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**130th General Assembly
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Am. Sub. H. B. No. 5

Representatives Grossman, Henne

**Cosponsors: Representatives Amstutz, Beck, Adams, J., Blair, Brenner,
Buchy, DeVitis, Hagan, C., Hood, Maag, Retherford, Roegner, Ruhl, Scherer,
Sears, Terhar, Thompson, Young Speaker Batchelder**

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A B I L L

To amend sections 709.023, 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, 5747.50, 4
and 5751.07, to amend, for the purpose of adopting 5
a 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 718.012, 718.031, 718.052, 9
718.18, 718.19, 718.22 to 718.28, 718.30, 718.31, 10
718.35, 718.38, 718.41, and 718.99, to repeal 11
sections 718.01, 718.011, 718.041, 718.05, 718.06, 12
718.08, 718.12, and 718.14 of the Revised Code, 13
and to amend the version of section 5703.02 of the 14
Revised Code that is scheduled to take effect 15
January 1, 2015, to revise the laws governing 16
income taxes imposed by municipal corporations. 17

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

Section 1. That sections 709.023, 718.02, 718.03, 718.051, 18

718.07, 718.09, 718.10, 718.11, 718.121, 718.13, 5703.059, 19
5703.57, 5717.011, 5717.03, 5739.12, 5739.124, 5741.122, 5747.063, 20
5747.064, 5747.50, and 5751.07 be amended, section 718.04 (718.50) 21
be amended for the purpose of adopting a new section number as 22
indicated in parentheses, and new sections 718.01, 718.011, 23
718.04, 718.05, 718.06, 718.08, and 718.12 and sections 718.012, 24
718.031, 718.052, 718.18, 718.19, 718.22, 718.23, 718.24, 718.25, 25
718.26, 718.27, 718.28, 718.30, 718.31, 718.35, 718.38, 718.41, 26
and 718.99 of the Revised Code be enacted to read as follows: 27

Sec. 709.023. (A) A petition filed under section 709.021 of 28
the Revised Code that requests to follow this section is for the 29
special procedure of annexing land into a municipal corporation 30
when, subject to division (H) of this section, the land also is 31
not to be excluded from the township under section 503.07 of the 32
Revised Code. The owners who sign this petition by their signature 33
expressly waive their right to appeal in law or equity from the 34
board of county commissioners' entry of any resolution under this 35
section, waive any rights they may have to sue on any issue 36
relating to a municipal corporation requiring a buffer as provided 37
in this section, and waive any rights to seek a variance that 38
would relieve or exempt them from that buffer requirement. 39

The petition circulated to collect signatures for the special 40
procedure in this section shall contain in boldface capital 41
letters immediately above the heading of the place for signatures 42
on each part of the petition the following: "WHOEVER SIGNS THIS 43
PETITION EXPRESSLY WAIVES THEIR RIGHT TO APPEAL IN LAW OR EQUITY 44
FROM THE BOARD OF COUNTY COMMISSIONERS' ENTRY OF ANY RESOLUTION 45
PERTAINING TO THIS SPECIAL ANNEXATION PROCEDURE, ALTHOUGH A WRIT 46
OF MANDAMUS MAY BE SOUGHT TO COMPEL THE BOARD TO PERFORM ITS 47
DUTIES REQUIRED BY LAW FOR THIS SPECIAL ANNEXATION PROCEDURE." 48

(B) Upon the filing of the petition in the office of the 49

clerk of the board of county commissioners, the clerk shall cause 50
the petition to be entered upon the board's journal at its next 51
regular session. This entry shall be the first official act of the 52
board on the petition. Within five days after the filing of the 53
petition, the agent for the petitioners shall notify in the manner 54
and form specified in this division the clerk of the legislative 55
authority of the municipal corporation to which annexation is 56
proposed, the fiscal officer of each township any portion of which 57
is included within the territory proposed for annexation, the 58
clerk of the board of county commissioners of each county in which 59
the territory proposed for annexation is located other than the 60
county in which the petition is filed, and the owners of property 61
adjacent to the territory proposed for annexation or adjacent to a 62
road that is adjacent to that territory and located directly 63
across that road from that territory. The notice shall refer to 64
the time and date when the petition was filed and the county in 65
which it was filed and shall have attached or shall be accompanied 66
by a copy of the petition and any attachments or documents 67
accompanying the petition as filed. 68

Notice to a property owner is sufficient if sent by regular 69
United States mail to the tax mailing address listed on the county 70
auditor's records. Notice to the appropriate government officer 71
shall be given by certified mail, return receipt requested, or by 72
causing the notice to be personally served on the officer, with 73
proof of service by affidavit of the person who delivered the 74
notice. Proof of service of the notice on each appropriate 75
government officer shall be filed with the board of county 76
commissioners with which the petition was filed. 77

(C) Within twenty days after the date that the petition is 78
filed, the legislative authority of the municipal corporation to 79
which annexation is proposed shall adopt an ordinance or 80
resolution stating what services the municipal corporation will 81

provide, and an approximate date by which it will provide them, to 82
the territory proposed for annexation, upon annexation. The 83
municipal corporation is entitled in its sole discretion to 84
provide to the territory proposed for annexation, upon annexation, 85
services in addition to the services described in that ordinance 86
or resolution. 87

If the territory proposed for annexation is subject to zoning 88
regulations adopted under either Chapter 303. or 519. of the 89
Revised Code at the time the petition is filed, the legislative 90
authority of the municipal corporation also shall adopt an 91
ordinance or resolution stating that, if the territory is annexed 92
and becomes subject to zoning by the municipal corporation and 93
that municipal zoning permits uses in the annexed territory that 94
the municipal corporation determines are clearly incompatible with 95
the uses permitted under current county or township zoning 96
regulations in the adjacent land remaining within the township 97
from which the territory was annexed, the legislative authority of 98
the municipal corporation will require, in the zoning ordinance 99
permitting the incompatible uses, the owner of the annexed 100
territory to provide a buffer separating the use of the annexed 101
territory and the adjacent land remaining within the township. For 102
the purposes of this section, "buffer" includes open space, 103
landscaping, fences, walls, and other structured elements; streets 104
and street rights-of-way; and bicycle and pedestrian paths and 105
sidewalks. 106

The clerk of the legislative authority of the municipal 107
corporation to which annexation is proposed shall file the 108
ordinances or resolutions adopted under this division with the 109
board of county commissioners within twenty days following the 110
date that the petition is filed. The board shall make these 111
ordinances or resolutions available for public inspection. 112

(D) Within twenty-five days after the date that the petition 113

is filed, the legislative authority of the municipal corporation 114
to which annexation is proposed and each township any portion of 115
which is included within the territory proposed for annexation may 116
adopt and file with the board of county commissioners an ordinance 117
or resolution consenting or objecting to the proposed annexation. 118
An objection to the proposed annexation shall be based solely upon 119
the petition's failure to meet the conditions specified in 120
division (E) of this section. 121

If the municipal corporation and each of those townships 122
timely files an ordinance or resolution consenting to the proposed 123
annexation, the board at its next regular session shall enter upon 124
its journal a resolution granting the proposed annexation. If, 125
instead, the municipal corporation or any of those townships files 126
an ordinance or resolution that objects to the proposed 127
annexation, the board of county commissioners shall proceed as 128
provided in division (E) of this section. Failure of the municipal 129
corporation or any of those townships to timely file an ordinance 130
or resolution consenting or objecting to the proposed annexation 131
shall be deemed to constitute consent by that municipal 132
corporation or township to the proposed annexation. 133

(E) Unless the petition is granted under division (D) of this 134
section, not less than thirty or more than forty-five days after 135
the date that the petition is filed, the board of county 136
commissioners shall review it to determine if each of the 137
following conditions has been met: 138

(1) The petition meets all the requirements set forth in, and 139
was filed in the manner provided in, section 709.021 of the 140
Revised Code. 141

(2) The persons who signed the petition are owners of the 142
real estate located in the territory proposed for annexation and 143
constitute all of the owners of real estate in that territory. 144

(3) The territory proposed for annexation does not exceed 145
five hundred acres. 146

(4) The territory proposed for annexation shares a contiguous 147
boundary with the municipal corporation to which annexation is 148
proposed for a continuous length of at least five per cent of the 149
perimeter of the territory proposed for annexation. 150

(5) The annexation will not create an unincorporated area of 151
the township that is completely surrounded by the territory 152
proposed for annexation. 153

(6) The municipal corporation to which annexation is proposed 154
has agreed to provide to the territory proposed for annexation the 155
services specified in the relevant ordinance or resolution adopted 156
under division (C) of this section. 157

(7) If a street or highway will be divided or segmented by 158
the boundary line between the township and the municipal 159
corporation as to create a road maintenance problem, the municipal 160
corporation to which annexation is proposed has agreed as a 161
condition of the annexation to assume the maintenance of that 162
street or highway or to otherwise correct the problem. As used in 163
this section, "street" or "highway" has the same meaning as in 164
section 4511.01 of the Revised Code. 165

(F) Not less than thirty or more than forty-five days after 166
the date that the petition is filed, if the petition is not 167
granted under division (D) of this section, the board of county 168
commissioners, if it finds that each of the conditions specified 169
in division (E) of this section has been met, shall enter upon its 170
journal a resolution granting the annexation. If the board of 171
county commissioners finds that one or more of the conditions 172
specified in division (E) of this section have not been met, it 173
shall enter upon its journal a resolution that states which of 174
those conditions the board finds have not been met and that denies 175

the petition. 176

(G) If a petition is granted under division (D) or (F) of 177
this section, the clerk of the board of county commissioners shall 178
proceed as provided in division (C)(1) of section 709.033 of the 179
Revised Code, except that no recording or hearing exhibits would 180
be involved. There is no appeal in law or equity from the board's 181
entry of any resolution under this section, but any party may seek 182
a writ of mandamus to compel the board of county commissioners to 183
perform its duties under this section. 184

(H) Notwithstanding anything to the contrary in section 185
503.07 of the Revised Code, unless otherwise provided in an 186
annexation agreement entered into pursuant to section 709.192 of 187
the Revised Code or in a cooperative economic development 188
agreement entered into pursuant to section 701.07 of the Revised 189
Code, territory annexed into a municipal corporation pursuant to 190
this section shall not at any time be excluded from the township 191
under section 503.07 of the Revised Code and, thus, remains 192
subject to the township's real property taxes. 193

(I) Any owner of land that remains within a township and that 194
is adjacent to territory annexed pursuant to this section who is 195
directly affected by the failure of the annexing municipal 196
corporation to enforce compliance with any zoning ordinance it 197
adopts under division (C) of this section requiring the owner of 198
the annexed territory to provide a buffer zone, may commence in 199
the court of common pleas a civil action against that owner to 200
enforce compliance with that buffer requirement whenever the 201
required buffer is not in place before any development of the 202
annexed territory begins. 203

(J) Division ~~(H)(12)~~ (C)(18) of section 718.01 of the Revised 204
Code applies to the compensation paid to persons performing 205
personal services for a political subdivision on property owned by 206
the political subdivision after that property is annexed to a 207

municipal corporation under this section. 208

Sec. 718.01. Any term used in this chapter that is not 209
otherwise defined in this chapter has the same meaning as when 210
used in a comparable context in laws of the United States relating 211
to federal income taxation or in Title LVII of the Revised Code, 212
unless a different meaning is clearly required. If a term used in 213
this chapter that is not otherwise defined in this chapter is used 214
in a comparable context in both the laws of the United States 215
relating to federal income tax and in Title LVII of the Revised 216
Code and the use is not consistent, then the use of the term in 217
the laws of the United States relating to federal income tax shall 218
control over the use of the term in Title LVII of the Revised 219
Code. 220

As used in this chapter: 221

(A)(1) "Municipal taxable income" means the following: 222

(a) For a person other than an individual, income reduced by 223
exempt income to the extent otherwise included in income and then, 224
as applicable, apportioned or situated to the municipal corporation 225
under section 718.02 of the Revised Code, and further reduced by 226
any pre-2016 net operating loss carryforward available to the 227
person for the municipal corporation. 228

(b)(i) For an individual who is a resident of a municipal 229
corporation other than a qualified municipal corporation, income 230
reduced by exempt income to the extent otherwise included in 231
income, then reduced as provided in division (A)(2) of this 232
section, and further reduced by any pre-2016 net operating loss 233
carryforward available to the individual for the municipal 234
corporation. 235

(ii) For an individual who is a resident of a qualified 236
municipal corporation, Ohio adjusted gross income reduced by 237

income exempted, and increased by deductions excluded, by the 238
qualified municipal corporation from the qualified municipal 239
corporation's tax on or before December 31, 2013. If a qualified 240
municipal corporation, on or before December 31, 2013, exempts 241
income earned by individuals who are not residents of the 242
qualified municipal corporation and net profit of persons that are 243
not wholly located within the qualified municipal corporation, 244
such individual or person shall have no municipal taxable income 245
for the purposes of the tax levied by the qualified municipal 246
corporation and may be exempted by the qualified municipal 247
corporation from the requirements of section 718.03 of the Revised 248
Code. 249

(c) For an individual who is a nonresident of a municipal 250
corporation, income reduced by exempt income to the extent 251
otherwise included in income and then, as applicable, apportioned 252
or situated to the municipal corporation under section 718.02 of 253
the Revised Code, then reduced as provided in division (A)(2) of 254
this section, and further reduced by any pre-2016 net operating 255
loss carryforward available to the individual for the municipal 256
corporation. 257

(2) In computing the municipal taxable income of a taxpayer 258
who is an individual, the taxpayer may subtract, as provided in 259
division (A)(1)(b)(i) or (c) of this section, the amount of the 260
individual's employee business expenses reportable on the 261
individual's form 2106 that the individual deducted for federal 262
income tax purposes for the taxable year, subject to the 263
limitation imposed by section 67 of the Internal Revenue Code. For 264
the municipal corporation in which the taxpayer is a resident, the 265
taxpayer may deduct all such expenses. For a municipal corporation 266
in which the taxpayer is not a resident, the taxpayer may deduct 267
such expenses only to the extent the expenses are related to the 268
taxpayer's performance of personal services in that nonresident 269

municipal corporation. 270

(B) "Income" means the following: 271

(1)(a) For residents, all income, salaries, qualifying wages, commissions, and other compensation from whatever source earned or received by the resident, including the resident's distributive share of the net profit of pass-through entities owned directly or indirectly by the resident and any net profit of the resident. 272
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(b) For the purposes of division (B)(1)(a) of this section, the distributive share of any net operating loss attributable to an ownership interest in a pass-through entity shall be allowed as a deduction against any net profit of the resident generated during the same taxable year, and any net operating loss of the resident shall be allowed as a deduction against the distributive share of any net profit attributable to an ownership interest in a pass-through entity generated during the same taxable year. 277
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(c) Division (B)(1)(b) of this section does not apply with respect to any net profit or net operating loss attributable to an ownership interest in an S corporation unless shareholders' distributive shares of net profits from S corporations are subject to tax in the municipal corporation as provided in division (C)(14)(b) or (c) of this section. 285
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(2) In the case of nonresidents, all income, salaries, qualifying wages, commissions, and other compensation from whatever source earned or received by the nonresident for work done, services performed or rendered, or activities conducted in the municipal corporation, including any net profit of the nonresident, but excluding the nonresident's distributive share of the net profit or loss of only pass-through entities owned directly or indirectly by the nonresident. 291
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(3) For taxpayers that are not individuals, net profit of the taxpayer; 299
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(4) Lottery, sweepstakes, gambling and sports winnings, 301
winnings from games of chance, and prizes and awards. If the 302
taxpayer is a professional gambler for federal income tax 303
purposes, the taxpayer may deduct related wagering losses and 304
expenses to the extent authorized under the Internal Revenue Code 305
and claimed against such winnings. 306

(C) "Exempt income" means all of the following: 307

(1) The military pay or allowances of members of the armed 308
forces of the United States or members of their reserve 309
components, including the national guard of any state; 310

(2)(a) Except as provided in division (C)(2)(b) of this 311
section, intangible income; 312

(b) A municipal corporation that taxed any type of intangible 313
income on March 29, 1988, pursuant to Section 3 of S.B. 238 of the 314
116th general assembly, may continue to tax that type of income if 315
a majority of the electors of the municipal corporation voting on 316
the question of whether to permit the taxation of that type of 317
intangible income after 1988 voted in favor thereof at an election 318
held on November 8, 1988. 319

(3) Social security benefits, railroad retirement benefits, 320
unemployment compensation, pensions, retirement benefit payments, 321
payments from annuities, and similar payments made to an employee 322
or to the beneficiary of an employee under a retirement program or 323
plan, disability payments received from private industry or local, 324
state, or federal governments or from charitable, religious or 325
educational organizations, and the proceeds of sickness, accident, 326
or liability insurance policies. As used in division (C)(3) of 327
this section, "unemployment compensation" does not include 328
supplemental unemployment compensation described in section 329
3402(o)(2) of the Internal Revenue Code. 330

(4) The income of religious, fraternal, charitable, 331

scientific, literary, or educational institutions to the extent 332
such income is derived from tax-exempt real estate, tax-exempt 333
tangible or intangible property, or tax-exempt activities. 334

(5) Compensation paid under section 3501.28 or 3501.36 of the 335
Revised Code to a person serving as a precinct election official 336
to the extent that such compensation does not exceed one thousand 337
dollars for the taxable year. Such compensation in excess of one 338
thousand dollars for the taxable year may be subject to taxation 339
by a municipal corporation. A municipal corporation shall not 340
require the payer of such compensation to withhold any tax from 341
that compensation. 342

(6) Dues, contributions, and similar payments received by 343
charitable, religious, educational, or literary organizations or 344
labor unions, lodges, and similar organizations; 345

(7) Alimony and child support received; 346

(8) Compensation for personal injuries or for damages to 347
property from insurance proceeds or otherwise, excluding 348
compensation paid for lost salaries or wages or compensation from 349
punitive damages; 350

(9) Income of a public utility when that public utility is 351
subject to the tax levied under section 5727.24 or 5727.30 of the 352
Revised Code. Division (C)(9) of this section does not apply for 353
purposes of Chapter 5745. of the Revised Code. 354

(10) Gains from involuntary conversions, interest on federal 355
obligations, items of income subject to a tax levied by the state 356
and that a municipal corporation is specifically prohibited by law 357
from taxing, and income of a decedent's estate during the period 358
of administration except such income from the operation of a trade 359
or business; 360

(11) Compensation or allowances excluded from federal gross 361
income under section 107 of the Internal Revenue Code; 362

<u>(12) Employee compensation that is not qualifying wages;</u>	363
<u>(13) Compensation paid to a person employed within the</u>	364
<u>boundaries of a United States air force base under the</u>	365
<u>jurisdiction of the United States air force that is used for the</u>	366
<u>housing of members of the United States air force and is a center</u>	367
<u>for air force operations, unless the person is subject to taxation</u>	368
<u>because of residence or domicile. If the compensation is subject</u>	369
<u>to taxation because of residence or domicile, tax on such income</u>	370
<u>shall be payable only to the municipal corporation of residence or</u>	371
<u>domicile.</u>	372
<u>(14)(a) Except as provided in division (C)(14)(b) or (c) of</u>	373
<u>this section, an S corporation shareholder's distributive share of</u>	374
<u>net profits of the S corporation, other than any part of the</u>	375
<u>distributive share of net profits that represents wages as defined</u>	376
<u>in section 3121(a) of the Internal Revenue Code or net earnings</u>	377
<u>from self-employment as defined in section 1402(a) of the Internal</u>	378
<u>Revenue Code.</u>	379
<u>(b) If, pursuant to division (H) of former section 718.01 of</u>	380
<u>the Revised Code as it existed before March 11, 2004, a majority</u>	381
<u>of the electors of a municipal corporation voted in favor of the</u>	382
<u>question at an election held on November 4, 2003, the municipal</u>	383
<u>corporation may continue after 2002 to tax an S corporation</u>	384
<u>shareholder's distributive share of net profits of an S</u>	385
<u>corporation.</u>	386
<u>(c) If, on December 6, 2002, a municipal corporation was</u>	387
<u>imposing, assessing, and collecting a tax on an S corporation</u>	388
<u>shareholder's distributive share of net profits of the S</u>	389
<u>corporation to the extent the distributive share would be</u>	390
<u>allocated or apportioned to this state under divisions (B)(1) and</u>	391
<u>(2) of section 5733.05 of the Revised Code if the S corporation</u>	392
<u>were a corporation subject to taxes imposed under Chapter 5733. of</u>	393
<u>the Revised Code, the municipal corporation may continue to impose</u>	394

the tax on such distributive shares to the extent such shares 395
would be so allocated or apportioned to this state only until 396
December 31, 2004, unless a majority of the electors of the 397
municipal corporation voting on the question of continuing to tax 398
such shares after that date vote in favor of that question at an 399
election held November 2, 2004. If a majority of those electors 400
vote in favor of the question, the municipal corporation may 401
continue after December 31, 2004, to impose the tax on such 402
distributive shares only to the extent such shares would be so 403
allocated or apportioned to this state. 404

(d) A municipal corporation shall be deemed to have elected 405
to tax S corporation shareholders' distributive shares of net 406
profits of the S corporation in the hands of the shareholders if a 407
majority of the electors of a municipal corporation vote in favor 408
of a question at an election held under division (C)(14)(b) or (c) 409
of this section. The municipal corporation shall specify by 410
resolution or ordinance that the tax applies to the distributive 411
share of a shareholder of an S corporation in the hands of the 412
shareholder of the S corporation. 413

(15) To the extent authorized under a resolution or ordinance 414
adopted by a municipal corporation before January 1, 2015, all or 415
a portion of the income of individuals or a class of individuals 416
under eighteen years of age. 417

(16)(a) Except as provided in divisions (C)(16)(b), (c), and 418
(d) of this section, qualifying wages described in division (B)(1) 419
or (E) of section 718.011 of the Revised Code to the extent the 420
qualifying wages are not subject to withholding for the municipal 421
corporation under either of those divisions. 422

(b) The exemption provided in division (C)(16)(a) of this 423
section does not apply with respect to the municipal corporation 424
in which the employee resided at the time the employee earned the 425
qualifying wages. 426

(c) The exemption provided in division (C)(16)(a) of this section does not apply to qualifying wages that an employer elects to withhold under division (D)(2) of section 718.011 of the Revised Code. 427
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(d) The exemption provided in division (C)(16)(a) of this section does not apply to qualifying wages if both of the following conditions apply: 431
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(i) For qualifying wages described in division (B)(1) of section 718.011 of the Revised Code, the employee's employer withholds and remits tax on the qualifying wages to the municipal corporation in which the employee's principal place of work is situated, or, for qualifying wages described in division (E) of section 718.011 of the Revised Code, the employee's employer withholds and remits tax on the qualifying wages to the municipal corporation in which the employer's fixed location is located; 434
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(ii) The employee receives a refund of the tax described in division (C)(16)(d)(i) of this section on the basis of the employee not performing services in that municipal corporation. 442
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(17) Compensation that is not qualifying wages paid to a nonresident individual for personal services performed in the municipal corporation as a member of the board of directors of a corporation on not more than twenty days in a taxable year. 445
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(18) Compensation paid to a person for personal services performed for a political subdivision on property owned by the political subdivision, regardless of whether the compensation is received by an employee of the subdivision or another person performing services for the subdivision under a contract with the subdivision, if the property on which services are performed is annexed to a municipal corporation pursuant to section 709.023 of the Revised Code on or after March 27, 2013, unless the person is subject to such taxation because of residence. If the compensation 449
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is subject to taxation because of residence, municipal income tax 458
shall be payable only to the municipal corporation of residence. 459

(19) Income the taxation of which is prohibited by the 460
constitution or laws of the United States. 461

Any item of income that is exempt income of a pass-through 462
entity under division (C) of this section is exempt income of each 463
owner of the pass-through entity to the extent of that owner's 464
distributive or proportionate share of that item of the entity's 465
income. 466

(D)(1) "Net profit" for a person other than an individual 467
means adjusted federal taxable income. 468

(2) "Net profit" for a person who is an individual means the 469
individual's net profit required to be reported on schedule C, 470
schedule E, or schedule F reduced by any net operating loss 471
carried forward. For the purposes of division (D)(2) of this 472
section, the net operating loss carried forward shall be 473
calculated and deducted in the same manner as provided in division 474
(E)(8) of this section. 475

(3) For the purposes of this chapter, and notwithstanding 476
division (D)(1) of this section, net profit of a disregarded 477
entity shall not be taxable as against that disregarded entity, 478
but shall instead be included in the net profit of the owner of 479
the disregarded entity. 480

(E) "Adjusted federal taxable income," for a person required 481
to file as a C corporation means a C corporation's federal taxable 482
income before net operating losses and special deductions as 483
determined under the Internal Revenue Code, adjusted as follows: 484

(1) Deduct intangible income to the extent included in 485
federal taxable income. The deduction shall be allowed regardless 486
of whether the intangible income relates to assets used in a trade 487
or business or assets held for the production of income. 488

(2) Add an amount equal to five per cent of intangible income 489
deducted under division (E)(1) of this section, but excluding that 490
portion of intangible income directly related to the sale, 491
exchange, or other disposition of property described in section 492
1221 of the Internal Revenue Code; 493

(3) Add any losses allowed as a deduction in the computation 494
of federal taxable income if the losses directly relate to the 495
sale, exchange, or other disposition of an asset described in 496
section 1221 or 1231 of the Internal Revenue Code; 497

(4)(a) Except as provided in division (E)(4)(b) of this 498
section, deduct income and gain included in federal taxable income 499
to the extent the income and gain directly relate to the sale, 500
exchange, or other disposition of an asset described in section 501
1221 or 1231 of the Internal Revenue Code; 502

(b) Division (E)(4)(a) of this section does not apply to the 503
extent the income or gain is income or gain described in section 504
1245 or 1250 of the Internal Revenue Code. 505

(5) Add taxes on or measured by net income allowed as a 506
deduction in the computation of federal taxable income; 507

(6) In the case of a real estate investment trust or 508
regulated investment company, add all amounts with respect to 509
dividends to, distributions to, or amounts set aside for or 510
credited to the benefit of investors and allowed as a deduction in 511
the computation of federal taxable income; 512

(7) Deduct, to the extent not otherwise deducted or excluded 513
in computing federal taxable income, any income derived from a 514
transfer agreement or from the enterprise transferred under that 515
agreement under section 4313.02 of the Revised Code; 516

(8)(a) Except as limited by divisions (E)(8)(b), (c), and (d) 517
of this section, deduct the following: 518

(i) For a municipal corporation that levies an income tax before January 1, 2015, any net operating loss incurred by the person in taxable years beginning after 2015. 519
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(ii) For a municipal corporation that does not levy an income tax before January 1, 2015, any net operating loss incurred by the person in taxable years beginning on or after the effective date of the income tax. 522
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For any municipal corporation, the amount of the net operating loss shall be deducted from net profit reduced by exempt income to the extent necessary to reduce municipal taxable income to zero, with any remaining unused portion of the net operating loss carried forward to not more than five consecutive taxable years following the taxable year in which the loss was incurred, but in no case for more years than necessary for the deduction to be fully utilized. 526
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(b) No person shall use the deduction allowed by division (E)(8) of this section to offset qualifying wages. 534
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(c)(i) For taxable years beginning in 2017, 2018, 2019, 2020, or 2021, a person may not deduct, for purposes of an income tax levied by a municipal corporation that levies an income tax before January 1, 2015, more than fifty per cent of the amount of the deduction otherwise allowed by division (E)(8)(a) of this section. 536
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(ii) For taxable years beginning in 2022 or thereafter, a person may deduct, for purposes of an income tax levied by a municipal corporation that levies an income tax before January 1, 2015, the full amount allowed by division (E)(8)(a) of this section. 541
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(d) Any pre-2016 net operating loss carryforward deduction that is available must be utilized before a taxpayer may deduct any amount pursuant to division (E)(8) of this section. 546
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(e) Nothing in divisions (E)(8)(c)(i) and (ii) of this 549

section precludes a person from carrying forward, for the period 550
otherwise permitted under division (E)(8)(a) of this section, any 551
amount of net operating loss that was not fully utilized by 552
operation of divisions (E)(8)(c)(i) and (ii) of this section. 553

(9) Deduct any net profit of a pass-through entity owned 554
directly or indirectly by the taxpayer and included in the 555
taxpayer's federal taxable income unless an affiliated group of 556
corporations includes that net profit in the group's federal 557
taxable income in accordance with division (E)(3)(b) of section 558
718.06 of the Revised Code. 559

(10) Add any loss incurred by a pass-through entity owned 560
directly or indirectly by the taxpayer and included in the 561
taxpayer's federal taxable income unless an affiliated group of 562
corporations includes that loss in the group's federal taxable 563
income in accordance with division (E)(3)(b) of section 718.06 of 564
the Revised Code. 565

If the taxpayer is not a C corporation, is not a disregarded 566
entity, and is not an individual, the taxpayer shall compute 567
adjusted federal taxable income under this section as if the 568
taxpayer were a C corporation, except guaranteed payments and 569
other similar amounts paid or accrued to a partner, former 570
partner, shareholder, former shareholder, member, or former member 571
shall not be allowed as a deductible expense unless such payments 572
are in consideration for the use of capital and treated as payment 573
of interest under section 469 of the Internal Revenue Code or 574
United States treasury regulations. Amounts paid or accrued to a 575
qualified self-employed retirement plan with respect to a partner, 576
former partner, shareholder, former shareholder, member, or former 577
member of the taxpayer, amounts paid or accrued to or for health 578
insurance for a partner, former partner, shareholder, former 579
shareholder, member, or former member, and amounts paid or accrued 580
to or for life insurance for a partner, former partner, 581

shareholder, former shareholder, member, or former member shall 582
not be allowed as a deduction. 583

Nothing in division (E) of this section shall be construed as 584
allowing the taxpayer to add or deduct any amount more than once 585
or shall be construed as allowing any taxpayer to deduct any 586
amount paid to or accrued for purposes of federal self-employment 587
tax. 588

(F) "Schedule C" means internal revenue service schedule C 589
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 590
Code. 591

(G) "Schedule E" means internal revenue service schedule E 592
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 593
Code. 594

(H) "Schedule F" means internal revenue service schedule F 595
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 596
Code. 597

(I) "Internal Revenue Code" has the same meaning as in 598
section 5747.01 of the Revised Code. 599

(J) "Resident" means an individual who is domiciled in the 600
municipal corporation as determined under section 718.012 of the 601
Revised Code. 602

(K) "Nonresident" means an individual that is not a resident. 603

(L)(1) "Taxpayer" means a person subject to a tax levied on 604
income by a municipal corporation in accordance with this chapter. 605
"Taxpayer" does not include a grantor trust or, except as provided 606
in division (L)(2)(a) of this section, a disregarded entity. 607

(2)(a) A single member limited liability company that is a 608
disregarded entity for federal tax purposes may be a separate 609
taxpayer from its single member in all Ohio municipal corporations 610
in which it either filed as a separate taxpayer or did not file 611

for its taxable year ending in 2003, if all of the following 612
conditions are met: 613

(i) The limited liability company's single member is also a 614
limited liability company. 615

(ii) The limited liability company and its single member were 616
formed and doing business in one or more Ohio municipal 617
corporations for at least five years before January 1, 2004. 618

(iii) Not later than December 31, 2004, the limited liability 619
company and its single member each made an election to be treated 620
as a separate taxpayer under division (L) of this section as this 621
section existed on December 31, 2004. 622

(iv) The limited liability company was not formed for the 623
purpose of evading or reducing Ohio municipal corporation income 624
tax liability of the limited liability company or its single 625
member. 626

(v) The Ohio municipal corporation that was the primary place 627
of business of the sole member of the limited liability company 628
consented to the election. 629

(b) For purposes of division (L)(2)(a)(v) of this section, a 630
municipal corporation was the primary place of business of a 631
limited liability company if, for the limited liability company's 632
taxable year ending in 2003, its income tax liability was greater 633
in that municipal corporation than in any other municipal 634
corporation in Ohio, and that tax liability to that municipal 635
corporation for its taxable year ending in 2003 was at least four 636
hundred thousand dollars. 637

(M) "Person" includes individuals, firms, companies, joint 638
stock companies, business trusts, estates, trusts, partnerships, 639
limited liability partnerships, limited liability companies, 640
associations, C corporations, S corporations, governmental 641
entities, and any other entity. 642

(N) "Pass-through entity" means a partnership not treated as an association taxable as a C corporation for federal income tax purposes, a limited liability company not treated as an association taxable as a C corporation for federal income tax purposes, an S corporation, or any other class of entity from which the income or profits of the entity are given pass-through treatment for federal income tax purposes. "Pass-through entity" does not include a trust, estate, grantor of a grantor trust, or disregarded entity. 643
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(O) "S corporation" means a person that has made an election under subchapter S of Chapter 1 of Subtitle A of the Internal Revenue Code for its taxable year. 652
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(P) "Single member limited liability company" means a limited liability company that has one direct member. 655
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(Q) "Limited liability company" means a limited liability company formed under Chapter 1705. of the Revised Code or under the laws of another state. 657
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(R) "Qualifying wages" means wages, as defined in section 3121(a) of the Internal Revenue Code, without regard to any wage limitations, adjusted as follows: 660
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(1) Deduct the following amounts: 663

(a) Any amount included in wages if the amount constitutes compensation attributable to a plan or program described in section 125 of the Internal Revenue Code. 664
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(b) Any amount included in wages if the amount constitutes payment on account of a disability related to sickness or an accident paid by a party unrelated to the employer, agent of an employer, or other payer. 667
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(c) Any amount attributable to a nonqualified deferred compensation plan or program described in section 3121(v)(2)(C) of 671
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the Internal Revenue Code if the compensation is included in wages 673
and the municipal corporation has, by resolution or ordinance 674
adopted before January 1, 2015, exempted the amount from 675
withholding and tax. 676

(d) Any amount included in wages if the amount arises from 677
the sale, exchange, or other disposition of a stock option, the 678
exercise of a stock option, or the sale, exchange, or other 679
disposition of stock purchased under a stock option and the 680
municipal corporation has, by resolution or ordinance adopted 681
before January 1, 2015, exempted the amount from withholding and 682
tax. 683

(e) Any amount that is exempt income. 684

(2) Add the following amounts: 685

(a) Any amount not included in wages solely because the 686
employee was employed by the employer before April 1, 1986. 687

(b) Any amount not included in wages because the amount 688
arises from the sale, exchange, or other disposition of a stock 689
option, the exercise of a stock option, or the sale, exchange, or 690
other disposition of stock purchased under a stock option and the 691
municipal corporation has not, by resolution or ordinance, 692
exempted the amount from withholding and tax adopted before 693
January 1, 2015. Division (R)(2)(b) of this section applies only 694
to those amounts constituting ordinary income. 695

(c) Any amount not included in wages if the amount is an 696
amount described in section 401(k), 403(b), or 457 of the Internal 697
Revenue Code. Division (R)(2)(c) of this section applies only to 698
employee contributions and employee deferrals. 699

(d) Any amount that is supplemental unemployment compensation 700
benefits described in section 3402(o)(2) of the Internal Revenue 701
Code and not included in wages. 702

(e) Any amount received that is treated as self-employment 703
income for federal tax purposes in accordance with section 704
1402(a)(8) of the Internal Revenue Code. 705

(f) Any amount not included in wages if all of the following 706
apply: 707

(i) For the taxable year the amount is employee compensation 708
that is included in the taxpayer's gross income for federal income 709
tax purposes; 710

(ii) For no preceding taxable year did the amount constitute 711
wages as defined in section 3121(a) of the Internal Revenue Code; 712

(iii) For no succeeding taxable year will the amount 713
constitute wages; and 714

(iv) For any taxable year the amount has not otherwise been 715
added to wages pursuant to either division (R)(2) of this section 716
or section 718.03 of the Revised Code, as that section existed 717
before the effective date of H.B. 5 of the 130th general assembly. 718

(S) "Intangible income" means income of any of the following 719
types: income yield, interest, capital gains, dividends, or other 720
income arising from the ownership, sale, exchange, or other 721
disposition of intangible property including, but not limited to, 722
investments, deposits, money, or credits as those terms are 723
defined in Chapter 5701. of the Revised Code, and patents, 724
copyrights, trademarks, tradenames, investments in real estate 725
investment trusts, investments in regulated investment companies, 726
and appreciation on deferred compensation. "Intangible income" 727
does not include prizes, awards, or other income associated with 728
any lottery winnings, gambling winnings, or other similar games of 729
chance. 730

(T) "Taxable year" means the corresponding tax reporting 731
period as prescribed for the taxpayer under the Internal Revenue 732
Code. 733

(U) "Tax administrator" means the individual charged with direct responsibility for administration of an income tax levied by a municipal corporation in accordance with this chapter, and also includes the following: 734
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(1) A municipal corporation acting as the agent of another municipal corporation; 738
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(2) A person retained by a municipal corporation to administer a tax levied by the municipal corporation, but only if the municipal corporation does not compensate the person in whole or in part on a contingency basis; 740
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(3) The central collection agency or the regional income tax agency or their successors in interest, or another entity organized to perform functions similar to those performed by the central collection agency and the regional income tax agency. 744
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(V) "Employer" means a person that is an employer for federal income tax purposes. 748
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(W) "Employee" means an individual who is an employee for federal income tax purposes. 750
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(X) "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. "Other payer" includes casino operators and video lottery terminal sales agents. 752
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(Y) "Calendar quarter" means the three-month period ending on the last day of March, June, September, or December. 757
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(Z) "Form 2106" means internal revenue service form 2106 filed by a taxpayer pursuant to the Internal Revenue Code. 759
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(AA) "Municipal corporation" includes a joint economic development district or joint economic development zone that levies an income tax under section 715.691, 715.70, 715.71, or 761
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715.74 of the Revised Code. 764

(BB) "Disregarded entity" means a single member limited liability company, a qualifying subchapter S subsidiary, or another entity if the company, subsidiary, or entity is a disregarded entity for federal income tax purposes. 765
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(CC) "Generic form" means an electronic or paper form designed for reporting taxes withheld by an employer, agent of an employer, or other payer, estimated municipal income taxes, or annual municipal income tax liability or for filing a refund claim. 769
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(DD) "Tax return preparer" means any individual described in section 7701(a)(36) of the Internal Revenue Code and 26 C.F.R. 301.7701-15. 774
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(EE) "Ohio business gateway" means the online computer network system, created under section 125.30 of the Revised Code, that allows persons to electronically file business reply forms with state agencies and includes any successor electronic filing and payment system. 777
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(FF) "Local board of tax review" and "board of tax review" mean the entity created under section 718.11 of the Revised Code. 782
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(GG) "Net operating loss" means a loss incurred by a person in the operation of a trade or business. "Net operating loss" does not include unutilized losses resulting from basis limitations, at-risk limitations, or passive activity loss limitations. 784
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(HH) "Casino operator" and "casino facility" have the same meanings as in section 3772.01 of the Revised Code. 788
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(II) "Video lottery terminal" has the same meaning as in section 3770.21 of the Revised Code. 790
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(JJ) "Video lottery terminal sales agent" means a lottery sales agent licensed under Chapter 3770. of the Revised Code to 792
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conduct video lottery terminals on behalf of the state pursuant to 794
section 3770.21 of the Revised Code. 795

(KK) "Postal service" means the United States postal service. 796

(LL) "Certified mail," "express mail," "United States mail," 797
"postal service," and similar terms include any delivery service 798
authorized pursuant to section 5703.056 of the Revised Code. 799

(MM) "Postmark date," "date of postmark," and similar terms 800
include the date recorded and marked in the manner described in 801
division (B)(3) of section 5703.056 of the Revised Code. 802

(NN) "Related member" means a person that, with respect to 803
the taxpayer during all or any portion of the taxable year, is 804
either a related entity, a component member as defined in section 805
1563(b) of the Internal Revenue Code, or a person to or from whom 806
there is attribution of stock ownership in accordance with section 807
1563(e) of the Internal Revenue Code except, for purposes of 808
determining whether a person is a related member under this 809
division, "twenty per cent" shall be substituted for "5 percent" 810
wherever "5 percent" appears in section 1563(e) of the Internal 811
Revenue Code. 812

(OO) "Related entity" means any of the following: 813

(1) An individual stockholder, or a member of the 814
stockholder's family enumerated in section 318 of the Internal 815
Revenue Code, if the stockholder and the members of the 816
stockholder's family own directly, indirectly, beneficially, or 817
constructively, in the aggregate, at least fifty per cent of the 818
value of the taxpayer's outstanding stock; 819

(2) A stockholder, or a stockholder's partnership, estate, 820
trust, or corporation, if the stockholder and the stockholder's 821
partnerships, estates, trusts, or corporations own directly, 822
indirectly, beneficially, or constructively, in the aggregate, at 823
least fifty per cent of the value of the taxpayer's outstanding 824

stock; 825

(3) A corporation, or a party related to the corporation in a 826
manner that would require an attribution of stock from the 827
corporation to the party or from the party to the corporation 828
under division (00)(4) of this section, provided the taxpayer owns 829
directly, indirectly, beneficially, or constructively, at least 830
fifty per cent of the value of the corporation's outstanding 831
stock; 832

(4) The attribution rules described in section 318 of the 833
Internal Revenue Code apply for the purpose of determining whether 834
the ownership requirements in divisions (00)(1) to (3) of this 835
section have been met. 836

(PP)(1) "Written determination by the tax administrator" 837
means a written ruling by a tax administrator in response to a 838
written request by a taxpayer regarding the taxpayer's municipal 839
income tax liability, including tax, penalty, interest, or any 840
combination thereof, to the municipal corporation that commences 841
the person's time limitation for making an appeal to the local 842
board of tax review pursuant to section 718.11 of the Revised Code 843
and that has "written determination" printed in all capital 844
letters in a font size no smaller than eighteen point at the top 845
of the first page of the written ruling. 846

(2) "Written determination by the tax administrator" does not 847
include a denial, in whole or in part, of a taxpayer's refund 848
claim based on an originally filed annual tax return, a billing 849
statement notifying a taxpayer of current or past-due balances 850
owed to the municipal corporation, a tax administrator's request 851
for additional information, a notification to the taxpayer of 852
mathematical errors, or a tax administrator's other written 853
correspondence to a person or taxpayer. 854

(00) "Taxpayer rights and responsibilities" means the rights 855

provided to taxpayers in sections 718.11, 718.12, 718.18, 718.19, 856
718.23, 718.38, 5717.011, and 5717.03 of the Revised Code and the 857
responsibilities of taxpayers to file, report, withhold, remit, 858
and pay municipal income tax and otherwise comply with Chapter 859
718. of the Revised Code and resolutions, ordinances, and rules 860
adopted by a municipal corporation for the imposition and 861
administration of a municipal income tax. 862

(RR) "Qualified municipal corporation" means a municipal 863
corporation that, by resolution or ordinance adopted on or before 864
December 31, 2011, adopted Ohio adjusted gross income, as defined 865
by section 5747.01 of the Revised Code, as the income subject to 866
tax for the purposes of imposing a municipal income tax. 867

(SS)(1) "Pre-2016 net operating loss carryforward" means any 868
net operating loss incurred in a taxable year beginning before 869
January 1, 2016, to the extent such loss was permitted, by a 870
resolution or ordinance of the municipal corporation that was 871
adopted by the municipal corporation before January 1, 2016, to be 872
carried forward and utilized to offset income or net profit 873
generated in such municipal corporation in future taxable years. 874

(2) For the purpose of calculating municipal taxable income, 875
any pre-2016 net operating loss carryforward may be carried 876
forward to any taxable year, including taxable years beginning in 877
2016 or thereafter, for the number of taxable years provided in 878
the resolution or ordinance or until fully utilized, whichever is 879
earlier. 880

Sec. 718.011. (A) As used in this section: 881

(1) "Employer" includes a person that is a related member to 882
or of an employer. 883

(2) "Professional athlete" means an athlete who performs 884
services in a professional athletic event for wages or other 885

remuneration. 886

(3) "Professional entertainer" means a person who performs 887
services in the professional performing arts for wages or other 888
remuneration on a per-event basis. 889

(4) "Public figure" means a person of prominence who performs 890
services at discrete events, such as speeches, public appearances, 891
or similar events, for wages or other remuneration on a per-event 892
basis. 893

(5) "Fixed location" means a permanent place of doing 894
business in this state, such as an office, warehouse, storefront, 895
or similar location owned or controlled by an employer. 896

(6) "Worksite location" means a construction site or other 897
temporary worksite in this state at which the employer provides 898
services for more than twenty days during the calendar year. 899
"Worksite location" does not include the home of an employee. 900

(7) "Principal place of work" means the fixed location to 901
which an employee is required to report for employment duties on a 902
regular and ordinary basis. If the employee is not required to 903
report for employment duties on a regular and ordinary basis to a 904
fixed location, "principal place of work" means the worksite 905
location to which the employee is required to report for 906
employment duties on a regular and ordinary basis. If the employee 907
is not required to report for employment duties on a regular and 908
ordinary basis to a fixed location or worksite location, 909
"principal place of work" means the location in this state at 910
which the employee spends the greatest number of days in a 911
calendar year performing services for or on behalf of the 912
employee's employer. For the purposes of this division, the 913
location at which an employee spends a particular day shall be 914
determined in accordance with division (B)(2) of this section, 915
except that "location" shall be substituted for "municipal 916

corporation" wherever "municipal corporation" appears in that 917
division. 918

(B)(1) Subject to divisions (C), (E), and (F) of this 919
section, an employer is not required to withhold municipal income 920
tax on qualifying wages paid to an employee for the performance of 921
personal services in a municipal corporation that imposes such a 922
tax if the employee performed such services in the municipal 923
corporation on twenty or fewer days in a calendar year, unless one 924
of the following conditions applies: 925

(a) The employee's principal place of work is located in the 926
municipal corporation. 927

(b) The employee is a resident of the municipal corporation 928
and has requested that the employer withhold tax from the 929
employee's qualifying wages as provided in section 718.03 of the 930
Revised Code. 931

(c) The employee is a professional athlete, professional 932
entertainer, or public figure, and the qualifying wages are paid 933
for the performance of services in the employee's capacity as a 934
professional athlete, professional entertainer, or public figure. 935

(2) For the purposes of division (B)(1) of this section, an 936
employee shall be considered to have spent a day performing 937
services in a municipal corporation only if the employee spent 938
more time performing services for or on behalf of the employer in 939
that municipal corporation than in any other municipal corporation 940
on that day. For the purposes of determining the amount of time an 941
employee spent in a particular location, the time spent performing 942
one or more of the following activities shall be considered to 943
have been spent at the employee's principal place of work: 944

(a) Traveling to the location at which the employee will 945
first perform services for the employer for the day; 946

(b) Traveling from a location at which the employee was 947

performing services for the employer to any other location; 948

(c) Traveling from any location to another location in order 949
to pick up or load, for the purpose of transportation or delivery, 950
property that has been purchased, sold, assembled, fabricated, 951
repaired, refurbished, processed, remanufactured, or improved by 952
the employee's employer; 953

(d) Transporting or delivering property described in division 954
(B)(2)(c) of this section, provided that, upon delivery of the 955
property, the employee does not temporarily or permanently affix 956
the property to real estate owned, used, or controlled by a person 957
other than the employee's employer; 958

(e) Traveling from the location at which the employee makes 959
the employee's final delivery or pick-up for the day to either the 960
employee's principal place of work or a location at which the 961
employee will not perform services for the employer. 962

(C) If the principal place of work of an employee is located 963
in a municipal corporation that imposes an income tax in 964
accordance with this chapter, the exception from withholding 965
requirements described in division (B)(1) of this section shall 966
apply only if, with respect to the employee's qualifying wages 967
described in that division, the employer withholds and remits tax 968
on such qualifying wages to the municipal corporation in which the 969
employee's principal place of work is located. 970

(D)(1) Except as provided in division (D)(2) of this section, 971
if, during a calendar year, the number of days an employee spends 972
performing personal services in a municipal corporation exceeds 973
the twenty-day threshold described in division (B)(1) of this 974
section, the employer shall withhold and remit tax to that 975
municipal corporation for any subsequent days in that calendar 976
year on which the employer pays qualifying wages to the employee 977
for personal services performed in that municipal corporation. 978

(2) An employer required to begin withholding tax for a 979
municipal corporation under division (D)(1) of this section may 980
elect to withhold tax for that municipal corporation for the first 981
twenty days on which the employer paid qualifying wages to the 982
employee for personal services performed in that municipal 983
corporation. The employer shall make the election on the annual 984
tax return the employer files with the municipal corporation under 985
section 718.05 or 718.06 of the Revised Code. Taxes withheld and 986
paid by such an employer during those first twenty days to the 987
municipal corporation in which the employee's principal place of 988
work is located are refundable to the employee. 989

(E) Without regard to the number of days in a calendar year 990
on which an employee performs personal services in any municipal 991
corporation, an employer shall withhold municipal income tax on 992
all of the employee's qualifying wages for a taxable year and 993
remit that tax only to the municipal corporation in which the 994
employer's fixed location is located if the total gross receipts 995
of the employer for the preceding taxable year were less than five 996
hundred thousand dollars. 997

To determine whether an employer meets the requirements of 998
division (E) of this section for a taxable year, a tax 999
administrator may require the employer to provide the tax 1000
administrator with the employer's federal income tax return for 1001
the preceding taxable year. 1002

(F) Divisions (B)(1) and (D) of this section shall not apply 1003
to the extent that a tax administrator and an employer enter into 1004
an agreement regarding the manner in which the employer shall 1005
comply with the requirements of section 718.03 of the Revised 1006
Code. 1007

Sec. 718.012. (A)(1) As used in this chapter, "domicile" 1008
means the principal residence that an individual intends to use 1009

for an indefinite period of time and to which, whenever absent, 1010
the individual intends to return. An individual is domiciled in a 1011
municipal corporation for all or part of a taxable year if, based 1012
on the factors described in division (B) of this section and any 1013
other factor the tax administrator considers relevant or which 1014
demonstrates an intent to return, the tax administrator reasonably 1015
concludes that the individual is domiciled in the municipal 1016
corporation for all or part of the taxable year. 1017

(2) An individual may rebut the conclusion of domicile 1018
described in division (A)(1) of this section only if, based on the 1019
factors described in division (B) of this section and any other 1020
factor the individual considers relevant, the individual 1021
establishes by a preponderance of the evidence that the individual 1022
was not domiciled in the municipal corporation for all or part of 1023
the taxable year. 1024

(B) The factors that a tax administrator may consider when 1025
determining whether an individual is domiciled in a municipal 1026
corporation for all or part of a taxable year include, but are not 1027
limited to, the following: 1028

(1) The location of law firms, accounting firms, health care 1029
providers, and similar professionals utilized by the individual or 1030
the individual's spouse; 1031

(2) The location of organizations described in section 501(c) 1032
of the Internal Revenue Code to which the individual or the 1033
individual's spouse make contributions or other payments or in 1034
which they participate as a congregant, member, board member, 1035
committee member, adviser, or consultant; 1036

(3) The location, place of business, or place of organization 1037
or incorporation of a corporation, partnership, limited liability 1038
company, or other business venture or entity in which the 1039
individual or the individual's spouse is a shareholder or limited 1040

partner or for which the individual or individual's spouse is a 1041
member of the board of directors; 1042

(4) The location of the individual's friends, dependents as 1043
defined in section 152 of the Internal Revenue Code, and family 1044
members other than the individual's spouse; 1045

(5) The location of educational institutions that are 1046
attended by the individual's dependents as defined in section 152 1047
of the Internal Revenue Code or from which the individual or the 1048
individual's spouse or dependents claimed the benefit of in-state 1049
tuition rates available only to individuals domiciled in the 1050
state; 1051

(6) The location of all businesses at which the individual or 1052
the individual's spouse makes purchases of tangible personal 1053
property; 1054

(7) Whether the individual is registered to vote, or has 1055
voted, in the municipal corporation during the taxable year; 1056

(8) The location at which the individual acquired or renewed 1057
the individual's Ohio driver's license, or the location at which 1058
the individual's vehicle is registered, for the taxable year; 1059

(9) The place of employment of the individual or the 1060
individual's spouse. 1061

(10) The location of any real property owned or leased by the 1062
individual or the individual's spouse. 1063

(11) The address used by the individual or the individual's 1064
spouse on federal or state tax returns, bills, invoices, credit 1065
card statements, utility bills, and other mailings for the taxable 1066
year. 1067

(C) A taxpayer has only one domicile. A domicile once 1068
acquired is presumed to continue until it is shown to have been 1069
changed. When a taxpayer alleges a change of domicile, the 1070

taxpayer bears the burden of proof of demonstrating the change as 1071
provided in division (A)(2) of this section. 1072

Sec. 718.02. ~~This section does not apply to taxpayers that~~ 1073
~~are subject to and required to file reports under Chapter 5745. of~~ 1074
~~the Revised Code.~~ applies to any taxpayer engaged in a business or 1075
profession in a municipal corporation that imposes an income tax 1076
in accordance with this chapter, unless the taxpayer is an 1077
individual who resides in the municipal corporation or the 1078
taxpayer is an electric company, combined company, or telephone 1079
company that is subject to and required to file reports under 1080
Chapter 5745. of the Revised Code. 1081

(A) Except as otherwise provided in division ~~(D)~~(B) of this 1082
section, net profit from a business or profession conducted both 1083
within and without the boundaries of a municipal corporation shall 1084
be considered as having a taxable situs in ~~such~~ the municipal 1085
corporation for purposes of municipal income taxation in the same 1086
proportion as the average ratio of the following: 1087

(1) The average original cost of the real and tangible 1088
personal property owned or used by the taxpayer in the business or 1089
profession in ~~such~~ the municipal corporation during the taxable 1090
period to the average original cost of all of the real and 1091
tangible personal property owned or used by the taxpayer in the 1092
business or profession during the same period, wherever situated. 1093

As used in the preceding paragraph, tangible personal or real 1094
property shall include property rented or leased by the taxpayer 1095
and the value of such property shall be determined by multiplying 1096
the annual rental thereon by eight; 1097

(2) Wages, salaries, and other compensation paid during the 1098
taxable period to ~~persons~~ individuals employed in the business or 1099
profession for services performed in ~~such~~ the municipal 1100
corporation to wages, salaries, and other compensation paid during 1101

the same period to ~~persons~~ individuals employed in the business or 1102
profession, wherever ~~their~~ the individual's services are 1103
performed, excluding compensation ~~that is not taxable by the~~ 1104
~~municipal corporation under section 718.011 from which taxes are~~ 1105
~~not required to be withheld under section 718.011 of the Revised~~ 1106
Code; 1107

(3) ~~Gross~~ Total gross receipts of the business or profession 1108
from sales and rentals made and services performed during the 1109
taxable period in ~~such~~ the municipal corporation to total gross 1110
receipts of the business or profession during the same period from 1111
sales, rentals, and services, wherever made or performed. 1112

~~If the foregoing apportionment formula does not produce an~~ 1113
~~equitable result, another basis may be substituted, under uniform~~ 1114
~~regulations, so as to produce an equitable result.~~ 1115

~~(B) As used in division (A) of this section, "sales made in a~~ 1116
~~municipal corporation" mean:~~ 1117

~~(1) All sales of tangible personal property delivered within~~ 1118
~~such municipal corporation regardless of where title passes if~~ 1119
~~shipped or delivered from a stock of goods within such municipal~~ 1120
~~corporation;~~ 1121

~~(2) All sales of tangible personal property delivered within~~ 1122
~~such municipal corporation regardless of where title passes even~~ 1123
~~though transported from a point outside such municipal corporation~~ 1124
~~if the taxpayer is regularly engaged through its own employees in~~ 1125
~~the solicitation or promotion of sales within such municipal~~ 1126
~~corporation and the sales result from such solicitation or~~ 1127
~~promotion;~~ 1128

~~(3) All sales of tangible personal property shipped from a~~ 1129
~~place within such municipal corporation to purchasers outside such~~ 1130
~~municipal corporation regardless of where title passes if the~~ 1131
~~taxpayer is not, through its own employees, regularly engaged in~~ 1132

~~the solicitation or promotion of sales at the place where delivery~~ 1133
~~is made.~~ 1134

~~(C) Except as otherwise provided in division (D) of this~~ 1135
~~section, net (B)(1) If it is determined by a preponderance of the~~ 1136
~~evidence that the apportionment factors described in division (A)~~ 1137
~~of this section do not fairly represent the extent of a taxpayer's~~ 1138
~~business activity in a municipal corporation, the tax~~ 1139
~~administrator of the municipal corporation may require the~~ 1140
~~taxpayer to use, with respect to all or any portion of the income~~ 1141
~~of the taxpayer, an alternative apportionment method involving one~~ 1142
~~or more of the following:~~ 1143

(a) Separate accounting; 1144

(b) The exclusion of one or more of the factors; 1145

(c) The inclusion of one or more additional factors that 1146
would provide for a more fair apportionment of the income of the 1147
taxpayer to the municipal corporation; 1148

(d) A modification of one or more of the factors. 1149

(2) A taxpayer may use an alternative apportionment method on 1150
the taxpayer's tax return, provided the taxpayer notifies the tax 1151
administrator before filing the return. A taxpayer may not use an 1152
alternative apportionment method, an alternative method of 1153
accounting, or an alternative method of filing on a timely filed 1154
amended tax return without notifying the tax administrator before 1155
filing the return. An alternative apportionment method shall apply 1156
only to the taxable years included in the taxpayer's notification 1157
to the tax administrator. 1158

(C) As used in division (A)(2) of this section, "wages, 1159
salaries, and other compensation" includes only wages, salaries, 1160
or other compensation paid to an employee for services performed 1161
at any of the following locations: 1162

(1) A location that is owned, controlled, or used by, rented to, or under the possession of one of the following: 1163
1164

(a) The employer; 1165

(b) A vendor, customer, client, or patient of the employer, or a related member of such a vendor, customer, client, or patient; 1166
1167
1168

(c) A vendor, customer, client, or patient of a person described in division (C)(1)(b) of this section, or a related member of such a vendor, customer, client, or patient. 1169
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1171

(2) Any location at which a trial, appeal, hearing, investigation, inquiry, review, court-martial, or similar administrative, judicial, or legislative matter or proceeding is being conducted, provided that the compensation is paid for services performed for, or on behalf of, the employer or that the employee's presence at the location directly or indirectly benefits the employer; 1172
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(3) Any other location, if the tax administrator determines that the employer directed the employee to perform the services at the other location in lieu of a location described in division (C)(1) or (2) of this section solely in order to avoid or reduce the employer's municipal income tax liability. If a tax administrator makes such a determination, the employer may dispute the determination by establishing, by a preponderance of the evidence, that the tax administrator's determination was unreasonable. 1179
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(D) For the purposes of division (A)(3) of this section, receipts from sales and rentals made and services performed shall be sitused to a municipal corporation as follows: 1188
1189
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(1) Gross receipts from the sale of tangible personal property shall be sitused to the municipal corporation in which the sale originated. For the purposes of this division, a sale of 1191
1192
1193

property originates in a municipal corporation if, regardless of 1194
where title passes, the property meets any of the following 1195
criteria: 1196

(a) The property is shipped to or delivered within the 1197
municipal corporation from a stock of goods located within the 1198
municipal corporation. 1199

(b) The property is delivered within the municipal 1200
corporation from a location outside the municipal corporation, 1201
provided the taxpayer is regularly engaged through its own 1202
employees in the solicitation or promotion of sales within such 1203
municipal corporation and the sales result from such solicitation 1204
or promotion. 1205

(c) The property is shipped from a place within the municipal 1206
corporation to purchasers outside the municipal corporation, 1207
provided that the taxpayer is not regularly engaged in the 1208
solicitation or promotion of sales at the place where delivery is 1209
made. 1210

(2) Gross receipts from the sale of services shall be sitused 1211
to the municipal corporation to the extent that such services are 1212
performed in the municipal corporation. 1213

(3) To the extent included in income, gross receipts from the 1214
sale of real property located in the municipal corporation shall 1215
be sitused to the municipal corporation. 1216

(4) To the extent included in income, gross receipts from 1217
rents and royalties from real property located in the municipal 1218
corporation shall be sitused to the municipal corporation. 1219

(5) Gross receipts from rents and royalties from tangible 1220
personal property shall be sitused to the municipal corporation 1221
based upon the extent to which the tangible personal property is 1222
used in the municipal corporation. 1223

~~(E) The net profit of an individual from rental activity not
constituting a business or profession shall be subject to tax only
by the municipal corporation in which the property generating the
net profit is located and the municipal corporation in which the
taxpayer that receives the net profit resides.~~

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

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

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

A municipal corporation shall allow taxpayers to elect to use
separate accounting for the purpose of calculating net profit

situated to the municipal corporation under this division, but 1256
shall permit such an election only if the taxpayer requests to 1257
make the same election in every municipal corporation in which the 1258
taxpayer must report such net profit for the taxable year and if 1259
the taxpayer agrees to use separate accounting with respect to 1260
such net profit in every municipal corporation that approves such 1261
a request for at least five consecutive taxable years after making 1262
the election. 1263

(F)(1) Except as provided in division (F)(2) of this section, 1264
commissions received by a real estate agent or broker relating to 1265
the sale, purchase, or lease of real estate shall be situated to 1266
the municipal corporation in which the real estate is located. Net 1267
profit reported by the real estate agent or broker shall be 1268
allocated to a municipal corporation based upon the ratio of the 1269
commissions the agent or broker received from the sale, purchase, 1270
or lease of real estate located in the municipal corporation to 1271
the commissions received from the sale, purchase, or lease of real 1272
estate everywhere in the taxable year. 1273

(2) An individual who is a resident of a municipal 1274
corporation that imposes a municipal income tax shall report the 1275
individual's net profit from all real estate activity on the 1276
individual's annual tax return for that municipal corporation. The 1277
individual may claim a credit for taxes the individual paid on 1278
such net profit to another municipal corporation to the extent 1279
that such a credit is allowed under the municipal income tax 1280
ordinance, or rules of the municipal corporation of residence. 1281

(G) If, in computing a taxpayer's adjusted federal taxable 1282
income, the taxpayer deducted any amount with respect to a stock 1283
option granted to an employee, and if the employee is not required 1284
to include in the employee's income any such amount or a portion 1285
thereof because it is exempted from taxation under divisions 1286
(C)(12) and (R)(1)(d) of section 718.01 of the Revised Code by a 1287

municipal corporation to which the taxpayer has apportioned a 1288
portion of its net profit, the taxpayer shall add the amount that 1289
is exempt from taxation to the taxpayer's net profit that was 1290
apportioned to that municipal corporation. In no case shall a 1291
taxpayer be required to add to its net profit that was apportioned 1292
to that municipal corporation any amount other than the amount 1293
upon which the employee would be required to pay tax were the 1294
amount related to the stock option not exempted from taxation. 1295

This division applies solely for the purpose of making an 1296
adjustment to the amount of a taxpayer's net profit that was 1297
apportioned to a municipal corporation under this section. 1298

(H) When calculating the ratios described in division (A) of 1299
this section for the purposes of that division or division (B) of 1300
this section, the owner of a disregarded entity shall include in 1301
the owner's ratios the property, payroll, and gross receipts of 1302
such disregarded entity. 1303

~~Sec. 718.03. (A) As used in this section:~~ 1304

~~(1) "Other payer" means any person, other than an~~ 1305
~~individual's employer or the employer's agent, that pays an~~ 1306
~~individual any amount included in the federal gross income of the~~ 1307
~~individual.~~ 1308

~~(2) "Qualifying wages" means wages, as defined in section~~ 1309
~~3121(a) of the Internal Revenue Code, without regard to any wage~~ 1310
~~limitations, adjusted as follows:~~ 1311

~~(a) Deduct the following amounts:~~ 1312

~~(i) Any amount included in wages if the amount constitutes~~ 1313
~~compensation attributable to a plan or program described in~~ 1314
~~section 125 of the Internal Revenue Code;~~ 1315

~~(ii) For purposes of division (B) of this section, any amount~~ 1316
~~included in wages if the amount constitutes payment on account of~~ 1317

sickness or accident disability.	1318
(b) Add the following amounts:	1319
(i) Any amount not included in wages solely because the employee was employed by the employer prior to April 1, 1986;	1320
(ii) 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. Division (A)(2)(b)(ii) of this section applies only to those amounts constituting ordinary income.	1321
(iii) Any amount not included in wages if the amount is an amount described in section 401(k) or 457 of the Internal Revenue Code. Division (A)(2)(b)(iii) of this section applies only to employee contributions and employee deferrals.	1322
(iv) Any amount that is supplemental unemployment compensation benefits described in section 3402(o)(2) of the Internal Revenue Code and not included in wages.	1323
(c) Deduct any amount attributable to a nonqualified deferred compensation plan or program described in section 3121(v)(2)(C) of the Internal Revenue Code if the compensation is included in wages and has, by resolution or ordinance, been exempted from taxation by the municipal corporation.	1324
(d) Deduct any amount included in wages if 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, by resolution or ordinance, exempted the amount from withholding and tax.	1325
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~~(B) Except as provided in division (F) of this section, for taxable years beginning after 2003, no municipal corporation shall require any employer or any agent of any employer or any other payer, to withhold tax with respect to any amount other than qualifying wages. Nothing in this section prohibits an employer from withholding tax on a basis greater than qualifying wages.~~

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

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

(B)(1) Except as provided in division (B)(2) of this section, an employer, agent of an employer, or other payer shall remit to the tax administrator of a municipal corporation the greater of the income taxes deducted and withheld or the income taxes required to be deducted and withheld by the employer, agent, or other payer according to the following schedule:

(a) Taxes required to be deducted and withheld shall be remitted monthly to the tax administrator if the total taxes deducted and withheld or required to be deducted and withheld by

the employer, agent, or other payer on behalf of the municipal corporation in the preceding calendar year exceeded two thousand three hundred ninety-nine dollars, or if the total amount of taxes deducted and withheld or required to be deducted and withheld on behalf of the municipal corporation in any month of the preceding calendar quarter exceeded two hundred dollars.

Payment under division (B)(1)(a) of this section shall be made so that the payment is received by the tax administrator not later than fifteen days after the last day of each month.

(b) Any employer, agent of an employer, or other payer not required to make payments under division (B)(1)(a) of this section of taxes required to be deducted and withheld shall make quarterly payments to the tax administrator not later than the fifteenth day of the month following the end of each calendar quarter.

(2) Notwithstanding division (B)(1) of this section, a municipal corporation may require, by resolution, ordinance, or rule, an employer, agent of an employer, or other payer to do any of the following:

(a) Remit taxes deducted and withheld semimonthly to the tax administrator if the total taxes deducted and withheld or required to be deducted and withheld on behalf of the municipal corporation in the preceding calendar year exceeded eleven thousand nine hundred ninety-nine dollars, or if the total amount of taxes deducted and withheld or required to be deducted and withheld on behalf of the municipal corporation in any month of the preceding calendar year exceeded one thousand dollars. The payment under division (B)(2)(a) of this section shall be made so that the payment is received by the tax administrator not later than one of the following:

(i) If the taxes were deducted and withheld or required to be deducted and withheld during the first fifteen days of a month,

the third banking day after the fifteenth day of that month; 1411

(ii) If the taxes were deducted and withheld or required to 1412
be deducted and withheld after the fifteenth day of a month and 1413
before the first day of the immediately following month, the third 1414
banking day after the last day of that month. 1415

(b) Remit electronically to the tax administrator on the 1416
following business day all taxes deducted and withheld on behalf 1417
of the municipal corporation if on any day the total amount of 1418
such taxes withheld but not remitted is at least one hundred 1419
thousand dollars. 1420

(c) Make payment by electronic funds transfer to the tax 1421
administrator of all taxes deducted and withheld on behalf of the 1422
municipal corporation if the employer, agent of an employer, or 1423
other payer that is required to make payments electronically for 1424
the purpose of paying federal taxes withheld on payments to 1425
employees under section 6302 of the Internal Revenue Code, 26 1426
C.F.R. 31.6302-1, or any other federal statute or regulation. The 1427
payment of tax by electronic funds transfer under this division 1428
does not affect an employer's, agent's, or other payer's 1429
obligation to file any return as required under this section. 1430

(C) An employer, agent of an employer, or other payer shall 1431
make and file a return showing the amount of tax withheld by the 1432
employer, agent, or other payer from the qualifying wages of each 1433
employee and remitted to the tax administrator. Unless the tax 1434
administrator requires all individual taxpayers to file a tax 1435
return under section 718.05 of the Revised Code, a return filed by 1436
an employer, agent, or other payer under this division shall be 1437
accepted by a tax administrator and municipal corporation as the 1438
return required of an employee whose sole income subject to the 1439
tax under this chapter is the qualifying wages reported by the 1440
employee's employer, agent of an employer, or other payer. 1441

(D) An employer, agent of an employer, or other payer is not 1442
required to ~~make any withholding~~ withhold municipal income tax 1443
with respect to an individual's disqualifying disposition of an 1444
incentive stock option if, at the time of the disqualifying 1445
disposition, the individual is not an employee of either the 1446
corporation with respect to whose stock the option has been issued 1447
or of such corporation's successor entity. 1448

~~(D)~~(E)(1) An employee is not relieved from liability for a 1449
tax by the failure of the employer, agent of an employer, or other 1450
payer to withhold the tax as required ~~by a municipal corporation~~ 1451
under this chapter or by the employer's, agent's, or other payer's 1452
exemption from the requirement to withhold the tax. 1453

(2) The failure of an employer, agent of an employer, or 1454
other payer to remit to the municipal corporation the tax withheld 1455
relieves the employee from liability for that tax unless the 1456
employee colluded with the employer, agent, or other payer in 1457
connection with the failure to remit the tax withheld. 1458

~~(E)~~(F) Compensation deferred before June 26, 2003, is not 1459
subject to any municipal corporation income tax or municipal 1460
income tax withholding requirement to the extent the deferred 1461
compensation does not constitute qualifying wages at the time the 1462
deferred compensation is paid or distributed. 1463

~~(F) A municipal corporation may require a casino facility or~~ 1464
~~a casino operator, as defined in Section 6(C)(9) of Article XV,~~ 1465
~~Ohio Constitution, and section 3772.01 of the Revised Code,~~ 1466
~~respectively, or a lottery sales agent conducting video lottery~~ 1467
~~terminals on behalf of the state to withhold and remit tax with~~ 1468
~~respect to amounts other than qualifying wages.~~ 1469

(G) Each employer, agent of an employer, or other payer 1470
required to withhold taxes is liable for the payment of that 1471
amount required to be withheld, whether or not such taxes have 1472

been withheld, and such amount shall be deemed to be held in trust 1473
for the municipal corporation until such time as the withheld 1474
amount is remitted to the tax administrator. 1475

(H) On or before the last day of February of each year, an 1476
employer shall file a withholding reconciliation return with the 1477
tax administrator listing the names, addresses, and social 1478
security numbers of all employees from whose qualifying wages tax 1479
was withheld or should have been withheld for the municipal 1480
corporation during the preceding calendar year and of all 1481
employees from whose qualifying wages tax was not withheld for the 1482
municipal corporation during the preceding calendar year as a 1483
result of those wages qualifying as exempt income under division 1484
(C)(16) of section 718.01 of the Revised Code, the amount of tax 1485
withheld, if any, from each such employee, the total amount of 1486
qualifying wages paid to such employee during the preceding 1487
calendar year, and other information as may be required by the tax 1488
administrator. 1489

(I) The officer or the employee of the employer, agent of an 1490
employer, or other payer with control or direct supervision of or 1491
charged with the responsibility for withholding the tax or filing 1492
the reports and making payments as required by this section, shall 1493
be personally liable for a failure to file a report or pay the tax 1494
due as required by this section. The dissolution of an employer, 1495
agent of an employer, or other payer does not discharge the 1496
officer's or employee's liability for a failure of the employer, 1497
agent of an employer, or other payer to file returns or pay any 1498
tax due. 1499

(J) An employer is required to deduct and withhold municipal 1500
income tax on tips and gratuities received by the employer's 1501
employees and constituting qualifying wages only to the extent 1502
that the tips and gratuities are under the employer's control. For 1503
the purposes of this division, a tip or gratuity is under the 1504

employer's control if the tip or gratuity is paid by the customer 1505
to the employer for subsequent remittance to the employee, or if 1506
the customer pays the tip or gratuity by credit card, debit card, 1507
or other electronic means. 1508

(K) A tax administrator shall consider any tax withheld by an 1509
employer at the request of an employee when such tax is not 1510
otherwise required to be withheld by this chapter to be tax 1511
required to be withheld and remitted for the purposes of this 1512
section. 1513

Sec. 718.031. (A) A municipal corporation shall require a 1514
casino facility or a casino operator, as defined in Section 1515
6(C)(9) of Article XV, Ohio Constitution, and section 3772.01 of 1516
the Revised Code, respectively, or a lottery sales agent 1517
conducting video lottery terminals on behalf of the state to 1518
withhold and remit municipal income tax with respect to amounts 1519
other than qualifying wages as provided in this section. 1520

(B) If a person's winnings at a casino facility are an amount 1521
for which reporting to the internal revenue service of the amount 1522
is required by section 6041 of the Internal Revenue Code, as 1523
amended, the casino operator shall deduct and withhold municipal 1524
income tax from the person's winnings at the rate of the tax 1525
imposed by the municipal corporation in which the casino facility 1526
is located. 1527

(C) Amounts deducted and withheld by a casino operator are 1528
held in trust for the benefit of the municipal corporation to 1529
which the tax is owed. 1530

(1) On or before the tenth day of each month, the casino 1531
operator shall file a return electronically with the tax 1532
administrator of the municipal corporation, identifying the person 1533
from whose winnings amounts were deducted and withheld, the amount 1534
of each such deduction and withholding during the preceding 1535

calendar month, the amount of the winnings from which each such 1536
amount was withheld, the type of casino gaming that resulted in 1537
such winnings, and any other information required by the tax 1538
administrator. With this return, the casino operator shall remit 1539
electronically to the municipal corporation all amounts deducted 1540
and withheld during the preceding month. 1541

(2) Annually, on or before the thirty-first day of January, a 1542
casino operator shall file an annual return electronically with 1543
the tax administrator of the municipal corporation in which the 1544
casino facility is located, indicating the total amount deducted 1545
and withheld during the preceding calendar year. The casino 1546
operator shall remit electronically with the annual return any 1547
amount that was deducted and withheld and that was not previously 1548
remitted. If the identity of a person and the amount deducted and 1549
withheld with respect to that person were omitted on a monthly 1550
return for that reporting period, that information shall be 1551
indicated on the annual return. 1552

(3) Annually, on or before the thirty-first day of January, a 1553
casino operator shall issue an information return to each person 1554
with respect to whom an amount has been deducted and withheld 1555
during the preceding calendar year. The information return shall 1556
show the total amount of municipal income tax deducted from the 1557
person's winnings during the preceding year. The casino operator 1558
shall provide to the tax administrator a copy of each information 1559
return issued under this division. The administrator may require 1560
that such copies be transmitted electronically. 1561

(4) A casino operator that fails to file a return and remit 1562
the amounts deducted and withheld shall be personally liable for 1563
the amount withheld and not remitted. Such personal liability 1564
extends to any penalty and interest imposed for the late filing of 1565
a return or the late payment of tax deducted and withheld. 1566

(5) If a casino operator sells the casino facility or 1567

otherwise quits the casino business, the amounts deducted and withheld along with any penalties and interest thereon are immediately due and payable. The successor shall withhold an amount of the purchase money that is sufficient to cover the amounts deducted and withheld along with any penalties and interest thereon until the predecessor casino operator produces either of the following: 1568
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(a) A receipt from the tax administrator showing that the amounts deducted and withheld and penalties and interest thereon have been paid; 1575
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(b) A certificate from the tax administrator indicating that no amounts are due. 1578
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If the successor fails to withhold purchase money, the successor is personally liable for the payment of the amounts deducted and withheld and penalties and interest thereon. 1580
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(6) The failure of a casino operator to deduct and withhold the required amount from a person's winnings does not relieve that person from liability for the municipal income tax with respect to those winnings. 1583
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(D) If a person's prize award from a video lottery terminal is an amount for which reporting to the internal revenue service is required by section 6041 of the Internal Revenue Code, as amended, the video lottery sales agent shall deduct and withhold municipal income tax from the person's prize award at the rate of the tax imposed by the municipal corporation in which the video lottery terminal facility is located. 1587
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(E) Amounts deducted and withheld by a video lottery sales agent are held in trust for the benefit of the municipal corporation to which the tax is owed. 1594
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(1) The video lottery sales agent shall issue to a person from whose prize award an amount has been deducted and withheld a 1597
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receipt for the amount deducted and withheld, and shall obtain 1599
from the person receiving a prize award the person's name, 1600
address, and social security number in order to facilitate the 1601
preparation of returns required by this section. 1602

(2) On or before the tenth day of each month, the video 1603
lottery sales agent shall file a return electronically with the 1604
tax administrator of the municipal corporation identifying the 1605
persons from whose prize awards amounts were deducted and 1606
withheld, the amount of each such deduction and withholding during 1607
the preceding calendar month, the amount of the prize award from 1608
which each such amount was withheld, and any other information 1609
required by the tax administrator. With the return, the video 1610
lottery sales agent shall remit electronically to the tax 1611
administrator all amounts deducted and withheld during the 1612
preceding month. 1613

(3) A video lottery sales agent shall maintain a record of 1614
all receipts issued under division (E) of this section and shall 1615
make those records available to the tax administrator upon 1616
request. Such records shall be maintained in accordance with 1617
section 5747.17 of the Revised Code and any rules adopted pursuant 1618
thereto. 1619

(4) Annually, on or before the thirty-first day of January, 1620
each video lottery terminal sales agent shall file an annual 1621
return electronically with the tax administrator of the municipal 1622
corporation in which the facility is located indicating the total 1623
amount deducted and withheld during the preceding calendar year. 1624
The video lottery sales agent shall remit electronically with the 1625
annual return any amount that was deducted and withheld and that 1626
was not previously remitted. If the identity of a person and the 1627
amount deducted and withheld with respect to that person were 1628
omitted on a monthly return for that reporting period, that 1629
information shall be indicated on the annual return. 1630

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

(6) A video lottery sales agent who fails to file a return and remit the amounts deducted and withheld is personally liable for the amount deducted and withheld and not remitted. Such personal liability extends to any penalty and interest imposed for the late filing of a return or the late payment of tax deducted and withheld.

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

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

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

If the successor fails to withhold purchase money, the 1662
successor is personally liable for the payment of the amounts 1663
deducted and withheld and penalties and interest thereon. 1664

(G) The failure of a video lottery sales agent to deduct and 1665
withhold the required amount from a person's prize award does not 1666
relieve that person from liability for the municipal income tax 1667
with respect to that prize award. 1668

(H) The tax administrator of a municipal corporation may 1669
impose a penalty of up to one thousand dollars if a casino 1670
operator or video lottery sales agent files a return late, fails 1671
to file a return, remits amounts deducted and withheld late, or 1672
fails to remit amounts deducted and withheld as required under 1673
this section. Interest shall accrue on past due amounts deducted 1674
and withheld at the rate prescribed in section 5703.47 of the 1675
Revised Code. 1676

(I) Amounts deducted and withheld on behalf of a municipal 1677
corporation shall be allowed as a credit against payment of the 1678
tax imposed by the municipal corporation and shall be treated as 1679
taxes paid for purposes of section 718.08 of the Revised Code. 1680
This division applies only to the person for whom the amount is 1681
deducted and withheld. 1682

(J) The tax administrator shall prescribe the forms of the 1683
receipts and returns required under this section. 1684

Sec. 718.04. (A) A municipal corporation may levy a tax on 1685
income only in accordance with the limitations specified in this 1686
chapter. On or after January 1, 2015, the ordinance or resolution 1687
levying the tax, as adopted or amended by the legislative 1688
authority of the municipal corporation, shall include all of the 1689
following: 1690

(1) A statement that the tax is an annual tax levied on the 1691

income of every person residing in or earning or receiving income 1692
in the municipal corporation and that the tax shall be measured by 1693
municipal taxable income; 1694

(2) A statement that the municipal corporation is levying the 1695
tax in accordance with the limitations specified in this chapter 1696
and that the resolution or ordinance thereby incorporates the 1697
provisions of this chapter; 1698

(3) The rate of the tax; 1699

(4) Whether, and the extent to which, a credit, as described 1700
in division (D) of this section, will be allowed against the tax; 1701

(5) The purpose or purposes of the tax; 1702

(6) Any other provision necessary for the administration of 1703
the tax, provided that the provision does not conflict with any 1704
provision of this chapter. 1705

(B) Any municipal corporation that, on or before the 1706
effective date of the enactment of this section, levies an income 1707
tax at a rate in excess of one per cent may continue to levy the 1708
tax at the rate specified in the original ordinance or resolution, 1709
provided that such rate continues in effect as specified in the 1710
original ordinance or resolution. 1711

(C)(1) No municipal corporation shall tax income at other 1712
than a uniform rate. 1713

(2) Except as provided in division (B) of this section, no 1714
municipal corporation shall levy a tax on income at a rate in 1715
excess of one per cent without having obtained the approval of the 1716
excess by a majority of the electors of the municipality voting on 1717
the question at a general, primary, or special election. The 1718
legislative authority of the municipal corporation shall file with 1719
the board of elections at least ninety days before the day of the 1720
election a copy of the ordinance together with a resolution 1721

specifying the date the election is to be held and directing the 1722
board of elections to conduct the election. The ballot shall be in 1723
the following form: "Shall the Ordinance providing for a ... per 1724
cent levy on income for (Brief description of the purpose of the 1725
proposed levy) be passed? 1726

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

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In the event of an affirmative vote, the proceeds of the levy may 1731
be used only for the specified purpose. 1732

(D) A municipal corporation may, by ordinance or resolution, 1733
grant a credit to residents of the municipal corporation for all 1734
or a portion of the taxes paid to other municipal corporations, in 1735
this state or elsewhere, by the resident or by a pass-through 1736
entity owned, directly or indirectly, by a resident, on the 1737
resident's distributive or proportionate share of the income of 1738
the pass-through entity. A municipal corporation is not required 1739
to refund taxes not paid to the municipal corporation. 1740

(E) Except as otherwise provided in this chapter, a municipal 1741
corporation that levies an income tax in effect for taxable years 1742
beginning before January 1, 2015, may continue to administer and 1743
enforce the provisions of such tax for all taxable years beginning 1744
before January 1, 2015, provided that the provisions of such tax 1745
are consistent with this chapter as it existed prior to the 1746
effective date of the enactment of this section. 1747

(F) Nothing in this chapter authorizes a municipal 1748
corporation to levy a tax on income or net profit, or to 1749
administer or collect such a tax or penalties or interest related 1750
to such a tax, contrary to the limitations specified in this 1751
chapter. 1752

Sec. 718.05. (A) An annual return with respect to the income 1753
tax levied by a municipal corporation shall be completed and filed 1754
by every taxpayer for any taxable year for which the taxpayer is 1755
liable for the tax. If the total credit allowed against the tax as 1756
described in division (D) of section 718.04 of the Revised Code 1757
for the year is equal to or exceeds the tax imposed by the 1758
municipal corporation, no return shall be required unless the 1759
municipal ordinance or resolution levying the tax requires the 1760
filing of a return in such circumstances. 1761

(B) If an individual is deceased, any return or notice 1762
required of that individual shall be completed and filed by that 1763
decedent's executor, administrator, or other person charged with 1764
the property of that decedent. 1765

(C) If an individual is unable to complete and file a return 1766
or notice required by a municipal corporation in accordance with 1767
this chapter, the return or notice required of that individual 1768
shall be completed and filed by the individual's duly authorized 1769
agent, guardian, conservator, fiduciary, or other person charged 1770
with the care of the person or property of that individual. 1771

(D) Returns or notices required of an estate or a trust shall 1772
be completed and filed by the fiduciary of the estate or trust. 1773

(E) No municipal corporation shall deny spouses the ability 1774
to file a joint return. 1775

(F)(1) Each return required to be filed under this section 1776
shall contain the signature of the taxpayer or the taxpayer's duly 1777
authorized agent and of the person who prepared the return for the 1778
taxpayer, and shall include the taxpayer's social security number 1779
or taxpayer identification number. Each return shall be verified 1780
by a declaration under penalty of perjury. 1781

(2) A tax administrator may require any taxpayer who is an 1782

individual to include, with each annual return, amended return, or 1783
application for refund required under this section, complete 1784
copies of any of the following that are applicable to the 1785
taxpayer: all of the taxpayer's Internal Revenue Service form W-2, 1786
"Wage and Tax Statements," including all information reported on 1787
the taxpayer's federal W-2, as well as taxable wages reported or 1788
withheld for any municipal corporation; any Internal Revenue 1789
Service form 1099-MISC received by the taxpayer, schedule K1, form 1790
2106, schedule C, schedule E, and schedule F; and pages one and 1791
two of the taxpayer's Internal Revenue Service form 1040. An 1792
individual taxpayer who files the annual return required by this 1793
section electronically shall provide paper copies of any of the 1794
foregoing to the tax administrator upon the tax administrator's 1795
request. 1796

(3) A tax administrator may require any taxpayer that is not 1797
an individual to include, with each annual net profit return, 1798
amended net profit return, or application for refund required 1799
under this section, complete copies of any of the following that 1800
are applicable to the taxpayer: the taxpayer's Internal Revenue 1801
Service form 1041, form 1065, form 1120, form 1120-REIT, form 1802
1120F, form 1120S, schedule D, schedule E, schedule M-3, form 1803
1125-A, form 4562, form 8825, form 8903, and form 8949; supporting 1804
statements for "other income," "taxes and licenses," "other 1805
deductions," and "other costs" reported on the foregoing forms and 1806
schedules; the method of accounting and allocation used to 1807
determine the income allocable to the municipal corporation; and, 1808
if the taxpayer is a pass-through entity, any Internal Revenue 1809
Service K-1 schedules issued or received by the taxpayer or a 1810
schedule summarizing the information contained on such K-1 1811
schedules, Internal Revenue Service forms 1096, the taxpayer's 1812
federal consolidated schedules if filing a consolidated return 1813
pursuant to section 718.06 of the Revised Code, and the taxpayer's 1814
net operating loss carry forward schedule providing for each year 1815

in which the net operating loss was sustained, the method of 1816
accounting and allocation used to determine the portion of net 1817
operating loss allocable to the taxing municipal corporation, the 1818
amount of net operating loss used as a deduction in prior years, 1819
and the amount of net operating loss claimed as a deduction in the 1820
current year. 1821

A taxpayer that is not an individual and that files an annual 1822
net profit return electronically through the Ohio business gateway 1823
or in some other manner shall either mail the documents required 1824
under this division to the tax administrator at the time of filing 1825
or, if electronic submission is available, submit the documents 1826
electronically through the Ohio business gateway. The department 1827
of taxation shall publish a method of electronically submitting 1828
the documents required under this division through the Ohio 1829
business gateway on or before January 1, 2015. The department 1830
shall transmit all documents submitted electronically under this 1831
division to the appropriate tax administrator. 1832

(4) A tax administrator may require that each annual 1833
withholding reconciliation return required to be filed under this 1834
chapter include complete copies of any of the following that are 1835
applicable: an information return for each employee from whom 1836
municipal income tax has been withheld that specifies the 1837
municipal corporation for which the tax is withheld and all 1838
information required for federal income tax reporting purposes on 1839
Internal Revenue Service form W-2 or its equivalent. 1840

(5) Pursuant to section 718.24 of the Revised Code, the tax 1841
administrator may request, and the taxpayer shall provide, any 1842
information, statements, or documents required by the municipal 1843
corporation to determine and verify the taxpayer's municipal 1844
income tax liability. The requirements imposed under division (E) 1845
of this section apply regardless of whether the taxpayer files on 1846
a generic form or on a form prescribed by the tax administrator. 1847

(G)(1) Except as otherwise provided in this chapter, each 1848
return required to be filed under this section shall be completed 1849
and filed as required by the tax administrator on or before the 1850
date prescribed for the filing of federal individual income tax 1851
returns and notices under section 6072(a) of the Internal Revenue 1852
Code. The taxpayer shall complete and file the return or notice on 1853
forms prescribed by the tax administrator or on generic forms, 1854
together with remittance made payable to the municipal corporation 1855
or tax administrator. No remittance is required if the amount 1856
shown to be due is ten dollars or less. 1857

(2) Any taxpayer that has requested an extension for filing a 1858
federal income tax return may request an extension for the filing 1859
of a municipal income tax return. The taxpayer shall make the 1860
request by filing a copy of the taxpayer's request for a federal 1861
filing extension through the Ohio business gateway or directly 1862
with the tax administrator. The request for extension shall be 1863
filed not later than the last day for filing the municipal income 1864
tax return. The extended due date of the municipal income tax 1865
return shall be the last day of the month following the month to 1866
which the due date of the federal income tax return has been 1867
extended. A municipal corporation may deny a taxpayer's request 1868
for extension only if the taxpayer fails to timely file the 1869
request, fails to file a copy of the request for the federal 1870
extension, owes the municipal corporation any delinquent income 1871
tax, penalty, or interest, or has failed to file any required 1872
income tax return for a prior tax period. An extension of time to 1873
file under this division is not an extension of the time to pay 1874
any tax due unless the tax administrator grants an extension of 1875
that date. 1876

(3) If a taxpayer does not request and obtain a federal 1877
extension as described in division (G)(2) of this section, the 1878
taxpayer may request an extension of time to file a municipal 1879

income tax return by filing the request through the Ohio business gateway or directly with the tax administrator of the municipal corporation with which the return is required to be filed. The request for extension shall be filed not later than the last day for filing the municipal income tax return. The extended due date of the municipal income tax return shall be the last day of the month following the month to which the tax administrator estimates the due date of the federal income tax return would have been extended had the taxpayer requested and obtained a federal extension. The tax administrator's estimate shall be based on federal income tax return extensions granted based on other similar requests.

(4) Upon good cause shown, the tax administrator may extend the period for filing any notice or return.

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

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

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

(H)(1) For taxable years beginning after 2014, a municipal corporation shall not require a taxpayer to remit tax with respect

to net profits if the amount due is less than ten dollars. 1911

(2) Any taxpayer not required to remit tax to a municipal corporation for a taxable year pursuant to division (H)(1) of this section shall file with the municipal corporation an annual net profit return under division (F)(3) of this section. 1912
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(I) This division shall not apply to payments required to be made under division (B)(1)(a) or (2)(a) of section 718.03 of the Revised Code. Except as provided in section 718.08 of the Revised Code: 1916
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(1) If any report, claim, statement, or other document required to be filed, or any payment required to be made, within a prescribed period or on or before a prescribed date under this chapter is delivered after that period or that date by United States mail to the tax administrator or other municipal official with which the report, claim, statement, or other document is required to be filed, or to which the payment is required to be made, the date of the postmark stamped on the cover in which the report, claim, statement, or other document, or payment is mailed shall be deemed to be the date of delivery or the date of payment. "The date of postmark" means, in the event there is more than one date on the cover, the earliest date imprinted on the cover by the postal service. 1920
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(2) If a payment is required to be made by electronic funds transfer, the payment is considered to be made when the payment is credited to an account designated by the tax administrator for the receipt of tax payments, except that, when a payment made by electronic funds transfer is delayed due to circumstances not under the control of the taxpayer, the payment is considered to be made when the taxpayer submitted the payment. 1933
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(J) The amounts withheld by an employer, the agent of an employer, or an other payer as described in section 718.03 of the 1940
1941

Revised Code shall be allowed to the recipient of the compensation 1942
as credits against payment of the tax imposed on the recipient by 1943
the municipal corporation, unless the amounts withheld were not 1944
remitted to the municipal corporation and the recipient colluded 1945
with the employer, agent, or other payer in connection with the 1946
failure to remit the amounts withheld. 1947

(K) Each return required by a municipal corporation to be 1948
filed in accordance with this section shall include a box that the 1949
taxpayer may check to authorize another person, including a tax 1950
return preparer who prepared the return, to communicate with the 1951
tax administrator about matters pertaining to the return. The 1952
return or instructions accompanying the return shall indicate that 1953
by checking the box the taxpayer authorizes the tax administrator 1954
to contact the preparer or other person concerning questions that 1955
arise during the examination or other review of the return and 1956
authorizes the preparer or other person only to provide the tax 1957
administrator with information that is missing from the return, to 1958
contact the tax administrator for information about the 1959
examination or other review of the return or the status of the 1960
taxpayer's refund or payments, and to respond to notices about 1961
mathematical errors, offsets, or return preparation that the 1962
taxpayer has received from the tax administrator and has shown to 1963
the preparer or other person. 1964

(L) The tax administrator of a municipal corporation shall 1965
accept for filing a generic form of any income tax return, report, 1966
or document required by the municipal corporation in accordance 1967
with this chapter, provided that the generic form, once completed 1968
and filed, contains all of the information required by ordinance, 1969
resolution, or rules adopted by the municipal corporation or tax 1970
administrator, and provided that the taxpayer or tax return 1971
preparer filing the generic form otherwise complies with the 1972
provisions of this chapter and of the municipal corporation 1973

ordinance or resolution governing the filing of returns, reports, 1974
or documents. 1975

(M) When income tax returns, reports, or other documents 1976
require the signature of a tax return preparer, the tax 1977
administrator shall accept a facsimile of such a signature in lieu 1978
of a manual signature. 1979

~~Sec. 718.051. (A) As used in this section, "Ohio business~~ 1980
~~gateway" means the online computer network system, initially~~ 1981
~~created by the department of administrative services under section~~ 1982
~~125.30 of the Revised Code, that allows private businesses to~~ 1983
~~electronically file business reply forms with state agencies and~~ 1984
~~includes any successor electronic filing and payment system.~~ 1985

~~(B) Notwithstanding section 718.05 of the Revised Code, on~~ 1986
~~and after January 1, 2005, any taxpayer that is subject to any~~ 1987
~~municipal corporation's tax on the net profit from a business or~~ 1988
~~profession and has received an extension to file the federal~~ 1989
~~income tax return shall not be required to notify the municipal~~ 1990
~~corporation of the federal extension and shall not be required to~~ 1991
~~file any municipal income tax return until the last day of the~~ 1992
~~month to which the due date for filing the federal return has been~~ 1993
~~extended, provided that, on or before the date for filing the~~ 1994
~~municipal income tax return, the person notifies the tax~~ 1995
~~commissioner of the federal extension through the Ohio business~~ 1996
~~gateway. An extension of time to file is not an extension of the~~ 1997
~~time to pay any tax due.~~ 1998

~~(C) For taxable years beginning on or after January 1, 2005,~~ 1999
~~a Any taxpayer subject to any municipal corporation's tax on~~ 2000
~~income taxation with respect to the taxpayer's net profit from a~~ 2001
~~business or profession may file any municipal income tax return~~ 2002
~~or, estimated municipal income tax return, or extension for filing~~ 2003
~~a municipal income tax return, and may make payment of amounts~~ 2004

shown to be due on such returns, by using the Ohio business gateway. 2005
2006

~~(D)(1) As used in this division, "qualifying wages" has the same meaning as in section 718.03 of the Revised Code.~~ 2007
2008

~~(2)(B) Any employer, agent of an employer, or other payer may report the amount of municipal income tax withheld from qualifying wages paid on or after January 1, 2007, and may make remittance of such amounts, by using the Ohio business gateway.~~ 2009
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2011
2012

~~(E)(C) Nothing in this section affects the due dates for filing employer withholding tax returns.~~ 2013
2014

~~(F)(D) No municipal corporation shall be required to pay any fee or charge for the operation or maintenance of the Ohio business gateway.~~ 2015
2016
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~~(G)(E) The use of the Ohio business gateway by municipal corporations, taxpayers, or other persons pursuant to this section does not affect the legal rights of municipalities or taxpayers as otherwise permitted by law. This state shall not be a party to the administration of municipal income taxes or to an appeal of a municipal income tax matter, except as otherwise specifically provided by law.~~ 2018
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~~(H)(F)(1) The tax commissioner shall adopt rules establishing:~~ 2025
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(a) The format of documents to be used by taxpayers to file returns and make payments through the Ohio business gateway; and 2027
2028

(b) The information taxpayers must submit when filing municipal income tax returns through the Ohio business gateway. 2029
2030

The commissioner shall not adopt rules under this division that conflict with the requirements of section 718.05 of the Revised Code. 2031
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(2) The commissioner shall consult with the Ohio business 2034

gateway steering committee before adopting the rules described in 2035
division ~~(H)~~(F)(1) of this section. 2036

~~(I)~~(G) Nothing in this section shall be construed as limiting 2037
or removing the ~~ability~~ authority of any municipal corporation to 2038
administer, audit, and enforce the provisions of its municipal 2039
income tax. 2040

(H) Within sixty days after a request by a tax administrator, 2041
the tax commissioner shall provide to the tax administrator any 2042
municipal income tax data the commissioner has acquired under 2043
Chapter 5745. of the Revised Code. The tax commissioner may not 2044
impose a fee or charge to defray the costs of providing such data, 2045
including costs associated with the inspection, review, 2046
production, photocopying, or transmission of that data. 2047

Sec. 718.052. (A) Each member of the national guard of any 2048
state and each member of a reserve component of the armed forces 2049
of the United States called to active duty pursuant to an 2050
executive order issued by the president of the United States or an 2051
act of the congress of the United States, and each civilian 2052
serving as support personnel in a combat zone or contingency 2053
operation in support of the armed forces, may apply to the tax 2054
administrator of a municipal corporation for both an extension of 2055
time for filing of the return and an extension of time for payment 2056
of taxes required by the municipal corporation in accordance with 2057
this chapter during the period of the member's or civilian's duty 2058
service and for one hundred eighty days thereafter. The 2059
application shall be filed on or before the one hundred eightieth 2060
day after the member's or civilian's duty terminates. An applicant 2061
shall provide such evidence as the tax administrator considers 2062
necessary to demonstrate eligibility for the extension. 2063

(B)(1) If the tax administrator ascertains that an applicant 2064
is qualified for an extension under this section, the tax 2065

administrator shall enter into a contract with the applicant for 2066
the payment of the tax in installments that begin on the one 2067
hundred eighty-first day after the applicant's active duty or 2068
service terminates. Except as provided in division (B)(3) of this 2069
section, the tax administrator may prescribe such contract terms 2070
as the tax administrator considers appropriate. 2071

(2) If the tax administrator ascertains that an applicant is 2072
qualified for an extension under this section, the applicant shall 2073
neither be required to file any return, report, or other tax 2074
document nor be required to pay any tax otherwise due to the 2075
municipal corporation before the one hundred eighty-first day 2076
after the applicant's active duty or service terminates. 2077

(3) Taxes paid pursuant to a contract entered into under 2078
division (B)(1) of this section are not delinquent. The tax 2079
administrator shall not require any payments of penalties or 2080
interest in connection with those taxes for the extension period. 2081

(C)(1) Nothing in this division denies to any person 2082
described in this division the application of divisions (A) and 2083
(B) of this section. 2084

(2)(a) A qualifying taxpayer who is eligible for an extension 2085
under the Internal Revenue Code shall receive both an extension of 2086
time in which to file any return, report, or other tax document 2087
and an extension of time in which to make any payment of taxes 2088
required by a municipal corporation in accordance with this 2089
chapter. The length of any extension granted under division 2090
(C)(2)(a) of this section shall be equal to the length of the 2091
corresponding extension that the taxpayer receives under the 2092
Internal Revenue Code. As used in this section, "qualifying 2093
taxpayer" means a member of the national guard, or a member of the 2094
reserve component of the armed forces of the United States, who is 2095
called to active duty pursuant to either an executive order issued 2096
by the president of the United States or an act of the congress of 2097

the United States. 2098

(b) Taxes whose payment is extended in accordance with 2099
division (C)(2)(a) of this section are not delinquent during the 2100
extension period. Such taxes become delinquent on the first day 2101
after the expiration of the extension period if the taxes are not 2102
paid prior to that date. The tax administrator shall not require 2103
any payment of penalties or interest in connection with those 2104
taxes for the extension period. The tax administrator shall not 2105
include any period of extension granted under division (C)(2)(a) 2106
of this section in calculating the penalty or interest due on any 2107
unpaid tax. 2108

(D) For each taxable year to which division (A), (B), or (C) 2109
of this section applies to a taxpayer, the provisions of divisions 2110
(B)(2) and (3) or (C) of this section, as applicable, apply to the 2111
spouse of that taxpayer if the filing status of the spouse and the 2112
taxpayer is married filing jointly for that year. 2113

Sec. 718.06. (A) As used in this section: 2114

(1) "Affiliated group of corporations" means an affiliated 2115
group as defined in section 1504 of the Internal Revenue Code. 2116
"Affiliated group of corporations" does not include an incumbent 2117
local exchange carrier primarily engaged in the business of 2118
providing local exchange telephone service in this state, or any 2119
member of such a carrier's affiliated group that is an incumbent 2120
local exchange carrier primarily engaged in the business of 2121
providing local exchange telephone service, other than cellular 2122
radio service, outside this state. 2123

(2) "Consolidated federal income tax return" means a 2124
consolidated return filed for federal income tax purposes pursuant 2125
to section 1501 of the Internal Revenue Code. 2126

(3) "Consolidated federal taxable income" means the 2127

consolidated taxable income of an affiliated group of 2128
corporations, as computed for the purposes of filing a 2129
consolidated federal income tax return, before consideration of 2130
net operating losses or special deductions. "Consolidated federal 2131
taxable income" does not include income or loss of an incumbent 2132
local exchange carrier primarily engaged in the business of 2133
providing local exchange telephone service in this state, or 2134
income or loss of any member of such a carrier's affiliated group 2135
that is an incumbent local exchange carrier primarily engaged in 2136
the business of providing local exchange telephone service, other 2137
than cellular radio service, outside this state. 2138

(4) "Incumbent local exchange carrier" has the same meaning 2139
as in section 4927.01 of the Revised Code. 2140

(5) "Local exchange telephone service" has the same meaning 2141
as in section 5727.01 of the Revised Code. 2142

(B)(1) For taxable years beginning on or after January 1, 2143
2015, a taxpayer that is a member of an affiliated group of 2144
corporations may elect to file a consolidated municipal income tax 2145
return for a taxable year if at least one member of the affiliated 2146
group of corporations is subject to the municipal income tax in 2147
that taxable year and if the affiliated group of corporations 2148
filed a consolidated federal income tax return with respect to 2149
that taxable year. The election is binding for a five-year period 2150
beginning with the first taxable year of the initial election 2151
unless a change in the reporting method is required under federal 2152
law. The election continues to be binding for each subsequent 2153
five-year period unless the taxpayer elects to discontinue filing 2154
consolidated municipal income tax returns under division (B)(2) of 2155
this section or a taxpayer receives permission from the tax 2156
administrator. The tax administrator shall approve such a request 2157
for good cause shown. 2158

(2) An election to discontinue filing consolidated municipal 2159

income tax returns under this section must be made in the first 2160
year following the last year of a five-year consolidated municipal 2161
income tax return election period in effect under division (B)(1) 2162
of this section. The election to discontinue filing a consolidated 2163
municipal income tax return is binding for a five-year period 2164
beginning with the first taxable year of the election. 2165

(3) An election made under division (B)(1) or (2) of this 2166
section is binding on all members of the affiliated group of 2167
corporations subject to a municipal income tax. 2168

(C) A taxpayer that is a member of an affiliated group of 2169
corporations that filed a consolidated federal income tax return 2170
for a taxable year shall file a consolidated municipal income tax 2171
return for that taxable year if the tax administrator determines, 2172
by a preponderance of the evidence, that intercompany transactions 2173
have not been conducted at arm's length or that there has been a 2174
distortive shifting of income or expenses with regard to 2175
allocation of net profits to the municipal corporation. A taxpayer 2176
that is required to file a consolidated municipal income tax 2177
return for a taxable year shall file a consolidated municipal 2178
income tax return for all subsequent taxable years unless the 2179
taxpayer receives written permission from the tax administrator to 2180
file a separate return or a taxpayer has experienced a change in 2181
circumstances. 2182

(D) A taxpayer shall prepare a consolidated municipal income 2183
tax return in the same manner as is required under the United 2184
States department of treasury regulations that prescribe 2185
procedures for the preparation of the consolidated federal income 2186
tax return required to be filed by the common parent of the 2187
affiliated group of which the taxpayer is a member. 2188

(E)(1) Except as otherwise provided in divisions (E)(2) and 2189
(3) of this section, corporations that file a consolidated 2190
municipal income tax return shall compute adjusted federal taxable 2191

income, as defined in section 718.01 of the Revised Code, by 2192
substituting "consolidated federal taxable income" for "federal 2193
taxable income" wherever "federal taxable income" appears in that 2194
division and by substituting "an affiliated group of 2195
corporation's" for "a C corporation's" wherever "a C 2196
corporation's" appears in that division. 2197

(2) No corporation filing a consolidated municipal income tax 2198
return shall make any adjustment otherwise required under division 2199
(E) of section 718.01 of the Revised Code to the extent that the 2200
item of income or deduction otherwise subject to the adjustment 2201
has been eliminated or consolidated in the computation of 2202
consolidated federal taxable income. 2203

(3) If the net profit or loss of a pass-through entity is 2204
included in an affiliated group of corporations' consolidated 2205
federal taxable income for a taxable year, the corporation filing 2206
a consolidated municipal income tax return shall do one of the 2207
following with respect to that pass-through entity's net profit or 2208
loss for that taxable year: 2209

(a) Exclude the pass-through entity's net profit or loss from 2210
the consolidated federal taxable income of the affiliated group 2211
and, for the purpose of making the computations required in 2212
section 718.02 of the Revised Code, exclude the property, payroll, 2213
and gross receipts of the pass-through entity in the computation 2214
of the affiliated group's net profit situated to a municipal 2215
corporation. If the entity's net profit or loss is so excluded, 2216
the entity shall be subject to taxation as a separate taxpayer on 2217
the basis of the entity's net profits that would otherwise be 2218
included in the consolidated federal taxable income of the 2219
affiliated group. 2220

(b) Include the pass-through entity's net profit or loss in 2221
the consolidated federal taxable income of the affiliated group 2222
and, for the purpose of making the computations required in 2223

section 718.02 of the Revised Code, include the property, payroll, and gross receipts of the pass-through entity in the computation of the affiliated group's net profit sitused to a municipal corporation. If the entity's net profit or loss is so included, the entity shall not be subject to taxation as a separate taxpayer on the basis of the entity's net profits that are included in the consolidated federal taxable income of the affiliated group. 2224
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(F) Corporations filing a consolidated municipal income tax return shall make the computations required under section 718.02 of the Revised Code by substituting "consolidated federal taxable income attributable to" for "net profit from" wherever "net profit from" appears in that section and by substituting "affiliated group of corporations" for "taxpayer" wherever "taxpayer" appears in that section. 2231
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(G) Each corporation filing a consolidated municipal income tax return is jointly and severally liable for any tax, interest, penalties, fines, charges, or other amounts imposed by a municipal corporation in accordance with this chapter on the corporation, an affiliated group of which the corporation is a member for any portion of the taxable year, or any one or more members of such an affiliated group. 2238
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(H) Corporations that made an election with a municipal corporation before January 1, 2015, to file a consolidated tax return with such municipal corporation in a manner similar to that provided in division (B) of this section shall continue to file consolidated tax returns in such manner for any taxable year beginning before January 1, 2020, unless the corporations obtain permission from the tax administrator to discontinue such filing. 2245
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Sec. 718.07. ~~On and after January 1, 2002, each~~ The tax administrator of a municipal corporation that imposes a tax on income in accordance with this chapter shall make electronic 2252
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versions of any rules or ordinances governing the tax available to 2255
the public through the internet, including, but not limited to, 2256
ordinances or rules governing the rate of tax; payment and 2257
withholding of taxes; filing any prescribed returns, reports, or 2258
other documents; dates for filing or paying taxes, including 2259
estimated taxes; penalties, interest, ~~assessment~~, and other 2260
collection remedies; rights of taxpayers to appeal; ~~and~~ procedures 2261
for filing appeals; and a summary of taxpayers' rights and 2262
responsibilities. ~~On and after that date, any municipal~~ 2263
~~corporation that requires taxpayers to file income tax returns,~~ 2264
~~reports, or other documents~~ The tax administrator shall make 2265
blanks of ~~such~~ any prescribed returns, reports, or documents, and 2266
any instructions pertaining thereto, available to the public 2267
electronically through the internet. Electronic versions of rules, 2268
ordinances, blanks, and instructions shall be made available 2269
~~either~~ by posting them on the electronic site established by the 2270
tax commissioner under section 5703.49 of the Revised Code ~~or~~ and, 2271
if the municipal corporation or tax administrator maintains an 2272
electronic site for the posting of such documents that is 2273
accessible through the internet, by posting them on ~~an~~ that 2274
electronic site ~~established by the municipal corporation that is~~ 2275
~~accessible through the internet.~~ If a municipal corporation or tax 2276
administrator establishes such an electronic site, the municipal 2277
corporation shall incorporate an electronic link between that site 2278
and the site established pursuant to section 5703.49 of the 2279
Revised Code, and shall provide to the tax commissioner the 2280
uniform resource locator of the site established pursuant to this 2281
division. 2282

Sec. 718.08. (A) As used in this section: 2283

(1) "Estimated taxes" means the amount that the taxpayer 2284
reasonably estimates to be the taxpayer's tax liability for a 2285
municipal corporation's income tax for the current taxable year. 2286

(2) "Tax liability" means the total taxes due to a municipal corporation for the taxable year, after allowing any credit to which the taxpayer is entitled, and after applying any estimated tax payment, withholding payment, or credit from another taxable year. 2287
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(B)(1) Every taxpayer shall make a declaration of estimated taxes for the current taxable year, on the form prescribed by the tax administrator, if the amount payable as estimated taxes is more than one hundred dollars. For the purposes of this section: 2292
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(a) Taxes withheld from compensation shall be considered as paid to the municipal corporation for which the taxes were withheld in equal amounts on each payment date unless the taxpayer establishes the dates on which all amounts were actually withheld, in which case the amounts withheld shall be considered as paid on the dates on which the amounts were actually withheld. 2296
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(b) An overpayment of tax applied as a credit to a subsequent taxable year is deemed to be paid on the date of the postmark stamped on the cover in which the payment is mailed or, if the payment is made by electronic funds transfer, the date the payment is submitted. As used in this division, "date of the postmark" means, in the event there is more than one date on the cover, the earliest date imprinted on the cover by the postal service. 2302
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(c) Taxes withheld by a casino operator or by a lottery sales agent under section 718.031 of the Revised Code are deemed to be paid to the municipal corporation for which the taxes were withheld on the date the taxes are withheld from the taxpayer's winnings. 2309
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(2) Taxpayers filing joint returns shall file joint declarations of estimated taxes. A taxpayer may amend a declaration under rules prescribed by the tax administrator. A taxpayer having a taxable year of less than twelve months shall 2314
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make a declaration under rules prescribed by the tax administrator. 2318
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(3) The declaration of estimated taxes shall be filed on or before the date prescribed for the filing of municipal income tax returns under division (G) of section 718.05 of the Revised Code or on or before the fifteenth day of the fourth month after the taxpayer becomes subject to tax for the first time. 2320
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(4) Taxpayers reporting on a fiscal year basis shall file a declaration on or before the fifteenth day of the fourth month after the beginning of each fiscal year or period. 2325
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(5) The original declaration or any subsequent amendment may be increased or decreased on or before any subsequent quarterly payment day as provided in this section. 2328
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(C)(1) The required portion of the tax liability for the taxable year that shall be paid through estimated taxes made payable to the municipal corporation or tax administrator, including the application of tax refunds to estimated taxes and withholding on or before the applicable payment date, shall be as follows: 2331
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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; 2337
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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; 2340
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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; 2343
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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 2346
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taxable year. 2348

(2) When an amended declaration has been filed, the unpaid 2349
balance shown due on the amended declaration shall be paid in 2350
equal installments on or before the remaining payment dates. 2351

(3) On or before the fifteenth day of the fourth month of the 2352
year following that for which the declaration or amended 2353
declaration was filed, an annual return shall be filed and any 2354
balance which may be due shall be paid with the return in 2355
accordance with section 718.05 of the Revised Code. 2356

(D)(1) In the case of any underpayment of any portion of a 2357
tax liability, penalty and interest shall be imposed pursuant to 2358
section 718.27 of the Revised Code upon the amount of underpayment 2359
for the period of underpayment, unless the underpayment is due to 2360
reasonable cause as described in division (E) of this section. The 2361
amount of the underpayment shall be determined as follows: 2362

(a) For the first payment of estimated taxes each year, 2363
twenty-two and one-half per cent of the tax liability, less the 2364
amount of taxes paid by the date prescribed for that payment; 2365

(b) For the second payment of estimated taxes each year, 2366
forty-five per cent of the tax liability, less the amount of taxes 2367
paid by the date prescribed for that payment; 2368

(c) For the third payment of estimated taxes each year, 2369
sixty-seven and one-half per cent of the tax liability, less the 2370
amount of taxes paid by the date prescribed for that payment; 2371

(d) For the fourth payment of estimated taxes each year, 2372
ninety per cent of the tax liability, less the amount of taxes 2373
paid by the date prescribed for that payment. 2374

(2) The period of the underpayment shall run from the day the 2375
estimated payment was required to be made to the date on which the 2376
payment is made. For purposes of this section, a payment of 2377

estimated taxes on or before any payment date shall be considered 2378
a payment of any previous underpayment only to the extent the 2379
payment of estimated taxes exceeds the amount of the payment 2380
presently required to be paid to avoid any penalty. 2381

(E)(1) An underpayment of any portion of tax liability 2382
determined under division (D) of this section shall be due to 2383
reasonable cause and the penalty imposed by this section shall not 2384
be added to the taxes for the taxable year if any of the following 2385
apply: 2386

(a) The amount of estimated taxes that were paid equals at 2387
least ninety per cent of the tax liability for the current taxable 2388
year, determined by annualizing the income received during the 2389
year up to the end of the month immediately preceding the month in 2390
which the payment is due. 2391

(b) The amount of estimated taxes that were paid equals at 2392
least one hundred per cent of the tax liability shown on the 2393
return of the taxpayer for the preceding taxable year, provided 2394
that the immediately preceding taxable year reflected a period of 2395
twelve months and the taxpayer filed a return with the municipal 2396
corporation under section 718.05 of the Revised Code for that 2397
year. 2398

(c) The taxpayer is an individual who resides in the 2399
municipal corporation but was not domiciled there on the first day 2400
of the taxable year. 2401

(2) The tax administrator may waive the requirement for 2402
filing a declaration of estimated taxes for any class of taxpayers 2403
after finding that the waiver is reasonable and proper in view of 2404
administrative costs and other factors. 2405

Sec. 718.09. (A) This section applies to either of the 2406
following: 2407

(1) A municipal corporation that shares the same territory as 2408
a city, local, or exempted village school district, to the extent 2409
that not more than five per cent of the territory of the municipal 2410
corporation is located outside the school district and not more 2411
than five per cent of the territory of the school district is 2412
located outside the municipal corporation; 2413

(2) A municipal corporation that shares the same territory as 2414
a city, local, or exempted village school district, to the extent 2415
that not more than five per cent of the territory of the municipal 2416
corporation is located outside the school district, more than five 2417
per cent but not more than ten per cent of the territory of the 2418
school district is located outside the municipal corporation, and 2419
that portion of the territory of the school district that is 2420
located outside the municipal corporation is located entirely 2421
within another municipal corporation having a population of four 2422
hundred thousand or more according to the federal decennial census 2423
most recently completed before the agreement is entered into under 2424
division (B) of this section. 2425

(B) The legislative authority of a municipal corporation to 2426
which this section applies may propose to the electors an income 2427
tax, one of the purposes of which shall be to provide financial 2428
assistance to the school district through payment to the district 2429
of not less than twenty-five per cent of the revenue generated by 2430
the tax, except that the legislative authority may not propose to 2431
levy the income tax on the incomes of nonresident individuals. 2432
Prior to proposing the tax, the legislative authority shall 2433
negotiate and enter into a written agreement with the board of 2434
education of the school district specifying the tax rate, the 2435
percentage of tax revenue to be paid to the school district, the 2436
purpose for which the school district will use the money, the 2437
first year the tax will be levied, which shall be the first year 2438
after the year in which the levy is approved or any later year, 2439

the date of the special election on the question of the tax, and 2440
the method and schedule by which the municipal corporation will 2441
make payments to the school district. The special election shall 2442
be held on a day specified in division (D) of section 3501.01 of 2443
the Revised Code, except that the special election may not be held 2444
on the day for holding a primary election as authorized by the 2445
municipal corporation's charter unless the municipal corporation 2446
is to have a primary election on that day. 2447

After the legislative authority and board of education have 2448
entered into the agreement, the legislative authority shall 2449
provide for levying the tax by ordinance. The ordinance shall 2450
include the provisions described in division (A) of section 718.04 2451
of the Revised Code and shall state the tax rate, the percentage 2452
of tax revenue to be paid to the school district, the purpose for 2453
which the municipal corporation will use its share of the tax 2454
revenue, the first year the tax will be levied, and that the 2455
question of the income tax will be submitted to the electors of 2456
the municipal corporation. The legislative authority also shall 2457
adopt a resolution specifying the regular or special election date 2458
the election will be held and directing the board of elections to 2459
conduct the election. At least ninety days before the date of the 2460
election, the legislative authority shall file certified copies of 2461
the ordinance and resolution with the board of elections. 2462

(C) The board of elections shall make the necessary 2463
arrangements for the submission of the question to the electors of 2464
the municipal corporation, and shall conduct the election in the 2465
same manner as any other municipal income tax election. Notice of 2466
the election shall be published in a newspaper of general 2467
circulation in the municipal corporation once a week for four 2468
consecutive weeks, or as provided in section 7.16 of the Revised 2469
Code, prior to the election, and shall include statements of the 2470
rate and municipal corporation and school district purposes of the 2471

income tax, the percentage of tax revenue that will be paid to the 2472
school district, and the first year the tax will be levied. The 2473
ballot shall be in the following form: 2474

"Shall the ordinance providing for a per cent levy on 2475
income for (brief description of the municipal corporation and 2476
school district purposes of the levy, including a statement of the 2477
percentage of tax revenue that will be paid to the school 2478
district) be passed? The income tax, if approved, will not be 2479
levied on the incomes of individuals who do not reside in (the 2480
name of the municipal corporation). 2481

	For the income tax	
	Against the income tax	"

(D) If the question is approved by a majority of the 2482
electors, the municipal corporation shall impose the income tax 2483
beginning ~~in~~ on the first day of January of the year specified in 2484
the ordinance. The proceeds of the levy may be used only for the 2485
specified purposes, including payment of the specified percentage 2486
to the school district. 2487
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Sec. 718.10. (A) This section applies to a group of two or 2492
more municipal corporations that, taken together, share the same 2493
territory as a single city, local, or exempted village school 2494
district, to the extent that not more than five per cent of the 2495
territory of the municipal corporations as a group is located 2496
outside the school district and not more than five per cent of the 2497
territory of the school district is located outside the municipal 2498
corporations as a group. 2499

(B) The legislative authorities of the municipal corporations 2500
in a group of municipal corporations to which this section applies 2501

each may propose to the electors an income tax, to be levied in 2502
concert with income taxes in the other municipal corporations of 2503
the group, except that a legislative authority may not propose to 2504
levy the income tax on the incomes of individuals who do not 2505
reside in the municipal corporation. One of the purposes of such a 2506
tax shall be to provide financial assistance to the school 2507
district through payment to the district of not less than 2508
twenty-five per cent of the revenue generated by the tax. Prior to 2509
proposing the taxes, the legislative authorities shall negotiate 2510
and enter into a written agreement with each other and with the 2511
board of education of the school district specifying the tax rate, 2512
the percentage of the tax revenue to be paid to the school 2513
district, the first year the tax will be levied, which shall be 2514
the first year after the year in which the levy is approved or any 2515
later year, and the date of the election on the question of the 2516
tax, all of which shall be the same for each municipal 2517
corporation. The agreement also shall state the purpose for which 2518
the school district will use the money, and specify the method and 2519
schedule by which each municipal corporation will make payments to 2520
the school district. The special election shall be held on a day 2521
specified in division (D) of section 3501.01 of the Revised Code, 2522
including a day on which all of the municipal corporations are to 2523
have a primary election. 2524

After the legislative authorities and board of education have 2525
entered into the agreement, each legislative authority shall 2526
provide for levying its tax by ordinance. Each ordinance shall 2527
include the provisions described in division (A) of section 718.04 2528
of the Revised Code and shall state the rate of the tax, the 2529
percentage of tax revenue to be paid to the school district, the 2530
purpose for which the municipal corporation will use its share of 2531
the tax revenue, and the first year the tax will be levied. Each 2532
ordinance also shall state that the question of the income tax 2533
will be submitted to the electors of the municipal corporation on 2534

the same date as the submission of questions of an identical tax 2535
to the electors of each of the other municipal corporations in the 2536
group, and that unless the electors of all of the municipal 2537
corporations in the group approve the tax in their respective 2538
municipal corporations, none of the municipal corporations in the 2539
group shall levy the tax. Each legislative authority also shall 2540
adopt a resolution specifying the regular or special election date 2541
the election will be held and directing the board of elections to 2542
conduct the election. At least ninety days before the date of the 2543
election, each legislative authority shall file certified copies 2544
of the ordinance and resolution with the board of elections. 2545

(C) For each of the municipal corporations, the board of 2546
elections shall make the necessary arrangements for the submission 2547
of the question to the electors, and shall conduct the election in 2548
the same manner as any other municipal income tax election. For 2549
each of the municipal corporations, notice of the election shall 2550
be published in a newspaper of general circulation in the 2551
municipal corporation once a week for four consecutive weeks, or 2552
as provided in section 7.16 of the Revised Code, prior to the 2553
election. The notice shall include a statement of the rate and 2554
municipal corporation and school district purposes of the income 2555
tax, the percentage of tax revenue that will be paid to the school 2556
district, and the first year the tax will be levied, and an 2557
explanation that the tax will not be levied unless an identical 2558
tax is approved by the electors of each of the other municipal 2559
corporations in the group. The ballot shall be in the following 2560
form: 2561

"Shall the ordinance providing for a ... per cent levy on 2562
income for (brief description of the municipal corporation and 2563
school district purposes of the levy, including a statement of the 2564
percentage of income tax revenue that will be paid to the school 2565
district) be passed? The income tax, if approved, will not be 2566

levied on the incomes of individuals who do not reside in (the 2567
name of the municipal corporation). In order for the income tax to 2568
be levied, the voters of (the other municipal corporations in the 2569
group), which are also in the (name of the school district) school 2570
district, must approve an identical income tax and agree to pay 2571
the same percentage of the tax revenue to the school district. 2572

	For the income tax	
	Against the income tax	"

(D) If the question is approved by a majority of the electors 2577
and identical taxes are approved by a majority of the electors in 2578
each of the other municipal corporations in the group, the 2579
municipal corporation shall impose the tax beginning ~~in~~ on the 2580
first day of January of the year specified in the ordinance. The 2581
proceeds of the levy may be used only for the specified purposes, 2582
including payment of the specified percentage to the school 2583
district. 2584

Sec. 718.11. (A)(1) The legislative authority of each 2585
municipal corporation that imposes a tax on income in accordance 2586
with this chapter shall maintain a local board of tax review to 2587
hear appeals as provided in this section. The legislative 2588
authority of any municipal corporation that does not impose a tax 2589
on income on ~~the effective date of this amendment~~ June 26, 2003, 2590
but that imposes such a tax after that date, shall establish such 2591
a board by ordinance not later than one hundred eighty days after 2592
the tax takes effect. 2593

(2) The local board of tax review shall consist of three 2594
members. Two members shall be appointed by the legislative 2595
authority of the municipal corporation, but such appointees may 2596
not be employees, elected officials, or contractors with the 2597

municipal corporation at any time during their term or in the five 2598
years immediately preceding the date of appointment. One member 2599
shall be appointed by the top administrative official of the 2600
municipal corporation. This member may be an employee of the 2601
municipal corporation, but may not be the director of finance or 2602
equivalent officer, or the tax administrator or other similar 2603
official or an employee directly involved in municipal tax 2604
matters, or any direct subordinate thereof. 2605

(3) The term for members of the local board of tax review 2606
appointed by the legislative authority of the municipal 2607
corporation shall be two years. There is no limit on the number of 2608
terms that a member may serve if the member is reappointed by the 2609
legislative authority. The board member appointed by the top 2610
administrative official of the municipal corporation shall serve 2611
at the discretion of the administrative official. 2612

(4) Members of the board of tax review appointed by the 2613
legislative authority may be removed by the legislative authority 2614
by majority vote for malfeasance, misfeasance, or nonfeasance in 2615
office. To remove such a member, the legislative authority must 2616
give the member a copy of the charges against the member and 2617
afford the member an opportunity to be publicly heard in person or 2618
by counsel in the member's own defense upon not less than ten 2619
days' notice. The decision by the legislative authority on the 2620
charges is final and not appealable. 2621

(5) A member of the board who, for any reason, ceases to meet 2622
the qualifications for the position prescribed by this section 2623
shall resign immediately by operation of law. 2624

(6) A vacancy in an unexpired term shall be filled in the 2625
same manner as the original appointment within sixty days of when 2626
the vacancy was created. Any member appointed to fill a vacancy 2627
occurring prior to the expiration of the term for which the 2628
member's predecessor was appointed shall hold office for the 2629

remainder of such term. No vacancy on the board shall impair the 2630
power and authority of the remaining members to exercise all the 2631
powers of the board. 2632

(B) Whenever a written determination by the tax administrator 2633
issues a decision regarding a municipal income tax obligation that 2634
is subject to appeal as provided in this section or in an 2635
ordinance or regulation of the municipal corporation is issued, 2636
the tax administrator shall notify the taxpayer in writing at the 2637
same time of the taxpayer's right to appeal the ~~decision and of~~ 2638
written determination, the manner in which the taxpayer may appeal 2639
the ~~decision~~ ruling, and the address to which the appeal should be 2640
directed. 2641

(C) Any person who is aggrieved by a decision by the tax 2642
administrator and who has filed with the municipal corporation the 2643
required returns or other documents pertaining to the municipal 2644
income tax obligation at issue in the decision has been issued a 2645
written determination by the tax administrator may appeal the 2646
decision ruling to the board created pursuant to this section by 2647
filing a request with the board. The request shall be in writing, 2648
shall ~~state~~ specify the reason or reasons why the decision ruling 2649
should be deemed incorrect or unlawful, and shall be filed within 2650
~~thirty~~ sixty days after the ~~tax administrator issues taxpayer~~ 2651
receives the decision complained of ruling. 2652

(D) The local board of tax review shall schedule a hearing to 2653
be held within ~~forty-five~~ sixty days after receiving ~~the request~~ 2654
an appeal of a written determination by the tax administrator 2655
under division (C) of this section, unless the taxpayer requests 2656
additional time to prepare or waives a hearing. If the taxpayer 2657
does not waive the hearing, the taxpayer may appear before the 2658
board and may be represented by an attorney at law, certified 2659
public accountant, or other representative. The board may allow a 2660
hearing to be continued as jointly agreed to by the parties, but 2661

the hearing must be completed within one hundred twenty days after 2662
the first day of the hearing. 2663

(E) The board may affirm, reverse, or modify ~~the tax~~ 2664
~~administrator's decision~~ a written determination by the tax 2665
administrator or any part of that ~~decision~~ ruling. The board shall 2666
issue a final decision on the appeal within ninety days after the 2667
board's final hearing on the appeal, and send a copy of its final 2668
decision by ordinary mail to all of the parties to the appeal 2669
within fifteen days after issuing the decision. The taxpayer or 2670
the tax administrator may appeal the board's decision as provided 2671
in section 5717.011 of the Revised Code. 2672

~~Each~~ (F) The local board of ~~appeal~~ tax review created 2673
pursuant to this section shall adopt rules governing its 2674
procedures and shall keep a record of its transactions. Such 2675
records are not public records available for inspection under 2676
section 149.43 of the Revised Code. Hearings requested by a 2677
taxpayer before a local board of ~~appeal~~ tax review created 2678
pursuant to this section are not meetings of a public body subject 2679
to section 121.22 of the Revised Code. 2680

Sec. 718.12. (A)(1)(a) Civil actions to recover municipal 2681
income taxes and penalties and interest on municipal income taxes 2682
shall be brought within the later of: 2683

(i) Three years after the tax was due or the return was 2684
filed, whichever is later; or 2685

(ii) One year after the conclusion of the qualifying deferral 2686
period, if any. 2687

(b) The time limit described in division (A)(1)(a) of this 2688
section may be extended at any time if both the tax administrator 2689
and the employer, agent of the employer, other payer, or taxpayer 2690
consent in writing to the extension. Any extension shall also 2691

extend for the same period of time the time limit described in 2692
division (C) of this section. 2693

(2) As used in this section, "qualifying deferral period" 2694
means a period of time beginning and ending as follows: 2695

(a) Beginning on the date a person who is aggrieved by a 2696
written determination by the tax administrator files with a local 2697
board of tax review the request described in section 718.11 of the 2698
Revised Code. That date shall not be affected by any subsequent 2699
decision, finding, or holding by any administrative body or court 2700
that the local board of tax review with which the aggrieved person 2701
filed the request did not have jurisdiction to affirm, reverse, or 2702
modify the written determination by the tax administrator or any 2703
part of that determination. 2704

(b) Ending the later of the sixtieth day after the date on 2705
which the decision of the local board of tax review becomes final 2706
or, if any party appeals from the decision of the local board of 2707
tax review, the sixtieth day after the date on which the decision 2708
of the local board of tax review is either ultimately affirmed in 2709
whole or in part or ultimately reversed and no further appeal of 2710
either that affirmation, in whole or in part, or that reversal is 2711
available or taken. 2712

(B) Prosecutions for an offense made punishable under a 2713
resolution or ordinance imposing an income tax shall be commenced 2714
within three years after the commission of the offense, provided 2715
that in the case of fraud, failure to file a return, or the 2716
omission of twenty-five per cent or more of income required to be 2717
reported, prosecutions may be commenced within six years after the 2718
commission of the offense. 2719

(C) A claim for a refund of municipal income taxes shall be 2720
brought within the time limitation provided in section 718.19 of 2721
the Revised Code. 2722

(D) Interest shall be allowed and paid on any overpayment by 2723
a taxpayer of any municipal income tax obligation from the date of 2724
the overpayment until the date of the refund of the overpayment, 2725
except that if any overpayment is refunded within ninety days 2726
after the final filing date of the annual return or ninety days 2727
after the completed return is filed, whichever is later, no 2728
interest shall be allowed on the refund. For the purpose of 2729
computing the payment of interest on amounts overpaid, no amount 2730
of tax for any taxable year shall be considered to have been paid 2731
before the date on which the return on which the tax is reported 2732
is due, without regard to any extension of time for filing that 2733
return. Interest shall be paid at the interest rate described in 2734
division (A)(5) of section 718.27 of the Revised Code. 2735

(E) Within sixty days after the final determination of any 2736
federal or state tax liability affecting the taxpayer's municipal 2737
tax liability, that taxpayer shall make and file an amended 2738
municipal return showing income subject to the municipal income 2739
tax based upon such final determination of federal or state tax 2740
liability, and pay any additional municipal income tax shown due 2741
thereon or make a claim for refund of any overpayment, unless the 2742
tax or overpayment is less than ten dollars. 2743

(F)(1) Notwithstanding the fact that an appeal is pending, 2744
the petitioner may pay all or a portion of the written 2745
determination by the tax administrator that is the subject of the 2746
appeal. The acceptance of a payment by the municipal corporation 2747
does not prejudice any claim for refund upon final determination 2748
of the appeal. 2749

(2) If upon final determination of the appeal an error in the 2750
written determination by the tax administrator is corrected by the 2751
tax administrator, upon an appeal so filed or pursuant to a 2752
decision of the local board of tax review created under section 2753
718.11 of the Revised Code, of the Ohio board of tax appeals, or 2754

any court to which the decision of the Ohio board of tax appeals 2755
has been appealed, so that the amount due from the party assessed 2756
under the corrected written determination is less than the amount 2757
paid, there shall be issued to the appellant or to the appellant's 2758
assigns or legal representative a refund in the amount of the 2759
overpayment as provided by section 718.19 of the Revised Code, 2760
with interest on that amount as provided by division (D) of this 2761
section. 2762

(G) No civil action to recover municipal income tax or 2763
related penalties or interest shall be brought during either of 2764
the following time periods: 2765

(1) The period during which a taxpayer has a right to appeal 2766
the imposition of that tax or interest or those penalties; 2767

(2) The period during which an appeal related to the 2768
imposition of that tax or interest or those penalties is pending. 2769

Sec. 718.121. (A) Except as provided in division (B) of this 2770
section, if tax or withholding is paid to a municipal corporation 2771
on income or wages, and if a second municipal corporation imposes 2772
or assesses a tax on that income or wages after the time period 2773
allowed for a refund of the tax or withholding paid to the first 2774
municipal corporation, the second municipal corporation shall 2775
allow a nonrefundable credit, against the tax or withholding the 2776
second municipality claims is due with respect to such income or 2777
wages, equal to the tax or withholding paid to the first municipal 2778
corporation with respect to such income or wages. 2779

(B) If the tax rate in the second municipal corporation is 2780
less than the tax rate in the first municipal corporation, then 2781
the credit described in division (A) of this section shall be 2782
calculated using the tax rate in effect in the second municipal 2783
corporation. 2784

(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. 2785
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(D) Nothing in this section permits any credit carryforward. 2790

Sec. 718.13. (A) Any information gained as a result of 2791
returns, investigations, hearings, or verifications required or 2792
authorized by this chapter or by a charter or ordinance of a 2793
municipal corporation levying an income tax pursuant to this 2794
chapter is confidential, and no person shall access or disclose 2795
such information except in accordance with a proper judicial order 2796
or in connection with the performance of that person's official 2797
duties or the official business of the municipal corporation as 2798
authorized by this chapter or the charter or ordinance authorizing 2799
the levy. The tax administrator of the municipal corporation or a 2800
designee thereof may furnish copies of returns filed or otherwise 2801
received under this chapter and other related tax information to 2802
the internal revenue service ~~and to~~, the tax commissioner, and tax 2803
administrators of other municipal corporations. 2804

(B) This section does not prohibit ~~the legislative authority~~ 2805
~~of a municipal corporation, by ordinance or resolution,~~ from 2806
~~authorizing the tax administrator to publish~~ publishing or 2807
disclosing statistics in a form that does not disclose information 2808
with respect to particular taxpayers. 2809

Sec. 718.18. (A)(1) Subject to division (B) of this section, 2810
a copy of each written determination by the tax administrator 2811
shall be served upon the person affected thereby either by 2812
personal service, by certified mail, or by a delivery service 2813
authorized under section 5703.056 of the Revised Code. 2814

(2) With the permission of the person affected by a written determination by the tax administrator, the tax administrator may deliver the determination through alternative means as provided in this section, including, but not limited to, delivery by secure electronic mail. Delivery by such means satisfies the requirements for delivery under this section. 2815
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(B)(1)(a) If certified mail is returned because of an undeliverable address, a tax administrator shall utilize reasonable means to ascertain a new last known address, including the use of a change of address service offered by the postal service or an authorized delivery service under section 5703.056 of the Revised Code. If, after using reasonable means, the tax administrator is unable to ascertain a new last known address, the written determination by the tax administrator shall be sent by ordinary mail and considered served. If the ordinary mail is subsequently returned because of an undeliverable address, the determination remains appealable within sixty days after the determination's postmark. 2821
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(b) Notwithstanding delivery for collection under division (B)(1)(a) of this section, once the tax administrator or other municipal official, or the designee of either, serves a written determination by the tax administrator on the person to whom the determination is directed, the person may protest the ruling of that determination by filing an appeal with the local board of tax review within sixty days after the receipt of service. The delivery of a written determination of the tax administrator under division (B)(1)(a) of this section is prima facie evidence that delivery is complete and that the determination is served. 2833
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(2) If mailing of a written determination by a tax administrator by certified mail is returned for some cause other than an undeliverable address, the tax administrator shall resend the written determination by ordinary mail. The written 2843
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determination shall show the date the tax administrator sends the 2847
written determination and include the following statement: 2848

"This written determination by the tax administrator is 2849
deemed to be served on the addressee under applicable law ten days 2850
from the date this written determination was mailed by the tax 2851
administrator as shown on the written determination, and all 2852
periods within which an appeal may be filed apply from and after 2853
that date." 2854

Unless the mailing is returned because of an undeliverable 2855
address, the mailing of that information is prima facie evidence 2856
that delivery of the written determination was completed ten days 2857
after the tax administrator sent the written determination by 2858
ordinary mail and that the written determination was served. 2859

If the ordinary mail is subsequently returned because of an 2860
undeliverable address, the tax administrator shall proceed under 2861
division (B)(1)(a) of this section. A person may challenge the 2862
presumption of delivery and service under this division in 2863
accordance with division (C) of this section. 2864

(C)(1) A person disputing the presumption of delivery and 2865
service under division (B) of this section bears the burden of 2866
proving by a preponderance of the evidence that the address to 2867
which the written determination by the tax administrator was sent 2868
was not an address with which the person was associated at the 2869
time the tax administrator originally mailed the written 2870
determination by certified mail. For the purposes of this section, 2871
a person is associated with an address at the time the tax 2872
administrator originally mailed the written determination if, at 2873
that time, the person was residing, receiving legal documents, or 2874
conducting business at the address; or if, before that time, the 2875
person had conducted business at the address and, when the written 2876
determination was mailed, the person's agent or the person's 2877
affiliate was conducting business at the address. For the purposes 2878

of this section, a person's affiliate is any other person that, at 2879
the time the written determination was mailed, owned or controlled 2880
at least twenty per cent, as determined by voting rights, of the 2881
addressee's business. 2882

(2) If the person elects to appeal a written determination by 2883
the tax administrator that has otherwise become final and is 2884
subject to collection, the person must do so within sixty days 2885
after the initial contact by the official, or the official's 2886
designee, with the person. The official may enter into a 2887
compromise with the person if the person does not file an appeal 2888
with the local board of tax review. 2889

(D) Nothing in this section prohibits the tax administrator 2890
or the tax administrator's designee from delivering a written 2891
determination by a tax administrator by personal service. 2892

(E) Collection actions taken upon any written determination 2893
by the tax administrator being appealed under division (B)(1)(b) 2894
of this section shall be stayed upon the pendency of an appeal 2895
under this section. If an appeal is filed pursuant to this section 2896
on a claim that has been delivered for collection, the collection 2897
activities with respect to the written determination shall be 2898
stayed. 2899

(F) As used in this section: 2900

(1) "Last known address" means the address the tax 2901
administrator has at the time a document is originally sent by 2902
certified mail, or any address the tax administrator can ascertain 2903
using reasonable means such as the use of a change of address 2904
service offered by the postal service or an authorized delivery 2905
service under section 5703.056 of the Revised Code. 2906

(2) "Undeliverable address" means an address to which the 2907
postal service or an authorized delivery service under section 2908
5703.056 of the Revised Code is not able to deliver a written 2909

determination of the tax administrator, except when the reason for 2910
nondelivery is because the addressee fails to acknowledge or 2911
accept the determination. 2912

Sec. 718.19. (A) Upon receipt of a refund application, the 2913
tax administrator of a municipal corporation, in accordance with 2914
this section, shall refund to employers, agents of employers, 2915
other payers, or taxpayers, with respect to any income or 2916
withholding tax levied by the municipal corporation: 2917

(1) Overpayments of more than ten dollars; 2918

(2) Amounts in excess of ten dollars paid erroneously. 2919

(B) Except as otherwise provided in this chapter, 2920
applications for refund shall be filed with the tax administrator, 2921
on the form prescribed by the tax administrator within three years 2922
after the tax was due or paid, whichever is later. The tax 2923
administrator may require an applicant to file with the 2924
application any documentation that substantiates the applicant's 2925
claim for a refund. 2926

On filing of the refund application, the tax administrator 2927
shall determine the amount of refund due and certify such amount 2928
to the appropriate municipal corporation official for payment. 2929

(C) An application for a refund that is received after the 2930
last day for filing specified in division (B) of this section 2931
shall be considered to have been filed in a timely manner if any 2932
of the following situations exist: 2933

(1) The application is delivered by the postal service, and 2934
the earliest postal service postmark on the cover in which the 2935
application is enclosed is not later than the last day for filing 2936
the application. 2937

(2) The application is delivered by the postal service, the 2938
only postmark on the cover in which the application is enclosed 2939

was affixed by a private postal meter, the date of that postmark 2940
is not later than the last day for filing the application, and the 2941
application is received within seven days of such last day. 2942

(3) The application is delivered by the postal service, no 2943
postmark date was affixed to the cover in which the application is 2944
enclosed or the date of the postmark so affixed is not legible, 2945
and the application is received within seven days of the last day 2946
for making the application. 2947

(D) As used in this section, "withholding tax" has the same 2948
meaning as in section 718.27 of the Revised Code. 2949

Sec. 718.22. (A) A tax administrator may, by rule, prescribe 2950
uniform requirements as to the keeping of records and other 2951
pertinent documents related to the liability of any person for a 2952
tax imposed by a municipal corporation in accordance with this 2953
chapter, and as to the filing of copies of federal income tax 2954
returns and determinations. Such records and other documents shall 2955
be open to the tax administrator's inspection during business 2956
hours and shall be preserved for a period of six years following 2957
the end of the taxable year to which the records or documents 2958
relate, unless the tax administrator, in writing, consents to 2959
their destruction within that period, or by order requires that 2960
they be kept longer. 2961

(B) In addition to any requirements prescribed pursuant to 2962
division (A) of this section, the tax administrator of a municipal 2963
corporation may require any person, by notice served on that 2964
person, to keep such records as the tax administrator determines 2965
necessary to show whether or not that person is liable, and the 2966
extent of such liability, for the income tax levied by the 2967
municipal corporation or for the withholding of such tax. 2968

Sec. 718.23. (A) A tax administrator, or any authorized agent 2969

or employee thereof may examine the books, papers, records, and 2970
federal and state income tax returns of any employer, taxpayer, or 2971
other person that is subject to, or that the tax administrator 2972
believes is subject to, the provisions of this chapter for the 2973
purpose of verifying the accuracy of any return made or, if no 2974
return was filed, to ascertain the tax due under this chapter. 2975
Upon written request by the tax administrator or a duly authorized 2976
agent or employee thereof, every employer, taxpayer, or other 2977
person subject to this section is required to furnish the 2978
opportunity for the tax administrator, authorized agent, or 2979
employee to investigate and examine such books, papers, records, 2980
and federal and state income tax returns at a reasonable time and 2981
place designated in the request. 2982

(B) The tax administrator may examine under oath any person 2983
that the tax administrator reasonably believes has knowledge 2984
concerning any income that was or would have been returned for 2985
taxation or any transaction tending to affect such income. The tax 2986
administrator may, for this purpose, compel any such person to 2987
attend a hearing or examination and to produce any books, papers, 2988
records, and federal income tax returns in such person's 2989
possession or control. The person may be assisted or represented 2990
by an attorney, accountant, bookkeeper, or other tax practitioner 2991
at any such hearing or examination. This division does not 2992
authorize the practice of law by a person who is not an attorney. 2993

No person issued written notice by the tax administrator 2994
compelling such attendance or production of books, papers, 2995
records, or federal income tax returns under this division shall 2996
fail to comply. 2997

Sec. 718.24. Nothing in this chapter shall limit the 2998
authority of a tax administrator to perform any of the following 2999
duties or functions, unless the performance of such duties or 3000

functions is expressly limited by a provision of the Revised Code 3001
or the charter or ordinances of the municipal corporation: 3002

(A) Exercise all powers whatsoever of an inquisitorial nature 3003
as provided by law, including, the right to inspect books, 3004
accounts, records, memorandums, and federal and state income tax 3005
returns, to examine persons under oath, to issue orders or 3006
subpoenas for the production of books, accounts, papers, records, 3007
documents, and testimony, to take depositions, to apply to a court 3008
for attachment proceedings as for contempt, to approve vouchers 3009
for the fees of officers and witnesses, and to administer oaths; 3010
provided that the powers referred to in this division of this 3011
section shall be exercised by the tax administrator only in 3012
connection with the performance of the duties respectively 3013
assigned to the tax administrator under a municipal corporation 3014
income tax ordinance or resolution adopted in accordance with this 3015
chapter; 3016

(B) Appoint agents and prescribe their powers and duties; 3017

(C) Confer and meet with officers of other municipal 3018
corporations and states and officers of the United States on any 3019
matters pertaining to their respective official duties as provided 3020
by law; 3021

(D) Exercise the authority provided by law, including orders 3022
from bankruptcy courts, relative to remitting or refunding taxes, 3023
including penalties and interest thereon, illegally or erroneously 3024
imposed or collected, or for any other reason overpaid, and, in 3025
addition, the tax administrator may investigate any claim of 3026
overpayment and make a written statement of the tax 3027
administrator's findings, and, if the tax administrator finds that 3028
there has been an overpayment, approve and issue a refund payable 3029
to the taxpayer, the taxpayer's assigns, or legal representative 3030
as provided in this chapter; 3031

(E) Exercise the authority provided by law relative to 3032
consenting to the compromise and settlement of tax claims; 3033

(F) Exercise the authority provided by law relative to the 3034
use of alternative apportionment methods by taxpayers in 3035
accordance with section 718.02 of the Revised Code; 3036

(G) Make all tax findings, determinations, computations, and 3037
orders the tax administrator is by law authorized and required to 3038
make and, pursuant to time limitations provided by law, on the tax 3039
administrator's own motion, review, redetermine, or correct any 3040
tax findings, determinations, computations, or orders the tax 3041
administrator has made, but the tax administrator shall not 3042
review, redetermine, or correct any tax finding, determination, 3043
computation, or order which the tax administrator has made as to 3044
which an appeal has been filed with the local board of tax review 3045
or other appropriate tribunal, unless such appeal or application 3046
is withdrawn by the appellant or applicant, is dismissed, or is 3047
otherwise final; 3048

(H) Destroy any or all returns or other tax documents in the 3049
manner authorized by law; 3050

(I) Enter into an agreement with a taxpayer to simplify the 3051
withholding obligations described in section 718.03 of the Revised 3052
Code. 3053

Sec. 718.25. A person may round to the nearest whole dollar 3054
all amounts the person is required to enter on any return, report, 3055
voucher, or other document required under this chapter. Any 3056
fractional part of a dollar that equals or exceeds fifty cents 3057
shall be rounded to the next whole dollar, and any fractional part 3058
of a dollar that is less than fifty cents shall be dropped. If a 3059
person chooses to round amounts entered on a document, the person 3060
shall round all amounts entered on the document. 3061

Sec. 718.26. (A) Nothing in this chapter prohibits a tax administrator from requiring any person filing a tax document with the tax administrator to provide identifying information, which may include the person's social security number, federal employer identification number, or other identification number requested by the tax administrator. A person required by the tax administrator to provide identifying information that has experienced any change with respect to that information shall notify the tax administrator of the change before, or upon, filing the next tax document requiring the identifying information.

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

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

(2) If a person required by the tax administrator to provide identifying information does not notify the tax administrator of a change with respect to that information as required under division (A) of this section within thirty days after filing the next tax document requiring such identifying information, nothing in this

chapter prohibits the tax administrator from imposing a penalty 3093
pursuant to section 718.27 of the Revised Code. 3094

(3) The penalties provided for under divisions (C)(1) and (2) 3095
of this section may be billed and imposed in the same manner as 3096
the tax or fee with respect to which the identifying information 3097
is sought and are in addition to any applicable criminal penalties 3098
described in section 718.99 of the Revised Code for a violation of 3099
section 718.35 of the Revised Code and any other penalties that 3100
may be imposed by the tax administrator by law. 3101

Sec. 718.27. (A) As used in this section: 3102

(1) "Applicable law" means this chapter, the resolutions, 3103
ordinances, codes, directives, instructions, and rules adopted by 3104
a municipal corporation provided such resolutions, ordinances, 3105
codes, directives, instructions, and rules impose or directly or 3106
indirectly address the levy, payment, remittance, or filing 3107
requirements of a municipal income tax. 3108

(2) "Income tax," "estimated income tax," and "withholding 3109
tax" means any income tax, estimated income tax, and withholding 3110
tax imposed by a municipal corporation pursuant to applicable law, 3111
including at any time before January 1, 2015. 3112

(3) A "return" includes any tax return, report, 3113
reconciliation, schedule, and other document required to be filed 3114
with a tax administrator or municipal corporation by a taxpayer, 3115
employer, any agent of the employer, or any other payer pursuant 3116
to applicable law, including at any time before January 1, 2015. 3117

(4) "Federal short-term rate" means the rate of the average 3118
market yield on outstanding marketable obligations of the United 3119
States with remaining periods to maturity of three years or less, 3120
as determined under section 1274 of the Internal Revenue Code, for 3121
July of the current year. 3122

(5) "Interest rate as described in division (A) of this section" means the federal short-term rate, rounded to the nearest whole number per cent, plus five per cent. The rate shall apply for the calendar year next following the July of the year in which the federal short-term rate is determined in accordance with division (A)(4) of this section. 3123
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(6) "Unpaid estimated income tax" means estimated income tax due but not paid by the date the tax is required to be paid under applicable law. 3129
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(7) "Unpaid income tax" means income tax due but not paid by the date the income tax is required to be paid under applicable law. 3132
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(8) "Unpaid withholding tax" means withholding tax due but not paid by the date the withholding tax is required to be paid under applicable law. 3135
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(9) "Withholding tax" includes amounts an employer, any agent of an employer, or any other payer did not withhold in whole or in part from an employee's qualifying wages, but that, under applicable law, the employer, agent, or other payer is required to withhold from an employee's qualifying wages. 3138
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(B)(1) This section applies to the following: 3143

(a) Any return required to be filed under applicable law for taxable years beginning on or after January 1, 2015; 3144
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(b) Income tax, estimated income tax, and withholding tax required to be paid or remitted to the municipal corporation on or after January 1, 2015. 3146
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(2) This section does not apply to returns required to be filed or payments required to be made before January 1, 2015, regardless of the filing or payment date. Returns required to be filed or payments required to be made before January 1, 2015, but 3149
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filed or paid after that date shall be subject to the ordinances 3153
or rules, as adopted before January 1, 2015, of the municipal 3154
corporation to which the return is to be filed or the payment is 3155
to be made. 3156

(C) Each municipal corporation levying a tax on income shall 3157
impose on a taxpayer, employer, any agent of the employer, and any 3158
other payer, and must attempt to collect, the interest amounts and 3159
penalties prescribed under division (C) of this section when the 3160
taxpayer, employer, any agent of the employer, or any other payer 3161
for any reason fails, in whole or in part, to make to the 3162
municipal corporation timely and full payment or remittance of 3163
income tax, estimated income tax, or withholding tax or to file 3164
timely with the municipal corporation any return required to be 3165
filed. 3166

(1) Interest shall be imposed at the rate described in 3167
division (A) of this section, per annum, on all unpaid income tax, 3168
unpaid estimated income tax, and unpaid withholding tax. 3169

(2)(a) With respect to unpaid income tax and unpaid estimated 3170
income tax, a municipal corporation shall impose a penalty equal 3171
to fifteen per cent of the amount not timely paid. 3172

(b) With respect to any unpaid withholding tax, a municipal 3173
corporation shall impose a penalty equal to fifty per cent of the 3174
amount not timely paid. 3175

(3)(a) With respect to annual income tax returns for 3176
individuals, a municipal corporation shall impose a penalty of 3177
twenty-five dollars for each failure to timely file each return, 3178
regardless of the liability shown thereon. 3179

(b) With respect to returns other than annual income tax 3180
returns for individuals and estimated income tax returns, a 3181
municipal corporation shall impose a penalty of twenty-five 3182
dollars for each failure to timely file each return, regardless of 3183

the liability shown thereon for each month, or any fraction 3184
thereof, during which the return remains unfiled regardless of the 3185
liability shown thereon. The penalty shall not exceed one hundred 3186
fifty dollars for each failure. 3187

(D)(1) With respect to the income taxes, estimated income 3188
taxes, withholding taxes, and returns, no municipal corporation 3189
shall impose, seek to collect, or collect any penalty, amount of 3190
interest, charges, or additional fees not described in this 3191
section. 3192

(2) With respect to the income taxes, estimated income taxes, 3193
withholding taxes, and returns not described in division (A) of 3194
this section, nothing in this section requires a municipal 3195
corporation to refund or credit any penalty, amount of interest, 3196
charges, or additional fees that the municipal corporation has 3197
properly imposed or collected before January 1, 2015. 3198

(E) Nothing in this section limits the authority of a 3199
municipal corporation to abate or partially abate penalties or 3200
interest imposed under this section when the tax administrator 3201
determines, in the tax administrator's sole discretion, that such 3202
abatement is appropriate. 3203

(F) By the thirty-first day of October of each year the 3204
municipal corporation shall publish the rate described in division 3205
(A) of this section applicable to the next succeeding calendar 3206
year. 3207

(G) The municipal corporation may impose on the taxpayer, 3208
employer, any agent of the employer, or any other payer the 3209
municipal corporation's post-judgment collection costs and fees, 3210
including attorney's fees. 3211

Sec. 718.28. (A) As used in this section, "claim" means a 3212
claim for an amount payable to a municipal corporation that arises 3213

pursuant to the municipal income tax imposed in accordance with 3214
this chapter. 3215

(B) Nothing in this chapter prohibits a tax administrator 3216
from doing either of the following if such action is in the best 3217
interests of the municipal corporation: 3218

(1) Compromise a claim; 3219

(2) Extend for a reasonable period the time for payment of a 3220
claim by agreeing to accept monthly or other periodic payments. 3221

(C) The tax administrator may consider the following 3222
standards when ascertaining with respect to a claim whether a 3223
compromise or payment-over-time agreement is in the best interests 3224
of the municipal corporation: 3225

(1) There exists a doubt as to whether the claim can be 3226
collected. 3227

(2) There exists an economic hardship such that a compromise 3228
or agreement would facilitate effective tax administration. 3229

(3) There exists a joint liability among spouses, one of whom 3230
is an innocent spouse, provided that any relief under this 3231
standard shall only affect the claim as to the innocent spouse. A 3232
spouse granted relief under section 6015 of the Internal Revenue 3233
Code with regard to any income item is rebuttably presumed to be 3234
an innocent spouse with regard to that income item to the extent 3235
that income item is included in or otherwise affects the 3236
computation of a municipal income tax or any penalty or interest 3237
on that tax. 3238

(4) Any other reasonable standard that the tax administrator 3239
establishes. 3240

(D) The tax administrator's rejection of a compromise or 3241
payment-over-time agreement proposed by a person with respect to a 3242
claim shall not be appealable. 3243

(E) A compromise or payment-over-time agreement with respect 3244
to a claim shall be binding upon and shall inure to the benefit of 3245
only the parties to the compromise or agreement, and shall not 3246
extinguish or otherwise affect the liability of any other person. 3247

(F) A compromise or payment-over-time agreement with respect 3248
to a claim shall be void if the taxpayer defaults under the 3249
compromise or agreement or if the compromise or agreement was 3250
obtained by fraud or by misrepresentation of a material fact. Any 3251
amount that was due before the compromise or agreement and that is 3252
unpaid shall remain due, and any penalties or interest that would 3253
have accrued in the absence of the compromise or agreement shall 3254
continue to accrue and be due. 3255

Sec. 718.30. Nothing in this chapter prohibits the 3256
legislative authority of a municipal corporation, or a tax 3257
administrator pursuant to authority granted to the administrator 3258
by resolution or ordinance, to adopt rules to administer an income 3259
tax imposed by the municipal corporation in accordance with this 3260
chapter. Such rules shall not conflict with or be inconsistent 3261
with any provision of this chapter. All rules adopted under this 3262
section shall be published and posted on the internet as described 3263
in section 718.07 of the Revised Code. 3264

Sec. 718.31. (A) To carry out the purposes of laws that a tax 3265
administrator is required to administer, the tax administrator or 3266
any person employed by the tax administrator for that purpose, 3267
upon demand, may inspect the books, accounts, records, memoranda, 3268
and federal and state income tax returns of any person subject to 3269
those laws, and may examine under oath any officer, agent, or 3270
employee of that person. Any person other than the tax 3271
administrator who makes a demand pursuant to this section shall 3272
produce the person's authority to make the inspection. 3273

(B) If a person receives at least ten days' written notice of 3274
a demand made under division (A) of this section and refuses to 3275
comply with that demand, the tax administrator may impose a 3276
penalty on the person pursuant to section 718.27 of the Revised 3277
Code. 3278

(C) No person hired or retained by a tax administrator to 3279
examine or inspect a taxpayer's books shall be paid on a 3280
contingency basis. 3281

Sec. 718.35. No person shall knowingly make, present, aid, or 3282
assist in the preparation or presentation of a false or fraudulent 3283
report, return, schedule, statement, claim, or document authorized 3284
or required by municipal corporation ordinance or state law to be 3285
filed with a tax administrator, or knowingly procure, counsel, or 3286
advise the preparation or presentation of such report, return, 3287
schedule, statement, claim, or document, or knowingly change, 3288
alter, or amend, or knowingly procure, counsel or advise such 3289
change, alteration, or amendment of the records upon which such 3290
report, return, schedule, statement, claim, or document is based 3291
with intent to defraud the municipal corporation or a tax 3292
administrator. 3293

Sec. 718.38. (A) An "opinion of the tax administrator" means 3294
an opinion issued under this section with respect to prospective 3295
municipal income tax liability. It does not include ordinary 3296
correspondence of the tax administrator. 3297

(B) A taxpayer may submit a written request for an opinion of 3298
the tax administrator as to whether or how certain income, source 3299
of income, or a certain activity or transaction will be taxed. The 3300
written response of the tax administrator shall be an "opinion of 3301
the tax administrator" and shall bind the tax administrator, in 3302
accordance with divisions (C), (G), and (H) of this section, 3303

provided all of the following conditions are satisfied: 3304

(1) The taxpayer's request fully and accurately describes the specific facts or circumstances relevant to a determination of the taxability of the income, source of income, activity, or transaction, and, if an activity or transaction, all parties involved in the activity or transaction are clearly identified by name, location, or other pertinent facts. 3305
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(2) The request relates to a tax imposed by the municipal corporation in accordance with this chapter. 3311
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(3) The tax administrator's response is signed by the tax administrator and designated as an "opinion of the tax administrator." 3313
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(C) An opinion of the tax administrator shall remain in effect and shall protect the taxpayer for whom the opinion was prepared and who reasonably relies on it from liability for any taxes, penalty, or interest otherwise chargeable on the activity or transaction specifically held by the tax administrator's opinion to be taxable in a particular manner or not to be subject to taxation for any taxable years that may be specified in the opinion, or until the earliest of the following dates: 3316
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(1) The effective date of a written revocation by the tax administrator sent to the taxpayer by certified mail, return receipt requested. The effective date of the revocation shall be the taxpayer's date of receipt or one year after the issuance of the opinion, whichever is later; 3324
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(2) The effective date of any amendment or enactment of a relevant section of the Revised Code, uncodified state law, or the municipal corporation's income tax ordinance that would substantially change the analysis and conclusion of the opinion of the tax administrator; 3329
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(3) The date on which a court issues an opinion establishing 3334

or changing relevant case law with respect to the Revised Code, 3335
uncodified state law, or the municipal corporation's income tax 3336
ordinance; 3337

(4) If the opinion of the tax administrator was based on the 3338
interpretation of federal law, the effective date of any change in 3339
the relevant federal statutes or regulations, or the date on which 3340
a court issues an opinion establishing or changing relevant case 3341
law with respect to federal statutes or regulations; 3342

(5) The effective date of any change in the taxpayer's 3343
material facts or circumstances; 3344

(6) The effective date of the expiration of the opinion, if 3345
specified in the opinion. 3346

(D) A taxpayer is not relieved of tax liability for any 3347
activity or transaction related to a request for an opinion that 3348
contained any misrepresentation or omission of one or more 3349
material facts. 3350

(E) If a tax administrator provides written advice under this 3351
section, the opinion shall include a statement that: 3352

(1) The tax consequences stated in the opinion may be subject 3353
to change for any of the reasons stated in division (C) of this 3354
section; 3355

(2) It is the duty of the taxpayer to be aware of such 3356
changes. 3357

(F) A tax administrator may refuse to offer an opinion on any 3358
request received under this section. 3359

(G) This section binds a tax administrator only with respect 3360
to opinions of the tax administrator issued on or after January 1, 3361
2015. 3362

(H) An opinion of a tax administrator binds that tax 3363
administrator only with respect to the taxpayer for whom the 3364

opinion was prepared and does not bind the tax administrator of 3365
any other municipal corporation. 3366

(I) A tax administrator shall make available the text of all 3367
opinions issued under this section, except those opinions prepared 3368
for a taxpayer who has requested that the text of the opinion 3369
remain confidential. In no event shall the text of an opinion be 3370
made available until the tax administrator has removed all 3371
information that identifies the taxpayer and any other parties 3372
involved in the activity or transaction. 3373

(J) An opinion of the tax administrator issued under this 3374
section may not be appealed. 3375

Sec. 718.41. (A) A taxpayer shall file an amended return with 3376
the tax administrator in such form as the tax administrator 3377
requires if any of the facts, figures, computations, or 3378
attachments required in the taxpayer's annual return to determine 3379
the tax due levied by the municipal corporation in accordance with 3380
this chapter must be altered as the result of an adjustment to the 3381
taxpayer's federal income tax return, whether initiated by the 3382
taxpayer or the internal revenue service, and such alteration 3383
affects the taxpayer's tax liability under this chapter. If a 3384
taxpayer intends to file an amended consolidated municipal income 3385
tax return, the taxpayer shall notify the tax administrator before 3386
filing the amended return. 3387

(B)(1) In the case of an underpayment, the amended return 3388
shall be accompanied by payment of any combined additional tax due 3389
together with interest thereon. If the combined tax shown to be 3390
due is ten dollars or less, such amount need not accompany the 3391
amended return. Except as provided under division (B)(2) of this 3392
section, the amended return shall not reopen those facts, figures, 3393
computations, or attachments from a previously filed return that 3394
are not affected, either directly or indirectly, by the adjustment 3395

to the taxpayer's federal or state income tax return unless the 3396
applicable statute of limitations for civil actions or 3397
prosecutions under section 718.12 of the Revised Code has not 3398
expired for a previously filed return. 3399

(2) The additional tax to be paid shall not exceed the amount 3400
of tax that would be due if all facts, figures, computations, and 3401
attachments were reopened. 3402

(C)(1) In the case of an overpayment, an application for 3403
refund may be filed under this division within the period 3404
prescribed by section 718.12 of the Revised Code for filing the 3405
amended return even if it is filed beyond the period prescribed in 3406
section 718.19 of the Revised Code if it otherwise conforms to the 3407
requirements of that section. If the amount of the refund is ten 3408
dollars or less, no refund need be paid by the municipal 3409
corporation to the taxpayer. Except as set forth in division 3410
(C)(2) of this section, an application filed under this division 3411
shall claim refund of overpayments resulting from alterations to 3412
only those facts, figures, computations, or attachments required 3413
in the taxpayer's annual return that are affected, either directly 3414
or indirectly, by the adjustment to the taxpayer's federal or 3415
state income tax return unless it is also filed within the time 3416
prescribed in section 718.19 of the Revised Code. Except as set 3417
forth in division (C)(2) of this section, the application shall 3418
not reopen those facts, figures, computations, or attachments that 3419
are not affected, either directly or indirectly, by the adjustment 3420
to the taxpayer's federal or state income tax return. 3421

(2) The amount to be refunded shall not exceed the amount of 3422
refund that would be due if all facts, figures, computations, and 3423
attachments were reopened. 3424

Sec. ~~718.04~~ 718.50. (A) No municipal corporation other than 3425
the municipal corporation of residence shall levy a tax on the 3426

income of any member or employee of the Ohio general assembly 3427
including the lieutenant governor which income is received as a 3428
result of services rendered as such member or employee and is paid 3429
from appropriated funds of this state. 3430

(B) No municipal corporation other than the municipal 3431
corporation of residence and the city of Columbus shall levy a tax 3432
on the income of the chief justice or a justice of the supreme 3433
court received as a result of services rendered as the chief 3434
justice or justice. No municipal corporation other than the 3435
municipal corporation of residence shall levy a tax on the income 3436
of a judge sitting by assignment of the chief justice or on the 3437
income of a district court of appeals judge sitting in multiple 3438
locations within the district, received as a result of services 3439
rendered as a judge. 3440

Sec. 718.99. (A) Except as provided in division (B) of this 3441
section, whoever violates section 718.35 of the Revised Code, 3442
division (A) of section 718.13 of the Revised Code, or section 3443
718.03 of the Revised Code by failing to remit municipal income 3444
taxes deducted and withheld from an employee, shall be guilty of a 3445
misdemeanor of the first degree and shall be subject to a fine of 3446
one thousand dollars or imprisonment for a term of up to six 3447
months, or both, unless the violation is punishable by a municipal 3448
ordinance or resolution imposing a greater penalty or requiring 3449
dismissal from office or discharge from employment, or both, in 3450
which case the municipal ordinance or resolution shall govern. 3451

(B) Any person who discloses information received from the 3452
Internal Revenue Service in violation of division (A) of section 3453
718.13 of the Revised Code shall be guilty of a felony of the 3454
fifth degree and shall be subject to a fine of not more than five 3455
thousand dollars plus the costs of prosecution, or imprisonment 3456
for a term not exceeding five years, or both, unless the violation 3457

is punishable by a municipal ordinance imposing a greater penalty 3458
or requiring dismissal from office or discharge from employment, 3459
or both, in which case the municipal ordinance shall govern. 3460

(C) Each instance of access or disclosure in violation of 3461
division (A) of section 718.13 of the Revised Code constitutes a 3462
separate offense. 3463

(D) Nothing in this chapter prohibits a municipal corporation 3464
from prosecuting offenses which are made punishable under a 3465
municipal ordinance or resolution levying an income tax and for 3466
which no other penalty is provided under this chapter. 3467

Sec. 5703.059. (A) The tax commissioner may adopt rules 3468
requiring returns, including any accompanying schedule or 3469
statement, for any of the following taxes to be filed 3470
electronically using the Ohio business gateway as defined in 3471
section ~~718.051~~ 718.01 of the Revised Code, filed telephonically 3472
using the system known as the Ohio telefile system, or filed by 3473
any other electronic means prescribed by the commissioner: 3474

(1) Employer income tax withholding under Chapter 5747. of 3475
the Revised Code; 3476

(2) Motor fuel tax under Chapter 5735. of the Revised Code; 3477

(3) Cigarette and tobacco product tax under Chapter 5743. of 3478
the Revised Code; 3479

(4) Severance tax under Chapter 5749. of the Revised Code; 3480

(5) Use tax under Chapter 5741. of the Revised Code; 3481

(6) Commercial activity tax under Chapter 5751. of the 3482
Revised Code; 3483

(7) Financial institutions tax under Chapter 5726. of the 3484
Revised Code; 3485

(8) Motor fuel receipts tax under Chapter 5736. of the 3486

Revised Code;	3487
(9) Horse-racing taxes under Chapter 3769. of the Revised Code.	3488 3489
(B) The tax commissioner may adopt rules requiring any payment of tax shown on such a return to be due to be made electronically in a manner approved by the commissioner.	3490 3491 3492
(C) A rule adopted under this section does not apply to returns or reports filed or payments made before six months after the effective date of the rule. The commissioner shall publicize any new electronic filing requirement on the department's web site. The commissioner shall educate the public of the requirement through seminars, workshops, conferences, or other outreach activities.	3493 3494 3495 3496 3497 3498 3499
(D) Any person required to file returns and make payments electronically under rules adopted under this section may apply to the commissioner, on a form prescribed by the commissioner, to be excused from that requirement. For good cause shown, the commissioner may excuse the applicant from the requirement and permit the applicant to file the returns or reports or make the payments required under this section by nonelectronic means.	3500 3501 3502 3503 3504 3505 3506
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.	3507 3508 3509
(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,	3510 3511 3512 3513 3514 3515 3516

technological, administrative, and other issues associated with 3517
the Ohio business gateway and shall make recommendations regarding 3518
the type of reporting forms or other tax documents to be filed 3519
through the Ohio business gateway. 3520

(C) The committee shall consist of: 3521

(1) The following members, appointed by the governor with the 3522
advice and consent of the senate: 3523

(a) Not more than four representatives of the business 3524
community; 3525

(b) Not more than ~~one representative~~ three representatives of 3526
municipal tax administrators selected from a list of candidates 3527
provided by the Ohio municipal league; and 3528

(c) Not more than two tax practitioners. 3529

(2) The following ex officio members: 3530

(a) The director or other highest officer of each state 3531
agency that has tax reporting forms or other tax documents filed 3532
with it through the Ohio business gateway or the director's 3533
designee; 3534

(b) The secretary of state or the secretary of state's 3535
designee; 3536

(c) The treasurer of state or the treasurer of state's 3537
designee; 3538

(d) The director of budget and management or the director's 3539
designee; 3540

(e) The state chief information officer or the officer's 3541
designee; 3542

(f) The tax commissioner or the tax commissioner's designee; 3543
and 3544

(g) The director of development or the director's designee. 3545

An appointed member shall serve until the member resigns or 3546
is removed by the governor. Vacancies shall be filled in the same 3547
manner as original appointments. 3548

(D) A vacancy on the committee does not impair the right of 3549
the other members to exercise all the functions of the committee. 3550
The presence of a majority of the members of the committee 3551
constitutes a quorum for the conduct of business of the committee. 3552
The concurrence of at least a majority of the members of the 3553
committee is necessary for any action to be taken by the 3554
committee. On request, each member of the committee shall be 3555
reimbursed for the actual and necessary expenses incurred in the 3556
discharge of the member's duties. 3557

(E) The committee is a part of the department of taxation for 3558
administrative purposes. 3559

(F) Each year, the governor shall select a member of the 3560
committee to serve as chairperson. The chairperson shall appoint 3561
an official or employee of the department of taxation to act as 3562
the committee's secretary. The secretary shall keep minutes of the 3563
committee's meetings and a journal of all meetings, proceedings, 3564
findings, and determinations of the committee. 3565

(G) The committee may hire professional, technical, and 3566
clerical staff needed to support its activities. 3567

(H) The committee shall meet as often as necessary to perform 3568
its duties. 3569

Sec. 5717.011. (A) As used in this chapter, "tax 3570
administrator" has the same meaning as in section 718.01 of the 3571
Revised Code. 3572

(B) Appeals from a ~~municipal~~ decision of a local board of 3573
~~appeal~~ tax review created under section 718.11 of the Revised Code 3574
may be taken by the taxpayer or the tax administrator to the board 3575

of tax appeals or may be taken by the taxpayer or the tax 3576
administrator to a court of common pleas as otherwise provided by 3577
law. If the taxpayer or the tax administrator elects to make an 3578
appeal to the board of tax appeals or court of common pleas, and 3579
subject to section 5703.021 of the Revised Code with respect to 3580
appeals assigned to the small claims docket, the appeal shall be 3581
taken by the filing of a notice of appeal with the board of tax 3582
appeals or court of common pleas, the ~~municipal~~ local board of 3583
~~appeal~~ tax review, and the opposing party. The notice of appeal 3584
shall be filed within sixty days after the day the appellant 3585
receives notice of the decision issued under section 718.11 of the 3586
Revised Code. An appeal filed with a court of common pleas is 3587
governed by the Rules of Civil Procedure and other rules of 3588
practice and procedure applicable to civil actions. For an appeal 3589
filed with the board of tax appeals, the notice of appeal may be 3590
filed in person or by certified mail, express mail, facsimile 3591
transmission, electronic transmission, or by authorized delivery 3592
service as provided in section 5703.056 of the Revised Code. If 3593
the notice of appeal is filed by certified mail, express mail, or 3594
authorized delivery service as provided in section 5703.056 of the 3595
Revised Code, the date of the United States postmark placed on the 3596
sender's receipt by the postal service or the date of receipt 3597
recorded by the authorized delivery service shall be treated as 3598
the date of filing with the board. If notice of appeal is filed by 3599
facsimile transmission or electronic transmission, the date and 3600
time the notice is received by the board shall be the date and 3601
time reflected on a timestamp provided by the board's electronic 3602
system, and the appeal shall be considered filed with the board on 3603
the date reflected on that timestamp. Any timestamp provided by 3604
another computer system or electronic submission device shall not 3605
affect the time and date the notice is received by the board. The 3606
notice of appeal shall have attached thereto and incorporated 3607
therein by reference a true copy of the decision issued under 3608

section 718.11 of the Revised Code, but failure to attach a copy 3609
of such notice and incorporate it by reference in the notice of 3610
appeal does not invalidate the appeal. 3611

(C) A notice of appeal for an appeal filed with the board of 3612
tax appeals shall contain a short and plain statement of the 3613
claimed errors in the decision of the ~~municipal~~ local board of 3614
~~appeal~~ tax review showing that the appellant is entitled to relief 3615
and a demand for the relief to which the appellant claims to be 3616
entitled. An appellant may amend the notice of appeal once as a 3617
matter of course within sixty days after the certification of the 3618
transcript. Otherwise, an appellant may amend the notice of appeal 3619
only after receiving leave of the board or the written consent of 3620
each adverse party. Leave of the board shall be freely given when 3621
justice so requires. 3622

(D) Upon the filing of a notice of appeal with the board of 3623
tax appeals, the ~~municipal~~ local board of ~~appeal~~ tax review shall 3624
certify to the board of tax appeals a transcript of the record of 3625
the proceedings before it, together with all evidence considered 3626
by it in connection therewith. Such appeals may be heard by the 3627
board at its office in Columbus or in the county where the 3628
appellant resides, or it may cause its examiners to conduct such 3629
hearings and to report to it their findings for affirmation or 3630
rejection. The board may order the appeal to be heard upon the 3631
record and the evidence certified to it by the tax administrator, 3632
but upon the application of any interested party the board shall 3633
order the hearing of additional evidence, and the board may make 3634
such investigation concerning the appeal as it considers proper. 3635
An appeal may proceed pursuant to section 5703.021 of the Revised 3636
Code on the small claims docket if the appeals qualifies under 3637
that section. 3638

(E) If an issue being appealed under this section is 3639
addressed in a municipal corporation's ordinance or regulation, 3640

the tax administrator, upon the request of the board of tax 3641
appeals, shall provide a copy of the ordinance or regulation to 3642
the board of tax appeals. 3643

Sec. 5717.03. (A) A decision of the board of tax appeals on 3644
an appeal filed with it pursuant to section 5717.01, 5717.011, or 3645
5717.02 of the Revised Code shall be entered of record on the 3646
journal together with the date when the order is filed with the 3647
secretary for journalization. 3648

(B) In case of an appeal from a decision of a county board of 3649
revision, the board of tax appeals shall determine the taxable 3650
value of the property whose valuation or assessment by the county 3651
board of revision is complained of, or in the event the complaint 3652
and appeal is against a discriminatory valuation, shall determine 3653
a valuation which shall correct such discrimination, and shall 3654
determine the liability of the property for taxation, if that 3655
question is in issue, and the board of tax appeals' decision and 3656
the date when it was filed with the secretary for journalization 3657
shall be sent by the board to all persons who were parties to the 3658
appeal before the board, to the person in whose name the property 3659
is listed, or sought to be listed, if such person is not a party 3660
to the appeal, to the county auditor of the county in which the 3661
property involved in the appeal is located, and to the tax 3662
commissioner. 3663

In correcting a discriminatory valuation, the board of tax 3664
appeals shall increase or decrease the value of the property whose 3665
valuation or assessment by the county board of revision is 3666
complained of by a per cent or amount which will cause such 3667
property to be listed and valued for taxation by an equal and 3668
uniform rule. 3669

(C) In the case of an appeal from a review, redetermination, 3670
or correction of a tax assessment, valuation, determination, 3671

finding, computation, or order of the tax commissioner, the order 3672
of the board of tax appeals and the date of the entry thereof upon 3673
its journal shall be sent by the board to all persons who were 3674
parties to the appeal before the board, the person in whose name 3675
the property is listed or sought to be listed, if the decision 3676
determines the valuation or liability of property for taxation and 3677
if such person is not a party to the appeal, the taxpayer or other 3678
person to whom notice of the tax assessment, valuation, 3679
determination, finding, computation, or order, or correction or 3680
redetermination thereof, by the tax commissioner was by law 3681
required to be given, the director of budget and management, if 3682
the revenues affected by such decision would accrue primarily to 3683
the state treasury, and the county auditors of the counties to the 3684
undivided general tax funds of which the revenues affected by such 3685
decision would primarily accrue. 3686

(D) In the case of an appeal from a ~~municipal~~ decision of a 3687
local board of ~~appeal~~ tax review created under section 718.11 of 3688
the Revised Code, the order of the board of tax appeals and the 3689
date of the entry thereof upon the board's journal shall be sent 3690
by the board to all persons who were parties to the appeal before 3691
the board. 3692

(E) In the case of all other appeals or applications filed 3693
with and determined by the board, the board's order and the date 3694
when the order was filed by the secretary for journalization shall 3695
be sent by the board to the person who is a party to such appeal 3696
or application, to such persons as the law requires, and to such 3697
other persons as the board deems proper. 3698

(F) The orders of the board may affirm, reverse, vacate, 3699
modify, or remand the tax assessments, valuations, determinations, 3700
findings, computations, or orders complained of in the appeals 3701
determined by the board, and the board's decision shall become 3702
final and conclusive for the current year unless reversed, 3703

vacated, or modified as provided in section 5717.04 of the Revised Code. When an order of the board becomes final the tax commissioner and all officers to whom such decision has been sent shall make the changes in their tax lists or other records which the decision requires.

(G) If the board finds that issues not raised on the appeal are important to a determination of a controversy, the board may remand the cause for an administrative determination and the issuance of a new tax assessment, valuation, determination, finding, computation, or order, unless the parties stipulate to the determination of such other issues without remand. An order remanding the cause is a final order. If the order relates to any issue other than a municipal income tax matter appealed under sections 718.11 and 5717.011 of the Revised Code, the order may be appealed to the court of appeals in Franklin county. If the order relates to a municipal income tax matter appealed under sections 718.11 and 5717.011 of the Revised Code, the order may be appealed to the court of appeals for the county in which the municipal corporation in which the dispute arose is primarily situated.

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

Sec. 5739.12. (A)(1) Each person who has or is required to have a vendor's license, on or before the twenty-third day of each month, shall make and file a return for the preceding month in the form prescribed by the tax commissioner, and shall pay the tax shown on the return to be due. The return shall be filed electronically using the Ohio business gateway, as defined in section ~~718.051~~ 718.01 of the Revised Code, the Ohio telefile system, or any other electronic means prescribed by the

commissioner. Payment of the tax shown on the return to be due 3735
shall be made electronically in a manner approved by the 3736
commissioner. The commissioner may require a vendor that operates 3737
from multiple locations or has multiple vendor's licenses to 3738
report all tax liabilities on one consolidated return. The return 3739
shall show the amount of tax due from the vendor to the state for 3740
the period covered by the return and such other information as the 3741
commissioner deems necessary for the proper administration of this 3742
chapter. The commissioner may extend the time for making and 3743
filing returns and paying the tax, and may require that the return 3744
for the last month of any annual or semiannual period, as 3745
determined by the commissioner, be a reconciliation return 3746
detailing the vendor's sales activity for the preceding annual or 3747
semiannual period. The reconciliation return shall be filed by the 3748
last day of the month following the last month of the annual or 3749
semiannual period. The commissioner may remit all or any part of 3750
amounts or penalties that may become due under this chapter and 3751
may adopt rules relating thereto. Such return shall be filed 3752
electronically as directed by the tax commissioner, and payment of 3753
the amount of tax shown to be due thereon, after deduction of any 3754
discount provided for under this section, shall be made 3755
electronically in a manner approved by the tax commissioner. 3756

(2) Any person required to file returns and make payments 3757
electronically under division (A)(1) of this section may apply to 3758
the tax commissioner on a form prescribed by the commissioner to 3759
be excused from that requirement. For good cause shown, the 3760
commissioner may excuse the person from that requirement and may 3761
permit the person to file the returns and make the payments 3762
required by this section by nonelectronic means. 3763

(B)(1) If the return is filed and the amount of tax shown 3764
thereon to be due is paid on or before the date such return is 3765
required to be filed, the vendor shall be entitled to a discount 3766

of three-fourths of one per cent of the amount shown to be due on 3767
the return. 3768

(2) A vendor that has selected a certified service provider 3769
as its agent shall not be entitled to the discount if the 3770
certified service provider receives a monetary allowance pursuant 3771
to section 5739.06 of the Revised Code for performing the vendor's 3772
sales and use tax functions in this state. Amounts paid to the 3773
clerk of courts pursuant to section 4505.06 of the Revised Code 3774
shall be subject to the applicable discount. The discount shall be 3775
in consideration for prompt payment to the clerk of courts and for 3776
other services performed by the vendor in the collection of the 3777
tax. 3778

(C)(1) Upon application to the tax commissioner, a vendor who 3779
is required to file monthly returns may be relieved of the 3780
requirement to report and pay the actual tax due, provided that 3781
the vendor agrees to remit to the commissioner payment of not less 3782
than an amount determined by the commissioner to be the average 3783
monthly tax liability of the vendor, based upon a review of the 3784
returns or other information pertaining to such vendor for a 3785
period of not less than six months nor more than two years 3786
immediately preceding the filing of the application. Vendors who 3787
agree to the above conditions shall make and file an annual or 3788
semiannual reconciliation return, as prescribed by the 3789
commissioner. The reconciliation return shall be filed 3790
electronically as directed by the tax commissioner, and payment of 3791
the amount of tax shown to be due thereon, after deduction of any 3792
discount provided in this section, shall be made electronically in 3793
a manner approved by the commissioner. Failure of a vendor to 3794
comply with any of the above conditions may result in immediate 3795
reinstatement of the requirement of reporting and paying the 3796
actual tax liability on each monthly return, and the commissioner 3797
may at the commissioner's discretion deny the vendor the right to 3798

report and pay based upon the average monthly liability for a 3799
period not to exceed two years. The amount ascertained by the 3800
commissioner to be the average monthly tax liability of a vendor 3801
may be adjusted, based upon a review of the returns or other 3802
information pertaining to the vendor for a period of not less than 3803
six months nor more than two years preceding such adjustment. 3804

(2) The commissioner may authorize vendors whose tax 3805
liability is not such as to merit monthly returns, as ascertained 3806
by the commissioner upon the basis of administrative costs to the 3807
state, to make and file returns at less frequent intervals. When 3808
returns are filed at less frequent intervals in accordance with 3809
such authorization, the vendor shall be allowed the discount 3810
provided in this section in consideration for prompt payment with 3811
the return, provided the return is filed and payment is made of 3812
the amount of tax shown to be due thereon, at the time specified 3813
by the commissioner, but a vendor that has selected a certified 3814
service provider as its agent shall not be entitled to the 3815
discount. 3816

(D) Any vendor who fails to file a return or to pay the full 3817
amount of the tax shown on the return to be due in the manner 3818
prescribed under this section and the rules of the commissioner 3819
may, for each such return, be required to forfeit and pay into the 3820
state treasury an additional charge not exceeding fifty dollars or 3821
ten per cent of the tax required to be paid for the reporting 3822
period, whichever is greater, as revenue arising from the tax 3823
imposed by this chapter, and such sum may be collected by 3824
assessment in the manner provided in section 5739.13 of the 3825
Revised Code. The commissioner may remit all or a portion of the 3826
additional charge and may adopt rules relating to the imposition 3827
and remission of the additional charge. 3828

(E) If the amount required to be collected by a vendor from 3829
consumers is in excess of the applicable percentage of the 3830

vendor's receipts from sales that are taxable under section 3831
5739.02 of the Revised Code, or in the case of sales subject to a 3832
tax levied pursuant to section 5739.021, 5739.023, or 5739.026 of 3833
the Revised Code, in excess of the percentage equal to the 3834
aggregate rate of such taxes and the tax levied by section 5739.02 3835
of the Revised Code, such excess shall be remitted along with the 3836
remittance of the amount of tax due under section 5739.10 of the 3837
Revised Code. 3838

(F) The commissioner, if the commissioner deems it necessary 3839
in order to insure the payment of the tax imposed by this chapter, 3840
may require returns and payments to be made for other than monthly 3841
periods. 3842

(G) Any vendor required to file a return and pay the tax 3843
under this section whose total payment for a year equals or 3844
exceeds the amount shown in division (A) of section 5739.122 of 3845
the Revised Code is subject to the accelerated tax payment 3846
requirements in divisions (B) and (C) of that section. For a 3847
vendor that operates from multiple locations or has multiple 3848
vendor's licenses, in determining whether the vendor's total 3849
payment equals or exceeds the amount shown in division (A) of that 3850
section, the vendor's total payment amount shall be the amount of 3851
the vendor's total tax liability for the previous calendar year 3852
for all of the vendor's locations or licenses. 3853

Sec. 5739.124. (A) If required by the tax commissioner, a 3854
permit holder required to make payments under section 5739.032 of 3855
the Revised Code shall file all returns and reports 3856
electronically. The commissioner may require the permit holder to 3857
use the Ohio business gateway, as defined in section ~~718.051~~ 3858
718.01 of the Revised Code, or any other electronic means approved 3859
by the commissioner, to file the returns and reports, or to remit 3860
the tax, in lieu of the manner prescribed under section 5739.032 3861

of the Revised Code. 3862

(B) A person required under this section to file reports and 3863
returns electronically may apply to the tax commissioner to be 3864
excused from that requirement. Applications shall be made on a 3865
form prescribed by the commissioner. The commissioner may approve 3866
the application for good cause. 3867

(C)(1) If a person required to file a report or return 3868
electronically under this section fails to do so, the tax 3869
commissioner may impose an additional charge not to exceed the 3870
following: 3871

(a) For each of the first two failures, five per cent of the 3872
amount required to be reported on the report or return; 3873

(b) For the third and any subsequent failure, ten per cent of 3874
the amount required to be reported on the report or return. 3875

(2) The charges authorized under division (C)(1) of this 3876
section are in addition to any other charge or penalty authorized 3877
under this chapter, and shall be considered as revenue arising 3878
from taxes imposed under this chapter. An additional charge may be 3879
collected by assessment in the manner prescribed by section 3880
5739.13 of the Revised Code. The commissioner may waive all or a 3881
portion of such a charge and may adopt rules governing such 3882
waiver. 3883

Sec. 5741.122. (A) If required by the tax commissioner, a 3884
person required to make payments under section 5741.121 of the 3885
Revised Code shall file all returns and reports electronically. 3886
The commissioner may require the person to use the Ohio business 3887
gateway, as defined in section ~~718.051~~ 718.01 of the Revised Code, 3888
or any other electronic means approved by the commissioner, to 3889
file the returns and reports, or to remit the tax, in lieu of the 3890
manner prescribed under section 5741.121 of the Revised Code. 3891

(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 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 5741.13 of the Revised Code. The commissioner may waive all or a portion of such a charge and may adopt rules governing such waiver.

Sec. 5747.063. (A)(1) If a person's winnings at a casino facility are an amount for which reporting to the internal revenue service of the amount is required by section 6041 of the Internal Revenue Code, as amended, the casino operator shall deduct and withhold Ohio income tax from the person's winnings at a rate of four per cent of the amount won ~~and shall deduct and withhold municipal income tax from the person's winnings at the rate of tax of the municipal corporation in which the casino facility is located.~~ A person's amount of winnings shall be determined each time the person exchanges amounts won in tokens, chips, casino

credit, or other prepaid representations of value for cash or a 3923
cash equivalent. The casino operator shall issue, to a person from 3924
whose winnings an amount has been deducted and withheld, a receipt 3925
for the amount deducted and withheld, and also shall obtain from 3926
the person additional information that will be necessary for the 3927
casino operator to prepare the returns required by this section. 3928

(2) If a person's winnings at a casino facility require 3929
reporting to the internal revenue service under division (A)(1) of 3930
this section, the casino operator also shall require the person to 3931
state in writing, under penalty of falsification, whether the 3932
person is in default under a support order. 3933

(B) Amounts deducted and withheld by a casino operator are 3934
held in trust for the benefit of the state ~~and municipal~~ 3935
~~corporations, as applicable.~~ 3936

(1) On or before the tenth day of each month, the casino 3937
operator shall file a return electronically with the tax 3938
commissioner ~~and the tax administrator of the municipal~~ 3939
~~corporation, as applicable,~~ identifying the persons from whose 3940
winnings amounts were deducted and withheld, the amount of each 3941
such deduction and withholding during the preceding calendar 3942
month, the amount of the winnings from which each such amount was 3943
withheld, the type of casino gaming that resulted in such 3944
winnings, and any other information required by the tax 3945
commissioner. With the return, the casino operator shall remit 3946
electronically to the commissioner ~~and the tax administrator of~~ 3947
~~the municipal corporation, as applicable,~~ all the amounts deducted 3948
and withheld during the preceding month. 3949

(2)(a) A casino operator shall maintain a record of each 3950
written statement provided under division (A)(2) of this section 3951
in which a person admits to being in default under a support 3952
order. The casino operator shall make these records available to 3953

the director of job and family services upon request. 3954

(b) A casino operator shall maintain copies of receipts 3955
issued under division (A)(1) of this section and of written 3956
statements provided under division (A)(2) of this section and 3957
shall make these copies available to the tax commissioner upon 3958
request. 3959

(c) A casino operator shall maintain the information 3960
described in divisions (B)(2)(a) and (b) of this section in 3961
accordance with section 5747.17 of the Revised Code and any rules 3962
adopted pursuant thereto. 3963

(3) Annually, on or before the thirty-first day of January, a 3964
casino operator shall file an annual return electronically with 3965
the tax commissioner ~~and the tax administrator of the municipal~~ 3966
~~corporation, as applicable,~~ indicating the total amount deducted 3967
and withheld during the preceding calendar year. The casino 3968
operator shall remit electronically with the annual return any 3969
amount that was deducted and withheld and that was not previously 3970
remitted. If the identity of a person and the amount deducted and 3971
withheld with respect to that person were omitted on a monthly 3972
return, that information shall be indicated on the annual return. 3973

(4)(a) A casino operator who fails to file a return and remit 3974
the amounts deducted and withheld is personally liable for the 3975
amount deducted and withheld and not remitted. The commissioner 3976
~~and the tax administrator of the municipal corporation, as~~ 3977
~~applicable,~~ may impose a penalty up to one thousand dollars if a 3978
return is filed late, if amounts deducted and withheld are 3979
remitted late, if a return is not filed, or if amounts deducted 3980
and withheld are not remitted. Interest accrues on past due 3981
amounts deducted and withheld at the rate prescribed in section 3982
5703.47 of the Revised Code. The commissioner ~~and the tax~~ 3983
~~administrator of the municipal corporation, as applicable,~~ may 3984
collect past due amounts deducted and withheld and penalties and 3985

interest thereon by assessment under section 5747.13 of the Revised Code as if they were income taxes collected by an employer.

(b) If a casino operator sells the casino facility or otherwise quits the casino business, the amounts deducted and withheld and any penalties and interest thereon are immediately due and payable. The successor shall withhold an amount of the purchase money that is sufficient to cover the amounts deducted and withheld and penalties and interest thereon until the predecessor casino operator produces either a receipt from the commissioner ~~and the tax administrator of the municipal corporation, as applicable,~~ showing that the amounts deducted and withheld and penalties and interest thereon have been paid or a certificate from the commissioner ~~and the tax administrator of the municipal corporation, as applicable,~~ indicating that no amounts deducted and withheld or penalties and interest thereon are due. If the successor fails to withhold purchase money, the successor is personally liable for payment of the amounts deducted and withheld and penalties and interest thereon, up to the amount of the purchase money.

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

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

(D) Amounts deducted and withheld shall be allowed as a 4018
credit against payment of the tax imposed by section 5747.02 of 4019
the Revised Code and shall be treated as taxes paid for purposes 4020
of section 5747.09 of the Revised Code. This division applies only 4021
to the person for whom the amount is deducted and withheld. 4022

(E) The failure of a casino operator to deduct and withhold 4023
the required amount from a person's winnings does not relieve the 4024
person from liability for the tax imposed by section 5747.02 of 4025
the Revised Code with respect to those winnings. And compliance 4026
with this section does not relieve a casino operator or a person 4027
who has winnings at a casino facility from compliance with 4028
relevant provisions of federal tax laws. 4029

(F) The commissioner ~~and the tax administrator of the~~ 4030
~~municipal corporation, as applicable,~~ shall prescribe the form of 4031
the receipt and returns required by this section. The director of 4032
job and family services shall prescribe the form of the statement 4033
required by this section. 4034

(G) The requirements imposed under this section are in 4035
addition to the municipal income tax withholding requirements 4036
under section 718.031 of the Revised Code. 4037

(H) The commissioner may adopt rules that are necessary to 4038
administer this section. 4039

Sec. 5747.064. (A) As used in this section, "video lottery 4040
terminal" has the same meaning as in section 3770.21 of the 4041
Revised Code. 4042

(B) If a person's prize award from a video lottery terminal 4043
is an amount for which reporting to the internal revenue service 4044
of the amount is required by section 6041 of the Internal Revenue 4045
Code, as amended, the lottery sales agent shall deduct and 4046
withhold Ohio income tax from the person's prize award at a rate 4047

of four per cent of the amount won ~~and shall deduct and withhold~~ 4048
~~municipal income tax from the person's winnings at the rate of tax~~ 4049
~~of the municipal corporation in which the video lottery terminal~~ 4050
~~facility is located.~~ The lottery sales agent shall issue, to a 4051
person from whose prize award an amount has been deducted or 4052
withheld, a receipt for the amount deducted and withheld, and also 4053
shall obtain from the person additional information that will be 4054
necessary for the lottery sales agent to prepare the returns 4055
required by this section. 4056

(C) Amounts deducted and withheld by a lottery sales agent 4057
are held in trust for the benefit of the state ~~and municipal~~ 4058
~~corporations, as applicable.~~ 4059

(1) On or before the tenth day of each month, the lottery 4060
sales agent shall file a return electronically with the tax 4061
commissioner ~~and the tax administrator of the municipal~~ 4062
~~corporation, as applicable,~~ identifying the persons from whose 4063
prize awards amounts were deducted and withheld, the amount of 4064
each such deduction and withholding during the preceding month, 4065
the amount of the prize award from which each such amount was 4066
withheld, and any other information required by the commissioner 4067
~~and the tax administrator of the municipal corporation, as~~ 4068
~~applicable.~~ With the return, the lottery sales agent shall remit 4069
electronically to the commissioner ~~and the tax administrator of~~ 4070
~~the municipal corporation, as applicable,~~ all the amounts deducted 4071
and withheld during the preceding month. 4072

(2) A lottery sales agent shall maintain a record of all 4073
receipts issued under division (B) of this section and shall make 4074
those records available to the commissioner ~~and the tax~~ 4075
~~administrator of the municipal corporation, as applicable,~~ upon 4076
request. Such records shall be maintained in accordance with 4077
section 5747.17 of the Revised Code and any rules adopted pursuant 4078
thereto. 4079

(3) Annually, on or before the thirty-first day of January, a lottery sales agent 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 lottery sales agent shall remit electronically with the annual return any amount that was deducted and withheld and that was not previously remitted. If the identity of a person and the amount deducted and withheld with respect to that person were omitted on a monthly return, that information shall be indicated on the annual return.

(4)(a) A lottery sales agent who fails to file a return and remit the amounts deducted and withheld is personally liable for the amount deducted and withheld and not remitted. The commissioner ~~and the tax administrator of the municipal corporation, as applicable,~~ may impose a penalty of up to one thousand dollars if a return is filed late, if amounts deducted and withheld are remitted late, if a return is not filed, or if amounts deducted and withheld are not remitted. Interest accrues on past due amounts deducted and withheld at the rate prescribed in section 5703.47 of the Revised Code. The commissioner ~~and the tax administrator of the municipal corporation, as applicable,~~ may collect past due amounts deducted and withheld and penalties and interest thereon by assessment under section 5747.13 of the Revised Code as if they were income taxes collected by an employer.

(b) If a lottery sales agent ceases to operate video lottery terminals, the amounts deducted and withheld and any penalties and interest thereon are immediately due and payable. A successor of the lottery sales agent that purchases the video lottery terminals from the agent shall withhold an amount of the purchase money that is sufficient to cover the amounts deducted and withheld and

penalties and interest thereon until the predecessor lottery sales agent produces either a receipt from the tax commissioner ~~and the tax administrator of the municipal corporation, as applicable,~~ showing that the amounts deducted and withheld and penalties and interest thereon have been paid or a certificate from the commissioner ~~and the tax administrator of the municipal corporation, as applicable,~~ indicating that no amounts deducted and withheld or penalties and interest thereon are due. If the successor fails to withhold purchase money, the successor is personally liable for payment of the amounts deducted and withheld and penalties and interest thereon, up to the amount of the purchase money.

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

(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 4144
5747.02 of the Revised Code with respect to that income. 4145
Compliance with this section does not relieve a lottery sales 4146
agent or a person who has a prize award from compliance with 4147
relevant provisions of federal tax laws. 4148

(G) The commissioner ~~and the tax administrator of the~~ 4149
~~municipal corporation, as applicable,~~ shall prescribe the form of 4150
the receipt and returns required by this section and ~~the~~ 4151
~~commissioner~~ may promulgate any rules necessary to administer the 4152
section. 4153

(H) The requirements imposed under this section are in 4154
addition to the municipal income tax withholding requirements 4155
under section 718.031 of the Revised Code. 4156

Sec. 5747.50. (A) As used in this section: 4157

(1) "County's proportionate share of the calendar year 2007 4158
LGF and LGRAF distributions" means the percentage computed for the 4159
county under division (B)(1)(a) of section 5747.501 of the Revised 4160
Code. 4161

(2) "County's proportionate share of the total amount of the 4162
local government fund additional revenue formula" means each 4163
county's proportionate share of the state's population as 4164
determined for and certified to the county for distributions to be 4165
made during the current calendar year under division (B)(2)(a) of 4166
section 5747.501 of the Revised Code. If prior to the first day of 4167
January of the current calendar year the federal government has 4168
issued a revision to the population figures reflected in the 4169
estimate produced pursuant to division (B)(2)(a) of section 4170
5747.501 of the Revised Code, such revised population figures 4171
shall be used for making the distributions during the current 4172
calendar year. 4173

(3) "2007 LGF and LGRAF county distribution base available in that month" means the lesser of the amounts described in division (A)(3)(a) and (b) of this section, provided that the amount shall not be less than zero:

(a) The total amount available for distribution to counties from the local government fund during the current month.

(b) The total amount distributed to counties from the local government fund and the local government revenue assistance fund to counties in calendar year 2007 less the total amount distributed to counties under division (B)(1) of this section during previous months of the current calendar year.

(4) "Local government fund additional revenue distribution base available during that month" means the total amount available for distribution to counties during the month from the local government fund, less any amounts to be distributed in that month from the local government fund under division (B)(1) of this section, provided that the local government fund additional revenue distribution base available during that month shall not be less than zero.

(5) "Total amount available for distribution to counties" means the total amount available for distribution from the local government fund during the current month less the total amount available for distribution to municipal corporations during the current month under division (C) of this section.

(B) On or before the tenth day of each month, the tax commissioner shall provide for payment to each county an amount equal to the sum of:

(1) The county's proportionate share of the calendar year 2007 LGF and LGRAF distributions multiplied by the 2007 LGF and LGRAF county distribution base available in that month, provided that if the 2007 LGF and LGRAF county distribution base available

in that month is zero, no payment shall be made under division 4205
(B)(1) of this section for the month or the remainder of the 4206
calendar year; and 4207

(2) The county's proportionate share of the total amount of 4208
the local government fund additional revenue formula multiplied by 4209
the local government fund additional revenue distribution base 4210
available during that month. 4211

Money received into the treasury of a county under this 4212
division shall be credited to the undivided local government fund 4213
in the treasury of the county on or before the fifteenth day of 4214
each month. On or before the twentieth day of each month, the 4215
county auditor shall issue warrants against all of the undivided 4216
local government fund in the county treasury in the respective 4217
amounts allowed as provided in section 5747.51 of the Revised 4218
Code, and the treasurer shall distribute and pay such sums to the 4219
subdivision therein. 4220

(C)(1) As used in division (C) of this section: 4221

(a) "Total amount available for distribution to 4222
municipalities during the current month" means the product 4223
obtained by multiplying the total amount available for 4224
distribution from the local government fund during the current 4225
month by the aggregate municipal share. 4226

(b) "Aggregate municipal share" means the quotient obtained 4227
by dividing the total amount distributed directly from the local 4228
government fund to municipal corporations during calendar year 4229
2007 by the total distributions from the local government fund and 4230
local government revenue assistance fund during calendar year 4231
2007. 4232

(2) On or before the tenth day of each month, the tax 4233
commissioner shall provide for payment from the local government 4234
fund to each municipal corporation an amount equal to the product 4235

derived by multiplying the municipal corporation's percentage of 4236
the total amount distributed to all such municipal corporations 4237
under this division during calendar year 2007 by the total amount 4238
available for distribution to municipal corporations during the 4239
current month. 4240

(3) Payments received by a municipal corporation under this 4241
division shall be paid into its general fund and may be used for 4242
any lawful purpose. 4243

(4) The amount distributed to municipal corporations under 4244
this division during any calendar year shall not exceed the amount 4245
distributed directly from the local government fund to municipal 4246
corporations during calendar year 2007. If that maximum amount is 4247
reached during any month, distributions to municipal corporations 4248
in that month shall be as provided in divisions (C)(1) and (2) of 4249
this section, but no further distributions shall be made to 4250
municipal corporations under division (C) of this section during 4251
the remainder of the calendar year. 4252

(5) Upon being informed of a municipal corporation's 4253
dissolution, the tax commissioner shall cease providing for 4254
payments to that municipal corporation under division (C) of this 4255
section. The proportionate shares of the total amount available 4256
for distribution to each of the remaining municipal corporations 4257
under this division shall be increased on a pro rata basis. 4258

(D) Each municipal corporation which has in effect a tax 4259
imposed under Chapter 718. of the Revised Code shall, no later 4260
than the thirty-first day of August of each year, certify to the 4261
tax commissioner, on a form prescribed by the commissioner, the 4262
~~total~~ amount of income ~~taxes~~ tax revenue collected and refunded by 4263
such municipal corporation pursuant to such chapter during the 4264
preceding calendar year, arranged by the type of income from which 4265
the revenue was collected or the refund was issued. The municipal 4266
corporation shall also report the amount of income tax revenue 4267

collected and refunded on behalf of a joint economic development 4268
district or a joint economic development zone that levies an 4269
income tax administered by the municipal corporation and the 4270
amount of such revenue distributed to contracting parties during 4271
the preceding calendar year. The tax commissioner may withhold 4272
payment of local government fund moneys pursuant to division (C) 4273
of this section from any municipal corporation for failure to 4274
comply with this reporting requirement. 4275

Sec. 5751.07. (A) Any person required to file returns under 4276
this chapter shall remit each tax payment, and, if required by the 4277
tax commissioner, file the tax return or the annual report, 4278
electronically. The commissioner may require taxpayers to use the 4279
Ohio business gateway as defined in section ~~718.051~~ 718.01 of the 4280
Revised Code to file returns and remit the tax, or may provide 4281
another means for taxpayers to file and remit the tax 4282
electronically. 4283

(B) A person required by this section to remit taxes or file 4284
returns electronically may apply to the tax commissioner, on the 4285
form prescribed by the commissioner, to be excused from that 4286
requirement. The commissioner may excuse a person from the 4287
requirements of this division for good cause. 4288

(C)(1) If a person required to remit taxes or file a return 4289
electronically under this section fails to do so, the commissioner 4290
may impose a penalty not to exceed the following: 4291

(a) For either of the first two tax periods the person so 4292
fails, the greater of twenty-five dollars or five per cent of the 4293
amount of the payment that was required to be remitted; 4294

(b) For the third and any subsequent tax periods the person 4295
so fails, the greater of fifty dollars or ten per cent of the 4296
amount of the payment that was required to be remitted. 4297

(2) The penalty imposed under division (C)(1) of this section 4298
is in addition to any other penalty imposed under this chapter and 4299
shall be considered as revenue arising from the tax imposed under 4300
this chapter. A penalty may be collected by assessment in the 4301
manner prescribed by section 5751.09 of the Revised Code. The tax 4302
commissioner may abate all or a portion of such a penalty. 4303

(D) The tax commissioner may adopt rules necessary to 4304
administer this section. 4305

Section 2. That existing sections 709.023, 718.02, 718.03, 4306
718.04, 718.051, 718.07, 718.09, 718.10, 718.11, 718.121, 718.13, 4307
5703.059, 5703.57, 5717.011, 5717.03, 5739.12, 5739.124, 5741.122, 4308
5747.063, 5747.064, 5747.50, and 5751.07 and sections 718.01, 4309
718.011, 718.041, 718.05, 718.06, 718.08, 718.12, and 718.14 of 4310
the Revised Code are hereby repealed. 4311

Section 3. That the version of section 5703.02 of the Revised 4312
Code that is scheduled to take effect January 1, 2015, be amended 4313
to read as follows: 4314

Sec. 5703.02. There is hereby created the board of tax 4315
appeals, which shall exercise the following powers and perform the 4316
following duties: 4317

(A) Exercise the authority provided by law to hear and 4318
determine all appeals of questions of law and fact arising under 4319
the tax laws of this state in appeals from decisions, orders, 4320
determinations, or actions of any tax administrative agency 4321
established by the law of this state, including but not limited to 4322
appeals from: 4323

(1) Actions of county budget commissions; 4324

(2) Decisions of county boards of revision; 4325

(3) Actions of any assessing officer or other public official 4326

under the tax laws of this state; 4327

(4) Final determinations by the tax commissioner of any 4328
preliminary, amended, or final tax assessments, reassessments, 4329
valuations, determinations, findings, computations, or orders made 4330
by the tax commissioner; 4331

(5) Adoption and promulgation of rules of the tax 4332
commissioner. 4333

(B) Appoint a secretary of the board of tax appeals, who 4334
shall serve in the unclassified civil service at the pleasure of 4335
the board, and any other employees as are necessary in the 4336
exercise of the powers and the performance of the duties and 4337
functions that the board is by law authorized and required to 4338
exercise, and prescribe the duties of all employees, and to fix 4339
their compensation as provided by law; 4340

(C) Maintain a journal, which shall be open to public 4341
inspection and in which the secretary shall keep a record of all 4342
of the proceedings and the vote of each of its members upon every 4343
action taken by it; 4344

(D) Adopt and promulgate, in the manner provided by section 4345
5703.14 of the Revised Code, and enforce all rules relating to the 4346
procedure of the board in hearing appeals it has the authority or 4347
duty to hear, and to the procedure of officers or employees whom 4348
the board may appoint; provided that section 5703.13 of the 4349
Revised Code shall apply to and govern the procedure of the board. 4350
Such rules shall include, but need not be limited to, the 4351
following: 4352

(1) Rules governing the creation and implementation of a 4353
mediation program, including procedures for requesting, requiring 4354
participation in, objecting to, and conducting a mediation; 4355

(2) Rules requiring the tax commissioner, county boards of 4356
revision, and ~~municipal~~ local boards of ~~appeal~~ tax review created 4357

under section 718.11 of the Revised Code to electronically file 4358
any transcript required to be filed with the board of tax appeals, 4359
and instructions and procedures for the electronic filing of such 4360
transcripts. 4361

(3) Rules establishing procedures to control and manage 4362
appeals filed with the board. The procedures shall include, but 4363
not be limited to, the establishment of a case management schedule 4364
that shall include expected dates related to discovery deadlines, 4365
disclosure of evidence, pre-hearing motions, and the hearing, and 4366
other case management issues considered appropriate. 4367

Section 4. That the existing version of section 5703.02 of 4368
the Revised Code that is scheduled to take effect January 1, 2015, 4369
is hereby repealed. 4370

Section 5. Sections 3 and 4 of this act take effect on 4371
January 1, 2015. 4372

Section 6. This act applies to municipal taxable years 4373
beginning on or after January 1, 2015. For municipal taxable years 4374
beginning before January 1, 2015, tax administrators may continue 4375
to administer, audit, and enforce the income tax of a municipal 4376
corporation under Chapter 718. and ordinances and resolutions of 4377
the municipal corporation as that chapter and those ordinances and 4378
resolutions existed before January 1, 2015. 4379

Section 7. (A) There is hereby created the Municipal Income 4380
Tax Net Operating Loss Review Committee for the purpose of 4381
evaluating and quantifying the potential fiscal impact to 4382
municipal corporations levying an income tax requiring such 4383
municipal corporations to allow taxpayers to carry forward net 4384
operating losses for five years. The Committee is a public body 4385
for the purposes of section 121.22 of the Revised Code. 4386

(B) The Committee shall be composed of the following members: 4387

(1) Two members of the House of Representatives who are not 4388
of the same political party, appointed by the Speaker of the House 4389
of Representatives; 4390

(2) Two members of the Senate who are not of the same 4391
political party, appointed by the President of the Senate; 4392

(3) Three members representing municipal income taxpayers, 4393
appointed by the Speaker of the House of Representatives; 4394

(4) Three members representing municipal corporations that 4395
levy an income tax in calendar year 2015, appointed by the 4396
President of the Senate; 4397

(5) One member appointed by the Governor, who shall serve as 4398
the chairperson of the Committee. 4399

The appointing authorities shall appoint members of the 4400
Committee not later than March 1, 2014. An appointed member shall 4401
serve until the member resigns or is removed by the member's 4402
appointing authority. Vacancies shall be filled in the same manner 4403
as original appointments. A vacancy on the committee does not 4404
impair the right of the other members to exercise all the 4405
functions of the Committee. 4406

The Committee shall meet for the first time on or before 4407
March 1, 2014. Thereafter, the Committee shall meet at the call of 4408
the chairperson. The presence of a majority of the members of the 4409
Committee constitutes a quorum for the conduct of business of the 4410
Committee. The concurrence of at least a majority of the members 4411
of the Committee is necessary to approve the report issued by the 4412
Committee under division (E) of this section. Members of the 4413
Committee shall not be compensated or reimbursed for members' 4414
expenses. 4415

(C) On or before July 1, 2014, the Committee shall prescribe 4416

a method that municipal corporations shall use to estimate the 4417
difference between the municipal corporation's actual or projected 4418
municipal income tax revenue in 2012, 2013, 2014, 2015, 2016, 4419
2017, and 2018 and the actual or projected municipal income tax 4420
revenue that would have resulted in each of those years if the 4421
municipal corporation allowed net operating loss to be carried 4422
forward for five years for losses incurred in 2011, 2012, and 4423
2013. 4424

(D) On or before December 31, 2014, each municipal 4425
corporation that levies an income tax in 2011, 2012, or 2013 shall 4426
report to the Municipal Income Tax Net Operating Loss Review 4427
Committee the difference between the municipal corporation's 4428
actual or projected municipal income tax revenue in 2012, 2013, 4429
2014, 2015, 2016, 2017, and 2018 and the actual or projected 4430
municipal income tax revenue that would have resulted in each of 4431
those years if the municipal corporation allowed net operating 4432
loss to be carried forward for five years for losses incurred in 4433
2011, 2012, and 2013, as estimated by the method prescribed by the 4434
Committee under division (C) of this section. 4435

(E) If the Municipal Income Tax Net Operating Loss Review 4436
Committee receives reports from a representative sample, then the 4437
Committee shall review the information reported by municipal 4438
corporations under division (D) of this section and calculate the 4439
total of the revenue effects reported by such municipal 4440
corporations. On or before May 1, 2015, the Committee shall issue 4441
a written report to the Speaker and Minority Leader of the House 4442
of Representatives and the President and Minority Leader of the 4443
Senate reporting the Committee's findings and estimated revenue 4444
impact of requiring municipal corporations levying an income tax 4445
to allow net operating loss to be carried forward for five years. 4446
The report shall contain recommendations to address revenue 4447
shortfalls, which may include, but which shall not be limited to, 4448

the use of supplemental funds from the Local Government Fund to 4449
mitigate those shortfalls. 4450

(F) Nothing in this section delays or otherwise affects the 4451
taxable years to which division (E)(8) of section 718.01 of the 4452
Revised Code, as enacted by this act, apply as prescribed in that 4453
division. 4454

(G) The Municipal Income Tax Net Operating Loss Review 4455
Committee shall cease to exist on May 1, 2015. 4456

(H) As used in this section, "representative sample" includes 4457
the cities of Cleveland and Columbus, five cities or villages with 4458
a higher ratio of business taxpayers to resident individual 4459
taxpayers relative to the state average, and five cities or 4460
villages with a higher ratio of resident individual taxpayers to 4461
business taxpayers relative to the state average. 4462