

As Pending in the Senate Ways and Means Committee

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

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 128.46, 709.023, 715.013, 718.02, 1
718.03, 718.051, 718.07, 718.09, 718.10, 718.11, 2
718.121, 718.13, 5703.02, 5703.059, 5703.57, 3
5717.011, 5717.03, 5726.03, 5736.04, 5739.12, 4
5739.124, 5741.122, 5747.063, 5747.064, 5747.50, 5
5749.06, and 5751.07, to amend, for the purpose of 6
adopting a new section number as indicated in 7
parentheses, section 718.04 (718.50), to enact new 8
sections 718.01, 718.011, 718.04, 718.05, 718.06, 9
718.08, and 718.12 and sections 718.012, 718.031, 10
718.052, 718.19, 718.23 to 718.28, 718.30, 718.31, 11
718.35 to 718.39, 718.41, and 718.99, and to 12
repeal sections 718.01, 718.011, 718.041, 718.05, 13
718.06, 718.08, 718.12, and 718.14 of the Revised 14
Code to revise the laws governing income taxes 15
imposed by municipal corporations. 16

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

Section 1. That sections 128.46, 709.023, 715.013, 718.02, 17
718.03, 718.051, 718.07, 718.09, 718.10, 718.11, 718.121, 718.13, 18

5703.02, 5703.059, 5703.57, 5717.011, 5717.03, 5726.03, 5736.04, 19
5739.12, 5739.124, 5741.122, 5747.063, 5747.064, 5747.50, 5749.06, 20
and 5751.07 be amended, section 718.04 (718.50) be amended for the 21
purpose of adopting a new section number as indicated in 22
parentheses, and new sections 718.01, 718.011, 718.04, 718.05, 23
718.06, 718.08, and 718.12 and sections 718.012, 718.031, 718.052, 24
718.19, 718.23, 718.24, 718.25, 718.26, 718.27, 718.28, 718.30, 25
718.31, 718.35, 718.36, 718.37, 718.38, 718.39, 718.41, and 718.99 26
of the Revised Code be enacted to read as follows: 27

Sec. 128.46. (A) Prior to January 1, 2014: 28

(1) A wireless service provider or reseller, not later than 29
the last day of each month, shall remit the full amount of all 30
wireless 9-1-1 charges it collected under division (A) of section 31
128.42 of the Revised Code for the second preceding calendar month 32
to the administrator, with the exception of charges equivalent to 33
the amount authorized as a billing and collection fee under 34
division (A)(2) of this section. In doing so, the provider or 35
reseller may remit the requisite amount in any reasonable manner 36
consistent with its existing operating or technological 37
capabilities, such as by customer address, location associated 38
with the wireless telephone number, or another allocation method 39
based on comparable, relevant data. If the wireless service 40
provider or reseller receives a partial payment for a bill from a 41
wireless service subscriber, the wireless service provider or 42
reseller shall apply the payment first against the amount the 43
subscriber owes the wireless service provider or reseller and 44
shall remit to the administrator such lesser amount, if any, as 45
results from that invoice. 46

(2) A wireless service provider or reseller may retain as a 47
billing and collection fee two per cent of the total wireless 48
9-1-1 charges it collects in a month and shall account to the 49

administrator for the amount retained. 50

(3) The administrator shall return to, or credit against the 51
next month's remittance of, a wireless service provider or 52
reseller the amount of any remittances the administrator 53
determines were erroneously submitted by the provider or reseller. 54

(B) Beginning January 1, 2014: 55

(1) Each seller of a prepaid wireless calling service, 56
wireless service provider, and reseller shall, on or before the 57
twenty-third day of each month, except as provided in divisions 58
(B)(2) and (3) of this section, do both of the following: 59

(a) Make and file a return for the preceding month, in the 60
form prescribed by the tax commissioner, showing the amount of the 61
wireless 9-1-1 charges due under section 128.42 of the Revised 62
Code for that month; 63

(b) Remit the full amount due, as shown on the return, with 64
the exception of charges equivalent to the amount authorized as a 65
collection fee under division (B)(4) of this section. 66

(2) The commissioner may grant one or more thirty-day 67
extensions for making and filing returns and remitting amounts 68
due. 69

(3) If a seller is required to collect prepaid wireless 9-1-1 70
charges in amounts that do not merit monthly returns, the 71
commissioner may authorize the seller to make and file returns 72
less frequently. The commissioner shall ascertain whether this 73
authorization is warranted upon the basis of administrative costs 74
to the state. 75

(4) A wireless service provider, reseller, and seller may 76
each retain as a collection fee three per cent of the total 77
wireless 9-1-1 charges required to be collected under section 78
128.42 of the Revised Code, and shall account to the tax 79

commissioner for the amount retained. 80

(5) The return required under division (B)(1)(a) of this 81
section shall be filed electronically using the Ohio business 82
gateway, as defined in section ~~718.051~~ 718.01 of the Revised Code, 83
the Ohio telefile system, or any other electronic means prescribed 84
by the tax commissioner. Remittance of the amount due shall be 85
made electronically in a manner approved by the commissioner. A 86
wireless service provider, reseller, or seller may apply to the 87
commissioner on a form prescribed by the commissioner to be 88
excused from either electronic requirement of this division. For 89
good cause shown, the commissioner may excuse the provider, 90
reseller, or seller from either or both of the requirements and 91
may permit the provider, reseller, or seller to file returns or 92
make remittances by nonelectronic means. 93

(C)(1) Prior to January 1, 2014, each subscriber on which a 94
wireless 9-1-1 charge is imposed under division (A) of section 95
128.42 of the Revised Code is liable to the state for the amount 96
of the charge. If a wireless service provider or reseller fails to 97
collect the charge under that division from a subscriber of 98
prepaid wireless service, or fails to bill any other subscriber 99
for the charge, the wireless service provider or reseller is 100
liable to the state for the amount not collected or billed. If a 101
wireless service provider or reseller collects charges under that 102
division and fails to remit the money to the administrator, the 103
wireless service provider or reseller is liable to the state for 104
any amount collected and not remitted. 105

(2) Beginning January 1, 2014: 106

(a) Each subscriber or consumer on which a wireless 9-1-1 107
charge is imposed under section 128.42 of the Revised Code is 108
liable to the state for the amount of the charge. If a wireless 109
service provider or reseller fails to bill or collect the charge, 110
or if a seller fails to collect the charge, the provider, 111

reseller, or seller is liable to the state for the amount not 112
billed or collected. If a provider, reseller, or seller fails to 113
remit money to the tax commissioner as required under this 114
section, the provider, reseller, or seller is liable to the state 115
for the amount not remitted, regardless of whether the amount was 116
collected. 117

(b) No provider of a prepaid wireless calling service shall 118
be liable to the state for any wireless 9-1-1 charge imposed under 119
division (B)(1) of section 128.42 of the Revised Code that was not 120
collected or remitted. 121

(D) Prior to January 1, 2014: 122

(1) If the steering committee has reason to believe that a 123
wireless service provider or reseller has failed to bill, collect, 124
or remit the wireless 9-1-1 charge as required by divisions (A)(1) 125
and (C)(1) of this section or has retained more than the amount 126
authorized under division (A)(2) of this section, and after 127
written notice to the provider or reseller, the steering committee 128
may audit the provider or reseller for the sole purpose of making 129
such a determination. The audit may include, but is not limited 130
to, a sample of the provider's or reseller's billings, 131
collections, remittances, or retentions for a representative 132
period, and the steering committee shall make a good faith effort 133
to reach agreement with the provider or reseller in selecting that 134
sample. 135

(2) Upon written notice to the wireless service provider or 136
reseller, the steering committee, by order after completion of the 137
audit, may make an assessment against the provider or reseller if, 138
pursuant to the audit, the steering committee determines that the 139
provider or reseller has failed to bill, collect, or remit the 140
wireless 9-1-1 charge as required by divisions (A)(1) and (C)(1) 141
of this section or has retained more than the amount authorized 142
under division (A)(2) of this section. The assessment shall be in 143

the amount of any remittance that was due and unpaid on the date 144
notice of the audit was sent by the steering committee to the 145
provider or reseller or, as applicable, in the amount of the 146
excess amount under division (A)(2) of this section retained by 147
the provider or reseller as of that date. 148

(3) The portion of any assessment not paid within sixty days 149
after the date of service by the steering committee of the 150
assessment notice under division (D)(2) of this section shall bear 151
interest from that date until paid at the rate per annum 152
prescribed by section 5703.47 of the Revised Code. That interest 153
may be collected by making an assessment under division (D)(2) of 154
this section. An assessment under this division and any interest 155
due shall be remitted in the same manner as the wireless 9-1-1 156
charge imposed under division (A) of section 128.42 of the Revised 157
Code. 158

(4) Unless the provider, reseller, or seller assessed files 159
with the steering committee within sixty days after service of the 160
notice of assessment, either personally or by certified mail, a 161
written petition for reassessment, signed by the party assessed or 162
that party's authorized agent having knowledge of the facts, the 163
assessment shall become final and the amount of the assessment 164
shall be due and payable from the party assessed to the 165
administrator. The petition shall indicate the objections of the 166
party assessed, but additional objections may be raised in writing 167
if received by the administrator or the steering committee prior 168
to the date shown on the final determination. 169

(5) After an assessment becomes final, if any portion of the 170
assessment remains unpaid, including accrued interest, a certified 171
copy of the final assessment may be filed in the office of the 172
clerk of the court of common pleas in the county in which the 173
place of business of the assessed party is located. If the party 174
assessed maintains no place of business in this state, the 175

certified copy of the final assessment may be filed in the office 176
of the clerk of the court of common pleas of Franklin county. 177
Immediately upon the filing, the clerk shall enter a judgment for 178
the state against the assessed party in the amount shown on the 179
final assessment. The judgment may be filed by the clerk in a 180
loose-leaf book entitled "special judgments for wireless 9-1-1 181
charges" and shall have the same effect as other judgments. The 182
judgment shall be executed upon the request of the steering 183
committee. 184

(6) An assessment under this division does not discharge a 185
subscriber's liability to reimburse the provider or reseller for 186
the wireless 9-1-1 charge imposed under division (A) of section 187
128.42 of the Revised Code. If, after the date of service of the 188
audit notice under division (D)(1) of this section, a subscriber 189
pays a wireless 9-1-1 charge for the period covered by the 190
assessment, the payment shall be credited against the assessment. 191

(7) All money collected by the administrator under division 192
(D) of this section shall be paid to the treasurer of state, for 193
deposit to the credit of the wireless 9-1-1 government assistance 194
fund. 195

(E) Beginning January 1, 2014: 196

(1) If the tax commissioner has reason to believe that a 197
wireless service provider, reseller, or seller has failed to bill, 198
collect, or remit the wireless 9-1-1 charge as required by this 199
section and section 128.42 of the Revised Code or has retained 200
more than the amount authorized under division (B)(4) of this 201
section, and after written notice to the provider, reseller, or 202
seller, the tax commissioner may audit the provider, reseller, or 203
seller for the sole purpose of making such a determination. The 204
audit may include, but is not limited to, a sample of the 205
provider's, reseller's, or seller's billings, collections, 206
remittances, or retentions for a representative period, and the 207

tax commissioner shall make a good faith effort to reach agreement 208
with the provider, reseller, or seller in selecting that sample. 209

(2) Upon written notice to the wireless service provider, 210
reseller, or seller, the tax commissioner, after completion of the 211
audit, may make an assessment against the provider, reseller, or 212
seller if, pursuant to the audit, the tax commissioner determines 213
that the provider, reseller, or seller has failed to bill, 214
collect, or remit the wireless 9-1-1 charge as required by this 215
section and section 128.42 of the Revised Code or has retained 216
more than the amount authorized under division (B)(4) of this 217
section. The assessment shall be in the amount of any remittance 218
that was due and unpaid on the date notice of the audit was sent 219
by the tax commissioner to the provider, reseller, or seller or, 220
as applicable, in the amount of the excess amount under division 221
(B)(4) of this section retained by the provider, reseller, or 222
seller as of that date. 223

(3) The portion of any assessment consisting of wireless 224
9-1-1 charges due and not paid within sixty days after the date 225
that the assessment was made under division (E)(2) of this section 226
shall bear interest from that date until paid at the rate per 227
annum prescribed by section 5703.47 of the Revised Code. That 228
interest may be collected by making an assessment under division 229
(E)(2) of this section. 230

(4) Unless the provider, reseller, or seller assessed files 231
with the tax commissioner within sixty days after service of the 232
notice of assessment, either personally or by certified mail, a 233
written petition for reassessment, signed by the party assessed or 234
that party's authorized agent having knowledge of the facts, the 235
assessment shall become final and the amount of the assessment 236
shall be due and payable from the party assessed to the treasurer 237
of state, for deposit to the next generation 9-1-1 fund, which is 238
created under section 128.54 of the Revised Code. The petition 239

shall indicate the objections of the party assessed, but 240
additional objections may be raised in writing if received by the 241
commissioner prior to the date shown on the final determination. 242
If the petition has been properly filed, the commissioner shall 243
proceed under section 5703.60 of the Revised Code. 244

(5) After an assessment becomes final, if any portion of the 245
assessment remains unpaid, including accrued interest, a certified 246
copy of the final assessment may be filed in the office of the 247
clerk of the court of common pleas in the county in which the 248
business of the assessed party is conducted. If the party assessed 249
maintains no place of business in this state, the certified copy 250
of the final assessment may be filed in the office of the clerk of 251
the court of common pleas of Franklin county. Immediately upon the 252
filing, the clerk shall enter a judgment for the state against the 253
assessed party in the amount shown on the final assessment. The 254
judgment may be filed by the clerk in a loose-leaf book entitled 255
"special judgments for wireless 9-1-1 charges" and shall have the 256
same effect as other judgments. The judgment shall be executed 257
upon the request of the tax commissioner. 258

(6) If the commissioner determines that the commissioner 259
erroneously has refunded a wireless 9-1-1 charge to any person, 260
the commissioner may make an assessment against that person for 261
recovery of the erroneously refunded charge. 262

(7) An assessment under division (E) of this section does not 263
discharge a subscriber's or consumer's liability to reimburse the 264
provider, reseller, or seller for a wireless 9-1-1 charge. If, 265
after the date of service of the audit notice under division 266
(E)(1) of this section, a subscriber or consumer pays a wireless 267
9-1-1 charge for the period covered by the assessment, the payment 268
shall be credited against the assessment. 269

Sec. 709.023. (A) A petition filed under section 709.021 of 270

the Revised Code that requests to follow this section is for the 271
special procedure of annexing land into a municipal corporation 272
when, subject to division (H) of this section, the land also is 273
not to be excluded from the township under section 503.07 of the 274
Revised Code. The owners who sign this petition by their signature 275
expressly waive their right to appeal in law or equity from the 276
board of county commissioners' entry of any resolution under this 277
section, waive any rights they may have to sue on any issue 278
relating to a municipal corporation requiring a buffer as provided 279
in this section, and waive any rights to seek a variance that 280
would relieve or exempt them from that buffer requirement. 281

The petition circulated to collect signatures for the special 282
procedure in this section shall contain in boldface capital 283
letters immediately above the heading of the place for signatures 284
on each part of the petition the following: "WHOEVER SIGNS THIS 285
PETITION EXPRESSLY WAIVES THEIR RIGHT TO APPEAL IN LAW OR EQUITY 286
FROM THE BOARD OF COUNTY COMMISSIONERS' ENTRY OF ANY RESOLUTION 287
PERTAINING TO THIS SPECIAL ANNEXATION PROCEDURE, ALTHOUGH A WRIT 288
OF MANDAMUS MAY BE SOUGHT TO COMPEL THE BOARD TO PERFORM ITS 289
DUTIES REQUIRED BY LAW FOR THIS SPECIAL ANNEXATION PROCEDURE." 290

(B) Upon the filing of the petition in the office of the 291
clerk of the board of county commissioners, the clerk shall cause 292
the petition to be entered upon the board's journal at its next 293
regular session. This entry shall be the first official act of the 294
board on the petition. Within five days after the filing of the 295
petition, the agent for the petitioners shall notify in the manner 296
and form specified in this division the clerk of the legislative 297
authority of the municipal corporation to which annexation is 298
proposed, the fiscal officer of each township any portion of which 299
is included within the territory proposed for annexation, the 300
clerk of the board of county commissioners of each county in which 301
the territory proposed for annexation is located other than the 302

county in which the petition is filed, and the owners of property 303
adjacent to the territory proposed for annexation or adjacent to a 304
road that is adjacent to that territory and located directly 305
across that road from that territory. The notice shall refer to 306
the time and date when the petition was filed and the county in 307
which it was filed and shall have attached or shall be accompanied 308
by a copy of the petition and any attachments or documents 309
accompanying the petition as filed. 310

Notice to a property owner is sufficient if sent by regular 311
United States mail to the tax mailing address listed on the county 312
auditor's records. Notice to the appropriate government officer 313
shall be given by certified mail, return receipt requested, or by 314
causing the notice to be personally served on the officer, with 315
proof of service by affidavit of the person who delivered the 316
notice. Proof of service of the notice on each appropriate 317
government officer shall be filed with the board of county 318
commissioners with which the petition was filed. 319

(C) Within twenty days after the date that the petition is 320
filed, the legislative authority of the municipal corporation to 321
which annexation is proposed shall adopt an ordinance or 322
resolution stating what services the municipal corporation will 323
provide, and an approximate date by which it will provide them, to 324
the territory proposed for annexation, upon annexation. The 325
municipal corporation is entitled in its sole discretion to 326
provide to the territory proposed for annexation, upon annexation, 327
services in addition to the services described in that ordinance 328
or resolution. 329

If the territory proposed for annexation is subject to zoning 330
regulations adopted under either Chapter 303. or 519. of the 331
Revised Code at the time the petition is filed, the legislative 332
authority of the municipal corporation also shall adopt an 333
ordinance or resolution stating that, if the territory is annexed 334

and becomes subject to zoning by the municipal corporation and 335
that municipal zoning permits uses in the annexed territory that 336
the municipal corporation determines are clearly incompatible with 337
the uses permitted under current county or township zoning 338
regulations in the adjacent land remaining within the township 339
from which the territory was annexed, the legislative authority of 340
the municipal corporation will require, in the zoning ordinance 341
permitting the incompatible uses, the owner of the annexed 342
territory to provide a buffer separating the use of the annexed 343
territory and the adjacent land remaining within the township. For 344
the purposes of this section, "buffer" includes open space, 345
landscaping, fences, walls, and other structured elements; streets 346
and street rights-of-way; and bicycle and pedestrian paths and 347
sidewalks. 348

The clerk of the legislative authority of the municipal 349
corporation to which annexation is proposed shall file the 350
ordinances or resolutions adopted under this division with the 351
board of county commissioners within twenty days following the 352
date that the petition is filed. The board shall make these 353
ordinances or resolutions available for public inspection. 354

(D) Within twenty-five days after the date that the petition 355
is filed, the legislative authority of the municipal corporation 356
to which annexation is proposed and each township any portion of 357
which is included within the territory proposed for annexation may 358
adopt and file with the board of county commissioners an ordinance 359
or resolution consenting or objecting to the proposed annexation. 360
An objection to the proposed annexation shall be based solely upon 361
the petition's failure to meet the conditions specified in 362
division (E) of this section. 363

If the municipal corporation and each of those townships 364
timely files an ordinance or resolution consenting to the proposed 365
annexation, the board at its next regular session shall enter upon 366

its journal a resolution granting the proposed annexation. If, 367
instead, the municipal corporation or any of those townships files 368
an ordinance or resolution that objects to the proposed 369
annexation, the board of county commissioners shall proceed as 370
provided in division (E) of this section. Failure of the municipal 371
corporation or any of those townships to timely file an ordinance 372
or resolution consenting or objecting to the proposed annexation 373
shall be deemed to constitute consent by that municipal 374
corporation or township to the proposed annexation. 375

(E) Unless the petition is granted under division (D) of this 376
section, not less than thirty or more than forty-five days after 377
the date that the petition is filed, the board of county 378
commissioners shall review it to determine if each of the 379
following conditions has been met: 380

(1) The petition meets all the requirements set forth in, and 381
was filed in the manner provided in, section 709.021 of the 382
Revised Code. 383

(2) The persons who signed the petition are owners of the 384
real estate located in the territory proposed for annexation and 385
constitute all of the owners of real estate in that territory. 386

(3) The territory proposed for annexation does not exceed 387
five hundred acres. 388

(4) The territory proposed for annexation shares a contiguous 389
boundary with the municipal corporation to which annexation is 390
proposed for a continuous length of at least five per cent of the 391
perimeter of the territory proposed for annexation. 392

(5) The annexation will not create an unincorporated area of 393
the township that is completely surrounded by the territory 394
proposed for annexation. 395

(6) The municipal corporation to which annexation is proposed 396
has agreed to provide to the territory proposed for annexation the 397

services specified in the relevant ordinance or resolution adopted 398
under division (C) of this section. 399

(7) If a street or highway will be divided or segmented by 400
the boundary line between the township and the municipal 401
corporation as to create a road maintenance problem, the municipal 402
corporation to which annexation is proposed has agreed as a 403
condition of the annexation to assume the maintenance of that 404
street or highway or to otherwise correct the problem. As used in 405
this section, "street" or "highway" has the same meaning as in 406
section 4511.01 of the Revised Code. 407

(F) Not less than thirty or more than forty-five days after 408
the date that the petition is filed, if the petition is not 409
granted under division (D) of this section, the board of county 410
commissioners, if it finds that each of the conditions specified 411
in division (E) of this section has been met, shall enter upon its 412
journal a resolution granting the annexation. If the board of 413
county commissioners finds that one or more of the conditions 414
specified in division (E) of this section have not been met, it 415
shall enter upon its journal a resolution that states which of 416
those conditions the board finds have not been met and that denies 417
the petition. 418

(G) If a petition is granted under division (D) or (F) of 419
this section, the clerk of the board of county commissioners shall 420
proceed as provided in division (C)(1) of section 709.033 of the 421
Revised Code, except that no recording or hearing exhibits would 422
be involved. There is no appeal in law or equity from the board's 423
entry of any resolution under this section, but any party may seek 424
a writ of mandamus to compel the board of county commissioners to 425
perform its duties under this section. 426

(H) Notwithstanding anything to the contrary in section 427
503.07 of the Revised Code, unless otherwise provided in an 428
annexation agreement entered into pursuant to section 709.192 of 429

the Revised Code or in a cooperative economic development 430
agreement entered into pursuant to section 701.07 of the Revised 431
Code, territory annexed into a municipal corporation pursuant to 432
this section shall not at any time be excluded from the township 433
under section 503.07 of the Revised Code and, thus, remains 434
subject to the township's real property taxes. 435

(I) Any owner of land that remains within a township and that 436
is adjacent to territory annexed pursuant to this section who is 437
directly affected by the failure of the annexing municipal 438
corporation to enforce compliance with any zoning ordinance it 439
adopts under division (C) of this section requiring the owner of 440
the annexed territory to provide a buffer zone, may commence in 441
the court of common pleas a civil action against that owner to 442
enforce compliance with that buffer requirement whenever the 443
required buffer is not in place before any development of the 444
annexed territory begins. 445

(J) Division ~~(H)(12)~~(C)(18) of section 718.01 of the Revised 446
Code applies to the compensation paid to persons performing 447
personal services for a political subdivision on property owned by 448
the political subdivision after that property is annexed to a 449
municipal corporation under this section. 450

Sec. 715.013. (A) Except as otherwise expressly authorized by 451
the Revised Code, no municipal corporation shall levy a tax that 452
is the same as or similar to a tax levied under Chapter 322., 453
3734., 3769., 4123., 4141., 4301., 4303., 4305., 4307., 4309., 454
5707., 5725., 5726., 5727., 5728., 5729., 5731., 5735., 5736., 455
5737., 5739., 5741., 5743., 5747., 5749., or 5751. of the Revised 456
Code. 457

(B) This section does not prohibit a municipal corporation 458
from levying an income tax or withholding tax in accordance with 459
Chapter 718. of the Revised Code, or a tax on any of the 460

following: 461

(1) Amounts received for admission to any place; 462

(2) The income of an electric company or combined company, as 463
defined in section 5727.01 of the Revised Code; 464

(3) On and after January 1, 2004, the income of a telephone 465
company, as defined in section 5727.01 of the Revised Code. 466

Sec. 718.01. Any term used in this chapter that is not 467
otherwise defined in this chapter has the same meaning as when 468
used in a comparable context in laws of the United States relating 469
to federal income taxation or in Title LVII of the Revised Code, 470
unless a different meaning is clearly required. If a term used in 471
this chapter that is not otherwise defined in this chapter is used 472
in a comparable context in both the laws of the United States 473
relating to federal income tax and in Title LVII of the Revised 474
Code and the use is not consistent, then the use of the term in 475
the laws of the United States relating to federal income tax shall 476
control over the use of the term in Title LVII of the Revised 477
Code. 478

As used in this chapter: 479

(A)(1) "Municipal taxable income" means the following: 480

(a) For a person other than an individual, income reduced by 481
exempt income to the extent otherwise included in income and then, 482
as applicable, apportioned or situated to the municipal corporation 483
under section 718.02 of the Revised Code, and further reduced by 484
any pre-2017 net operating loss carryforward available to the 485
person for the municipal corporation. 486

(b)(i) For an individual who is a resident of a municipal 487
corporation other than a qualified municipal corporation, income 488
reduced by exempt income to the extent otherwise included in 489
income, then reduced as provided in division (A)(2) of this 490

section, and further reduced by any pre-2017 net operating loss 491
carryforward available to the individual for the municipal 492
corporation. 493

(ii) For an individual who is a resident of a qualified 494
municipal corporation, Ohio adjusted gross income reduced by 495
income exempted, and increased by deductions excluded, by the 496
qualified municipal corporation from the qualified municipal 497
corporation's tax on or before December 31, 2013. If a qualified 498
municipal corporation, on or before December 31, 2013, exempts 499
income earned by individuals who are not residents of the 500
qualified municipal corporation and net profit of persons that are 501
not wholly located within the qualified municipal corporation, 502
such individual or person shall have no municipal taxable income 503
for the purposes of the tax levied by the qualified municipal 504
corporation and may be exempted by the qualified municipal 505
corporation from the requirements of section 718.03 of the Revised 506
Code. 507

(c) For an individual who is a nonresident of a municipal 508
corporation, income reduced by exempt income to the extent 509
otherwise included in income and then, as applicable, apportioned 510
or situated to the municipal corporation under section 718.02 of 511
the Revised Code, then reduced as provided in division (A)(2) of 512
this section, and further reduced by any pre-2017 net operating 513
loss carryforward available to the individual for the municipal 514
corporation. 515

(2) In computing the municipal taxable income of a taxpayer 516
who is an individual, the taxpayer may subtract, as provided in 517
division (A)(1)(b)(i) or (c) of this section, the amount of the 518
individual's employee business expenses reported on the 519
individual's form 2106 that the individual deducted for federal 520
income tax purposes for the taxable year, subject to the 521
limitation imposed by section 67 of the Internal Revenue Code. For 522

the municipal corporation in which the taxpayer is a resident, the 523
taxpayer may deduct all such expenses allowed for federal income 524
tax purposes. For a municipal corporation in which the taxpayer is 525
not a resident, the taxpayer may deduct such expenses only to the 526
extent the expenses are related to the taxpayer's performance of 527
personal services in that nonresident municipal corporation. 528

(B) "Income" means the following: 529

(1)(a) For residents, all income, salaries, qualifying wages, 530
commissions, and other compensation from whatever source earned or 531
received by the resident, including the resident's distributive 532
share of the net profit of pass-through entities owned directly or 533
indirectly by the resident and any net profit of the resident. 534

(b) For the purposes of division (B)(1)(a) of this section: 535

(i) Any net operating loss of the resident incurred in the 536
taxable year and the resident's distributive share of any net 537
operating loss generated in the same taxable year and attributable 538
to the resident's ownership interest in a pass-through entity 539
shall be allowed as a deduction, for that taxable year and the 540
following five taxable years, against any other net profit of the 541
resident or the resident's distributive share of any net profit 542
attributable to the resident's ownership interest in a 543
pass-through entity until fully utilized, subject to division 544
(B)(1)(d) of this section; 545

(ii) The resident's distributive share of the net profit of 546
each pass-through entity owned directly or indirectly by the 547
resident shall be calculated without regard to any net operating 548
loss that is carried forward by that entity from a prior taxable 549
year and applied to reduce the entity's net profit for the current 550
taxable year. 551

(c) Division (B)(1)(b) of this section does not apply with 552
respect to any net profit or net operating loss attributable to an 553

ownership interest in an S corporation unless shareholders' 554
distributive shares of net profits from S corporations are subject 555
to tax in the municipal corporation as provided in division 556
(C)(14)(b) or (c) of this section. 557

(d) Any amount of a net operating loss used to reduce a 558
taxpayer's net profit for a taxable year shall reduce the amount 559
of net operating loss that may be carried forward to any 560
subsequent year for use by that taxpayer. In no event shall the 561
cumulative deductions for all taxable years with respect to a 562
taxpayer's net operating loss exceed the original amount of that 563
net operating loss available to that taxpayer. 564

(2) In the case of nonresidents, all income, salaries, 565
qualifying wages, commissions, and other compensation from 566
whatever source earned or received by the nonresident for work 567
done, services performed or rendered, or activities conducted in 568
the municipal corporation, including any net profit of the 569
nonresident, but excluding the nonresident's distributive share of 570
the net profit or loss of only pass-through entities owned 571
directly or indirectly by the nonresident. 572

(3) For taxpayers that are not individuals, net profit of the 573
taxpayer; 574

(4) Lottery, sweepstakes, gambling and sports winnings, 575
winnings from games of chance, and prizes and awards. If the 576
taxpayer is a professional gambler for federal income tax 577
purposes, the taxpayer may deduct related wagering losses and 578
expenses to the extent authorized under the Internal Revenue Code 579
and claimed against such winnings. 580

(C) "Exempt income" means all of the following: 581

(1) The military pay or allowances of members of the armed 582
forces of the United States or members of their reserve 583
components, including the national guard of any state; 584

(2)(a) Except as provided in division (C)(2)(b) of this 585
section, intangible income; 586

(b) A municipal corporation that taxed any type of intangible 587
income on March 29, 1988, pursuant to Section 3 of S.B. 238 of the 588
116th general assembly, may continue to tax that type of income if 589
a majority of the electors of the municipal corporation voting on 590
the question of whether to permit the taxation of that type of 591
intangible income after 1988 voted in favor thereof at an election 592
held on November 8, 1988. 593

(3) Social security benefits, railroad retirement benefits, 594
unemployment compensation, pensions, retirement benefit payments, 595
payments from annuities, and similar payments made to an employee 596
or to the beneficiary of an employee under a retirement program or 597
plan, disability payments received from private industry or local, 598
state, or federal governments or from charitable, religious or 599
educational organizations, and the proceeds of sickness, accident, 600
or liability insurance policies. As used in division (C)(3) of 601
this section, "unemployment compensation" does not include 602
supplemental unemployment compensation described in section 603
3402(o)(2) of the Internal Revenue Code. 604

(4) The income of religious, fraternal, charitable, 605
scientific, literary, or educational institutions to the extent 606
such income is derived from tax-exempt real estate, tax-exempt 607
tangible or intangible property, or tax-exempt activities. 608

(5) Compensation paid under section 3501.28 or 3501.36 of the 609
Revised Code to a person serving as a precinct election official 610
to the extent that such compensation does not exceed one thousand 611
dollars for the taxable year. Such compensation in excess of one 612
thousand dollars for the taxable year may be subject to taxation 613
by a municipal corporation. A municipal corporation shall not 614
require the payer of such compensation to withhold any tax from 615
that compensation. 616

<u>(6) Dues, contributions, and similar payments received by</u>	617
<u>charitable, religious, educational, or literary organizations or</u>	618
<u>labor unions, lodges, and similar organizations;</u>	619
<u>(7) Alimony and child support received;</u>	620
<u>(8) Compensation for personal injuries or for damages to</u>	621
<u>property from insurance proceeds or otherwise, excluding</u>	622
<u>compensation paid for lost salaries or wages or compensation from</u>	623
<u>punitive damages;</u>	624
<u>(9) Income of a public utility when that public utility is</u>	625
<u>subject to the tax levied under section 5727.24 or 5727.30 of the</u>	626
<u>Revised Code. Division (C)(9) of this section does not apply for</u>	627
<u>purposes of Chapter 5745. of the Revised Code.</u>	628
<u>(10) Gains from involuntary conversions, interest on federal</u>	629
<u>obligations, items of income subject to a tax levied by the state</u>	630
<u>and that a municipal corporation is specifically prohibited by law</u>	631
<u>from taxing, and income of a decedent's estate during the period</u>	632
<u>of administration except such income from the operation of a trade</u>	633
<u>or business;</u>	634
<u>(11) Compensation or allowances excluded from federal gross</u>	635
<u>income under section 107 of the Internal Revenue Code;</u>	636
<u>(12) Employee compensation that is not qualifying wages as</u>	637
<u>defined in division (R) of this section;</u>	638
<u>(13) Compensation paid to a person employed within the</u>	639
<u>boundaries of a United States air force base under the</u>	640
<u>jurisdiction of the United States air force that is used for the</u>	641
<u>housing of members of the United States air force and is a center</u>	642
<u>for air force operations, unless the person is subject to taxation</u>	643
<u>because of residence or domicile. If the compensation is subject</u>	644
<u>to taxation because of residence or domicile, tax on such income</u>	645
<u>shall be payable only to the municipal corporation of residence or</u>	646
<u>domicile.</u>	647

(14)(a) Except as provided in division (C)(14)(b) or (c) of this section, an S corporation shareholder's distributive share of net profits of the S corporation, other than any part of the distributive share of net profits that represents wages as defined in section 3121(a) of the Internal Revenue Code or net earnings from self-employment as defined in section 1402(a) of the Internal Revenue Code. 648
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(b) If, pursuant to division (H) of former section 718.01 of the Revised Code as it existed before March 11, 2004, a majority of the electors of a municipal corporation voted in favor of the question at an election held on November 4, 2003, the municipal corporation may continue after 2002 to tax an S corporation shareholder's distributive share of net profits of an S corporation. 655
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(c) If, on December 6, 2002, a municipal corporation was imposing, assessing, and collecting a tax on an S corporation shareholder's distributive share of net profits of the S corporation to the extent the distributive share would be allocated or apportioned to this state under divisions (B)(1) and (2) of section 5733.05 of the Revised Code if the S corporation were a corporation subject to taxes imposed under Chapter 5733. of the Revised Code, the municipal corporation may continue to impose the tax on such distributive shares to the extent such shares would be so allocated or apportioned to this state only until December 31, 2004, unless a majority of the electors of the municipal corporation voting on the question of continuing to tax such shares after that date voted in favor of that question at an election held November 2, 2004. If a majority of those electors voted in favor of the question, the municipal corporation may continue after December 31, 2004, to impose the tax on such distributive shares only to the extent such shares would be so allocated or apportioned to this state. 662
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(d) A municipal corporation shall be deemed to have elected to tax S corporation shareholders' distributive shares of net profits of the S corporation in the hands of the shareholders if a majority of the electors of a municipal corporation voted in favor of a question at an election held under division (C)(14)(b) or (c) of this section. The municipal corporation shall specify by resolution or ordinance that the tax applies to the distributive share of a shareholder of an S corporation in the hands of the shareholder of the S corporation. 680
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(15) To the extent authorized under a resolution or ordinance adopted by a municipal corporation before January 1, 2016, all or a portion of the income of individuals or a class of individuals under eighteen years of age. 689
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(16)(a) Except as provided in divisions (C)(16)(b), (c), and (d) of this section, qualifying wages described in division (B)(1) or (E) of section 718.011 of the Revised Code to the extent the qualifying wages are not subject to withholding for the municipal corporation under either of those divisions. 693
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(b) The exemption provided in division (C)(16)(a) of this section does not apply with respect to the municipal corporation in which the employee resided at the time the employee earned the qualifying wages. 698
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(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. 702
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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: 706
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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 709
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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; 711
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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. 717
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(17)(a) Except as provided in division (C)(17)(b) or (c) of this section, compensation that is not qualifying wages paid to a nonresident individual for personal services performed in the municipal corporation on not more than twenty days in a taxable year. 720
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(b) The exemption provided in division (C)(17)(a) of this section does not apply under either of the following circumstances: 725
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(i) The individual's base of operation is located in the municipal corporation. 728
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(ii) The individual is a professional athlete, professional entertainer, or public figure, and the compensation is paid for the performance of services in the individual's capacity as a professional athlete, professional entertainer, or public figure. For purposes of division (C)(17)(b)(ii) of this section, "professional athlete," "professional entertainer," and "public figure" have the same meanings as in section 718.011 of the Revised Code. 730
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(c) Compensation to which division (C)(17) of this section applies shall be treated as earned or received at the individual's base of operation. If the individual does not have a base of operation, the compensation shall be treated as earned or received 738
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where the individual is domiciled. 742

(d) For purposes of division (C)(17) of this section, "base
of operation" means the location where an individual owns or rents
an office, storefront, or similar facility to which the individual
regularly reports and at which the individual regularly performs
personal services for compensation. 743
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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
is subject to taxation because of residence, municipal income tax
shall be payable only to the municipal corporation of residence. 748
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(19) Income the taxation of which is prohibited by the
constitution or laws of the United States. 759
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Any item of income that is exempt income of a pass-through
entity under division (C) of this section is exempt income of each
owner of the pass-through entity to the extent of that owner's
distributive or proportionate share of that item of the entity's
income. 761
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(D)(1) "Net profit" for a person other than an individual
means adjusted federal taxable income. 766
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(2) "Net profit" for a person who is an individual means the
individual's net profit required to be reported on schedule C,
schedule E, or schedule F reduced by any net operating loss
carried forward. For the purposes of division (D)(2) of this
section, the net operating loss carried forward shall be 768
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calculated and deducted in the same manner as provided in division (E)(8) of this section. 773
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(3) For the purposes of this chapter, and notwithstanding division (D)(1) of this section, net profit of a disregarded entity shall not be taxable as against that disregarded entity, but shall instead be included in the net profit of the owner of the disregarded entity. 775
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(E) "Adjusted federal taxable income," for a person required to file as a C corporation means a C corporation's federal taxable income before net operating losses and special deductions as determined under the Internal Revenue Code, adjusted as follows: 780
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(1) Deduct intangible income to the extent included in federal taxable income. The deduction shall be allowed regardless of whether the intangible income relates to assets used in a trade or business or assets held for the production of income. 784
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(2) Add an amount equal to five per cent of intangible income deducted under division (E)(1) of this section, but excluding that portion of intangible income directly related to the sale, exchange, or other disposition of property described in section 1221 of the Internal Revenue Code; 788
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(3) Add any losses allowed as a deduction in the computation of federal taxable income if the losses directly relate to the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code; 793
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(4)(a) Except as provided in division (E)(4)(b) of this section, deduct income and gain included in federal taxable income to the extent the income and gain directly relate to the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code; 797
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(b) Division (E)(4)(a) of this section does not apply to the extent the income or gain is income or gain described in section 802
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1245 or 1250 of the Internal Revenue Code. 804

(5) Add taxes on or measured by net income allowed as a deduction in the computation of federal taxable income; 805
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(6) In the case of a real estate investment trust or regulated investment company, add all amounts with respect to dividends to, distributions to, or amounts set aside for or credited to the benefit of investors and allowed as a deduction in the computation of federal taxable income; 807
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(7) Deduct, to the extent not otherwise deducted or excluded in computing federal taxable income, any income derived from a transfer agreement or from the enterprise transferred under that agreement under section 4313.02 of the Revised Code; 812
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(8)(a) Except as limited by divisions (E)(8)(b), (c), and (d) of this section, deduct any net operating loss incurred by the person in a taxable year beginning on or after January 1, 2017. 816
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The amount of such net operating loss shall be deducted from net profit that is 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. 819
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(b) No person shall use the deduction allowed by division (E)(8) of this section to offset qualifying wages. 826
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(c)(i) For taxable years beginning in 2018, 2019, 2020, 2021, or 2022, a person may not deduct, for purposes of an income tax levied by a municipal corporation that levies an income tax before January 1, 2016, more than fifty per cent of the amount of the deduction otherwise allowed by division (E)(8)(a) of this section. 828
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(ii) For taxable years beginning in 2023 or thereafter, a 833

person may deduct, for purposes of an income tax levied by a 834
municipal corporation that levies an income tax before January 1, 835
2016, the full amount allowed by division (E)(8)(a) of this 836
section. 837

(d) Any pre-2017 net operating loss carryforward deduction 838
that is available must be utilized before a taxpayer may deduct 839
any amount pursuant to division (E)(8) of this section. 840

(e) Nothing in divisions (E)(8)(c)(i) and (ii) of this 841
section precludes a person from carrying forward, for the period 842
otherwise permitted under division (E)(8)(a) of this section, any 843
amount of net operating loss that was not fully utilized by 844
operation of divisions (E)(8)(c)(i) and (ii) of this section. 845

(9) Deduct any net profit of a pass-through entity owned 846
directly or indirectly by the taxpayer and included in the 847
taxpayer's federal taxable income unless an affiliated group of 848
corporations includes that net profit in the group's federal 849
taxable income in accordance with division (E)(3)(b) of section 850
718.06 of the Revised Code. 851

(10) Add any loss incurred by a pass-through entity owned 852
directly or indirectly by the taxpayer and included in the 853
taxpayer's federal taxable income unless an affiliated group of 854
corporations includes that loss in the group's federal taxable 855
income in accordance with division (E)(3)(b) of section 718.06 of 856
the Revised Code. 857

If the taxpayer is not a C corporation, is not a disregarded 858
entity, and is not an individual, the taxpayer shall compute 859
adjusted federal taxable income under this section as if the 860
taxpayer were a C corporation, except guaranteed payments and 861
other similar amounts paid or accrued to a partner, former 862
partner, shareholder, former shareholder, member, or former member 863
shall not be allowed as a deductible expense unless such payments 864

are in consideration for the use of capital and treated as payment 865
of interest under section 469 of the Internal Revenue Code or 866
United States treasury regulations. Amounts paid or accrued to a 867
qualified self-employed retirement plan with respect to a partner, 868
former partner, shareholder, former shareholder, member, or former 869
member of the taxpayer, amounts paid or accrued to or for health 870
insurance for a partner, former partner, shareholder, former 871
shareholder, member, or former member, and amounts paid or accrued 872
to or for life insurance for a partner, former partner, 873
shareholder, former shareholder, member, or former member shall 874
not be allowed as a deduction. 875

Nothing in division (E) of this section shall be construed as 876
allowing the taxpayer to add or deduct any amount more than once 877
or shall be construed as allowing any taxpayer to deduct any 878
amount paid to or accrued for purposes of federal self-employment 879
tax. 880

(F) "Schedule C" means internal revenue service schedule C 881
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 882
Code. 883

(G) "Schedule E" means internal revenue service schedule E 884
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 885
Code. 886

(H) "Schedule F" means internal revenue service schedule F 887
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 888
Code. 889

(I) "Internal Revenue Code" has the same meaning as in 890
section 5747.01 of the Revised Code. 891

(J) "Resident" means an individual who is domiciled in the 892
municipal corporation as determined under section 718.012 of the 893
Revised Code. 894

(K) "Nonresident" means an individual that is not a resident. 895

(L)(1) "Taxpayer" means a person subject to a tax levied on 896
income by a municipal corporation in accordance with this chapter. 897
"Taxpayer" does not include a grantor trust or, except as provided 898
in division (L)(2)(a) of this section, a disregarded entity. 899

(2)(a) A single member limited liability company that is a 900
disregarded entity for federal tax purposes may be a separate 901
taxpayer from its single member in all Ohio municipal corporations 902
in which it either filed as a separate taxpayer or did not file 903
for its taxable year ending in 2003, if all of the following 904
conditions are met: 905

(i) The limited liability company's single member is also a 906
limited liability company. 907

(ii) The limited liability company and its single member were 908
formed and doing business in one or more Ohio municipal 909
corporations for at least five years before January 1, 2004. 910

(iii) Not later than December 31, 2004, the limited liability 911
company and its single member each made an election to be treated 912
as a separate taxpayer under division (L) of this section as this 913
section existed on December 31, 2004. 914

(iv) The limited liability company was not formed for the 915
purpose of evading or reducing Ohio municipal corporation income 916
tax liability of the limited liability company or its single 917
member. 918

(v) The Ohio municipal corporation that was the primary place 919
of business of the sole member of the limited liability company 920
consented to the election. 921

(b) For purposes of division (L)(2)(a)(v) of this section, a 922
municipal corporation was the primary place of business of a 923
limited liability company if, for the limited liability company's 924
taxable year ending in 2003, its income tax liability was greater 925
in that municipal corporation than in any other municipal 926

corporation in Ohio, and that tax liability to that municipal 927
corporation for its taxable year ending in 2003 was at least four 928
hundred thousand dollars. 929

(M) "Person" includes individuals, firms, companies, joint 930
stock companies, business trusts, estates, trusts, partnerships, 931
limited liability partnerships, limited liability companies, 932
associations, C corporations, S corporations, governmental 933
entities, and any other entity. 934

(N) "Pass-through entity" means a partnership not treated as 935
an association taxable as a C corporation for federal income tax 936
purposes, a limited liability company not treated as an 937
association taxable as a C corporation for federal income tax 938
purposes, an S corporation, or any other class of entity from 939
which the income or profits of the entity are given pass-through 940
treatment for federal income tax purposes. "Pass-through entity" 941
does not include a trust, estate, grantor of a grantor trust, or 942
disregarded entity. 943

(O) "S corporation" means a person that has made an election 944
under subchapter S of Chapter 1 of Subtitle A of the Internal 945
Revenue Code for its taxable year. 946

(P) "Single member limited liability company" means a limited 947
liability company that has one direct member. 948

(Q) "Limited liability company" means a limited liability 949
company formed under Chapter 1705. of the Revised Code or under 950
the laws of another state. 951

(R) "Qualifying wages" means wages, as defined in section 952
3121(a) of the Internal Revenue Code, without regard to any wage 953
limitations, adjusted as follows: 954

(1) Deduct the following amounts: 955

(a) Any amount included in wages if the amount constitutes 956

compensation attributable to a plan or program described in 957
section 125 of the Internal Revenue Code. 958

(b) Any amount included in wages if the amount constitutes 959
payment on account of a disability related to sickness or an 960
accident paid by a party unrelated to the employer, agent of an 961
employer, or other payer. 962

(c) Any amount attributable to a nonqualified deferred 963
compensation plan or program described in section 3121(v)(2)(C) of 964
the Internal Revenue Code if the compensation is included in wages 965
and the municipal corporation has, by resolution or ordinance 966
adopted before January 1, 2016, exempted the amount from 967
withholding and tax. 968

(d) Any amount included in wages if the amount arises from 969
the sale, exchange, or other disposition of a stock option, the 970
exercise of a stock option, or the sale, exchange, or other 971
disposition of stock purchased under a stock option and the 972
municipal corporation has, by resolution or ordinance adopted 973
before January 1, 2016, exempted the amount from withholding and 974
tax. 975

(e) Any amount included in wages that is exempt income. 976

(2) Add the following amounts: 977

(a) Any amount not included in wages solely because the 978
employee was employed by the employer before April 1, 1986. 979

(b) Any amount not included in wages because the amount 980
arises from the sale, exchange, or other disposition of a stock 981
option, the exercise of a stock option, or the sale, exchange, or 982
other disposition of stock purchased under a stock option and the 983
municipal corporation has not, by resolution or ordinance, 984
exempted the amount from withholding and tax adopted before 985
January 1, 2016. Division (R)(2)(b) of this section applies only 986
to those amounts constituting ordinary income. 987

<u>(c) Any amount not included in wages if the amount is an</u>	988
<u>amount described in section 401(k), 403(b), or 457 of the Internal</u>	989
<u>Revenue Code. Division (R)(2)(c) of this section applies only to</u>	990
<u>employee contributions and employee deferrals.</u>	991
<u>(d) Any amount that is supplemental unemployment compensation</u>	992
<u>benefits described in section 3402(o)(2) of the Internal Revenue</u>	993
<u>Code and not included in wages.</u>	994
<u>(e) Any amount received that is treated as self-employment</u>	995
<u>income for federal tax purposes in accordance with section</u>	996
<u>1402(a)(8) of the Internal Revenue Code.</u>	997
<u>(f) Any amount not included in wages if all of the following</u>	998
<u>apply:</u>	999
<u>(i) For the taxable year the amount is employee compensation</u>	1000
<u>that is included in the taxpayer's gross income for federal income</u>	1001
<u>tax purposes;</u>	1002
<u>(ii) For no preceding taxable year did the amount constitute</u>	1003
<u>wages as defined in section 3121(a) of the Internal Revenue Code;</u>	1004
<u>(iii) For no succeeding taxable year will the amount</u>	1005
<u>constitute wages; and</u>	1006
<u>(iv) For any taxable year the amount has not otherwise been</u>	1007
<u>added to wages pursuant to either division (R)(2) of this section</u>	1008
<u>or section 718.03 of the Revised Code, as that section existed</u>	1009
<u>before the effective date of H.B. 5 of the 130th general assembly.</u>	1010
<u>(S) "Intangible income" means income of any of the following</u>	1011
<u>types: income yield, interest, capital gains, dividends, or other</u>	1012
<u>income arising from the ownership, sale, exchange, or other</u>	1013
<u>disposition of intangible property including, but not limited to,</u>	1014
<u>investments, deposits, money, or credits as those terms are</u>	1015
<u>defined in Chapter 5701. of the Revised Code, and patents,</u>	1016
<u>copyrights, trademarks, tradenames, investments in real estate</u>	1017

investment trusts, investments in regulated investment companies, 1018
and appreciation on deferred compensation. "Intangible income" 1019
does not include prizes, awards, or other income associated with 1020
any lottery winnings, gambling winnings, or other similar games of 1021
chance. 1022

(T) "Taxable year" means the corresponding tax reporting 1023
period as prescribed for the taxpayer under the Internal Revenue 1024
Code. 1025

(U) "Tax administrator" means the individual charged with 1026
direct responsibility for administration of an income tax levied 1027
by a municipal corporation in accordance with this chapter, and 1028
also includes the following: 1029

(1) A municipal corporation acting as the agent of another 1030
municipal corporation; 1031

(2) A person retained by a municipal corporation to 1032
administer a tax levied by the municipal corporation, but only if 1033
the municipal corporation does not compensate the person in whole 1034
or in part on a contingency basis; 1035

(3) The central collection agency or the regional income tax 1036
agency or their successors in interest, or another entity 1037
organized to perform functions similar to those performed by the 1038
central collection agency and the regional income tax agency. 1039

(V) "Employer" means a person that is an employer for federal 1040
income tax purposes. 1041

(W) "Employee" means an individual who is an employee for 1042
federal income tax purposes. 1043

(X) "Other payer" means any person, other than an 1044
individual's employer or the employer's agent, that pays an 1045
individual any amount included in the federal gross income of the 1046
individual. "Other payer" includes casino operators and video 1047

<u>lottery terminal sales agents.</u>	1048
<u>(Y) "Calendar quarter" means the three-month period ending on the last day of March, June, September, or December.</u>	1049
	1050
<u>(Z) "Form 2106" means internal revenue service form 2106 filed by a taxpayer pursuant to the Internal Revenue Code.</u>	1051
	1052
<u>(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 715.74 of the Revised Code.</u>	1053
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	1056
<u>(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.</u>	1057
	1058
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	1060
<u>(CC) "Generic form" means an electronic or paper form that is not prescribed by a particular municipal corporation and that is 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.</u>	1061
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	1066
<u>(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.</u>	1067
	1068
	1069
<u>(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.</u>	1070
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	1073
	1074
<u>(FF) "Local board of tax review" and "board of tax review" mean the entity created under section 718.11 of the Revised Code.</u>	1075
	1076
<u>(GG) "Net operating loss" means a loss incurred by a person</u>	1077

in the operation of a trade or business. "Net operating loss" does 1078
not include unutilized losses resulting from basis limitations, 1079
at-risk limitations, or passive activity loss limitations. 1080

(HH) "Casino operator" and "casino facility" have the same 1081
meanings as in section 3772.01 of the Revised Code. 1082

(II) "Video lottery terminal" has the same meaning as in 1083
section 3770.21 of the Revised Code. 1084

(JJ) "Video lottery terminal sales agent" means a lottery 1085
sales agent licensed under Chapter 3770. of the Revised Code to 1086
conduct video lottery terminals on behalf of the state pursuant to 1087
section 3770.21 of the Revised Code. 1088

(KK) "Postal service" means the United States postal service. 1089

(LL) "Certified mail," "express mail," "United States mail," 1090
"postal service," and similar terms include any delivery service 1091
authorized pursuant to section 5703.056 of the Revised Code. 1092

(MM) "Postmark date," "date of postmark," and similar terms 1093
include the date recorded and marked in the manner described in 1094
division (B)(3) of section 5703.056 of the Revised Code. 1095

(NN) "Related member" means a person that, with respect to 1096
the taxpayer during all or any portion of the taxable year, is 1097
either a related entity, a component member as defined in section 1098
1563(b) of the Internal Revenue Code, or a person to or from whom 1099
there is attribution of stock ownership in accordance with section 1100
1563(e) of the Internal Revenue Code except, for purposes of 1101
determining whether a person is a related member under this 1102
division, "twenty per cent" shall be substituted for "5 percent" 1103
wherever "5 percent" appears in section 1563(e) of the Internal 1104
Revenue Code. 1105

(OO) "Related entity" means any of the following: 1106

(1) An individual stockholder, or a member of the 1107

stockholder's family enumerated in section 318 of the Internal 1108
Revenue Code, if the stockholder and the members of the 1109
stockholder's family own directly, indirectly, beneficially, or 1110
constructively, in the aggregate, at least fifty per cent of the 1111
value of the taxpayer's outstanding stock; 1112

(2) A stockholder, or a stockholder's partnership, estate, 1113
trust, or corporation, if the stockholder and the stockholder's 1114
partnerships, estates, trusts, or corporations own directly, 1115
indirectly, beneficially, or constructively, in the aggregate, at 1116
least fifty per cent of the value of the taxpayer's outstanding 1117
stock; 1118

(3) A corporation, or a party related to the corporation in a 1119
manner that would require an attribution of stock from the 1120
corporation to the party or from the party to the corporation 1121
under division (00)(4) of this section, provided the taxpayer owns 1122
directly, indirectly, beneficially, or constructively, at least 1123
fifty per cent of the value of the corporation's outstanding 1124
stock; 1125

(4) The attribution rules described in section 318 of the 1126
Internal Revenue Code apply for the purpose of determining whether 1127
the ownership requirements in divisions (00)(1) to (3) of this 1128
section have been met. 1129

(PP)(1) "Written determination by the tax administrator" 1130
means a written ruling by a tax administrator regarding the 1131
taxpayer's municipal income tax liability, including tax, penalty, 1132
interest, or any combination thereof, to the municipal corporation 1133
that commences the person's time limitation for making an appeal 1134
to the local board of tax review pursuant to section 718.11 of the 1135
Revised Code and that has "written determination" printed in all 1136
capital letters in a font size no smaller than eighteen point at 1137
the top of the first page of the written ruling. 1138

(2) "Written determination by the tax administrator" does not 1139
include an informal notice denying a request for refund issued 1140
under division (B)(3) of section 718.19 of the Revised Code, a 1141
billing statement notifying a taxpayer of current or past-due 1142
balances owed to the municipal corporation, a tax administrator's 1143
request for additional information, a notification to the taxpayer 1144
of mathematical errors, or a tax administrator's other written 1145
correspondence to a person or taxpayer that does meet the criteria 1146
prescribed by division (PP)(1) of this section. 1147

(OO) "Taxpayers' rights and responsibilities" means the 1148
rights provided to taxpayers in sections 718.11, 718.12, 718.19, 1149
718.23, 718.36, 718.37, 718.38, 5717.011, and 5717.03 of the 1150
Revised Code and the responsibilities of taxpayers to file, 1151
report, withhold, remit, and pay municipal income tax and 1152
otherwise comply with Chapter 718. of the Revised Code and 1153
resolutions, ordinances, and rules adopted by a municipal 1154
corporation for the imposition and administration of a municipal 1155
income tax. 1156

(RR) "Qualified municipal corporation" means a municipal 1157
corporation that, by resolution or ordinance adopted on or before 1158
December 31, 2011, adopted Ohio adjusted gross income, as defined 1159
by section 5747.01 of the Revised Code, as the income subject to 1160
tax for the purposes of imposing a municipal income tax. 1161

(SS)(1) "Pre-2017 net operating loss carryforward" means any 1162
net operating loss incurred in a taxable year beginning before 1163
January 1, 2017, to the extent such loss was permitted, by a 1164
resolution or ordinance of the municipal corporation that was 1165
adopted by the municipal corporation before January 1, 2016, to be 1166
carried forward and utilized to offset income or net profit 1167
generated in such municipal corporation in future taxable years. 1168

(2) For the purpose of calculating municipal taxable income, 1169
any pre-2017 net operating loss carryforward may be carried 1170

forward to any taxable year, including taxable years beginning in 1171
2017 or thereafter, for the number of taxable years provided in 1172
the resolution or ordinance or until fully utilized, whichever is 1173
earlier. 1174

(TT) "Small employer" means any employer that had total 1175
revenue of less than five hundred thousand dollars during the 1176
preceding taxable year. For purposes of this division, "total 1177
revenue" means receipts of any type or kind, including, but not 1178
limited to, sales receipts; payments; rents; profits; gains, 1179
dividends, and other investment income; compensation; commissions; 1180
premiums; money; property; grants; contributions; donations; 1181
gifts; program service revenue; patient service revenue; premiums; 1182
fees, including premium fees and service fees; tuition payments; 1183
unrelated business revenue; reimbursements; any type of payment 1184
from a governmental unit, including grants and other allocations; 1185
and any other similar receipts reported for federal income tax 1186
purposes or under generally accepted accounting principles. "Small 1187
employer" does not include the federal government; any state 1188
government, including any state agency or instrumentality; any 1189
political subdivision; or any entity treated as a government for 1190
financial accounting and reporting purposes. 1191

(UU) "Audit" means the examination of a person or the 1192
inspection of the books, records, memoranda, or accounts of a 1193
person for the purpose of determining liability for a municipal 1194
income tax. 1195

Sec. 718.011. (A) As used in this section: 1196

(1) "Employer" includes a person that is a related member to 1197
or of an employer. 1198

(2) "Professional athlete" means an athlete who performs 1199
services in a professional athletic event for wages or other 1200
remuneration. 1201

(3) "Professional entertainer" means a person who performs services in the professional performing arts for wages or other remuneration on a per-event basis. 1202
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(4) "Public figure" means a person of prominence who performs services at discrete events, such as speeches, public appearances, or similar events, for wages or other remuneration on a per-event basis. 1205
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(5) "Fixed location" means a permanent place of doing business in this state, such as an office, warehouse, storefront, or similar location owned or controlled by an employer. 1209
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(6) "Worksite location" means a construction site or other temporary worksite in this state at which the employer provides services for more than twenty days during the calendar year. "Worksite location" does not include the home of an employee. 1212
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(7) "Principal place of work" means the fixed location to which an employee is required to report for employment duties on a regular and ordinary basis. If the employee is not required to report for employment duties on a regular and ordinary basis to a fixed location, "principal place of work" means the worksite location in this state to which the employee is required to report for employment duties on a regular and ordinary basis. If the employee is not required to report for employment duties on a regular and ordinary basis to a fixed location or worksite location, "principal place of work" means the location in this state at which the employee spends the greatest number of days in a calendar year performing services for or on behalf of the employee's employer. 1216
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If there is not a single municipal corporation in which the employee spent the "greatest number of days in a calendar year" performing services for or on behalf of the employer, but instead there are two or more municipal corporations in which the employee 1229
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spent an identical number of days that is greater than the number 1233
of days the employee spent in any other municipal corporation, the 1234
employer shall allocate any of the employee's qualifying wages 1235
subject to division (B)(1)(a) of this section among those two or 1236
more municipal corporations. The allocation shall be made using 1237
any fair and reasonable method, including, but not limited to, an 1238
equal allocation among such municipal corporations or an 1239
allocation based upon the time spent or sales made by the employee 1240
in each such municipal corporation. A municipal corporation to 1241
which qualifying wages are allocated under this division shall be 1242
the employee's "principal place of work" with respect to those 1243
qualifying wages for the purposes of this section. 1244

For the purposes of this division, the location at which an 1245
employee spends a particular day shall be determined in accordance 1246
with division (B)(2) of this section, except that "location" shall 1247
be substituted for "municipal corporation" wherever "municipal 1248
corporation" appears in that division. 1249

(B)(1) Subject to divisions (C), (E), and (F) of this 1250
section, an employer is not required to withhold municipal income 1251
tax on qualifying wages paid to an employee for the performance of 1252
personal services in a municipal corporation that imposes such a 1253
tax if the employee performed such services in the municipal 1254
corporation on twenty or fewer days in a calendar year, unless one 1255
of the following conditions applies: 1256

(a) The employee's principal place of work is located in the 1257
municipal corporation. 1258

(b) The employee performed services at one or more presumed 1259
worksite locations in the municipal corporation. For the purposes 1260
of this division, "presumed worksite location" means a 1261
construction site or other temporary worksite in this state at 1262
which the employer provides services that can reasonably be 1263
expected by the employer to last more than twenty days in a 1264

calendar year. Services can "reasonably be expected by the 1265
employer to last more than twenty days" if either of the following 1266
applies at the time the services commence: 1267

(i) The nature of the services are such that it will require 1268
more than twenty days of actual services to complete the services; 1269

(ii) The agreement between the employer and its customer to 1270
perform services at a location requires the employer to perform 1271
actual services at the location for more than twenty days. 1272

(c) The employee is a resident of the municipal corporation 1273
and has requested that the employer withhold tax from the 1274
employee's qualifying wages as provided in section 718.03 of the 1275
Revised Code. 1276

(d) The employee is a professional athlete, professional 1277
entertainer, or public figure, and the qualifying wages are paid 1278
for the performance of services in the employee's capacity as a 1279
professional athlete, professional entertainer, or public figure. 1280

(2) For the purposes of division (B)(1) of this section, an 1281
employee shall be considered to have spent a day performing 1282
services in a municipal corporation only if the employee spent 1283
more time performing services for or on behalf of the employer in 1284
that municipal corporation than in any other municipal corporation 1285
on that day. For the purposes of determining the amount of time an 1286
employee spent in a particular location, the time spent performing 1287
one or more of the following activities shall be considered to 1288
have been spent at the employee's principal place of work: 1289

(a) Traveling to the location at which the employee will 1290
first perform services for the employer for the day; 1291

(b) Traveling from a location at which the employee was 1292
performing services for the employer to any other location; 1293

(c) Traveling from any location to another location in order 1294

to pick up or load, for the purpose of transportation or delivery, 1295
property that has been purchased, sold, assembled, fabricated, 1296
repaired, refurbished, processed, remanufactured, or improved by 1297
the employee's employer; 1298

(d) Transporting or delivering property described in division 1299
(B)(2)(c) of this section, provided that, upon delivery of the 1300
property, the employee does not temporarily or permanently affix 1301
the property to real estate owned, used, or controlled by a person 1302
other than the employee's employer; 1303

(e) Traveling from the location at which the employee makes 1304
the employee's final delivery or pick-up for the day to either the 1305
employee's principal place of work or a location at which the 1306
employee will not perform services for the employer. 1307

(C) If the principal place of work of an employee is located 1308
in a municipal corporation that imposes an income tax in 1309
accordance with this chapter, the exception from withholding 1310
requirements described in division (B)(1) of this section shall 1311
apply only if, with respect to the employee's qualifying wages 1312
described in that division, the employer withholds and remits tax 1313
on such qualifying wages to the municipal corporation in which the 1314
employee's principal place of work is located. 1315

(D)(1) Except as provided in division (D)(2) of this section, 1316
if, during a calendar year, the number of days an employee spends 1317
performing personal services in a municipal corporation exceeds 1318
the twenty-day threshold described in division (B)(1) of this 1319
section, the employer shall withhold and remit tax to that 1320
municipal corporation for any subsequent days in that calendar 1321
year on which the employer pays qualifying wages to the employee 1322
for personal services performed in that municipal corporation. 1323

(2) An employer required to begin withholding tax for a 1324
municipal corporation under division (D)(1) of this section may 1325

elect to withhold tax for that municipal corporation for the first 1326
twenty days on which the employer paid qualifying wages to the 1327
employee for personal services performed in that municipal 1328
corporation. 1329

(3) If an employer makes the election described in division 1330
(D)(2) of this section, the taxes withheld and paid by such an 1331
employer during those first twenty days to the municipal 1332
corporation in which the employee's principal place of work is 1333
located are refundable to the employee. 1334

(E) Without regard to the number of days in a calendar year 1335
on which an employee performs personal services in any municipal 1336
corporation, an employer shall withhold municipal income tax on 1337
all of the employee's qualifying wages for a taxable year and 1338
remit that tax only to the municipal corporation in which the 1339
employer's fixed location is located if the employer qualifies as 1340
a small employer as defined in section 718.01 of the Revised Code. 1341

To determine whether an employer qualifies as a small 1342
employer for a taxable year, a tax administrator may require the 1343
employer to provide the tax administrator with the employer's 1344
federal income tax return for the preceding taxable year. 1345

(F) Divisions (B)(1) and (D) of this section shall not apply 1346
to the extent that a tax administrator and an employer enter into 1347
an agreement regarding the manner in which the employer shall 1348
comply with the requirements of section 718.03 of the Revised 1349
Code. 1350

Sec. 718.012. (A)(1) An individual is presumed to be 1351
domiciled in a municipal corporation for all or part of a taxable 1352
year if the individual was domiciled in the municipal corporation 1353
on the last day of the immediately preceding taxable year or if 1354
the tax administrator reasonably concludes that the individual is 1355
domiciled in the municipal corporation for all or part of the 1356

taxable year. 1357

(2) An individual may rebut the presumption of domicile 1358
described in division (A)(1) of this section if the individual 1359
establishes by a preponderance of the evidence that the individual 1360
was not domiciled in the municipal corporation for all or part of 1361
the taxable year. 1362

(B) For the purpose of determining whether an individual is 1363
domiciled in a municipal corporation for all or part of a taxable 1364
year, only the following factors shall be considered: 1365

(1) The location of financial institutions in which the 1366
individual or the individual's spouse have any accounts, 1367
including, but not limited to, checking, savings, certificates of 1368
deposit, or individual retirement accounts; 1369

(2) The location of issuers of credit cards to the individual 1370
or the individual's spouse or of any other persons making 1371
installment loans to the individual or the individual's spouse; 1372

(3) The location of institutional lenders which have made 1373
loans to, or which are guaranteed by, the individual or the 1374
individual's spouse; 1375

(4) The location of investment facilities, brokerage firms, 1376
realtors, financial advisors, or consultants used by the 1377
individual or the individual's spouse; 1378

(5) The location of either the insurance company that issued 1379
or the insurance agent that sold any policy of insurance to the 1380
individual or the individual's spouse, including, but not limited 1381
to, life, health, disability, automobile, or homeowner's 1382
insurance; 1383

(6) The location of law firms, accounting firms, and similar 1384
professionals utilized by the individual or the individual's 1385
spouse for legal, tax, accounting, financial, or retirement 1386

<u>services;</u>	1387
<u>(7) The location of physicians, dentists, osteopaths,</u>	1388
<u>optometrists, or other health care providers, or veterinarians</u>	1389
<u>utilized by the individual or the individual's spouse;</u>	1390
<u>(8) The location of organizations described in section 501(c)</u>	1391
<u>of the Internal Revenue Code to which the individual or the</u>	1392
<u>individual's spouse make contributions or other payments or in</u>	1393
<u>which they participate as a congregant, member, board member,</u>	1394
<u>committee member, adviser, or consultant;</u>	1395
<u>(9) The location of burial plots owned by the individual or</u>	1396
<u>the individual's spouse;</u>	1397
<u>(10) The location of business ventures or business entities</u>	1398
<u>in which the individual or the individual's spouse has a more than</u>	1399
<u>twenty-five per cent ownership interest or in which the individual</u>	1400
<u>exercises, either individually or jointly, significant control</u>	1401
<u>over the affairs of the venture or entity;</u>	1402
<u>(11) The recitation of residency or domicile in a will,</u>	1403
<u>trust, or other estate planning document;</u>	1404
<u>(12) The location of the individual's friends, dependents as</u>	1405
<u>defined in section 152 of the Internal Revenue Code, and family</u>	1406
<u>members other than the individual's spouse, if the individual is</u>	1407
<u>not legally separated from the individual's spouse under a decree</u>	1408
<u>of divorce or separate maintenance as provided in section</u>	1409
<u>7703(a)(2) of the Internal Revenue Code;</u>	1410
<u>(13) The location of educational institutions attended by the</u>	1411
<u>individual's dependents as defined in section 152 of the Internal</u>	1412
<u>Revenue Code, to the extent that tuition paid to such educational</u>	1413
<u>institution is based on the residency of the individual or the</u>	1414
<u>individual's spouse in the municipal corporation where the</u>	1415
<u>educational institution is located;</u>	1416

<u>(14) The location of trustees, executors, guardians, or other</u>	1417
<u>fiduciaries named in estate planning documents of the individual</u>	1418
<u>or the individual's spouse;</u>	1419
<u>(15) The location of all businesses at which the individual</u>	1420
<u>or the individual's spouse makes purchases of tangible personal</u>	1421
<u>property;</u>	1422
<u>(16) The location where the individual married;</u>	1423
<u>(17) The location or identity of recipients of political</u>	1424
<u>contributions made by the individual or the individual's spouse;</u>	1425
<u>(18) The number of contact periods the individual has with</u>	1426
<u>the municipal corporation. For the purposes of this division, an</u>	1427
<u>individual has one "contact period" with a municipal corporation</u>	1428
<u>if the individual is away overnight from the individual's abode</u>	1429
<u>located outside of the municipal corporation and while away</u>	1430
<u>overnight from that abode spends at least some portion, however</u>	1431
<u>minimal, of each of two consecutive days in the municipal</u>	1432
<u>corporation.</u>	1433
<u>(19) The individual's domicile in other taxable years;</u>	1434
<u>(20) The location at which the individual is registered to</u>	1435
<u>vote;</u>	1436
<u>(21) The address on the individual's driver's license;</u>	1437
<u>(22) The location of real estate for which the individual</u>	1438
<u>claimed a property tax exemption or reduction allowed on the basis</u>	1439
<u>of the individual's residence or domicile;</u>	1440
<u>(23) The location and value of abodes owned or leased by the</u>	1441
<u>individual;</u>	1442
<u>(24) Declarations, written or oral, made by the individual</u>	1443
<u>regarding the individual's residency;</u>	1444
<u>(25) The primary location at which the individual is</u>	1445
<u>employed.</u>	1446

Sec. 718.02. This section does not apply to taxpayers that 1447
are subject to and required to file reports under Chapter 5745. of 1448
the Revised Code. applies to any taxpayer engaged in a business or 1449
profession in a municipal corporation that imposes an income tax 1450
in accordance with this chapter, unless the taxpayer is an 1451
individual who resides in the municipal corporation or the 1452
taxpayer is an electric company, combined company, or telephone 1453
company that is subject to and required to file reports under 1454
Chapter 5745. of the Revised Code. 1455

(A) Except as otherwise provided in division ~~(D)~~(B) of this 1456
section, net profit from a business or profession conducted both 1457
within and without the boundaries of a municipal corporation shall 1458
be considered as having a taxable situs in ~~such~~ the municipal 1459
corporation for purposes of municipal income taxation in the same 1460
proportion as the average ratio of the following: 1461

(1) The average original cost of the real property and 1462
tangible personal property owned or used by the taxpayer in the 1463
business or profession in ~~such~~ the municipal corporation during 1464
the taxable period to the average original cost of all of the real 1465
and tangible personal property owned or used by the taxpayer in 1466
the business or profession during the same period, wherever 1467
situated. 1468

As used in the preceding paragraph, tangible personal or real 1469
property shall include property rented or leased by the taxpayer 1470
and the value of such property shall be determined by multiplying 1471
the annual rental thereon by eight; 1472

(2) Wages, salaries, and other compensation paid during the 1473
taxable period to ~~persons~~ individuals employed in the business or 1474
profession for services performed in ~~such~~ the municipal 1475
corporation to wages, salaries, and other compensation paid during 1476
the same period to ~~persons~~ individuals employed in the business or 1477

profession, wherever ~~their~~ the individual's services are 1478
performed, excluding compensation ~~that is not taxable by the~~ 1479
~~municipal corporation under section 718.011~~ from which taxes are 1480
not required to be withheld under section 718.011 of the Revised 1481
Code; 1482

(3) ~~Gross~~ Total gross receipts of the business or profession 1483
from sales and rentals made and services performed during the 1484
taxable period in ~~such~~ the municipal corporation to total gross 1485
receipts of the business or profession during the same period from 1486
sales, rentals, and services, wherever made or performed. 1487

~~If the foregoing apportionment formula does not produce an~~ 1488
~~equitable result, another basis may be substituted, under uniform~~ 1489
~~regulations, so as to produce an equitable result.~~ 1490

~~(B) As used in division (A) of this section, "sales made in a~~ 1491
~~municipal corporation" mean:~~ 1492

~~(1) All sales of tangible personal property delivered within~~ 1493
~~such municipal corporation regardless of where title passes if~~ 1494
~~shipped or delivered from a stock of goods within such municipal~~ 1495
~~corporation;~~ 1496

~~(2) All sales of tangible personal property delivered within~~ 1497
~~such municipal corporation regardless of where title passes even~~ 1498
~~though transported from a point outside such municipal corporation~~ 1499
~~if the taxpayer is regularly engaged through its own employees in~~ 1500
~~the solicitation or promotion of sales within such municipal~~ 1501
~~corporation and the sales result from such solicitation or~~ 1502
~~promotion;~~ 1503

~~(3) All sales of tangible personal property shipped from a~~ 1504
~~place within such municipal corporation to purchasers outside such~~ 1505
~~municipal corporation regardless of where title passes if the~~ 1506
~~taxpayer is not, through its own employees, regularly engaged in~~ 1507
~~the solicitation or promotion of sales at the place where delivery~~ 1508

~~is made.~~ 1509

~~(C) Except as otherwise provided in division (D) of this~~ 1510
~~section, net (B)(1) If the apportionment factors described in~~ 1511
~~division (A) of this section do not fairly represent the extent of~~ 1512
~~a taxpayer's business activity in a municipal corporation, the~~ 1513
~~taxpayer may request, or the tax administrator of the municipal~~ 1514
~~corporation may require, that the taxpayer use, with respect to~~ 1515
~~all or any portion of the income of the taxpayer, an alternative~~ 1516
~~apportionment method involving one or more of the following:~~ 1517

(a) Separate accounting; 1518

(b) The exclusion of one or more of the factors; 1519

(c) The inclusion of one or more additional factors that 1520
would provide for a more fair apportionment of the income of the 1521
taxpayer to the municipal corporation; 1522

(d) A modification of one or more of the factors. 1523

(2) A taxpayer request to use an alternative apportionment 1524
method shall be in writing and shall accompany a tax return, 1525
timely filed appeal of a written determination, or timely filed 1526
amended tax return. The taxpayer may use the requested alternative 1527
method unless the tax administrator denies the request in a 1528
written determination by the tax administrator issued within the 1529
period prescribed by division (A) of section 718.12 of the Revised 1530
Code. 1531

(3) A tax administrator may require a taxpayer to use an 1532
alternative apportionment method as described in division (B)(1) 1533
of this section only by issuing a written determination to the 1534
taxpayer within the period prescribed by division (A) of section 1535
718.12 of the Revised Code. 1536

(4) Nothing in division (B) of this section nullifies or 1537
otherwise affects any alternative apportionment arrangement 1538

approved by a tax administrator or otherwise agreed upon by both 1539
the tax administrator and taxpayer before January 1, 2016. 1540

(C) As used in division (A)(2) of this section, "wages, 1541
salaries, and other compensation" includes only wages, salaries, 1542
or other compensation paid to an employee for services performed 1543
at any of the following locations: 1544

(1) A location that is owned, controlled, or used by, rented 1545
to, or under the possession of one of the following: 1546

(a) The employer; 1547

(b) A vendor, customer, client, or patient of the employer, 1548
or a related member of such a vendor, customer, client, or 1549
patient; 1550

(c) A vendor, customer, client, or patient of a person 1551
described in division (C)(1)(b) of this section, or a related 1552
member of such a vendor, customer, client, or patient. 1553

(2) Any location at which a trial, appeal, hearing, 1554
investigation, inquiry, review, court-martial, or similar 1555
administrative, judicial, or legislative matter or proceeding is 1556
being conducted, provided that the compensation is paid for 1557
services performed for, or on behalf of, the employer or that the 1558
employee's presence at the location directly or indirectly 1559
benefits the employer; 1560

(3) Any other location, if the tax administrator determines 1561
that the employer directed the employee to perform the services at 1562
the other location in lieu of a location described in division 1563
(C)(1) or (2) of this section solely in order to avoid or reduce 1564
the employer's municipal income tax liability. If a tax 1565
administrator makes such a determination, the employer may dispute 1566
the determination by establishing, by a preponderance of the 1567
evidence, that the tax administrator's determination was 1568
unreasonable. 1569

(D) For the purposes of division (A)(3) of this section, 1570
receipts from sales and rentals made and services performed shall 1571
be sitused to a municipal corporation as follows: 1572

(1) Gross receipts from the sale of tangible personal 1573
property shall be sitused to the municipal corporation in which 1574
the sale originated. For the purposes of this division, a sale of 1575
property originates in a municipal corporation if, regardless of 1576
where title passes, the property meets any of the following 1577
criteria: 1578

(a) The property is shipped to or delivered within the 1579
municipal corporation from a stock of goods located within the 1580
municipal corporation. 1581

(b) The property is delivered within the municipal 1582
corporation from a location outside the municipal corporation, 1583
provided the taxpayer is regularly engaged through its own 1584
employees in the solicitation or promotion of sales within such 1585
municipal corporation and the sales result from such solicitation 1586
or promotion. 1587

(c) The property is shipped from a place within the municipal 1588
corporation to purchasers outside the municipal corporation, 1589
provided that the taxpayer is not, through its own employees, 1590
regularly engaged in the solicitation or promotion of sales at the 1591
place where delivery is made. 1592

(2) Gross receipts from the sale of services shall be sitused 1593
to the municipal corporation to the extent that such services are 1594
performed in the municipal corporation. 1595

(3) To the extent included in income, gross receipts from the 1596
sale of real property located in the municipal corporation shall 1597
be sitused to the municipal corporation. 1598

(4) To the extent included in income, gross receipts from 1599
rents and royalties from real property located in the municipal 1600

corporation shall be sitused to the municipal corporation. 1601

(5) Gross receipts from rents and royalties from tangible 1602
personal property shall be sitused to the municipal corporation 1603
based upon the extent to which the tangible personal property is 1604
used in the municipal corporation. 1605

(E) The net profit received by an individual taxpayer from 1606
the rental activity not constituting a business or profession of 1607
real estate owned directly by the individual or by a disregarded 1608
entity owned by the individual shall be subject to tax only by the 1609
municipal corporation in which the property generating the net 1610
profit is located and the municipal corporation in which the 1611
individual taxpayer that receives the net profit resides. 1612

~~(D) This section does not apply to individuals who are 1613~~
~~residents of the municipal corporation and, except as otherwise 1614~~
~~provided in section 718.01 of the Revised Code, a municipal 1615~~
~~corporation may impose a tax on all income earned by residents of 1616~~
~~the municipal corporation to the extent allowed by the United 1617~~
~~States Constitution.~~ 1618

~~(E) If, in computing the taxpayer's adjusted federal taxable 1619~~
~~income, the taxpayer deducted any amount with respect to a stock 1620~~
~~option granted to an employee, and if the employee is not required 1621~~
~~to include in income any amount or any portion thereof because it 1622~~
~~is exempted from taxation under division (H)(10) of section 718.01 1623~~
~~of the Revised Code and division (A)(2)(d) of section 718.03 of 1624~~
~~the Revised Code by a municipal corporation to which the taxpayer 1625~~
~~has apportioned a portion of its net profit, the taxpayer shall 1626~~
~~add the amount that is exempt from taxation to the taxpayer's net 1627~~
~~profit that was apportioned to that municipal corporation. In no 1628~~
~~case shall a taxpayer be required to add to its net profit that 1629~~
~~was apportioned to that municipal corporation any amount other 1630~~
~~than the amount upon which the employee would be required to pay 1631~~
~~tax were the amount related to the stock option not exempted from 1632~~

~~taxation.~~ 1633

~~This division applies solely for the purpose of making an 1634
adjustment to the amount of a taxpayer's net profit that was 1635
apportioned to a municipal corporation under divisions (A) and (B) 1636
of this section.~~ 1637

A municipal corporation shall allow such taxpayers to elect 1638
to use separate accounting for the purpose of calculating net 1639
profit sitused under this division to the municipal corporation in 1640
which the property is located. 1641

(F)(1) Except as provided in division (F)(2) of this section, 1642
commissions received by a real estate agent or broker relating to 1643
the sale, purchase, or lease of real estate shall be sitused to 1644
the municipal corporation in which the real estate is located. Net 1645
profit reported by the real estate agent or broker shall be 1646
allocated to a municipal corporation based upon the ratio of the 1647
commissions the agent or broker received from the sale, purchase, 1648
or lease of real estate located in the municipal corporation to 1649
the commissions received from the sale, purchase, or lease of real 1650
estate everywhere in the taxable year. 1651

(2) An individual who is a resident of a municipal 1652
corporation that imposes a municipal income tax shall report the 1653
individual's net profit from all real estate activity on the 1654
individual's annual tax return for that municipal corporation. The 1655
individual may claim a credit for taxes the individual paid on 1656
such net profit to another municipal corporation to the extent 1657
that such a credit is allowed under the municipal income tax 1658
ordinance, or rules of the municipal corporation of residence. 1659

(G) If, in computing a taxpayer's adjusted federal taxable 1660
income, the taxpayer deducted any amount with respect to a stock 1661
option granted to an employee, and if the employee is not required 1662
to include in the employee's income any such amount or a portion 1663

thereof because it is exempted from taxation under divisions (C)(12) and (R)(1)(d) of section 718.01 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 this section.

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

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

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

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

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

~~(i) 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;~~

~~(ii) For purposes of division (B) of this section, any amount included in wages if the amount constitutes payment on account of sickness or accident disability.~~ 1694
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~~(b) Add the following amounts:~~ 1697

~~(i) Any amount not included in wages solely because the employee was employed by the employer prior to April 1, 1986;~~ 1698
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~~(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.~~ 1700
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~~(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.~~ 1708
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~~(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.~~ 1712
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~~(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.~~ 1715
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~~(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~~ 1720
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~~the amount from withholding and tax.~~ 1725

~~(B) Except as provided in division (F) of this section, for 1726
taxable years beginning after 2003, no municipal corporation shall 1727
require any employer or any agent of any employer or any other 1728
payer, to withhold tax with respect to any amount other than 1729
qualifying wages. Nothing in this section prohibits an employer 1730
from withholding tax on a basis greater than qualifying wages. 1731~~

(C)(1) Each employer, agent of an employer, or other payer 1732
located or doing business in a municipal corporation that imposes 1733
a tax on income in accordance with this chapter shall withhold 1734
from each employee an amount equal to the qualifying wages of the 1735
employee earned by the employee in the municipal corporation 1736
multiplied by the applicable rate of the municipal corporation's 1737
income tax, except for qualifying wages for which withholding is 1738
not required under section 718.011 of the Revised Code or division 1739
(D) or (F) of this section. An employer, agent of an employer, or 1740
other payer shall deduct and withhold the tax from qualifying 1741
wages on the date that the employer, agent, or other payer 1742
directly, indirectly, or constructively pays the qualifying wages 1743
to, or credits the qualifying wages to the benefit of, the 1744
employee. 1745

(2) In addition to withholding the amounts required under 1746
division (A)(1) of this section, an employer, agent of an 1747
employer, or other payer may also deduct and withhold, on the 1748
request of an employee, taxes for the municipal corporation in 1749
which the employee is a resident. 1750

(B)(1) Except as provided in division (B)(2) of this section, 1751
an employer, agent of an employer, or other payer shall remit to 1752
the tax administrator of a municipal corporation the greater of 1753
the income taxes deducted and withheld or the income taxes 1754
required to be deducted and withheld by the employer, agent, or 1755
other payer according to the following schedule: 1756

(a) Taxes required to be deducted and withheld shall be 1757
remitted monthly to the tax administrator if the total taxes 1758
deducted and withheld or required to be deducted and withheld by 1759
the employer, agent, or other payer on behalf of the municipal 1760
corporation in the preceding calendar year exceeded two thousand 1761
three hundred ninety-nine dollars, or if the total amount of taxes 1762
deducted and withheld or required to be deducted and withheld on 1763
behalf of the municipal corporation in any month of the preceding 1764
calendar quarter exceeded two hundred dollars. 1765

Payment under division (B)(1)(a) of this section shall be 1766
made so that the payment is received by the tax administrator not 1767
later than fifteen days after the last day of each month. 1768

(b) Any employer, agent of an employer, or other payer not 1769
required to make payments under division (B)(1)(a) of this section 1770
of taxes required to be deducted and withheld shall make quarterly 1771
payments to the tax administrator not later than the fifteenth day 1772
of the month following the end of each calendar quarter. 1773

(2) Notwithstanding division (B)(1) of this section, a 1774
municipal corporation may require, by resolution, ordinance, or 1775
rule, an employer, agent of an employer, or other payer to do any 1776
of the following: 1777

(a) Remit taxes deducted and withheld semimonthly to the tax 1778
administrator if the total taxes deducted and withheld or required 1779
to be deducted and withheld on behalf of the municipal corporation 1780
in the preceding calendar year exceeded eleven thousand nine 1781
hundred ninety-nine dollars, or if the total amount of taxes 1782
deducted and withheld or required to be deducted and withheld on 1783
behalf of the municipal corporation in any month of the preceding 1784
calendar year exceeded one thousand dollars. The payment under 1785
division (B)(2)(a) of this section shall be made so that the 1786
payment is received by the tax administrator not later than one of 1787
the following: 1788

(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; 1789
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(ii) If the taxes were deducted and withheld or required to be deducted and withheld after the fifteenth day of a month and before the first day of the immediately following month, the third banking day after the last day of that month. 1792
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(b) Make payment by electronic funds transfer to the tax administrator of all taxes deducted and withheld on behalf of the municipal corporation if the employer, agent of an employer, or other payer is required to make payments electronically for the purpose of paying federal taxes withheld on payments to employees under section 6302 of the Internal Revenue Code, 26 C.F.R. 31.6302-1, or any other federal statute or regulation. The payment of tax by electronic funds transfer under this division does not affect an employer's, agent's, or other payer's obligation to file any return as required under this section. 1796
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(C) An employer, agent of an employer, or other payer shall make and file a return showing the amount of tax withheld by the employer, agent, or other payer from the qualifying wages of each employee and remitted to the tax administrator. Unless the tax administrator requires all individual taxpayers to file a tax return under section 718.05 of the Revised Code, a return filed by an employer, agent, or other payer under this division shall be accepted by a tax administrator and municipal corporation as the return required of an employee whose sole income subject to the tax under this chapter is the qualifying wages reported by the employee's employer, agent of an employer, or other payer. 1806
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(D) An employer, agent of an employer, or other payer is not required to ~~make any withholding~~ withhold municipal income tax with respect to an individual's disqualifying disposition of an incentive stock option if, at the time of the disqualifying 1817
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disposition, the individual is not an employee of either the 1821
corporation with respect to whose stock the option has been issued 1822
or of such corporation's successor entity. 1823

~~(D)~~(E)(1) An employee is not relieved from liability for a 1824
tax by the failure of the employer, agent of an employer, or other 1825
payer to withhold the tax as required ~~by a municipal corporation~~ 1826
under this chapter or by the employer's, agent's, or other payer's 1827
exemption from the requirement to withhold the tax. 1828

(2) The failure of an employer, agent of an employer, or 1829
other payer to remit to the municipal corporation the tax withheld 1830
relieves the employee from liability for that tax unless the 1831
employee colluded with the employer, agent, or other payer in 1832
connection with the failure to remit the tax withheld. 1833

~~(E)~~(F) Compensation deferred before June 26, 2003, is not 1834
subject to any municipal corporation income tax or municipal 1835
income tax withholding requirement to the extent the deferred 1836
compensation does not constitute qualifying wages at the time the 1837
deferred compensation is paid or distributed. 1838

~~(F)~~ A municipal corporation may require a casino facility or 1839
a casino operator, as defined in Section 6(C)(9) of Article XV, 1840
Ohio Constitution, and section 3772.01 of the Revised Code, 1841
respectively, or a lottery sales agent conducting video lottery 1842
terminals on behalf of the state to withhold and remit tax with 1843
respect to amounts other than qualifying wages. 1844

(G) Each employer, agent of an employer, or other payer 1845
required to withhold taxes is liable for the payment of that 1846
amount required to be withheld, whether or not such taxes have 1847
been withheld, and such amount shall be deemed to be held in trust 1848
for the municipal corporation until such time as the withheld 1849
amount is remitted to the tax administrator. 1850

(H) On or before the last day of February of each year, an 1851

employer shall file a withholding reconciliation return with the 1852
tax administrator listing the names, addresses, and social 1853
security numbers of all employees from whose qualifying wages tax 1854
was withheld or should have been withheld for the municipal 1855
corporation during the preceding calendar year, the amount of tax 1856
withheld, if any, from each such employee, the total amount of 1857
qualifying wages paid to such employee during the preceding 1858
calendar year, the name of every other municipal corporation for 1859
which tax was withheld or should have been withheld from such 1860
employee during the preceding calendar year, any other information 1861
required for federal income tax reporting purposes on Internal 1862
Revenue Service form W-2 or its equivalent form with respect to 1863
such employee, and other information as may be required by the tax 1864
administrator. 1865

(I) The officer or the employee of the employer, agent of an 1866
employer, or other payer with control or direct supervision of or 1867
charged with the responsibility for withholding the tax or filing 1868
the reports and making payments as required by this section, shall 1869
be personally liable for a failure to file a report or pay the tax 1870
due as required by this section. The dissolution of an employer, 1871
agent of an employer, or other payer does not discharge the 1872
officer's or employee's liability for a failure of the employer, 1873
agent of an employer, or other payer to file returns or pay any 1874
tax due. 1875

(J) An employer is required to deduct and withhold municipal 1876
income tax on tips and gratuities received by the employer's 1877
employees and constituting qualifying wages only to the extent 1878
that the tips and gratuities are under the employer's control. For 1879
the purposes of this division, a tip or gratuity is under the 1880
employer's control if the tip or gratuity is paid by the customer 1881
to the employer for subsequent remittance to the employee, or if 1882
the customer pays the tip or gratuity by credit card, debit card, 1883

or other electronic means. 1884

(K) A tax administrator shall consider any tax withheld by an employer at the request of an employee when such tax is not otherwise required to be withheld by this chapter to be tax required to be withheld and remitted for the purposes of this section. 1885
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Sec. 718.031. (A) A municipal corporation shall require a casino facility or a casino operator, as defined in Section 6(C)(9) of Article XV, Ohio Constitution, and section 3772.01 of the Revised Code, respectively, or a lottery sales agent conducting video lottery terminals on behalf of the state to withhold and remit municipal income tax with respect to amounts other than qualifying wages as provided in this section. 1890
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(B) 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 municipal income tax from the person's winnings at the rate of the tax imposed by the municipal corporation in which the casino facility is located. 1897
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(C) Amounts deducted and withheld by a casino operator are held in trust for the benefit of the municipal corporation to which the tax is owed. 1904
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(1) On or before the tenth day of each month, the casino operator shall file a return electronically with the tax administrator of the municipal corporation, providing the name, address, and social security number of the person from whose winnings amounts were deducted and withheld, the amount of each such deduction and withholding during the preceding calendar month, the amount of the winnings from which each such amount was withheld, the type of casino gaming that resulted in such 1907
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winnings, and any other information required by the tax 1915
administrator. With this return, the casino operator shall remit 1916
electronically to the municipal corporation all amounts deducted 1917
and withheld during the preceding month. 1918

(2) Annually, on or before the thirty-first day of January, a 1919
casino operator shall file an annual return electronically with 1920
the tax administrator of the municipal corporation in which the 1921
casino facility is located, indicating the total amount deducted 1922
and withheld during the preceding calendar year. The casino 1923
operator shall remit electronically with the annual return any 1924
amount that was deducted and withheld and that was not previously 1925
remitted. If the name, address, or social security number of a 1926
person or the amount deducted and withheld with respect to that 1927
person was omitted on a monthly return for that reporting period, 1928
that information shall be indicated on the annual return. 1929

(3) Annually, on or before the thirty-first day of January, a 1930
casino operator shall issue an information return to each person 1931
with respect to whom an amount has been deducted and withheld 1932
during the preceding calendar year. The information return shall 1933
show the total amount of municipal income tax deducted from the 1934
person's winnings during the preceding year. The casino operator 1935
shall provide to the tax administrator a copy of each information 1936
return issued under this division. The administrator may require 1937
that such copies be transmitted electronically. 1938

(4) A casino operator that fails to file a return and remit 1939
the amounts deducted and withheld shall be personally liable for 1940
the amount withheld and not remitted. Such personal liability 1941
extends to any penalty and interest imposed for the late filing of 1942
a return or the late payment of tax deducted and withheld. 1943

(5) If a casino operator sells the casino facility or 1944
otherwise quits the casino business, the amounts deducted and 1945
withheld along with any penalties and interest thereon are 1946

immediately due and payable. The successor shall withhold an 1947
amount of the purchase money that is sufficient to cover the 1948
amounts deducted and withheld along with any penalties and 1949
interest thereon until the predecessor casino operator produces 1950
either of the following: 1951

(a) A receipt from the tax administrator showing that the 1952
amounts deducted and withheld and penalties and interest thereon 1953
have been paid; 1954

(b) A certificate from the tax administrator indicating that 1955
no amounts are due. 1956

If the successor fails to withhold purchase money, the 1957
successor is personally liable for the payment of the amounts 1958
deducted and withheld and penalties and interest thereon. 1959

(6) The failure of a casino operator to deduct and withhold 1960
the required amount from a person's winnings does not relieve that 1961
person from liability for the municipal income tax with respect to 1962
those winnings. 1963

(D) If a person's prize award from a video lottery terminal 1964
is an amount for which reporting to the internal revenue service 1965
is required by section 6041 of the Internal Revenue Code, as 1966
amended, the video lottery sales agent shall deduct and withhold 1967
municipal income tax from the person's prize award at the rate of 1968
the tax imposed by the municipal corporation in which the video 1969
lottery terminal facility is located. 1970

(E) Amounts deducted and withheld by a video lottery sales 1971
agent are held in trust for the benefit of the municipal 1972
corporation to which the tax is owed. 1973

(1) The video lottery sales agent shall issue to a person 1974
from whose prize award an amount has been deducted and withheld a 1975
receipt for the amount deducted and withheld, and shall obtain 1976
from the person receiving a prize award the person's name, 1977

address, and social security number in order to facilitate the 1978
preparation of returns required by this section. 1979

(2) On or before the tenth day of each month, the video 1980
lottery sales agent shall file a return electronically with the 1981
tax administrator of the municipal corporation providing the 1982
names, addresses, and social security numbers of the persons from 1983
whose prize awards amounts were deducted and withheld, the amount 1984
of each such deduction and withholding during the preceding 1985
calendar month, the amount of the prize award from which each such 1986
amount was withheld, and any other information required by the tax 1987
administrator. With the return, the video lottery sales agent 1988
shall remit electronically to the tax administrator all amounts 1989
deducted and withheld during the preceding month. 1990

(3) A video lottery sales agent shall maintain a record of 1991
all receipts issued under division (E) of this section and shall 1992
make those records available to the tax administrator upon 1993
request. Such records shall be maintained in accordance with 1994
section 5747.17 of the Revised Code and any rules adopted pursuant 1995
thereto. 1996

(4) Annually, on or before the thirty-first day of January, 1997
each video lottery terminal sales agent shall file an annual 1998
return electronically with the tax administrator of the municipal 1999
corporation in which the facility is located indicating the total 2000
amount deducted and withheld during the preceding calendar year. 2001
The video lottery sales agent shall remit electronically with the 2002
annual return any amount that was deducted and withheld and that 2003
was not previously remitted. If the name, address, or social 2004
security number of a person or the amount deducted and withheld 2005
with respect to that person was omitted on a monthly return for 2006
that reporting period, that information shall be indicated on the 2007
annual return. 2008

(5) Annually, on or before the thirty-first day of January, a 2009

video lottery sales agent shall issue an information return to 2010
each person with respect to whom an amount has been deducted and 2011
withheld during the preceding calendar year. The information 2012
return shall show the total amount of municipal income tax 2013
deducted and withheld from the person's prize award by the video 2014
lottery sales agent during the preceding year. A video lottery 2015
sales agent shall provide to the tax administrator of the 2016
municipal corporation a copy of each information return issued 2017
under this division. The tax administrator may require that such 2018
copies be transmitted electronically. 2019

(6) A video lottery sales agent who fails to file a return 2020
and remit the amounts deducted and withheld is personally liable 2021
for the amount deducted and withheld and not remitted. Such 2022
personal liability extends to any penalty and interest imposed for 2023
the late filing of a return or the late payment of tax deducted 2024
and withheld. 2025

(F) If a video lottery sales agent ceases to operate video 2026
lottery terminals, the amounts deducted and withheld along with 2027
any penalties and interest thereon are immediately due and 2028
payable. The successor of the video lottery sales agent that 2029
purchases the video lottery terminals from the agent shall 2030
withhold an amount from the purchase money that is sufficient to 2031
cover the amounts deducted and withheld and any penalties and 2032
interest thereon until the predecessor video lottery sales agent 2033
operator produces either of the following: 2034

(1) A receipt from the tax administrator showing that the 2035
amounts deducted and withheld and penalties and interest thereon 2036
have been paid; 2037

(2) A certificate from the tax administrator indicating that 2038
no amounts are due. 2039

If the successor fails to withhold purchase money, the 2040

successor is personally liable for the payment of the amounts 2041
deducted and withheld and penalties and interest thereon. 2042

(G) The failure of a video lottery sales agent to deduct and 2043
withhold the required amount from a person's prize award does not 2044
relieve that person from liability for the municipal income tax 2045
with respect to that prize award. 2046

(H) If a casino operator or lottery sales agent files a 2047
return late, fails to file a return, remits amounts deducted and 2048
withheld late, or fails to remit amounts deducted and withheld as 2049
required under this section, the tax administrator of a municipal 2050
corporation may impose the following applicable penalty: 2051

(1) For the late remittance of, or failure to remit, tax 2052
deducted and withheld under this section, a penalty equal to fifty 2053
per cent of the tax deducted and withheld; 2054

(2) For the failure to file, or the late filing of, a monthly 2055
or annual return, a penalty of five hundred dollars for each 2056
return not filed or filed late. Interest shall accrue on past due 2057
amounts deducted and withheld at the rate prescribed in section 2058
5703.47 of the Revised Code. 2059

(I) Amounts deducted and withheld on behalf of a municipal 2060
corporation shall be allowed as a credit against payment of the 2061
tax imposed by the municipal corporation and shall be treated as 2062
taxes paid for purposes of section 718.08 of the Revised Code. 2063
This division applies only to the person for whom the amount is 2064
deducted and withheld. 2065

(J) The tax administrator shall prescribe the forms of the 2066
receipts and returns required under this section. 2067

Sec. 718.04. (A) Notwithstanding division (A) of section 2068
715.013 of the Revised Code, a municipal corporation may levy a 2069
tax on income and a withholding tax if such taxes are levied in 2070

accordance with the provisions and limitations specified in this 2071
chapter. On or after January 1, 2016, the ordinance or resolution 2072
levying such taxes, as adopted or amended by the legislative 2073
authority of the municipal corporation, shall include all of the 2074
following: 2075

(1) A statement that the tax is an annual tax levied on the 2076
income of every person residing in or earning or receiving income 2077
in the municipal corporation and that the tax shall be measured by 2078
municipal taxable income; 2079

(2) A statement that the municipal corporation is levying the 2080
tax in accordance with the limitations specified in this chapter 2081
and that the resolution or ordinance thereby incorporates the 2082
provisions of this chapter; 2083

(3) The rate of the tax; 2084

(4) Whether, and the extent to which, a credit, as described 2085
in division (D) of this section, will be allowed against the tax; 2086

(5) The purpose or purposes of the tax; 2087

(6) Any other provision necessary for the administration of 2088
the tax, provided that the provision does not conflict with any 2089
provision of this chapter. 2090

(B) Any municipal corporation that, on or before the 2091
effective date of the enactment of this section, levies an income 2092
tax at a rate in excess of one per cent may continue to levy the 2093
tax at the rate specified in the original ordinance or resolution, 2094
provided that such rate continues in effect as specified in the 2095
original ordinance or resolution. 2096

(C)(1) No municipal corporation shall tax income at other 2097
than a uniform rate. 2098

(2) Except as provided in division (B) of this section, no 2099
municipal corporation shall levy a tax on income at a rate in 2100

excess of one per cent without having obtained the approval of the 2101
excess by a majority of the electors of the municipality voting on 2102
the question at a general, primary, or special election. The 2103
legislative authority of the municipal corporation shall file with 2104
the board of elections at least ninety days before the day of the 2105
election a copy of the ordinance together with a resolution 2106
specifying the date the election is to be held and directing the 2107
board of elections to conduct the election. The ballot shall be in 2108
the following form: "Shall the Ordinance providing for a ... per 2109
cent levy on income for (Brief description of the purpose of the 2110
proposed levy) be passed? 2111

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

In the event of an affirmative vote, the proceeds of the levy may 2116
be used only for the specified purpose. 2117

(D) A municipal corporation may, by ordinance or resolution, 2118
grant a credit to residents of the municipal corporation for all 2119
or a portion of the taxes paid to any municipal corporation, in 2120
this state or elsewhere, by the resident or by a pass-through 2121
entity owned, directly or indirectly, by a resident, on the 2122
resident's distributive or proportionate share of the income of 2123
the pass-through entity. A municipal corporation is not required 2124
to refund taxes not paid to the municipal corporation. 2125

(E) Except as otherwise provided in this chapter, a municipal 2126
corporation that levies an income tax in effect for taxable years 2127
beginning before January 1, 2016, may continue to administer and 2128
enforce the provisions of such tax for all taxable years beginning 2129
before January 1, 2016, provided that the provisions of such tax 2130
are consistent with this chapter as it existed prior to the 2131

effective date of the enactment of this section. 2132

(F) Nothing in this chapter authorizes a municipal corporation to levy a tax on income, or to administer or collect such a tax or penalties or interest related to such a tax, contrary to the provisions and limitations specified in this chapter. No municipal corporation shall enforce an ordinance or resolution that conflicts with the provisions of this chapter. 2133
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Sec. 718.05. (A) An annual return with respect to the income tax levied by a municipal corporation shall be completed and filed by every taxpayer for any taxable year for which the taxpayer is liable for the tax. If the total credit allowed against the tax as described in division (D) of section 718.04 of the Revised Code for the year is equal to or exceeds the tax imposed by the municipal corporation, no return shall be required unless the municipal ordinance or resolution levying the tax requires the filing of a return in such circumstances. 2139
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(B) If an individual is deceased, any return or notice required of that individual shall be completed and filed by that decedent's executor, administrator, or other person charged with the property of that decedent. 2148
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(C) If an individual is unable to complete and file a return or notice required by a municipal corporation in accordance with this chapter, the return or notice required of that individual shall be completed and filed by the individual's duly authorized agent, guardian, conservator, fiduciary, or other person charged with the care of the person or property of that individual. 2152
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(D) Returns or notices required of an estate or a trust shall be completed and filed by the fiduciary of the estate or trust. 2158
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(E) No municipal corporation shall deny spouses the ability to file a joint return. 2160
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(F)(1) Each return required to be filed under this section 2162
shall contain the signature of the taxpayer or the taxpayer's duly 2163
authorized agent and of the person who prepared the return for the 2164
taxpayer, and shall include the taxpayer's social security number 2165
or taxpayer identification number. Each return shall be verified 2166
by a declaration under penalty of perjury. 2167

(2) A tax administrator may require a taxpayer who is an 2168
individual to include, with each annual return, amended return, or 2169
request for refund required under this section, copies of only the 2170
following documents: all of the taxpayer's Internal Revenue 2171
Service form W-2, "Wage and Tax Statements," including all 2172
information reported on the taxpayer's federal W-2, as well as 2173
taxable wages reported or withheld for any municipal corporation; 2174
the taxpayer's Internal Revenue Service form 1040; and, with 2175
respect to an amended tax return or refund request, any other 2176
documentation necessary to support the refund request or the 2177
adjustments made in the amended return. An individual taxpayer who 2178
files the annual return required by this section electronically is 2179
not required to provide paper copies of any of the foregoing to 2180
the tax administrator unless the tax administrator requests such 2181
copies after the return has been filed. 2182

(3) A tax administrator may require a taxpayer that is not an 2183
individual to include, with each annual net profit return, amended 2184
net profit return, or request for refund required under this 2185
section, copies of only the following documents: the taxpayer's 2186
Internal Revenue Service form 1041, form 1065, form 1120, form 2187
1120-REIT, form 1120F, or form 1120S, and, with respect to an 2188
amended tax return or refund request, any other documentation 2189
necessary to support the refund request or the adjustments made in 2190
the amended return. 2191

A taxpayer that is not an individual and that files an annual 2192
net profit return electronically through the Ohio business gateway 2193

or in some other manner shall either mail the documents required 2194
under this division to the tax administrator at the time of filing 2195
or, if electronic submission is available, submit the documents 2196
electronically through the Ohio business gateway. The department 2197
of taxation shall publish a method of electronically submitting 2198
the documents required under this division through the Ohio 2199
business gateway on or before January 1, 2016. The department 2200
shall transmit all documents submitted electronically under this 2201
division to the appropriate tax administrator. 2202

(4) After a taxpayer files a tax return, the tax 2203
administrator may request, and the taxpayer shall provide, any 2204
information, statements, or documents required by the municipal 2205
corporation to determine and verify the taxpayer's municipal 2206
income tax liability. The requirements imposed under division (F) 2207
of this section apply regardless of whether the taxpayer files on 2208
a generic form or on a form prescribed by the tax administrator. 2209

(G)(1) Except as otherwise provided in this chapter, each 2210
return required to be filed under this section shall be completed 2211
and filed as required by the tax administrator on or before the 2212
date prescribed for the filing of state individual income tax 2213
returns under division (G) of section 5747.08 of the Revised Code. 2214
The taxpayer shall complete and file the return or notice on forms 2215
prescribed by the tax administrator or on generic forms, together 2216
with remittance made payable to the municipal corporation or tax 2217
administrator. No remittance is required if the amount shown to be 2218
due is ten dollars or less. 2219

(2) Any taxpayer that has duly requested an automatic 2220
six-month extension for filing the taxpayer's federal income tax 2221
return shall automatically receive an extension for the filing of 2222
a municipal income tax return. The extended due date of the 2223
municipal income tax return shall be the fifteenth day of the 2224
tenth month after the last day of the taxable year to which the 2225

return relates. An extension of time to file under this division 2226
is not an extension of the time to pay any tax due unless the tax 2227
administrator grants an extension of that date. 2228

(3) If the tax commissioner extends for all taxpayers the 2229
date for filing state income tax returns under division (G) of 2230
section 5747.08 of the Revised Code, a taxpayer shall 2231
automatically receive an extension for the filing of a municipal 2232
income tax return. The extended due date of the municipal income 2233
tax return shall be the same as the extended due date of the state 2234
income tax return. 2235

(4) If the tax administrator considers it necessary in order 2236
to ensure the payment of the tax imposed by the municipal 2237
corporation in accordance with this chapter, the tax administrator 2238
may require taxpayers to file returns and make payments otherwise 2239
than as provided in this section, including taxpayers not 2240
otherwise required to file annual returns. 2241

(5) To the extent that any provision in this division 2242
conflicts with any provision in section 718.052 of the Revised 2243
Code, the provision in that section prevails. 2244

(H)(1) For taxable years beginning after 2015, a municipal 2245
corporation shall not require a taxpayer to remit tax with respect 2246
to net profits if the amount due is less than ten dollars. 2247

(2) Any taxpayer not required to remit tax to a municipal 2248
corporation for a taxable year pursuant to division (H)(1) of this 2249
section shall file with the municipal corporation an annual net 2250
profit return under division (F)(3) of this section. 2251

(I) This division shall not apply to payments required to be 2252
made under division (B)(1)(a) or (2)(a) of section 718.03 of the 2253
Revised Code. 2254

(1) If any report, claim, statement, or other document 2255
required to be filed, or any payment required to be made, within a 2256

prescribed period or on or before a prescribed date under this 2257
chapter is delivered after that period or that date by United 2258
States mail to the tax administrator or other municipal official 2259
with which the report, claim, statement, or other document is 2260
required to be filed, or to which the payment is required to be 2261
made, the date of the postmark stamped on the cover in which the 2262
report, claim, statement, or other document, or payment is mailed 2263
shall be deemed to be the date of delivery or the date of payment. 2264
"The date of postmark" means, in the event there is more than one 2265
date on the cover, the earliest date imprinted on the cover by the 2266
postal service. 2267

(2) If a payment is required to be made by electronic funds 2268
transfer, the payment is considered to be made when the payment is 2269
credited to an account designated by the tax administrator for the 2270
receipt of tax payments, except that, when a payment made by 2271
electronic funds transfer is delayed due to circumstances not 2272
under the control of the taxpayer, the payment is considered to be 2273
made when the taxpayer submitted the payment. 2274

(J) The amounts withheld by an employer, the agent of an 2275
employer, or an other payer as described in section 718.03 of the 2276
Revised Code shall be allowed to the recipient of the compensation 2277
as credits against payment of the tax imposed on the recipient by 2278
the municipal corporation, unless the amounts withheld were not 2279
remitted to the municipal corporation and the recipient colluded 2280
with the employer, agent, or other payer in connection with the 2281
failure to remit the amounts withheld. 2282

(K) Each return required by a municipal corporation to be 2283
filed in accordance with this section shall include a box that the 2284
taxpayer may check to authorize another person, including a tax 2285
return preparer who prepared the return, to communicate with the 2286
tax administrator about matters pertaining to the return. The 2287
return or instructions accompanying the return shall indicate that 2288

by checking the box the taxpayer authorizes the tax administrator 2289
to contact the preparer or other person concerning questions that 2290
arise during the examination or other review of the return and 2291
authorizes the preparer or other person only to provide the tax 2292
administrator with information that is missing from the return, to 2293
contact the tax administrator for information about the 2294
examination or other review of the return or the status of the 2295
taxpayer's refund or payments, and to respond to notices about 2296
mathematical errors, offsets, or return preparation that the 2297
taxpayer has received from the tax administrator and has shown to 2298
the preparer or other person. 2299

(L) The tax administrator of a municipal corporation shall 2300
accept for filing a generic form of any income tax return, report, 2301
or document required by the municipal corporation in accordance 2302
with this chapter, provided that the generic form, once completed 2303
and filed, contains all of the information required by ordinance, 2304
resolution, or rules adopted by the municipal corporation or tax 2305
administrator, and provided that the taxpayer or tax return 2306
preparer filing the generic form otherwise complies with the 2307
provisions of this chapter and of the municipal corporation 2308
ordinance or resolution governing the filing of returns, reports, 2309
or documents. 2310

(M) When income tax returns, reports, or other documents 2311
require the signature of a tax return preparer, the tax 2312
administrator shall accept a facsimile of such a signature in lieu 2313
of a manual signature. 2314

Sec. 718.051. ~~(A) As used in this section, "Ohio business~~ 2315
~~gateway" means the online computer network system, initially~~ 2316
~~created by the department of administrative services under section~~ 2317
~~125.30 of the Revised Code, that allows private businesses to~~ 2318
~~electronically file business reply forms with state agencies and~~ 2319

~~includes any successor electronic filing and payment system.~~ 2320

~~(B) Notwithstanding section 718.05 of the Revised Code, on 2321
and after January 1, 2005, any taxpayer that is subject to any 2322
municipal corporation's tax on the net profit from a business or 2323
profession and has received an extension to file the federal 2324
income tax return shall not be required to notify the municipal 2325
corporation of the federal extension and shall not be required to 2326
file any municipal income tax return until the last day of the 2327
month to which the due date for filing the federal return has been 2328
extended, provided that, on or before the date for filing the 2329
municipal income tax return, the person notifies the tax 2330
commissioner of the federal extension through the Ohio business 2331
gateway. An extension of time to file is not an extension of the 2332
time to pay any tax due.~~ 2333

~~(C) For taxable years beginning on or after January 1, 2005, 2334
a Any taxpayer subject to any municipal corporation's tax on 2335
income taxation with respect to the taxpayer's net profit from a 2336
business or profession may file any municipal income tax return 2337
or, estimated municipal income tax return, or extension for filing 2338
a municipal income tax return, and may make payment of amounts 2339
shown to be due on such returns, by using the Ohio business 2340
gateway.~~ 2341

~~(D)(1) As used in this division, "qualifying wages" has the 2342
same meaning as in section 718.03 of the Revised Code.~~ 2343

~~(2)(B) Any employer, agent of an employer, or other payer may 2344
report the amount of municipal income tax withheld from qualifying 2345
wages ~~paid on or after January 1, 2007,~~ and may make remittance of 2346
such amounts, by using the Ohio business gateway.~~ 2347

~~(E)(C) Nothing in this section affects the due dates for 2348
filing employer withholding tax returns.~~ 2349

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

~~(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.

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

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

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

The commissioner shall not adopt rules under this division that conflict with the requirements of section 718.05 of the Revised Code.

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

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

Sec. 718.052. (A) Each member of the national guard of any state and each member of a reserve component of the armed forces of the United States called to active duty pursuant to an executive order issued by the president of the United States or an

act of the congress of the United States, and each civilian 2380
serving as support personnel in a combat zone or contingency 2381
operation in support of the armed forces, may apply to the tax 2382
administrator of a municipal corporation for both an extension of 2383
time for filing of the return and an extension of time for payment 2384
of taxes required by the municipal corporation in accordance with 2385
this chapter during the period of the member's or civilian's duty 2386
service and for one hundred eighty days thereafter. The 2387
application shall be filed on or before the one hundred eightieth 2388
day after the member's or civilian's duty terminates. An applicant 2389
shall provide such evidence as the tax administrator considers 2390
necessary to demonstrate eligibility for the extension. 2391

(B)(1) If the tax administrator ascertains that an applicant 2392
is qualified for an extension under this section, the tax 2393
administrator shall enter into a contract with the applicant for 2394
the payment of the tax in installments that begin on the one 2395
hundred eighty-first day after the applicant's active duty or 2396
service terminates. Except as provided in division (B)(3) of this 2397
section, the tax administrator may prescribe such contract terms 2398
as the tax administrator considers appropriate. 2399

(2) If the tax administrator ascertains that an applicant is 2400
qualified for an extension under this section, the applicant shall 2401
neither be required to file any return, report, or other tax 2402
document nor be required to pay any tax otherwise due to the 2403
municipal corporation before the one hundred eighty-first day 2404
after the applicant's active duty or service terminates. 2405

(3) Taxes paid pursuant to a contract entered into under 2406
division (B)(1) of this section are not delinquent. The tax 2407
administrator shall not require any payments of penalties or 2408
interest in connection with those taxes for the extension period. 2409

(C)(1) Nothing in this division denies to any person 2410

described in this division the application of divisions (A) and (B) of this section. 2411
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(2)(a) A qualifying taxpayer who is eligible for an extension under the Internal Revenue Code shall receive both an extension of time in which to file any return, report, or other tax document and an extension of time in which to make any payment of taxes required by a municipal corporation in accordance with this chapter. The length of any extension granted under division (C)(2)(a) of this section shall be equal to the length of the corresponding extension that the taxpayer receives under the Internal Revenue Code. As used in this section, "qualifying taxpayer" means a member of the national guard or a member of a reserve component of the armed forces of the United States called to active duty pursuant to either an executive order issued by the president of the United States or an act of the congress of the United States, or a civilian serving as support personnel in a combat zone or contingency operation in support of the armed forces. 2413
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(b) Taxes whose payment is extended in accordance with division (C)(2)(a) of this section are not delinquent during the extension period. Such taxes become delinquent on the first day after the expiration of the extension period if the taxes are not paid prior to that date. The tax administrator shall not require any payment of penalties or interest in connection with those taxes for the extension period. The tax administrator shall not include any period of extension granted under division (C)(2)(a) of this section in calculating the penalty or interest due on any unpaid tax. 2429
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(D) For each taxable year to which division (A), (B), or (C) of this section applies to a taxpayer, the provisions of divisions (B)(2) and (3) or (C) of this section, as applicable, apply to the spouse of that taxpayer if the filing status of the spouse and the 2439
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taxpayer is married filing jointly for that year. 2443

Sec. 718.06. (A) As used in this section: 2444

(1) "Affiliated group of corporations" means an affiliated 2445
group as defined in section 1504 of the Internal Revenue Code, 2446
except that, if such a group includes at least one incumbent local 2447
exchange carrier that is primarily engaged in the business of 2448
providing local exchange telephone service in this state, the 2449
affiliated group shall not include any incumbent local exchange 2450
carrier that would otherwise be included in the group. 2451

(2) "Consolidated federal income tax return" means a 2452
consolidated return filed for federal income tax purposes pursuant 2453
to section 1501 of the Internal Revenue Code. 2454

(3) "Consolidated federal taxable income" means the 2455
consolidated taxable income of an affiliated group of 2456
corporations, as computed for the purposes of filing a 2457
consolidated federal income tax return, before consideration of 2458
net operating losses or special deductions. "Consolidated federal 2459
taxable income" does not include income or loss of an incumbent 2460
local exchange carrier that is excluded from the affiliated group 2461
under division (A)(1) of this section. 2462

(4) "Incumbent local exchange carrier" has the same meaning 2463
as in section 4927.01 of the Revised Code. 2464

(5) "Local exchange telephone service" has the same meaning 2465
as in section 5727.01 of the Revised Code. 2466

(B)(1) For taxable years beginning on or after January 1, 2467
2016, a taxpayer that is a member of an affiliated group of 2468
corporations may elect to file a consolidated municipal income tax 2469
return for a taxable year if at least one member of the affiliated 2470
group of corporations is subject to the municipal income tax in 2471
that taxable year and if the affiliated group of corporations 2472

filed a consolidated federal income tax return with respect to 2473
that taxable year. The election is binding for a five-year period 2474
beginning with the first taxable year of the initial election 2475
unless a change in the reporting method is required under federal 2476
law. The election continues to be binding for each subsequent 2477
five-year period unless the taxpayer elects to discontinue filing 2478
consolidated municipal income tax returns under division (B)(2) of 2479
this section or a taxpayer receives permission from the tax 2480
administrator. The tax administrator shall approve such a request 2481
for good cause shown. 2482

(2) An election to discontinue filing consolidated municipal 2483
income tax returns under this section must be made in the first 2484
year following the last year of a five-year consolidated municipal 2485
income tax return election period in effect under division (B)(1) 2486
of this section. The election to discontinue filing a consolidated 2487
municipal income tax return is binding for a five-year period 2488
beginning with the first taxable year of the election. 2489

(3) An election made under division (B)(1) or (2) of this 2490
section is binding on all members of the affiliated group of 2491
corporations subject to a municipal income tax. 2492

(C) A taxpayer that is a member of an affiliated group of 2493
corporations that filed a consolidated federal income tax return 2494
for a taxable year shall file a consolidated municipal income tax 2495
return for that taxable year if the tax administrator determines, 2496
by a preponderance of the evidence, that intercompany transactions 2497
have not been conducted at arm's length and that there has been a 2498
distortive shifting of income or expenses with regard to 2499
allocation of net profits to the municipal corporation. A taxpayer 2500
that is required to file a consolidated municipal income tax 2501
return for a taxable year shall file a consolidated municipal 2502
income tax return for all subsequent taxable years unless the 2503
taxpayer requests and receives written permission from the tax 2504

administrator to file a separate return or a taxpayer has 2505
experienced a change in circumstances. 2506

(D) A taxpayer shall prepare a consolidated municipal income 2507
tax return in the same manner as is required under the United 2508
States department of treasury regulations that prescribe 2509
procedures for the preparation of the consolidated federal income 2510
tax return required to be filed by the common parent of the 2511
affiliated group of which the taxpayer is a member. 2512

(E)(1) Except as otherwise provided in divisions (E)(2), (3), 2513
and (4) of this section, corporations that file a consolidated 2514
municipal income tax return shall compute adjusted federal taxable 2515
income, as defined in section 718.01 of the Revised Code, by 2516
substituting "consolidated federal taxable income" for "federal 2517
taxable income" wherever "federal taxable income" appears in that 2518
division and by substituting "an affiliated group of 2519
corporation's" for "a C corporation's" wherever "a C 2520
corporation's" appears in that division. 2521

(2) No corporation filing a consolidated municipal income tax 2522
return shall make any adjustment otherwise required under division 2523
(E) of section 718.01 of the Revised Code to the extent that the 2524
item of income or deduction otherwise subject to the adjustment 2525
has been eliminated or consolidated in the computation of 2526
consolidated federal taxable income. 2527

(3) If the net profit or loss of a pass-through entity having 2528
at least eighty per cent of the value of its ownership interest 2529
owned or controlled, directly or indirectly, by an affiliated 2530
group of corporations is included in that affiliated group's 2531
consolidated federal taxable income for a taxable year, the 2532
corporation filing a consolidated municipal income tax return 2533
shall do one of the following with respect to that pass-through 2534
entity's net profit or loss for that taxable year: 2535

(a) Exclude the pass-through entity's net profit or loss from the consolidated federal taxable income of the affiliated group and, for the purpose of making the computations required in section 718.02 of the Revised Code, exclude 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 excluded, the entity shall be subject to taxation as a separate taxpayer on the basis of the entity's net profits that would otherwise be included in the consolidated federal taxable income of the affiliated group.

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

(4) If the net profit or loss of a pass-through entity having less than eighty per cent of the value of its ownership interest owned or controlled, directly or indirectly, by an affiliated group of corporations is included in that affiliated group's consolidated federal taxable income for a taxable year, all of the following shall apply:

(a) The corporation filing the consolidated municipal income tax return shall exclude the pass-through entity's net profit or loss from the consolidated federal taxable income of the affiliated group and, for the purposes of making the computations required in section 718.02 of the Revised Code, exclude the

property, payroll, and gross receipts of the pass-through entity 2568
in the computation of the affiliated group's net profit sitused to 2569
a municipal corporation: 2570

(b) The pass-through entity shall be subject to municipal 2571
income taxation as a separate taxpayer in accordance with this 2572
chapter on the basis of the entity's net profits that would 2573
otherwise be included in the consolidated federal taxable income 2574
of the affiliated group. 2575

(F) Corporations filing a consolidated municipal income tax 2576
return shall make the computations required under section 718.02 2577
of the Revised Code by substituting "consolidated federal taxable 2578
income attributable to" for "net profit from" wherever "net profit 2579
from" appears in that section and by substituting "affiliated 2580
group of corporations" for "taxpayer" wherever "taxpayer" appears 2581
in that section. 2582

(G) Each corporation filing a consolidated municipal income 2583
tax return is jointly and severally liable for any tax, interest, 2584
penalties, fines, charges, or other amounts imposed by a municipal 2585
corporation in accordance with this chapter on the corporation, an 2586
affiliated group of which the corporation is a member for any 2587
portion of the taxable year, or any one or more members of such an 2588
affiliated group. 2589

(H) Corporations and their affiliates that made an election 2590
or entered into an agreement with a municipal corporation before 2591
January 1, 2016, to file a consolidated or combined tax return 2592
with such municipal corporation may continue to file consolidated 2593
or combined tax returns in accordance with such election or 2594
agreement for taxable years beginning on and after January 1, 2595
2016. 2596

Sec. 718.08. (A) As used in this section: 2597

(1) "Estimated taxes" means the amount that the taxpayer reasonably estimates to be the taxpayer's tax liability for a municipal corporation's income tax for the current taxable year. 2598
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(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. 2601
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(B)(1) Except as provided in division (F) of this section, 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 at least two hundred dollars. For the purposes of this section: 2606
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(a) Taxes withheld from qualifying wages 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. 2611
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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. 2617
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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. 2624
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(2) Except as provided in division (F) of this section, 2629
taxpayers filing joint returns shall file joint declarations of 2630
estimated taxes. A taxpayer may amend a declaration under rules 2631
prescribed by the tax administrator. Except as provided in 2632
division (F) of this section, a taxpayer having a taxable year of 2633
less than twelve months shall make a declaration under rules 2634
prescribed by the tax administrator. 2635

(3) The declaration of estimated taxes shall be filed on or 2636
before the date prescribed for the filing of municipal income tax 2637
returns under division (G) of section 718.05 of the Revised Code 2638
or on or before the fifteenth day of the fourth month after the 2639
taxpayer becomes subject to tax for the first time. 2640

(4) Taxpayers reporting on a fiscal year basis shall file a 2641
declaration on or before the fifteenth day of the fourth month 2642
after the beginning of each fiscal year or period. 2643

(5) The original declaration or any subsequent amendment may 2644
be increased or decreased on or before any subsequent quarterly 2645
payment day as provided in this section. 2646

(C)(1) The required portion of the tax liability for the 2647
taxable year that shall be paid through estimated taxes made 2648
payable to the municipal corporation or tax administrator, 2649
including the application of tax refunds to estimated taxes and 2650
withholding on or before the applicable payment date, shall be as 2651
follows: 2652

(a) On or before the fifteenth day of the fourth month after 2653
the beginning of the taxable year, twenty-two and one-half per 2654
cent of the tax liability for the taxable year; 2655

(b) On or before the fifteenth day of the sixth month after 2656
the beginning of the taxable year, forty-five per cent of the tax 2657
liability for the taxable year; 2658

(c) On or before the fifteenth day of the ninth month after 2659

the beginning of the taxable year, sixty-seven and one-half per cent of the tax liability for the taxable year; 2660
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(d) On or before the fifteenth day of the twelfth month of the taxable year, ninety per cent of the tax liability for the taxable year. 2662
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(2) When an amended declaration has been filed, the unpaid balance shown due on the amended declaration shall be paid in equal installments on or before the remaining payment dates. 2665
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(3) On or before the fifteenth day of the fourth month of the year following that for which the declaration or amended declaration was filed, an annual return shall be filed and any balance which may be due shall be paid with the return in accordance with section 718.05 of the Revised Code. 2668
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(D)(1) In the case of any underpayment of any portion of a tax liability, penalty and interest may be imposed pursuant to section 718.27 of the Revised Code upon the amount of underpayment for the period of underpayment, unless the underpayment is due to reasonable cause as described in division (E) of this section. The amount of the underpayment shall be determined as follows: 2673
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(a) For the first payment of estimated taxes each year, twenty-two and one-half per cent of the tax liability, less the amount of taxes paid by the date prescribed for that payment; 2679
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(b) For the second payment of estimated taxes each year, forty-five per cent of the tax liability, less the amount of taxes paid by the date prescribed for that payment; 2682
2683
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(c) For the third payment of estimated taxes each year, sixty-seven and one-half per cent of the tax liability, less the amount of taxes paid by the date prescribed for that payment; 2685
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(d) For the fourth payment of estimated taxes each year, ninety per cent of the tax liability, less the amount of taxes 2688
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paid by the date prescribed for that payment. 2690

(2) The period of the underpayment shall run from the day the 2691
estimated payment was required to be made to the date on which the 2692
payment is made. For purposes of this section, a payment of 2693
estimated taxes on or before any payment date shall be considered 2694
a payment of any previous underpayment only to the extent the 2695
payment of estimated taxes exceeds the amount of the payment 2696
presently required to be paid to avoid any penalty. 2697

(E) An underpayment of any portion of tax liability 2698
determined under division (D) of this section shall be due to 2699
reasonable cause and the penalty imposed by this section shall not 2700
be added to the taxes for the taxable year if any of the following 2701
apply: 2702

(1) The amount of estimated taxes that were paid equals at 2703
least ninety per cent of the tax liability for the current taxable 2704
year, determined by annualizing the income received during the 2705
year up to the end of the month immediately preceding the month in 2706
which the payment is due. 2707

(2) The amount of estimated taxes that were paid equals at 2708
least one hundred per cent of the tax liability shown on the 2709
return of the taxpayer for the preceding taxable year, provided 2710
that the immediately preceding taxable year reflected a period of 2711
twelve months and the taxpayer filed a return with the municipal 2712
corporation under section 718.05 of the Revised Code for that 2713
year. 2714

(3) The taxpayer is an individual who resides in the 2715
municipal corporation but was not domiciled there on the first day 2716
of January of the calendar year that includes the first day of the 2717
taxable year. 2718

(F)(1) A tax administrator may waive the requirement for 2719
filing a declaration of estimated taxes for any class of taxpayers 2720

after finding that the waiver is reasonable and proper in view of 2721
administrative costs and other factors. 2722

(2) A municipal corporation may, by ordinance or rule, waive 2723
the requirement for filing a declaration of estimated taxes for 2724
all taxpayers. 2725

Sec. 718.09. (A) This section applies to either of the 2726
following: 2727

(1) A municipal corporation that shares the same territory as 2728
a city, local, or exempted village school district, to the extent 2729
that not more than five per cent of the territory of the municipal 2730
corporation is located outside the school district and not more 2731
than five per cent of the territory of the school district is 2732
located outside the municipal corporation; 2733

(2) A municipal corporation that shares the same territory as 2734
a city, local, or exempted village school district, to the extent 2735
that not more than five per cent of the territory of the municipal 2736
corporation is located outside the school district, more than five 2737
per cent but not more than ten per cent of the territory of the 2738
school district is located outside the municipal corporation, and 2739
that portion of the territory of the school district that is 2740
located outside the municipal corporation is located entirely 2741
within another municipal corporation having a population of four 2742
hundred thousand or more according to the federal decennial census 2743
most recently completed before the agreement is entered into under 2744
division (B) of this section. 2745

(B) The legislative authority of a municipal corporation to 2746
which this section applies may propose to the electors an income 2747
tax, one of the purposes of which shall be to provide financial 2748
assistance to the school district through payment to the district 2749
of not less than twenty-five per cent of the revenue generated by 2750
the tax, except that the legislative authority may not propose to 2751

levy the income tax on the incomes of nonresident individuals. 2752
Prior to proposing the tax, the legislative authority shall 2753
negotiate and enter into a written agreement with the board of 2754
education of the school district specifying the tax rate, the 2755
percentage of tax revenue to be paid to the school district, the 2756
purpose for which the school district will use the money, the 2757
first year the tax will be levied, which shall be the first year 2758
after the year in which the levy is approved or any later year, 2759
the date of the special election on the question of the tax, and 2760
the method and schedule by which the municipal corporation will 2761
make payments to the school district. The special election shall 2762
be held on a day specified in division (D) of section 3501.01 of 2763
the Revised Code, except that the special election may not be held 2764
on the day for holding a primary election as authorized by the 2765
municipal corporation's charter unless the municipal corporation 2766
is to have a primary election on that day. 2767

After the legislative authority and board of education have 2768
entered into the agreement, the legislative authority shall 2769
provide for levying the tax by ordinance. The ordinance shall 2770
include the provisions described in division (A) of section 718.04 2771
of the Revised Code and shall state the tax rate, the percentage 2772
of tax revenue to be paid to the school district, the purpose for 2773
which the municipal corporation will use its share of the tax 2774
revenue, the first year the tax will be levied, and that the 2775
question of the income tax will be submitted to the electors of 2776
the municipal corporation. The legislative authority also shall 2777
adopt a resolution specifying the regular or special election date 2778
the election will be held and directing the board of elections to 2779
conduct the election. At least ninety days before the date of the 2780
election, the legislative authority shall file certified copies of 2781
the ordinance and resolution with the board of elections. 2782

(C) The board of elections shall make the necessary 2783

arrangements for the submission of the question to the electors of 2784
the municipal corporation, and shall conduct the election in the 2785
same manner as any other municipal income tax election. Notice of 2786
the election shall be published in a newspaper of general 2787
circulation in the municipal corporation once a week for four 2788
consecutive weeks, or as provided in section 7.16 of the Revised 2789
Code, prior to the election, and shall include statements of the 2790
rate and municipal corporation and school district purposes of the 2791
income tax, the percentage of tax revenue that will be paid to the 2792
school district, and the first year the tax will be levied. The 2793
ballot shall be in the following form: 2794

"Shall the ordinance providing for a per cent levy on 2795
income for (brief description of the municipal corporation and 2796
school district purposes of the levy, including a statement of the 2797
percentage of tax revenue that will be paid to the school 2798
district) be passed? The income tax, if approved, will not be 2799
levied on the incomes of individuals who do not reside in (the 2800
name of the municipal corporation). 2801

	For the income tax	
	Against the income tax	"

(D) If the question is approved by a majority of the 2806
electors, the municipal corporation shall impose the income tax 2807
beginning ~~in~~ on the first day of January of the year specified in 2808
the ordinance. The proceeds of the levy may be used only for the 2809
specified purposes, including payment of the specified percentage 2810
to the school district. 2811

Sec. 718.10. (A) This section applies to a group of two or 2812
more municipal corporations that, taken together, share the same 2813
territory as a single city, local, or exempted village school 2814

district, to the extent that not more than five per cent of the 2815
territory of the municipal corporations as a group is located 2816
outside the school district and not more than five per cent of the 2817
territory of the school district is located outside the municipal 2818
corporations as a group. 2819

(B) The legislative authorities of the municipal corporations 2820
in a group of municipal corporations to which this section applies 2821
each may propose to the electors an income tax, to be levied in 2822
concert with income taxes in the other municipal corporations of 2823
the group, except that a legislative authority may not propose to 2824
levy the income tax on the incomes of individuals who do not 2825
reside in the municipal corporation. One of the purposes of such a 2826
tax shall be to provide financial assistance to the school 2827
district through payment to the district of not less than 2828
twenty-five per cent of the revenue generated by the tax. Prior to 2829
proposing the taxes, the legislative authorities shall negotiate 2830
and enter into a written agreement with each other and with the 2831
board of education of the school district specifying the tax rate, 2832
the percentage of the tax revenue to be paid to the school 2833
district, the first year the tax will be levied, which shall be 2834
the first year after the year in which the levy is approved or any 2835
later year, and the date of the election on the question of the 2836
tax, all of which shall be the same for each municipal 2837
corporation. The agreement also shall state the purpose for which 2838
the school district will use the money, and specify the method and 2839
schedule by which each municipal corporation will make payments to 2840
the school district. The special election shall be held on a day 2841
specified in division (D) of section 3501.01 of the Revised Code, 2842
including a day on which all of the municipal corporations are to 2843
have a primary election. 2844

After the legislative authorities and board of education have 2845
entered into the agreement, each legislative authority shall 2846

provide for levying its tax by ordinance. Each ordinance shall 2847
include the provisions described in division (A) of section 718.04 2848
of the Revised Code and shall state the rate of the tax, the 2849
percentage of tax revenue to be paid to the school district, the 2850
purpose for which the municipal corporation will use its share of 2851
the tax revenue, and the first year the tax will be levied. Each 2852
ordinance also shall state that the question of the income tax 2853
will be submitted to the electors of the municipal corporation on 2854
the same date as the submission of questions of an identical tax 2855
to the electors of each of the other municipal corporations in the 2856
group, and that unless the electors of all of the municipal 2857
corporations in the group approve the tax in their respective 2858
municipal corporations, none of the municipal corporations in the 2859
group shall levy the tax. Each legislative authority also shall 2860
adopt a resolution specifying the regular or special election date 2861
the election will be held and directing the board of elections to 2862
conduct the election. At least ninety days before the date of the 2863
election, each legislative authority shall file certified copies 2864
of the ordinance and resolution with the board of elections. 2865

(C) For each of the municipal corporations, the board of 2866
elections shall make the necessary arrangements for the submission 2867
of the question to the electors, and shall conduct the election in 2868
the same manner as any other municipal income tax election. For 2869
each of the municipal corporations, notice of the election shall 2870
be published in a newspaper of general circulation in the 2871
municipal corporation once a week for four consecutive weeks, or 2872
as provided in section 7.16 of the Revised Code, prior to the 2873
election. The notice shall include a statement of the rate and 2874
municipal corporation and school district purposes of the income 2875
tax, the percentage of tax revenue that will be paid to the school 2876
district, and the first year the tax will be levied, and an 2877
explanation that the tax will not be levied unless an identical 2878
tax is approved by the electors of each of the other municipal 2879

corporations in the group. The ballot shall be in the following form: 2880
2881

"Shall the ordinance providing for a ... per cent levy on income for (brief description of the municipal corporation and school district purposes of the levy, including a statement of the percentage of income tax revenue that will be paid to the school district) be passed? The income tax, if approved, will not be levied on the incomes of individuals who do not reside in (the name of the municipal corporation). In order for the income tax to be levied, the voters of (the other municipal corporations in the group), which are also in the (name of the school district) school district, must approve an identical income tax and agree to pay the same percentage of the tax revenue to the school district. 2882
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2892

	For the income tax	
	Against the income tax	"

(D) If the question is approved by a majority of the electors and identical taxes are approved by a majority of the electors in each of the other municipal corporations in the group, the municipal corporation shall impose the tax beginning ~~in~~ on the first day of January of the year specified in the ordinance. The proceeds of the levy may be used only for the specified purposes, including payment of the specified percentage to the school district. 2893
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Sec. 718.11. (A)(1) The legislative authority of each municipal corporation that imposes a tax on income in accordance with this chapter shall maintain a local board of tax review to hear appeals as provided in this section. The legislative authority of any municipal corporation that does not impose a tax on income ~~on the effective date of this amendment~~ June 26, 2003, 2905
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but that imposes such a tax after that date, shall establish such a board by ordinance not later than one hundred eighty days after the tax takes effect.

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

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

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

(5) A member of the board who, for any reason, ceases to meet

the qualifications for the position prescribed by this section 2943
shall resign immediately by operation of law. 2944

(6) A vacancy in an unexpired term shall be filled in the 2945
same manner as the original appointment within sixty days of when 2946
the vacancy was created. Any member appointed to fill a vacancy 2947
occurring prior to the expiration of the term for which the 2948
member's predecessor was appointed shall hold office for the 2949
remainder of such term. No vacancy on the board shall impair the 2950
power and authority of the remaining members to exercise all the 2951
powers of the board. 2952

(7) If a member is temporarily unable to serve on the board 2953
due to a conflict of interest, illness, absence, or similar 2954
reason, the legislative authority or top administrative official 2955
that appointed the member shall appoint another individual to 2956
temporarily serve on the board in the member's place. The 2957
appointment of such an individual shall be subject to the same 2958
requirements and limitations as are applicable to the appointment 2959
of the member temporarily unable to serve. 2960

(B) Whenever a written determination by the tax administrator 2961
issues a decision regarding a municipal income tax obligation that 2962
is subject to appeal as provided in this section or in an 2963
ordinance or regulation of the municipal corporation is issued, 2964
the tax administrator shall notify the taxpayer in writing at the 2965
same time of the taxpayer's right to appeal the decision and of 2966
written determination, the manner in which the taxpayer may appeal 2967
the decision ruling, and the address to which the appeal should be 2968
directed. 2969

(C) Any person who is aggrieved by a decision by the tax 2970
administrator and who has filed with the municipal corporation the 2971
required returns or other documents pertaining to the municipal 2972
income tax obligation at issue in the decision has been issued a 2973
written determination by the tax administrator may appeal the 2974

~~decision ruling~~ to the board created pursuant to this section by 2975
filing a request with the board. The request shall be in writing, 2976
shall ~~state~~ specify the reason or reasons why the ~~decision ruling~~ 2977
should be deemed incorrect or unlawful, and shall be filed within 2978
~~thirty sixty~~ days after the ~~tax administrator issues taxpayer~~ 2979
~~receives the decision complained of ruling.~~ 2980

(D) The local board of tax review shall schedule a hearing to 2981
be held within ~~forty five sixty~~ days after receiving the ~~request~~ 2982
an appeal of a written determination by the tax administrator 2983
under division (C) of this section, unless the taxpayer requests 2984
additional time to prepare or waives a hearing. If the taxpayer 2985
does not waive the hearing, the taxpayer may appear before the 2986
board and may be represented by an attorney at law, certified 2987
public accountant, or other representative. The board may allow a 2988
hearing to be continued as jointly agreed to by the parties. In 2989
such a case, the hearing must be completed within one hundred 2990
twenty days after the first day of the hearing unless the parties 2991
agree otherwise. 2992

(E) The board may affirm, reverse, or modify ~~the tax~~ 2993
~~administrator's decision~~ a written determination by the tax 2994
administrator or any part of that ~~decision ruling~~. The board shall 2995
issue a final decision on the appeal within ninety days after the 2996
board's final hearing on the appeal, and send a copy of its final 2997
decision by ordinary mail to all of the parties to the appeal 2998
within fifteen days after issuing the decision. The taxpayer or 2999
the tax administrator may appeal the board's decision as provided 3000
in section 5717.011 of the Revised Code. 3001

~~Each~~ (F) The local board of appeal tax review created 3002
pursuant to this section shall adopt rules governing its 3003
procedures and shall keep a record of its transactions. Such 3004
records are not public records available for inspection under 3005
section 149.43 of the Revised Code. Hearings requested by a 3006

taxpayer before a local board of appeal tax review created 3007
pursuant to this section are not meetings of a public body subject 3008
to section 121.22 of the Revised Code. 3009

Sec. 718.12. (A)(1)(a) Civil actions to recover municipal 3010
income taxes and penalties and interest on municipal income taxes 3011
shall be brought within the later of: 3012

(i) Three years after the tax was due or the return was 3013
filed, whichever is later; or 3014

(ii) One year after the conclusion of the qualifying deferral 3015
period, if any. 3016

(b) The time limit described in division (A)(1)(a) of this 3017
section may be extended at any time if both the tax administrator 3018
and the employer, agent of the employer, other payer, or taxpayer 3019
consent in writing to the extension. Any extension shall also 3020
extend for the same period of time the time limit described in 3021
division (C) of this section. 3022

(2) As used in this section, "qualifying deferral period" 3023
means a period of time beginning and ending as follows: 3024

(a) Beginning on the date a person who is aggrieved by a 3025
written determination by the tax administrator files with a local 3026
board of tax review the request described in section 718.11 of the 3027
Revised Code. That date shall not be affected by any subsequent 3028
decision, finding, or holding by any administrative body or court 3029
that the local board of tax review with which the aggrieved person 3030
filed the request did not have jurisdiction to affirm, reverse, or 3031
modify the written determination by the tax administrator or any 3032
part of that determination. 3033

(b) Ending the later of the sixtieth day after the date on 3034
which the decision of the local board of tax review becomes final 3035
or, if any party appeals from the decision of the local board of 3036

tax review, the sixtieth day after the date on which the decision 3037
of the local board of tax review is either ultimately affirmed in 3038
whole or in part or ultimately reversed and no further appeal of 3039
either that affirmation, in whole or in part, or that reversal is 3040
available or taken. 3041

(B) Prosecutions for an offense made punishable under a 3042
resolution or ordinance imposing an income tax shall be commenced 3043
within three years after the commission of the offense, provided 3044
that in the case of fraud, failure to file a return, or the 3045
omission of twenty-five per cent or more of income required to be 3046
reported, prosecutions may be commenced within six years after the 3047
commission of the offense. 3048

(C) A claim for a refund of municipal income taxes shall be 3049
brought within the time limitation provided in section 718.19 of 3050
the Revised Code. 3051

(D) Interest shall be allowed and paid on any overpayment by 3052
a taxpayer of any municipal income tax obligation from the date of 3053
the overpayment until the date of the refund of the overpayment, 3054
except that if any overpayment is refunded within ninety days 3055
after the final filing date of the annual return or ninety days 3056
after the completed return is filed, whichever is later, no 3057
interest shall be allowed on the refund. For the purpose of 3058
computing the payment of interest on amounts overpaid, no amount 3059
of tax for any taxable year shall be considered to have been paid 3060
before the date on which the return on which the tax is reported 3061
is due, without regard to any extension of time for filing that 3062
return. Interest shall be paid at the interest rate described in 3063
division (A)(5) of section 718.27 of the Revised Code. 3064

(E) Within sixty days after the final determination of any 3065
federal or state tax liability affecting the taxpayer's municipal 3066
tax liability, that taxpayer shall make and file an amended 3067
municipal return showing income subject to the municipal income 3068

tax based upon such final determination of federal or state tax liability, and pay any additional municipal income tax shown due thereon or make a claim for refund of any overpayment, unless the tax or overpayment is less than ten dollars. 3069
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(F)(1) Notwithstanding the fact that an appeal is pending, the petitioner may pay all or a portion of the written determination by the tax administrator that is the subject of the appeal. The acceptance of a payment by the municipal corporation does not prejudice any claim for refund upon final determination of the appeal. 3073
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(2) If upon final determination of the appeal an error in the written determination by the tax administrator is corrected by the tax administrator, upon an appeal so filed or pursuant to a decision of the local board of tax review created under section 718.11 of the Revised Code, of the Ohio board of tax appeals, or any court to which the decision of the Ohio board of tax appeals has been appealed, so that the amount due from the party assessed under the corrected written determination is less than the amount paid, there shall be issued to the appellant or to the appellant's assigns or legal representative a refund in the amount of the overpayment as provided by section 718.19 of the Revised Code, with interest on that amount as provided by division (D) of this section. 3079
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(G) No civil action to recover municipal income tax or related penalties or interest shall be brought during either of the following time periods: 3092
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(1) The period during which a taxpayer has a right to appeal the imposition of that tax or interest or those penalties; 3095
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(2) The period during which an appeal related to the imposition of that tax or interest or those penalties is pending. 3097
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Sec. 718.121. (A) Except as provided in division (B) of this section, if tax or withholding is paid to a municipal corporation on income or wages, and if a second municipal corporation imposes or assesses a tax on that income or wages after the time period allowed for a refund of the tax or withholding paid to the first municipal corporation, the second municipal corporation shall allow a nonrefundable credit, against the tax or withholding the second municipality claims is due with respect to such income or wages, equal to the tax or withholding paid to the first municipal corporation with respect to such income or wages.

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

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

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

Sec. 718.13. (A) Any information gained as a result of returns, investigations, hearings, or verifications required or authorized by this chapter or by a charter or ordinance of a municipal corporation levying an income tax pursuant to this chapter is confidential, and no person shall access or disclose such information except in accordance with a proper judicial order or in connection with the performance of that person's official duties or the official business of the municipal corporation as authorized by this chapter or the charter or ordinance authorizing

the levy. The tax administrator of the municipal corporation or a 3129
designee thereof may furnish copies of returns filed or otherwise 3130
received under this chapter and other related tax information to 3131
the internal revenue service ~~and to~~, the tax commissioner, and tax 3132
administrators of other municipal corporations. 3133

(B) This section does not prohibit ~~the legislative authority~~ 3134
~~of a municipal corporation, by ordinance or resolution,~~ from 3135
~~authorizing the tax administrator to publish~~ publishing or 3136
disclosing statistics in a form that does not disclose information 3137
with respect to particular taxpayers. 3138

Sec. 718.19. (A) Upon receipt of a request for a refund, the 3139
tax administrator of a municipal corporation, in accordance with 3140
this section, shall refund to employers, agents of employers, 3141
other payers, or taxpayers, with respect to any income or 3142
withholding tax levied by the municipal corporation: 3143

(1) Overpayments of more than ten dollars; 3144

(2) Amounts paid erroneously if the refund requested exceeds 3145
ten dollars. 3146

(B)(1) Except as otherwise provided in this chapter, requests 3147
for refund shall be filed with the tax administrator, on the form 3148
prescribed by the tax administrator within three years after the 3149
tax was due or paid, whichever is later. The tax administrator may 3150
require the requestor to file with the request any documentation 3151
that substantiates the requestor's claim for a refund. 3152

(2) On filing of the refund request, the tax administrator 3153
shall determine the amount of refund due and certify such amount 3154
to the appropriate municipal corporation official for payment. 3155
Except as provided in division (B)(3) of this section, the 3156
administrator shall issue a written determination by the tax 3157
administrator to any taxpayer whose request for refund is fully or 3158

partially denied. The written determination shall state the amount 3159
of the refund that was denied, the reasons for the denial, and 3160
instructions for appealing the determination. 3161

(3) If a tax administrator denies in whole or in part a 3162
refund request included within the taxpayer's originally filed 3163
annual income tax return, the tax administrator shall notify the 3164
taxpayer, in writing, of the amount of the refund that was denied, 3165
the reasons for the denial, and instructions for requesting a 3166
written determination of the tax administrator that may be 3167
appealed under section 718.11 of the Revised Code. 3168

(C) A request for a refund that is received after the last 3169
day for filing specified in division (B) of this section shall be 3170
considered to have been filed in a timely manner if any of the 3171
following situations exist: 3172

(1) The request is delivered by the postal service, and the 3173
earliest postal service postmark on the cover in which the request 3174
is enclosed is not later than the last day for filing the request. 3175

(2) The request is delivered by the postal service, the only 3176
postmark on the cover in which the request is enclosed was affixed 3177
by a private postal meter, the date of that postmark is not later 3178
than the last day for filing the request, and the request is 3179
received within seven days of such last day. 3180

(3) The request is delivered by the postal service, no 3181
postmark date was affixed to the cover in which the request is 3182
enclosed or the date of the postmark so affixed is not legible, 3183
and the request is received within seven days of the last day for 3184
making the request. 3185

(D) As used in this section, "withholding tax" has the same 3186
meaning as in section 718.27 of the Revised Code. 3187

Sec. 718.23. (A) A tax administrator, or any authorized agent 3188

or employee thereof may examine the books, papers, records, and 3189
federal and state income tax returns of any employer, taxpayer, or 3190
other person that is subject to, or that the tax administrator 3191
believes is subject to, the provisions of this chapter for the 3192
purpose of verifying the accuracy of any return made or, if no 3193
return was filed, to ascertain the tax due under this chapter. 3194
Upon written request by the tax administrator or a duly authorized 3195
agent or employee thereof, every employer, taxpayer, or other 3196
person subject to this section is required to furnish the 3197
opportunity for the tax administrator, authorized agent, or 3198
employee to investigate and examine such books, papers, records, 3199
and federal and state income tax returns at a reasonable time and 3200
place designated in the request. 3201

(B) The records and other documents of any taxpayer, 3202
employer, or other person that is subject to, or that a tax 3203
administrator believes is subject to, the provisions of this 3204
chapter shall be open to the tax administrator's inspection during 3205
business hours and shall be preserved for a period of six years 3206
following the end of the taxable year to which the records or 3207
documents relate, unless the tax administrator, in writing, 3208
consents to their destruction within that period, or by order 3209
requires that they be kept longer. The tax administrator of a 3210
municipal corporation may require any person, by notice served on 3211
that person, to keep such records as the tax administrator 3212
determines necessary to show whether or not that person is liable, 3213
and the extent of such liability, for the income tax levied by the 3214
municipal corporation or for the withholding of such tax. 3215

(C) The tax administrator may examine under oath any person 3216
that the tax administrator reasonably believes has knowledge 3217
concerning any income that was or would have been returned for 3218
taxation or any transaction tending to affect such income. The tax 3219
administrator may, for this purpose, compel any such person to 3220

attend a hearing or examination and to produce any books, papers, records, and federal income tax returns in such person's possession or control. The person may be assisted or represented by an attorney, accountant, bookkeeper, or other tax practitioner at any such hearing or examination. This division does not authorize the practice of law by a person who is not an attorney.

(D) No person issued written notice by the tax administrator compelling attendance at a hearing or examination or the production of books, papers, records, or federal income tax returns under this section shall fail to comply.

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

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

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

(C) Confer and meet with officers of other municipal

corporations and states and officers of the United States on any 3252
matters pertaining to their respective official duties as provided 3253
by law; 3254

(D) Exercise the authority provided by law, including orders 3255
from bankruptcy courts, relative to remitting or refunding taxes, 3256
including penalties and interest thereon, illegally or erroneously 3257
imposed or collected, or for any other reason overpaid, and, in 3258
addition, the tax administrator may investigate any claim of 3259
overpayment and make a written statement of the tax 3260
administrator's findings, and, if the tax administrator finds that 3261
there has been an overpayment, approve and issue a refund payable 3262
to the taxpayer, the taxpayer's assigns, or legal representative 3263
as provided in this chapter; 3264

(E) Exercise the authority provided by law relative to 3265
consenting to the compromise and settlement of tax claims; 3266

(F) Exercise the authority provided by law relative to the 3267
use of alternative apportionment methods by taxpayers in 3268
accordance with section 718.02 of the Revised Code; 3269

(G) Make all tax findings, determinations, computations, and 3270
orders the tax administrator is by law authorized and required to 3271
make and, pursuant to time limitations provided by law, on the tax 3272
administrator's own motion, review, redetermine, or correct any 3273
tax findings, determinations, computations, or orders the tax 3274
administrator has made, but the tax administrator shall not 3275
review, redetermine, or correct any tax finding, determination, 3276
computation, or order which the tax administrator has made as to 3277
which an appeal has been filed with the local board of tax review 3278
or other appropriate tribunal, unless such appeal or application 3279
is withdrawn by the appellant or applicant, is dismissed, or is 3280
otherwise final; 3281

(H) Destroy any or all returns or other tax documents in the 3282

manner authorized by law; 3283

(I) Enter into an agreement with a taxpayer to simplify the 3284
withholding obligations described in section 718.03 of the Revised 3285
Code. 3286

Sec. 718.25. A person may round to the nearest whole dollar 3287
all amounts the person is required to enter on any return, report, 3288
voucher, or other document required under this chapter. Any 3289
fractional part of a dollar that equals or exceeds fifty cents 3290
shall be rounded to the next whole dollar, and any fractional part 3291
of a dollar that is less than fifty cents shall be dropped. If a 3292
person chooses to round amounts entered on a document, the person 3293
shall round all amounts entered on the document. 3294

Sec. 718.26. (A) Nothing in this chapter prohibits a tax 3295
administrator from requiring any person filing a tax document with 3296
the tax administrator to provide identifying information, which 3297
may include the person's social security number, federal employer 3298
identification number, or other identification number requested by 3299
the tax administrator. A person required by the tax administrator 3300
to provide identifying information that has experienced any change 3301
with respect to that information shall notify the tax 3302
administrator of the change before, or upon, filing the next tax 3303
document requiring the identifying information. 3304

(B) When transmitting or otherwise making use of a tax 3305
document that contains a person's social security number, the tax 3306
administrator shall take all reasonable measures necessary to 3307
ensure that the number is not capable of being viewed by the 3308
general public, including, when necessary, masking the number so 3309
that it is not readily discernible by the general public. The tax 3310
administrator shall not put a person's social security number on 3311
the outside of any material mailed to the person. 3312

(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. 3313
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(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 pursuant to section 718.27 of the Revised Code. 3321
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(3) The penalties provided for under divisions (C)(1) and (2) of this section may be billed and imposed in the same manner as the tax or fee with respect to which the identifying information is sought and are in addition to any applicable criminal penalties described in section 718.99 of the Revised Code for a violation of section 718.35 of the Revised Code and any other penalties that may be imposed by the tax administrator by law. 3328
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Sec. 718.27. (A) As used in this section: 3335

(1) "Applicable law" means this chapter, the resolutions, ordinances, codes, directives, instructions, and rules adopted by a municipal corporation provided such resolutions, ordinances, codes, directives, instructions, and rules impose or directly or indirectly address the levy, payment, remittance, or filing requirements of a municipal income tax. 3336
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(2) "Income tax," "estimated income tax," and "withholding tax" means any income tax, estimated income tax, and withholding 3342
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tax imposed by a municipal corporation pursuant to applicable law, 3344
including at any time before January 1, 2016. 3345

(3) A "return" includes any tax return, report, 3346
reconciliation, schedule, and other document required to be filed 3347
with a tax administrator or municipal corporation by a taxpayer, 3348
employer, any agent of the employer, or any other payer pursuant 3349
to applicable law, including at any time before January 1, 2016. 3350

(4) "Federal short-term rate" means the rate of the average 3351
market yield on outstanding marketable obligations of the United 3352
States with remaining periods to maturity of three years or less, 3353
as determined under section 1274 of the Internal Revenue Code, for 3354
July of the current year. 3355

(5) "Interest rate as described in division (A) of this 3356
section" means the federal short-term rate, rounded to the nearest 3357
whole number per cent, plus five per cent. The rate shall apply 3358
for the calendar year next following the July of the year in which 3359
the federal short-term rate is determined in accordance with 3360
division (A)(4) of this section. 3361

(6) "Unpaid estimated income tax" means estimated income tax 3362
due but not paid by the date the tax is required to be paid under 3363
applicable law. 3364

(7) "Unpaid income tax" means income tax due but not paid by 3365
the date the income tax is required to be paid under applicable 3366
law. 3367

(8) "Unpaid withholding tax" means withholding tax due but 3368
not paid by the date the withholding tax is required to be paid 3369
under applicable law. 3370

(9) "Withholding tax" includes amounts an employer, any agent 3371
of an employer, or any other payer did not withhold in whole or in 3372
part from an employee's qualifying wages, but that, under 3373
applicable law, the employer, agent, or other payer is required to 3374

withhold from an employee's qualifying wages. 3375

(B)(1) This section applies to the following: 3376

(a) Any return required to be filed under applicable law for 3377
taxable years beginning on or after January 1, 2016; 3378

(b) Income tax, estimated income tax, and withholding tax 3379
required to be paid or remitted to the municipal corporation on or 3380
after January 1, 2016. 3381

(2) This section does not apply to returns required to be 3382
filed or payments required to be made before January 1, 2016, 3383
regardless of the filing or payment date. Returns required to be 3384
filed or payments required to be made before January 1, 2016, but 3385
filed or paid after that date shall be subject to the ordinances 3386
or rules, as adopted before January 1, 2016, of the municipal 3387
corporation to which the return is to be filed or the payment is 3388
to be made. 3389

(C) Each municipal corporation levying a tax on income may 3390
impose on a taxpayer, employer, any agent of the employer, and any 3391
other payer, and must attempt to collect, the interest amounts and 3392
penalties prescribed under division (C) of this section when the 3393
taxpayer, employer, any agent of the employer, or any other payer 3394
for any reason fails, in whole or in part, to make to the 3395
municipal corporation timely and full payment or remittance of 3396
income tax, estimated income tax, or withholding tax or to file 3397
timely with the municipal corporation any return required to be 3398
filed. 3399

(1) Interest shall be imposed at the rate described in 3400
division (A) of this section, per annum, on all unpaid income tax, 3401
unpaid estimated income tax, and unpaid withholding tax. 3402

(2)(a) With respect to unpaid income tax and unpaid estimated 3403
income tax, a municipal corporation may impose a penalty equal to 3404
fifteen per cent of the amount not timely paid. 3405

(b) With respect to any unpaid withholding tax, a municipal corporation may impose a penalty equal to fifty per cent of the amount not timely paid. 3406
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(3) With respect to returns other than estimated income tax returns, a municipal corporation may impose a penalty of twenty-five dollars for each failure to timely file each return, regardless of the liability shown thereon for each month, or any fraction thereof, during which the return remains unfiled regardless of the liability shown thereon. The penalty shall not exceed one hundred fifty dollars for each failure. 3409
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(D)(1) With respect to the income taxes, estimated income taxes, withholding taxes, and returns, no municipal corporation shall impose, seek to collect, or collect any penalty, amount of interest, charges, or additional fees not described in this section. 3416
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(2) With respect to the income taxes, estimated income taxes, withholding taxes, and returns not described in division (A) of this section, nothing in this section requires a municipal corporation to refund or credit any penalty, amount of interest, charges, or additional fees that the municipal corporation has properly imposed or collected before January 1, 2016. 3421
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(E) Nothing in this section limits the authority of a municipal corporation to abate or partially abate penalties or interest imposed under this section when the tax administrator determines, in the tax administrator's sole discretion, that such abatement is appropriate. 3427
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(F) By the thirty-first day of October of each year the municipal corporation shall publish the rate described in division (A) of this section applicable to the next succeeding calendar year. 3432
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(G) The municipal corporation may impose on the taxpayer, 3436

employer, any agent of the employer, or any other payer the 3437
municipal corporation's post-judgment collection costs and fees, 3438
including attorney's fees. 3439

Sec. 718.28. (A) As used in this section, "claim" means a 3440
claim for an amount payable to a municipal corporation that arises 3441
pursuant to the municipal income tax imposed in accordance with 3442
this chapter. 3443

(B) Nothing in this chapter prohibits a tax administrator 3444
from doing either of the following if such action is in the best 3445
interests of the municipal corporation: 3446

(1) Compromise a claim; 3447

(2) Extend for a reasonable period the time for payment of a 3448
claim by agreeing to accept monthly or other periodic payments. 3449

(C) The tax administrator may consider the following 3450
standards when ascertaining with respect to a claim whether a 3451
compromise or payment-over-time agreement is in the best interests 3452
of the municipal corporation: 3453

(1) There exists a doubt as to whether the claim can be 3454
collected. 3455

(2) There exists a substantial probability that, upon payment 3456
of the claim and submission of a timely request for refund with 3457
respect to that payment, the tax administrator would refund an 3458
amount that was illegally or erroneously paid. 3459

(3) There exists an economic hardship such that a compromise 3460
or agreement would facilitate effective tax administration. 3461

(4) There exists a joint liability among spouses, one of whom 3462
is an innocent spouse, provided that any relief under this 3463
standard shall only affect the claim as to the innocent spouse. A 3464
spouse granted relief under section 6015 of the Internal Revenue 3465
Code with regard to any income item is rebuttably presumed to be 3466

an innocent spouse with regard to that income item to the extent 3467
that income item is included in or otherwise affects the 3468
computation of a municipal income tax or any penalty or interest 3469
on that tax. 3470

(5) Any other reasonable standard that the tax administrator 3471
establishes. 3472

(D) The tax administrator's rejection of a compromise or 3473
payment-over-time agreement proposed by a person with respect to a 3474
claim shall not be appealable. 3475

(E) A compromise or payment-over-time agreement with respect 3476
to a claim shall be binding upon and shall inure to the benefit of 3477
only the parties to the compromise or agreement, and shall not 3478
extinguish or otherwise affect the liability of any other person. 3479

(F) A compromise or payment-over-time agreement with respect 3480
to a claim shall be void if the taxpayer defaults under the 3481
compromise or agreement or if the compromise or agreement was 3482
obtained by fraud or by misrepresentation of a material fact. Any 3483
amount that was due before the compromise or agreement and that is 3484
unpaid shall remain due, and any penalties or interest that would 3485
have accrued in the absence of the compromise or agreement shall 3486
continue to accrue and be due. 3487

Sec. 718.30. Nothing in this chapter prohibits the 3488
legislative authority of a municipal corporation, or a tax 3489
administrator pursuant to authority granted to the administrator 3490
by resolution or ordinance, to adopt rules to administer an income 3491
tax imposed by the municipal corporation in accordance with this 3492
chapter. Such rules shall not conflict with or be inconsistent 3493
with any provision of this chapter. All rules adopted under this 3494
section shall be published and posted on the internet as described 3495
in section 718.07 of the Revised Code. 3496

Sec. 718.31. No person hired or retained by a tax administrator to examine or inspect a taxpayer's books shall be paid on a contingency basis. 3497
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Sec. 718.35. No person shall knowingly make, present, aid, or assist in the preparation or presentation of a false or fraudulent report, return, schedule, statement, claim, or document authorized or required by municipal corporation ordinance or state law to be filed with a tax administrator, or knowingly procure, counsel, or advise the preparation or presentation of such report, return, schedule, statement, claim, or document, or knowingly change, alter, or amend, or knowingly procure, counsel or advise such change, alteration, or amendment of the records upon which such report, return, schedule, statement, claim, or document is based with intent to defraud the municipal corporation or a tax administrator. 3500
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Sec. 718.36. (A) At or before the commencement of an audit, the tax administrator shall provide to the taxpayer a written description of the roles of the tax administrator and of the taxpayer during an audit and a statement of the taxpayer's rights, including any right to obtain a refund of an overpayment of a tax. At or before the commencement of an audit, the tax administrator shall inform the taxpayer when the audit is considered to have commenced. 3512
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(B) Except in cases involving suspected criminal activity, the tax administrator shall conduct an audit of a taxpayer during regular business hours and after providing reasonable notice to the taxpayer. A taxpayer who is unable to comply with a proposed time for an audit on the grounds that the proposed time would cause inconvenience or hardship must offer reasonable alternative dates for the audit. 3520
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(C) At all stages of an audit by the tax administrator, a taxpayer is entitled to be assisted or represented by an attorney, accountant, bookkeeper, or other tax practitioner. The tax administrator shall prescribe a form by which a taxpayer may designate such a person to assist or represent the taxpayer in the conduct of any proceedings resulting from actions by the tax administrator. If a taxpayer has not submitted such a form, the tax administrator may accept other evidence, as the tax administrator considers appropriate, that a person is the authorized representative of a taxpayer. 3527
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A taxpayer may refuse to answer any questions asked by the person conducting an audit until the taxpayer has an opportunity to consult with the taxpayer's attorney, accountant, bookkeeper, or other tax practitioner. This division does not authorize the practice of law by a person who is not an attorney. 3537
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(D) A taxpayer may record, electronically or otherwise, the audit examination. 3542
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(E) The failure of the tax administrator to comply with a provision of this section shall neither excuse a taxpayer from payment of any taxes owed by the taxpayer nor cure any procedural defect in a taxpayer's case. 3544
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(F) If the tax administrator fails to substantially comply with the provisions of this section, the tax administrator, upon application by the taxpayer, shall excuse the taxpayer from penalties and interest arising from the audit. 3548
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Sec. 718.37. (A) A taxpayer aggrieved by an action or omission of a tax administrator, a tax administrator's employee, or an employee of the municipal corporation may bring an action against the tax administrator, against the municipal corporation, or against both, for damages in the court of common pleas of the county in which the municipal corporation is located, if all of 3552
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the following apply: 3558

(1) In the action or omission the tax administrator, the tax administrator's employee, or the employee of the municipal corporation frivolously disregards a provision of this chapter or a rule or instruction of the tax administrator; 3559
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(2) The action or omission occurred with respect to an audit or a written determination of the tax administrator and the review and collection proceedings connected with the audit or written determination; 3563
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(3) The tax administrator, the tax administrator's employee, or the employee of the municipal corporation did not act manifestly outside the scope of employment and did not act with malicious purpose, in bad faith, or in a wanton or reckless manner. 3567
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(B) In any action brought under division (A) of this section, upon a finding of liability on the part of the tax administrator or the municipal corporation, the tax administrator or the municipal corporation shall be liable to the taxpayer in an amount equal to the sum of the following: 3572
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(1) Compensatory damages sustained by the taxpayer as a result of the action or omission by the tax administrator, the tax administrator's employee, or the employee of the municipal corporation; 3577
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(2) Reasonable costs of litigation and attorneys' fees sustained by the taxpayer. 3581
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(C) In the awarding of damages under division (B) of this section, the court shall take into account the negligent actions or omissions, if any, on the part of the taxpayer that contributed to the damages, but shall not be bound by the provisions of sections 2315.32 to 2315.36 of the Revised Code. 3583
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(D) Whenever it appears to the court that a taxpayer's 3588
conduct in the proceedings brought under division (A) of this 3589
section is frivolous, the court may impose a penalty against the 3590
taxpayer in an amount not to exceed ten thousand dollars which 3591
shall be paid to the general fund of the municipal corporation. 3592

(E) Division (A) of this section does not apply to opinions 3593
of the tax administrator or other information functions of the tax 3594
administrator. 3595

(F) As used in this section, "frivolous" means that the 3596
conduct of the tax administrator, an employee of the municipal 3597
corporation or the tax administrator, the taxpayer, or the 3598
taxpayer's counsel of record satisfies either of the following: 3599

(1) It obviously serves merely to harass or maliciously 3600
injure the tax administrator, the municipal corporation, or 3601
employees thereof if referring to the conduct of a taxpayer or the 3602
taxpayer's counsel of record, or to harass or maliciously injure 3603
the taxpayer if referring to the conduct of the tax administrator, 3604
the municipal corporation, or employees thereof; 3605

(2) It is not warranted under existing law and cannot be 3606
supported by a good faith argument for an extension, modification, 3607
or reversal of existing law. 3608

Sec. 718.38. (A) An "opinion of the tax administrator" means 3609
an opinion issued under this section with respect to prospective 3610
municipal income tax liability. It does not include ordinary 3611
correspondence of the tax administrator. 3612

(B) A taxpayer may submit a written request for an opinion of 3613
the tax administrator as to whether or how certain income, source 3614
of income, or a certain activity or transaction will be taxed. The 3615
written response of the tax administrator shall be an "opinion of 3616
the tax administrator" and shall bind the tax administrator, in 3617

accordance with divisions (C), (G), and (H) of this section, 3618
provided all of the following conditions are satisfied: 3619

(1) The taxpayer's request fully and accurately describes the 3620
specific facts or circumstances relevant to a determination of the 3621
taxability of the income, source of income, activity, or 3622
transaction, and, if an activity or transaction, all parties 3623
involved in the activity or transaction are clearly identified by 3624
name, location, or other pertinent facts. 3625

(2) The request relates to a tax imposed by the municipal 3626
corporation in accordance with this chapter. 3627

(3) The tax administrator's response is signed by the tax 3628
administrator and designated as an "opinion of the tax 3629
administrator." 3630

(C) An opinion of the tax administrator shall remain in 3631
effect and shall protect the taxpayer for whom the opinion was 3632
prepared and who reasonably relies on it from liability for any 3633
taxes, penalty, or interest otherwise chargeable on the activity 3634
or transaction specifically held by the tax administrator's 3635
opinion to be taxable in a particular manner or not to be subject 3636
to taxation for any taxable years that may be specified in the 3637
opinion, or until the earliest of the following dates: 3638

(1) The effective date of a written revocation by the tax 3639
administrator sent to the taxpayer by certified mail, return 3640
receipt requested. The effective date of the revocation shall be 3641
the taxpayer's date of receipt or one year after the issuance of 3642
the opinion, whichever is later; 3643

(2) The effective date of any amendment or enactment of a 3644
relevant section of the Revised Code, uncodified state law, or the 3645
municipal corporation's income tax ordinance that would 3646
substantially change the analysis and conclusion of the opinion of 3647
the tax administrator; 3648

(3) The date on which a court issues an opinion establishing or changing relevant case law with respect to the Revised Code, uncodified state law, or the municipal corporation's income tax ordinance; 3649
3650
3651
3652

(4) If the opinion of the tax administrator was based on the interpretation of federal law, the effective date of any change in the relevant federal statutes or regulations, or the date on which a court issues an opinion establishing or changing relevant case law with respect to federal statutes or regulations; 3653
3654
3655
3656
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(5) The effective date of any change in the taxpayer's material facts or circumstances; 3658
3659

(6) The effective date of the expiration of the opinion, if specified in the opinion. 3660
3661

(D) A taxpayer is not relieved of tax liability for any activity or transaction related to a request for an opinion that contained any misrepresentation or omission of one or more material facts. 3662
3663
3664
3665

(E) If a tax administrator provides written advice under this section, the opinion shall include a statement that: 3666
3667

(1) The tax consequences stated in the opinion may be subject to change for any of the reasons stated in division (C) of this section; 3668
3669
3670

(2) It is the duty of the taxpayer to be aware of such changes. 3671
3672

(F) A tax administrator may refuse to offer an opinion on any request received under this section. 3673
3674

(G) This section binds a tax administrator only with respect to opinions of the tax administrator issued on or after January 1, 2016. 3675
3676
3677

(H) An opinion of a tax administrator binds that tax 3678

administrator only with respect to the taxpayer for whom the 3679
opinion was prepared and does not bind the tax administrator of 3680
any other municipal corporation. 3681

(I) A tax administrator shall make available the text of all 3682
opinions issued under this section, except those opinions prepared 3683
for a taxpayer who has requested that the text of the opinion 3684
remain confidential. In no event shall the text of an opinion be 3685
made available until the tax administrator has removed all 3686
information that identifies the taxpayer and any other parties 3687
involved in the activity or transaction. 3688

(J) An opinion of the tax administrator issued under this 3689
section may not be appealed. 3690

Sec. 718.39. If the municipal corporation imposing a tax in 3691
accordance with this chapter has a population greater than thirty 3692
thousand according to the most recent decennial census or if the 3693
tax administrator charged with the administration of the tax is 3694
described in either division (U)(2) or (3) of section 718.01 of 3695
the Revised Code, all of the tax administrator's written 3696
correspondence to a taxpayer or other person shall include the 3697
name and contact information of an individual designated to 3698
receive inquiries regarding the correspondence. The individual may 3699
be the tax administrator or an employee of the tax administrator. 3700

Sec. 718.41. (A) A taxpayer shall file an amended return with 3701
the tax administrator in such form as the tax administrator 3702
requires if any of the facts, figures, computations, or 3703
attachments required in the taxpayer's annual return to determine 3704
the tax due levied by the municipal corporation in accordance with 3705
this chapter must be altered as the result of an adjustment to the 3706
taxpayer's federal income tax return, whether initiated by the 3707
taxpayer or the internal revenue service, and such alteration 3708

affects the taxpayer's tax liability under this chapter. If a 3709
taxpayer intends to file an amended consolidated municipal income 3710
tax return, or to amend its type of return from a separate return 3711
to a consolidated return, based on the taxpayer's consolidated 3712
federal income tax return, the taxpayer shall notify the tax 3713
administrator before filing the amended return. 3714

(B)(1) In the case of an underpayment, the amended return 3715
shall be accompanied by payment of any combined additional tax due 3716
together with any penalty and interest thereon. If the combined 3717
tax shown to be due is ten dollars or less, such amount need not 3718
accompany the amended return. Except as provided under division 3719
(B)(2) of this section, the amended return shall not reopen those 3720
facts, figures, computations, or attachments from a previously 3721
filed return that are not affected, either directly or indirectly, 3722
by the adjustment to the taxpayer's federal or state income tax 3723
return unless the applicable statute of limitations for civil 3724
actions or prosecutions under section 718.12 of the Revised Code 3725
has not expired for a previously filed return. 3726

(2) The additional tax to be paid shall not exceed the amount 3727
of tax that would be due if all facts, figures, computations, and 3728
attachments were reopened. 3729

(C)(1) In the case of an overpayment, a request for refund 3730
may be filed under this division within the period prescribed by 3731
division (E) of section 718.12 of the Revised Code for filing the 3732
amended return even if it is filed beyond the period prescribed in 3733
that division if it otherwise conforms to the requirements of that 3734
division. If the amount of the refund is ten dollars or less, no 3735
refund need be paid by the municipal corporation to the taxpayer. 3736
Except as set forth in division (C)(2) of this section, a request 3737
filed under this division shall claim refund of overpayments 3738
resulting from alterations to only those facts, figures, 3739

computations, or attachments required in the taxpayer's annual 3740
return that are affected, either directly or indirectly, by the 3741
adjustment to the taxpayer's federal or state income tax return 3742
unless it is also filed within the time prescribed in section 3743
718.19 of the Revised Code. Except as set forth in division (C)(2) 3744
of this section, the request shall not reopen those facts, 3745
figures, computations, or attachments that are not affected, 3746
either directly or indirectly, by the adjustment to the taxpayer's 3747
federal or state income tax return. 3748

(2) The amount to be refunded shall not exceed the amount of 3749
refund that would be due if all facts, figures, computations, and 3750
attachments were reopened. 3751

Sec. 718.04 718.50. (A) No municipal corporation other than 3752
the municipal corporation of residence shall levy a tax on the 3753
income of any member or employee of the Ohio general assembly 3754
including the lieutenant governor which income is received as a 3755
result of services rendered as such member or employee and is paid 3756
from appropriated funds of this state. 3757

(B) No municipal corporation other than the municipal 3758
corporation of residence and the city of Columbus shall levy a tax 3759
on the income of the chief justice or a justice of the supreme 3760
court received as a result of services rendered as the chief 3761
justice or justice. No municipal corporation other than the 3762
municipal corporation of residence shall levy a tax on the income 3763
of a judge sitting by assignment of the chief justice or on the 3764
income of a district court of appeals judge sitting in multiple 3765
locations within the district, received as a result of services 3766
rendered as a judge. 3767

Sec. 718.99. (A) Except as provided in division (B) of this 3768
section, whoever violates section 718.35 of the Revised Code, 3769

division (A) of section 718.13 of the Revised Code, or section 3770
718.03 of the Revised Code by failing to remit municipal income 3771
taxes deducted and withheld from an employee, shall be guilty of a 3772
misdemeanor of the first degree and shall be subject to a fine of 3773
not more than one thousand dollars or imprisonment for a term of 3774
up to six months, or both, unless the violation is punishable by a 3775
municipal ordinance or resolution imposing a greater penalty or 3776
requiring dismissal from office or discharge from employment, or 3777
both, in which case the municipal ordinance or resolution shall 3778
govern. 3779

(B) Any person who discloses information received from the 3780
Internal Revenue Service in violation of division (A) of section 3781
718.13 of the Revised Code shall be guilty of a felony of the 3782
fifth degree and shall be subject to a fine of not more than five 3783
thousand dollars plus the costs of prosecution, or imprisonment 3784
for a term not exceeding five years, or both, unless the violation 3785
is punishable by a municipal ordinance imposing a greater penalty 3786
or requiring dismissal from office or discharge from employment, 3787
or both, in which case the municipal ordinance shall govern. 3788

(C) Each instance of access or disclosure in violation of 3789
division (A) of section 718.13 of the Revised Code constitutes a 3790
separate offense. 3791

(D) Nothing in this chapter prohibits a municipal corporation 3792
from prosecuting offenses which are made punishable under a 3793
municipal ordinance or resolution levying an income tax and for 3794
which no other penalty is provided under this section. 3795

Sec. 5703.02. There is hereby created the board of tax 3796
appeals, which shall exercise the following powers and perform the 3797
following duties: 3798

(A) Exercise the authority provided by law to hear and 3799

determine all appeals of questions of law and fact arising under 3800
the tax laws of this state in appeals from decisions, orders, 3801
determinations, or actions of any tax administrative agency 3802
established by the law of this state, including but not limited to 3803
appeals from: 3804

(1) Actions of county budget commissions; 3805

(2) Decisions of county boards of revision; 3806

(3) Actions of any assessing officer or other public official 3807
under the tax laws of this state; 3808

(4) Final determinations by the tax commissioner of any 3809
preliminary, amended, or final tax assessments, reassessments, 3810
valuations, determinations, findings, computations, or orders made 3811
by the tax commissioner; 3812

(5) Adoption and promulgation of rules of the tax 3813
commissioner. 3814

(B) Appoint a secretary of the board of tax appeals, who 3815
shall serve in the unclassified civil service at the pleasure of 3816
the board, and any other employees as are necessary in the 3817
exercise of the powers and the performance of the duties and 3818
functions that the board is by law authorized and required to 3819
exercise, and prescribe the duties of all employees, and to fix 3820
their compensation as provided by law; 3821

(C) Maintain a journal, which shall be open to public 3822
inspection and in which the secretary shall keep a record of all 3823
of the proceedings and the vote of each of its members upon every 3824
action taken by it; 3825

(D) Adopt and promulgate, in the manner provided by section 3826
5703.14 of the Revised Code, and enforce all rules relating to the 3827
procedure of the board in hearing appeals it has the authority or 3828
duty to hear, and to the procedure of officers or employees whom 3829

the board may appoint; provided that section 5703.13 of the Revised Code shall apply to and govern the procedure of the board. Such rules shall include, but need not be limited to, the following:

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

(2) Rules requiring the tax commissioner, county boards of revision, and ~~municipal~~ local boards of ~~appeal~~ tax review created under section 718.11 of the Revised Code to electronically file any transcript required to be filed with the board of tax appeals, and instructions and procedures for the electronic filing of such transcripts.

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

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

(B) The 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.

(C) A rule adopted under this section does not apply to 3860
returns or reports filed or payments made before the effective 3861
date of the rule. The commissioner shall publicize any new 3862
electronic filing requirement on the department's web site. The 3863
commissioner shall educate the public of the requirement through 3864
seminars, workshops, conferences, or other outreach activities. 3865

(D) Any person required to file returns and make payments 3866
electronically under rules adopted under this section may apply to 3867
the commissioner, on a form prescribed by the commissioner, to be 3868
excused from that requirement. For good cause shown, the 3869
commissioner may excuse the applicant from the requirement and 3870
permit the applicant to file the returns or reports or make the 3871
payments required under this section by nonelectronic means. 3872

Sec. 5703.57. (A) As used in this section, "Ohio business 3873
gateway" has the same meaning as in section ~~718.051~~ 718.01 of the 3874
Revised Code. 3875

(B) There is hereby created the Ohio business gateway 3876
steering committee to direct the continuing development of the 3877
Ohio business gateway and to oversee its operations. The committee 3878
shall provide general oversight regarding operation of the Ohio 3879
business gateway and shall recommend to the department of 3880
administrative services enhancements that will improve the Ohio 3881
business gateway. The committee shall consider all banking, 3882
technological, administrative, and other issues associated with 3883
the Ohio business gateway and shall make recommendations regarding 3884
the type of reporting forms or other tax documents to be filed 3885
through the Ohio business gateway. 3886

(C) The committee shall consist of: 3887

(1) The following members, appointed by the governor with the 3888
advice and consent of the senate: 3889

(a) Not more than four representatives of the business community;	3890 3891
(b) Not more than one representative <u>three representatives</u> of municipal tax administrators <u>selected from a list of candidates provided by the Ohio municipal league</u> ; and	3892 3893 3894
(c) Not more than two tax practitioners.	3895
(2) The following ex officio members:	3896
(a) The director or other highest officer of each state agency that has tax reporting forms or other tax documents filed with it through the Ohio business gateway or the director's designee;	3897 3898 3899 3900
(b) The secretary of state or the secretary of state's designee;	3901 3902
(c) The treasurer of state or the treasurer of state's designee;	3903 3904
(d) The director of budget and management or the director's designee;	3905 3906
(e) The state chief information officer or the officer's designee;	3907 3908
(f) The tax commissioner or the tax commissioner's designee; and	3909 3910
(g) The director of development or the director's designee.	3911
An appointed member shall serve until the member resigns or is removed by the governor. Vacancies shall be filled in the same manner as original appointments.	3912 3913 3914
(D) A vacancy on the committee does not impair the right of the other members to exercise all the functions of the committee. The presence of a majority of the members of the committee constitutes a quorum for the conduct of business of the committee.	3915 3916 3917 3918

The concurrence of at least a majority of the members of the 3919
committee is necessary for any action to be taken by the 3920
committee. On request, each member of the committee shall be 3921
reimbursed for the actual and necessary expenses incurred in the 3922
discharge of the member's duties. 3923

(E) The committee is a part of the department of taxation for 3924
administrative purposes. 3925

(F) Each year, the governor shall select a member of the 3926
committee to serve as chairperson. The chairperson shall appoint 3927
an official or employee of the department of taxation to act as 3928
the committee's secretary. The secretary shall keep minutes of the 3929
committee's meetings and a journal of all meetings, proceedings, 3930
findings, and determinations of the committee. 3931

(G) The committee may hire professional, technical, and 3932
clerical staff needed to support its activities. 3933

(H) The committee shall meet as often as necessary to perform 3934
its duties. 3935

Sec. 5717.011. (A) As used in this chapter, "tax 3936
administrator" has the same meaning as in section 718.01 of the 3937
Revised Code. 3938

(B) Appeals from a ~~municipal~~ decision of a local board of 3939
~~appeal~~ tax review created under section 718.11 of the Revised Code 3940
may be taken by the taxpayer or the tax administrator to the board 3941
of tax appeals or may be taken by the taxpayer or the tax 3942
administrator to a court of common pleas as otherwise provided by 3943
law. If the taxpayer or the tax administrator elects to make an 3944
appeal to the board of tax appeals or court of common pleas, and 3945
subject to section 5703.021 of the Revised Code with respect to 3946
appeals assigned to the small claims docket, the appeal shall be 3947
taken by the filing of a notice of appeal with the board of tax 3948

appeals or court of common pleas, the ~~municipal~~ local board of 3949
~~appeal tax review~~, and the opposing party. The notice of appeal 3950
shall be filed within sixty days after the day the appellant 3951
receives notice of the decision issued under section 718.11 of the 3952
Revised Code. An appeal filed with a court of common pleas is 3953
governed by the Rules of Civil Procedure and other rules of 3954
practice and procedure applicable to civil actions. For an appeal 3955
filed with the board of tax appeals, the notice of appeal may be 3956
filed in person or by certified mail, express mail, facsimile 3957
transmission, electronic transmission, or by authorized delivery 3958
service as provided in section 5703.056 of the Revised Code. If 3959
the notice of appeal is filed by certified mail, express mail, or 3960
authorized delivery service as provided in section 5703.056 of the 3961
Revised Code, the date of the United States postmark placed on the 3962
sender's receipt by the postal service or the date of receipt 3963
recorded by the authorized delivery service shall be treated as 3964
the date of filing with the board. If notice of appeal is filed by 3965
facsimile transmission or electronic transmission, the date and 3966
time the notice is received by the board shall be the date and 3967
time reflected on a timestamp provided by the board's electronic 3968
system, and the appeal shall be considered filed with the board on 3969
the date reflected on that timestamp. Any timestamp provided by 3970
another computer system or electronic submission device shall not 3971
affect the time and date the notice is received by the board. The 3972
notice of appeal shall have attached thereto and incorporated 3973
therein by reference a true copy of the decision issued under 3974
section 718.11 of the Revised Code, but failure to attach a copy 3975
of such notice and incorporate it by reference in the notice of 3976
appeal does not invalidate the appeal. 3977

(C) A notice of appeal for an appeal filed with the board of 3978
tax appeals shall contain a short and plain statement of the 3979
claimed errors in the decision of the ~~municipal~~ local board of 3980
~~appeal tax review~~ showing that the appellant is entitled to relief 3981

and a demand for the relief to which the appellant claims to be 3982
entitled. An appellant may amend the notice of appeal once as a 3983
matter of course within sixty days after the certification of the 3984
transcript. Otherwise, an appellant may amend the notice of appeal 3985
only after receiving leave of the board or the written consent of 3986
each adverse party. Leave of the board shall be freely given when 3987
justice so requires. 3988

(D) Upon the filing of a notice of appeal with the board of 3989
tax appeals, the ~~municipal~~ local board of ~~appeal~~ tax review shall 3990
certify to the board of tax appeals a transcript of the record of 3991
the proceedings before it, together with all evidence considered 3992
by it in connection therewith. Such appeals may be heard by the 3993
board at its office in Columbus or in the county where the 3994
appellant resides, or it may cause its examiners to conduct such 3995
hearings and to report to it their findings for affirmation or 3996
rejection. The board may order the appeal to be heard upon the 3997
record and the evidence certified to it by the tax administrator, 3998
but upon the application of any interested party the board shall 3999
order the hearing of additional evidence, and the board may make 4000
such investigation concerning the appeal as it considers proper. 4001
An appeal may proceed pursuant to section 5703.021 of the Revised 4002
Code on the small claims docket if the appeals qualifies under 4003
that section. 4004

(E) If an issue being appealed under this section is 4005
addressed in a municipal corporation's ordinance or regulation, 4006
the tax administrator, upon the request of the board of tax 4007
appeals, shall provide a copy of the ordinance or regulation to 4008
the board of tax appeals. 4009

Sec. 5717.03. (A) A decision of the board of tax appeals on 4010
an appeal filed with it pursuant to section 5717.01, 5717.011, or 4011
5717.02 of the Revised Code shall be entered of record on the 4012

journal together with the date when the order is filed with the 4013
secretary for journalization. 4014

(B) In case of an appeal from a decision of a county board of 4015
revision, the board of tax appeals shall determine the taxable 4016
value of the property whose valuation or assessment by the county 4017
board of revision is complained of, or in the event the complaint 4018
and appeal is against a discriminatory valuation, shall determine 4019
a valuation which shall correct such discrimination, and shall 4020
determine the liability of the property for taxation, if that 4021
question is in issue, and the board of tax appeals' decision and 4022
the date when it was filed with the secretary for journalization 4023
shall be sent by the board to all persons who were parties to the 4024
appeal before the board, to the person in whose name the property 4025
is listed, or sought to be listed, if such person is not a party 4026
to the appeal, to the county auditor of the county in which the 4027
property involved in the appeal is located, and to the tax 4028
commissioner. 4029

In correcting a discriminatory valuation, the board of tax 4030
appeals shall increase or decrease the value of the property whose 4031
valuation or assessment by the county board of revision is 4032
complained of by a per cent or amount which will cause such 4033
property to be listed and valued for taxation by an equal and 4034
uniform rule. 4035

(C) In the case of an appeal from a review, redetermination, 4036
or correction of a tax assessment, valuation, determination, 4037
finding, computation, or order of the tax commissioner, the order 4038
of the board of tax appeals and the date of the entry thereof upon 4039
its journal shall be sent by the board to all persons who were 4040
parties to the appeal before the board, the person in whose name 4041
the property is listed or sought to be listed, if the decision 4042
determines the valuation or liability of property for taxation and 4043
if such person is not a party to the appeal, the taxpayer or other 4044

person to whom notice of the tax assessment, valuation, 4045
determination, finding, computation, or order, or correction or 4046
redetermination thereof, by the tax commissioner was by law 4047
required to be given, the director of budget and management, if 4048
the revenues affected by such decision would accrue primarily to 4049
the state treasury, and the county auditors of the counties to the 4050
undivided general tax funds of which the revenues affected by such 4051
decision would primarily accrue. 4052

(D) In the case of an appeal from a ~~municipal~~ decision of a 4053
local board of ~~appeal~~ tax review created under section 718.11 of 4054
the Revised Code, the order of the board of tax appeals and the 4055
date of the entry thereof upon the board's journal shall be sent 4056
by the board to all persons who were parties to the appeal before 4057
the board. 4058

(E) In the case of all other appeals or applications filed 4059
with and determined by the board, the board's order and the date 4060
when the order was filed by the secretary for journalization shall 4061
be sent by the board to the person who is a party to such appeal 4062
or application, to such persons as the law requires, and to such 4063
other persons as the board deems proper. 4064

(F) The orders of the board may affirm, reverse, vacate, 4065
modify, or remand the tax assessments, valuations, determinations, 4066
findings, computations, or orders complained of in the appeals 4067
determined by the board, and the board's decision shall become 4068
final and conclusive for the current year unless reversed, 4069
vacated, or modified as provided in section 5717.04 of the Revised 4070
Code. When an order of the board becomes final the tax 4071
commissioner and all officers to whom such decision has been sent 4072
shall make the changes in their tax lists or other records which 4073
the decision requires. 4074

(G) If the board finds that issues not raised on the appeal 4075
are important to a determination of a controversy, the board may 4076

remand the cause for an administrative determination and the 4077
issuance of a new tax assessment, valuation, determination, 4078
finding, computation, or order, unless the parties stipulate to 4079
the determination of such other issues without remand. An order 4080
remanding the cause is a final order. If the order relates to any 4081
issue other than a municipal income tax matter appealed under 4082
sections 718.11 and 5717.011 of the Revised Code, the order may be 4083
appealed to the court of appeals in Franklin county. If the order 4084
relates to a municipal income tax matter appealed under sections 4085
718.11 and 5717.011 of the Revised Code, the order may be appealed 4086
to the court of appeals for the county in which the municipal 4087
corporation in which the dispute arose is primarily situated. 4088

(H) At the request of any person that filed an appeal subject 4089
to this section, the decision or order of the board of tax appeals 4090
issued pursuant to division (B), (C), (D), or (E) of this section 4091
shall be sent by certified mail at the requestor's expense. 4092

Sec. 5726.03. (A)(1) Annually, on or before the fifteenth day 4093
of October, the reporting person for each taxpayer shall make a 4094
report in writing to the tax commissioner, in such form as the 4095
commissioner prescribes, and shall remit to the commissioner the 4096
amount of tax shown to be due on the report. The remittance shall 4097
be made payable to the treasurer of state. The commissioner shall 4098
make available, on the official internet web site of the 4099
department of taxation, copies of the forms prescribed by the 4100
commissioner for the purpose of making the annual report. 4101

(2) An annual report shall be signed by the president, 4102
vice-president, secretary, treasurer, general manager, 4103
superintendent, or managing agent in this state of the reporting 4104
person. 4105

(3) An annual report shall contain the facts, figures, 4106
computations, and attachments that result in the determination of 4107

the amount of tax due from a taxpayer under this chapter. 4108

(B)(1) In the case of a financial institution described in 4109
division (H)(1) of section 5726.01 of the Revised Code, the annual 4110
report filed for a taxable year shall list, and include 4111
information related to, each person includable in an FR Y-9 filed 4112
by the reporting person for that taxable year. 4113

(2) In the case of a financial institution described in 4114
division (H)(2) or (3) of section 5726.01 of the Revised Code, the 4115
annual report for a taxable year shall list, and include 4116
information related to, each person includable in a call report 4117
filed by the reporting person for that taxable year. 4118

(C)(1) The reporting person for a taxpayer shall remit each 4119
tax payment and, if required by the commissioner, file each annual 4120
or estimated tax report electronically. The commissioner may 4121
require reporting persons to use the Ohio business gateway as 4122
defined in section ~~718.051~~ 718.01 of the Revised Code to file 4123
reports and remit the tax, or may provide another means for 4124
reporting persons to file and remit the tax electronically. 4125

(2) The payment of taxes as provided in division (C) of this 4126
section shall not affect a taxpayer's obligation to file an annual 4127
report required under division (A) of this section. 4128

(3) The reporting person for a taxpayer that is required to 4129
remit tax payments electronically under this section may apply to 4130
the tax commissioner, in the manner prescribed by the 4131
commissioner, to be excused from that requirement. The 4132
commissioner may excuse the taxpayer from the requirements of 4133
division (C) of this section for good cause. 4134

(4) If the reporting person for a taxpayer that is required 4135
to remit tax payments or file reports electronically under this 4136
section fails to do so, the commissioner may impose a penalty not 4137
to exceed the following: 4138

(a) For either of the first two reports the person so fails, 4139
five per cent of the amount of the payment that was required to be 4140
remitted; 4141

(b) For the third and any subsequent reports the person so 4142
fails, ten per cent of the amount of the payment that was required 4143
to be remitted. 4144

The penalty imposed under this section is in addition to any 4145
other penalty or charge imposed under this chapter and shall be 4146
considered as revenue arising from the tax levied under this 4147
chapter. A penalty may be collected by assessment in the manner 4148
prescribed by section 5726.20 of the Revised Code. The tax 4149
commissioner may abate all or a portion of such a penalty and may 4150
adopt rules governing such abatements. 4151

Sec. 5736.04. (A) Not later than the tenth day of the second 4152
month after the end of each calendar quarter, every taxpayer shall 4153
file with the tax commissioner a tax return in such form as the 4154
commissioner prescribes. The return shall include, but is not 4155
limited to, the amount of the taxpayer's calculated gross receipts 4156
for the calendar quarter and shall indicate the amount of tax due 4157
under section 5736.02 of the Revised Code for the calendar 4158
quarter. The taxpayer shall indicate on each return the portion of 4159
the taxpayer's gross receipts attributable to motor fuel used for 4160
propelling vehicles on public highways and waterways and the 4161
portion of such receipts attributable to motor fuel used for other 4162
purposes. For this purpose, the sale of gasoline and of diesel 4163
fuel that is not dyed diesel fuel shall be rebuttably presumed to 4164
be distributed or sold for use or used to propel vehicles on 4165
public highways or waterways. All other sales of motor fuel shall 4166
be rebuttably presumed not to be distributed or sold for use or 4167
used to propel vehicles on public highways or waterways. 4168

(B)(1) The taxpayer shall remit the tax shown to be due on 4169

the return, and, if required by the tax commissioner, file the 4170
return, electronically. The commissioner may require taxpayers to 4171
use the Ohio business gateway as defined in section ~~718.051~~ 718.01 4172
of the Revised Code to file return returns and remit the tax, or 4173
may provide another means for taxpayers to file and remit the tax 4174
electronically. 4175

(2) A person required by this section to remit taxes or file 4176
returns electronically may apply to the commissioner, on the form 4177
prescribed by the commissioner, to be excused from that 4178
requirement. The commissioner may excuse a person from such 4179
requirement for good cause. 4180

(C) The tax rate with respect to calculated gross receipts 4181
for a calendar quarter is not fixed until the end of the 4182
measurement period for each calendar quarter. The total amount of 4183
calculated gross receipts reported for a given calendar quarter 4184
shall be subject to the tax rate in effect in that quarter. 4185

Sec. 5739.12. (A)(1) Each person who has or is required to 4186
have a vendor's license, on or before the twenty-third day of each 4187
month, shall make and file a return for the preceding month in the 4188
form prescribed by the tax commissioner, and shall pay the tax 4189
shown on the return to be due. The return shall be filed 4190
electronically using the Ohio business gateway, as defined in 4191
section ~~718.051~~ 718.01 of the Revised Code, the Ohio telefile 4192
system, or any other electronic means prescribed by the 4193
commissioner. Payment of the tax shown on the return to be due 4194
shall be made electronically in a manner approved by the 4195
commissioner. The commissioner may require a vendor that operates 4196
from multiple locations or has multiple vendor's licenses to 4197
report all tax liabilities on one consolidated return. The return 4198
shall show the amount of tax due from the vendor to the state for 4199
the period covered by the return and such other information as the 4200

commissioner deems necessary for the proper administration of this 4201
chapter. The commissioner may extend the time for making and 4202
filing returns and paying the tax, and may require that the return 4203
for the last month of any annual or semiannual period, as 4204
determined by the commissioner, be a reconciliation return 4205
detailing the vendor's sales activity for the preceding annual or 4206
semiannual period. The reconciliation return shall be filed by the 4207
last day of the month following the last month of the annual or 4208
semiannual period. The commissioner may remit all or any part of 4209
amounts or penalties that may become due under this chapter and 4210
may adopt rules relating thereto. Such return shall be filed 4211
electronically as directed by the tax commissioner, and payment of 4212
the amount of tax shown to be due thereon, after deduction of any 4213
discount provided for under this section, shall be made 4214
electronically in a manner approved by the tax commissioner. 4215

(2) Any person required to file returns and make payments 4216
electronically under division (A)(1) of this section may apply to 4217
the tax commissioner on a form prescribed by the commissioner to 4218
be excused from that requirement. For good cause shown, the 4219
commissioner may excuse the person from that requirement and may 4220
permit the person to file the returns and make the payments 4221
required by this section by nonelectronic means. 4222

(B)(1) If the return is filed and the amount of tax shown 4223
thereon to be due is paid on or before the date such return is 4224
required to be filed, the vendor shall be entitled to a discount 4225
of three-fourths of one per cent of the amount shown to be due on 4226
the return. 4227

(2) A vendor that has selected a certified service provider 4228
as its agent shall not be entitled to the discount if the 4229
certified service provider receives a monetary allowance pursuant 4230
to section 5739.06 of the Revised Code for performing the vendor's 4231
sales and use tax functions in this state. Amounts paid to the 4232

clerk of courts pursuant to section 4505.06 of the Revised Code 4233
shall be subject to the applicable discount. The discount shall be 4234
in consideration for prompt payment to the clerk of courts and for 4235
other services performed by the vendor in the collection of the 4236
tax. 4237

(C)(1) Upon application to the tax commissioner, a vendor who 4238
is required to file monthly returns may be relieved of the 4239
requirement to report and pay the actual tax due, provided that 4240
the vendor agrees to remit to the commissioner payment of not less 4241
than an amount determined by the commissioner to be the average 4242
monthly tax liability of the vendor, based upon a review of the 4243
returns or other information pertaining to such vendor for a 4244
period of not less than six months nor more than two years 4245
immediately preceding the filing of the application. Vendors who 4246
agree to the above conditions shall make and file an annual or 4247
semiannual reconciliation return, as prescribed by the 4248
commissioner. The reconciliation return shall be filed 4249
electronically as directed by the tax commissioner, and payment of 4250
the amount of tax shown to be due thereon, after deduction of any 4251
discount provided in this section, shall be made electronically in 4252
a manner approved by the commissioner. Failure of a vendor to 4253
comply with any of the above conditions may result in immediate 4254
reinstatement of the requirement of reporting and paying the 4255
actual tax liability on each monthly return, and the commissioner 4256
may at the commissioner's discretion deny the vendor the right to 4257
report and pay based upon the average monthly liability for a 4258
period not to exceed two years. The amount ascertained by the 4259
commissioner to be the average monthly tax liability of a vendor 4260
may be adjusted, based upon a review of the returns or other 4261
information pertaining to the vendor for a period of not less than 4262
six months nor more than two years preceding such adjustment. 4263

(2) The commissioner may authorize vendors whose tax 4264

liability is not such as to merit monthly returns, as ascertained 4265
by the commissioner upon the basis of administrative costs to the 4266
state, to make and file returns at less frequent intervals. When 4267
returns are filed at less frequent intervals in accordance with 4268
such authorization, the vendor shall be allowed the discount 4269
provided in this section in consideration for prompt payment with 4270
the return, provided the return is filed and payment is made of 4271
the amount of tax shown to be due thereon, at the time specified 4272
by the commissioner, but a vendor that has selected a certified 4273
service provider as its agent shall not be entitled to the 4274
discount. 4275

(D) Any vendor who fails to file a return or to pay the full 4276
amount of the tax shown on the return to be due in the manner 4277
prescribed under this section and the rules of the commissioner 4278
may, for each such return, be required to forfeit and pay into the 4279
state treasury an additional charge not exceeding fifty dollars or 4280
ten per cent of the tax required to be paid for the reporting 4281
period, whichever is greater, as revenue arising from the tax 4282
imposed by this chapter, and such sum may be collected by 4283
assessment in the manner provided in section 5739.13 of the 4284
Revised Code. The commissioner may remit all or a portion of the 4285
additional charge and may adopt rules relating to the imposition 4286
and remission of the additional charge. 4287

(E) If the amount required to be collected by a vendor from 4288
consumers is in excess of the applicable percentage of the 4289
vendor's receipts from sales that are taxable under section 4290
5739.02 of the Revised Code, or in the case of sales subject to a 4291
tax levied pursuant to section 5739.021, 5739.023, or 5739.026 of 4292
the Revised Code, in excess of the percentage equal to the 4293
aggregate rate of such taxes and the tax levied by section 5739.02 4294
of the Revised Code, such excess shall be remitted along with the 4295
remittance of the amount of tax due under section 5739.10 of the 4296

Revised Code. 4297

(F) The commissioner, if the commissioner deems it necessary 4298
in order to insure the payment of the tax imposed by this chapter, 4299
may require returns and payments to be made for other than monthly 4300
periods. 4301

(G) Any vendor required to file a return and pay the tax 4302
under this section whose total payment for a year equals or 4303
exceeds the amount shown in division (A) of section 5739.122 of 4304
the Revised Code is subject to the accelerated tax payment 4305
requirements in divisions (B) and (C) of that section. For a 4306
vendor that operates from multiple locations or has multiple 4307
vendor's licenses, in determining whether the vendor's total 4308
payment equals or exceeds the amount shown in division (A) of that 4309
section, the vendor's total payment amount shall be the amount of 4310
the vendor's total tax liability for the previous calendar year 4311
for all of the vendor's locations or licenses. 4312

Sec. 5739.124. (A) If required by the tax commissioner, a 4313
permit holder required to make payments under section 5739.032 of 4314
the Revised Code shall file all returns and reports 4315
electronically. The commissioner may require the permit holder to 4316
use the Ohio business gateway, as defined in section ~~718.051~~ 4317
718.01 of the Revised Code, or any other electronic means approved 4318
by the commissioner, to file the returns and reports, or to remit 4319
the tax, in lieu of the manner prescribed under section 5739.032 4320
of the Revised Code. 4321

(B) A person required under this section to file reports and 4322
returns electronically may apply to the tax commissioner to be 4323
excused from that requirement. Applications shall be made on a 4324
form prescribed by the commissioner. The commissioner may approve 4325
the application for good cause. 4326

(C)(1) If a person required to file a report or return 4327

electronically under this section fails to do so, the tax 4328
commissioner may impose an additional charge not to exceed the 4329
following: 4330

(a) For each of the first two failures, five per cent of the 4331
amount required to be reported on the report or return; 4332

(b) For the third and any subsequent failure, ten per cent of 4333
the amount required to be reported on the report or return. 4334

(2) The charges authorized under division (C)(1) of this 4335
section are in addition to any other charge or penalty authorized 4336
under this chapter, and shall be considered as revenue arising 4337
from taxes imposed under this chapter. An additional charge may be 4338
collected by assessment in the manner prescribed by section 4339
5739.13 of the Revised Code. The commissioner may waive all or a 4340
portion of such a charge and may adopt rules governing such 4341
waiver. 4342

Sec. 5741.122. (A) If required by the tax commissioner, a 4343
person required to make payments under section 5741.121 of the 4344
Revised Code shall file all returns and reports electronically. 4345
The commissioner may require the person to use the Ohio business 4346
gateway, as defined in section ~~718.051~~ 718.01 of the Revised Code, 4347
or any other electronic means approved by the commissioner, to 4348
file the returns and reports, or to remit the tax, in lieu of the 4349
manner prescribed under section 5741.121 of the Revised Code. 4350

(B) A person required under this section to file reports and 4351
returns electronically may apply to the tax commissioner to be 4352
excused from that requirement. Applications shall be made on a 4353
form prescribed by the commissioner. The commissioner may approve 4354
the application for good cause. 4355

(C)(1) If a person required to file a report or return 4356
electronically under this section fails to do so, the tax 4357

commissioner may impose an additional charge not to exceed the 4358
following: 4359

(a) For each of the first two failures, five per cent of the 4360
amount required to be reported on the report or return; 4361

(b) For the third and any subsequent failure, ten per cent of 4362
the amount required to be reported on the report or return. 4363

(2) The charges authorized under division (C)(1) of this 4364
section are in addition to any other charge or penalty authorized 4365
under this chapter, and shall be considered as revenue arising 4366
from taxes imposed under this chapter. An additional charge may be 4367
collected by assessment in the manner prescribed by section 4368
5741.13 of the Revised Code. The commissioner may waive all or a 4369
portion of such a charge and may adopt rules governing such 4370
waiver. 4371

Sec. 5747.063. The requirements imposed under this section 4372
are in addition to the municipal income tax withholding 4373
requirements under section 718.031 of the Revised Code. 4374

(A)(1) If a person's winnings at a casino facility are an 4375
amount for which reporting to the internal revenue service of the 4376
amount is required by section 6041 of the Internal Revenue Code, 4377
as amended, the casino operator shall deduct and withhold Ohio 4378
income tax from the person's winnings at a rate of four per cent 4379
of the amount won ~~and shall deduct and withhold municipal income 4380
tax from the person's winnings at the rate of tax of the municipal 4381
corporation in which the casino facility is located.~~ A person's 4382
amount of winnings shall be determined each time the person 4383
exchanges amounts won in tokens, chips, casino credit, or other 4384
prepaid representations of value for cash or a cash equivalent. 4385
The casino operator shall issue, to a person from whose winnings 4386
an amount has been deducted and withheld, a receipt for the amount 4387
deducted and withheld, and also shall obtain from the person 4388

additional information that will be necessary for the casino operator to prepare the returns required by this section. 4389
4390

(2) If a person's winnings at a casino facility require reporting to the internal revenue service under division (A)(1) of this section, the casino operator also shall require the person to state in writing, under penalty of falsification, whether the person is in default under a support order. 4391
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(B) Amounts deducted and withheld by a casino operator are held in trust for the benefit of the state ~~and municipal corporations, as applicable.~~ 4396
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(1) On or before the tenth day of each month, the casino operator shall file a return electronically with the tax commissioner ~~and the tax administrator of the municipal corporation, as applicable,~~ identifying the persons from whose winnings amounts were deducted and withheld, the amount of each such deduction and withholding during the preceding calendar month, the amount of the winnings from which each such amount was withheld, the type of casino gaming that resulted in such winnings, and any other information required by the tax commissioner. With the return, the casino operator shall remit electronically to the commissioner ~~and the tax administrator of the municipal corporation, as applicable,~~ all the amounts deducted and withheld during the preceding month. 4399
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(2)(a) A casino operator shall maintain a record of each written statement provided under division (A)(2) of this section in which a person admits to being in default under a support order. The casino operator shall make these records available to the director of job and family services upon request. 4412
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(b) A casino operator shall maintain copies of receipts issued under division (A)(1) of this section and of written statements provided under division (A)(2) of this section and 4417
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4419

shall make these copies available to the tax commissioner upon 4420
request. 4421

(c) A casino operator shall maintain the information 4422
described in divisions (B)(2)(a) and (b) of this section in 4423
accordance with section 5747.17 of the Revised Code and any rules 4424
adopted pursuant thereto. 4425

(3) Annually, on or before the thirty-first day of January, a 4426
casino operator shall file an annual return electronically with 4427
the tax commissioner ~~and the tax administrator of the municipal~~ 4428
~~corporation, as applicable,~~ indicating the total amount deducted 4429
and withheld during the preceding calendar year. The casino 4430
operator shall remit electronically with the annual return any 4431
amount that was deducted and withheld and that was not previously 4432
remitted. If the identity of a person and the amount deducted and 4433
withheld with respect to that person were omitted on a monthly 4434
return, that information shall be indicated on the annual return. 4435

(4)(a) A casino operator who fails to file a return and remit 4436
the amounts deducted and withheld is personally liable for the 4437
amount deducted and withheld and not remitted. The commissioner 4438
~~and the tax administrator of the municipal corporation, as~~ 4439
~~applicable,~~ may impose a penalty up to one thousand dollars if a 4440
return is filed late, if amounts deducted and withheld are 4441
remitted late, if a return is not filed, or if amounts deducted 4442
and withheld are not remitted. Interest accrues on past due 4443
amounts deducted and withheld at the rate prescribed in section 4444
5703.47 of the Revised Code. The commissioner ~~and the tax~~ 4445
~~administrator of the municipal corporation, as applicable,~~ may 4446
collect past due amounts deducted and withheld and penalties and 4447
interest thereon by assessment under section 5747.13 of the 4448
Revised Code as if they were income taxes collected by an 4449
employer. 4450

(b) If a casino operator sells the casino facility or 4451

otherwise quits the casino business, the amounts deducted and 4452
withheld and any penalties and interest thereon are immediately 4453
due and payable. The successor shall withhold an amount of the 4454
purchase money that is sufficient to cover the amounts deducted 4455
and withheld and penalties and interest thereon until the 4456
predecessor casino operator produces either a receipt from the 4457
commissioner ~~and the tax administrator of the municipal~~ 4458
~~corporation, as applicable,~~ showing that the amounts deducted and 4459
withheld and penalties and interest thereon have been paid or a 4460
certificate from the commissioner ~~and the tax administrator of the~~ 4461
~~municipal corporation, as applicable,~~ indicating that no amounts 4462
deducted and withheld or penalties and interest thereon are due. 4463
If the successor fails to withhold purchase money, the successor 4464
is personally liable for payment of the amounts deducted and 4465
withheld and penalties and interest thereon, up to the amount of 4466
the purchase money. 4467

(C)(1) Annually, on or before the thirty-first day of 4468
January, a casino operator shall issue an information return to 4469
each person with respect to whom an amount has been deducted and 4470
withheld during the preceding calendar year. The information 4471
return shall show the total amount deducted from the person's 4472
winnings by the casino operator during the preceding calendar 4473
year. 4474

(2) Annually, on or before the thirty-first day of January, a 4475
casino operator shall provide to the commissioner a copy of each 4476
information return issued under division (C)(1) of this section 4477
for the preceding calendar year. The commissioner may require that 4478
the copies be transmitted electronically. 4479

(D) Amounts deducted and withheld shall be allowed as a 4480
credit against payment of the tax imposed by section 5747.02 of 4481
the Revised Code and shall be treated as taxes paid for purposes 4482
of section 5747.09 of the Revised Code. This division applies only 4483

to the person for whom the amount is deducted and withheld. 4484

(E) The failure of a casino operator to deduct and withhold 4485
the required amount from a person's winnings does not relieve the 4486
person from liability for the tax imposed by section 5747.02 of 4487
the Revised Code with respect to those winnings. And compliance 4488
with this section does not relieve a casino operator or a person 4489
who has winnings at a casino facility from compliance with 4490
relevant provisions of federal tax laws. 4491

(F) The commissioner ~~and the tax administrator of the~~ 4492
~~municipal corporation, as applicable,~~ shall prescribe the form of 4493
the receipt and returns required by this section. The director of 4494
job and family services shall prescribe the form of the statement 4495
required by this section. 4496

(G) The commissioner may adopt rules that are necessary to 4497
administer this section. 4498

Sec. 5747.064. The requirements imposed under this section 4499
are in addition to the municipal income tax withholding 4500
requirements under section 718.031 of the Revised Code. 4501

(A) As used in this section, "video lottery terminal" has the 4502
same meaning as in section 3770.21 of the Revised Code. 4503

(B) If a person's prize award from a video lottery terminal 4504
is an amount for which reporting to the internal revenue service 4505
of the amount is required by section 6041 of the Internal Revenue 4506
Code, as amended, the lottery sales agent shall deduct and 4507
withhold Ohio income tax from the person's prize award at a rate 4508
of four per cent of the amount won ~~and shall deduct and withhold~~ 4509
~~municipal income tax from the person's winnings at the rate of tax~~ 4510
~~of the municipal corporation in which the video lottery terminal~~ 4511
~~facility is located.~~ The lottery sales agent shall issue, to a 4512
person from whose prize award an amount has been deducted or 4513

withheld, a receipt for the amount deducted and withheld, and also 4514
shall obtain from the person additional information that will be 4515
necessary for the lottery sales agent to prepare the returns 4516
required by this section. 4517

(C) Amounts deducted and withheld by a lottery sales agent 4518
are held in trust for the benefit of the state ~~and municipal~~ 4519
~~corporations, as applicable.~~ 4520

(1) On or before the tenth day of each month, the lottery 4521
sales agent shall file a return electronically with the tax 4522
commissioner ~~and the tax administrator of the municipal~~ 4523
~~corporation, as applicable,~~ identifying the persons from whose 4524
prize awards amounts were deducted and withheld, the amount of 4525
each such deduction and withholding during the preceding month, 4526
the amount of the prize award from which each such amount was 4527
withheld, and any other information required by the commissioner 4528
~~and the tax administrator of the municipal corporation, as~~ 4529
~~applicable.~~ With the return, the lottery sales agent shall remit 4530
electronically to the commissioner ~~and the tax administrator of~~ 4531
~~the municipal corporation, as applicable,~~ all the amounts deducted 4532
and withheld during the preceding month. 4533

(2) A lottery sales agent shall maintain a record of all 4534
receipts issued under division (B) of this section and shall make 4535
those records available to the commissioner ~~and the tax~~ 4536
~~administrator of the municipal corporation, as applicable,~~ upon 4537
request. Such records shall be maintained in accordance with 4538
section 5747.17 of the Revised Code and any rules adopted pursuant 4539
thereto. 4540

(3) Annually, on or before the thirty-first day of January, a 4541
lottery sales agent shall file an annual return electronically 4542
with the tax commissioner ~~and the tax administrator of the~~ 4543
~~municipal corporation, as applicable,~~ indicating the total amount 4544
deducted and withheld during the preceding calendar year. The 4545

lottery sales agent shall remit electronically with the annual 4546
return any amount that was deducted and withheld and that was not 4547
previously remitted. If the identity of a person and the amount 4548
deducted and withheld with respect to that person were omitted on 4549
a monthly return, that information shall be indicated on the 4550
annual return. 4551

(4)(a) A lottery sales agent who fails to file a return and 4552
remit the amounts deducted and withheld is personally liable for 4553
the amount deducted and withheld and not remitted. The 4554
~~commissioner and the tax administrator of the municipal~~ 4555
~~corporation, as applicable,~~ may impose a penalty of up to one 4556
thousand dollars if a return is filed late, if amounts deducted 4557
and withheld are remitted late, if a return is not filed, or if 4558
amounts deducted and withheld are not remitted. Interest accrues 4559
on past due amounts deducted and withheld at the rate prescribed 4560
in section 5703.47 of the Revised Code. The commissioner ~~and the~~ 4561
~~tax administrator of the municipal corporation, as applicable,~~ may 4562
collect past due amounts deducted and withheld and penalties and 4563
interest thereon by assessment under section 5747.13 of the 4564
Revised Code as if they were income taxes collected by an 4565
employer. 4566

(b) If a lottery sales agent ceases to operate video lottery 4567
terminals, the amounts deducted and withheld and any penalties and 4568
interest thereon are immediately due and payable. A successor of 4569
the lottery sales agent that purchases the video lottery terminals 4570
from the agent shall withhold an amount of the purchase money that 4571
is sufficient to cover the amounts deducted and withheld and 4572
penalties and interest thereon until the predecessor lottery sales 4573
agent produces either a receipt from the tax commissioner ~~and the~~ 4574
~~tax administrator of the municipal corporation, as applicable,~~ 4575
showing that the amounts deducted and withheld and penalties and 4576
interest thereon have been paid or a certificate from the 4577

commissioner ~~and the tax administrator of the municipal~~ 4578
~~corporation, as applicable,~~ indicating that no amounts deducted 4579
and withheld or penalties and interest thereon are due. If the 4580
successor fails to withhold purchase money, the successor is 4581
personally liable for payment of the amounts deducted and withheld 4582
and penalties and interest thereon, up to the amount of the 4583
purchase money. 4584

(D)(1) Annually, on or before the thirty-first day of 4585
January, a lottery sales agent shall issue an information return 4586
to each person with respect to whom an amount has been deducted 4587
and withheld during the preceding calendar year. The information 4588
return shall show the total amount deducted from the person's 4589
prize award by the lottery sales agent during the preceding year. 4590

(2) Annually, on or before the thirty-first day of January, a 4591
lottery sales agent shall provide to the tax commissioner ~~and the~~ 4592
~~tax administrator of the municipal corporation, as applicable,~~ a 4593
copy of each information return issued under division (D)(1) of 4594
this section for the preceding calendar year. The commissioner ~~and~~ 4595
~~the tax administrator of the municipal corporation, as applicable,~~ 4596
may require that such copies be transmitted electronically. 4597

(E) Amounts deducted and withheld shall be allowed as a 4598
credit against payment of the tax imposed by section 5747.02 of 4599
the Revised Code and shall be treated as taxes paid for purposes 4600
of section 5747.09 of the Revised Code. This division applies only 4601
to the person for whom the amount is deducted and withheld. 4602

(F) The failure of a lottery sales agent to deduct and 4603
withhold the required amount from a person's prize award does not 4604
relieve the person from liability for the tax imposed by section 4605
5747.02 of the Revised Code with respect to that income. 4606
Compliance with this section does not relieve a lottery sales 4607
agent or a person who has a prize award from compliance with 4608
relevant provisions of federal tax laws. 4609

(G) The commissioner ~~and the tax administrator of the~~ 4610
~~municipal corporation, as applicable,~~ shall prescribe the form of 4611
the receipt and returns required by this section and ~~the~~ 4612
~~commissioner~~ may promulgate any rules necessary to administer the 4613
section. 4614

Sec. 5747.50. (A) As used in this section: 4615

(1) "County's proportionate share of the calendar year 2007 4616
LGF and LGRAF distributions" means the percentage computed for the 4617
county under division (B)(1)(a) of section 5747.501 of the Revised 4618
Code. 4619

(2) "County's proportionate share of the total amount of the 4620
local government fund additional revenue formula" means each 4621
county's proportionate share of the state's population as 4622
determined for and certified to the county for distributions to be 4623
made during the current calendar year under division (B)(2)(a) of 4624
section 5747.501 of the Revised Code. If prior to the first day of 4625
January of the current calendar year the federal government has 4626
issued a revision to the population figures reflected in the 4627
estimate produced pursuant to division (B)(2)(a) of section 4628
5747.501 of the Revised Code, such revised population figures 4629
shall be used for making the distributions during the current 4630
calendar year. 4631

(3) "2007 LGF and LGRAF county distribution base available in 4632
that month" means the lesser of the amounts described in division 4633
(A)(3)(a) and (b) of this section, provided that the amount shall 4634
not be less than zero: 4635

(a) The total amount available for distribution to counties 4636
from the local government fund during the current month. 4637

(b) The total amount distributed to counties from the local 4638
government fund and the local government revenue assistance fund 4639

to counties in calendar year 2007 less the total amount 4640
distributed to counties under division (B)(1) of this section 4641
during previous months of the current calendar year. 4642

(4) "Local government fund additional revenue distribution 4643
base available during that month" means the total amount available 4644
for distribution to counties during the month from the local 4645
government fund, less any amounts to be distributed in that month 4646
from the local government fund under division (B)(1) of this 4647
section, provided that the local government fund additional 4648
revenue distribution base available during that month shall not be 4649
less than zero. 4650

(5) "Total amount available for distribution to counties" 4651
means the total amount available for distribution from the local 4652
government fund during the current month less the total amount 4653
available for distribution to municipal corporations during the 4654
current month under division (C) of this section. 4655

(B) On or before the tenth day of each month, the tax 4656
commissioner shall provide for payment to each county an amount 4657
equal to the sum of: 4658

(1) The county's proportionate share of the calendar year 4659
2007 LGF and LGRAF distributions multiplied by the 2007 LGF and 4660
LGRAF county distribution base available in that month, provided 4661
that if the 2007 LGF and LGRAF county distribution base available 4662
in that month is zero, no payment shall be made under division 4663
(B)(1) of this section for the month or the remainder of the 4664
calendar year; and 4665

(2) The county's proportionate share of the total amount of 4666
the local government fund additional revenue formula multiplied by 4667
the local government fund additional revenue distribution base 4668
available during that month. 4669

Money received into the treasury of a county under this 4670

division shall be credited to the undivided local government fund 4671
in the treasury of the county on or before the fifteenth day of 4672
each month. On or before the twentieth day of each month, the 4673
county auditor shall issue warrants against all of the undivided 4674
local government fund in the county treasury in the respective 4675
amounts allowed as provided in section 5747.51 of the Revised 4676
Code, and the treasurer shall distribute and pay such sums to the 4677
subdivision therein. 4678

(C)(1) As used in division (C) of this section: 4679

(a) "Total amount available for distribution to 4680
municipalities during the current month" means the product 4681
obtained by multiplying the total amount available for 4682
distribution from the local government fund during the current 4683
month by the aggregate municipal share. 4684

(b) "Aggregate municipal share" means the quotient obtained 4685
by dividing the total amount distributed directly from the local 4686
government fund to municipal corporations during calendar year 4687
2007 by the total distributions from the local government fund and 4688
local government revenue assistance fund during calendar year 4689
2007. 4690

(2) On or before the tenth day of each month, the tax 4691
commissioner shall provide for payment from the local government 4692
fund to each municipal corporation an amount equal to the product 4693
derived by multiplying the municipal corporation's percentage of 4694
the total amount distributed to all such municipal corporations 4695
under this division during calendar year 2007 by the total amount 4696
available for distribution to municipal corporations during the 4697
current month. 4698

(3) Payments received by a municipal corporation under this 4699
division shall be paid into its general fund and may be used for 4700
any lawful purpose. 4701

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

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

(D) Each municipal corporation which has in effect a tax imposed under Chapter 718. of the Revised Code shall, no later than the thirty-first day of August of each year, certify to the tax commissioner, on a form prescribed by the commissioner, the ~~total~~ amount of income ~~taxes~~ tax revenue collected and refunded by such municipal corporation pursuant to such chapter during the preceding calendar year, arranged, when possible, by the type of income from which the revenue was collected or the refund was issued. The municipal corporation shall also report the amount of income tax revenue collected and refunded on behalf of a joint economic development district or a joint economic development zone that levies an income tax administered by the municipal corporation and the amount of such revenue distributed to contracting parties during the preceding calendar year. The tax commissioner may withhold payment of local government fund moneys pursuant to division (C) of this section from any municipal corporation for failure to comply with this reporting requirement.

Sec. 5749.06. (A)(1) Each severer liable for the tax imposed 4734
by section 5749.02 of the Revised Code and each severer or owner 4735
liable for the amounts due under section 1509.50 of the Revised 4736
Code shall make and file returns with the tax commissioner in the 4737
prescribed form and as of the prescribed times, computing and 4738
reflecting therein the tax as required by this chapter and amounts 4739
due under section 1509.50 of the Revised Code. 4740

(2) The returns shall be filed for every quarterly period, 4741
which periods shall end on the thirty-first day of March, the 4742
thirtieth day of June, the thirtieth day of September, and the 4743
thirty-first day of December of each year, as required by this 4744
section, unless a different return period is prescribed for a 4745
taxpayer by the commissioner. 4746

(B)(1) A separate return shall be filed for each calendar 4747
quarterly period, or other period, or any part thereof, during 4748
which the severer holds a license as provided by section 5749.04 4749
of the Revised Code, or is required to hold the license, or during 4750
which an owner is required to file a return. The return shall be 4751
filed within forty-five days after the last day of each such 4752
calendar month, or other period, or any part thereof, for which 4753
the return is required. The tax due is payable along with the 4754
return. All such returns shall contain such information as the 4755
commissioner may require to fairly administer the tax. 4756

(2) All returns shall be signed by the severer or owner, as 4757
applicable, shall contain the full and complete information 4758
requested, and shall be made under penalty of perjury. 4759

(C) If the commissioner believes that quarterly payments of 4760
tax would result in a delay that might jeopardize the collection 4761
of such tax payments, the commissioner may order that such 4762
payments be made weekly, or more frequently if necessary, such 4763
payments to be made not later than seven days following the close 4764

of the period for which the jeopardy payment is required. Such an 4765
order shall be delivered to the taxpayer personally or by 4766
certified mail and shall remain in effect until the commissioner 4767
notifies the taxpayer to the contrary. 4768

(D) Upon good cause the commissioner may extend for thirty 4769
days the period for filing any notice or return required to be 4770
filed under this section, and may remit all or a part of penalties 4771
that may become due under this chapter. 4772

(E) Any tax and any amount due under section 1509.50 of the 4773
Revised Code not paid by the day the tax or amount is due shall 4774
bear interest computed at the rate per annum prescribed by section 4775
5703.47 of the Revised Code on that amount due from the day that 4776
the amount was originally required to be paid to the day of actual 4777
payment or to the day an assessment was issued under section 4778
5749.07 or 5749.10 of the Revised Code, whichever occurs first. 4779

(F) A severer or owner, as applicable, that fails to file a 4780
complete return or pay the full amount due under this chapter 4781
within the time prescribed, including any extensions of time 4782
granted by the commissioner, shall be subject to a penalty not to 4783
exceed the greater of fifty dollars or ten per cent of the amount 4784
due for the period. 4785

(G)(1) A severer or owner, as applicable, shall remit 4786
payments electronically and, if required by the commissioner, file 4787
each return electronically. The commissioner may require that the 4788
severer or owner use the Ohio business gateway, as defined in 4789
section ~~718.051~~ 718.01 of the Revised Code, or another electronic 4790
means to file returns and remit payments electronically. 4791

(2) A severer or owner that is required to remit payments 4792
electronically under this section may apply to the commissioner, 4793
in the manner prescribed by the commissioner, to be excused from 4794
that requirement. The commissioner may excuse a severer or owner 4795

from the requirements of division (G) of this section for good 4796
cause. 4797

(3) If a severer or owner that is required to remit payments 4798
or file returns electronically under this section fails to do so, 4799
the commissioner may impose a penalty on the severer or owner not 4800
to exceed the following: 4801

(a) For the first or second payment or return the severer or 4802
owner fails to remit or file electronically, the greater of five 4803
per cent of the amount of the payment that was required to be 4804
remitted or twenty-five dollars; 4805

(b) For every payment or return after the second that the 4806
severer or owner fails to remit or file electronically, the 4807
greater of ten per cent of the amount of the payment that was 4808
required to be remitted or fifty dollars. 4809

(H)(1) All amounts that the commissioner receives under this 4810
section shall be deemed to be revenue from taxes imposed under 4811
this chapter or from the amount due under section 1509.50 of the 4812
Revised Code, as applicable, and shall be deposited in the 4813
severance tax receipts fund, which is hereby created in the state 4814
treasury. 4815

(2) The director of budget and management shall transfer from 4816
the severance tax receipts fund to the tax refund fund amounts 4817
equal to the refunds certified by the commissioner under section 4818
5749.08 of the Revised Code. Any amount transferred under division 4819
(H)(2) of this section shall be derived from receipts of the same 4820
tax or other amount from which the refund arose. 4821

(3) After the director of budget and management makes any 4822
transfer required by division (H)(2) of this section, but not 4823
later than the fifteenth day of the month following the end of 4824
each calendar quarter, the commissioner shall certify to the 4825
director the total amount remaining in the severance tax receipts 4826

fund organized according to the amount attributable to each 4827
natural resource and according to the amount attributable to a tax 4828
imposed by this chapter and the amounts due under section 1509.50 4829
of the Revised Code. 4830

(I) Penalties imposed under this section are in addition to 4831
any other penalty imposed under this chapter and shall be 4832
considered as revenue arising from the tax levied under this 4833
chapter or the amount due under section 1509.50 of the Revised 4834
Code, as applicable. The commissioner may collect any penalty or 4835
interest imposed under this section in the same manner as provided 4836
for the making of an assessment in section 5749.07 of the Revised 4837
Code. The commissioner may abate all or a portion of such interest 4838
or penalties and may adopt rules governing such abatements. 4839

Sec. 5751.07. (A) Any person required to file returns under 4840
this chapter shall remit each tax payment, and, if required by the 4841
tax commissioner, file the tax return or the annual report, 4842
electronically. The commissioner may require taxpayers to use the 4843
Ohio business gateway as defined in section ~~718.051~~ 718.01 of the 4844
Revised Code to file returns and remit the tax, or may provide 4845
another means for taxpayers to file and remit the tax 4846
electronically. 4847

(B) A person required by this section to remit taxes or file 4848
returns electronically may apply to the tax commissioner, on the 4849
form prescribed by the commissioner, to be excused from that 4850
requirement. The commissioner may excuse a person from the 4851
requirements of this division for good cause. 4852

(C)(1) If a person required to remit taxes or file a return 4853
electronically under this section fails to do so, the commissioner 4854
may impose a penalty not to exceed the following: 4855

(a) For either of the first two tax periods the person so 4856
fails, the greater of twenty-five dollars or five per cent of the 4857

amount of the payment that was required to be remitted; 4858

(b) For the third and any subsequent tax periods the person 4859
so fails, the greater of fifty dollars or ten per cent of the 4860
amount of the payment that was required to be remitted. 4861

(2) The penalty imposed under division (C)(1) of this section 4862
is in addition to any other penalty imposed under this chapter and 4863
shall be considered as revenue arising from the tax imposed under 4864
this chapter. A penalty may be collected by assessment in the 4865
manner prescribed by section 5751.09 of the Revised Code. The tax 4866
commissioner may abate all or a portion of such a penalty. 4867

(D) The tax commissioner may adopt rules necessary to 4868
administer this section. 4869

Section 2. That existing sections 128.46, 709.023, 715.013, 4870
718.02, 718.03, 718.04, 718.051, 718.07, 718.09, 718.10, 718.11, 4871
718.121, 718.13, 5703.02, 5703.059, 5703.57, 5717.011, 5717.03, 4872
5726.03, 5736.04, 5739.12, 5739.124, 5741.122, 5747.063, 5747.064, 4873
5747.50, 5749.06, and 5751.07 and sections 718.01, 718.011, 4874
718.041, 718.05, 718.06, 718.08, 718.12, and 718.14 of the Revised 4875
Code are hereby repealed. 4876

Section 3. This act applies to municipal taxable years 4877
beginning on or after January 1, 2016. For municipal taxable years 4878
beginning before January 1, 2016, tax administrators may continue 4879
to administer, audit, and enforce the income tax of a municipal 4880
corporation under Chapter 718. and ordinances and resolutions of 4881
the municipal corporation as that chapter and those ordinances and 4882
resolutions existed before January 1, 2016. 4883

Section 4. (A) There is hereby created the Municipal Income 4884
Tax Net Operating Loss Review Committee for the purpose of 4885
evaluating and quantifying the potential fiscal impact to 4886

municipal corporations levying an income tax requiring such 4887
municipal corporations to allow taxpayers to carry forward net 4888
operating losses for five years. The Committee is a public body 4889
for the purposes of section 121.22 of the Revised Code. 4890

(B) The Committee shall be composed of the following members: 4891

(1) Two members of the House of Representatives who are not 4892
of the same political party, appointed by the Speaker of the House 4893
of Representatives; 4894

(2) Two members of the Senate who are not of the same 4895
political party, appointed by the President of the Senate; 4896

(3) Three members representing municipal income taxpayers, 4897
appointed by the Speaker of the House of Representatives; 4898

(4) Three members representing municipal corporations that 4899
levy an income tax in calendar year 2016, appointed by the 4900
President of the Senate. At least two of the members appointed 4901
under division (B)(4) of this section shall represent municipal 4902
corporations that do not allow taxpayers to carry forward net 4903
operating losses to future taxable years. 4904

(5) One member appointed by the Governor, who shall serve as 4905
the chairperson of the Committee. 4906

The appointing authorities shall appoint members of the 4907
Committee not later than March 1, 2015. An appointed member shall 4908
serve until the member resigns or is removed by the member's 4909
appointing authority. Vacancies shall be filled in the same manner 4910
as original appointments. A vacancy on the committee does not 4911
impair the right of the other members to exercise all the 4912
functions of the Committee. 4913

The Committee shall meet for the first time on or before May 4914
31, 2015. Thereafter, the Committee shall meet at the call of the 4915
chairperson. The presence of a majority of the members of the 4916

Committee constitutes a quorum for the conduct of business of the 4917
Committee. The concurrence of at least a majority of the members 4918
of the Committee is necessary to approve the report issued by the 4919
Committee under division (E) of this section. Members of the 4920
Committee shall not be compensated or reimbursed for members' 4921
expenses. 4922

(C) On or before November 30, 2015, the Committee shall 4923
prescribe a method that municipal corporations shall use to 4924
estimate the difference between the municipal corporation's actual 4925
or projected municipal income tax revenue in 2012, 2013, 2014, 4926
2015, 2016, 2017, and 2018 and the actual or projected municipal 4927
income tax revenue that would have resulted in each of those years 4928
if the municipal corporation allowed net operating loss to be 4929
carried forward for five years for losses incurred in 2011, 2012, 4930
and 2013. 4931

(D) On or before September 30, 2016, each municipal 4932
corporation that levies an income tax in 2011, 2012, or 2013 shall 4933
report to the Municipal Income Tax Net Operating Loss Review 4934
Committee the difference between the municipal corporation's 4935
actual or projected municipal income tax revenue in 2012, 2013, 4936
2014, 2015, 2016, 2017, and 2018 and the actual or projected 4937
municipal income tax revenue that would have resulted in each of 4938
those years if the municipal corporation allowed net operating 4939
loss to be carried forward for five years for losses incurred in 4940
2011, 2012, and 2013, as estimated by the method prescribed by the 4941
Committee under division (C) of this section. 4942

(E) If the Municipal Income Tax Net Operating Loss Review 4943
Committee receives reports from a representative sample, then the 4944
Committee shall review the information reported by municipal 4945
corporations under division (D) of this section and calculate the 4946
total of the revenue effects reported by such municipal 4947
corporations. On or before May 1, 2017, the Committee shall issue 4948

a written report to the Speaker and Minority Leader of the House 4949
of Representatives and the President and Minority Leader of the 4950
Senate reporting the Committee's findings and estimated revenue 4951
impact of requiring municipal corporations levying an income tax 4952
to allow net operating loss to be carried forward for five years. 4953
The report shall contain recommendations to address revenue 4954
shortfalls, which may include, but which shall not be limited to, 4955
the use of supplemental funds from the Local Government Fund to 4956
mitigate those shortfalls. 4957

(F) Nothing in this section delays or otherwise affects the 4958
taxable years to which division (E)(8) of section 718.01 of the 4959
Revised Code, as enacted by this act, apply as prescribed in that 4960
division. 4961

(G) The Municipal Income Tax Net Operating Loss Review 4962
Committee shall cease to exist on May 1, 2017. 4963

(H) As used in this section, "representative sample" includes 4964
at least three cities with a population of more than two hundred 4965
fifty thousand, five cities or villages with a higher ratio of 4966
business taxpayers to resident individual taxpayers relative to 4967
the state average, and five cities or villages with a higher ratio 4968
of resident individual taxpayers to business taxpayers relative to 4969
the state average. 4970

Section 5. (A) There is hereby created the Municipal Income 4971
Tax Revenue Reporting Study Committee. The Committee shall study 4972
the feasibility of requiring municipal corporations to separately 4973
report the portion of the municipal corporation's income tax 4974
revenue that is derived from taxes paid by resident individuals 4975
and the portion of such revenue that is derived from taxes paid by 4976
nonresident individuals. The Committee is a public body for the 4977
purposes of section 121.22 of the Revised Code. 4978

(B) The Committee shall be composed of the following members: 4979

(1) Three members of the Senate, two of whom shall be 4980
appointed by the President of the Senate and one of whom shall be 4981
appointed by the Minority Leader of the Senate; 4982

(2) Three members of the House of Representatives, two of 4983
whom shall be appointed by the Speaker of the House of 4984
Representatives and one of whom shall be appointed by the Minority 4985
Leader of the House of Representatives; 4986

(3) Six members representing business interests or municipal 4987
corporations that levy an income tax, two of whom shall be 4988
appointed by the President of the Senate, two of whom shall be 4989
appointed by the Speaker of the House of Representatives, one of 4990
whom shall be appointed by the Minority Leader of the Senate, and 4991
one of whom shall be appointed by the Minority Leader of the House 4992
of Representatives. 4993

The appointments shall be made within thirty days after the 4994
effective date of this section. An appointed member shall serve 4995
until the member resigns or is removed by the member's appointing 4996
authority. Vacancies shall be filled in the same manner as 4997
original appointments. 4998

Members of the Committee shall not be compensated or 4999
reimbursed for members' expenses. 5000

(C) The Committee shall study the costs and benefits of, and 5001
challenges involved in, requiring that municipal corporations 5002
separately report the portion of the municipal corporation's 5003
income tax revenue that is derived from taxes paid by resident 5004
individuals and the portion of such revenue that is derived from 5005
taxes paid by nonresident individuals. On or before May 1, 2015, 5006
the Committee shall issue a report of its findings and 5007
recommendations with respect to the reporting requirement. The 5008
Committee shall provide copies of the report to the Governor, the 5009
President and Minority Leader of the Senate, and the Speaker and 5010

Minority Leader of the House of Representatives.	5011
(D) The Committee shall cease to exist on May 1, 2015.	5012
(E) It is the intent of the General Assembly to provide	5013
transparency with regards to the source of municipal income tax	5014
receipts beginning on and after January 1, 2015, but not to impose	5015
a significant burden upon municipal corporations.	5016