code. 2449

(2) If the tax administrator of a municipal corporation fails 2450
to timely comply with division (C)(1) of this section, the 2451
municipal corporation may not impose any penalty described in 2452
section 718.27 of the Revised Code for any taxable year ending in 2453
the calendar year in which the report was due or any date 2454
thereafter that precedes the date the tax administrator reports 2455
the information. 2456

(3) The municipal tax policy board shall maintain a list of 2457
every municipal corporation that is ineligible to impose penalties 2458
under division (C)(2) of this section and the time period during 2459
which the ineligibility applies. The list shall be posted on the 2460
web site of the department of taxation within thirty days of the 2461
deadline prescribed in division (C)(1) of this section and shall 2462
be updated at least annually. 2463

Sec. 718.18. (A)(1) Subject to division (B) of this section, 2464
a copy of each assessment shall be served upon the person affected 2465
thereby either by personal service, by certified mail, or by a 2466
delivery service authorized under section 5703.056 of the Revised 2467
Code. 2468

(2) With the permission of the person affected by an 2469
assessment, a tax administrator may deliver the assessment through 2470

alternative means as provided in this section, including, but not 2471
limited to, delivery by secure electronic mail. Delivery by such 2472
means satisfies the requirements for delivery under this section. 2473

(B)(1)(a) If certified mail is returned because of an 2474
undeliverable address, a tax administrator shall first utilize 2475
reasonable means to ascertain a new last known address, including 2476
the use of a change of address service offered by the postal 2477
service or an authorized delivery service under section 5703.056 2478
of the Revised Code. If, after using reasonable means, the tax 2479
administrator is unable to ascertain a new last known address, the 2480
assessment is final for purposes of seeking a judgment for 2481
collection sixty days after the assessment sent by certified mail 2482
is first returned to the tax administrator, and the tax 2483
administrator shall deliver the assessment, if applicable, to the 2484
appropriate municipal corporation official for collection. 2485

(b) Notwithstanding delivery for collection under division 2486
(B)(1)(a) of this section, once the tax administrator or other 2487
municipal official, or the designee of either, makes an initial 2488
contact with the person to whom the assessment is directed, the 2489
person may protest an assessment by filing an appeal with the 2490
local board of tax review within sixty days after the initial 2491
contact. The delivery of an assessment under division (B)(1)(a) of 2492
this section is prima facie evidence that delivery is complete and 2493
that the assessment is served. 2494

(2) If mailing of an assessment by certified mail is returned 2495
for some cause other than an undeliverable address, the tax 2496
administrator shall resend the assessment by ordinary mail. The 2497
assessment shall show the date the tax administrator sends the 2498
assessment and include the following statement: 2499

"This assessment is deemed to be served on the addressee 2500
under applicable law ten days from the date this assessment was 2501
mailed by the tax administrator as shown on the assessment, and 2502

all periods within which an appeal may be filed apply from and 2503
after that date." 2504

Unless the mailing is returned because of an undeliverable 2505
address, the mailing of that information is prima facie evidence 2506
that delivery of the assessment was completed ten days after the 2507
tax administrator sent the assessment by ordinary mail and that 2508
the assessment was served. 2509

If the ordinary mail is subsequently returned because of an 2510
undeliverable address, the tax administrator shall proceed under 2511
division (B)(1)(a) of this section. A person may challenge the 2512
presumption of delivery and service under this division in 2513
accordance with division (C) of this section. 2514

(C)(1) A person disputing the presumption of delivery and 2515
service under division (B) of this section bears the burden of 2516
proving by a preponderance of the evidence that the address to 2517
which the assessment was sent was not an address with which the 2518
person was associated at the time the tax administrator originally 2519
mailed the assessment by certified mail. For the purposes of this 2520
section, a person is associated with an address at the time the 2521
tax administrator originally mailed the assessment if, at that 2522
time, the person was residing, receiving legal documents, or 2523
conducting business at the address; or if, before that time, the 2524
person had conducted business at the address and, when the 2525
assessment was mailed, the person's agent or the person's 2526
affiliate was conducting business at the address. For the purposes 2527
of this section, a person's affiliate is any other person that, at 2528
the time the assessment was mailed, owned or controlled at least 2529
twenty per cent, as determined by voting rights, of the 2530
addressee's business. 2531

(2) If the person elects to appeal an assessment that has 2532
otherwise become final and is subject to collection, the person 2533
must do so within sixty days after the initial contact by the 2534

official, or the official's designee, with the person. The 2535
official may enter into a compromise with the person if the person 2536
does not file an appeal with the local board of tax review. 2537

(D) Nothing in this section prohibits the tax administrator 2538
or the tax administrator's designee from delivering an assessment 2539
by personal service. 2540

(E) Collection actions taken upon any assessment being 2541
appealed under division (B)(1)(b) of this section shall be stayed 2542
upon the pendency of an appeal under this section. If an appeal is 2543
filed pursuant to this section on a claim that has been delivered 2544
for collection, the collection activities with respect to the 2545
assessment shall be stayed. 2546

(F) As used in this section: 2547

(1) "Last known address" means the address the tax 2548
administrator has at the time a document is originally sent by 2549
certified mail, or any address the tax administrator can ascertain 2550
using reasonable means such as the use of a change of address 2551
service offered by the postal service or an authorized delivery 2552
service under section 5703.056 of the Revised Code. 2553

(2) "Undeliverable address" means an address to which the 2554
postal service or an authorized delivery service under section 2555
5703.056 of the Revised Code is not able to deliver an assessment, 2556
except when the reason for nondelivery is because the addressee 2557
fails to acknowledge or accept the assessment. 2558

Sec. 718.19. (A) The tax administrator of a municipal 2559
corporation shall refund to employers, other payers, or taxpayers, 2560
with respect to any income or withholding tax levied by the 2561
municipal corporation: 2562

(1) Overpayments of more than five dollars; 2563

(2) Amounts in excess of five dollars paid illegally or 2564

erroneously; 2565

(3) Amounts in excess of five dollars paid on an illegal, 2566
erroneous, or excessive assessment. 2567

(B) Except as otherwise provided in this chapter, 2568
applications for refund shall be filed with the tax administrator, 2569
on the form prescribed by the municipal tax policy board, within 2570
three years from the date of the illegal, erroneous, or excessive 2571
payment of the tax, or within any additional period allowed by 2572
section 718.12 or 718.41 of the Revised Code. If the municipal tax 2573
policy board has not prescribed such a form, then the tax 2574
administrator shall prescribe such a form. 2575

On filing of the refund application, the tax administrator 2576
shall determine the amount of refund due and certify such amount 2577
to the appropriate municipal corporation official for payment. 2578

(C)(1) Interest shall be allowed and paid upon any illegal or 2579
erroneous assessment in excess of five dollars at the rate per 2580
annum prescribed by section 5703.47 of the Revised Code from the 2581
date of the payment of the illegal or erroneous assessment until 2582
the date the refund of such amount is paid. If such refund results 2583
from the filing of a return or report, or the payment accompanying 2584
such return or report, by an employer, other payer, or taxpayer, 2585
rather than from an assessment by the tax administrator, such 2586
interest shall run from a period ninety days after the final 2587
filing date of the annual return until the date the refund is 2588
paid. 2589

(2) Interest shall be allowed and paid at the rate per annum 2590
prescribed by section 5703.47 of the Revised Code upon any 2591
overpayment not described in division (C)(1) of this section and 2592
in excess of five dollars from the date of the overpayment until 2593
the date of the refund of the overpayment, except that if any such 2594
overpayment is refunded within ninety days after the final filing 2595

date of the annual return or ninety days after the return is 2596
filed, whichever is later, no interest shall be allowed on such 2597
overpayment. For purposes of the payment of interest on such 2598
overpayments, no amount of tax, for any taxable year, shall be 2599
treated as having been paid before the date on which the tax 2600
return for that year was due without regard to any extension of 2601
time for filing such return. 2602

(D) An application for a refund that is received after the 2603
last day for filing specified in division (B) of this section 2604
shall be considered to have been filed in a timely manner if any 2605
of the following situations exist: 2606

(1) The application is delivered by the postal service, and 2607
the earliest postal service postmark on the cover in which the 2608
application is enclosed is not later than the last day for filing 2609
the application. 2610

(2) The application is delivered by the postal service, the 2611
only postmark on the cover in which the application is enclosed 2612
was affixed by a private postal meter, the date of that postmark 2613
is not later than the last day for filing the application, and the 2614
application is received within seven days of such last day. 2615

(3) The application is delivered by the postal service, no 2616
postmark date was affixed to the cover in which the application is 2617
enclosed or the date of the postmark so affixed is not legible, 2618
and the application is received within seven days of the last day 2619
for making the application. 2620

(E)(1) On filing of a refund application for a qualified 2621
refund claim, if a tax administrator determines that the amount of 2622
the refund to which the applicant is entitled is less than the 2623
amount claimed in the application, the tax administrator shall 2624
give the applicant written notice of the discrepancy. The notice 2625
shall be sent to the address shown on the application unless the 2626

applicant notifies the tax administrator of a different address. 2627
The notice shall include the following statement printed in 2628
bold-faced capital letters: "THIS DENIAL OF FULL REFUND MAY BE 2629
APPEALED. SEE SEPARATE SHEET REGARDING YOUR APPEAL RIGHTS TO THE 2630
LOCAL BOARD OF TAX REVIEW." The notice shall contain a separate 2631
sheet of paper providing detailed instructions on the procedures 2632
for filing an appeal. The applicant shall have sixty days from the 2633
date the applicant receives the notice to file an appeal with the 2634
local board of tax review. If the applicant fails to file an 2635
appeal within the sixty-day period, the tax administrator shall 2636
take no further action and the denial of the refund, or of any 2637
portion of the refund, becomes final. 2638

(2) On the filing of a refund claim that is made on an 2639
originally filed annual tax return, if a tax administrator 2640
determines that the amount of the refund to which the applicant is 2641
entitled is less than the amount claimed in the application, the 2642
tax administrator shall give the applicant written notice of the 2643
discrepancy, delivered by ordinary mail or in person. The notice 2644
shall be sent to the address shown on the application unless the 2645
applicant notifies the tax administrator of a different address. 2646
The notice shall include the following statement printed in 2647
boldface capital letters: "FULL OR PARTIAL DENIAL OF THIS REFUND 2648
MAY BE CHALLENGED ONLY BY FILING AN AMENDED TAX RETURN. SEE 2649
SEPARATE SHEET REGARDING HOW TO FILE AN AMENDED TAX RETURN." The 2650
notice shall contain a separate sheet of paper providing detailed 2651
instructions on the procedures for filing an amended tax return. 2652

(F) As used in this section, "employer" includes an agent of 2653
an employer, and "withholding tax" has the same meaning as in 2654
section 718.27 of the Revised Code. 2655

Sec. 718.20. If the tax administrator of a municipal 2656
corporation finds that an employer, other payer, or taxpayer 2657

liable for any income or withholding tax levied by the municipal 2658
corporation is about to depart from the state, to remove the 2659
employer's, other payer's, or taxpayer's property therefrom, to 2660
conceal the employer's, other payer's, or taxpayer's self or the 2661
employer's, other payer's, or taxpayer's property, or to do any 2662
other act tending to prejudice or render wholly or partly 2663
ineffectual proceedings to collect such tax, unless such 2664
proceedings are brought without delay, or if the tax administrator 2665
believes that the collection of the amount due from any employer, 2666
other payer, or taxpayer will be jeopardized by delay, the tax 2667
administrator shall give notice of such findings to such employer, 2668
other payer, or taxpayer, together with the demand for an 2669
immediate return and immediate payment of such tax, with an 2670
assessment and penalty, if applicable as provided in section 2671
718.12 of the Revised Code, whereupon such tax shall become 2672
immediately due and payable. In such cases, the tax administrator 2673
may immediately file the tax administrator's entry with the clerk 2674
of the court of common pleas in the same manner and with the same 2675
effect as provided in section 718.12 of the Revised Code, provided 2676
that if such employer, other payer, or taxpayer, within five days 2677
from notice of the assessment, furnishes evidence satisfactory to 2678
the tax administrator that the employer, other payer, or taxpayer 2679
is not in default in making returns or paying or collecting any 2680
municipal income or withholding tax or that the employer, other 2681
payer, or taxpayer will duly return and pay, or post bond 2682
satisfactory to the tax administrator conditioned upon payment of 2683
the tax finally determined to be due, such tax shall not be 2684
payable prior to the time and manner otherwise fixed for payment 2685
under section 718.12 of the Revised Code, and the person assessed 2686
shall be restored to the rights granted the person under such 2687
section. Upon satisfaction of the assessment the tax administrator 2688
shall order the bond canceled, securities released, and judgment 2689

vacated. 2690

As used in this section, "employer" includes an agent of an 2691
employer, and "withholding tax" has the same meaning as in section 2692
718.27 of the Revised Code. 2693

Sec. 718.21. (A) Any nonresident of a municipal corporation 2694
who accepts the privileges extended by the laws of this state or 2695
of the municipal corporation to nonresidents earning or receiving 2696
income in such municipal corporation, and any resident of a 2697
municipal corporation who becomes a nonresident or conceals the 2698
person's whereabouts, thereby makes the secretary of state the 2699
person's agent for the service of process or notice in any 2700
assessment, action, or proceedings instituted against such person 2701
under this chapter, such process or notice shall be served as 2702
provided under section 718.18 of the Revised Code. 2703

(B) For purposes of this chapter, any foreign corporation, 2704
owning or using a part or all of its capital or property in a 2705
municipal corporation, which is not authorized by the secretary of 2706
state to transact business in this state, shall be conclusively 2707
presumed to have designated the secretary of state as its agent 2708
for the service of process in any action against such corporation 2709
to recover taxes which the tax administrator for such municipal 2710
corporation is by law required to administer. Pursuant to such 2711
service, suit may be brought in municipal court, the common pleas 2712
court of the county in which the municipal corporation is located, 2713
or in any county in which such corporation owns or uses its 2714
capital or property. Such service shall be made upon the secretary 2715
of state by leaving with the secretary of state, or with an 2716
assistant secretary of state, triplicate copies of such process, 2717
together with an affidavit of the tax administrator, showing the 2718
last known address of such corporation. Upon receipt of such 2719
process and affidavit the secretary of state shall forthwith give 2720

notice by certified mail to the corporation at the address 2721
specified in the affidavit and forward together therewith a copy 2722
of such process. The secretary of state shall retain a copy of 2723
such process in the secretary of state's files, keep a record of 2724
any such process served upon the secretary of state, and record 2725
therein the time of such service and the secretary of state's 2726
action thereafter with respect thereto. 2727

The provisions of this section do not affect any right to 2728
serve process upon a foreign corporation in any other manner 2729
permitted by law. 2730

Sec. 718.22. (A) The municipal tax policy board may, by rule, 2731
prescribe uniform requirements as to the keeping of records and 2732
other pertinent documents related to the liability of any person 2733
for a tax imposed by a municipal corporation in accordance with 2734
this chapter, and as to the filing of copies of federal income tax 2735
returns and determinations. Such records and other documents shall 2736
be open to the tax administrator's inspection during business 2737
hours and shall be preserved for a period of six years following 2738
the end of the taxable year to which the records or documents 2739
relate, unless the tax administrator, in writing, consents to 2740
their destruction within that period, or by order requires that 2741
they be kept longer. 2742

(B) In addition to any requirements prescribed pursuant to 2743
division (A) of this section, the tax administrator of a municipal 2744
corporation may require any person, by notice served on that 2745
person, to keep such records as the tax administrator determines 2746
necessary to show whether or not that person is liable, and the 2747
extent of such liability, for the income tax levied by the 2748
municipal corporation or for the withholding of such tax. 2749

Sec. 718.23. (A) The tax administrator, or any authorized 2750

agent or employee thereof may examine the books, papers, records, 2751
and federal income tax returns of any employer, taxpayer, or other 2752
person that is subject to, or that the tax administrator believes 2753
is subject to, the provisions of this chapter for the purpose of 2754
verifying the accuracy of any return made or, if no return was 2755
filed, to ascertain the tax due under this chapter. Upon written 2756
request by the tax administrator or a duly authorized agent or 2757
employee thereof, every employer, taxpayer, or other person 2758
subject to this section is required to furnish, the opportunity 2759
for the tax administrator, authorized agent, or employee to 2760
investigate and examine such books, papers, records, and federal 2761
income tax returns at a reasonable time and place designated in 2762
the request. 2763

(B) The tax administrator may examine under oath any person 2764
that the tax administrator reasonably believes has knowledge 2765
concerning any income that was or would have been returned for 2766
taxation or any transaction tending to affect such income. The tax 2767
administrator may, for this purpose, compel any such person to 2768
attend a hearing or examination and to produce any books, papers, 2769
records, and federal income tax returns in such person's 2770
possession or control. 2771

No person issued written notice by the tax administrator 2772
compelling such attendance or production of books, papers, 2773
records, or federal income tax returns under this division shall 2774
fail to comply. 2775

Sec. 718.24. Nothing in this chapter shall limit the 2776
authority of a tax administrator to perform any of the following 2777
duties or functions, unless the performance of such duties or 2778
functions is expressly limited by a provision of the Revised Code 2779
or the charter or ordinances of the municipal corporation: 2780

(A) Exercise all powers whatsoever of an inquisitorial nature 2781

as provided by law, including, the right to inspect books, 2782
accounts, records, and memorandums, to examine persons under oath, 2783
to issue orders or subpoenas for the production of books, 2784
accounts, papers, records, documents, and testimony, to take 2785
depositions, to apply to a court for attachment proceedings as for 2786
contempt, to approve vouchers for the fees of officers and 2787
witnesses, and to administer oaths; provided that the powers 2788
referred to in this division of this section shall be exercised by 2789
the tax administrator only in connection with the performance of 2790
the duties respectively assigned to the tax administrator under a 2791
municipal corporation income tax ordinance or resolution adopted 2792
in accordance with this chapter; 2793

(B) Appoint agents and prescribe their powers and duties; 2794

(C) Confer and meet with officers of other municipal 2795
corporations and states and officers of the United States on any 2796
matters pertaining to their respective official duties as provided 2797
by law; 2798

(D) Exercise the authority provided by law, including orders 2799
from bankruptcy courts, relative to remitting or refunding taxes 2800
or assessments, including penalties and interest thereon, 2801
illegally or erroneously assessed or collected, or for any other 2802
reason overpaid, and, in addition, the tax administrator may 2803
investigate any claim of overpayment and make a written statement 2804
of the tax administrator's findings, and, if the tax administrator 2805
finds that there has been an overpayment, approve and issue a 2806
refund payable to the taxpayer, the taxpayer's assigns, or legal 2807
representative as provided in this chapter; 2808

(E) Exercise the authority provided by law relative to 2809
consenting to the compromise and settlement of tax claims; 2810

(F) Exercise the authority provided by law relative to the 2811
use of alternative apportionment methods by taxpayers in 2812

accordance with section 718.02 of the Revised Code; 2813

(G) Make all tax assessments, findings, determinations, 2814
computations, and orders the tax administrator is by law 2815
authorized and required to make and, pursuant to time limitations 2816
provided by law, on the tax administrator's own motion, review, 2817
redetermine, or correct any tax assessments, findings, 2818
determinations, computations, or orders the tax administrator has 2819
made, but the tax administrator shall not review, redetermine, or 2820
correct any tax assessment, finding, determination, computation, 2821
or order which the tax administrator has made as to which an 2822
appeal or application for rehearing, review, redetermination, or 2823
correction has been filed with the local board of tax review or 2824
other appropriate tribunal, unless such appeal or application is 2825
withdrawn by the appellant or applicant, is dismissed, or is 2826
otherwise final; 2827

(H) Destroy any or all returns or other tax documents in the 2828
manner authorized by law; 2829

(I) Enter into an agreement with a taxpayer to simplify the 2830
withholding obligations described in section 718.03 of the Revised 2831
Code. 2832

Sec. 718.25. A person may round to the nearest whole dollar 2833
all amounts the person is required to enter on any return, report, 2834
voucher, or other document required under this chapter. Any 2835
fractional part of a dollar that equals or exceeds fifty cents 2836
shall be rounded to the next whole dollar, and any fractional part 2837
of a dollar that is less than fifty cents shall be dropped. If a 2838
person chooses to round amounts entered on a document, the person 2839
shall round all amounts entered on the document. 2840

Sec. 718.26. (A) Nothing in this chapter prohibits a tax 2841
administrator from requiring any person filing a tax document with 2842

the tax administrator to provide identifying information, which 2843
may include the person's social security number, federal employer 2844
identification number, or other identification number requested by 2845
the tax administrator. A person required by the tax administrator 2846
to provide identifying information that has experienced any change 2847
with respect to that information shall notify the tax 2848
administrator of the change before, or upon, filing the next tax 2849
document requiring the identifying information. 2850

(B) When transmitting or otherwise making use of a tax 2851
document that contains a person's social security number, the tax 2852
administrator shall take all reasonable measures necessary to 2853
ensure that the number is not capable of being viewed by the 2854
general public, including, when necessary, masking the number so 2855
that it is not readily discernible by the general public. The tax 2856
administrator shall not put a person's social security number on 2857
the outside of any material mailed to the person. 2858

(C)(1) If the tax administrator makes a request for 2859
identifying information and the tax administrator does not receive 2860
valid identifying information within thirty days of making the 2861
request, nothing in this chapter prohibits the tax administrator 2862
from imposing a penalty upon the person to whom the request was 2863
directed pursuant to section 718.27 of the Revised Code, in 2864
addition to any applicable penalty described in section 718.99 of 2865
the Revised Code. 2866

(2) If a person required by the tax administrator to provide 2867
identifying information does not notify the tax administrator of a 2868
change with respect to that information as required under division 2869
(A) of this section within thirty days after filing the next tax 2870
document requiring such identifying information, nothing in this 2871
chapter prohibits the tax administrator from imposing a penalty 2872
pursuant to section 718.27 of the Revised Code. 2873

(3) The penalties provided for under divisions (C)(1) and (2) of this section may be billed and assessed in the same manner as the tax or fee with respect to which the identifying information is sought and are in addition to any applicable criminal penalties described in section 718.99 of the Revised Code for a violation of section 718.35 of the Revised Code and any other penalties that may be imposed by the tax administrator by law.

Sec. 718.27. (A) As used in this section: 2881

(1) "Applicable law" means this chapter, the resolutions, ordinances, codes, directives, instructions, and rules adopted by a municipal corporation provided such resolutions, ordinances, codes, directives, instructions, and rules impose or directly or indirectly address the levy, payment, remittance, or filing requirements of a municipal income tax.

(2) "Income tax," "estimated income tax," and "withholding tax" means any income tax, estimated income tax, and withholding tax imposed by a municipal corporation pursuant to applicable law, including at any time before the effective date.

(3) A "return" includes any tax return, report, reconciliation, schedule, and other document required to be filed with a tax administrator or municipal corporation by a taxpayer, employer, any agent of the employer, or any other payer pursuant to applicable law, including at any time before the effective date.

(4) "Federal short-term rate" means the rate of the average market yield on outstanding marketable obligations of the United States with remaining periods to maturity of three years or less, as determined under section 1274 of the Internal Revenue Code, for July of the current year.

(5) "Interest rate" as described in division (A) of this

section, means the federal short-term rate, rounded to the nearest 2904
whole number per cent, plus three per cent. The rate shall apply 2905
for the calendar year next following the July of the year in which 2906
the federal short-term rate is determined in accordance with 2907
division (A)(4) of this section. 2908

(6) "Unpaid estimated income tax" means estimated income tax 2909
due but not paid by the date the tax is required to be paid under 2910
applicable law. 2911

(7) "Unpaid income tax" means income tax due but not paid by 2912
the date the income tax is required to be paid under applicable 2913
law. 2914

(8) "Unpaid withholding tax" means withholding tax due but 2915
not paid by the date the withholding tax is required to be paid 2916
under applicable law. 2917

(9) "Withholding tax" includes amounts an employer, any agent 2918
of an employer, or any other payer did not withhold in whole or in 2919
part from an employee's qualifying wages, but that, under 2920
applicable law, the employer, agent, or other payer is required to 2921
withhold from an employee's qualifying wages. 2922

(10) The effective date to which this section refers is the 2923
effective date of ...B... of the 130th general assembly. 2924

(B) This section applies to the following: 2925

(1) Any return required to be filed under applicable law on 2926
or after the effective date; 2927

(2) Any return required to be filed before the effective date 2928
if the return has not been filed on or before the one hundred 2929
eightieth day after the effective date; 2930

(3) Income tax, estimated income tax, and withholding tax 2931
required to be paid or remitted to the municipal corporation on or 2932
after the effective date; 2933

(4) Income tax, estimated income tax, and withholding tax 2934
required to be paid or remitted to the municipal corporation any 2935
time before the effective date if the income tax, estimated income 2936
tax, or withholding tax has not been paid or remitted on or before 2937
the one hundred eightieth day after the effective date. 2938

(C) Each municipal corporation levying a tax on income shall 2939
impose on a taxpayer, employer, any agent of the employer, and any 2940
other payer, and must attempt to collect, the interest amounts and 2941
penalties prescribed under division (C) of this section when the 2942
taxpayer, employer, any agent of the employer, or any other payer 2943
for any reason fails, in whole or in part, to make to the 2944
municipal corporation timely and full payment or remittance of 2945
income tax, estimated income tax, or withholding tax or to file 2946
timely with the municipal corporation any return required to be 2947
filed. 2948

(1) Interest shall be imposed at the rate described in 2949
division (A) of this section, per annum, on all unpaid income tax, 2950
unpaid estimated income tax, and unpaid withholding tax. 2951

(2)(a) With respect to unpaid income tax and unpaid estimated 2952
income tax, a municipal corporation shall impose a penalty equal 2953
to ten per cent of the amount not timely paid. 2954

(b) With respect to any unpaid withholding tax, a municipal 2955
corporation shall impose a penalty equal to fifty per cent of the 2956
amount not timely paid. 2957

(3)(a) With respect to annual income tax returns for 2958
individuals, a municipal corporation shall impose a penalty of 2959
twenty-five dollars for each failure to timely file each return, 2960
regardless of the liability shown thereon. 2961

(b) With respect to returns other than annual income tax 2962
returns for individuals and estimated income tax returns, a 2963
municipal corporation shall impose a penalty of twenty-five 2964

dollars for each failure to timely file each return, regardless of 2965
the liability shown thereon for each month, or any fraction 2966
thereof, during which the return remains unfiled regardless of the 2967
liability shown thereon. The penalty shall not exceed one hundred 2968
fifty dollars for each failure. 2969

(D)(1) With respect to the income taxes, estimated income 2970
taxes, withholding taxes, and returns, no municipal corporation 2971
shall impose, seek to collect, or collect any penalty, amount of 2972
interest, charges, or additional fees not described in this 2973
section. 2974

(2) With respect to the income taxes, estimated income taxes, 2975
withholding taxes, and returns not described in division (A) of 2976
this section, nothing in this section requires a municipal 2977
corporation to refund or credit any penalty, amount of interest, 2978
charges, or additional fees that the municipal corporation has 2979
properly imposed or collected before the effective date. 2980

(E) Nothing in this section limits the authority of a 2981
municipal corporation to abate or partially abate penalties or 2982
interest imposed under this section when the tax administrator 2983
determines, in the tax administrator's sole discretion, that such 2984
abatement is appropriate. 2985

(F) By the thirty-first day of October of each year the 2986
municipal corporation shall publish the rate described in division 2987
(A) of this section applicable to the next succeeding calendar 2988
year. 2989

(G) The municipal corporation may impose on the taxpayer, 2990
employer, any agent of the employer, or any other payer the 2991
municipal corporation's collection costs and fees, including 2992
collection of attorney's fees and any other related fees and 2993
charges, incurred in connection with municipal corporation's 2994
collection activities including litigation activities and related 2995

appeals. Nothing in this division prevents a taxpayer from seeking 2996
reimbursement of attorney's fees and costs of appeals in 2997
accordance with section 718.44 of the Revised Code. 2998

Sec. 718.28. (A) As used in this section, "claim" means a 2999
claim for an amount payable to a municipal corporation that arises 3000
pursuant to the municipal income tax imposed in accordance with 3001
this chapter and for which a tax administrator has delivered an 3002
assessment to the clerk of courts as described in section 718.12 3003
of the Revised Code. 3004

(B) Nothing in this chapter prohibits a tax administrator 3005
from doing either of the following if such action is in the best 3006
interests of the municipal corporation: 3007

(1) Compromise a claim; 3008

(2) Extend for a reasonable period the time for payment of a 3009
claim by agreeing to accept monthly or other periodic payments. 3010
The agreement shall be in writing and may require security for 3011
payment of the claim. 3012

(C) The tax administrator shall consider the following 3013
standards when ascertaining with respect to a claim whether a 3014
compromise or payment-over-time agreement is in the best interests 3015
of the municipal corporation: 3016

(1) There exists a doubt as to whether the claim can be 3017
collected. 3018

(2) There exists a substantial probability that, upon payment 3019
of the claim and submission of a timely application for refund 3020
with respect to that payment, the tax administrator would refund 3021
an amount that was illegally or erroneously paid. 3022

(3) There exists an economic hardship such that a compromise 3023
or agreement would facilitate effective tax administration. 3024

(4) There exists a joint assessment of spouses, one of whom 3025

is an innocent spouse, provided that any relief under this 3026
standard shall only affect the claim as to the innocent spouse. A 3027
spouse granted relief under section 6015 of the Internal Revenue 3028
Code with regard to any income item is rebuttably presumed to be 3029
an innocent spouse with regard to that income item to the extent 3030
that income item is included in or otherwise affects the 3031
computation of a municipal income tax or any penalty or interest 3032
on that tax. 3033

(5) Any other reasonable standard that the tax administrator 3034
establishes. 3035

(D) The tax administrator's rejection of a compromise or 3036
payment-over-time agreement proposed by a person with respect to a 3037
claim shall not be appealable. 3038

(E) A compromise or payment-over-time agreement with respect 3039
to a claim shall be binding upon and shall inure to the benefit of 3040
only the parties to the compromise or agreement, and shall not 3041
extinguish or otherwise affect the liability of any other person. 3042

(F) A compromise or payment-over-time agreement with respect 3043
to a claim shall be void if the taxpayer defaults under the 3044
compromise or agreement or if the compromise or agreement was 3045
obtained by fraud or by misrepresentation of a material fact. Any 3046
amount that was due before the compromise or agreement and that is 3047
unpaid shall remain due, and any interest that would have accrued 3048
in the absence of the compromise or agreement shall continue to 3049
accrue and be due. 3050

Sec. 718.30. Nothing in this chapter prohibits the 3051
legislative authority of a municipal corporation, or a tax 3052
administrator pursuant to authority granted to the administrator 3053
by resolution or ordinance, to adopt rules to administer an income 3054
tax imposed by the municipal corporation in accordance with this 3055
chapter or to audit taxpayers. Such rules shall not conflict with 3056

or be inconsistent with any provision of this chapter or with any 3057
rule adopted by the municipal tax policy board pursuant to section 3058
718.42 of the Revised Code. Unless rules adopted under this 3059
section are published and posted on the internet as described in 3060
section 718.07 of the Revised Code, the rules may not be enforced 3061
by the tax administrator or municipal corporation. 3062

Sec. 718.31. (A) To carry out the purposes of laws that a tax 3063
administrator is required to administer, the tax administrator or 3064
any person employed by the tax administrator for that purpose, 3065
upon demand, may inspect the books, accounts, records, and 3066
memoranda of any person subject to those laws, and may examine 3067
under oath any officer, agent, or employee of that person. Any 3068
person other than the tax administrator who makes a demand 3069
pursuant to this section shall produce the person's authority to 3070
make the inspection. 3071

(B) If a person receives at least ten days' written notice of 3072
a demand made under division (A) of this section and refuses to 3073
comply with that demand, the tax administrator may impose a 3074
penalty on the person pursuant to section 718.27 of the Revised 3075
Code. 3076

(C) No person hired or retained by a tax administrator to 3077
audit or inspect a taxpayer's books shall be paid on a contingency 3078
basis. 3079

Sec. 718.35. No person shall knowingly make, present, aid, or 3080
assist in the preparation or presentation of a false or fraudulent 3081
report, return, schedule, statement, claim, or document authorized 3082
or required by municipal corporation ordinance or state law to be 3083
filed with a tax administrator, or knowingly procure, counsel, or 3084
advise the preparation or presentation of such report, return, 3085
schedule, statement, claim, or document, or knowingly change, 3086

alter, or amend, or knowingly procure, counsel or advise such 3087
change, alteration, or amendment of the records upon which such 3088
report, return, schedule, statement, claim, or document is based 3089
with intent to defraud the municipal corporation or a tax 3090
administrator. 3091

With respect to such acts or conduct, no conviction shall be 3092
had under any other section of the Revised Code or any municipal 3093
corporation ordinance. 3094

Sec. 718.36. (A) At or before the commencement of an audit, 3095
the tax administrator shall provide to the taxpayer a written 3096
description of the roles of the tax administrator and of the 3097
taxpayer during an audit and a statement of the taxpayer's rights, 3098
including any right to obtain a refund of an overpayment of a tax. 3099
At or before the commencement of an audit, the tax administrator 3100
shall inform the taxpayer when the audit is considered to have 3101
commenced. 3102

(B) Except in cases involving suspected criminal activity, 3103
the tax administrator shall conduct an audit of a taxpayer during 3104
regular business hours and after providing reasonable notice to 3105
the taxpayer. A taxpayer who is unable to comply with a proposed 3106
time for an audit on the grounds that the proposed time would 3107
cause inconvenience or hardship must offer reasonable alternative 3108
dates for the audit. 3109

(C) At all stages of an audit by the tax administrator, a 3110
taxpayer is entitled to be assisted or represented by an attorney, 3111
accountant, bookkeeper, or other tax practitioner. The tax 3112
administrator shall prescribe a form by which a taxpayer may 3113
designate such a person to assist or represent the taxpayer in the 3114
conduct of any proceedings resulting from actions by the tax 3115
administrator. If a taxpayer has not submitted such a form, the 3116

tax administrator may accept other evidence, as the tax 3117
administrator considers appropriate, that a person is the 3118
authorized representative of a taxpayer. 3119

A taxpayer may refuse to answer any questions asked by the 3120
person conducting an audit until the taxpayer has an opportunity 3121
to consult with the taxpayer's attorney, accountant, bookkeeper, 3122
or other tax practitioner. This division does not authorize the 3123
practice of law by a person who is not an attorney. 3124

(D) A taxpayer may record, electronically or otherwise, the 3125
audit examination. 3126

(E) The failure of the tax administrator to comply with a 3127
provision of this section shall neither excuse a taxpayer from 3128
payment of any taxes owed by the taxpayer nor cure any procedural 3129
defect in a taxpayer's case. 3130

(F) If the tax administrator fails to substantially comply 3131
with the provisions of this section, the tax administrator, upon 3132
application by the taxpayer, shall excuse the taxpayer from 3133
penalties and interest arising from the audit. 3134

Sec. 718.37. (A) If the municipal corporation imposing a tax 3135
in accordance with this chapter has a population greater than 3136
thirty thousand according to the most recent decennial census or 3137
if the tax administrator charged with the administration of the 3138
tax is one other than a tax administrator described by division 3139
(U)(2) of section 718.01 of the Revised Code, the tax 3140
administrator shall appoint one or more problem resolution 3141
officers. Each problem resolution officer shall be a new or 3142
existing employee of the tax administrator. Problem resolution 3143
officers shall receive and review inquiries and complaints 3144
concerning matters that have been pending before the tax 3145
administrator for an unreasonable length of time or to which a 3146
taxpayer has been unable to obtain a satisfactory response after 3147

several attempts to communicate with the person assigned by the 3148
tax administrator to the taxpayer's case or that person's 3149
immediate supervisor. 3150

Nothing in this section requires that the employment duties 3151
of an employee appointed as a problem resolution officer must be 3152
limited solely to duties directly or indirectly related to those 3153
duties associated with employment as a problem resolution officer, 3154
and the employment duties of a problem resolution officer may 3155
encompass significant duties that vary from, and are in addition 3156
to, those duties associated with employment as a problem 3157
resolution officer. 3158

Matters arising in cases on appeal from an assessment of the 3159
tax administrator or in cases certified for collection are not 3160
reviewable by a problem resolution officer. An action taken by a 3161
problem resolution officer is not a final order of the tax 3162
administrator and is not appealable to the local board of tax 3163
review. 3164

(B) Neither a tax administrator nor a municipal corporation 3165
shall use the amount of taxes assessed by an employee of the tax 3166
administrator or the municipal corporation as the basis of a 3167
production quota system for employees or the basis for evaluating 3168
an employee's performance. 3169

Sec. 718.38. (A) An "opinion of the tax administrator" means 3170
an opinion issued under this section with respect to prospective 3171
municipal income tax liability. It does not include ordinary 3172
correspondence of the tax administrator or the municipal tax 3173
policy board. 3174

(B) A taxpayer may submit a written request for an opinion of 3175
the tax administrator as to whether or how certain income, source 3176
of income, or a certain activity or transaction will be taxed. The 3177

written response of the tax administrator shall be an "opinion of 3178
the tax administrator" and shall bind the tax administrator, in 3179
accordance with divisions (C), (G), and (H) of this section, 3180
provided all of the following conditions are satisfied: 3181

(1) The taxpayer's request fully and accurately describes the 3182
specific facts or circumstances relevant to a determination of the 3183
taxability of the income, source of income, activity, or 3184
transaction, and, if an activity or transaction, all parties 3185
involved in the activity or transaction are clearly identified by 3186
name, location, or other pertinent facts. 3187

(2) The request relates to a tax imposed by the municipal 3188
corporation in accordance with this chapter. 3189

(3) The tax administrator's response is signed by the tax 3190
administrator and designated as an "opinion of the tax 3191
administrator." 3192

(C) An opinion of the tax administrator shall remain in 3193
effect and shall protect the taxpayer for whom the opinion was 3194
prepared and who reasonably relies on it from liability for any 3195
taxes, penalty, or interest otherwise chargeable on the activity 3196
or transaction specifically held by the tax administrator's 3197
opinion to be taxable in a particular manner or not to be subject 3198
to taxation for any taxable years that may be specified in the 3199
opinion, or until the earliest of the following dates: 3200

(1) The effective date of a written revocation by the tax 3201
administrator sent to the taxpayer by certified mail, return 3202
receipt requested. The effective date of the revocation shall be 3203
the taxpayer's date of receipt or one year after the issuance of 3204
the opinion, whichever is later; 3205

(2) The effective date of any amendment or enactment of a 3206
relevant section of the Revised Code, uncodified state law, or the 3207
municipal corporation's income tax ordinance that would 3208

substantially change the analysis and conclusion of the opinion of the tax administrator; 3209
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(3) The date on which a court issues an opinion establishing or changing relevant case law with respect to the Revised Code, uncodified state law, or the municipal corporation's income tax ordinance; 3211
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(4) If the opinion of the tax administrator was based on the interpretation of federal law, the effective date of any change in the relevant federal statutes or regulations, or the date on which a court issues an opinion establishing or changing relevant case law with respect to federal statutes or regulations; 3215
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(5) The effective date of any change in the taxpayer's material facts or circumstances; 3220
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(6) The effective date of the expiration of the opinion, if specified in the opinion. 3222
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(D) A taxpayer is not relieved of tax liability for any activity or transaction related to a request for an opinion that contained any misrepresentation or omission of one or more material facts. 3224
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(E) If a tax administrator provides written advice under this section, the opinion shall include a statement that: 3228
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(1) The tax consequences stated in the opinion may be subject to change for any of the reasons stated in division (C) of this section; 3230
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(2) It is the duty of the taxpayer to be aware of such changes. 3233
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(F) A tax administrator may refuse to offer an opinion on any request received under this section. 3235
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(G) This section binds a tax administrator only with respect to opinions of the tax administrator issued on or after January 1, 3237
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2013. 3239

(H) An opinion of a tax administrator binds that tax administrator only with respect to the taxpayer for whom the opinion was prepared and does not bind the tax administrator of any other municipal corporation. 3240
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(I) A tax administrator shall make available the text of all opinions issued under this section, except those opinions prepared for a taxpayer who has requested that the text of the opinion remain confidential. In no event shall the text of an opinion be made available until the tax administrator has removed all information that identifies the taxpayer and any other parties involved in the activity or transaction. 3244
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(J) Upon written request by a taxpayer, the municipal tax policy board may issue an opinion in a manner similar to and subject to the same procedures and conditions as provided in this section. The municipal tax policy board shall issue opinions to address only issues having relevance to taxpayers on a state-wide basis or dealing with the generic application of this chapter. Opinions issued by the municipal tax policy board are binding for all tax administrators in this state with respect to the taxpayer for whom the opinion was prepared. 3251
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(K) An opinion of the tax administrator or an opinion of the municipal tax policy board issued under this section may not be appealed. 3260
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Sec. 718.39. (A) A taxpayer aggrieved by an action or omission of a tax administrator, a tax administrator's employee, or an employee of the municipal corporation may bring an action against the tax administrator, against the municipal corporation, or against both, for damages in the court of common pleas of the county in which the municipal corporation is located, if all of the following apply: 3263
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(1) In the action or omission the tax administrator, the tax administrator's employees, or the employee of the municipal corporation frivolously disregards a provision of this chapter, a rule promulgated by the municipal tax policy board under section 718.42 of the Revised Code, or an instruction of the tax administrator; 3270
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(2) The action or omission occurred with respect to an audit or assessment and the review and collection proceedings connected with the audit or assessment; 3276
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(3) The tax administrator, the tax administrator's employee, or the employee of the municipal corporation did not act manifestly outside the scope of employment and did not act with malicious purpose, in bad faith, or in a wanton or reckless manner. 3279
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(B) In any action brought under division (A) of this section, upon a finding of liability on the part of the tax administrator or the municipal corporation, the tax administrator or the municipal corporation shall be liable to the taxpayer in an amount equal to the sum of the following: 3284
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(1) Compensatory damages sustained by the taxpayer as a result of the action or omission by the tax administrator, the tax administrator's employee, or the employee of the municipal corporation; 3289
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(2) Reasonable costs of litigation and attorneys' fees sustained by the taxpayer. 3293
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(C) In the awarding of damages under division (B) of this section, the court shall take into account the negligent actions or omissions, if any, on the part of the taxpayer that contributed to the damages, but shall not be bound by the provisions of sections 2315.32 to 2315.36 of the Revised Code. 3295
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(D) Whenever it appears to the court that a taxpayer's 3300

conduct in the proceedings brought under division (A) of this 3301
section is frivolous, the court may impose a penalty against the 3302
taxpayer in an amount not to exceed ten thousand dollars which 3303
shall be paid to the general revenue fund of the state. 3304

(E) Division (A) of this section does not apply to opinions 3305
of the tax administrator or other information functions of the tax 3306
administrator. 3307

(F) As used in this section, "frivolous" means that the 3308
conduct of the tax administrator, an employee of the municipal 3309
corporation or the tax administrator, the taxpayer, or the 3310
taxpayer's counsel of record satisfies either of the following: 3311

(1) It obviously serves merely to harass or maliciously 3312
injure the tax administrator, the municipal corporation, or 3313
employees thereof if referring to the conduct of a taxpayer or the 3314
taxpayer's counsel of record, or to harass or maliciously injure 3315
the taxpayer if referring to the conduct of the tax administrator, 3316
the municipal corporation, or employees thereof; 3317

(2) It is not warranted under existing law and cannot be 3318
supported by a good faith argument for an extension, modification, 3319
or reversal of existing law. 3320

Sec. 718.41. (A) A taxpayer shall file an amended return with 3321
the tax administrator in such form as the municipal tax policy 3322
board requires in accordance with section 718.42 of the Revised 3323
Code if either of the following applies: 3324

(1) Any of the facts, figures, computations, or attachments 3325
required in the taxpayer's annual return to determine the tax due 3326
levied by the municipal corporation in accordance with this 3327
chapter must be altered as the result of an adjustment to the 3328
taxpayer's federal income tax return, whether initiated by the 3329
taxpayer or the internal revenue service, and such alteration 3330

affects the taxpayer's tax liability under this chapter; 3331

(2) The tax commissioner finds that the taxpayer is properly 3332
treated as a resident of this state for the purposes of Chapter 3333
5747. of the Revised Code. The amended return shall be filed not 3334
later than sixty days after the adjustment has been agreed to or 3335
finally determined for federal or state income tax purposes or any 3336
federal or state income tax deficiency or refund, or the abatement 3337
or credit resulting therefrom, has been assessed or paid, 3338
whichever occurs first. 3339

(B)(1) In the case of an underpayment, the amended return 3340
shall be accompanied by payment of any combined additional tax due 3341
together with interest thereon. If the combined tax shown to be 3342
due is five dollars or less, such amount need not accompany the 3343
amended return. An amended return required by this section is a 3344
return subject to assessment under section 718.12 of the Revised 3345
Code for the purpose of assessing any additional tax due under 3346
this section, together with any applicable penalty and interest. 3347
Except as provided under division (B)(2) of this section, the 3348
amended return shall not reopen those facts, figures, 3349
computations, or attachments from a previously filed return no 3350
longer subject to assessment that are not affected, either 3351
directly or indirectly, by the adjustment to the taxpayer's 3352
federal or state income tax return. 3353

(2) The additional tax to be paid shall not exceed the amount 3354
of tax that would be due if all facts, figures, computations, and 3355
attachments were reopened. 3356

(C)(1) In the case of an overpayment, an application for 3357
refund may be filed under this division within the sixty-day 3358
period prescribed for filing the amended return even if it is 3359
filed beyond the period prescribed in section 718.19 of the 3360
Revised Code if it otherwise conforms to the requirements of that 3361
section. If the amount of the refund is five dollars or less, no 3362

refund need be paid by the municipal corporation to the taxpayer. 3363
Except as set forth in division (C)(2) of this section, an 3364
application filed under this division shall claim refund of 3365
overpayments resulting from alterations to only those facts, 3366
figures, computations, or attachments required in the taxpayer's 3367
annual return that are affected, either directly or indirectly, by 3368
the adjustment to the taxpayer's federal or state income tax 3369
return unless it is also filed within the time prescribed in 3370
section 718.19 of the Revised Code. Except as set forth in 3371
division (C)(2) of this section, the application shall not reopen 3372
those facts, figures, computations, or attachments that are not 3373
affected, either directly or indirectly, by the adjustment to the 3374
taxpayer's federal or state income tax return. 3375

(2) The amount to be refunded shall not exceed the amount of 3376
refund that would be due if all facts, figures, computations, and 3377
attachments were reopened. 3378

Sec. 718.42. (A) The governor shall appoint a municipal tax 3379
policy board consisting of seven members comprised as follows: 3380

(1) One member shall be the tax administrator of a municipal 3381
corporation with a population greater than three hundred fifty 3382
thousand according to the most recent decennial census; 3383

(2) One member shall be the tax administrator of a municipal 3384
corporation with a population greater than one hundred thousand, 3385
but not more than three hundred fifty thousand according to the 3386
most recent decennial census; 3387

(3) One member shall be the tax administrator of a municipal 3388
corporation with a population greater than fifty thousand, but not 3389
more than one hundred thousand according to the most recent 3390
decennial census; 3391

(4) One member shall be the tax administrator of a municipal 3392

corporation with a population greater than fifteen thousand, but 3393
not more than fifty thousand according to the most recent 3394
decennial census; 3395

(5) One member shall be the tax administrator of a municipal 3396
corporation with a population of not more than fifteen thousand 3397
according to the most recent decennial census; 3398

(6) One member shall be an employee of the regional income 3399
tax authority; 3400

(7) One member shall be an employee of the central collection 3401
agency. 3402

(B) Of the original members of the municipal income tax 3403
policy board, two members shall be appointed to terms ending March 3404
31, 2013, two members shall be appointed to terms ending March 31, 3405
2014, and three members shall be appointed to terms ending March 3406
31, 2015. Thereafter, terms of office for all members shall be 3407
three years, commencing on the first day of April and ending on 3408
the thirty-first day of March. Each member shall hold office from 3409
the date of appointment until the date of the end of the term for 3410
which the member was appointed. Any member shall continue in 3411
office subsequent to the expiration date of the member's term 3412
until the member's successor takes office, or until a period of 3413
sixty days has elapsed, whichever occurs first. 3414

One of the members of the board shall be named by the 3415
governor as chair of the board at the time of making the 3416
appointment of any member for a full term. No member of the board 3417
shall receive a salary. 3418

(C) The governor may remove any member of the municipal tax 3419
policy board for malfeasance, misfeasance, or nonfeasance in 3420
office, giving the member a copy of the charges against the member 3421
and affording the member an opportunity to be publicly heard in 3422
person or by counsel in the member's own defense upon not less 3423

than ten days' notice. If the member is removed, the governor shall file in the office of the secretary of state a complete statement of all charges made against the member and the governor's finding on the charges together with a complete report of the proceedings. The governor's decision on the charges is final. 3424
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A member of the municipal tax policy board who, for any reason, ceases to meet the qualifications for the position prescribed by division (A) of this section shall resign immediately by operation of law. 3430
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(D) A vacancy in an unexpired term shall be filled in the same manner as the original appointment and in such a way that the composition of the board remains as specified in division (A) of this section. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall hold office for the remainder of that term. No vacancy on the board shall impair the power and authority of the remaining members to exercise all the powers of the board. 3434
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(E) Upon application by one or more tax administrators, or as otherwise required by this chapter, the municipal tax policy board may adopt rules in accordance with Chapter 119. of the Revised Code related to municipal corporations' administration and enforcement of income taxes levied in accordance with this chapter. A rule adopted by the municipal tax policy board shall apply to each municipal corporation in this state. Before adopting a rule, the municipal tax policy board may seek comments from municipal corporations, tax practitioners, and taxpayers. One or more municipal corporations may make applications to the municipal tax policy board for review of any rule adopted under this division. 3443
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(F) The municipal tax policy board may designate working 3455

committees. The committees shall be chaired by a member of the 3456
board, but the committee may include members not serving on the 3457
board such as tax administrators or interested members of the 3458
public. 3459

(G) All forms, reports, schedules, and attachments required 3460
to be filed pursuant to this chapter shall be prescribed and 3461
created by the municipal tax policy board. Before prescribing and 3462
creating such forms, the municipal tax policy board shall seek the 3463
comments of tax administrators other than those described in 3464
division (U)(2) of section 718.01 of the Revised Code and any 3465
other persons the municipal tax policy board deems appropriate. 3466

(H) Subject to division (I) of this section, the municipal 3467
tax policy board shall prescribe the forms that the signature and 3468
declaration, if any, shall take on any document required to be 3469
filed with a tax administrator and or any other document required 3470
under this chapter. 3471

No such document need be sworn to. Any such document shall 3472
have printed on it the following statement, which shall be 3473
subscribed to by the person signing such return, claim, or report: 3474
"I declare under penalties of perjury that this return or claim 3475
(including any accompanying schedules and statements) has been 3476
examined by me and to the best of my knowledge and belief is a 3477
true, correct, and complete return and report." 3478

(I) Income tax returns, reports, or other documents requiring 3479
the signature of a tax return preparer shall be accepted by a tax 3480
administrator if the facsimile of such a signature is provided in 3481
lieu of a manual signature. 3482

(J) A person may use forms other than those prescribed 3483
pursuant to division (G) of this section if the other forms 3484
contain all the information required to be included on such forms 3485
by the municipal tax policy board. Such forms will be accepted as 3486

valid forms by the tax administrator with whom the form is filed. 3487

(K) As used in this division, "document" means any report, 3488
return, schedule, statement, claim, or other item intended for 3489
submission to any tax administrator or an employee thereof 3490
concerning any tax imposed by the tax administrator in accordance 3491
with this chapter. 3492

The municipal tax policy board may designate which documents 3493
promulgated by the board must be signed by tax return preparers. 3494

(L) The municipal tax policy board shall provide an 3495
instructional booklet, in both printed and electronic formats, for 3496
filing any tax returns, forms, and schedules required under this 3497
chapter. The instructional booklet shall include a general 3498
description of the method by which the tax is assessed and 3499
collected and the rights and responsibilities of the taxpayer in 3500
that process. 3501

(M) The municipal tax policy board shall meet at least 3502
quarterly and may meet more frequently upon motion of the chair. 3503
The principal office of the board shall be located in Franklin 3504
county. The board shall take such action as necessary to fulfill 3505
the duties of the municipal tax policy board under this chapter. 3506
The municipal tax policy board is a public body under section 3507
121.22 of the Revised Code and a public office under section 3508
149.43 of the Revised Code, and all records of the municipal tax 3509
policy board are public records under section 149.43 of the 3510
Revised Code unless the record discloses the identity of any 3511
taxpayer. 3512

Sec. 718.43. (A) Notwithstanding any other provision of this 3513
chapter, the net profit of a pass-through entity is subject to 3514
taxation in the manner prescribed in this section. 3515

Each pass-through entity owner's share of net profit of the 3516

pass-through entity that is subject to taxation by the municipal corporation shall be included in the income of the owner. 3517
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For each taxable year beginning on or after January 1, 2015, each pass-through entity having net profit apportioned or situated to the municipal corporation under section 718.02 of the Revised Code for the taxable year shall collect on behalf of each owner and remit to the tax administrator an amount equal to the tax due on the owner's distributive share of the net profit of the pass-through entity, whether or not distributed. 3519
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(B)(1) The tax liability for the taxable year that shall be collected and remitted pursuant to division (A) of this section shall be paid through estimated taxes made payable to the municipal corporation or tax administrator on or before the applicable payment date as follows: 3526
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(a) On or before the fifteenth day of the fourth month after the beginning of the taxable year, twenty-two and one-half per cent of the tax liability for the taxable year; 3531
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(b) On or before the fifteenth day of the sixth month after the beginning of the taxable year, forty-five per cent of the tax liability for the taxable year; 3534
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(c) On or before the fifteenth day of the ninth month after the beginning of the taxable year, sixty-seven and one-half per cent of the tax liability for the taxable year; 3537
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(d) On or before the fifteenth day of the twelfth month of the taxable year, ninety per cent of the tax liability for the taxable year. 3540
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(2) On or before the fifteenth day of the fourth month following the end of the pass-through entity's taxable year, every pass-through entity subject to the collection requirement under this section shall file an annual return with the tax administrator and remit to the tax administrator the amount of the 3543
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taxes shown to be due on the return, less any amounts paid as 3548
estimated payments under division (B)(1) of this section. 3549

(C)(1) Any amount withheld under division (A) of this section 3550
and remitted to the tax administrator shall be treated as a 3551
payment of the tax liability or of the liability for withholding 3552
under this section of the owner to whom the income is 3553
distributable for the taxable year for which that owner incurred a 3554
liability for municipal income tax. 3555

(2) An owner may claim a refundable credit against the income 3556
tax imposed by a municipal corporation equal to the amount 3557
withheld by a pass-through entity with respect to net profit 3558
distributable to the owner by the pass-through entity under 3559
division (A) of this section. The municipal tax policy board shall 3560
adopt rules in accordance with Chapter 119. of the Revised Code to 3561
govern the manner by which such an owner may claim the credit. 3562

(D) If the only source of income for an owner in a municipal 3563
corporation is income from distributive shares in one or more 3564
pass-through entities that withhold and report tax to the 3565
municipal corporation in accordance with divisions (A) and (B) of 3566
this section, the owner is not required to file a return in 3567
accordance with section 718.05 of this section to report such 3568
income. 3569

(E) Any pass-through entity that is required to withhold tax 3570
under division (A) of this section that has received an extension 3571
to file the pass-through entity's federal tax return for 3572
partnership or S corporation income shall not be required to 3573
notify the municipal corporation of the federal extension and 3574
shall not be required to file any municipal income tax return 3575
until the last day of the month to which the due date for filing 3576
the federal return has been extended. An extension of time to file 3577
is not an extension of the time to pay any tax due. Upon filing 3578
the return required in division (B) of this section the 3579

pass-through entity shall include a copy of the federal extension request. 3580
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Sec. 718.44. (A) If a taxpayer appeals an assessment related to an income tax imposed by a municipal corporation, and is unsuccessful on appeal, the taxpayer is liable to the municipal corporation for the reasonable costs of litigation and attorneys' fees sustained by the municipal corporation. 3582
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(B) If a taxpayer appeals an assessment related to an income tax imposed by a municipal corporation, and is successful on appeal, the municipal corporation is liable to the taxpayer for reasonable costs of litigation and attorneys' fees sustained by the taxpayer. 3587
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(C) The costs and fees described in divisions (A) and (B) of this section may be recovered only after all appeals are completed, upon motion to the board of tax appeals. If an appeal results in the taxpayer being successful in part and the tax administrator being successful in part, the board may make a reasonable allocation of the costs and fees between the parties. 3592
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Sec. 718.04 718.50. (A) No municipal corporation other than the municipal corporation of residence shall levy a tax on the income of any member or employee of the Ohio general assembly including the lieutenant governor which income is received as a result of services rendered as such member or employee and is paid from appropriated funds of this state. 3598
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(B) No municipal corporation other than the municipal corporation of residence and the city of Columbus shall levy a tax on the income of the chief justice or a justice of the supreme court received as a result of services rendered as the chief justice or justice. No municipal corporation other than the municipal corporation of residence shall levy a tax on the income 3604
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of a judge sitting by assignment of the chief justice or on the 3610
income of a district court of appeals judge sitting in multiple 3611
locations within the district, received as a result of services 3612
rendered as a judge. 3613

Sec. 718.99. (A) Whoever violates section 718.35 of the 3614
Revised Code, or section 718.03 of the Revised Code by failing to 3615
remit municipal income taxes deducted and withheld from an 3616
employee, is guilty of a felony of the fifth degree. 3617

(B) Except as provided in division (C) of this section, 3618
whoever violates division (A) of section 718.13 of the Revised 3619
Code shall be guilty of a misdemeanor of the first degree and 3620
shall be subject to a fine of one thousand dollars or imprisonment 3621
for a term of up to six months, or both, unless the violation is 3622
punishable by a municipal ordinance imposing a greater penalty or 3623
requiring dismissal from office or discharge from employment, or 3624
both, in which case the municipal ordinance shall govern. 3625

(C) Any person who discloses information received from the 3626
Internal Revenue Service in violation of division (A) of section 3627
718.13 of the Revised Code shall be guilty of a felony of the 3628
fifth degree and shall be subject to a fine of not more than five 3629
thousand dollars plus the costs of prosecution, or imprisonment 3630
for a term not exceeding five years, or both, unless the violation 3631
is punishable by a municipal ordinance imposing a greater penalty 3632
or requiring dismissal from office or discharge from employment, 3633
or both, in which case the municipal ordinance shall govern. 3634

(D) Each instance of access or disclosure in violation of 3635
division (A) of section 718.13 of the Revised Code constitutes a 3636
separate offense. 3637

Sec. 5703.059. (A) The tax commissioner may adopt rules 3638
requiring returns, including any accompanying schedule or 3639

statement, for any of the following taxes to be filed 3640
electronically using the Ohio business gateway as defined in 3641
section ~~718.051~~ 718.01 of the Revised Code, filed telephonically 3642
using the system known as the Ohio telefile system, or filed by 3643
any other electronic means prescribed by the commissioner: 3644

(1) Employer income tax withholding under Chapter 5747. of 3645
the Revised Code; 3646

(2) Motor fuel tax under Chapter 5735. of the Revised Code; 3647

(3) Cigarette and tobacco product tax under Chapter 5743. of 3648
the Revised Code; 3649

(4) Severance tax under Chapter 5749. of the Revised Code; 3650

(5) Use tax under Chapter 5741. of the Revised Code. 3651

(B) The tax commissioner may adopt rules requiring any 3652
payment of tax shown on such a return to be due to be made 3653
electronically in a manner approved by the commissioner. 3654

(C) A rule adopted under this section does not apply to 3655
returns or reports filed or payments made before six months after 3656
the effective date of the rule. The commissioner shall publicize 3657
any new electronic filing requirement on the department's web 3658
site. The commissioner shall educate the public of the requirement 3659
through seminars, workshops, conferences, or other outreach 3660
activities. 3661

(D) Any person required to file returns and make payments 3662
electronically under rules adopted under this section may apply to 3663
the commissioner, on a form prescribed by the commissioner, to be 3664
excused from that requirement. For good cause shown, the 3665
commissioner may excuse the applicant from the requirement and 3666
permit the applicant to file the returns or reports or make the 3667
payments required under this section by nonelectronic means. 3668

Sec. 5703.57. (A) As used in this section, "Ohio business gateway" has the same meaning as in section 718.051 of the Revised Code.

(B) There is hereby created the Ohio business gateway steering committee to direct the continuing development of the Ohio business gateway and to oversee its operations. The committee shall provide general oversight regarding operation of the Ohio business gateway and shall recommend to the department of administrative services enhancements that will improve the Ohio business gateway. The committee shall consider all banking, technological, administrative, and other issues associated with the Ohio business gateway and shall make recommendations regarding the type of reporting forms or other tax documents to be filed through the Ohio business gateway.

(C) The committee shall consist of:

(1) The following members, appointed by the governor with the advice and consent of the senate:

(a) Not more than four representatives of the business community;

(b) Not more than ~~one representative~~ three representatives of municipal tax administrators; and

(c) Not more than two tax practitioners.

(2) The following ex officio members:

(a) The director or other highest officer of each state agency that has tax reporting forms or other tax documents filed with it through the Ohio business gateway or the director's designee;

(b) The secretary of state or the secretary of state's designee;

(c) The treasurer of state or the treasurer of state's designee;	3698 3699
(d) The director of budget and management or the director's designee;	3700 3701
(e) The state chief information officer or the officer's designee;	3702 3703
(f) The tax commissioner or the tax commissioner's designee; and	3704 3705
(g) The director of development or the director's designee; and	3706 3707
<u>(h) The chair of the municipal tax policy board or the chair's designee.</u>	3708 3709
An appointed member shall serve until the member resigns or is removed by the governor. Vacancies shall be filled in the same manner as original appointments.	3710 3711 3712
(D) A vacancy on the committee does not impair the right of the other members to exercise all the functions of the committee. The presence of a majority of the members of the committee constitutes a quorum for the conduct of business of the committee. The concurrence of at least a majority of the members of the committee is necessary for any action to be taken by the committee. On request, each member of the committee shall be reimbursed for the actual and necessary expenses incurred in the discharge of the member's duties.	3713 3714 3715 3716 3717 3718 3719 3720 3721
(E) The committee is a part of the department of taxation for administrative purposes.	3722 3723
(F) Each year, the governor shall select a member of the committee to serve as chairperson. The chairperson shall appoint an official or employee of the department of taxation to act as the committee's secretary. The secretary shall keep minutes of the	3724 3725 3726 3727

committee's meetings and a journal of all meetings, proceedings, 3728
findings, and determinations of the committee. 3729

(G) The committee may hire professional, technical, and 3730
clerical staff needed to support its activities. 3731

(H) The committee shall meet as often as necessary to perform 3732
its duties. 3733

Sec. 5717.011. (A) As used in this chapter, "tax 3734
administrator" has the same meaning as in section 718.01 of the 3735
Revised Code. 3736

(B) Appeals from a ~~municipal~~ final determination of a local 3737
board of ~~appeal~~ tax review created under section 718.11 of the 3738
Revised Code may be taken by the taxpayer or the tax administrator 3739
to the board of tax appeals ~~or~~, but may not be taken by the 3740
taxpayer or the tax administrator to a court of common pleas ~~as~~ 3741
~~otherwise provided by law~~. If the taxpayer or the tax 3742
administrator elects to make an appeal to the board of tax appeals 3743
~~or court of common pleas~~, the appeal shall be taken by the filing 3744
of a notice of appeal with the board of tax appeals ~~or court of~~ 3745
~~common pleas~~, the ~~municipal~~ local board of ~~appeal~~ tax review, and 3746
the opposing party. The notice of appeal shall be filed within 3747
sixty days after the day the appellant receives notice of the 3748
~~decision~~ final determination issued under section 718.11 of the 3749
Revised Code. The notice of appeal may be filed in person or by 3750
certified mail, express mail, or authorized delivery service as 3751
provided in section 5703.056 of the Revised Code. If the notice of 3752
appeal is filed by certified mail, express mail, or authorized 3753
delivery service as provided in section 5703.056 of the Revised 3754
Code, the date of the United States postmark placed on the 3755
sender's receipt by the postal service or the date of receipt 3756
recorded by the authorized delivery service shall be treated as 3757
the date of filing. The notice of appeal shall have attached 3758

thereto and incorporated therein by reference a true copy of the 3759
decision issued under section 718.11 of the Revised Code and shall 3760
specify the errors therein complained of, but failure to attach a 3761
copy of such notice and incorporate it by reference in the notice 3762
of appeal does not invalidate the appeal. 3763

(C) Upon the filing of a notice of appeal with the board of 3764
tax appeals, the ~~municipal~~ local board of ~~appeal~~ tax review shall 3765
certify to the board of tax appeals a transcript of the record of 3766
the proceedings before it, together with all evidence considered 3767
by it in connection therewith. Such appeals may be heard by the 3768
board at its office in Columbus or in the county where the 3769
appellant resides, or it may cause its examiners to conduct such 3770
hearings and to report to it their findings for affirmation or 3771
rejection. The board may order the appeal to be heard upon the 3772
record and the evidence certified to it by the tax administrator, 3773
but upon the application of any interested party the board shall 3774
order the hearing of additional evidence, and the board may make 3775
such investigation concerning the appeal as it considers proper. 3776

(D) If an issue being appealed under this section is 3777
addressed in a municipal corporation's ordinance or regulation, 3778
the tax administrator, upon the request of the board of tax 3779
appeals, shall provide a copy of the ordinance or regulation to 3780
the board of tax appeals. 3781

Sec. 5717.03. (A) A decision of the board of tax appeals on 3782
an appeal filed with it pursuant to section 5717.01, 5717.011, or 3783
5717.02 of the Revised Code shall be entered of record on the 3784
journal together with the date when the order is filed with the 3785
secretary for journalization. 3786

(B) In case of an appeal from a decision of a county board of 3787
revision, the board of tax appeals shall determine the taxable 3788
value of the property whose valuation or assessment by the county 3789

board of revision is complained of, or in the event the complaint 3790
and appeal is against a discriminatory valuation, shall determine 3791
a valuation which shall correct such discrimination, and shall 3792
determine the liability of the property for taxation, if that 3793
question is in issue, and the board of tax appeals' decision and 3794
the date when it was filed with the secretary for journalization 3795
shall be sent by the board to all persons who were parties to the 3796
appeal before the board, to the person in whose name the property 3797
is listed, or sought to be listed, if such person is not a party 3798
to the appeal, to the county auditor of the county in which the 3799
property involved in the appeal is located, and to the tax 3800
commissioner. 3801

In correcting a discriminatory valuation, the board of tax 3802
appeals shall increase or decrease the value of the property whose 3803
valuation or assessment by the county board of revision is 3804
complained of by a per cent or amount which will cause such 3805
property to be listed and valued for taxation by an equal and 3806
uniform rule. 3807

(C) In the case of an appeal from a review, redetermination, 3808
or correction of a tax assessment, valuation, determination, 3809
finding, computation, or order of the tax commissioner, the order 3810
of the board of tax appeals and the date of the entry thereof upon 3811
its journal shall be sent by the board to all persons who were 3812
parties to the appeal before the board, the person in whose name 3813
the property is listed or sought to be listed, if the decision 3814
determines the valuation or liability of property for taxation and 3815
if such person is not a party to the appeal, the taxpayer or other 3816
person to whom notice of the tax assessment, valuation, 3817
determination, finding, computation, or order, or correction or 3818
redetermination thereof, by the tax commissioner was by law 3819
required to be given, the director of budget and management, if 3820
the revenues affected by such decision would accrue primarily to 3821

the state treasury, and the county auditors of the counties to the 3822
undivided general tax funds of which the revenues affected by such 3823
decision would primarily accrue. 3824

(D) In the case of an appeal from a ~~municipal final~~ 3825
determination of a local board of appeal tax review created under 3826
section 718.11 of the Revised Code, the order of the board of tax 3827
appeals and the date of the entry thereof upon the board's journal 3828
shall be sent by the board to all persons who were parties to the 3829
appeal before the board. 3830

(E) In the case of all other appeals or applications filed 3831
with and determined by the board, the board's order and the date 3832
when the order was filed by the secretary for journalization shall 3833
be sent by the board to the person who is a party to such appeal 3834
or application, to such persons as the law requires, and to such 3835
other persons as the board deems proper. 3836

(F) The orders of the board may affirm, reverse, vacate, 3837
modify, or remand the tax assessments, valuations, determinations, 3838
findings, computations, or orders complained of in the appeals 3839
determined by the board, and the board's decision shall become 3840
final and conclusive for the current year unless reversed, 3841
vacated, or modified as provided in section 5717.04 of the Revised 3842
Code. When an order of the board becomes final the tax 3843
commissioner and all officers to whom such decision has been sent 3844
shall make the changes in their tax lists or other records which 3845
the decision requires. 3846

(G) If the board finds that issues not raised on the appeal 3847
are important to a determination of a controversy, the board may 3848
remand the cause for an administrative determination and the 3849
issuance of a new tax assessment, valuation, determination, 3850
finding, computation, or order, unless the parties stipulate to 3851
the determination of such other issues without remand. An order 3852
remanding the cause is a final order. If the order relates to any 3853

issue other than a municipal income tax matter appealed under 3854
sections 718.11 and 5717.011 of the Revised Code, the order may be 3855
appealed to the court of appeals in Franklin county. If the order 3856
relates to a municipal income tax matter appealed under sections 3857
718.11 and 5717.011 of the Revised Code, the order may be appealed 3858
to the court of appeals for the county in which the municipal 3859
corporation in which the dispute arose is primarily situated. 3860

(H) At the request of any person that filed an appeal subject 3861
to this section, the decision or order of the board of tax appeals 3862
issued pursuant to division (B), (C), (D), or (E) of this section 3863
shall be sent by certified mail at the requestor's expense. 3864

Sec. 5739.12. (A)(1) Each person who has or is required to 3865
have a vendor's license, on or before the twenty-third day of each 3866
month, shall make and file a return for the preceding month in the 3867
form prescribed by the tax commissioner, and shall pay the tax 3868
shown on the return to be due. The return shall be filed 3869
electronically using the Ohio business gateway, as defined in 3870
section ~~718.051~~ 718.01 of the Revised Code, the Ohio telefile 3871
system, or any other electronic means prescribed by the 3872
commissioner. Payment of the tax shown on the return to be due 3873
shall be made electronically in a manner approved by the 3874
commissioner. The commissioner may require a vendor that operates 3875
from multiple locations or has multiple vendor's licenses to 3876
report all tax liabilities on one consolidated return. The return 3877
shall show the amount of tax due from the vendor to the state for 3878
the period covered by the return and such other information as the 3879
commissioner deems necessary for the proper administration of this 3880
chapter. The commissioner may extend the time for making and 3881
filing returns and paying the tax, and may require that the return 3882
for the last month of any annual or semiannual period, as 3883
determined by the commissioner, be a reconciliation return 3884
detailing the vendor's sales activity for the preceding annual or 3885

semiannual period. The reconciliation return shall be filed by the 3886
last day of the month following the last month of the annual or 3887
semiannual period. The commissioner may remit all or any part of 3888
amounts or penalties that may become due under this chapter and 3889
may adopt rules relating thereto. Such return shall be filed 3890
electronically as directed by the tax commissioner, and payment of 3891
the amount of tax shown to be due thereon, after deduction of any 3892
discount provided for under this section, shall be made 3893
electronically in a manner approved by the tax commissioner. 3894

(2) Any person required to file returns and make payments 3895
electronically under division (A)(1) of this section may apply to 3896
the tax commissioner on a form prescribed by the commissioner to 3897
be excused from that requirement. For good cause shown, the 3898
commissioner may excuse the person from that requirement and may 3899
permit the person to file the returns and make the payments 3900
required by this section by nonelectronic means. 3901

(B)(1) If the return is filed and the amount of tax shown 3902
thereon to be due is paid on or before the date such return is 3903
required to be filed, the vendor shall be entitled to a discount 3904
of three-fourths of one per cent of the amount shown to be due on 3905
the return. 3906

(2) A vendor that has selected a certified service provider 3907
as its agent shall not be entitled to the discount if the 3908
certified service provider receives a monetary allowance pursuant 3909
to section 5739.06 of the Revised Code for performing the vendor's 3910
sales and use tax functions in this state. Amounts paid to the 3911
clerk of courts pursuant to section 4505.06 of the Revised Code 3912
shall be subject to the applicable discount. The discount shall be 3913
in consideration for prompt payment to the clerk of courts and for 3914
other services performed by the vendor in the collection of the 3915
tax. 3916

(C)(1) Upon application to the tax commissioner, a vendor who 3917

is required to file monthly returns may be relieved of the 3918
requirement to report and pay the actual tax due, provided that 3919
the vendor agrees to remit to the commissioner payment of not less 3920
than an amount determined by the commissioner to be the average 3921
monthly tax liability of the vendor, based upon a review of the 3922
returns or other information pertaining to such vendor for a 3923
period of not less than six months nor more than two years 3924
immediately preceding the filing of the application. Vendors who 3925
agree to the above conditions shall make and file an annual or 3926
semiannual reconciliation return, as prescribed by the 3927
commissioner. The reconciliation return shall be filed 3928
electronically as directed by the tax commissioner, and payment of 3929
the amount of tax shown to be due thereon, after deduction of any 3930
discount provided in this section, shall be made electronically in 3931
a manner approved by the commissioner. Failure of a vendor to 3932
comply with any of the above conditions may result in immediate 3933
reinstatement of the requirement of reporting and paying the 3934
actual tax liability on each monthly return, and the commissioner 3935
may at the commissioner's discretion deny the vendor the right to 3936
report and pay based upon the average monthly liability for a 3937
period not to exceed two years. The amount ascertained by the 3938
commissioner to be the average monthly tax liability of a vendor 3939
may be adjusted, based upon a review of the returns or other 3940
information pertaining to the vendor for a period of not less than 3941
six months nor more than two years preceding such adjustment. 3942

(2) The commissioner may authorize vendors whose tax 3943
liability is not such as to merit monthly returns, as ascertained 3944
by the commissioner upon the basis of administrative costs to the 3945
state, to make and file returns at less frequent intervals. When 3946
returns are filed at less frequent intervals in accordance with 3947
such authorization, the vendor shall be allowed the discount 3948
provided in this section in consideration for prompt payment with 3949
the return, provided the return is filed and payment is made of 3950

the amount of tax shown to be due thereon, at the time specified 3951
by the commissioner, but a vendor that has selected a certified 3952
service provider as its agent shall not be entitled to the 3953
discount. 3954

(D) Any vendor who fails to file a return or to pay the full 3955
amount of the tax shown on the return to be due in the manner 3956
prescribed under this section and the rules of the commissioner 3957
may, for each such return, be required to forfeit and pay into the 3958
state treasury an additional charge not exceeding fifty dollars or 3959
ten per cent of the tax required to be paid for the reporting 3960
period, whichever is greater, as revenue arising from the tax 3961
imposed by this chapter, and such sum may be collected by 3962
assessment in the manner provided in section 5739.13 of the 3963
Revised Code. The commissioner may remit all or a portion of the 3964
additional charge and may adopt rules relating to the imposition 3965
and remission of the additional charge. 3966

(E) If the amount required to be collected by a vendor from 3967
consumers is in excess of the applicable percentage of the 3968
vendor's receipts from sales that are taxable under section 3969
5739.02 of the Revised Code, or in the case of sales subject to a 3970
tax levied pursuant to section 5739.021, 5739.023, or 5739.026 of 3971
the Revised Code, in excess of the percentage equal to the 3972
aggregate rate of such taxes and the tax levied by section 5739.02 3973
of the Revised Code, such excess shall be remitted along with the 3974
remittance of the amount of tax due under section 5739.10 of the 3975
Revised Code. 3976

(F) The commissioner, if the commissioner deems it necessary 3977
in order to insure the payment of the tax imposed by this chapter, 3978
may require returns and payments to be made for other than monthly 3979
periods. 3980

(G) Any vendor required to file a return and pay the tax 3981
under this section whose total payment for a year equals or 3982

exceeds the amount shown in division (A) of section 5739.122 of 3983
the Revised Code is subject to the accelerated tax payment 3984
requirements in divisions (B) and (C) of that section. For a 3985
vendor that operates from multiple locations or has multiple 3986
vendor's licenses, in determining whether the vendor's total 3987
payment equals or exceeds the amount shown in division (A) of that 3988
section, the vendor's total payment amount shall be the amount of 3989
the vendor's total tax liability for the previous calendar year 3990
for all of the vendor's locations or licenses. 3991

Sec. 5739.124. (A) If required by the tax commissioner, a 3992
permit holder required to make payments under section 5739.032 of 3993
the Revised Code shall file all returns and reports 3994
electronically. The commissioner may require the permit holder to 3995
use the Ohio business gateway, as defined in section ~~718.051~~ 3996
718.01 of the Revised Code, or any other electronic means approved 3997
by the commissioner, to file the returns and reports, or to remit 3998
the tax, in lieu of the manner prescribed under section 5739.032 3999
of the Revised Code. 4000

(B) A person required under this section to file reports and 4001
returns electronically may apply to the tax commissioner to be 4002
excused from that requirement. Applications shall be made on a 4003
form prescribed by the commissioner. The commissioner may approve 4004
the application for good cause. 4005

(C)(1) If a person required to file a report or return 4006
electronically under this section fails to do so, the tax 4007
commissioner may impose an additional charge not to exceed the 4008
following: 4009

(a) For each of the first two failures, five per cent of the 4010
amount required to be reported on the report or return; 4011

(b) For the third and any subsequent failure, ten per cent of 4012
the amount required to be reported on the report or return. 4013

(2) The charges authorized under division (C)(1) of this section are in addition to any other charge or penalty authorized under this chapter, and shall be considered as revenue arising from taxes imposed under this chapter. An additional charge may be collected by assessment in the manner prescribed by section 5739.13 of the Revised Code. The commissioner may waive all or a portion of such a charge and may adopt rules governing such waiver.

Sec. 5741.122. (A) If required by the tax commissioner, a person required to make payments under section 5741.121 of the Revised Code shall file all returns and reports electronically. The commissioner may require the person to use the Ohio business gateway, as defined in section ~~718.051~~ 718.01 of the Revised Code, or any other electronic means approved by the commissioner, to file the returns and reports, or to remit the tax, in lieu of the manner prescribed under section 5741.121 of the Revised Code.

(B) A person required under this section to file reports and returns electronically may apply to the tax commissioner to be excused from that requirement. Applications shall be made on a form prescribed by the commissioner. The commissioner may approve the application for good cause.

(C)(1) If a person required to file a report or return electronically under this section fails to do so, the tax commissioner may impose an additional charge not to exceed the following:

(a) For each of the first two failures, five per cent of the amount required to be reported on the report or return;

(b) For the third and any subsequent failure, ten per cent of the amount required to be reported on the report or return.

(2) The charges authorized under division (C)(1) of this

section are in addition to any other charge or penalty authorized 4044
under this chapter, and shall be considered as revenue arising 4045
from taxes imposed under this chapter. An additional charge may be 4046
collected by assessment in the manner prescribed by section 4047
5741.13 of the Revised Code. The commissioner may waive all or a 4048
portion of such a charge and may adopt rules governing such 4049
waiver. 4050

Sec. 5747.063. (A)(1) If a person's winnings at a casino 4051
facility are an amount for which reporting to the internal revenue 4052
service of the amount is required by section 6041 of the Internal 4053
Revenue Code, as amended, the casino operator shall deduct and 4054
withhold Ohio income tax from the person's winnings at a rate of 4055
four per cent of the amount won ~~and shall deduct and withhold~~ 4056
~~municipal income tax from the person's winnings at the rate of tax~~ 4057
~~of the municipal corporation in which the casino facility is~~ 4058
located. A person's amount of winnings shall be determined each 4059
time the person exchanges amounts won in tokens, chips, casino 4060
credit, or other prepaid representations of value for cash or a 4061
cash equivalent. The casino operator shall issue, to a person from 4062
whose winnings an amount has been deducted and withheld, a receipt 4063
for the amount deducted and withheld, and also shall obtain from 4064
the person additional information that will be necessary for the 4065
casino operator to prepare the returns required by this section. 4066

(2) If a person's winnings at a casino facility require 4067
reporting to the internal revenue service under division (A)(1) of 4068
this section, the casino operator also shall require the person to 4069
state in writing, under penalty of falsification, whether the 4070
person is in default under a support order. 4071

(B) Amounts deducted and withheld by a casino operator are 4072
held in trust for the benefit of the state ~~and municipal~~ 4073
~~corporations, as applicable.~~ 4074

(1) On or before the tenth day of each month, the casino operator shall file a return electronically with the tax commissioner ~~and the tax administrator of the municipal corporation, as applicable,~~ identifying the persons from whose winnings amounts were deducted and withheld, the amount of each such deduction and withholding during the preceding calendar month, the amount of the winnings from which each such amount was withheld, the type of casino gaming that resulted in such winnings, and any other information required by the tax commissioner. With the return, the casino operator shall remit electronically to the commissioner ~~and the tax administrator of the municipal corporation, as applicable,~~ all the amounts deducted and withheld during the preceding month.

(2)(a) A casino operator shall maintain a record of each written statement provided under division (A)(2) of this section in which a person admits to being in default under a support order. The casino operator shall make these records available to the director of job and family services upon request.

(b) A casino operator shall maintain copies of receipts issued under division (A)(1) of this section and of written statements provided under division (A)(2) of this section and shall make these copies available to the tax commissioner upon request.

(c) A casino operator shall maintain the information described in divisions (B)(2)(a) and (b) of this section in accordance with section 5747.17 of the Revised Code and any rules adopted pursuant thereto.

(3) Annually, on or before the thirty-first day of January, a casino operator shall file an annual return electronically with the tax commissioner ~~and the tax administrator of the municipal corporation, as applicable,~~ indicating the total amount deducted and withheld during the preceding calendar year. The casino

operator shall remit electronically with the annual return any 4107
amount that was deducted and withheld and that was not previously 4108
remitted. If the identity of a person and the amount deducted and 4109
withheld with respect to that person were omitted on a monthly 4110
return, that information shall be indicated on the annual return. 4111

(4)(a) A casino operator who fails to file a return and remit 4112
the amounts deducted and withheld is personally liable for the 4113
amount deducted and withheld and not remitted. The commissioner 4114
~~and the tax administrator of the municipal corporation, as~~ 4115
~~applicable,~~ may impose a penalty up to one thousand dollars if a 4116
return is filed late, if amounts deducted and withheld are 4117
remitted late, if a return is not filed, or if amounts deducted 4118
and withheld are not remitted. Interest accrues on past due 4119
amounts deducted and withheld at the rate prescribed in section 4120
5703.47 of the Revised Code. The commissioner ~~and the tax~~ 4121
~~administrator of the municipal corporation, as applicable,~~ may 4122
collect past due amounts deducted and withheld and penalties and 4123
interest thereon by assessment under section 5747.13 of the 4124
Revised Code as if they were income taxes collected by an 4125
employer. 4126

(b) If a casino operator sells the casino facility or 4127
otherwise quits the casino business, the amounts deducted and 4128
withheld and any penalties and interest thereon are immediately 4129
due and payable. The successor shall withhold an amount of the 4130
purchase money that is sufficient to cover the amounts deducted 4131
and withheld and penalties and interest thereon until the 4132
predecessor casino operator produces either a receipt from the 4133
commissioner ~~and the tax administrator of the municipal~~ 4134
~~corporation, as applicable,~~ showing that the amounts deducted and 4135
withheld and penalties and interest thereon have been paid or a 4136
certificate from the commissioner ~~and the tax administrator of the~~ 4137
~~municipal corporation, as applicable,~~ indicating that no amounts 4138

deducted and withheld or penalties and interest thereon are due. 4139
If the successor fails to withhold purchase money, the successor 4140
is personally liable for payment of the amounts deducted and 4141
withheld and penalties and interest thereon, up to the amount of 4142
the purchase money. 4143

(C)(1) Annually, on or before the thirty-first day of 4144
January, a casino operator shall issue an information return to 4145
each person with respect to whom an amount has been deducted and 4146
withheld during the preceding calendar year. The information 4147
return shall show the total amount deducted from the person's 4148
winnings by the casino operator during the preceding calendar 4149
year. 4150

(2) Annually, on or before the thirty-first day of January, a 4151
casino operator shall provide to the commissioner a copy of each 4152
information return issued under division (C)(1) of this section 4153
for the preceding calendar year. The commissioner may require that 4154
the copies be transmitted electronically. 4155

(D) Amounts deducted and withheld shall be allowed as a 4156
credit against payment of the tax imposed by section 5747.02 of 4157
the Revised Code and shall be treated as taxes paid for purposes 4158
of section 5747.09 of the Revised Code. This division applies only 4159
to the person for whom the amount is deducted and withheld. 4160

(E) The failure of a casino operator to deduct and withhold 4161
the required amount from a person's winnings does not relieve the 4162
person from liability for the tax imposed by section 5747.02 of 4163
the Revised Code with respect to those winnings. And compliance 4164
with this section does not relieve a casino operator or a person 4165
who has winnings at a casino facility from compliance with 4166
relevant provisions of federal tax laws. 4167

(F) ~~The commissioner and the tax administrator of the~~ 4168
~~municipal corporation, as applicable,~~ shall prescribe the form of 4169

the receipt and returns required by this section. The director of 4170
job and family services shall prescribe the form of the statement 4171
required by this section. 4172

(G) The commissioner may adopt rules that are necessary to 4173
administer this section. 4174

Sec. 5747.064. (A) As used in this section, "video lottery 4175
terminal" has the same meaning as in section 3770.21 of the 4176
Revised Code. 4177

(B) If a person's prize award from a video lottery terminal 4178
is an amount for which reporting to the internal revenue service 4179
of the amount is required by section 6041 of the Internal Revenue 4180
Code, as amended, the lottery sales agent shall deduct and 4181
withhold Ohio income tax from the person's prize award at a rate 4182
of four per cent of the amount won ~~and shall deduct and withhold~~ 4183
~~municipal income tax from the person's winnings at the rate of tax~~ 4184
~~of the municipal corporation in which the video lottery terminal~~ 4185
~~facility is located.~~ The lottery sales agent shall issue, to a 4186
person from whose prize award an amount has been deducted or 4187
withheld, a receipt for the amount deducted and withheld, and also 4188
shall obtain from the person additional information that will be 4189
necessary for the lottery sales agent to prepare the returns 4190
required by this section. 4191

(C) Amounts deducted and withheld by a lottery sales agent 4192
are held in trust for the benefit of the state ~~and municipal~~ 4193
~~corporations, as applicable.~~ 4194

(1) On or before the tenth day of each month, the lottery 4195
sales agent shall file a return electronically with the tax 4196
commissioner ~~and the tax administrator of the municipal~~ 4197
~~corporation, as applicable,~~ identifying the persons from whose 4198
prize awards amounts were deducted and withheld, the amount of 4199
each such deduction and withholding during the preceding month, 4200

the amount of the prize award from which each such amount was 4201
withheld, and any other information required by the commissioner 4202
~~and the tax administrator of the municipal corporation, as~~ 4203
~~applicable.~~ With the return, the lottery sales agent shall remit 4204
electronically to the commissioner ~~and the tax administrator of~~ 4205
~~the municipal corporation, as applicable,~~ all the amounts deducted 4206
and withheld during the preceding month. 4207

(2) A lottery sales agent shall maintain a record of all 4208
receipts issued under division (B) of this section and shall make 4209
those records available to the commissioner ~~and the tax~~ 4210
~~administrator of the municipal corporation, as applicable,~~ upon 4211
request. Such records shall be maintained in accordance with 4212
section 5747.17 of the Revised Code and any rules adopted pursuant 4213
thereto. 4214

(3) Annually, on or before the thirty-first day of January, a 4215
lottery sales agent shall file an annual return electronically 4216
with the tax commissioner ~~and the tax administrator of the~~ 4217
~~municipal corporation, as applicable,~~ indicating the total amount 4218
deducted and withheld during the preceding calendar year. The 4219
lottery sales agent shall remit electronically with the annual 4220
return any amount that was deducted and withheld and that was not 4221
previously remitted. If the identity of a person and the amount 4222
deducted and withheld with respect to that person were omitted on 4223
a monthly return, that information shall be indicated on the 4224
annual return. 4225

(4)(a) A lottery sales agent who fails to file a return and 4226
remit the amounts deducted and withheld is personally liable for 4227
the amount deducted and withheld and not remitted. The 4228
commissioner ~~and the tax administrator of the municipal~~ 4229
~~corporation, as applicable,~~ may impose a penalty of up to one 4230
thousand dollars if a return is filed late, if amounts deducted 4231
and withheld are remitted late, if a return is not filed, or if 4232

amounts deducted and withheld are not remitted. Interest accrues 4233
on past due amounts deducted and withheld at the rate prescribed 4234
in section 5703.47 of the Revised Code. The commissioner ~~and the~~ 4235
~~tax administrator of the municipal corporation, as applicable,~~ may 4236
collect past due amounts deducted and withheld and penalties and 4237
interest thereon by assessment under section 5747.13 of the 4238
Revised Code as if they were income taxes collected by an 4239
employer. 4240

(b) If a lottery sales agent ceases to operate video lottery 4241
terminals, the amounts deducted and withheld and any penalties and 4242
interest thereon are immediately due and payable. A successor of 4243
the lottery sales agent that purchases the video lottery terminals 4244
from the agent shall withhold an amount of the purchase money that 4245
is sufficient to cover the amounts deducted and withheld and 4246
penalties and interest thereon until the predecessor lottery sales 4247
agent produces either a receipt from the tax commissioner ~~and the~~ 4248
~~tax administrator of the municipal corporation, as applicable,~~ 4249
showing that the amounts deducted and withheld and penalties and 4250
interest thereon have been paid or a certificate from the 4251
commissioner ~~and the tax administrator of the municipal~~ 4252
~~corporation, as applicable,~~ indicating that no amounts deducted 4253
and withheld or penalties and interest thereon are due. If the 4254
successor fails to withhold purchase money, the successor is 4255
personally liable for payment of the amounts deducted and withheld 4256
and penalties and interest thereon, up to the amount of the 4257
purchase money. 4258

(D)(1) Annually, on or before the thirty-first day of 4259
January, a lottery sales agent shall issue an information return 4260
to each person with respect to whom an amount has been deducted 4261
and withheld during the preceding calendar year. The information 4262
return shall show the total amount deducted from the person's 4263
prize award by the lottery sales agent during the preceding year. 4264

(2) Annually, on or before the thirty-first day of January, a lottery sales agent shall provide to the tax commissioner ~~and the tax administrator of the municipal corporation, as applicable,~~ a copy of each information return issued under division (D)(1) of this section for the preceding calendar year. The commissioner ~~and the tax administrator of the municipal corporation, as applicable,~~ may require that such copies be transmitted electronically.

(E) Amounts deducted and withheld shall be allowed as a credit against payment of the tax imposed by section 5747.02 of the Revised Code and shall be treated as taxes paid for purposes of section 5747.09 of the Revised Code. This division applies only to the person for whom the amount is deducted and withheld.

(F) The failure of a lottery sales agent to deduct and withhold the required amount from a person's prize award does not relieve the person from liability for the tax imposed by section 5747.02 of the Revised Code with respect to that income. Compliance with this section does not relieve a lottery sales agent or a person who has a prize award from compliance with relevant provisions of federal tax laws.

(G) The commissioner ~~and the tax administrator of the municipal corporation, as applicable,~~ shall prescribe the form of the receipt and returns required by this section and ~~the commissioner~~ may promulgate any rules necessary to administer the section.

Sec. 5751.07. (A) Any person required to file returns for a calendar quarter shall remit each tax payment, and, if required by the tax commissioner, file the tax return or the annual report, electronically. The commissioner may require taxpayers to use the Ohio business gateway as defined in section ~~718.051~~ 718.01 of the Revised Code to file returns and remit the tax, or may provide another means for taxpayers to file and remit the tax

electronically. 4296

(B) A person required by this section to remit taxes or file 4297
returns electronically may apply to the tax commissioner, on the 4298
form prescribed by the commissioner, to be excused from that 4299
requirement. The commissioner may excuse a person from the 4300
requirements of this division for good cause. 4301

(C)(1) If a person required to remit taxes or file a return 4302
electronically under this section fails to do so, the commissioner 4303
may impose a penalty not to exceed the following: 4304

(a) For either of the first two calendar quarters the person 4305
so fails, five per cent of the amount of the payment that was 4306
required to be remitted; 4307

(b) For the third and any subsequent calendar quarters the 4308
person so fails, ten per cent of the amount of the payment that 4309
was required to be remitted. 4310

(2) The penalty imposed under division (C)(1) of this section 4311
is in addition to any other penalty imposed under this chapter and 4312
shall be considered as revenue arising from the tax imposed under 4313
this chapter. A penalty may be collected by assessment in the 4314
manner prescribed by section 5751.09 of the Revised Code. The tax 4315
commissioner may abate all or a portion of such a penalty. 4316

Section 2. That existing sections 715.013, 718.02, 718.03, 4317
718.04, 718.051, 718.07, 718.09, 718.10, 718.11, 718.121, 718.13, 4318
5703.059, 5703.57, 5717.011, 5717.03, 5739.12, 5739.124, 5741.122, 4319
5747.063, 5747.064, and 5751.07 and sections 718.01, 718.011, 4320
718.041, 718.05, 718.06, 718.08, 718.12, and 718.14 of the Revised 4321
Code are hereby repealed. 4322

Section 3. This act is effective for municipal taxable years 4323
beginning on or after January 1, 2015. For municipal taxable years 4324

beginning before January 1, 2015, tax administrators may continue 4325
to administer, audit, and enforce the income tax of a municipal 4326
corporation under Chapter 718. and ordinances and resolutions of 4327
the municipal corporation as that chapter and those ordinances and 4328
resolutions existed before January 1, 2015. 4329

Section 4. If the Municipal Tax Policy Board does not, as 4330
charged under section 718.42 of the Revised Code, create and 4331
furnish the forms, reports, schedules, and attachments required to 4332
be filed under Chapter 718. of the Revised Code before January 1, 4333
2015, each tax administrator shall create required forms, reports, 4334
schedules, and attachments and furnish the documents for use with 4335
the tax administrator until the Municipal Tax Policy Board creates 4336
and furnishes the necessary documents. 4337

Section 5. Notwithstanding Section 3 of this act, the 4338
governor shall make initial appointments to the Municipal Tax 4339
Policy Board not later than fifteen days after the effective date 4340
of this act. 4341