

**As Passed by the Senate**

**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  
Senators Burke, Coley, Eklund, Faber, Jones, Jordan, Peterson, Schaffer,  
Seitz**

—

**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, 718.18, 718.19, 718.23 to 718.28, 718.30, 11  
718.31, 718.35 to 718.39, 718.41, and 718.99, and 12  
to repeal sections 718.01, 718.011, 718.041, 13  
718.05, 718.06, 718.08, 718.12, and 718.14 of the 14  
Revised Code to revise the laws governing income 15  
taxes 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  
718.18, 718.19, 718.23, 718.24, 718.25, 718.26, 718.27, 718.28, 25  
718.30, 718.31, 718.35, 718.36, 718.37, 718.38, 718.39, 718.41, 26  
and 718.99 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  
its journal a resolution granting the proposed annexation. If,  
instead, the municipal corporation or any of those townships files  
an ordinance or resolution that objects to the proposed  
annexation, the board of county commissioners shall proceed as  
provided in division (E) of this section. Failure of the municipal  
corporation or any of those townships to timely file an ordinance  
or resolution consenting or objecting to the proposed annexation  
shall be deemed to constitute consent by that municipal  
corporation or township to the proposed annexation.

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

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

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

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

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

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

(6) The municipal corporation to which annexation is proposed

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 sitused 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

(6) Dues, contributions, and similar payments received by 617  
charitable, religious, educational, or literary organizations or 618  
labor unions, lodges, and similar organizations; 619

(7) Alimony and child support received; 620

(8) Compensation for personal injuries or for damages to 621  
property from insurance proceeds or otherwise, excluding 622  
compensation paid for lost salaries or wages or compensation from 623  
punitive damages; 624

(9) Income of a public utility when that public utility is 625  
subject to the tax levied under section 5727.24 or 5727.30 of the 626  
Revised Code. Division (C)(9) of this section does not apply for 627  
purposes of Chapter 5745. of the Revised Code. 628

(10) Gains from involuntary conversions, interest on federal 629  
obligations, items of income subject to a tax levied by the state 630  
and that a municipal corporation is specifically prohibited by law 631  
from taxing, and income of a decedent's estate during the period 632  
of administration except such income from the operation of a trade 633  
or business; 634

(11) Compensation or allowances excluded from federal gross 635  
income under section 107 of the Internal Revenue Code; 636

(12) Employee compensation that is not qualifying wages as 637  
defined in division (R) of this section; 638

(13) Compensation paid to a person employed within the 639  
boundaries of a United States air force base under the 640  
jurisdiction of the United States air force that is used for the 641  
housing of members of the United States air force and is a center 642  
for air force operations, unless the person is subject to taxation 643  
because of residence or domicile. If the compensation is subject 644

to taxation because of residence or domicile, tax on such income 645  
shall be payable only to the municipal corporation of residence or 646  
domicile. 647

(14)(a) Except as provided in division (C)(14)(b) or (c) of 648  
this section, an S corporation shareholder's distributive share of 649  
net profits of the S corporation, other than any part of the 650  
distributive share of net profits that represents wages as defined 651  
in section 3121(a) of the Internal Revenue Code or net earnings 652  
from self-employment as defined in section 1402(a) of the Internal 653  
Revenue Code. 654

(b) If, pursuant to division (H) of former section 718.01 of 655  
the Revised Code as it existed before March 11, 2004, a majority 656  
of the electors of a municipal corporation voted in favor of the 657  
question at an election held on November 4, 2003, the municipal 658  
corporation may continue after 2002 to tax an S corporation 659  
shareholder's distributive share of net profits of an S 660  
corporation. 661

(c) If, on December 6, 2002, a municipal corporation was 662  
imposing, assessing, and collecting a tax on an S corporation 663  
shareholder's distributive share of net profits of the S 664  
corporation to the extent the distributive share would be 665  
allocated or apportioned to this state under divisions (B)(1) and 666  
(2) of section 5733.05 of the Revised Code if the S corporation 667  
were a corporation subject to taxes imposed under Chapter 5733. of 668  
the Revised Code, the municipal corporation may continue to impose 669  
the tax on such distributive shares to the extent such shares 670  
would be so allocated or apportioned to this state only until 671  
December 31, 2004, unless a majority of the electors of the 672  
municipal corporation voting on the question of continuing to tax 673  
such shares after that date voted in favor of that question at an 674  
election held November 2, 2004. If a majority of those electors 675  
voted in favor of the question, the municipal corporation may 676

continue after December 31, 2004, to impose the tax on such 677  
distributive shares only to the extent such shares would be so 678  
allocated or apportioned to this state. 679

(d) A municipal corporation shall be deemed to have elected 680  
to tax S corporation shareholders' distributive shares of net 681  
profits of the S corporation in the hands of the shareholders if a 682  
majority of the electors of a municipal corporation voted in favor 683  
of a question at an election held under division (C)(14)(b) or (c) 684  
of this section. The municipal corporation shall specify by 685  
resolution or ordinance that the tax applies to the distributive 686  
share of a shareholder of an S corporation in the hands of the 687  
shareholder of the S corporation. 688

(15) To the extent authorized under a resolution or ordinance 689  
adopted by a municipal corporation before January 1, 2016, all or 690  
a portion of the income of individuals or a class of individuals 691  
under eighteen years of age. 692

(16)(a) Except as provided in divisions (C)(16)(b), (c), and 693  
(d) of this section, qualifying wages described in division (B)(1) 694  
or (E) of section 718.011 of the Revised Code to the extent the 695  
qualifying wages are not subject to withholding for the municipal 696  
corporation under either of those divisions. 697

(b) The exemption provided in division (C)(16)(a) of this 698  
section does not apply with respect to the municipal corporation 699  
in which the employee resided at the time the employee earned the 700  
qualifying wages. 701

(c) The exemption provided in division (C)(16)(a) of this 702  
section does not apply to qualifying wages that an employer elects 703  
to withhold under division (D)(2) of section 718.011 of the 704  
Revised Code. 705

(d) The exemption provided in division (C)(16)(a) of this 706  
section does not apply to qualifying wages if both of the 707

following conditions apply: 708

(i) For qualifying wages described in division (B)(1) of section 718.011 of the Revised Code, the employee's employer withholds and remits tax on the qualifying wages to the municipal corporation in which the employee's principal place of work is situated, or, for qualifying wages described in division (E) of section 718.011 of the Revised Code, the employee's employer withholds and remits tax on the qualifying wages to the municipal corporation in which the employer's fixed location is located; 709  
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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 738



applies shall be treated as earned or received at the individual's 739  
base of operation. If the individual does not have a base of 740  
operation, the compensation shall be treated as earned or received 741  
where the individual is domiciled. 742

(d) For purposes of division (C)(17) of this section, "base 743  
of operation" means the location where an individual owns or rents 744  
an office, storefront, or similar facility to which the individual 745  
regularly reports and at which the individual regularly performs 746  
personal services for compensation. 747

(18) Compensation paid to a person for personal services 748  
performed for a political subdivision on property owned by the 749  
political subdivision, regardless of whether the compensation is 750  
received by an employee of the subdivision or another person 751  
performing services for the subdivision under a contract with the 752  
subdivision, if the property on which services are performed is 753  
annexed to a municipal corporation pursuant to section 709.023 of 754  
the Revised Code on or after March 27, 2013, unless the person is 755  
subject to such taxation because of residence. If the compensation 756  
is subject to taxation because of residence, municipal income tax 757  
shall be payable only to the municipal corporation of residence. 758

(19) Income the taxation of which is prohibited by the 759  
constitution or laws of the United States. 760

Any item of income that is exempt income of a pass-through 761  
entity under division (C) of this section is exempt income of each 762  
owner of the pass-through entity to the extent of that owner's 763  
distributive or proportionate share of that item of the entity's 764  
income. 765

(D)(1) "Net profit" for a person other than an individual 766  
means adjusted federal taxable income. 767

(2) "Net profit" for a person who is an individual means the 768  
individual's net profit required to be reported on schedule C, 769

schedule E, or schedule F reduced by any net operating loss 770  
carried forward. For the purposes of division (D)(2) of this 771  
section, the net operating loss carried forward shall be 772  
calculated and deducted in the same manner as provided in division 773  
(E)(8) of this section. 774

(3) For the purposes of this chapter, and notwithstanding 775  
division (D)(1) of this section, net profit of a disregarded 776  
entity shall not be taxable as against that disregarded entity, 777  
but shall instead be included in the net profit of the owner of 778  
the disregarded entity. 779

(E) "Adjusted federal taxable income," for a person required 780  
to file as a C corporation means a C corporation's federal taxable 781  
income before net operating losses and special deductions as 782  
determined under the Internal Revenue Code, adjusted as follows: 783

(1) Deduct intangible income to the extent included in 784  
federal taxable income. The deduction shall be allowed regardless 785  
of whether the intangible income relates to assets used in a trade 786  
or business or assets held for the production of income. 787

(2) Add an amount equal to five per cent of intangible income 788  
deducted under division (E)(1) of this section, but excluding that 789  
portion of intangible income directly related to the sale, 790  
exchange, or other disposition of property described in section 791  
1221 of the Internal Revenue Code; 792

(3) Add any losses allowed as a deduction in the computation 793  
of federal taxable income if the losses directly relate to the 794  
sale, exchange, or other disposition of an asset described in 795  
section 1221 or 1231 of the Internal Revenue Code; 796

(4)(a) Except as provided in division (E)(4)(b) of this 797  
section, deduct income and gain included in federal taxable income 798  
to the extent the income and gain directly relate to the sale, 799  
exchange, or other disposition of an asset described in section 800

1221 or 1231 of the Internal Revenue Code; 801

(b) Division (E)(4)(a) of this section does not apply to the 802  
extent the income or gain is income or gain described in section 803  
1245 or 1250 of the Internal Revenue Code. 804

(5) Add taxes on or measured by net income allowed as a 805  
deduction in the computation of federal taxable income; 806

(6) In the case of a real estate investment trust or 807  
regulated investment company, add all amounts with respect to 808  
dividends to, distributions to, or amounts set aside for or 809  
credited to the benefit of investors and allowed as a deduction in 810  
the computation of federal taxable income; 811

(7) Deduct, to the extent not otherwise deducted or excluded 812  
in computing federal taxable income, any income derived from a 813  
transfer agreement or from the enterprise transferred under that 814  
agreement under section 4313.02 of the Revised Code; 815

(8)(a) Except as limited by divisions (E)(8)(b), (c), and (d) 816  
of this section, deduct any net operating loss incurred by the 817  
person in a taxable year beginning on or after January 1, 2017. 818

The amount of such net operating loss shall be deducted from 819  
net profit that is reduced by exempt income to the extent 820  
necessary to reduce municipal taxable income to zero, with any 821  
remaining unused portion of the net operating loss carried forward 822  
to not more than five consecutive taxable years following the 823  
taxable year in which the loss was incurred, but in no case for 824  
more years than necessary for the deduction to be fully utilized. 825

(b) No person shall use the deduction allowed by division 826  
(E)(8) of this section to offset qualifying wages. 827

(c)(i) For taxable years beginning in 2018, 2019, 2020, 2021, 828  
or 2022, a person may not deduct, for purposes of an income tax 829  
levied by a municipal corporation that levies an income tax before 830

January 1, 2016, more than fifty per cent of the amount of the 831  
deduction otherwise allowed by division (E)(8)(a) of this section. 832

(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 partner, shareholder, former shareholder, member, or former member shall not be allowed as a deductible expense unless such payments are in consideration for the use of capital and treated as payment of interest under section 469 of the Internal Revenue Code or United States treasury regulations. Amounts paid or accrued to a qualified self-employed retirement plan with respect to a partner, former partner, shareholder, former shareholder, member, or former member of the taxpayer, amounts paid or accrued to or for health insurance for a partner, former partner, shareholder, former shareholder, member, or former member, and amounts paid or accrued to or for life insurance for a partner, former partner, shareholder, former shareholder, member, or former member shall not be allowed as a deduction. 862  
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Nothing in division (E) of this section shall be construed as allowing the taxpayer to add or deduct any amount more than once or shall be construed as allowing any taxpayer to deduct any amount paid to or accrued for purposes of federal self-employment tax. 876  
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(F) "Schedule C" means internal revenue service schedule C (form 1040) filed by a taxpayer pursuant to the Internal Revenue Code. 881  
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(G) "Schedule E" means internal revenue service schedule E (form 1040) filed by a taxpayer pursuant to the Internal Revenue Code. 884  
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(H) "Schedule F" means internal revenue service schedule F (form 1040) filed by a taxpayer pursuant to the Internal Revenue Code. 887  
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(I) "Internal Revenue Code" has the same meaning as in section 5747.01 of the Revised Code. 890  
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(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

(O) "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

<u>limitations, adjusted as follows:</u>	954
<u>(1) Deduct the following amounts:</u>	955
<u>(a) Any amount included in wages if the amount constitutes compensation attributable to a plan or program described in section 125 of the Internal Revenue Code.</u>	956 957 958
<u>(b) Any amount included in wages if the amount constitutes payment on account of a disability related to sickness or an accident paid by a party unrelated to the employer, agent of an employer, or other payer.</u>	959 960 961 962
<u>(c) 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 the municipal corporation has, by resolution or ordinance adopted before January 1, 2016, exempted the amount from withholding and tax.</u>	963 964 965 966 967 968
<u>(d) 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 adopted before January 1, 2016, exempted the amount from withholding and tax.</u>	969 970 971 972 973 974 975
<u>(e) Any amount included in wages that is exempt income.</u>	976
<u>(2) Add the following amounts:</u>	977
<u>(a) Any amount not included in wages solely because the employee was employed by the employer before April 1, 1986.</u>	978 979
<u>(b) Any amount not included in wages because the amount arises from the sale, exchange, or other disposition of a stock option, the exercise of a stock option, or the sale, exchange, or other disposition of stock purchased under a stock option and the</u>	980 981 982 983



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

(c) Any amount not included in wages if the amount is an 988  
amount described in section 401(k), 403(b), or 457 of the Internal 989  
Revenue Code. Division (R)(2)(c) of this section applies only to 990  
employee contributions and employee deferrals. 991

(d) Any amount that is supplemental unemployment compensation 992  
benefits described in section 3402(o)(2) of the Internal Revenue 993  
Code and not included in wages. 994

(e) Any amount received that is treated as self-employment 995  
income for federal tax purposes in accordance with section 996  
1402(a)(8) of the Internal Revenue Code. 997

(f) Any amount not included in wages if all of the following 998  
apply: 999

(i) For the taxable year the amount is employee compensation 1000  
that is included in the taxpayer's gross income for federal income 1001  
tax purposes; 1002

(ii) For no preceding taxable year did the amount constitute 1003  
wages as defined in section 3121(a) of the Internal Revenue Code; 1004

(iii) For no succeeding taxable year will the amount 1005  
constitute wages; and 1006

(iv) For any taxable year the amount has not otherwise been 1007  
added to wages pursuant to either division (R)(2) of this section 1008  
or section 718.03 of the Revised Code, as that section existed 1009  
before the effective date of H.B. 5 of the 130th general assembly. 1010

(S) "Intangible income" means income of any of the following 1011  
types: income yield, interest, capital gains, dividends, or other 1012  
income arising from the ownership, sale, exchange, or other 1013

disposition of intangible property including, but not limited to, 1014  
investments, deposits, money, or credits as those terms are 1015  
defined in Chapter 5701. of the Revised Code, and patents, 1016  
copyrights, trademarks, tradenames, investments in real estate 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 individual's employer or the employer's agent, that pays an individual any amount included in the federal gross income of the individual. "Other payer" includes casino operators and video lottery terminal sales agents. 1044  
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(Y) "Calendar quarter" means the three-month period ending on the last day of March, June, September, or December. 1049  
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(Z) "Form 2106" means internal revenue service form 2106 filed by a taxpayer pursuant to the Internal Revenue Code. 1051  
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(AA) "Municipal corporation" includes a joint economic development district or joint economic development zone that levies an income tax under section 715.691, 715.70, 715.71, or 715.74 of the Revised Code. 1053  
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(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. 1057  
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(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. 1061  
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(DD) "Tax return preparer" means any individual described in section 7701(a)(36) of the Internal Revenue Code and 26 C.F.R. 301.7701-15. 1067  
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(EE) "Ohio business gateway" means the online computer network system, created under section 125.30 of the Revised Code, that allows persons to electronically file business reply forms with state agencies and includes any successor electronic filing and payment system. 1070  
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(FF) "Local board of tax review" and "board of tax review" 1075  
mean the entity created under section 718.11 of the Revised Code. 1076

(GG) "Net operating loss" means a loss incurred by a person 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 (OO)(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 (OO)(1) to (3) of this 1128  
section have been met. 1129

(PP)(1) "Assessment" means a written finding by the tax 1130  
administrator that a person has underpaid municipal income tax, or 1131  
owes penalty and interest, or any combination of tax, penalty, or 1132  
interest, to the municipal corporation that commences the person's 1133  
time limitation for making an appeal to the local board of tax 1134  
review pursuant to section 718.11 of the Revised Code, and has 1135

"ASSESSMENT" written in all capital letters at the top of such finding. 1136  
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(2) "Assessment" does not include an informal notice denying a request for refund issued under division (B)(3) of section 718.19 of the Revised Code, a billing statement notifying a taxpayer of current or past-due balances owed to the municipal corporation, a tax administrator's request for additional information, a notification to the taxpayer of mathematical errors, or a tax administrator's other written correspondence to a person or taxpayer that does meet the criteria prescribed by division (PP)(1) of this section. 1138  
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(OO) "Taxpayers' rights and responsibilities" means the rights provided to taxpayers in sections 718.11, 718.12, 718.19, 718.23, 718.36, 718.37, 718.38, 5717.011, and 5717.03 of the Revised Code and the responsibilities of taxpayers to file, report, withhold, remit, and pay municipal income tax and otherwise comply with Chapter 718. of the Revised Code and resolutions, ordinances, and rules adopted by a municipal corporation for the imposition and administration of a municipal income tax. 1147  
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(RR) "Qualified municipal corporation" means a municipal corporation that, by resolution or ordinance adopted on or before December 31, 2011, adopted Ohio adjusted gross income, as defined by section 5747.01 of the Revised Code, as the income subject to tax for the purposes of imposing a municipal income tax. 1156  
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(SS)(1) "Pre-2017 net operating loss carryforward" means any net operating loss incurred in a taxable year beginning before January 1, 2017, to the extent such loss was permitted, by a resolution or ordinance of the municipal corporation that was adopted by the municipal corporation before January 1, 2016, to be carried forward and utilized to offset income or net profit generated in such municipal corporation in future taxable years. 1161  
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(2) For the purpose of calculating municipal taxable income, 1168  
any pre-2017 net operating loss carryforward may be carried 1169  
forward to any taxable year, including taxable years beginning in 1170  
2017 or thereafter, for the number of taxable years provided in 1171  
the resolution or ordinance or until fully utilized, whichever is 1172  
earlier. 1173

(TT) "Small employer" means any employer that had total 1174  
revenue of less than five hundred thousand dollars during the 1175  
preceding taxable year. For purposes of this division, "total 1176  
revenue" means receipts of any type or kind, including, but not 1177  
limited to, sales receipts; payments; rents; profits; gains, 1178  
dividends, and other investment income; compensation; commissions; 1179  
premiums; money; property; grants; contributions; donations; 1180  
gifts; program service revenue; patient service revenue; premiums; 1181  
fees, including premium fees and service fees; tuition payments; 1182  
unrelated business revenue; reimbursements; any type of payment 1183  
from a governmental unit, including grants and other allocations; 1184  
and any other similar receipts reported for federal income tax 1185  
purposes or under generally accepted accounting principles. "Small 1186  
employer" does not include the federal government; any state 1187  
government, including any state agency or instrumentality; any 1188  
political subdivision; or any entity treated as a government for 1189  
financial accounting and reporting purposes. 1190

(UU) "Audit" means the examination of a person or the 1191  
inspection of the books, records, memoranda, or accounts of a 1192  
person for the purpose of determining liability for a municipal 1193  
income tax. 1194

**Sec. 718.011. (A) As used in this section:** 1195

(1) "Employer" includes a person that is a related member to 1196  
or of an employer. 1197

(2) "Professional athlete" means an athlete who performs 1198

services in a professional athletic event for wages or other 1199  
remuneration. 1200

(3) "Professional entertainer" means a person who performs 1201  
services in the professional performing arts for wages or other 1202  
remuneration on a per-event basis. 1203

(4) "Public figure" means a person of prominence who performs 1204  
services at discrete events, such as speeches, public appearances, 1205  
or similar events, for wages or other remuneration on a per-event 1206  
basis. 1207

(5) "Fixed location" means a permanent place of doing 1208  
business in this state, such as an office, warehouse, storefront, 1209  
or similar location owned or controlled by an employer. 1210

(6) "Worksite location" means a construction site or other 1211  
temporary worksite in this state at which the employer provides 1212  
services for more than twenty days during the calendar year. 1213  
"Worksite location" does not include the home of an employee. 1214

(7) "Principal place of work" means the fixed location to 1215  
which an employee is required to report for employment duties on a 1216  
regular and ordinary basis. If the employee is not required to 1217  
report for employment duties on a regular and ordinary basis to a 1218  
fixed location, "principal place of work" means the worksite 1219  
location in this state to which the employee is required to report 1220  
for employment duties on a regular and ordinary basis. If the 1221  
employee is not required to report for employment duties on a 1222  
regular and ordinary basis to a fixed location or worksite 1223  
location, "principal place of work" means the location in this 1224  
state at which the employee spends the greatest number of days in 1225  
a calendar year performing services for or on behalf of the 1226  
employee's employer. 1227

If there is not a single municipal corporation in which the 1228  
employee spent the "greatest number of days in a calendar year" 1229



performing services for or on behalf of the employer, but instead 1230  
there are two or more municipal corporations in which the employee 1231  
spent an identical number of days that is greater than the number 1232  
of days the employee spent in any other municipal corporation, the 1233  
employer shall allocate any of the employee's qualifying wages 1234  
subject to division (B)(1)(a) of this section among those two or 1235  
more municipal corporations. The allocation shall be made using 1236  
any fair and reasonable method, including, but not limited to, an 1237  
equal allocation among such municipal corporations or an 1238  
allocation based upon the time spent or sales made by the employee 1239  
in each such municipal corporation. A municipal corporation to 1240  
which qualifying wages are allocated under this division shall be 1241  
the employee's "principal place of work" with respect to those 1242  
qualifying wages for the purposes of this section. 1243

For the purposes of this division, the location at which an 1244  
employee spends a particular day shall be determined in accordance 1245  
with division (B)(2) of this section, except that "location" shall 1246  
be substituted for "municipal corporation" wherever "municipal 1247  
corporation" appears in that division. 1248

(B)(1) Subject to divisions (C), (E), (F), and (G) of this 1249  
section, an employer is not required to withhold municipal income 1250  
tax on qualifying wages paid to an employee for the performance of 1251  
personal services in a municipal corporation that imposes such a 1252  
tax if the employee performed such services in the municipal 1253  
corporation on twenty or fewer days in a calendar year, unless one 1254  
of the following conditions applies: 1255

(a) The employee's principal place of work is located in the 1256  
municipal corporation. 1257

(b) The employee performed services at one or more presumed 1258  
worksite locations in the municipal corporation. For the purposes 1259  
of this division, "presumed worksite location" means a 1260  
construction site or other temporary worksite in this state at 1261

which the employer provides services that can reasonably be 1262  
expected by the employer to last more than twenty days in a 1263  
calendar year. Services can "reasonably be expected by the 1264  
employer to last more than twenty days" if either of the following 1265  
applies at the time the services commence: 1266

(i) The nature of the services are such that it will require 1267  
more than twenty days of actual services to complete the services; 1268

(ii) The agreement between the employer and its customer to 1269  
perform services at a location requires the employer to perform 1270  
actual services at the location for more than twenty days. 1271

(c) The employee is a resident of the municipal corporation 1272  
and has requested that the employer withhold tax from the 1273  
employee's qualifying wages as provided in section 718.03 of the 1274  
Revised Code. 1275

(d) The employee is a professional athlete, professional 1276  
entertainer, or public figure, and the qualifying wages are paid 1277  
for the performance of services in the employee's capacity as a 1278  
professional athlete, professional entertainer, or public figure. 1279

(2) For the purposes of division (B)(1) of this section, an 1280  
employee shall be considered to have spent a day performing 1281  
services in a municipal corporation only if the employee spent 1282  
more time performing services for or on behalf of the employer in 1283  
that municipal corporation than in any other municipal corporation 1284  
on that day. For the purposes of determining the amount of time an 1285  
employee spent in a particular location, the time spent performing 1286  
one or more of the following activities shall be considered to 1287  
have been spent at the employee's principal place of work: 1288

(a) Traveling to the location at which the employee will 1289  
first perform services for the employer for the day; 1290

(b) Traveling from a location at which the employee was 1291  
performing services for the employer to any other location; 1292

(c) Traveling from any location to another location in order 1293  
to pick up or load, for the purpose of transportation or delivery, 1294  
property that has been purchased, sold, assembled, fabricated, 1295  
repaired, refurbished, processed, remanufactured, or improved by 1296  
the employee's employer; 1297

(d) Transporting or delivering property described in division 1298  
(B)(2)(c) of this section, provided that, upon delivery of the 1299  
property, the employee does not temporarily or permanently affix 1300  
the property to real estate owned, used, or controlled by a person 1301  
other than the employee's employer; 1302

(e) Traveling from the location at which the employee makes 1303  
the employee's final delivery or pick-up for the day to either the 1304  
employee's principal place of work or a location at which the 1305  
employee will not perform services for the employer. 1306

(C) If the principal place of work of an employee is located 1307  
in a municipal corporation that imposes an income tax in 1308  
accordance with this chapter, the exception from withholding 1309  
requirements described in division (B)(1) of this section shall 1310  
apply only if, with respect to the employee's qualifying wages 1311  
described in that division, the employer withholds and remits tax 1312  
on such qualifying wages to the municipal corporation in which the 1313  
employee's principal place of work is located. 1314

(D)(1) Except as provided in division (D)(2) of this section, 1315  
if, during a calendar year, the number of days an employee spends 1316  
performing personal services in a municipal corporation exceeds 1317  
the twenty-day threshold described in division (B)(1) of this 1318  
section, the employer shall withhold and remit tax to that 1319  
municipal corporation for any subsequent days in that calendar 1320  
year on which the employer pays qualifying wages to the employee 1321  
for personal services performed in that municipal corporation. 1322

(2) An employer required to begin withholding tax for a 1323

municipal corporation under division (D)(1) of this section may 1324  
elect to withhold tax for that municipal corporation for the first 1325  
twenty days on which the employer paid qualifying wages to the 1326  
employee for personal services performed in that municipal 1327  
corporation. 1328

(3) If an employer makes the election described in division 1329  
(D)(2) of this section, the taxes withheld and paid by such an 1330  
employer during those first twenty days to the municipal 1331  
corporation in which the employee's principal place of work is 1332  
located are refundable to the employee. 1333

(E) Without regard to the number of days in a calendar year 1334  
on which an employee performs personal services in any municipal 1335  
corporation, an employer shall withhold municipal income tax on 1336  
all of the employee's qualifying wages for a taxable year and 1337  
remit that tax only to the municipal corporation in which the 1338  
employer's fixed location is located if the employer qualifies as 1339  
a small employer as defined in section 718.01 of the Revised Code. 1340

To determine whether an employer qualifies as a small 1341  
employer for a taxable year, a tax administrator may require the 1342  
employer to provide the tax administrator with the employer's 1343  
federal income tax return for the preceding taxable year. 1344

(F) Divisions (B)(1) and (D) of this section shall not apply 1345  
to the extent that a tax administrator and an employer enter into 1346  
an agreement regarding the manner in which the employer shall 1347  
comply with the requirements of section 718.03 of the Revised 1348  
Code. 1349

(G) In the case of a person performing personal services at a 1350  
petroleum refinery located in a municipal corporation that imposes 1351  
a tax on income, an employer is not required to withhold municipal 1352  
income tax on the qualifying wages of such a person if the person 1353  
performs those services on twelve or fewer days in a calendar 1354

year, unless the principal place of work of the employer is 1355  
located in another municipal corporation in this state that 1356  
imposes a tax applying to compensation paid to the person for 1357  
services performed on those days and the person is not liable to 1358  
that other municipal corporation for tax on the compensation paid 1359  
for such services. For the purposes of this division, a petroleum 1360  
refinery is a facility with a standard industrial classification 1361  
code facility classification of 2911, petroleum refining. 1362

Notwithstanding division (D) of this section, if, during a 1363  
calendar year, the number of days an individual performs personal 1364  
services at a petroleum refinery exceeds twelve, the employer 1365  
shall withhold tax for the municipal corporation for the first 1366  
twelve days for which the employer paid qualifying wages to the 1367  
individual and for all subsequent days in the calendar year on 1368  
which the individual performed services at the refinery. 1369

**Sec. 718.012.** (A)(1) An individual is presumed to be 1370  
domiciled in a municipal corporation for all or part of a taxable 1371  
year if the individual was domiciled in the municipal corporation 1372  
on the last day of the immediately preceding taxable year or if 1373  
the tax administrator reasonably concludes that the individual is 1374  
domiciled in the municipal corporation for all or part of the 1375  
taxable year. 1376

(2) An individual may rebut the presumption of domicile 1377  
described in division (A)(1) of this section if the individual 1378  
establishes by a preponderance of the evidence that the individual 1379  
was not domiciled in the municipal corporation for all or part of 1380  
the taxable year. 1381

(B) For the purpose of determining whether an individual is 1382  
domiciled in a municipal corporation for all or part of a taxable 1383  
year, only the following factors shall be considered: 1384

(1) The location of financial institutions in which the 1385

<u>individual or the individual's spouse have any accounts,</u>	1386
<u>including, but not limited to, checking, savings, certificates of</u>	1387
<u>deposit, or individual retirement accounts;</u>	1388
<u>(2) The location of issuers of credit cards to the individual</u>	1389
<u>or the individual's spouse or of any other persons making</u>	1390
<u>installment loans to the individual or the individual's spouse;</u>	1391
<u>(3) The location of institutional lenders which have made</u>	1392
<u>loans to, or which are guaranteed by, the individual or the</u>	1393
<u>individual's spouse;</u>	1394
<u>(4) The location of investment facilities, brokerage firms,</u>	1395
<u>realtors, financial advisors, or consultants used by the</u>	1396
<u>individual or the individual's spouse;</u>	1397
<u>(5) The location of either the insurance company that issued</u>	1398
<u>or the insurance agent that sold any policy of insurance to the</u>	1399
<u>individual or the individual's spouse, including, but not limited</u>	1400
<u>to, life, health, disability, automobile, or homeowner's</u>	1401
<u>insurance;</u>	1402
<u>(6) The location of law firms, accounting firms, and similar</u>	1403
<u>professionals utilized by the individual or the individual's</u>	1404
<u>spouse for legal, tax, accounting, financial, or retirement</u>	1405
<u>services;</u>	1406
<u>(7) The location of physicians, dentists, osteopaths,</u>	1407
<u>optometrists, or other health care providers, or veterinarians</u>	1408
<u>utilized by the individual or the individual's spouse;</u>	1409
<u>(8) The location of organizations described in section 501(c)</u>	1410
<u>of the Internal Revenue Code to which the individual or the</u>	1411
<u>individual's spouse make contributions or other payments or in</u>	1412
<u>which they participate as a congregant, member, board member,</u>	1413
<u>committee member, adviser, or consultant;</u>	1414
<u>(9) The location of burial plots owned by the individual or</u>	1415

<u>the individual's spouse;</u>	1416
<u>(10) The location of business ventures or business entities</u>	1417
<u>in which the individual or the individual's spouse has a more than</u>	1418
<u>twenty-five per cent ownership interest or in which the individual</u>	1419
<u>exercises, either individually or jointly, significant control</u>	1420
<u>over the affairs of the venture or entity;</u>	1421
<u>(11) The recitation of residency or domicile in a will,</u>	1422
<u>trust, or other estate planning document;</u>	1423
<u>(12) The location of the individual's friends, dependents as</u>	1424
<u>defined in section 152 of the Internal Revenue Code, and family</u>	1425
<u>members other than the individual's spouse, if the individual is</u>	1426
<u>not legally separated from the individual's spouse under a decree</u>	1427
<u>of divorce or separate maintenance as provided in section</u>	1428
<u>7703(a)(2) of the Internal Revenue Code;</u>	1429
<u>(13) The location of educational institutions attended by the</u>	1430
<u>individual's dependents as defined in section 152 of the Internal</u>	1431
<u>Revenue Code, to the extent that tuition paid to such educational</u>	1432
<u>institution is based on the residency of the individual or the</u>	1433
<u>individual's spouse in the municipal corporation where the</u>	1434
<u>educational institution is located;</u>	1435
<u>(14) The location of trustees, executors, guardians, or other</u>	1436
<u>fiduciaries named in estate planning documents of the individual</u>	1437
<u>or the individual's spouse;</u>	1438
<u>(15) The location of all businesses at which the individual</u>	1439
<u>or the individual's spouse makes purchases of tangible personal</u>	1440
<u>property;</u>	1441
<u>(16) The location where the individual married;</u>	1442
<u>(17) The location or identity of recipients of political</u>	1443
<u>contributions made by the individual or the individual's spouse;</u>	1444
<u>(18) The number of contact periods the individual has with</u>	1445

the municipal corporation. For the purposes of this division, an individual has one "contact period" with a municipal corporation if the individual is away overnight from the individual's abode located outside of the municipal corporation and while away overnight from that abode spends at least some portion, however minimal, of each of two consecutive days in the municipal corporation.

(19) The individual's domicile in other taxable years;

(20) The location at which the individual is registered to vote;

(21) The address on the individual's driver's license;

(22) The location of real estate for which the individual claimed a property tax exemption or reduction allowed on the basis of the individual's residence or domicile;

(23) The location and value of abodes owned or leased by the individual;

(24) Declarations, written or oral, made by the individual regarding the individual's residency;

(25) The primary location at which the individual is employed.

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

(A) Except as otherwise provided in division ~~(D)~~(B) of this



section, net profit from a business or profession conducted both 1476  
within and without the boundaries of a municipal corporation shall 1477  
be considered as having a taxable situs in ~~such~~ the municipal 1478  
corporation for purposes of municipal income taxation in the same 1479  
proportion as the average ratio of the following: 1480

(1) The average original cost of the real property and 1481  
tangible personal property owned or used by the taxpayer in the 1482  
business or profession in ~~such~~ the municipal corporation during 1483  
the taxable period to the average original cost of all of the real 1484  
and tangible personal property owned or used by the taxpayer in 1485  
the business or profession during the same period, wherever 1486  
situated. 1487

As used in the preceding paragraph, tangible personal or real 1488  
property shall include property rented or leased by the taxpayer 1489  
and the value of such property shall be determined by multiplying 1490  
the annual rental thereon by eight; 1491

(2) Wages, salaries, and other compensation paid during the 1492  
taxable period to ~~persons~~ individuals employed in the business or 1493  
profession for services performed in ~~such~~ the municipal 1494  
corporation to wages, salaries, and other compensation paid during 1495  
the same period to ~~persons~~ individuals employed in the business or 1496  
profession, wherever ~~their~~ the individual's services are 1497  
performed, excluding compensation ~~that is not taxable by the~~ 1498  
~~municipal corporation under section 718.011~~ from which taxes are 1499  
not required to be withheld under section 718.011 of the Revised 1500  
Code; 1501

(3) ~~Gross~~ Total gross receipts of the business or profession 1502  
from sales and rentals made and services performed during the 1503  
taxable period in ~~such~~ the municipal corporation to total gross 1504  
receipts of the business or profession during the same period from 1505  
sales, rentals, and services, wherever made or performed. 1506

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

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

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

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

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

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

~~(a) Separate accounting;~~

<u>(b) The exclusion of one or more of the factors;</u>	1538
<u>(c) The inclusion of one or more additional factors that would provide for a more fair apportionment of the income of the taxpayer to the municipal corporation;</u>	1539 1540 1541
<u>(d) A modification of one or more of the factors.</u>	1542
<u>(2) A taxpayer request to use an alternative apportionment method shall be in writing and shall accompany a tax return, timely filed appeal of an assessment, or timely filed amended tax return. The taxpayer may use the requested alternative method unless the tax administrator denies the request in an assessment issued within the period prescribed by division (A) of section 718.12 of the Revised Code.</u>	1543 1544 1545 1546 1547 1548 1549
<u>(3) A tax administrator may require a taxpayer to use an alternative apportionment method as described in division (B)(1) of this section only by issuing an assessment to the taxpayer within the period prescribed by division (A) of section 718.12 of the Revised Code.</u>	1550 1551 1552 1553 1554
<u>(4) Nothing in division (B) of this section nullifies or otherwise affects any alternative apportionment arrangement approved by a tax administrator or otherwise agreed upon by both the tax administrator and taxpayer before January 1, 2016.</u>	1555 1556 1557 1558
<u>(C) As used in division (A)(2) of this section, "wages, salaries, and other compensation" includes only wages, salaries, or other compensation paid to an employee for services performed at any of the following locations:</u>	1559 1560 1561 1562
<u>(1) A location that is owned, controlled, or used by, rented to, or under the possession of one of the following:</u>	1563 1564
<u>(a) The employer;</u>	1565
<u>(b) A vendor, customer, client, or patient of the employer, or a related member of such a vendor, customer, client, or</u>	1566 1567

patient; 1568

(c) A vendor, customer, client, or patient of a person 1569  
described in division (C)(1)(b) of this section, or a related 1570  
member of such a vendor, customer, client, or patient. 1571

(2) Any location at which a trial, appeal, hearing, 1572  
investigation, inquiry, review, court-martial, or similar 1573  
administrative, judicial, or legislative matter or proceeding is 1574  
being conducted, provided that the compensation is paid for 1575  
services performed for, or on behalf of, the employer or that the 1576  
employee's presence at the location directly or indirectly 1577  
benefits the employer; 1578

(3) Any other location, if the tax administrator determines 1579  
that the employer directed the employee to perform the services at 1580  
the other location in lieu of a location described in division 1581  
(C)(1) or (2) of this section solely in order to avoid or reduce 1582  
the employer's municipal income tax liability. If a tax 1583  
administrator makes such a determination, the employer may dispute 1584  
the determination by establishing, by a preponderance of the 1585  
evidence, that the tax administrator's determination was 1586  
unreasonable. 1587

(D) For the purposes of division (A)(3) of this section, 1588  
receipts from sales and rentals made and services performed shall 1589  
be sitused to a municipal corporation as follows: 1590

(1) Gross receipts from the sale of tangible personal 1591  
property shall be sitused to the municipal corporation in which 1592  
the sale originated. For the purposes of this division, a sale of 1593  
property originates in a municipal corporation if, regardless of 1594  
where title passes, the property meets any of the following 1595  
criteria: 1596

(a) The property is shipped to or delivered within the 1597  
municipal corporation from a stock of goods located within the 1598

municipal corporation. 1599

(b) The property is delivered within the municipal corporation from a location outside the municipal corporation, provided the taxpayer is regularly engaged through its own employees in the solicitation or promotion of sales within such municipal corporation and the sales result from such solicitation or promotion. 1600  
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(c) The property is shipped from a place within the municipal corporation to purchasers outside the municipal corporation, provided that the taxpayer is not, through its own employees, regularly engaged in the solicitation or promotion of sales at the place where delivery is made. 1606  
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(2) Gross receipts from the sale of services shall be sitused to the municipal corporation to the extent that such services are performed in the municipal corporation. 1611  
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(3) To the extent included in income, gross receipts from the sale of real property located in the municipal corporation shall be sitused to the municipal corporation. 1614  
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1616

(4) To the extent included in income, gross receipts from rents and royalties from real property located in the municipal corporation shall be sitused to the municipal corporation. 1617  
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(5) Gross receipts from rents and royalties from tangible personal property shall be sitused to the municipal corporation based upon the extent to which the tangible personal property is used in the municipal corporation. 1620  
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(E) The net profit received by an individual taxpayer from the rental activity not constituting a business or profession of real estate owned directly by the individual or by a disregarded entity owned by the individual shall be subject to tax only by the municipal corporation in which the property generating the net profit is located and the municipal corporation in which the 1624  
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individual taxpayer that receives the net profit resides. 1630

~~(D) This section does not apply to individuals who are 1631  
residents of the municipal corporation and, except as otherwise 1632  
provided in section 718.01 of the Revised Code, a municipal 1633  
corporation may impose a tax on all income earned by residents of 1634  
the municipal corporation to the extent allowed by the United 1635  
States Constitution. 1636~~

~~(E) If, in computing the taxpayer's adjusted federal taxable 1637  
income, the taxpayer deducted any amount with respect to a stock 1638  
option granted to an employee, and if the employee is not required 1639  
to include in income any amount or any portion thereof because it 1640  
is exempted from taxation under division (H)(10) of section 718.01 1641  
of the Revised Code and division (A)(2)(d) of section 718.03 of 1642  
the Revised Code by a municipal corporation to which the taxpayer 1643  
has apportioned a portion of its net profit, the taxpayer shall 1644  
add the amount that is exempt from taxation to the taxpayer's net 1645  
profit that was apportioned to that municipal corporation. In no 1646  
case shall a taxpayer be required to add to its net profit that 1647  
was apportioned to that municipal corporation any amount other 1648  
than the amount upon which the employee would be required to pay 1649  
tax were the amount related to the stock option not exempted from 1650  
taxation. 1651~~

~~This division applies solely for the purpose of making an 1652  
adjustment to the amount of a taxpayer's net profit that was 1653  
apportioned to a municipal corporation under divisions (A) and (B) 1654  
of this section. 1655~~

A municipal corporation shall allow such taxpayers to elect 1656  
to use separate accounting for the purpose of calculating net 1657  
profit sitused under this division to the municipal corporation in 1658  
which the property is located. 1659

(F)(1) Except as provided in division (F)(2) of this section, 1660

commissions received by a real estate agent or broker relating to 1661  
the sale, purchase, or lease of real estate shall be sitused to 1662  
the municipal corporation in which the real estate is located. Net 1663  
profit reported by the real estate agent or broker shall be 1664  
allocated to a municipal corporation based upon the ratio of the 1665  
commissions the agent or broker received from the sale, purchase, 1666  
or lease of real estate located in the municipal corporation to 1667  
the commissions received from the sale, purchase, or lease of real 1668  
estate everywhere in the taxable year. 1669

(2) An individual who is a resident of a municipal 1670  
corporation that imposes a municipal income tax shall report the 1671  
individual's net profit from all real estate activity on the 1672  
individual's annual tax return for that municipal corporation. The 1673  
individual may claim a credit for taxes the individual paid on 1674  
such net profit to another municipal corporation to the extent 1675  
that such a credit is allowed under the municipal income tax 1676  
ordinance, or rules of the municipal corporation of residence. 1677

(G) If, in computing a taxpayer's adjusted federal taxable 1678  
income, the taxpayer deducted any amount with respect to a stock 1679  
option granted to an employee, and if the employee is not required 1680  
to include in the employee's income any such amount or a portion 1681  
thereof because it is exempted from taxation under divisions 1682  
(C)(12) and (R)(1)(d) of section 718.01 of the Revised Code by a 1683  
municipal corporation to which the taxpayer has apportioned a 1684  
portion of its net profit, the taxpayer shall add the amount that 1685  
is exempt from taxation to the taxpayer's net profit that was 1686  
apportioned to that municipal corporation. In no case shall a 1687  
taxpayer be required to add to its net profit that was apportioned 1688  
to that municipal corporation any amount other than the amount 1689  
upon which the employee would be required to pay tax were the 1690  
amount related to the stock option not exempted from taxation. 1691

This division applies solely for the purpose of making an 1692

adjustment to the amount of a taxpayer's net profit that was 1693  
apportioned to a municipal corporation under this section. 1694

(H) When calculating the ratios described in division (A) of 1695  
this section for the purposes of that division or division (B) of 1696  
this section, the owner of a disregarded entity shall include in 1697  
the owner's ratios the property, payroll, and gross receipts of 1698  
such disregarded entity. 1699

~~Sec. 718.03. (A) As used in this section:~~ 1700

~~(1) "Other payer" means any person, other than an~~ 1701  
~~individual's employer or the employer's agent, that pays an~~ 1702  
~~individual any amount included in the federal gross income of the~~ 1703  
~~individual.~~ 1704

~~(2) "Qualifying wages" means wages, as defined in section~~ 1705  
~~3121(a) of the Internal Revenue Code, without regard to any wage~~ 1706  
~~limitations, adjusted as follows:~~ 1707

~~(a) Deduct the following amounts:~~ 1708

~~(i) Any amount included in wages if the amount constitutes~~ 1709  
~~compensation attributable to a plan or program described in~~ 1710  
~~section 125 of the Internal Revenue Code;~~ 1711

~~(ii) For purposes of division (B) of this section, any amount~~ 1712  
~~included in wages if the amount constitutes payment on account of~~ 1713  
~~sickness or accident disability.~~ 1714

~~(b) Add the following amounts:~~ 1715

~~(i) Any amount not included in wages solely because the~~ 1716  
~~employee was employed by the employer prior to April 1, 1986;~~ 1717

~~(ii) Any amount not included in wages because the amount~~ 1718  
~~arises from the sale, exchange, or other disposition of a stock~~ 1719  
~~option, the exercise of a stock option, or the sale, exchange, or~~ 1720  
~~other disposition of stock purchased under a stock option and the~~ 1721



~~municipal corporation has not, by resolution or ordinance, 1722  
exempted the amount from withholding and tax. Division 1723  
(A)(2)(b)(ii) of this section applies only to those amounts 1724  
constituting ordinary income. 1725~~

~~(iii) Any amount not included in wages if the amount is an 1726  
amount described in section 401(k) or 457 of the Internal Revenue 1727  
Code. Division (A)(2)(b)(iii) of this section applies only to 1728  
employee contributions and employee deferrals. 1729~~

~~(iv) Any amount that is supplemental unemployment 1730  
compensation benefits described in section 3402(o)(2) of the 1731  
Internal Revenue Code and not included in wages. 1732~~

~~(c) Deduct any amount attributable to a nonqualified deferred 1733  
compensation plan or program described in section 3121(v)(2)(C) of 1734  
the Internal Revenue Code if the compensation is included in wages 1735  
and has, by resolution or ordinance, been exempted from taxation 1736  
by the municipal corporation. 1737~~

~~(d) Deduct any amount included in wages if the amount arises 1738  
from the sale, exchange, or other disposition of a stock option, 1739  
the exercise of a stock option, or the sale, exchange, or other 1740  
disposition of stock purchased under a stock option and the 1741  
municipal corporation has, by resolution or ordinance, exempted 1742  
the amount from withholding and tax. 1743~~

~~(B) Except as provided in division (F) of this section, for 1744  
taxable years beginning after 2003, no municipal corporation shall 1745  
require any employer or any agent of any employer or any other 1746  
payer, to withhold tax with respect to any amount other than 1747  
qualifying wages. Nothing in this section prohibits an employer 1748  
from withholding tax on a basis greater than qualifying wages. 1749~~

~~(C)(1) Each employer, agent of an employer, or other payer 1750  
located or doing business in a municipal corporation that imposes 1751  
a tax on income in accordance with this chapter shall withhold 1752~~

from each employee an amount equal to the qualifying wages of the 1753  
employee earned by the employee in the municipal corporation 1754  
multiplied by the applicable rate of the municipal corporation's 1755  
income tax, except for qualifying wages for which withholding is 1756  
not required under section 718.011 of the Revised Code or division 1757  
(D) or (F) of this section. An employer, agent of an employer, or 1758  
other payer shall deduct and withhold the tax from qualifying 1759  
wages on the date that the employer, agent, or other payer 1760  
directly, indirectly, or constructively pays the qualifying wages 1761  
to, or credits the qualifying wages to the benefit of, the 1762  
employee. 1763

(2) In addition to withholding the amounts required under 1764  
division (A)(1) of this section, an employer, agent of an 1765  
employer, or other payer may also deduct and withhold, on the 1766  
request of an employee, taxes for the municipal corporation in 1767  
which the employee is a resident. 1768

(B)(1) Except as provided in division (B)(2) of this section, 1769  
an employer, agent of an employer, or other payer shall remit to 1770  
the tax administrator of a municipal corporation the greater of 1771  
the income taxes deducted and withheld or the income taxes 1772  
required to be deducted and withheld by the employer, agent, or 1773  
other payer according to the following schedule: 1774

(a) Taxes required to be deducted and withheld shall be 1775  
remitted monthly to the tax administrator if the total taxes 1776  
deducted and withheld or required to be deducted and withheld by 1777  
the employer, agent, or other payer on behalf of the municipal 1778  
corporation in the preceding calendar year exceeded two thousand 1779  
three hundred ninety-nine dollars, or if the total amount of taxes 1780  
deducted and withheld or required to be deducted and withheld on 1781  
behalf of the municipal corporation in any month of the preceding 1782  
calendar quarter exceeded two hundred dollars. 1783

Payment under division (B)(1)(a) of this section shall be 1784

made so that the payment is received by the tax administrator not 1785  
later than fifteen days after the last day of each month. 1786

(b) Any employer, agent of an employer, or other payer not 1787  
required to make payments under division (B)(1)(a) of this section 1788  
of taxes required to be deducted and withheld shall make quarterly 1789  
payments to the tax administrator not later than the fifteenth day 1790  
of the month following the end of each calendar quarter. 1791

(2) Notwithstanding division (B)(1) of this section, a 1792  
municipal corporation may require, by resolution, ordinance, or 1793  
rule, an employer, agent of an employer, or other payer to do any 1794  
of the following: 1795

(a) Remit taxes deducted and withheld semimonthly to the tax 1796  
administrator if the total taxes deducted and withheld or required 1797  
to be deducted and withheld on behalf of the municipal corporation 1798  
in the preceding calendar year exceeded eleven thousand nine 1799  
hundred ninety-nine dollars, or if the total amount of taxes 1800  
deducted and withheld or required to be deducted and withheld on 1801  
behalf of the municipal corporation in any month of the preceding 1802  
calendar year exceeded one thousand dollars. The payment under 1803  
division (B)(2)(a) of this section shall be made so that the 1804  
payment is received by the tax administrator not later than one of 1805  
the following: 1806

(i) If the taxes were deducted and withheld or required to be 1807  
deducted and withheld during the first fifteen days of a month, 1808  
the third banking day after the fifteenth day of that month; 1809

(ii) If the taxes were deducted and withheld or required to 1810  
be deducted and withheld after the fifteenth day of a month and 1811  
before the first day of the immediately following month, the third 1812  
banking day after the last day of that month. 1813

(b) Make payment by electronic funds transfer to the tax 1814  
administrator of all taxes deducted and withheld on behalf of the 1815

municipal corporation if the employer, agent of an employer, or 1816  
other payer is required to make payments electronically for the 1817  
purpose of paying federal taxes withheld on payments to employees 1818  
under section 6302 of the Internal Revenue Code, 26 C.F.R. 1819  
31.6302-1, or any other federal statute or regulation. The payment 1820  
of tax by electronic funds transfer under this division does not 1821  
affect an employer's, agent's, or other payer's obligation to file 1822  
any return as required under this section. 1823

(C) An employer, agent of an employer, or other payer shall 1824  
make and file a return showing the amount of tax withheld by the 1825  
employer, agent, or other payer from the qualifying wages of each 1826  
employee and remitted to the tax administrator. Unless the tax 1827  
administrator requires all individual taxpayers to file a tax 1828  
return under section 718.05 of the Revised Code, a return filed by 1829  
an employer, agent, or other payer under this division shall be 1830  
accepted by a tax administrator and municipal corporation as the 1831  
return required of an employee whose sole income subject to the 1832  
tax under this chapter is the qualifying wages reported by the 1833  
employee's employer, agent of an employer, or other payer. 1834

(D) An employer, agent of an employer, or other payer is not 1835  
required to ~~make any withholding~~ withhold municipal income tax 1836  
with respect to an individual's disqualifying disposition of an 1837  
incentive stock option if, at the time of the disqualifying 1838  
disposition, the individual is not an employee of either the 1839  
corporation with respect to whose stock the option has been issued 1840  
or of such corporation's successor entity. 1841

~~(D)~~(E)(1) An employee is not relieved from liability for a 1842  
tax by the failure of the employer, agent of an employer, or other 1843  
payer to withhold the tax as required ~~by a municipal corporation~~ 1844  
under this chapter or by the employer's, agent's, or other payer's 1845  
exemption from the requirement to withhold the tax. 1846

(2) The failure of an employer, agent of an employer, or 1847

other payer to remit to the municipal corporation the tax withheld 1848  
relieves the employee from liability for that tax unless the 1849  
employee colluded with the employer, agent, or other payer in 1850  
connection with the failure to remit the tax withheld. 1851

~~(E)~~(F) Compensation deferred before June 26, 2003, is not 1852  
subject to any municipal corporation income tax or municipal 1853  
income tax withholding requirement to the extent the deferred 1854  
compensation does not constitute qualifying wages at the time the 1855  
deferred compensation is paid or distributed. 1856

~~(F) A municipal corporation may require a casino facility or 1857  
a casino operator, as defined in Section 6(C)(9) of Article XV, 1858  
Ohio Constitution, and section 3772.01 of the Revised Code, 1859  
respectively, or a lottery sales agent conducting video lottery 1860  
terminals on behalf of the state to withhold and remit tax with 1861  
respect to amounts other than qualifying wages. 1862~~

(G) Each employer, agent of an employer, or other payer 1863  
required to withhold taxes is liable for the payment of that 1864  
amount required to be withheld, whether or not such taxes have 1865  
been withheld, and such amount shall be deemed to be held in trust 1866  
for the municipal corporation until such time as the withheld 1867  
amount is remitted to the tax administrator. 1868

(H) On or before the last day of February of each year, an 1869  
employer shall file a withholding reconciliation return with the 1870  
tax administrator listing the names, addresses, and social 1871  
security numbers of all employees from whose qualifying wages tax 1872  
was withheld or should have been withheld for the municipal 1873  
corporation during the preceding calendar year, the amount of tax 1874  
withheld, if any, from each such employee, the total amount of 1875  
qualifying wages paid to such employee during the preceding 1876  
calendar year, the name of every other municipal corporation for 1877  
which tax was withheld or should have been withheld from such 1878  
employee during the preceding calendar year, any other information 1879

required for federal income tax reporting purposes on Internal 1880  
Revenue Service form W-2 or its equivalent form with respect to 1881  
such employee, and other information as may be required by the tax 1882  
administrator. 1883

(I) The officer or the employee of the employer, agent of an 1884  
employer, or other payer with control or direct supervision of or 1885  
charged with the responsibility for withholding the tax or filing 1886  
the reports and making payments as required by this section, shall 1887  
be personally liable for a failure to file a report or pay the tax 1888  
due as required by this section. The dissolution of an employer, 1889  
agent of an employer, or other payer does not discharge the 1890  
officer's or employee's liability for a failure of the employer, 1891  
agent of an employer, or other payer to file returns or pay any 1892  
tax due. 1893

(J) An employer is required to deduct and withhold municipal 1894  
income tax on tips and gratuities received by the employer's 1895  
employees and constituting qualifying wages only to the extent 1896  
that the tips and gratuities are under the employer's control. For 1897  
the purposes of this division, a tip or gratuity is under the 1898  
employer's control if the tip or gratuity is paid by the customer 1899  
to the employer for subsequent remittance to the employee, or if 1900  
the customer pays the tip or gratuity by credit card, debit card, 1901  
or other electronic means. 1902

(K) A tax administrator shall consider any tax withheld by an 1903  
employer at the request of an employee when such tax is not 1904  
otherwise required to be withheld by this chapter to be tax 1905  
required to be withheld and remitted for the purposes of this 1906  
section. 1907

**Sec. 718.031.** (A) A municipal corporation shall require a 1908  
casino facility or a casino operator, as defined in Section 1909  
6(C)(9) of Article XV, Ohio Constitution, and section 3772.01 of 1910

the Revised Code, respectively, or a lottery sales agent 1911  
conducting video lottery terminals on behalf of the state to 1912  
withhold and remit municipal income tax with respect to amounts 1913  
other than qualifying wages as provided in this section. 1914

(B) If a person's winnings at a casino facility are an amount 1915  
for which reporting to the internal revenue service of the amount 1916  
is required by section 6041 of the Internal Revenue Code, as 1917  
amended, the casino operator shall deduct and withhold municipal 1918  
income tax from the person's winnings at the rate of the tax 1919  
imposed by the municipal corporation in which the casino facility 1920  
is located. 1921

(C) Amounts deducted and withheld by a casino operator are 1922  
held in trust for the benefit of the municipal corporation to 1923  
which the tax is owed. 1924

(1) On or before the tenth day of each month, the casino 1925  
operator shall file a return electronically with the tax 1926  
administrator of the municipal corporation, providing the name, 1927  
address, and social security number of the person from whose 1928  
winnings amounts were deducted and withheld, the amount of each 1929  
such deduction and withholding during the preceding calendar 1930  
month, the amount of the winnings from which each such amount was 1931  
withheld, the type of casino gaming that resulted in such 1932  
winnings, and any other information required by the tax 1933  
administrator. With this return, the casino operator shall remit 1934  
electronically to the municipal corporation all amounts deducted 1935  
and withheld during the preceding month. 1936

(2) Annually, on or before the thirty-first day of January, a 1937  
casino operator shall file an annual return electronically with 1938  
the tax administrator of the municipal corporation in which the 1939  
casino facility is located, indicating the total amount deducted 1940  
and withheld during the preceding calendar year. The casino 1941

operator shall remit electronically with the annual return any 1942  
amount that was deducted and withheld and that was not previously 1943  
remitted. If the name, address, or social security number of a 1944  
person or the amount deducted and withheld with respect to that 1945  
person was omitted on a monthly return for that reporting period, 1946  
that information shall be indicated on the annual return. 1947

(3) Annually, on or before the thirty-first day of January, a 1948  
casino operator shall issue an information return to each person 1949  
with respect to whom an amount has been deducted and withheld 1950  
during the preceding calendar year. The information return shall 1951  
show the total amount of municipal income tax deducted from the 1952  
person's winnings during the preceding year. The casino operator 1953  
shall provide to the tax administrator a copy of each information 1954  
return issued under this division. The administrator may require 1955  
that such copies be transmitted electronically. 1956

(4) A casino operator that fails to file a return and remit 1957  
the amounts deducted and withheld shall be personally liable for 1958  
the amount withheld and not remitted. Such personal liability 1959  
extends to any penalty and interest imposed for the late filing of 1960  
a return or the late payment of tax deducted and withheld. 1961

(5) If a casino operator sells the casino facility or 1962  
otherwise quits the casino business, the amounts deducted and 1963  
withheld along with any penalties and interest thereon are 1964  
immediately due and payable. The successor shall withhold an 1965  
amount of the purchase money that is sufficient to cover the 1966  
amounts deducted and withheld along with any penalties and 1967  
interest thereon until the predecessor casino operator produces 1968  
either of the following: 1969

(a) A receipt from the tax administrator showing that the 1970  
amounts deducted and withheld and penalties and interest thereon 1971  
have been paid; 1972



<u>(b) A certificate from the tax administrator indicating that</u>	1973
<u>no amounts are due.</u>	1974
<u>If the successor fails to withhold purchase money, the</u>	1975
<u>successor is personally liable for the payment of the amounts</u>	1976
<u>deducted and withheld and penalties and interest thereon.</u>	1977
<u>(6) The failure of a casino operator to deduct and withhold</u>	1978
<u>the required amount from a person's winnings does not relieve that</u>	1979
<u>person from liability for the municipal income tax with respect to</u>	1980
<u>those winnings.</u>	1981
<u>(D) If a person's prize award from a video lottery terminal</u>	1982
<u>is an amount for which reporting to the internal revenue service</u>	1983
<u>is required by section 6041 of the Internal Revenue Code, as</u>	1984
<u>amended, the video lottery sales agent shall deduct and withhold</u>	1985
<u>municipal income tax from the person's prize award at the rate of</u>	1986
<u>the tax imposed by the municipal corporation in which the video</u>	1987
<u>lottery terminal facility is located.</u>	1988
<u>(E) Amounts deducted and withheld by a video lottery sales</u>	1989
<u>agent are held in trust for the benefit of the municipal</u>	1990
<u>corporation to which the tax is owed.</u>	1991
<u>(1) The video lottery sales agent shall issue to a person</u>	1992
<u>from whose prize award an amount has been deducted and withheld a</u>	1993
<u>receipt for the amount deducted and withheld, and shall obtain</u>	1994
<u>from the person receiving a prize award the person's name,</u>	1995
<u>address, and social security number in order to facilitate the</u>	1996
<u>preparation of returns required by this section.</u>	1997
<u>(2) On or before the tenth day of each month, the video</u>	1998
<u>lottery sales agent shall file a return electronically with the</u>	1999
<u>tax administrator of the municipal corporation providing the</u>	2000
<u>names, addresses, and social security numbers of the persons from</u>	2001
<u>whose prize awards amounts were deducted and withheld, the amount</u>	2002
<u>of each such deduction and withholding during the preceding</u>	2003

calendar month, the amount of the prize award from which each such 2004  
amount was withheld, and any other information required by the tax 2005  
administrator. With the return, the video lottery sales agent 2006  
shall remit electronically to the tax administrator all amounts 2007  
deducted and withheld during the preceding month. 2008

(3) A video lottery sales agent shall maintain a record of 2009  
all receipts issued under division (E) of this section and shall 2010  
make those records available to the tax administrator upon 2011  
request. Such records shall be maintained in accordance with 2012  
section 5747.17 of the Revised Code and any rules adopted pursuant 2013  
thereto. 2014

(4) Annually, on or before the thirty-first day of January, 2015  
each video lottery terminal sales agent shall file an annual 2016  
return electronically with the tax administrator of the municipal 2017  
corporation in which the facility is located indicating the total 2018  
amount deducted and withheld during the preceding calendar year. 2019  
The video lottery sales agent shall remit electronically with the 2020  
annual return any amount that was deducted and withheld and that 2021  
was not previously remitted. If the name, address, or social 2022  
security number of a person or the amount deducted and withheld 2023  
with respect to that person was omitted on a monthly return for 2024  
that reporting period, that information shall be indicated on the 2025  
annual return. 2026

(5) Annually, on or before the thirty-first day of January, a 2027  
video lottery sales agent shall issue an information return to 2028  
each person with respect to whom an amount has been deducted and 2029  
withheld during the preceding calendar year. The information 2030  
return shall show the total amount of municipal income tax 2031  
deducted and withheld from the person's prize award by the video 2032  
lottery sales agent during the preceding year. A video lottery 2033  
sales agent shall provide to the tax administrator of the 2034  
municipal corporation a copy of each information return issued 2035

under this division. The tax administrator may require that such 2036  
copies be transmitted electronically. 2037

(6) A video lottery sales agent who fails to file a return 2038  
and remit the amounts deducted and withheld is personally liable 2039  
for the amount deducted and withheld and not remitted. Such 2040  
personal liability extends to any penalty and interest imposed for 2041  
the late filing of a return or the late payment of tax deducted 2042  
and withheld. 2043

(F) If a video lottery sales agent ceases to operate video 2044  
lottery terminals, the amounts deducted and withheld along with 2045  
any penalties and interest thereon are immediately due and 2046  
payable. The successor of the video lottery sales agent that 2047  
purchases the video lottery terminals from the agent shall 2048  
withhold an amount from the purchase money that is sufficient to 2049  
cover the amounts deducted and withheld and any penalties and 2050  
interest thereon until the predecessor video lottery sales agent 2051  
operator produces either of the following: 2052

(1) A receipt from the tax administrator showing that the 2053  
amounts deducted and withheld and penalties and interest thereon 2054  
have been paid; 2055

(2) A certificate from the tax administrator indicating that 2056  
no amounts are due. 2057

If the successor fails to withhold purchase money, the 2058  
successor is personally liable for the payment of the amounts 2059  
deducted and withheld and penalties and interest thereon. 2060

(G) The failure of a video lottery sales agent to deduct and 2061  
withhold the required amount from a person's prize award does not 2062  
relieve that person from liability for the municipal income tax 2063  
with respect to that prize award. 2064

(H) If a casino operator or lottery sales agent files a 2065  
return late, fails to file a return, remits amounts deducted and 2066

withheld late, or fails to remit amounts deducted and withheld as 2067  
required under this section, the tax administrator of a municipal 2068  
corporation may impose the following applicable penalty: 2069

(1) For the late remittance of, or failure to remit, tax 2070  
deducted and withheld under this section, a penalty equal to fifty 2071  
per cent of the tax deducted and withheld; 2072

(2) For the failure to file, or the late filing of, a monthly 2073  
or annual return, a penalty of five hundred dollars for each 2074  
return not filed or filed late. Interest shall accrue on past due 2075  
amounts deducted and withheld at the rate prescribed in section 2076  
5703.47 of the Revised Code. 2077

(I) Amounts deducted and withheld on behalf of a municipal 2078  
corporation shall be allowed as a credit against payment of the 2079  
tax imposed by the municipal corporation and shall be treated as 2080  
taxes paid for purposes of section 718.08 of the Revised Code. 2081  
This division applies only to the person for whom the amount is 2082  
deducted and withheld. 2083

(J) The tax administrator shall prescribe the forms of the 2084  
receipts and returns required under this section. 2085

**Sec. 718.04.** (A) Notwithstanding division (A) of section 2086  
715.013 of the Revised Code, a municipal corporation may levy a 2087  
tax on income and a withholding tax if such taxes are levied in 2088  
accordance with the provisions and limitations specified in this 2089  
chapter. On or after January 1, 2016, the ordinance or resolution 2090  
levying such taxes, as adopted or amended by the legislative 2091  
authority of the municipal corporation, shall include all of the 2092  
following: 2093

(1) A statement that the tax is an annual tax levied on the 2094  
income of every person residing in or earning or receiving income 2095  
in the municipal corporation and that the tax shall be measured by 2096

<u>municipal taxable income;</u>	2097
<u>(2) A statement that the municipal corporation is levying the tax in accordance with the limitations specified in this chapter and that the resolution or ordinance thereby incorporates the provisions of this chapter;</u>	2098 2099 2100 2101
<u>(3) The rate of the tax;</u>	2102
<u>(4) Whether, and the extent to which, a credit, as described in division (D) of this section, will be allowed against the tax;</u>	2103 2104
<u>(5) The purpose or purposes of the tax;</u>	2105
<u>(6) Any other provision necessary for the administration of the tax, provided that the provision does not conflict with any provision of this chapter.</u>	2106 2107 2108
<u>(B) Any municipal corporation that, on or before the effective date of the enactment of this section, levies an income tax at a rate in excess of one per cent may continue to levy the tax at the rate specified in the original ordinance or resolution, provided that such rate continues in effect as specified in the original ordinance or resolution.</u>	2109 2110 2111 2112 2113 2114
<u>(C)(1) No municipal corporation shall tax income at other than a uniform rate.</u>	2115 2116
<u>(2) Except as provided in division (B) of this section, no municipal corporation shall levy a tax on income at a rate in excess of one per cent without having obtained the approval of the excess by a majority of the electors of the municipality voting on the question at a general, primary, or special election. The legislative authority of the municipal corporation shall file with the board of elections at least ninety days before the day of the election a copy of the ordinance together with a resolution specifying the date the election is to be held and directing the board of elections to conduct the election. The ballot shall be in</u>	2117 2118 2119 2120 2121 2122 2123 2124 2125 2126

the following form: "Shall the Ordinance providing for a ... per 2127  
cent levy on income for (Brief description of the purpose of the 2128  
proposed levy) be passed? 2129

	<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 2134  
be used only for the specified purpose. 2135

(D) A municipal corporation may, by ordinance or resolution, 2136  
grant a credit to residents of the municipal corporation for all 2137  
or a portion of the taxes paid to any municipal corporation, in 2138  
this state or elsewhere, by the resident or by a pass-through 2139  
entity owned, directly or indirectly, by a resident, on the 2140  
resident's distributive or proportionate share of the income of 2141  
the pass-through entity. A municipal corporation is not required 2142  
to refund taxes not paid to the municipal corporation. 2143

(E) Except as otherwise provided in this chapter, a municipal 2144  
corporation that levies an income tax in effect for taxable years 2145  
beginning before January 1, 2016, may continue to administer and 2146  
enforce the provisions of such tax for all taxable years beginning 2147  
before January 1, 2016, provided that the provisions of such tax 2148  
are consistent with this chapter as it existed prior to the 2149  
effective date of the enactment of this section. 2150

(F) Nothing in this chapter authorizes a municipal 2151  
corporation to levy a tax on income, or to administer or collect 2152  
such a tax or penalties or interest related to such a tax, 2153  
contrary to the provisions and limitations specified in this 2154  
chapter. No municipal corporation shall enforce an ordinance or 2155  
resolution that conflicts with the provisions of this chapter. 2156

Sec. 718.05. (A) An annual return with respect to the income 2157  
tax levied by a municipal corporation shall be completed and filed 2158  
by every taxpayer for any taxable year for which the taxpayer is 2159  
liable for the tax. If the total credit allowed against the tax as 2160  
described in division (D) of section 718.04 of the Revised Code 2161  
for the year is equal to or exceeds the tax imposed by the 2162  
municipal corporation, no return shall be required unless the 2163  
municipal ordinance or resolution levying the tax requires the 2164  
filing of a return in such circumstances. 2165

(B) If an individual is deceased, any return or notice 2166  
required of that individual shall be completed and filed by that 2167  
decedent's executor, administrator, or other person charged with 2168  
the property of that decedent. 2169

(C) If an individual is unable to complete and file a return 2170  
or notice required by a municipal corporation in accordance with 2171  
this chapter, the return or notice required of that individual 2172  
shall be completed and filed by the individual's duly authorized 2173  
agent, guardian, conservator, fiduciary, or other person charged 2174  
with the care of the person or property of that individual. 2175

(D) Returns or notices required of an estate or a trust shall 2176  
be completed and filed by the fiduciary of the estate or trust. 2177

(E) No municipal corporation shall deny spouses the ability 2178  
to file a joint return. 2179

(F)(1) Each return required to be filed under this section 2180  
shall contain the signature of the taxpayer or the taxpayer's duly 2181  
authorized agent and of the person who prepared the return for the 2182  
taxpayer, and shall include the taxpayer's social security number 2183  
or taxpayer identification number. Each return shall be verified 2184  
by a declaration under penalty of perjury. 2185

(2) A tax administrator may require a taxpayer who is an 2186

individual to include, with each annual return, amended return, or 2187  
request for refund required under this section, copies of only the 2188  
following documents: all of the taxpayer's Internal Revenue 2189  
Service form W-2, "Wage and Tax Statements," including all 2190  
information reported on the taxpayer's federal W-2, as well as 2191  
taxable wages reported or withheld for any municipal corporation; 2192  
the taxpayer's Internal Revenue Service form 1040; and, with 2193  
respect to an amended tax return or refund request, any other 2194  
documentation necessary to support the refund request or the 2195  
adjustments made in the amended return. An individual taxpayer who 2196  
files the annual return required by this section electronically is 2197  
not required to provide paper copies of any of the foregoing to 2198  
the tax administrator unless the tax administrator requests such 2199  
copies after the return has been filed. 2200

(3) A tax administrator may require a taxpayer that is not an 2201  
individual to include, with each annual net profit return, amended 2202  
net profit return, or request for refund required under this 2203  
section, copies of only the following documents: the taxpayer's 2204  
Internal Revenue Service form 1041, form 1065, form 1120, form 2205  
1120-REIT, form 1120F, or form 1120S, and, with respect to an 2206  
amended tax return or refund request, any other documentation 2207  
necessary to support the refund request or the adjustments made in 2208  
the amended return. 2209

A taxpayer that is not an individual and that files an annual 2210  
net profit return electronically through the Ohio business gateway 2211  
or in some other manner shall either mail the documents required 2212  
under this division to the tax administrator at the time of filing 2213  
or, if electronic submission is available, submit the documents 2214  
electronically through the Ohio business gateway. The department 2215  
of taxation shall publish a method of electronically submitting 2216  
the documents required under this division through the Ohio 2217  
business gateway on or before January 1, 2016. The department 2218



shall transmit all documents submitted electronically under this 2219  
division to the appropriate tax administrator. 2220

(4) After a taxpayer files a tax return, the tax 2221  
administrator may request, and the taxpayer shall provide, any 2222  
information, statements, or documents required by the municipal 2223  
corporation to determine and verify the taxpayer's municipal 2224  
income tax liability. The requirements imposed under division (F) 2225  
of this section apply regardless of whether the taxpayer files on 2226  
a generic form or on a form prescribed by the tax administrator. 2227

(G)(1) Except as otherwise provided in this chapter, each 2228  
return required to be filed under this section shall be completed 2229  
and filed as required by the tax administrator on or before the 2230  
date prescribed for the filing of state individual income tax 2231  
returns under division (G) of section 5747.08 of the Revised Code. 2232  
The taxpayer shall complete and file the return or notice on forms 2233  
prescribed by the tax administrator or on generic forms, together 2234  
with remittance made payable to the municipal corporation or tax 2235  
administrator. No remittance is required if the amount shown to be 2236  
due is ten dollars or less. 2237

(2) Any taxpayer that has duly requested an automatic 2238  
six-month extension for filing the taxpayer's federal income tax 2239  
return shall automatically receive an extension for the filing of 2240  
a municipal income tax return. The extended due date of the 2241  
municipal income tax return shall be the fifteenth day of the 2242  
tenth month after the last day of the taxable year to which the 2243  
return relates. An extension of time to file under this division 2244  
is not an extension of the time to pay any tax due unless the tax 2245  
administrator grants an extension of that date. 2246

(3) If the tax commissioner extends for all taxpayers the 2247  
date for filing state income tax returns under division (G) of 2248  
section 5747.08 of the Revised Code, a taxpayer shall 2249  
automatically receive an extension for the filing of a municipal 2250

income tax return. The extended due date of the municipal income 2251  
tax return shall be the same as the extended due date of the state 2252  
income tax return. 2253

(4) If the tax administrator considers it necessary in order 2254  
to ensure the payment of the tax imposed by the municipal 2255  
corporation in accordance with this chapter, the tax administrator 2256  
may require taxpayers to file returns and make payments otherwise 2257  
than as provided in this section, including taxpayers not 2258  
otherwise required to file annual returns. 2259

(5) To the extent that any provision in this division 2260  
conflicts with any provision in section 718.052 of the Revised 2261  
Code, the provision in that section prevails. 2262

(H)(1) For taxable years beginning after 2015, a municipal 2263  
corporation shall not require a taxpayer to remit tax with respect 2264  
to net profits if the amount due is less than ten dollars. 2265

(2) Any taxpayer not required to remit tax to a municipal 2266  
corporation for a taxable year pursuant to division (H)(1) of this 2267  
section shall file with the municipal corporation an annual net 2268  
profit return under division (F)(3) of this section. 2269

(I) This division shall not apply to payments required to be 2270  
made under division (B)(1)(a) or (2)(a) of section 718.03 of the 2271  
Revised Code. 2272

(1) If any report, claim, statement, or other document 2273  
required to be filed, or any payment required to be made, within a 2274  
prescribed period or on or before a prescribed date under this 2275  
chapter is delivered after that period or that date by United 2276  
States mail to the tax administrator or other municipal official 2277  
with which the report, claim, statement, or other document is 2278  
required to be filed, or to which the payment is required to be 2279  
made, the date of the postmark stamped on the cover in which the 2280  
report, claim, statement, or other document, or payment is mailed 2281

shall be deemed to be the date of delivery or the date of payment. 2282  
"The date of postmark" means, in the event there is more than one 2283  
date on the cover, the earliest date imprinted on the cover by the 2284  
postal service. 2285

(2) If a payment is required to be made by electronic funds 2286  
transfer, the payment is considered to be made when the payment is 2287  
credited to an account designated by the tax administrator for the 2288  
receipt of tax payments, except that, when a payment made by 2289  
electronic funds transfer is delayed due to circumstances not 2290  
under the control of the taxpayer, the payment is considered to be 2291  
made when the taxpayer submitted the payment. 2292

(J) The amounts withheld by an employer, the agent of an 2293  
employer, or an other payer as described in section 718.03 of the 2294  
Revised Code shall be allowed to the recipient of the compensation 2295  
as credits against payment of the tax imposed on the recipient by 2296  
the municipal corporation, unless the amounts withheld were not 2297  
remitted to the municipal corporation and the recipient colluded 2298  
with the employer, agent, or other payer in connection with the 2299  
failure to remit the amounts withheld. 2300

(K) Each return required by a municipal corporation to be 2301  
filed in accordance with this section shall include a box that the 2302  
taxpayer may check to authorize another person, including a tax 2303  
return preparer who prepared the return, to communicate with the 2304  
tax administrator about matters pertaining to the return. The 2305  
return or instructions accompanying the return shall indicate that 2306  
by checking the box the taxpayer authorizes the tax administrator 2307  
to contact the preparer or other person concerning questions that 2308  
arise during the examination or other review of the return and 2309  
authorizes the preparer or other person only to provide the tax 2310  
administrator with information that is missing from the return, to 2311  
contact the tax administrator for information about the 2312  
examination or other review of the return or the status of the 2313

taxpayer's refund or payments, and to respond to notices about 2314  
mathematical errors, offsets, or return preparation that the 2315  
taxpayer has received from the tax administrator and has shown to 2316  
the preparer or other person. 2317

(L) The tax administrator of a municipal corporation shall 2318  
accept for filing a generic form of any income tax return, report, 2319  
or document required by the municipal corporation in accordance 2320  
with this chapter, provided that the generic form, once completed 2321  
and filed, contains all of the information required by ordinance, 2322  
resolution, or rules adopted by the municipal corporation or tax 2323  
administrator, and provided that the taxpayer or tax return 2324  
preparer filing the generic form otherwise complies with the 2325  
provisions of this chapter and of the municipal corporation 2326  
ordinance or resolution governing the filing of returns, reports, 2327  
or documents. 2328

(M) When income tax returns, reports, or other documents 2329  
require the signature of a tax return preparer, the tax 2330  
administrator shall accept a facsimile of such a signature in lieu 2331  
of a manual signature. 2332

**Sec. 718.051.** ~~(A) As used in this section, "Ohio business~~ 2333  
~~gateway" means the online computer network system, initially~~ 2334  
~~created by the department of administrative services under section~~ 2335  
~~125.30 of the Revised Code, that allows private businesses to~~ 2336  
~~electronically file business reply forms with state agencies and~~ 2337  
~~includes any successor electronic filing and payment system.~~ 2338

~~(B) Notwithstanding section 718.05 of the Revised Code, on~~ 2339  
~~and after January 1, 2005, any taxpayer that is subject to any~~ 2340  
~~municipal corporation's tax on the net profit from a business or~~ 2341  
~~profession and has received an extension to file the federal~~ 2342  
~~income tax return shall not be required to notify the municipal~~ 2343  
~~corporation of the federal extension and shall not be required to~~ 2344

~~file any municipal income tax return until the last day of the~~ 2345  
~~month to which the due date for filing the federal return has been~~ 2346  
~~extended, provided that, on or before the date for filing the~~ 2347  
~~municipal income tax return, the person notifies the tax~~ 2348  
~~commissioner of the federal extension through the Ohio business~~ 2349  
~~gateway. An extension of time to file is not an extension of the~~ 2350  
~~time to pay any tax due.~~ 2351

~~(C) For taxable years beginning on or after January 1, 2005,~~ 2352  
a Any taxpayer subject to any municipal corporation's tax on 2353  
income taxation with respect to the taxpayer's net profit from a 2354  
business or profession may file any municipal income tax return 2355  
~~or,~~ estimated municipal income tax return, or extension for filing 2356  
a municipal income tax return, and may make payment of amounts 2357  
shown to be due on such returns, by using the Ohio business 2358  
gateway. 2359

~~(D)(1) As used in this division, "qualifying wages" has the~~ 2360  
~~same meaning as in section 718.03 of the Revised Code.~~ 2361

~~(2)(B)~~ Any employer, agent of an employer, or other payer may 2362  
report the amount of municipal income tax withheld from qualifying 2363  
wages ~~paid on or after January 1, 2007,~~ and may make remittance of 2364  
such amounts, by using the Ohio business gateway. 2365

~~(E)(C)~~ Nothing in this section affects the due dates for 2366  
filing employer withholding tax returns. 2367

~~(F)(D)~~ No municipal corporation shall be required to pay any 2368  
fee or charge for the operation or maintenance of the Ohio 2369  
business gateway. 2370

~~(G)(E)~~ The use of the Ohio business gateway by municipal 2371  
corporations, taxpayers, or other persons pursuant to this section 2372  
does not affect the legal rights of municipalities or taxpayers as 2373  
otherwise permitted by law. This state shall not be a party to the 2374  
administration of municipal income taxes or to an appeal of a 2375

municipal income tax matter, except as otherwise specifically 2376  
provided by law. 2377

~~(H)~~(F)(1) The tax commissioner shall adopt rules 2378  
establishing: 2379

(a) The format of documents to be used by taxpayers to file 2380  
returns and make payments through the Ohio business gateway; and 2381

(b) The information taxpayers must submit when filing 2382  
municipal income tax returns through the Ohio business gateway. 2383

The commissioner shall not adopt rules under this division 2384  
that conflict with the requirements of section 718.05 of the 2385  
Revised Code. 2386

(2) The commissioner shall consult with the Ohio business 2387  
gateway steering committee before adopting the rules described in 2388  
division ~~(H)~~(F)(1) of this section. 2389

~~(I)~~(G) Nothing in this section shall be construed as limiting 2390  
or removing the ~~ability~~ authority of any municipal corporation to 2391  
administer, audit, and enforce the provisions of its municipal 2392  
income tax. 2393

**Sec. 718.052.** (A) Each member of the national guard of any 2394  
state and each member of a reserve component of the armed forces 2395  
of the United States called to active duty pursuant to an 2396  
executive order issued by the president of the United States or an 2397  
act of the congress of the United States, and each civilian 2398  
serving as support personnel in a combat zone or contingency 2399  
operation in support of the armed forces, may apply to the tax 2400  
administrator of a municipal corporation for both an extension of 2401  
time for filing of the return and an extension of time for payment 2402  
of taxes required by the municipal corporation in accordance with 2403  
this chapter during the period of the member's or civilian's duty 2404  
service and for one hundred eighty days thereafter. The 2405

application shall be filed on or before the one hundred eightieth 2406  
day after the member's or civilian's duty terminates. An applicant 2407  
shall provide such evidence as the tax administrator considers 2408  
necessary to demonstrate eligibility for the extension. 2409

(B)(1) If the tax administrator ascertains that an applicant 2410  
is qualified for an extension under this section, the tax 2411  
administrator shall enter into a contract with the applicant for 2412  
the payment of the tax in installments that begin on the one 2413  
hundred eighty-first day after the applicant's active duty or 2414  
service terminates. Except as provided in division (B)(3) of this 2415  
section, the tax administrator may prescribe such contract terms 2416  
as the tax administrator considers appropriate. 2417

(2) If the tax administrator ascertains that an applicant is 2418  
qualified for an extension under this section, the applicant shall 2419  
neither be required to file any return, report, or other tax 2420  
document nor be required to pay any tax otherwise due to the 2421  
municipal corporation before the one hundred eighty-first day 2422  
after the applicant's active duty or service terminates. 2423

(3) Taxes paid pursuant to a contract entered into under 2424  
division (B)(1) of this section are not delinquent. The tax 2425  
administrator shall not require any payments of penalties or 2426  
interest in connection with those taxes for the extension period. 2427

(C)(1) Nothing in this division denies to any person 2428  
described in this division the application of divisions (A) and 2429  
(B) of this section. 2430

(2)(a) A qualifying taxpayer who is eligible for an extension 2431  
under the Internal Revenue Code shall receive both an extension of 2432  
time in which to file any return, report, or other tax document 2433  
and an extension of time in which to make any payment of taxes 2434  
required by a municipal corporation in accordance with this 2435  
chapter. The length of any extension granted under division 2436

(C)(2)(a) of this section shall be equal to the length of the 2437  
corresponding extension that the taxpayer receives under the 2438  
Internal Revenue Code. As used in this section, "qualifying 2439  
taxpayer" means a member of the national guard or a member of a 2440  
reserve component of the armed forces of the United States called 2441  
to active duty pursuant to either an executive order issued by the 2442  
president of the United States or an act of the congress of the 2443  
United States, or a civilian serving as support personnel in a 2444  
combat zone or contingency operation in support of the armed 2445  
forces. 2446

(b) Taxes whose payment is extended in accordance with 2447  
division (C)(2)(a) of this section are not delinquent during the 2448  
extension period. Such taxes become delinquent on the first day 2449  
after the expiration of the extension period if the taxes are not 2450  
paid prior to that date. The tax administrator shall not require 2451  
any payment of penalties or interest in connection with those 2452  
taxes for the extension period. The tax administrator shall not 2453  
include any period of extension granted under division (C)(2)(a) 2454  
of this section in calculating the penalty or interest due on any 2455  
unpaid tax. 2456

(D) For each taxable year to which division (A), (B), or (C) 2457  
of this section applies to a taxpayer, the provisions of divisions 2458  
(B)(2) and (3) or (C) of this section, as applicable, apply to the 2459  
spouse of that taxpayer if the filing status of the spouse and the 2460  
taxpayer is married filing jointly for that year. 2461

**Sec. 718.06. (A) As used in this section:** 2462

(1) "Affiliated group of corporations" means an affiliated 2463  
group as defined in section 1504 of the Internal Revenue Code, 2464  
except that, if such a group includes at least one incumbent local 2465  
exchange carrier that is primarily engaged in the business of 2466  
providing local exchange telephone service in this state, the 2467



affiliated group shall not include any incumbent local exchange carrier that would otherwise be included in the group. 2468  
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(2) "Consolidated federal income tax return" means a consolidated return filed for federal income tax purposes pursuant to section 1501 of the Internal Revenue Code. 2470  
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(3) "Consolidated federal taxable income" means the consolidated taxable income of an affiliated group of corporations, as computed for the purposes of filing a consolidated federal income tax return, before consideration of net operating losses or special deductions. "Consolidated federal taxable income" does not include income or loss of an incumbent local exchange carrier that is excluded from the affiliated group under division (A)(1) of this section. 2473  
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(4) "Incumbent local exchange carrier" has the same meaning as in section 4927.01 of the Revised Code. 2481  
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(5) "Local exchange telephone service" has the same meaning as in section 5727.01 of the Revised Code. 2483  
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(B)(1) For taxable years beginning on or after January 1, 2016, a taxpayer that is a member of an affiliated group of corporations may elect to file a consolidated municipal income tax return for a taxable year if at least one member of the affiliated group of corporations is subject to the municipal income tax in that taxable year and if the affiliated group of corporations filed a consolidated federal income tax return with respect to that taxable year. The election is binding for a five-year period beginning with the first taxable year of the initial election unless a change in the reporting method is required under federal law. The election continues to be binding for each subsequent five-year period unless the taxpayer elects to discontinue filing consolidated municipal income tax returns under division (B)(2) of this section or a taxpayer receives permission from the tax 2485  
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administrator. The tax administrator shall approve such a request 2499  
for good cause shown. 2500

(2) An election to discontinue filing consolidated municipal 2501  
income tax returns under this section must be made in the first 2502  
year following the last year of a five-year consolidated municipal 2503  
income tax return election period in effect under division (B)(1) 2504  
of this section. The election to discontinue filing a consolidated 2505  
municipal income tax return is binding for a five-year period 2506  
beginning with the first taxable year of the election. 2507

(3) An election made under division (B)(1) or (2) of this 2508  
section is binding on all members of the affiliated group of 2509  
corporations subject to a municipal income tax. 2510

(C) A taxpayer that is a member of an affiliated group of 2511  
corporations that filed a consolidated federal income tax return 2512  
for a taxable year shall file a consolidated municipal income tax 2513  
return for that taxable year if the tax administrator determines, 2514  
by a preponderance of the evidence, that intercompany transactions 2515  
have not been conducted at arm's length and that there has been a 2516  
distortive shifting of income or expenses with regard to 2517  
allocation of net profits to the municipal corporation. A taxpayer 2518  
that is required to file a consolidated municipal income tax 2519  
return for a taxable year shall file a consolidated municipal 2520  
income tax return for all subsequent taxable years unless the 2521  
taxpayer requests and receives written permission from the tax 2522  
administrator to file a separate return or a taxpayer has 2523  
experienced a change in circumstances. 2524

(D) A taxpayer shall prepare a consolidated municipal income 2525  
tax return in the same manner as is required under the United 2526  
States department of treasury regulations that prescribe 2527  
procedures for the preparation of the consolidated federal income 2528  
tax return required to be filed by the common parent of the 2529  
affiliated group of which the taxpayer is a member. 2530

(E)(1) Except as otherwise provided in divisions (E)(2), (3), 2531  
and (4) of this section, corporations that file a consolidated 2532  
municipal income tax return shall compute adjusted federal taxable 2533  
income, as defined in section 718.01 of the Revised Code, by 2534  
substituting "consolidated federal taxable income" for "federal 2535  
taxable income" wherever "federal taxable income" appears in that 2536  
division and by substituting "an affiliated group of 2537  
corporation's" for "a C corporation's" wherever "a C 2538  
corporation's" appears in that division. 2539

(2) No corporation filing a consolidated municipal income tax 2540  
return shall make any adjustment otherwise required under division 2541  
(E) of section 718.01 of the Revised Code to the extent that the 2542  
item of income or deduction otherwise subject to the adjustment 2543  
has been eliminated or consolidated in the computation of 2544  
consolidated federal taxable income. 2545

(3) If the net profit or loss of a pass-through entity having 2546  
at least eighty per cent of the value of its ownership interest 2547  
owned or controlled, directly or indirectly, by an affiliated 2548  
group of corporations is included in that affiliated group's 2549  
consolidated federal taxable income for a taxable year, the 2550  
corporation filing a consolidated municipal income tax return 2551  
shall do one of the following with respect to that pass-through 2552  
entity's net profit or loss for that taxable year: 2553

(a) Exclude the pass-through entity's net profit or loss from 2554  
the consolidated federal taxable income of the affiliated group 2555  
and, for the purpose of making the computations required in 2556  
section 718.02 of the Revised Code, exclude the property, payroll, 2557  
and gross receipts of the pass-through entity in the computation 2558  
of the affiliated group's net profit situated to a municipal 2559  
corporation. If the entity's net profit or loss is so excluded, 2560  
the entity shall be subject to taxation as a separate taxpayer on 2561  
the basis of the entity's net profits that would otherwise be 2562

included in the consolidated federal taxable income of the 2563  
affiliated group. 2564

(b) Include the pass-through entity's net profit or loss in 2565  
the consolidated federal taxable income of the affiliated group 2566  
and, for the purpose of making the computations required in 2567  
section 718.02 of the Revised Code, include the property, payroll, 2568  
and gross receipts of the pass-through entity in the computation 2569  
of the affiliated group's net profit sitused to a municipal 2570  
corporation. If the entity's net profit or loss is so included, 2571  
the entity shall not be subject to taxation as a separate taxpayer 2572  
on the basis of the entity's net profits that are included in the 2573  
consolidated federal taxable income of the affiliated group. 2574

(4) If the net profit or loss of a pass-through entity having 2575  
less than eighty per cent of the value of its ownership interest 2576  
owned or controlled, directly or indirectly, by an affiliated 2577  
group of corporations is included in that affiliated group's 2578  
consolidated federal taxable income for a taxable year, all of the 2579  
following shall apply: 2580

(a) The corporation filing the consolidated municipal income 2581  
tax return shall exclude the pass-through entity's net profit or 2582  
loss from the consolidated federal taxable income of the 2583  
affiliated group and, for the purposes of making the computations 2584  
required in section 718.02 of the Revised Code, exclude the 2585  
property, payroll, and gross receipts of the pass-through entity 2586  
in the computation of the affiliated group's net profit sitused to 2587  
a municipal corporation; 2588

(b) The pass-through entity shall be subject to municipal 2589  
income taxation as a separate taxpayer in accordance with this 2590  
chapter on the basis of the entity's net profits that would 2591  
otherwise be included in the consolidated federal taxable income 2592  
of the affiliated group. 2593

(F) Corporations filing a consolidated municipal income tax return shall make the computations required under section 718.02 of the Revised Code by substituting "consolidated federal taxable income attributable to" for "net profit from" wherever "net profit from" appears in that section and by substituting "affiliated group of corporations" for "taxpayer" wherever "taxpayer" appears in that section. 2594  
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(G) Each corporation filing a consolidated municipal income tax return is jointly and severally liable for any tax, interest, penalties, fines, charges, or other amounts imposed by a municipal corporation in accordance with this chapter on the corporation, an affiliated group of which the corporation is a member for any portion of the taxable year, or any one or more members of such an affiliated group. 2601  
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(H) Corporations and their affiliates that made an election or entered into an agreement with a municipal corporation before January 1, 2016, to file a consolidated or combined tax return with such municipal corporation may continue to file consolidated or combined tax returns in accordance with such election or agreement for taxable years beginning on and after January 1, 2016. 2608  
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**Sec. 718.08. (A) As used in this section:** 2615

(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. 2616  
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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. 2619  
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(B)(1) Except as provided in division (F) of this section, 2624  
every taxpayer shall make a declaration of estimated taxes for the 2625  
current taxable year, on the form prescribed by the tax 2626  
administrator, if the amount payable as estimated taxes is at 2627  
least two hundred dollars. For the purposes of this section: 2628

(a) Taxes withheld from qualifying wages shall be considered 2629  
as paid to the municipal corporation for which the taxes were 2630  
withheld in equal amounts on each payment date unless the taxpayer 2631  
establishes the dates on which all amounts were actually withheld, 2632  
in which case the amounts withheld shall be considered as paid on 2633  
the dates on which the amounts were actually withheld. 2634

(b) An overpayment of tax applied as a credit to a subsequent 2635  
taxable year is deemed to be paid on the date of the postmark 2636  
stamped on the cover in which the payment is mailed or, if the 2637  
payment is made by electronic funds transfer, the date the payment 2638  
is submitted. As used in this division, "date of the postmark" 2639  
means, in the event there is more than one date on the cover, the 2640  
earliest date imprinted on the cover by the postal service. 2641

(c) Taxes withheld by a casino operator or by a lottery sales 2642  
agent under section 718.031 of the Revised Code are deemed to be 2643  
paid to the municipal corporation for which the taxes were 2644  
withheld on the date the taxes are withheld from the taxpayer's 2645  
winnings. 2646

(2) Except as provided in division (F) of this section, 2647  
taxpayers filing joint returns shall file joint declarations of 2648  
estimated taxes. A taxpayer may amend a declaration under rules 2649  
prescribed by the tax administrator. Except as provided in 2650  
division (F) of this section, a taxpayer having a taxable year of 2651  
less than twelve months shall make a declaration under rules 2652  
prescribed by the tax administrator. 2653

(3) The declaration of estimated taxes shall be filed on or 2654

before the date prescribed for the filing of municipal income tax 2655  
returns under division (G) of section 718.05 of the Revised Code 2656  
or on or before the fifteenth day of the fourth month after the 2657  
taxpayer becomes subject to tax for the first time. 2658

(4) Taxpayers reporting on a fiscal year basis shall file a 2659  
declaration on or before the fifteenth day of the fourth month 2660  
after the beginning of each fiscal year or period. 2661

(5) The original declaration or any subsequent amendment may 2662  
be increased or decreased on or before any subsequent quarterly 2663  
payment day as provided in this section. 2664

(C)(1) The required portion of the tax liability for the 2665  
taxable year that shall be paid through estimated taxes made 2666  
payable to the municipal corporation or tax administrator, 2667  
including the application of tax refunds to estimated taxes and 2668  
withholding on or before the applicable payment date, shall be as 2669  
follows: 2670

(a) On or before the fifteenth day of the fourth month after 2671  
the beginning of the taxable year, twenty-two and one-half per 2672  
cent of the tax liability for the taxable year; 2673

(b) On or before the fifteenth day of the sixth month after 2674  
the beginning of the taxable year, forty-five per cent of the tax 2675  
liability for the taxable year; 2676

(c) On or before the fifteenth day of the ninth month after 2677  
the beginning of the taxable year, sixty-seven and one-half per 2678  
cent of the tax liability for the taxable year; 2679

(d) On or before the fifteenth day of the twelfth month of 2680  
the taxable year, ninety per cent of the tax liability for the 2681  
taxable year. 2682

(2) When an amended declaration has been filed, the unpaid 2683  
balance shown due on the amended declaration shall be paid in 2684

equal installments on or before the remaining payment dates. 2685

(3) On or before the fifteenth day of the fourth month of the 2686  
year following that for which the declaration or amended 2687  
declaration was filed, an annual return shall be filed and any 2688  
balance which may be due shall be paid with the return in 2689  
accordance with section 718.05 of the Revised Code. 2690

(D)(1) In the case of any underpayment of any portion of a 2691  
tax liability, penalty and interest may be imposed pursuant to 2692  
section 718.27 of the Revised Code upon the amount of underpayment 2693  
for the period of underpayment, unless the underpayment is due to 2694  
reasonable cause as described in division (E) of this section. The 2695  
amount of the underpayment shall be determined as follows: 2696

(a) For the first payment of estimated taxes each year, 2697  
twenty-two and one-half per cent of the tax liability, less the 2698  
amount of taxes paid by the date prescribed for that payment; 2699

(b) For the second payment of estimated taxes each year, 2700  
forty-five per cent of the tax liability, less the amount of taxes 2701  
paid by the date prescribed for that payment; 2702

(c) For the third payment of estimated taxes each year, 2703  
sixty-seven and one-half per cent of the tax liability, less the 2704  
amount of taxes paid by the date prescribed for that payment; 2705

(d) For the fourth payment of estimated taxes each year, 2706  
ninety per cent of the tax liability, less the amount of taxes 2707  
paid by the date prescribed for that payment. 2708

(2) The period of the underpayment shall run from the day the 2709  
estimated payment was required to be made to the date on which the 2710  
payment is made. For purposes of this section, a payment of 2711  
estimated taxes on or before any payment date shall be considered 2712  
a payment of any previous underpayment only to the extent the 2713  
payment of estimated taxes exceeds the amount of the payment 2714  
presently required to be paid to avoid any penalty. 2715



(E) An underpayment of any portion of tax liability 2716  
determined under division (D) of this section shall be due to 2717  
reasonable cause and the penalty imposed by this section shall not 2718  
be added to the taxes for the taxable year if any of the following 2719  
apply: 2720

(1) The amount of estimated taxes that were paid equals at 2721  
least ninety per cent of the tax liability for the current taxable 2722  
year, determined by annualizing the income received during the 2723  
year up to the end of the month immediately preceding the month in 2724  
which the payment is due. 2725

(2) The amount of estimated taxes that were paid equals at 2726  
least one hundred per cent of the tax liability shown on the 2727  
return of the taxpayer for the preceding taxable year, provided 2728  
that the immediately preceding taxable year reflected a period of 2729  
twelve months and the taxpayer filed a return with the municipal 2730  
corporation under section 718.05 of the Revised Code for that 2731  
year. 2732

(3) The taxpayer is an individual who resides in the 2733  
municipal corporation but was not domiciled there on the first day 2734  
of January of the calendar year that includes the first day of the 2735  
taxable year. 2736

(F)(1) A tax administrator may waive the requirement for 2737  
filing a declaration of estimated taxes for any class of taxpayers 2738  
after finding that the waiver is reasonable and proper in view of 2739  
administrative costs and other factors. 2740

(2) A municipal corporation may, by ordinance or rule, waive 2741  
the requirement for filing a declaration of estimated taxes for 2742  
all taxpayers. 2743

**Sec. 718.09.** (A) This section applies to either of the 2744  
following: 2745

(1) A municipal corporation that shares the same territory as 2746  
a city, local, or exempted village school district, to the extent 2747  
that not more than five per cent of the territory of the municipal 2748  
corporation is located outside the school district and not more 2749  
than five per cent of the territory of the school district is 2750  
located outside the municipal corporation; 2751

(2) A municipal corporation that shares the same territory as 2752  
a city, local, or exempted village school district, to the extent 2753  
that not more than five per cent of the territory of the municipal 2754  
corporation is located outside the school district, more than five 2755  
per cent but not more than ten per cent of the territory of the 2756  
school district is located outside the municipal corporation, and 2757  
that portion of the territory of the school district that is 2758  
located outside the municipal corporation is located entirely 2759  
within another municipal corporation having a population of four 2760  
hundred thousand or more according to the federal decennial census 2761  
most recently completed before the agreement is entered into under 2762  
division (B) of this section. 2763

(B) The legislative authority of a municipal corporation to 2764  
which this section applies may propose to the electors an income 2765  
tax, one of the purposes of which shall be to provide financial 2766  
assistance to the school district through payment to the district 2767  
of not less than twenty-five per cent of the revenue generated by 2768  
the tax, except that the legislative authority may not propose to 2769  
levy the income tax on the incomes of nonresident individuals. 2770  
Prior to proposing the tax, the legislative authority shall 2771  
negotiate and enter into a written agreement with the board of 2772  
education of the school district specifying the tax rate, the 2773  
percentage of tax revenue to be paid to the school district, the 2774  
purpose for which the school district will use the money, the 2775  
first year the tax will be levied, which shall be the first year 2776  
after the year in which the levy is approved or any later year, 2777

the date of the special election on the question of the tax, and 2778  
the method and schedule by which the municipal corporation will 2779  
make payments to the school district. The special election shall 2780  
be held on a day specified in division (D) of section 3501.01 of 2781  
the Revised Code, except that the special election may not be held 2782  
on the day for holding a primary election as authorized by the 2783  
municipal corporation's charter unless the municipal corporation 2784  
is to have a primary election on that day. 2785

After the legislative authority and board of education have 2786  
entered into the agreement, the legislative authority shall 2787  
provide for levying the tax by ordinance. The ordinance shall 2788  
include the provisions described in division (A) of section 718.04 2789  
of the Revised Code and shall state the tax rate, the percentage 2790  
of tax revenue to be paid to the school district, the purpose for 2791  
which the municipal corporation will use its share of the tax 2792  
revenue, the first year the tax will be levied, and that the 2793  
question of the income tax will be submitted to the electors of 2794  
the municipal corporation. The legislative authority also shall 2795  
adopt a resolution specifying the regular or special election date 2796  
the election will be held and directing the board of elections to 2797  
conduct the election. At least ninety days before the date of the 2798  
election, the legislative authority shall file certified copies of 2799  
the ordinance and resolution with the board of elections. 2800

(C) The board of elections shall make the necessary 2801  
arrangements for the submission of the question to the electors of 2802  
the municipal corporation, and shall conduct the election in the 2803  
same manner as any other municipal income tax election. Notice of 2804  
the election shall be published in a newspaper of general 2805  
circulation in the municipal corporation once a week for four 2806  
consecutive weeks, or as provided in section 7.16 of the Revised 2807  
Code, prior to the election, and shall include statements of the 2808  
rate and municipal corporation and school district purposes of the 2809

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

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

	For the income tax	
	Against the income tax	"

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

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

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

each may propose to the electors an income tax, to be levied in 2840  
concert with income taxes in the other municipal corporations of 2841  
the group, except that a legislative authority may not propose to 2842  
levy the income tax on the incomes of individuals who do not 2843  
reside in the municipal corporation. One of the purposes of such a 2844  
tax shall be to provide financial assistance to the school 2845  
district through payment to the district of not less than 2846  
twenty-five per cent of the revenue generated by the tax. Prior to 2847  
proposing the taxes, the legislative authorities shall negotiate 2848  
and enter into a written agreement with each other and with the 2849  
board of education of the school district specifying the tax rate, 2850  
the percentage of the tax revenue to be paid to the school 2851  
district, the first year the tax will be levied, which shall be 2852  
the first year after the year in which the levy is approved or any 2853  
later year, and the date of the election on the question of the 2854  
tax, all of which shall be the same for each municipal 2855  
corporation. The agreement also shall state the purpose for which 2856  
the school district will use the money, and specify the method and 2857  
schedule by which each municipal corporation will make payments to 2858  
the school district. The special election shall be held on a day 2859  
specified in division (D) of section 3501.01 of the Revised Code, 2860  
including a day on which all of the municipal corporations are to 2861  
have a primary election. 2862

After the legislative authorities and board of education have 2863  
entered into the agreement, each legislative authority shall 2864  
provide for levying its tax by ordinance. Each ordinance shall 2865  
include the provisions described in division (A) of section 718.04 2866  
of the Revised Code and shall state the rate of the tax, the 2867  
percentage of tax revenue to be paid to the school district, the 2868  
purpose for which the municipal corporation will use its share of 2869  
the tax revenue, and the first year the tax will be levied. Each 2870  
ordinance also shall state that the question of the income tax 2871  
will be submitted to the electors of the municipal corporation on 2872

the same date as the submission of questions of an identical tax 2873  
to the electors of each of the other municipal corporations in the 2874  
group, and that unless the electors of all of the municipal 2875  
corporations in the group approve the tax in their respective 2876  
municipal corporations, none of the municipal corporations in the 2877  
group shall levy the tax. Each legislative authority also shall 2878  
adopt a resolution specifying the regular or special election date 2879  
the election will be held and directing the board of elections to 2880  
conduct the election. At least ninety days before the date of the 2881  
election, each legislative authority shall file certified copies 2882  
of the ordinance and resolution with the board of elections. 2883

(C) For each of the municipal corporations, the board of 2884  
elections shall make the necessary arrangements for the submission 2885  
of the question to the electors, and shall conduct the election in 2886  
the same manner as any other municipal income tax election. For 2887  
each of the municipal corporations, notice of the election shall 2888  
be published in a newspaper of general circulation in the 2889  
municipal corporation once a week for four consecutive weeks, or 2890  
as provided in section 7.16 of the Revised Code, prior to the 2891  
election. The notice shall include a statement of the rate and 2892  
municipal corporation and school district purposes of the income 2893  
tax, the percentage of tax revenue that will be paid to the school 2894  
district, and the first year the tax will be levied, and an 2895  
explanation that the tax will not be levied unless an identical 2896  
tax is approved by the electors of each of the other municipal 2897  
corporations in the group. The ballot shall be in the following 2898  
form: 2899

"Shall the ordinance providing for a ... per cent levy on 2900  
income for (brief description of the municipal corporation and 2901  
school district purposes of the levy, including a statement of the 2902  
percentage of income tax revenue that will be paid to the school 2903  
district) be passed? The income tax, if approved, will not be 2904

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

	For the income tax	
	Against the income tax	"

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

**Sec. 718.11.** (A)(1) The legislative authority of each  
municipal corporation that imposes a tax on income in accordance  
with this chapter shall maintain a local board of tax review to  
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,  
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 2936  
years immediately preceding the date of appointment. One member 2937  
shall be appointed by the top administrative official of the 2938  
municipal corporation. This member may be an employee of the 2939  
municipal corporation, but may not be the director of finance or 2940  
equivalent officer, or the tax administrator or other similar 2941  
official or an employee directly involved in municipal tax 2942  
matters, or any direct subordinate thereof. 2943

(3) The term for members of the local board of tax review 2944  
appointed by the legislative authority of the municipal 2945  
corporation shall be two years. There is no limit on the number of 2946  
terms that a member may serve if the member is reappointed by the 2947  
legislative authority. The board member appointed by the top 2948  
administrative official of the municipal corporation shall serve 2949  
at the discretion of the administrative official. 2950

(4) Members of the board of tax review appointed by the 2951  
legislative authority may be removed by the legislative authority 2952  
by majority vote for malfeasance, misfeasance, or nonfeasance in 2953  
office. To remove such a member, the legislative authority must 2954  
give the member a copy of the charges against the member and 2955  
afford the member an opportunity to be publicly heard in person or 2956  
by counsel in the member's own defense upon not less than ten 2957  
days' notice. The decision by the legislative authority on the 2958  
charges is final and not appealable. 2959

(5) A member of the board who, for any reason, ceases to meet 2960  
the qualifications for the position prescribed by this section 2961  
shall resign immediately by operation of law. 2962

(6) A vacancy in an unexpired term shall be filled in the 2963  
same manner as the original appointment within sixty days of when 2964  
the vacancy was created. Any member appointed to fill a vacancy 2965  
occurring prior to the expiration of the term for which the 2966  
member's predecessor was appointed shall hold office for the 2967



remainder of such term. No vacancy on the board shall impair the 2968  
power and authority of the remaining members to exercise all the 2969  
powers of the board. 2970

(7) If a member is temporarily unable to serve on the board 2971  
due to a conflict of interest, illness, absence, or similar 2972  
reason, the legislative authority or top administrative official 2973  
that appointed the member shall appoint another individual to 2974  
temporarily serve on the board in the member's place. The 2975  
appointment of such an individual shall be subject to the same 2976  
requirements and limitations as are applicable to the appointment 2977  
of the member temporarily unable to serve. 2978

(B) Whenever a tax administrator issues a ~~decision~~ an 2979  
assessment regarding a an underpayment of municipal income tax 2980  
obligation that is subject to appeal as provided in this section 2981  
or in an ordinance or regulation of the municipal corporation or 2982  
denies a refund claim, the tax administrator shall notify the 2983  
taxpayer in writing at the same time of the taxpayer's right to 2984  
appeal the ~~decision~~ and of assessment or denial, the manner in 2985  
which the taxpayer may appeal the ~~decision~~ assessment or denial, 2986  
and the address to which the appeal should be directed. 2987

(C) Any person who ~~is aggrieved by a decision by the tax~~ 2988  
administrator and who has filed with the municipal corporation the 2989  
required returns or other documents pertaining to the municipal 2990  
income tax obligation at issue in the decision has been issued an 2991  
assessment may appeal the ~~decision~~ assessment to the board created 2992  
pursuant to this section by filing a request with the board. The 2993  
request shall be in writing, shall ~~state~~ specify the reason or 2994  
reasons why the ~~decision~~ assessment should be deemed incorrect or 2995  
unlawful, and shall be filed within ~~thirty~~ sixty days after the 2996  
~~tax administrator issues~~ taxpayer receives the ~~decision complained~~ 2997  
of assessment. 2998

(D) The local board of tax review shall schedule a hearing to 2999

be held within ~~forty five~~ sixty days after receiving ~~the request~~ 3000  
an appeal of an assessment under division (C) of this section, 3001  
unless the taxpayer requests additional time to prepare or waives 3002  
a hearing. If the taxpayer does not waive the hearing, the 3003  
taxpayer may appear before the board and may be represented by an 3004  
attorney at law, certified public accountant, or other 3005  
representative. The board may allow a hearing to be continued as 3006  
jointly agreed to by the parties. In such a case, the hearing must 3007  
be completed within one hundred twenty days after the first day of 3008  
the hearing unless the parties agree otherwise. 3009

(E) The board may affirm, reverse, or modify the tax 3010  
administrator's ~~decision~~ assessment or any part of that ~~decision~~ 3011  
assessment. The board shall issue a final ~~decision~~ determination 3012  
on the appeal within ninety days after the board's final hearing 3013  
on the appeal, and send a copy of its final ~~decision~~ determination 3014  
by ordinary mail to all of the parties to the appeal within 3015  
fifteen days after issuing the ~~decision~~ final determination. The 3016  
taxpayer or the tax administrator may appeal the board's ~~decision~~ 3017  
final determination as provided in section 5717.011 of the Revised 3018  
Code. 3019

~~Each~~ (F) The local board of ~~appeal~~ tax review created 3020  
pursuant to this section shall adopt rules governing its 3021  
procedures and shall keep a record of its transactions. Such 3022  
records are not public records available for inspection under 3023  
section 149.43 of the Revised Code. Hearings requested by a 3024  
taxpayer before a local board of ~~appeal~~ tax review created 3025  
pursuant to this section are not meetings of a public body subject 3026  
to section 121.22 of the Revised Code. 3027

**Sec. 718.12.** (A)(1)(a) Civil actions to recover municipal 3028  
income taxes and penalties and interest on municipal income taxes 3029  
shall be brought within the later of: 3030

(i) Three years after the tax was due or the return was 3031  
filed, whichever is later; or 3032

(ii) One year after the conclusion of the qualifying deferral 3033  
period, if any. 3034

(b) The time limit described in division (A)(1)(a) of this 3035  
section may be extended at any time if both the tax administrator 3036  
and the employer, agent of the employer, other payer, or taxpayer 3037  
consent in writing to the extension. Any extension shall also 3038  
extend for the same period of time the time limit described in 3039  
division (C) of this section. 3040

(2) As used in this section, "qualifying deferral period" 3041  
means a period of time beginning and ending as follows: 3042

(a) Beginning on the date a person who is aggrieved by an 3043  
assessment files with a local board of tax review the request 3044  
described in section 718.11 of the Revised Code. That date shall 3045  
not be affected by any subsequent decision, finding, or holding by 3046  
any administrative body or court that the local board of tax 3047  
review with which the aggrieved person filed the request did not 3048  
have jurisdiction to affirm, reverse, or modify the assessment or 3049  
any part of that assessment. 3050

(b) Ending the later of the sixtieth day after the date on 3051  
which the final determination of the local board of tax review 3052  
becomes final or, if any party appeals from the determination of 3053  
the local board of tax review, the sixtieth day after the date on 3054  
which the final determination of the local board of tax review is 3055  
either ultimately affirmed in whole or in part or ultimately 3056  
reversed and no further appeal of either that affirmation, in 3057  
whole or in part, or that reversal is available or taken. 3058

(B) Prosecutions for an offense made punishable under a 3059  
resolution or ordinance imposing an income tax shall be commenced 3060  
within three years after the commission of the offense, provided 3061

that in the case of fraud, failure to file a return, or the 3062  
omission of twenty-five per cent or more of income required to be 3063  
reported, prosecutions may be commenced within six years after the 3064  
commission of the offense. 3065

(C) A claim for a refund of municipal income taxes shall be 3066  
brought within the time limitation provided in section 718.19 of 3067  
the Revised Code. 3068

(D) Interest shall be allowed and paid on any overpayment by 3069  
a taxpayer of any municipal income tax obligation from the date of 3070  
the overpayment until the date of the refund of the overpayment, 3071  
except that if any overpayment is refunded within ninety days 3072  
after the final filing date of the annual return or ninety days 3073  
after the completed return is filed, whichever is later, no 3074  
interest shall be allowed on the refund. For the purpose of 3075  
computing the payment of interest on amounts overpaid, no amount 3076  
of tax for any taxable year shall be considered to have been paid 3077  
before the date on which the return on which the tax is reported 3078  
is due, without regard to any extension of time for filing that 3079  
return. Interest shall be paid at the interest rate described in 3080  
division (A)(5) of section 718.27 of the Revised Code. 3081

(E) Within sixty days after the final determination of any 3082  
federal or state tax liability affecting the taxpayer's municipal 3083  
tax liability, that taxpayer shall make and file an amended 3084  
municipal return showing income subject to the municipal income 3085  
tax based upon such final determination of federal or state tax 3086  
liability, and pay any additional municipal income tax shown due 3087  
thereon or make a claim for refund of any overpayment, unless the 3088  
tax or overpayment is less than ten dollars. 3089

(F)(1) Notwithstanding the fact that an appeal is pending, 3090  
the petitioner may pay all or a portion of the assessment that is 3091  
the subject of the appeal. The acceptance of a payment by the 3092  
municipal corporation does not prejudice any claim for refund upon 3093

final determination of the appeal. 3094

(2) If upon final determination of the appeal an error in the 3095  
assessment is corrected by the tax administrator, upon an appeal 3096  
so filed or pursuant to a final determination of the local board 3097  
of tax review created under section 718.11 of the Revised Code, of 3098  
the Ohio board of tax appeals, or any court to which the decision 3099  
of the Ohio board of tax appeals has been appealed, so that the 3100  
amount due from the party assessed under the corrected assessment 3101  
is less than the amount paid, there shall be issued to the 3102  
appellant or to the appellant's assigns or legal representative a 3103  
refund in the amount of the overpayment as provided by section 3104  
718.19 of the Revised Code, with interest on that amount as 3105  
provided by division (D) of this section. 3106

(G) No civil action to recover municipal income tax or 3107  
related penalties or interest shall be brought during either of 3108  
the following time periods: 3109

(1) The period during which a taxpayer has a right to appeal 3110  
the imposition of that tax or interest or those penalties; 3111

(2) The period during which an appeal related to the 3112  
imposition of that tax or interest or those penalties is pending. 3113

**Sec. 718.121.** (A) Except as provided in division (B) of this 3114  
section, if tax or withholding is paid to a municipal corporation 3115  
on income or wages, and if a second municipal corporation imposes 3116  
or assesses a tax on that income or wages after the time period 3117  
allowed for a refund of the tax or withholding paid to the first 3118  
municipal corporation, the second municipal corporation shall 3119  
allow a nonrefundable credit, against the tax or withholding the 3120  
second municipality claims is due with respect to such income or 3121  
wages, equal to the tax or withholding paid to the first municipal 3122  
corporation with respect to such income or wages. 3123

(B) If the tax rate in the second municipal corporation is 3124  
less than the tax rate in the first municipal corporation, then 3125  
the credit described in division (A) of this section shall be 3126  
calculated using the tax rate in effect in the second municipal 3127  
corporation. 3128

(C) If the tax rate in the second municipal corporation is 3129  
greater than the tax rate in the first municipal corporation, the 3130  
tax due in excess of the credit afforded is to be paid to the 3131  
second municipal corporation, along with any penalty and interest 3132  
accruing thereto during the period of nonpayment. 3133

(D) Nothing in this section permits any credit carryforward. 3134

**Sec. 718.13.** (A) Any information gained as a result of 3135  
returns, investigations, hearings, or verifications required or 3136  
authorized by this chapter or by a charter or ordinance of a 3137  
municipal corporation levying an income tax pursuant to this 3138  
chapter is confidential, and no person shall access or disclose 3139  
such information except in accordance with a proper judicial order 3140  
or in connection with the performance of that person's official 3141  
duties or the official business of the municipal corporation as 3142  
authorized by this chapter or the charter or ordinance authorizing 3143  
the levy. The tax administrator of the municipal corporation or a 3144  
designee thereof may furnish copies of returns filed or otherwise 3145  
received under this chapter and other related tax information to 3146  
the internal revenue service ~~and to~~, the tax commissioner, and tax 3147  
administrators of other municipal corporations. 3148

(B) This section does not prohibit ~~the legislative authority 3149~~  
~~of a municipal corporation, by ordinance or resolution,~~ from 3150  
~~authorizing the tax administrator to publish~~ publishing or 3151  
disclosing statistics in a form that does not disclose information 3152  
with respect to particular taxpayers. 3153

Sec. 718.18. (A)(1) Subject to division (B) of this section, 3154  
a copy of each assessment shall be served upon the person affected 3155  
thereby either by personal service, by certified mail, or by a 3156  
delivery service authorized under section 5703.056 of the Revised 3157  
Code. 3158

(2) With the permission of the person affected by an 3159  
assessment, the tax administrator may deliver the assessment 3160  
through alternative means as provided in this section, including, 3161  
but not limited to, delivery by secure electronic mail. Delivery 3162  
by such means satisfies the requirements for delivery under this 3163  
section. 3164

(B)(1)(a) If certified mail is returned because of an 3165  
undeliverable address, a tax administrator shall utilize 3166  
reasonable means to ascertain a new last known address, including 3167  
the use of a change of address service offered by the postal 3168  
service or an authorized delivery service under section 5703.056 3169  
of the Revised Code. If, after using reasonable means, the tax 3170  
administrator is unable to ascertain a new last known address, the 3171  
assessment shall be sent by ordinary mail and considered served. 3172  
If the ordinary mail is subsequently returned because of an 3173  
undeliverable address, the assessment remains appealable within 3174  
sixty days after the assessment's postmark. 3175

(b) Once the tax administrator or other municipal official, 3176  
or the designee of either, serves an assessment on the person to 3177  
whom the assessment is directed, the person may protest the ruling 3178  
of that assessment by filing an appeal with the local board of tax 3179  
review within sixty days after the receipt of service. The 3180  
delivery of an assessment of the tax administrator under division 3181  
(B)(1)(a) of this section is prima facie evidence that delivery is 3182  
complete and that the assessment is served. 3183

(2) If mailing of an assessment by a tax administrator by 3184

certified mail is returned for some cause other than an 3185  
undeliverable address, the tax administrator shall resend the 3186  
assessment by ordinary mail. The assessment shall show the date 3187  
the tax administrator sends the assessment and include the 3188  
following statement: 3189

"This assessment is deemed to be served on the addressee 3190  
under applicable law ten days from the date this assessment was 3191  
mailed by the tax administrator as shown on the assessment, and 3192  
all periods within which an appeal may be filed apply from and 3193  
after that date." 3194

Unless the mailing is returned because of an undeliverable 3195  
address, the mailing of that information is prima facie evidence 3196  
that delivery of the assessment was completed ten days after the 3197  
tax administrator sent the assessment by ordinary mail and that 3198  
the assessment was served. 3199

If the ordinary mail is subsequently returned because of an 3200  
undeliverable address, the tax administrator shall proceed under 3201  
division (B)(1)(a) of this section. A person may challenge the 3202  
presumption of delivery and service under this division in 3203  
accordance with division (C) of this section. 3204

(C)(1) A person disputing the presumption of delivery and 3205  
service under division (B) of this section bears the burden of 3206  
proving by a preponderance of the evidence that the address to 3207  
which the assessment was sent was not an address with which the 3208  
person was associated at the time the tax administrator originally 3209  
mailed the assessment by certified mail. For the purposes of this 3210  
section, a person is associated with an address at the time the 3211  
tax administrator originally mailed the assessment if, at that 3212  
time, the person was residing, receiving legal documents, or 3213  
conducting business at the address; or if, before that time, the 3214  
person had conducted business at the address and, when the 3215  
assessment was mailed, the person's agent or the person's 3216



affiliate was conducting business at the address. For the purposes 3217  
of this section, a person's affiliate is any other person that, at 3218  
the time the assessment was mailed, owned or controlled at least 3219  
twenty per cent, as determined by voting rights, of the 3220  
addressee's business. 3221

(2) If a person elects to appeal an assessment on the basis 3222  
described in division (C)(1) of this section, and if that 3223  
assessment is subject to collection and is not otherwise 3224  
appealable, the person must do so within sixty days after the 3225  
initial contact by the tax administrator or other municipal 3226  
official, or the designee of either, with the person. Nothing in 3227  
this division prevents the tax administrator or other official 3228  
from entering into a compromise with the person if the person does 3229  
not actually file such an appeal with the local board of tax 3230  
review. 3231

(D) Nothing in this section prohibits the tax administrator 3232  
or the tax administrator's designee from delivering an assessment 3233  
by a tax administrator by personal service. 3234

(E) Collection actions taken upon any assessment being 3235  
appealed under division (B)(1)(b) of this section shall be stayed 3236  
upon the pendency of an appeal under this section. If an appeal is 3237  
filed pursuant to this section on a claim that has been delivered 3238  
for collection, the collection activities with respect to the 3239  
assessment shall be stayed. 3240

(F) As used in this section: 3241

(1) "Last known address" means the address the tax 3242  
administrator has at the time a document is originally sent by 3243  
certified mail, or any address the tax administrator can ascertain 3244  
using reasonable means such as the use of a change of address 3245  
service offered by the postal service or an authorized delivery 3246  
service under section 5703.056 of the Revised Code. 3247

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

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

(1) Overpayments of more than ten dollars;

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

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

(2) On filing of the refund request, the tax administrator shall determine the amount of refund due and certify such amount to the appropriate municipal corporation official for payment. Except as provided in division (B)(3) of this section, the administrator shall issue an assessment to any taxpayer whose request for refund is fully or partially denied. The assessment shall state the amount of the refund that was denied, the reasons for the denial, and instructions for appealing the assessment.

(3) If a tax administrator denies in whole or in part a refund request included within the taxpayer's originally filed

annual income tax return, the tax administrator shall notify the taxpayer, in writing, of the amount of the refund that was denied, the reasons for the denial, and instructions for requesting an assessment that may be appealed under section 718.11 of the Revised Code.

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

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

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

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

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

**Sec. 718.23.** (A) A tax administrator, or any authorized agent or employee thereof may examine the books, papers, records, and federal and state income tax returns of any employer, taxpayer, or other person that is subject to, or that the tax administrator believes is subject to, the provisions of this chapter for the purpose of verifying the accuracy of any return made or, if no

return was filed, to ascertain the tax due under this chapter. 3308  
Upon written request by the tax administrator or a duly authorized 3309  
agent or employee thereof, every employer, taxpayer, or other 3310  
person subject to this section is required to furnish the 3311  
opportunity for the tax administrator, authorized agent, or 3312  
employee to investigate and examine such books, papers, records, 3313  
and federal and state income tax returns at a reasonable time and 3314  
place designated in the request. 3315

(B) The records and other documents of any taxpayer, 3316  
employer, or other person that is subject to, or that a tax 3317  
administrator believes is subject to, the provisions of this 3318  
chapter shall be open to the tax administrator's inspection during 3319  
business hours and shall be preserved for a period of six years 3320  
following the end of the taxable year to which the records or 3321  
documents relate, unless the tax administrator, in writing, 3322  
consents to their destruction within that period, or by order 3323  
requires that they be kept longer. The tax administrator of a 3324  
municipal corporation may require any person, by notice served on 3325  
that person, to keep such records as the tax administrator 3326  
determines necessary to show whether or not that person is liable, 3327  
and the extent of such liability, for the income tax levied by the 3328  
municipal corporation or for the withholding of such tax. 3329

(C) The tax administrator may examine under oath any person 3330  
that the tax administrator reasonably believes has knowledge 3331  
concerning any income that was or would have been returned for 3332  
taxation or any transaction tending to affect such income. The tax 3333  
administrator may, for this purpose, compel any such person to 3334  
attend a hearing or examination and to produce any books, papers, 3335  
records, and federal income tax returns in such person's 3336  
possession or control. The person may be assisted or represented 3337  
by an attorney, accountant, bookkeeper, or other tax practitioner 3338  
at any such hearing or examination. This division does not 3339

authorize the practice of law by a person who is not an attorney. 3340

(D) No person issued written notice by the tax administrator 3341  
compelling attendance at a hearing or examination or the 3342  
production of books, papers, records, or federal income tax 3343  
returns under this section shall fail to comply. 3344

Sec. 718.24. Nothing in this chapter shall limit the 3345  
authority of a tax administrator to perform any of the following 3346  
duties or functions, unless the performance of such duties or 3347  
functions is expressly limited by a provision of the Revised Code 3348  
or the charter or ordinances of the municipal corporation: 3349

(A) Exercise all powers whatsoever of an inquisitorial nature 3350  
as provided by law, including, the right to inspect books, 3351  
accounts, records, memorandums, and federal and state income tax 3352  
returns, to examine persons under oath, to issue orders or 3353  
subpoenas for the production of books, accounts, papers, records, 3354  
documents, and testimony, to take depositions, to apply to a court 3355  
for attachment proceedings as for contempt, to approve vouchers 3356  
for the fees of officers and witnesses, and to administer oaths; 3357  
provided that the powers referred to in this division of this 3358  
section shall be exercised by the tax administrator only in 3359  
connection with the performance of the duties respectively 3360  
assigned to the tax administrator under a municipal corporation 3361  
income tax ordinance or resolution adopted in accordance with this 3362  
chapter; 3363

(B) Appoint agents and prescribe their powers and duties; 3364

(C) Confer and meet with officers of other municipal 3365  
corporations and states and officers of the United States on any 3366  
matters pertaining to their respective official duties as provided 3367  
by law; 3368

(D) Exercise the authority provided by law, including orders 3369

from bankruptcy courts, relative to remitting or refunding taxes, 3370  
including penalties and interest thereon, illegally or erroneously 3371  
imposed or collected, or for any other reason overpaid, and, in 3372  
addition, the tax administrator may investigate any claim of 3373  
overpayment and make a written statement of the tax 3374  
administrator's findings, and, if the tax administrator finds that 3375  
there has been an overpayment, approve and issue a refund payable 3376  
to the taxpayer, the taxpayer's assigns, or legal representative 3377  
as provided in this chapter; 3378

(E) Exercise the authority provided by law relative to 3379  
consenting to the compromise and settlement of tax claims; 3380

(F) Exercise the authority provided by law relative to the 3381  
use of alternative apportionment methods by taxpayers in 3382  
accordance with section 718.02 of the Revised Code; 3383

(G) Make all tax findings, determinations, computations, and 3384  
orders the tax administrator is by law authorized and required to 3385  
make and, pursuant to time limitations provided by law, on the tax 3386  
administrator's own motion, review, redetermine, or correct any 3387  
tax findings, determinations, computations, or orders the tax 3388  
administrator has made, but the tax administrator shall not 3389  
review, redetermine, or correct any tax finding, determination, 3390  
computation, or order which the tax administrator has made as to 3391  
which an appeal has been filed with the local board of tax review 3392  
or other appropriate tribunal, unless such appeal or application 3393  
is withdrawn by the appellant or applicant, is dismissed, or is 3394  
otherwise final; 3395

(H) Destroy any or all returns or other tax documents in the 3396  
manner authorized by law; 3397

(I) Enter into an agreement with a taxpayer to simplify the 3398  
withholding obligations described in section 718.03 of the Revised 3399  
Code. 3400

Sec. 718.25. A person may round to the nearest whole dollar 3401  
all amounts the person is required to enter on any return, report, 3402  
voucher, or other document required under this chapter. Any 3403  
fractional part of a dollar that equals or exceeds fifty cents 3404  
shall be rounded to the next whole dollar, and any fractional part 3405  
of a dollar that is less than fifty cents shall be dropped. If a 3406  
person chooses to round amounts entered on a document, the person 3407  
shall round all amounts entered on the document. 3408

Sec. 718.26. (A) Nothing in this chapter prohibits a tax 3409  
administrator from requiring any person filing a tax document with 3410  
the tax administrator to provide identifying information, which 3411  
may include the person's social security number, federal employer 3412  
identification number, or other identification number requested by 3413  
the tax administrator. A person required by the tax administrator 3414  
to provide identifying information that has experienced any change 3415  
with respect to that information shall notify the tax 3416  
administrator of the change before, or upon, filing the next tax 3417  
document requiring the identifying information. 3418

(B) When transmitting or otherwise making use of a tax 3419  
document that contains a person's social security number, the tax 3420  
administrator shall take all reasonable measures necessary to 3421  
ensure that the number is not capable of being viewed by the 3422  
general public, including, when necessary, masking the number so 3423  
that it is not readily discernible by the general public. The tax 3424  
administrator shall not put a person's social security number on 3425  
the outside of any material mailed to the person. 3426

(C)(1) If the tax administrator makes a request for 3427  
identifying information and the tax administrator does not receive 3428  
valid identifying information within thirty days of making the 3429  
request, nothing in this chapter prohibits the tax administrator 3430  
from imposing a penalty upon the person to whom the request was 3431

directed pursuant to section 718.27 of the Revised Code, in 3432  
addition to any applicable penalty described in section 718.99 of 3433  
the Revised Code. 3434

(2) If a person required by the tax administrator to provide 3435  
identifying information does not notify the tax administrator of a 3436  
change with respect to that information as required under division 3437  
(A) of this section within thirty days after filing the next tax 3438  
document requiring such identifying information, nothing in this 3439  
chapter prohibits the tax administrator from imposing a penalty 3440  
pursuant to section 718.27 of the Revised Code. 3441

(3) The penalties provided for under divisions (C)(1) and (2) 3442  
of this section may be billed and imposed in the same manner as 3443  
the tax or fee with respect to which the identifying information 3444  
is sought and are in addition to any applicable criminal penalties 3445  
described in section 718.99 of the Revised Code for a violation of 3446  
section 718.35 of the Revised Code and any other penalties that 3447  
may be imposed by the tax administrator by law. 3448

**Sec. 718.27. (A) As used in this section:** 3449

(1) "Applicable law" means this chapter, the resolutions, 3450  
ordinances, codes, directives, instructions, and rules adopted by 3451  
a municipal corporation provided such resolutions, ordinances, 3452  
codes, directives, instructions, and rules impose or directly or 3453  
indirectly address the levy, payment, remittance, or filing 3454  
requirements of a municipal income tax. 3455

(2) "Income tax," "estimated income tax," and "withholding 3456  
tax" means any income tax, estimated income tax, and withholding 3457  
tax imposed by a municipal corporation pursuant to applicable law, 3458  
including at any time before January 1, 2016. 3459

(3) A "return" includes any tax return, report, 3460  
reconciliation, schedule, and other document required to be filed 3461



with a tax administrator or municipal corporation by a taxpayer, 3462  
employer, any agent of the employer, or any other payer pursuant 3463  
to applicable law, including at any time before January 1, 2016. 3464

(4) "Federal short-term rate" means the rate of the average 3465  
market yield on outstanding marketable obligations of the United 3466  
States with remaining periods to maturity of three years or less, 3467  
as determined under section 1274 of the Internal Revenue Code, for 3468  
July of the current year. 3469

(5) "Interest rate as described in division (A) of this 3470  
section" means the federal short-term rate, rounded to the nearest 3471  
whole number per cent, plus five per cent. The rate shall apply 3472  
for the calendar year next following the July of the year in which 3473  
the federal short-term rate is determined in accordance with 3474  
division (A)(4) of this section. 3475

(6) "Unpaid estimated income tax" means estimated income tax 3476  
due but not paid by the date the tax is required to be paid under 3477  
applicable law. 3478

(7) "Unpaid income tax" means income tax due but not paid by 3479  
the date the income tax is required to be paid under applicable 3480  
law. 3481

(8) "Unpaid withholding tax" means withholding tax due but 3482  
not paid by the date the withholding tax is required to be paid 3483  
under applicable law. 3484

(9) "Withholding tax" includes amounts an employer, any agent 3485  
of an employer, or any other payer did not withhold in whole or in 3486  
part from an employee's qualifying wages, but that, under 3487  
applicable law, the employer, agent, or other payer is required to 3488  
withhold from an employee's qualifying wages. 3489

(B)(1) This section applies to the following: 3490

(a) Any return required to be filed under applicable law for 3491

taxable years beginning on or after January 1, 2016; 3492

(b) Income tax, estimated income tax, and withholding tax 3493  
required to be paid or remitted to the municipal corporation on or 3494  
after January 1, 2016. 3495

(2) This section does not apply to returns required to be 3496  
filed or payments required to be made before January 1, 2016, 3497  
regardless of the filing or payment date. Returns required to be 3498  
filed or payments required to be made before January 1, 2016, but 3499  
filed or paid after that date shall be subject to the ordinances 3500  
or rules, as adopted before January 1, 2016, of the municipal 3501  
corporation to which the return is to be filed or the payment is 3502  
to be made. 3503

(C) Each municipal corporation levying a tax on income may 3504  
impose on a taxpayer, employer, any agent of the employer, and any 3505  
other payer, and must attempt to collect, the interest amounts and 3506  
penalties prescribed under division (C) of this section when the 3507  
taxpayer, employer, any agent of the employer, or any other payer 3508  
for any reason fails, in whole or in part, to make to the 3509  
municipal corporation timely and full payment or remittance of 3510  
income tax, estimated income tax, or withholding tax or to file 3511  
timely with the municipal corporation any return required to be 3512  
filed. 3513

(1) Interest shall be imposed at the rate described in 3514  
division (A) of this section, per annum, on all unpaid income tax, 3515  
unpaid estimated income tax, and unpaid withholding tax. 3516

(2)(a) With respect to unpaid income tax and unpaid estimated 3517  
income tax, a municipal corporation may impose a penalty equal to 3518  
fifteen per cent of the amount not timely paid. 3519

(b) With respect to any unpaid withholding tax, a municipal 3520  
corporation may impose a penalty equal to fifty per cent of the 3521  
amount not timely paid. 3522

(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. 3523  
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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. 3530  
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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. 3535  
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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. 3541  
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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. 3546  
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(G) The municipal corporation may impose on the taxpayer, employer, any agent of the employer, or any other payer the municipal corporation's post-judgment collection costs and fees, including attorney's fees. 3550  
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Sec. 718.28. (A) As used in this section, "claim" means a claim for an amount payable to a municipal corporation that arises pursuant to the municipal income tax imposed in accordance with this chapter. 3554  
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(B) Nothing in this chapter prohibits a tax administrator from doing either of the following if such action is in the best interests of the municipal corporation: 3558  
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(1) Compromise a claim; 3561

(2) Extend for a reasonable period the time for payment of a claim by agreeing to accept monthly or other periodic payments. 3562  
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(C) The tax administrator may consider the following standards when ascertaining with respect to a claim whether a compromise or payment-over-time agreement is in the best interests of the municipal corporation: 3564  
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(1) There exists a doubt as to whether the claim can be collected. 3568  
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(2) There exists a substantial probability that, upon payment of the claim and submission of a timely request for refund with respect to that payment, the tax administrator would refund an amount that was illegally or erroneously paid. 3570  
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(3) There exists an economic hardship such that a compromise or agreement would facilitate effective tax administration. 3574  
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(4) There exists a joint liability among spouses, one of whom is an innocent spouse, provided that any relief under this standard shall only affect the claim as to the innocent spouse. A spouse granted relief under section 6015 of the Internal Revenue Code with regard to any income item is rebuttably presumed to be an innocent spouse with regard to that income item to the extent that income item is included in or otherwise affects the computation of a municipal income tax or any penalty or interest 3576  
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on that tax. 3584

(5) Any other reasonable standard that the tax administrator establishes. 3585  
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(D) The tax administrator's rejection of a compromise or payment-over-time agreement proposed by a person with respect to a claim shall not be appealable. 3587  
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(E) A compromise or payment-over-time agreement with respect to a claim shall be binding upon and shall inure to the benefit of only the parties to the compromise or agreement, and shall not extinguish or otherwise affect the liability of any other person. 3590  
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(F) A compromise or payment-over-time agreement with respect to a claim shall be void if the taxpayer defaults under the compromise or agreement or if the compromise or agreement was obtained by fraud or by misrepresentation of a material fact. Any amount that was due before the compromise or agreement and that is unpaid shall remain due, and any penalties or interest that would have accrued in the absence of the compromise or agreement shall continue to accrue and be due. 3594  
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Sec. 718.30. Nothing in this chapter prohibits the legislative authority of a municipal corporation, or a tax administrator pursuant to authority granted to the administrator by resolution or ordinance, to adopt rules to administer an income tax imposed by the municipal corporation in accordance with this chapter. Such rules shall not conflict with or be inconsistent with any provision of this chapter. All rules adopted under this section shall be published and posted on the internet as described in section 718.07 of the Revised Code. 3602  
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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. 3611  
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Sec. 718.35. No person shall knowingly make, present, aid, or 3614  
assist in the preparation or presentation of a false or fraudulent 3615  
report, return, schedule, statement, claim, or document authorized 3616  
or required by municipal corporation ordinance or state law to be 3617  
filed with a tax administrator, or knowingly procure, counsel, or 3618  
advise the preparation or presentation of such report, return, 3619  
schedule, statement, claim, or document, or knowingly change, 3620  
alter, or amend, or knowingly procure, counsel or advise such 3621  
change, alteration, or amendment of the records upon which such 3622  
report, return, schedule, statement, claim, or document is based 3623  
with intent to defraud the municipal corporation or a tax 3624  
administrator. 3625

Sec. 718.36. (A) At or before the commencement of an audit, 3626  
the tax administrator shall provide to the taxpayer a written 3627  
description of the roles of the tax administrator and of the 3628  
taxpayer during an audit and a statement of the taxpayer's rights, 3629  
including any right to obtain a refund of an overpayment of a tax. 3630  
At or before the commencement of an audit, the tax administrator 3631  
shall inform the taxpayer when the audit is considered to have 3632  
commenced. 3633

(B) Except in cases involving suspected criminal activity, 3634  
the tax administrator shall conduct an audit of a taxpayer during 3635  
regular business hours and after providing reasonable notice to 3636  
the taxpayer. A taxpayer who is unable to comply with a proposed 3637  
time for an audit on the grounds that the proposed time would 3638  
cause inconvenience or hardship must offer reasonable alternative 3639  
dates for the audit. 3640

(C) At all stages of an audit by the tax administrator, a 3641  
taxpayer is entitled to be assisted or represented by an attorney, 3642  
accountant, bookkeeper, or other tax practitioner. The tax 3643  
administrator shall prescribe a form by which a taxpayer may 3644

designate such a person to assist or represent the taxpayer in the 3645  
conduct of any proceedings resulting from actions by the tax 3646  
administrator. If a taxpayer has not submitted such a form, the 3647  
tax administrator may accept other evidence, as the tax 3648  
administrator considers appropriate, that a person is the 3649  
authorized representative of a taxpayer. 3650

A taxpayer may refuse to answer any questions asked by the 3651  
person conducting an audit until the taxpayer has an opportunity 3652  
to consult with the taxpayer's attorney, accountant, bookkeeper, 3653  
or other tax practitioner. This division does not authorize the 3654  
practice of law by a person who is not an attorney. 3655

(D) A taxpayer may record, electronically or otherwise, the 3656  
audit examination. 3657

(E) The failure of the tax administrator to comply with a 3658  
provision of this section shall neither excuse a taxpayer from 3659  
payment of any taxes owed by the taxpayer nor cure any procedural 3660  
defect in a taxpayer's case. 3661

(F) If the tax administrator fails to substantially comply 3662  
with the provisions of this section, the tax administrator, upon 3663  
application by the taxpayer, shall excuse the taxpayer from 3664  
penalties and interest arising from the audit. 3665

**Sec. 718.37.** (A) A taxpayer aggrieved by an action or 3666  
omission of a tax administrator, a tax administrator's employee, 3667  
or an employee of the municipal corporation may bring an action 3668  
against the tax administrator, against the municipal corporation, 3669  
or against both, for damages in the court of common pleas of the 3670  
county in which the municipal corporation is located, if all of 3671  
the following apply: 3672

(1) In the action or omission the tax administrator, the tax 3673  
administrator's employee, or the employee of the municipal 3674

corporation frivolously disregards a provision of this chapter or 3675  
a rule or instruction of the tax administrator; 3676

(2) The action or omission occurred with respect to an audit 3677  
or an assessment and the review and collection proceedings 3678  
connected with the audit or assessment; 3679

(3) The tax administrator, the tax administrator's employee, 3680  
or the employee of the municipal corporation did not act 3681  
manifestly outside the scope of employment and did not act with 3682  
malicious purpose, in bad faith, or in a wanton or reckless 3683  
manner. 3684

(B) In any action brought under division (A) of this section, 3685  
upon a finding of liability on the part of the tax administrator 3686  
or the municipal corporation, the tax administrator or the 3687  
municipal corporation shall be liable to the taxpayer in an amount 3688  
equal to the sum of the following: 3689

(1) Compensatory damages sustained by the taxpayer as a 3690  
result of the action or omission by the tax administrator, the tax 3691  
administrator's employee, or the employee of the municipal 3692  
corporation; 3693

(2) Reasonable costs of litigation and attorneys' fees 3694  
sustained by the taxpayer. 3695

(C) In the awarding of damages under division (B) of this 3696  
section, the court shall take into account the negligent actions 3697  
or omissions, if any, on the part of the taxpayer that contributed 3698  
to the damages, but shall not be bound by the provisions of 3699  
sections 2315.32 to 2315.36 of the Revised Code. 3700

(D) Whenever it appears to the court that a taxpayer's 3701  
conduct in the proceedings brought under division (A) of this 3702  
section is frivolous, the court may impose a penalty against the 3703  
taxpayer in an amount not to exceed ten thousand dollars which 3704  
shall be paid to the general fund of the municipal corporation. 3705



(E) Division (A) of this section does not apply to opinions of the tax administrator or other information functions of the tax administrator. 3706  
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(F) As used in this section, "frivolous" means that the conduct of the tax administrator, an employee of the municipal corporation or the tax administrator, the taxpayer, or the taxpayer's counsel of record satisfies either of the following: 3709  
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(1) It obviously serves merely to harass or maliciously injure the tax administrator, the municipal corporation, or employees thereof if referring to the conduct of a taxpayer or the taxpayer's counsel of record, or to harass or maliciously injure the taxpayer if referring to the conduct of the tax administrator, the municipal corporation, or employees thereof; 3713  
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(2) It is not warranted under existing law and cannot be supported by a good faith argument for an extension, modification, or reversal of existing law. 3719  
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**Sec. 718.38.** (A) An "opinion of the tax administrator" means an opinion issued under this section with respect to prospective municipal income tax liability. It does not include ordinary correspondence of the tax administrator. 3722  
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(B) A taxpayer may submit a written request for an opinion of the tax administrator as to whether or how certain income, source of income, or a certain activity or transaction will be taxed. The written response of the tax administrator shall be an "opinion of the tax administrator" and shall bind the tax administrator, in accordance with divisions (C), (G), and (H) of this section, provided all of the following conditions are satisfied: 3726  
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(1) The taxpayer's request fully and accurately describes the specific facts or circumstances relevant to a determination of the taxability of the income, source of income, activity, or 3733  
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transaction, and, if an activity or transaction, all parties 3736  
involved in the activity or transaction are clearly identified by 3737  
name, location, or other pertinent facts. 3738

(2) The request relates to a tax imposed by the municipal 3739  
corporation in accordance with this chapter. 3740

(3) The tax administrator's response is signed by the tax 3741  
administrator and designated as an "opinion of the tax 3742  
administrator." 3743

(C) An opinion of the tax administrator shall remain in 3744  
effect and shall protect the taxpayer for whom the opinion was 3745  
prepared and who reasonably relies on it from liability for any 3746  
taxes, penalty, or interest otherwise chargeable on the activity 3747  
or transaction specifically held by the tax administrator's 3748  
opinion to be taxable in a particular manner or not to be subject 3749  
to taxation for any taxable years that may be specified in the 3750  
opinion, or until the earliest of the following dates: 3751

(1) The effective date of a written revocation by the tax 3752  
administrator sent to the taxpayer by certified mail, return 3753  
receipt requested. The effective date of the revocation shall be 3754  
the taxpayer's date of receipt or one year after the issuance of 3755  
the opinion, whichever is later; 3756

(2) The effective date of any amendment or enactment of a 3757  
relevant section of the Revised Code, uncodified state law, or the 3758  
municipal corporation's income tax ordinance that would 3759  
substantially change the analysis and conclusion of the opinion of 3760  
the tax administrator; 3761

(3) The date on which a court issues an opinion establishing 3762  
or changing relevant case law with respect to the Revised Code, 3763  
uncodified state law, or the municipal corporation's income tax 3764  
ordinance; 3765

(4) If the opinion of the tax administrator was based on the 3766

interpretation of federal law, the effective date of any change in 3767  
the relevant federal statutes or regulations, or the date on which 3768  
a court issues an opinion establishing or changing relevant case 3769  
law with respect to federal statutes or regulations; 3770

(5) The effective date of any change in the taxpayer's 3771  
material facts or circumstances; 3772

(6) The effective date of the expiration of the opinion, if 3773  
specified in the opinion. 3774

(D) A taxpayer is not relieved of tax liability for any 3775  
activity or transaction related to a request for an opinion that 3776  
contained any misrepresentation or omission of one or more 3777  
material facts. 3778

(E) If a tax administrator provides written advice under this 3779  
section, the opinion shall include a statement that: 3780

(1) The tax consequences stated in the opinion may be subject 3781  
to change for any of the reasons stated in division (C) of this 3782  
section; 3783

(2) It is the duty of the taxpayer to be aware of such 3784  
changes. 3785

(F) A tax administrator may refuse to offer an opinion on any 3786  
request received under this section. 3787

(G) This section binds a tax administrator only with respect 3788  
to opinions of the tax administrator issued on or after January 1, 3789  
2016. 3790

(H) An opinion of a tax administrator binds that tax 3791  
administrator only with respect to the taxpayer for whom the 3792  
opinion was prepared and does not bind the tax administrator of 3793  
any other municipal corporation. 3794

(I) A tax administrator shall make available the text of all 3795  
opinions issued under this section, except those opinions prepared 3796

for a taxpayer who has requested that the text of the opinion 3797  
remain confidential. In no event shall the text of an opinion be 3798  
made available until the tax administrator has removed all 3799  
information that identifies the taxpayer and any other parties 3800  
involved in the activity or transaction. 3801

(J) An opinion of the tax administrator issued under this 3802  
section may not be appealed. 3803

**Sec. 718.39.** If the municipal corporation imposing a tax in 3804  
accordance with this chapter has a population greater than thirty 3805  
thousand according to the most recent decennial census or if the 3806  
tax administrator charged with the administration of the tax is 3807  
described in either division (U)(2) or (3) of section 718.01 of 3808  
the Revised Code, all of the tax administrator's written 3809  
correspondence to a taxpayer or other person shall include the 3810  
name and contact information of an individual designated to 3811  
receive inquiries regarding the correspondence. The individual may 3812  
be the tax administrator or an employee of the tax administrator. 3813

**Sec. 718.41.** (A) A taxpayer shall file an amended return with 3814  
the tax administrator in such form as the tax administrator 3815  
requires if any of the facts, figures, computations, or 3816  
attachments required in the taxpayer's annual return to determine 3817  
the tax due levied by the municipal corporation in accordance with 3818  
this chapter must be altered as the result of an adjustment to the 3819  
taxpayer's federal income tax return, whether initiated by the 3820  
taxpayer or the internal revenue service, and such alteration 3821  
affects the taxpayer's tax liability under this chapter. If a 3822  
taxpayer intends to file an amended consolidated municipal income 3823  
tax return, or to amend its type of return from a separate return 3824  
to a consolidated return, based on the taxpayer's consolidated 3825  
federal income tax return, the taxpayer shall notify the tax 3826  
administrator before filing the amended return. 3827

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

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

(C)(1) In the case of an overpayment, a request for refund may be filed under this division within the period prescribed by division (E) of section 718.12 of the Revised Code for filing the amended return even if it is filed beyond the period prescribed in that division if it otherwise conforms to the requirements of that division. If the amount of the refund is ten dollars or less, no refund need be paid by the municipal corporation to the taxpayer. Except as set forth in division (C)(2) of this section, a request filed under this division shall claim refund of overpayments resulting from alterations to only those facts, figures, computations, or attachments required in the taxpayer's annual return that are affected, either directly or indirectly, by the adjustment to the taxpayer's federal or state income tax return unless it is also filed within the time prescribed in section 718.19 of the Revised Code. Except as set forth in division (C)(2) of this section, the request shall not reopen those facts, figures, computations, or attachments that are not affected,

either directly or indirectly, by the adjustment to the taxpayer's 3860  
federal or state income tax return. 3861

(2) The amount to be refunded shall not exceed the amount of 3862  
refund that would be due if all facts, figures, computations, and 3863  
attachments were reopened. 3864

**Sec. 718.04 718.50.** (A) No municipal corporation other than 3865  
the municipal corporation of residence shall levy a tax on the 3866  
income of any member or employee of the Ohio general assembly 3867  
including the lieutenant governor which income is received as a 3868  
result of services rendered as such member or employee and is paid 3869  
from appropriated funds of this state. 3870

(B) No municipal corporation other than the municipal 3871  
corporation of residence and the city of Columbus shall levy a tax 3872  
on the income of the chief justice or a justice of the supreme 3873  
court received as a result of services rendered as the chief 3874  
justice or justice. No municipal corporation other than the 3875  
municipal corporation of residence shall levy a tax on the income 3876  
of a judge sitting by assignment of the chief justice or on the 3877  
income of a district court of appeals judge sitting in multiple 3878  
locations within the district, received as a result of services 3879  
rendered as a judge. 3880

**Sec. 718.99.** (A) Except as provided in division (B) of this 3881  
section, whoever violates section 718.35 of the Revised Code, 3882  
division (A) of section 718.13 of the Revised Code, or section 3883  
718.03 of the Revised Code by failing to remit municipal income 3884  
taxes deducted and withheld from an employee, shall be guilty of a 3885  
misdemeanor of the first degree and shall be subject to a fine of 3886  
not more than one thousand dollars or imprisonment for a term of 3887  
up to six months, or both, unless the violation is punishable by a 3888  
municipal ordinance or resolution imposing a greater penalty or 3889

requiring dismissal from office or discharge from employment, or 3890  
both, in which case the municipal ordinance or resolution shall 3891  
govern. 3892

(B) Any person who discloses information received from the 3893  
Internal Revenue Service in violation of division (A) of section 3894  
718.13 of the Revised Code shall be guilty of a felony of the 3895  
fifth degree and shall be subject to a fine of not more than five 3896  
thousand dollars plus the costs of prosecution, or imprisonment 3897  
for a term not exceeding five years, or both, unless the violation 3898  
is punishable by a municipal ordinance imposing a greater penalty 3899  
or requiring dismissal from office or discharge from employment, 3900  
or both, in which case the municipal ordinance shall govern. 3901

(C) Each instance of access or disclosure in violation of 3902  
division (A) of section 718.13 of the Revised Code constitutes a 3903  
separate offense. 3904

(D) Nothing in this chapter prohibits a municipal corporation 3905  
from prosecuting offenses which are made punishable under a 3906  
municipal ordinance or resolution levying an income tax and for 3907  
which no other penalty is provided under this section. 3908

**Sec. 5703.02.** There is hereby created the board of tax 3909  
appeals, which shall exercise the following powers and perform the 3910  
following duties: 3911

(A) Exercise the authority provided by law to hear and 3912  
determine all appeals of questions of law and fact arising under 3913  
the tax laws of this state in appeals from decisions, orders, 3914  
determinations, or actions of any tax administrative agency 3915  
established by the law of this state, including but not limited to 3916  
appeals from: 3917

(1) Actions of county budget commissions; 3918

(2) Decisions of county boards of revision; 3919

(3) Actions of any assessing officer or other public official	3920
under the tax laws of this state;	3921
(4) Final determinations by the tax commissioner of any	3922
preliminary, amended, or final tax assessments, reassessments,	3923
valuations, determinations, findings, computations, or orders made	3924
by the tax commissioner;	3925
(5) Adoption and promulgation of rules of the tax	3926
commissioner.	3927
(B) Appoint a secretary of the board of tax appeals, who	3928
shall serve in the unclassified civil service at the pleasure of	3929
the board, and any other employees as are necessary in the	3930
exercise of the powers and the performance of the duties and	3931
functions that the board is by law authorized and required to	3932
exercise, and prescribe the duties of all employees, and to fix	3933
their compensation as provided by law;	3934
(C) Maintain a journal, which shall be open to public	3935
inspection and in which the secretary shall keep a record of all	3936
of the proceedings and the vote of each of its members upon every	3937
action taken by it;	3938
(D) Adopt and promulgate, in the manner provided by section	3939
5703.14 of the Revised Code, and enforce all rules relating to the	3940
procedure of the board in hearing appeals it has the authority or	3941
duty to hear, and to the procedure of officers or employees whom	3942
the board may appoint; provided that section 5703.13 of the	3943
Revised Code shall apply to and govern the procedure of the board.	3944
Such rules shall include, but need not be limited to, the	3945
following:	3946
(1) Rules governing the creation and implementation of a	3947
mediation program, including procedures for requesting, requiring	3948
participation in, objecting to, and conducting a mediation;	3949
(2) Rules requiring the tax commissioner, county boards of	3950



revision, and ~~municipal~~ local boards of ~~appeal~~ tax review created 3951  
under section 718.11 of the Revised Code to electronically file 3952  
any transcript required to be filed with the board of tax appeals, 3953  
and instructions and procedures for the electronic filing of such 3954  
transcripts. 3955

(3) Rules establishing procedures to control and manage 3956  
appeals filed with the board. The procedures shall include, but 3957  
not be limited to, the establishment of a case management schedule 3958  
that shall include expected dates related to discovery deadlines, 3959  
disclosure of evidence, pre-hearing motions, and the hearing, and 3960  
other case management issues considered appropriate. 3961

**Sec. 5703.059.** (A) The tax commissioner may adopt rules 3962  
requiring returns, including any accompanying schedule or 3963  
statement, for any tax or fee administered by the commissioner to 3964  
be filed electronically using the Ohio business gateway as defined 3965  
in section ~~718.051~~ 718.01 of the Revised Code, filed 3966  
telephonically using the system known as the Ohio telefile system, 3967  
or filed by any other electronic means prescribed by the 3968  
commissioner. 3969

(B) The commissioner may adopt rules requiring any payment of 3970  
tax shown on such a return to be due to be made electronically in 3971  
a manner approved by the commissioner. 3972

(C) A rule adopted under this section does not apply to 3973  
returns or reports filed or payments made before the effective 3974  
date of the rule. The commissioner shall publicize any new 3975  
electronic filing requirement on the department's web site. The 3976  
commissioner shall educate the public of the requirement through 3977  
seminars, workshops, conferences, or other outreach activities. 3978

(D) Any person required to file returns and make payments 3979  
electronically under rules adopted under this section may apply to 3980  
the commissioner, on a form prescribed by the commissioner, to be 3981

excused from that requirement. For good cause shown, the 3982  
commissioner may excuse the applicant from the requirement and 3983  
permit the applicant to file the returns or reports or make the 3984  
payments required under this section by nonelectronic means. 3985

**Sec. 5703.57.** (A) As used in this section, "Ohio business 3986  
gateway" has the same meaning as in section ~~718.051~~ 718.01 of the 3987  
Revised Code. 3988

(B) There is hereby created the Ohio business gateway 3989  
steering committee to direct the continuing development of the 3990  
Ohio business gateway and to oversee its operations. The committee 3991  
shall provide general oversight regarding operation of the Ohio 3992  
business gateway and shall recommend to the department of 3993  
administrative services enhancements that will improve the Ohio 3994  
business gateway. The committee shall consider all banking, 3995  
technological, administrative, and other issues associated with 3996  
the Ohio business gateway and shall make recommendations regarding 3997  
the type of reporting forms or other tax documents to be filed 3998  
through the Ohio business gateway. 3999

(C) The committee shall consist of: 4000

(1) The following members, appointed by the governor with the 4001  
advice and consent of the senate: 4002

(a) Not more than four representatives of the business 4003  
community; 4004

(b) Not more than ~~one representative~~ three representatives of 4005  
municipal tax administrators selected from a list of candidates 4006  
provided by the Ohio municipal league; and 4007

(c) Not more than two tax practitioners. 4008

(2) The following ex officio members: 4009

(a) The director or other highest officer of each state 4010  
agency that has tax reporting forms or other tax documents filed 4011

with it through the Ohio business gateway or the director's 4012  
designee; 4013

(b) The secretary of state or the secretary of state's 4014  
designee; 4015

(c) The treasurer of state or the treasurer of state's 4016  
designee; 4017

(d) The director of budget and management or the director's 4018  
designee; 4019

(e) The state chief information officer or the officer's 4020  
designee; 4021

(f) The tax commissioner or the tax commissioner's designee; 4022  
and 4023

(g) The director of development or the director's designee. 4024

An appointed member shall serve until the member resigns or 4025  
is removed by the governor. Vacancies shall be filled in the same 4026  
manner as original appointments. 4027

(D) A vacancy on the committee does not impair the right of 4028  
the other members to exercise all the functions of the committee. 4029  
The presence of a majority of the members of the committee 4030  
constitutes a quorum for the conduct of business of the committee. 4031  
The concurrence of at least a majority of the members of the 4032  
committee is necessary for any action to be taken by the 4033  
committee. On request, each member of the committee shall be 4034  
reimbursed for the actual and necessary expenses incurred in the 4035  
discharge of the member's duties. 4036

(E) The committee is a part of the department of taxation for 4037  
administrative purposes. 4038

(F) Each year, the governor shall select a member of the 4039  
committee to serve as chairperson. The chairperson shall appoint 4040  
an official or employee of the department of taxation to act as 4041

the committee's secretary. The secretary shall keep minutes of the 4042  
committee's meetings and a journal of all meetings, proceedings, 4043  
findings, and determinations of the committee. 4044

(G) The committee may hire professional, technical, and 4045  
clerical staff needed to support its activities. 4046

(H) The committee shall meet as often as necessary to perform 4047  
its duties. 4048

**Sec. 5717.011.** (A) As used in this chapter, "tax 4049  
administrator" has the same meaning as in section 718.01 of the 4050  
Revised Code. 4051

(B) Appeals from a ~~municipal~~ final determination of a local 4052  
board of ~~appeal~~ tax review created under section 718.11 of the 4053  
Revised Code may be taken by the taxpayer or the tax administrator 4054  
to the board of tax appeals or may be taken by the taxpayer or the 4055  
tax administrator to a court of common pleas as otherwise provided 4056  
by law. If the taxpayer or the tax administrator elects to make an 4057  
appeal to the board of tax appeals or court of common pleas, and 4058  
subject to section 5703.021 of the Revised Code with respect to 4059  
appeals assigned to the small claims docket, the appeal shall be 4060  
taken by the filing of a notice of appeal with the board of tax 4061  
appeals or court of common pleas, the ~~municipal~~ local board of 4062  
~~appeal~~ tax review, and the opposing party. The notice of appeal 4063  
shall be filed within sixty days after the day the appellant 4064  
receives notice of the ~~decision~~ final determination issued under 4065  
section 718.11 of the Revised Code. An appeal filed with a court 4066  
of common pleas is governed by the Rules of Civil Procedure and 4067  
other rules of practice and procedure applicable to civil actions. 4068  
For an appeal filed with the board of tax appeals, the notice of 4069  
appeal may be filed in person or by certified mail, express mail, 4070  
facsimile transmission, electronic transmission, or by authorized 4071  
delivery service as provided in section 5703.056 of the Revised 4072

Code. If the notice of appeal is filed by certified mail, express 4073  
mail, or authorized delivery service as provided in section 4074  
5703.056 of the Revised Code, the date of the United States 4075  
postmark placed on the sender's receipt by the postal service or 4076  
the date of receipt recorded by the authorized delivery service 4077  
shall be treated as the date of filing with the board. If notice 4078  
of appeal is filed by facsimile transmission or electronic 4079  
transmission, the date and time the notice is received by the 4080  
board shall be the date and time reflected on a timestamp provided 4081  
by the board's electronic system, and the appeal shall be 4082  
considered filed with the board on the date reflected on that 4083  
timestamp. Any timestamp provided by another computer system or 4084  
electronic submission device shall not affect the time and date 4085  
the notice is received by the board. The notice of appeal shall 4086  
have attached thereto and incorporated therein by reference a true 4087  
copy of the ~~decision~~ final determination issued under section 4088  
718.11 of the Revised Code, but failure to attach a copy of such 4089  
notice and incorporate it by reference in the notice of appeal 4090  
does not invalidate the appeal. 4091

(C) A notice of appeal for an appeal filed with the board of 4092  
tax appeals shall contain a short and plain statement of the 4093  
claimed errors in the ~~decision~~ final determination of the 4094  
~~municipal local~~ board of ~~appeal~~ tax review showing that the 4095  
appellant is entitled to relief and a demand for the relief to 4096  
which the appellant claims to be entitled. An appellant may amend 4097  
the notice of appeal once as a matter of course within sixty days 4098  
after the certification of the transcript. Otherwise, an appellant 4099  
may amend the notice of appeal only after receiving leave of the 4100  
board or the written consent of each adverse party. Leave of the 4101  
board shall be freely given when justice so requires. 4102

(D) Upon the filing of a notice of appeal with the board of 4103  
tax appeals, the ~~municipal local~~ board of ~~appeal~~ tax review shall 4104

certify to the board of tax appeals a transcript of the record of 4105  
the proceedings before it, together with all evidence considered 4106  
by it in connection therewith. Such appeals may be heard by the 4107  
board at its office in Columbus or in the county where the 4108  
appellant resides, or it may cause its examiners to conduct such 4109  
hearings and to report to it their findings for affirmation or 4110  
rejection. The board may order the appeal to be heard upon the 4111  
record and the evidence certified to it by the tax administrator, 4112  
but upon the application of any interested party the board shall 4113  
order the hearing of additional evidence, and the board may make 4114  
such investigation concerning the appeal as it considers proper. 4115  
An appeal may proceed pursuant to section 5703.021 of the Revised 4116  
Code on the small claims docket if the appeals qualifies under 4117  
that section. 4118

(E) If an issue being appealed under this section is 4119  
addressed in a municipal corporation's ordinance or regulation, 4120  
the tax administrator, upon the request of the board of tax 4121  
appeals, shall provide a copy of the ordinance or regulation to 4122  
the board of tax appeals. 4123

**Sec. 5717.03.** (A) A decision of the board of tax appeals on 4124  
an appeal filed with it pursuant to section 5717.01, 5717.011, or 4125  
5717.02 of the Revised Code shall be entered of record on the 4126  
journal together with the date when the order is filed with the 4127  
secretary for journalization. 4128

(B) In case of an appeal from a decision of a county board of 4129  
revision, the board of tax appeals shall determine the taxable 4130  
value of the property whose valuation or assessment by the county 4131  
board of revision is complained of, or in the event the complaint 4132  
and appeal is against a discriminatory valuation, shall determine 4133  
a valuation which shall correct such discrimination, and shall 4134  
determine the liability of the property for taxation, if that 4135

question is in issue, and the board of tax appeals' decision and 4136  
the date when it was filed with the secretary for journalization 4137  
shall be sent by the board to all persons who were parties to the 4138  
appeal before the board, to the person in whose name the property 4139  
is listed, or sought to be listed, if such person is not a party 4140  
to the appeal, to the county auditor of the county in which the 4141  
property involved in the appeal is located, and to the tax 4142  
commissioner. 4143

In correcting a discriminatory valuation, the board of tax 4144  
appeals shall increase or decrease the value of the property whose 4145  
valuation or assessment by the county board of revision is 4146  
complained of by a per cent or amount which will cause such 4147  
property to be listed and valued for taxation by an equal and 4148  
uniform rule. 4149

(C) In the case of an appeal from a review, redetermination, 4150  
or correction of a tax assessment, valuation, determination, 4151  
finding, computation, or order of the tax commissioner, the order 4152  
of the board of tax appeals and the date of the entry thereof upon 4153  
its journal shall be sent by the board to all persons who were 4154  
parties to the appeal before the board, the person in whose name 4155  
the property is listed or sought to be listed, if the decision 4156  
determines the valuation or liability of property for taxation and 4157  
if such person is not a party to the appeal, the taxpayer or other 4158  
person to whom notice of the tax assessment, valuation, 4159  
determination, finding, computation, or order, or correction or 4160  
redetermination thereof, by the tax commissioner was by law 4161  
required to be given, the director of budget and management, if 4162  
the revenues affected by such decision would accrue primarily to 4163  
the state treasury, and the county auditors of the counties to the 4164  
undivided general tax funds of which the revenues affected by such 4165  
decision would primarily accrue. 4166

(D) In the case of an appeal from a ~~municipal~~ final 4167

determination of a local board of appeal tax review created under 4168  
section 718.11 of the Revised Code, the order of the board of tax 4169  
appeals and the date of the entry thereof upon the board's journal 4170  
shall be sent by the board to all persons who were parties to the 4171  
appeal before the board. 4172

(E) In the case of all other appeals or applications filed 4173  
with and determined by the board, the board's order and the date 4174  
when the order was filed by the secretary for journalization shall 4175  
be sent by the board to the person who is a party to such appeal 4176  
or application, to such persons as the law requires, and to such 4177  
other persons as the board deems proper. 4178

(F) The orders of the board may affirm, reverse, vacate, 4179  
modify, or remand the tax assessments, valuations, determinations, 4180  
findings, computations, or orders complained of in the appeals 4181  
determined by the board, and the board's decision shall become 4182  
final and conclusive for the current year unless reversed, 4183  
vacated, or modified as provided in section 5717.04 of the Revised 4184  
Code. When an order of the board becomes final the tax 4185  
commissioner and all officers to whom such decision has been sent 4186  
shall make the changes in their tax lists or other records which 4187  
the decision requires. 4188

(G) If the board finds that issues not raised on the appeal 4189  
are important to a determination of a controversy, the board may 4190  
remand the cause for an administrative determination and the 4191  
issuance of a new tax assessment, valuation, determination, 4192  
finding, computation, or order, unless the parties stipulate to 4193  
the determination of such other issues without remand. An order 4194  
remanding the cause is a final order. If the order relates to any 4195  
issue other than a municipal income tax matter appealed under 4196  
sections 718.11 and 5717.011 of the Revised Code, the order may be 4197  
appealed to the court of appeals in Franklin county. If the order 4198  
relates to a municipal income tax matter appealed under sections 4199



718.11 and 5717.011 of the Revised Code, the order may be appealed 4200  
to the court of appeals for the county in which the municipal 4201  
corporation in which the dispute arose is primarily situated. 4202

(H) At the request of any person that filed an appeal subject 4203  
to this section, the decision or order of the board of tax appeals 4204  
issued pursuant to division (B), (C), (D), or (E) of this section 4205  
shall be sent by certified mail at the requestor's expense. 4206

**Sec. 5726.03.** (A)(1) Annually, on or before the fifteenth day 4207  
of October, the reporting person for each taxpayer shall make a 4208  
report in writing to the tax commissioner, in such form as the 4209  
commissioner prescribes, and shall remit to the commissioner the 4210  
amount of tax shown to be due on the report. The remittance shall 4211  
be made payable to the treasurer of state. The commissioner shall 4212  
make available, on the official internet web site of the 4213  
department of taxation, copies of the forms prescribed by the 4214  
commissioner for the purpose of making the annual report. 4215

(2) An annual report shall be signed by the president, 4216  
vice-president, secretary, treasurer, general manager, 4217  
superintendent, or managing agent in this state of the reporting 4218  
person. 4219

(3) An annual report shall contain the facts, figures, 4220  
computations, and attachments that result in the determination of 4221  
the amount of tax due from a taxpayer under this chapter. 4222

(B)(1) In the case of a financial institution described in 4223  
division (H)(1) of section 5726.01 of the Revised Code, the annual 4224  
report filed for a taxable year shall list, and include 4225  
information related to, each person includable in an FR Y-9 filed 4226  
by the reporting person for that taxable year. 4227

(2) In the case of a financial institution described in 4228  
division (H)(2) or (3) of section 5726.01 of the Revised Code, the 4229

annual report for a taxable year shall list, and include 4230  
information related to, each person includable in a call report 4231  
filed by the reporting person for that taxable year. 4232

(C)(1) The reporting person for a taxpayer shall remit each 4233  
tax payment and, if required by the commissioner, file each annual 4234  
or estimated tax report electronically. The commissioner may 4235  
require reporting persons to use the Ohio business gateway as 4236  
defined in section ~~718.051~~ 718.01 of the Revised Code to file 4237  
reports and remit the tax, or may provide another means for 4238  
reporting persons to file and remit the tax electronically. 4239

(2) The payment of taxes as provided in division (C) of this 4240  
section shall not affect a taxpayer's obligation to file an annual 4241  
report required under division (A) of this section. 4242

(3) The reporting person for a taxpayer that is required to 4243  
remit tax payments electronically under this section may apply to 4244  
the tax commissioner, in the manner prescribed by the 4245  
commissioner, to be excused from that requirement. The 4246  
commissioner may excuse the taxpayer from the requirements of 4247  
division (C) of this section for good cause. 4248

(4) If the reporting person for a taxpayer that is required 4249  
to remit tax payments or file reports electronically under this 4250  
section fails to do so, the commissioner may impose a penalty not 4251  
to exceed the following: 4252

(a) For either of the first two reports the person so fails, 4253  
five per cent of the amount of the payment that was required to be 4254  
remitted; 4255

(b) For the third and any subsequent reports the person so 4256  
fails, ten per cent of the amount of the payment that was required 4257  
to be remitted. 4258

The penalty imposed under this section is in addition to any 4259  
other penalty or charge imposed under this chapter and shall be 4260

considered as revenue arising from the tax levied under this 4261  
chapter. A penalty may be collected by assessment in the manner 4262  
prescribed by section 5726.20 of the Revised Code. The tax 4263  
commissioner may abate all or a portion of such a penalty and may 4264  
adopt rules governing such abatements. 4265

**Sec. 5736.04.** (A) Not later than the tenth day of the second 4266  
month after the end of each calendar quarter, every taxpayer shall 4267  
file with the tax commissioner a tax return in such form as the 4268  
commissioner prescribes. The return shall include, but is not 4269  
limited to, the amount of the taxpayer's calculated gross receipts 4270  
for the calendar quarter and shall indicate the amount of tax due 4271  
under section 5736.02 of the Revised Code for the calendar 4272  
quarter. The taxpayer shall indicate on each return the portion of 4273  
the taxpayer's gross receipts attributable to motor fuel used for 4274  
propelling vehicles on public highways and waterways and the 4275  
portion of such receipts attributable to motor fuel used for other 4276  
purposes. For this purpose, the sale of gasoline and of diesel 4277  
fuel that is not dyed diesel fuel shall be rebuttably presumed to 4278  
be distributed or sold for use or used to propel vehicles on 4279  
public highways or waterways. All other sales of motor fuel shall 4280  
be rebuttably presumed not to be distributed or sold for use or 4281  
used to propel vehicles on public highways or waterways. 4282

(B)(1) The taxpayer shall remit the tax shown to be due on 4283  
the return, and, if required by the tax commissioner, file the 4284  
return, electronically. The commissioner may require taxpayers to 4285  
use the Ohio business gateway as defined in section ~~718.051~~ 718.01 4286  
of the Revised Code to file return returns and remit the tax, or 4287  
may provide another means for taxpayers to file and remit the tax 4288  
electronically. 4289

(2) A person required by this section to remit taxes or file 4290  
returns electronically may apply to the commissioner, on the form 4291

prescribed by the commissioner, to be excused from that 4292  
requirement. The commissioner may excuse a person from such 4293  
requirement for good cause. 4294

(C) The tax rate with respect to calculated gross receipts 4295  
for a calendar quarter is not fixed until the end of the 4296  
measurement period for each calendar quarter. The total amount of 4297  
calculated gross receipts reported for a given calendar quarter 4298  
shall be subject to the tax rate in effect in that quarter. 4299

**Sec. 5739.12.** (A)(1) Each person who has or is required to 4300  
have a vendor's license, on or before the twenty-third day of each 4301  
month, shall make and file a return for the preceding month in the 4302  
form prescribed by the tax commissioner, and shall pay the tax 4303  
shown on the return to be due. The return shall be filed 4304  
electronically using the Ohio business gateway, as defined in 4305  
section ~~718.051~~ 718.01 of the Revised Code, the Ohio telefile 4306  
system, or any other electronic means prescribed by the 4307  
commissioner. Payment of the tax shown on the return to be due 4308  
shall be made electronically in a manner approved by the 4309  
commissioner. The commissioner may require a vendor that operates 4310  
from multiple locations or has multiple vendor's licenses to 4311  
report all tax liabilities on one consolidated return. The return 4312  
shall show the amount of tax due from the vendor to the state for 4313  
the period covered by the return and such other information as the 4314  
commissioner deems necessary for the proper administration of this 4315  
chapter. The commissioner may extend the time for making and 4316  
filing returns and paying the tax, and may require that the return 4317  
for the last month of any annual or semiannual period, as 4318  
determined by the commissioner, be a reconciliation return 4319  
detailing the vendor's sales activity for the preceding annual or 4320  
semiannual period. The reconciliation return shall be filed by the 4321  
last day of the month following the last month of the annual or 4322  
semiannual period. The commissioner may remit all or any part of 4323

amounts or penalties that may become due under this chapter and 4324  
may adopt rules relating thereto. Such return shall be filed 4325  
electronically as directed by the tax commissioner, and payment of 4326  
the amount of tax shown to be due thereon, after deduction of any 4327  
discount provided for under this section, shall be made 4328  
electronically in a manner approved by the tax commissioner. 4329

(2) Any person required to file returns and make payments 4330  
electronically under division (A)(1) of this section may apply to 4331  
the tax commissioner on a form prescribed by the commissioner to 4332  
be excused from that requirement. For good cause shown, the 4333  
commissioner may excuse the person from that requirement and may 4334  
permit the person to file the returns and make the payments 4335  
required by this section by nonelectronic means. 4336

(B)(1) If the return is filed and the amount of tax shown 4337  
thereon to be due is paid on or before the date such return is 4338  
required to be filed, the vendor shall be entitled to a discount 4339  
of three-fourths of one per cent of the amount shown to be due on 4340  
the return. 4341

(2) A vendor that has selected a certified service provider 4342  
as its agent shall not be entitled to the discount if the 4343  
certified service provider receives a monetary allowance pursuant 4344  
to section 5739.06 of the Revised Code for performing the vendor's 4345  
sales and use tax functions in this state. Amounts paid to the 4346  
clerk of courts pursuant to section 4505.06 of the Revised Code 4347  
shall be subject to the applicable discount. The discount shall be 4348  
in consideration for prompt payment to the clerk of courts and for 4349  
other services performed by the vendor in the collection of the 4350  
tax. 4351

(C)(1) Upon application to the tax commissioner, a vendor who 4352  
is required to file monthly returns may be relieved of the 4353  
requirement to report and pay the actual tax due, provided that 4354  
the vendor agrees to remit to the commissioner payment of not less 4355

than an amount determined by the commissioner to be the average 4356  
monthly tax liability of the vendor, based upon a review of the 4357  
returns or other information pertaining to such vendor for a 4358  
period of not less than six months nor more than two years 4359  
immediately preceding the filing of the application. Vendors who 4360  
agree to the above conditions shall make and file an annual or 4361  
semiannual reconciliation return, as prescribed by the 4362  
commissioner. The reconciliation return shall be filed 4363  
electronically as directed by the tax commissioner, and payment of 4364  
the amount of tax shown to be due thereon, after deduction of any 4365  
discount provided in this section, shall be made electronically in 4366  
a manner approved by the commissioner. Failure of a vendor to 4367  
comply with any of the above conditions may result in immediate 4368  
reinstatement of the requirement of reporting and paying the 4369  
actual tax liability on each monthly return, and the commissioner 4370  
may at the commissioner's discretion deny the vendor the right to 4371  
report and pay based upon the average monthly liability for a 4372  
period not to exceed two years. The amount ascertained by the 4373  
commissioner to be the average monthly tax liability of a vendor 4374  
may be adjusted, based upon a review of the returns or other 4375  
information pertaining to the vendor for a period of not less than 4376  
six months nor more than two years preceding such adjustment. 4377

(2) The commissioner may authorize vendors whose tax 4378  
liability is not such as to merit monthly returns, as ascertained 4379  
by the commissioner upon the basis of administrative costs to the 4380  
state, to make and file returns at less frequent intervals. When 4381  
returns are filed at less frequent intervals in accordance with 4382  
such authorization, the vendor shall be allowed the discount 4383  
provided in this section in consideration for prompt payment with 4384  
the return, provided the return is filed and payment is made of 4385  
the amount of tax shown to be due thereon, at the time specified 4386  
by the commissioner, but a vendor that has selected a certified 4387  
service provider as its agent shall not be entitled to the 4388

discount. 4389

(D) Any vendor who fails to file a return or to pay the full 4390  
amount of the tax shown on the return to be due in the manner 4391  
prescribed under this section and the rules of the commissioner 4392  
may, for each such return, be required to forfeit and pay into the 4393  
state treasury an additional charge not exceeding fifty dollars or 4394  
ten per cent of the tax required to be paid for the reporting 4395  
period, whichever is greater, as revenue arising from the tax 4396  
imposed by this chapter, and such sum may be collected by 4397  
assessment in the manner provided in section 5739.13 of the 4398  
Revised Code. The commissioner may remit all or a portion of the 4399  
additional charge and may adopt rules relating to the imposition 4400  
and remission of the additional charge. 4401

(E) If the amount required to be collected by a vendor from 4402  
consumers is in excess of the applicable percentage of the 4403  
vendor's receipts from sales that are taxable under section 4404  
5739.02 of the Revised Code, or in the case of sales subject to a 4405  
tax levied pursuant to section 5739.021, 5739.023, or 5739.026 of 4406  
the Revised Code, in excess of the percentage equal to the 4407  
aggregate rate of such taxes and the tax levied by section 5739.02 4408  
of the Revised Code, such excess shall be remitted along with the 4409  
remittance of the amount of tax due under section 5739.10 of the 4410  
Revised Code. 4411

(F) The commissioner, if the commissioner deems it necessary 4412  
in order to insure the payment of the tax imposed by this chapter, 4413  
may require returns and payments to be made for other than monthly 4414  
periods. 4415

(G) Any vendor required to file a return and pay the tax 4416  
under this section whose total payment for a year equals or 4417  
exceeds the amount shown in division (A) of section 5739.122 of 4418  
the Revised Code is subject to the accelerated tax payment 4419  
requirements in divisions (B) and (C) of that section. For a 4420

vendor that operates from multiple locations or has multiple 4421  
vendor's licenses, in determining whether the vendor's total 4422  
payment equals or exceeds the amount shown in division (A) of that 4423  
section, the vendor's total payment amount shall be the amount of 4424  
the vendor's total tax liability for the previous calendar year 4425  
for all of the vendor's locations or licenses. 4426

**Sec. 5739.124.** (A) If required by the tax commissioner, a 4427  
permit holder required to make payments under section 5739.032 of 4428  
the Revised Code shall file all returns and reports 4429  
electronically. The commissioner may require the permit holder to 4430  
use the Ohio business gateway, as defined in section ~~718.051~~ 4431  
718.01 of the Revised Code, or any other electronic means approved 4432  
by the commissioner, to file the returns and reports, or to remit 4433  
the tax, in lieu of the manner prescribed under section 5739.032 4434  
of the Revised Code. 4435

(B) A person required under this section to file reports and 4436  
returns electronically may apply to the tax commissioner to be 4437  
excused from that requirement. Applications shall be made on a 4438  
form prescribed by the commissioner. The commissioner may approve 4439  
the application for good cause. 4440

(C)(1) If a person required to file a report or return 4441  
electronically under this section fails to do so, the tax 4442  
commissioner may impose an additional charge not to exceed the 4443  
following: 4444

(a) For each of the first two failures, five per cent of the 4445  
amount required to be reported on the report or return; 4446

(b) For the third and any subsequent failure, ten per cent of 4447  
the amount required to be reported on the report or return. 4448

(2) The charges authorized under division (C)(1) of this 4449  
section are in addition to any other charge or penalty authorized 4450



under this chapter, and shall be considered as revenue arising 4451  
from taxes imposed under this chapter. An additional charge may be 4452  
collected by assessment in the manner prescribed by section 4453  
5739.13 of the Revised Code. The commissioner may waive all or a 4454  
portion of such a charge and may adopt rules governing such 4455  
waiver. 4456

**Sec. 5741.122.** (A) If required by the tax commissioner, a 4457  
person required to make payments under section 5741.121 of the 4458  
Revised Code shall file all returns and reports electronically. 4459  
The commissioner may require the person to use the Ohio business 4460  
gateway, as defined in section ~~718.051~~ 718.01 of the Revised Code, 4461  
or any other electronic means approved by the commissioner, to 4462  
file the returns and reports, or to remit the tax, in lieu of the 4463  
manner prescribed under section 5741.121 of the Revised Code. 4464

(B) A person required under this section to file reports and 4465  
returns electronically may apply to the tax commissioner to be 4466  
excused from that requirement. Applications shall be made on a 4467  
form prescribed by the commissioner. The commissioner may approve 4468  
the application for good cause. 4469

(C)(1) If a person required to file a report or return 4470  
electronically under this section fails to do so, the tax 4471  
commissioner may impose an additional charge not to exceed the 4472  
following: 4473

(a) For each of the first two failures, five per cent of the 4474  
amount required to be reported on the report or return; 4475

(b) For the third and any subsequent failure, ten per cent of 4476  
the amount required to be reported on the report or return. 4477

(2) The charges authorized under division (C)(1) of this 4478  
section are in addition to any other charge or penalty authorized 4479  
under this chapter, and shall be considered as revenue arising 4480

from taxes imposed under this chapter. An additional charge may be 4481  
collected by assessment in the manner prescribed by section 4482  
5741.13 of the Revised Code. The commissioner may waive all or a 4483  
portion of such a charge and may adopt rules governing such 4484  
waiver. 4485

Sec. 5747.063. The requirements imposed under this section 4486  
are in addition to the municipal income tax withholding 4487  
requirements under section 718.031 of the Revised Code. 4488

(A)(1) If a person's winnings at a casino facility are an 4489  
amount for which reporting to the internal revenue service of the 4490  
amount is required by section 6041 of the Internal Revenue Code, 4491  
as amended, the casino operator shall deduct and withhold Ohio 4492  
income tax from the person's winnings at a rate of four per cent 4493  
of the amount won ~~and shall deduct and withhold municipal income 4494~~  
~~tax from the person's winnings at the rate of tax of the municipal 4495~~  
~~corporation in which the casino facility is located. A person's 4496~~  
amount of winnings shall be determined each time the person 4497  
exchanges amounts won in tokens, chips, casino credit, or other 4498  
prepaid representations of value for cash or a cash equivalent. 4499  
The casino operator shall issue, to a person from whose winnings 4500  
an amount has been deducted and withheld, a receipt for the amount 4501  
deducted and withheld, and also shall obtain from the person 4502  
additional information that will be necessary for the casino 4503  
operator to prepare the returns required by this section. 4504

(2) If a person's winnings at a casino facility require 4505  
reporting to the internal revenue service under division (A)(1) of 4506  
this section, the casino operator also shall require the person to 4507  
state in writing, under penalty of falsification, whether the 4508  
person is in default under a support order. 4509

(B) Amounts deducted and withheld by a casino operator are 4510  
held in trust for the benefit of the state ~~and municipal 4511~~

corporations, ~~as applicable.~~ 4512

(1) On or before the tenth day of each month, the casino 4513  
operator shall file a return electronically with the tax 4514  
commissioner ~~and the tax administrator of the municipal~~ 4515  
~~corporation, as applicable,~~ identifying the persons from whose 4516  
winnings amounts were deducted and withheld, the amount of each 4517  
such deduction and withholding during the preceding calendar 4518  
month, the amount of the winnings from which each such amount was 4519  
withheld, the type of casino gaming that resulted in such 4520  
winnings, and any other information required by the tax 4521  
commissioner. With the return, the casino operator shall remit 4522  
electronically to the commissioner ~~and the tax administrator of~~ 4523  
~~the municipal corporation, as applicable,~~ all the amounts deducted 4524  
and withheld during the preceding month. 4525

(2)(a) A casino operator shall maintain a record of each 4526  
written statement provided under division (A)(2) of this section 4527  
in which a person admits to being in default under a support 4528  
order. The casino operator shall make these records available to 4529  
the director of job and family services upon request. 4530

(b) A casino operator shall maintain copies of receipts 4531  
issued under division (A)(1) of this section and of written 4532  
statements provided under division (A)(2) of this section and 4533  
shall make these copies available to the tax commissioner upon 4534  
request. 4535

(c) A casino operator shall maintain the information 4536  
described in divisions (B)(2)(a) and (b) of this section in 4537  
accordance with section 5747.17 of the Revised Code and any rules 4538  
adopted pursuant thereto. 4539

(3) Annually, on or before the thirty-first day of January, a 4540  
casino operator shall file an annual return electronically with 4541  
the tax commissioner ~~and the tax administrator of the municipal~~ 4542

~~corporation, as applicable,~~ indicating the total amount deducted 4543  
and withheld during the preceding calendar year. The casino 4544  
operator shall remit electronically with the annual return any 4545  
amount that was deducted and withheld and that was not previously 4546  
remitted. If the identity of a person and the amount deducted and 4547  
withheld with respect to that person were omitted on a monthly 4548  
return, that information shall be indicated on the annual return. 4549

(4)(a) A casino operator who fails to file a return and remit 4550  
the amounts deducted and withheld is personally liable for the 4551  
amount deducted and withheld and not remitted. The commissioner 4552  
~~and the tax administrator of the municipal corporation, as~~ 4553  
~~applicable,~~ may impose a penalty up to one thousand dollars if a 4554  
return is filed late, if amounts deducted and withheld are 4555  
remitted late, if a return is not filed, or if amounts deducted 4556  
and withheld are not remitted. Interest accrues on past due 4557  
amounts deducted and withheld at the rate prescribed in section 4558  
5703.47 of the Revised Code. The commissioner ~~and the tax~~ 4559  
~~administrator of the municipal corporation, as applicable,~~ may 4560  
collect past due amounts deducted and withheld and penalties and 4561  
interest thereon by assessment under section 5747.13 of the 4562  
Revised Code as if they were income taxes collected by an 4563  
employer. 4564

(b) If a casino operator sells the casino facility or 4565  
otherwise quits the casino business, the amounts deducted and 4566  
withheld and any penalties and interest thereon are immediately 4567  
due and payable. The successor shall withhold an amount of the 4568  
purchase money that is sufficient to cover the amounts deducted 4569  
and withheld and penalties and interest thereon until the 4570  
predecessor casino operator produces either a receipt from the 4571  
commissioner ~~and the tax administrator of the municipal~~ 4572  
~~corporation, as applicable,~~ showing that the amounts deducted and 4573  
withheld and penalties and interest thereon have been paid or a 4574

certificate from the commissioner ~~and the tax administrator of the~~ 4575  
~~municipal corporation, as applicable,~~ indicating that no amounts 4576  
deducted and withheld or penalties and interest thereon are due. 4577  
If the successor fails to withhold purchase money, the successor 4578  
is personally liable for payment of the amounts deducted and 4579  
withheld and penalties and interest thereon, up to the amount of 4580  
the purchase money. 4581

(C)(1) Annually, on or before the thirty-first day of 4582  
January, a casino operator shall issue an information return to 4583  
each person with respect to whom an amount has been deducted and 4584  
withheld during the preceding calendar year. The information 4585  
return shall show the total amount deducted from the person's 4586  
winnings by the casino operator during the preceding calendar 4587  
year. 4588

(2) Annually, on or before the thirty-first day of January, a 4589  
casino operator shall provide to the commissioner a copy of each 4590  
information return issued under division (C)(1) of this section 4591  
for the preceding calendar year. The commissioner may require that 4592  
the copies be transmitted electronically. 4593

(D) Amounts deducted and withheld shall be allowed as a 4594  
credit against payment of the tax imposed by section 5747.02 of 4595  
the Revised Code and shall be treated as taxes paid for purposes 4596  
of section 5747.09 of the Revised Code. This division applies only 4597  
to the person for whom the amount is deducted and withheld. 4598

(E) The failure of a casino operator to deduct and withhold 4599  
the required amount from a person's winnings does not relieve the 4600  
person from liability for the tax imposed by section 5747.02 of 4601  
the Revised Code with respect to those winnings. And compliance 4602  
with this section does not relieve a casino operator or a person 4603  
who has winnings at a casino facility from compliance with 4604  
relevant provisions of federal tax laws. 4605

(F) The commissioner ~~and the tax administrator of the~~ 4606  
~~municipal corporation, as applicable,~~ shall prescribe the form of 4607  
the receipt and returns required by this section. The director of 4608  
job and family services shall prescribe the form of the statement 4609  
required by this section. 4610

(G) The commissioner may adopt rules that are necessary to 4611  
administer this section. 4612

**Sec. 5747.064.** The requirements imposed under this section 4613  
are in addition to the municipal income tax withholding 4614  
requirements under section 718.031 of the Revised Code. 4615

(A) As used in this section, "video lottery terminal" has the 4616  
same meaning as in section 3770.21 of the Revised Code. 4617

(B) If a person's prize award from a video lottery terminal 4618  
is an amount for which reporting to the internal revenue service 4619  
of the amount is required by section 6041 of the Internal Revenue 4620  
Code, as amended, the lottery sales agent shall deduct and 4621  
withhold Ohio income tax from the person's prize award at a rate 4622  
of four per cent of the amount won ~~and shall deduct and withhold~~ 4623  
~~municipal income tax from the person's winnings at the rate of tax~~ 4624  
~~of the municipal corporation in which the video lottery terminal~~ 4625  
~~facility is located.~~ The lottery sales agent shall issue, to a 4626  
person from whose prize award an amount has been deducted or 4627  
withheld, a receipt for the amount deducted and withheld, and also 4628  
shall obtain from the person additional information that will be 4629  
necessary for the lottery sales agent to prepare the returns 4630  
required by this section. 4631

(C) Amounts deducted and withheld by a lottery sales agent 4632  
are held in trust for the benefit of the state ~~and municipal~~ 4633  
~~corporations, as applicable.~~ 4634

(1) On or before the tenth day of each month, the lottery 4635

sales agent shall file a return electronically with the tax 4636  
commissioner ~~and the tax administrator of the municipal~~ 4637  
~~corporation, as applicable,~~ identifying the persons from whose 4638  
prize awards amounts were deducted and withheld, the amount of 4639  
each such deduction and withholding during the preceding month, 4640  
the amount of the prize award from which each such amount was 4641  
withheld, and any other information required by the commissioner 4642  
~~and the tax administrator of the municipal corporation, as~~ 4643  
~~applicable.~~ With the return, the lottery sales agent shall remit 4644  
electronically to the commissioner ~~and the tax administrator of~~ 4645  
~~the municipal corporation, as applicable,~~ all the amounts deducted 4646  
and withheld during the preceding month. 4647

(2) A lottery sales agent shall maintain a record of all 4648  
receipts issued under division (B) of this section and shall make 4649  
those records available to the commissioner ~~and the tax~~ 4650  
~~administrator of the municipal corporation, as applicable,~~ upon 4651  
request. Such records shall be maintained in accordance with 4652  
section 5747.17 of the Revised Code and any rules adopted pursuant 4653  
thereto. 4654

(3) Annually, on or before the thirty-first day of January, a 4655  
lottery sales agent shall file an annual return electronically 4656  
with the tax commissioner ~~and the tax administrator of the~~ 4657  
~~municipal corporation, as applicable,~~ indicating the total amount 4658  
deducted and withheld during the preceding calendar year. The 4659  
lottery sales agent shall remit electronically with the annual 4660  
return any amount that was deducted and withheld and that was not 4661  
previously remitted. If the identity of a person and the amount 4662  
deducted and withheld with respect to that person were omitted on 4663  
a monthly return, that information shall be indicated on the 4664  
annual return. 4665

(4)(a) A lottery sales agent who fails to file a return and 4666  
remit the amounts deducted and withheld is personally liable for 4667

the amount deducted and withheld and not remitted. The 4668  
commissioner ~~and the tax administrator of the municipal~~ 4669  
~~corporation, as applicable,~~ may impose a penalty of up to one 4670  
thousand dollars if a return is filed late, if amounts deducted 4671  
and withheld are remitted late, if a return is not filed, or if 4672  
amounts deducted and withheld are not remitted. Interest accrues 4673  
on past due amounts deducted and withheld at the rate prescribed 4674  
in section 5703.47 of the Revised Code. The commissioner ~~and the~~ 4675  
~~tax administrator of the municipal corporation, as applicable,~~ may 4676  
collect past due amounts deducted and withheld and penalties and 4677  
interest thereon by assessment under section 5747.13 of the 4678  
Revised Code as if they were income taxes collected by an 4679  
employer. 4680

(b) If a lottery sales agent ceases to operate video lottery 4681  
terminals, the amounts deducted and withheld and any penalties and 4682  
interest thereon are immediately due and payable. A successor of 4683  
the lottery sales agent that purchases the video lottery terminals 4684  
from the agent shall withhold an amount of the purchase money that 4685  
is sufficient to cover the amounts deducted and withheld and 4686  
penalties and interest thereon until the predecessor lottery sales 4687  
agent produces either a receipt from the tax commissioner ~~and the~~ 4688  
~~tax administrator of the municipal corporation, as applicable,~~ 4689  
showing that the amounts deducted and withheld and penalties and 4690  
interest thereon have been paid or a certificate from the 4691  
commissioner ~~and the tax administrator of the municipal~~ 4692  
~~corporation, as applicable,~~ indicating that no amounts deducted 4693  
and withheld or penalties and interest thereon are due. If the 4694  
successor fails to withhold purchase money, the successor is 4695  
personally liable for payment of the amounts deducted and withheld 4696  
and penalties and interest thereon, up to the amount of the 4697  
purchase money. 4698

(D)(1) Annually, on or before the thirty-first day of 4699



January, a lottery sales agent shall issue an information return 4700  
to each person with respect to whom an amount has been deducted 4701  
and withheld during the preceding calendar year. The information 4702  
return shall show the total amount deducted from the person's 4703  
prize award by the lottery sales agent during the preceding year. 4704

(2) Annually, on or before the thirty-first day of January, a 4705  
lottery sales agent shall provide to the tax commissioner ~~and the~~ 4706  
~~tax administrator of the municipal corporation, as applicable,~~ a 4707  
copy of each information return issued under division (D)(1) of 4708  
this section for the preceding calendar year. The commissioner ~~and~~ 4709  
~~the tax administrator of the municipal corporation, as applicable,~~ 4710  
may require that such copies be transmitted electronically. 4711

(E) Amounts deducted and withheld shall be allowed as a 4712  
credit against payment of the tax imposed by section 5747.02 of 4713  
the Revised Code and shall be treated as taxes paid for purposes 4714  
of section 5747.09 of the Revised Code. This division applies only 4715  
to the person for whom the amount is deducted and withheld. 4716

(F) The failure of a lottery sales agent to deduct and 4717  
withhold the required amount from a person's prize award does not 4718  
relieve the person from liability for the tax imposed by section 4719  
5747.02 of the Revised Code with respect to that income. 4720  
Compliance with this section does not relieve a lottery sales 4721  
agent or a person who has a prize award from compliance with 4722  
relevant provisions of federal tax laws. 4723

(G) The commissioner ~~and the tax administrator of the~~ 4724  
~~municipal corporation, as applicable,~~ shall prescribe the form of 4725  
the receipt and returns required by this section and ~~the~~ 4726  
~~commissioner~~ may promulgate any rules necessary to administer the 4727  
section. 4728

**Sec. 5747.50.** (A) As used in this section: 4729

(1) "County's proportionate share of the calendar year 2007 LGF and LGRAF distributions" means the percentage computed for the county under division (B)(1)(a) of section 5747.501 of the Revised Code. 4730  
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4733

(2) "County's proportionate share of the total amount of the local government fund additional revenue formula" means each county's proportionate share of the state's population as determined for and certified to the county for distributions to be made during the current calendar year under division (B)(2)(a) of section 5747.501 of the Revised Code. If prior to the first day of January of the current calendar year the federal government has issued a revision to the population figures reflected in the estimate produced pursuant to division (B)(2)(a) of section 5747.501 of the Revised Code, such revised population figures shall be used for making the distributions during the current calendar year. 4734  
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(3) "2007 LGF and LGRAF county distribution base available in that month" means the lesser of the amounts described in division (A)(3)(a) and (b) of this section, provided that the amount shall not be less than zero: 4746  
4747  
4748  
4749

(a) The total amount available for distribution to counties from the local government fund during the current month. 4750  
4751

(b) The total amount distributed to counties from the local government fund and the local government revenue assistance fund to counties in calendar year 2007 less the total amount distributed to counties under division (B)(1) of this section during previous months of the current calendar year. 4752  
4753  
4754  
4755  
4756

(4) "Local government fund additional revenue distribution base available during that month" means the total amount available for distribution to counties during the month from the local government fund, less any amounts to be distributed in that month 4757  
4758  
4759  
4760

from the local government fund under division (B)(1) of this 4761  
section, provided that the local government fund additional 4762  
revenue distribution base available during that month shall not be 4763  
less than zero. 4764

(5) "Total amount available for distribution to counties" 4765  
means the total amount available for distribution from the local 4766  
government fund during the current month less the total amount 4767  
available for distribution to municipal corporations during the 4768  
current month under division (C) of this section. 4769

(B) On or before the tenth day of each month, the tax 4770  
commissioner shall provide for payment to each county an amount 4771  
equal to the sum of: 4772

(1) The county's proportionate share of the calendar year 4773  
2007 LGF and LGRAF distributions multiplied by the 2007 LGF and 4774  
LGRAF county distribution base available in that month, provided 4775  
that if the 2007 LGF and LGRAF county distribution base available 4776  
in that month is zero, no payment shall be made under division 4777  
(B)(1) of this section for the month or the remainder of the 4778  
calendar year; and 4779

(2) The county's proportionate share of the total amount of 4780  
the local government fund additional revenue formula multiplied by 4781  
the local government fund additional revenue distribution base 4782  
available during that month. 4783

Money received into the treasury of a county under this 4784  
division shall be credited to the undivided local government fund 4785  
in the treasury of the county on or before the fifteenth day of 4786  
each month. On or before the twentieth day of each month, the 4787  
county auditor shall issue warrants against all of the undivided 4788  
local government fund in the county treasury in the respective 4789  
amounts allowed as provided in section 5747.51 of the Revised 4790  
Code, and the treasurer shall distribute and pay such sums to the 4791

subdivision therein. 4792

(C)(1) As used in division (C) of this section: 4793

(a) "Total amount available for distribution to 4794  
municipalities during the current month" means the product 4795  
obtained by multiplying the total amount available for 4796  
distribution from the local government fund during the current 4797  
month by the aggregate municipal share. 4798

(b) "Aggregate municipal share" means the quotient obtained 4799  
by dividing the total amount distributed directly from the local 4800  
government fund to municipal corporations during calendar year 4801  
2007 by the total distributions from the local government fund and 4802  
local government revenue assistance fund during calendar year 4803  
2007. 4804

(2) On or before the tenth day of each month, the tax 4805  
commissioner shall provide for payment from the local government 4806  
fund to each municipal corporation an amount equal to the product 4807  
derived by multiplying the municipal corporation's percentage of 4808  
the total amount distributed to all such municipal corporations 4809  
under this division during calendar year 2007 by the total amount 4810  
available for distribution to municipal corporations during the 4811  
current month. 4812

(3) Payments received by a municipal corporation under this 4813  
division shall be paid into its general fund and may be used for 4814  
any lawful purpose. 4815

(4) The amount distributed to municipal corporations under 4816  
this division during any calendar year shall not exceed the amount 4817  
distributed directly from the local government fund to municipal 4818  
corporations during calendar year 2007. If that maximum amount is 4819  
reached during any month, distributions to municipal corporations 4820  
in that month shall be as provided in divisions (C)(1) and (2) of 4821  
this section, but no further distributions shall be made to 4822

municipal corporations under division (C) of this section during 4823  
the remainder of the calendar year. 4824

(5) Upon being informed of a municipal corporation's 4825  
dissolution, the tax commissioner shall cease providing for 4826  
payments to that municipal corporation under division (C) of this 4827  
section. The proportionate shares of the total amount available 4828  
for distribution to each of the remaining municipal corporations 4829  
under this division shall be increased on a pro rata basis. 4830

(D) Each municipal corporation which has in effect a tax 4831  
imposed under Chapter 718. of the Revised Code shall, no later 4832  
than the thirty-first day of August of each year, certify to the 4833  
tax commissioner, on a form prescribed by the commissioner, the 4834  
total amount of income ~~taxes~~ tax revenue collected and refunded by 4835  
such municipal corporation pursuant to such chapter during the 4836  
preceding calendar year, arranged, when possible, by the type of 4837  
income from which the revenue was collected or the refund was 4838  
issued. The municipal corporation shall also report the amount of 4839  
income tax revenue collected and refunded on behalf of a joint 4840  
economic development district or a joint economic development zone 4841  
that levies an income tax administered by the municipal 4842  
corporation and the amount of such revenue distributed to 4843  
contracting parties during the preceding calendar year. The tax 4844  
commissioner may withhold payment of local government fund moneys 4845  
pursuant to division (C) of this section from any municipal 4846  
corporation for failure to comply with this reporting requirement. 4847

**Sec. 5749.06.** (A)(1) Each severer liable for the tax imposed 4848  
by section 5749.02 of the Revised Code and each severer or owner 4849  
liable for the amounts due under section 1509.50 of the Revised 4850  
Code shall make and file returns with the tax commissioner in the 4851  
prescribed form and as of the prescribed times, computing and 4852  
reflecting therein the tax as required by this chapter and amounts 4853

due under section 1509.50 of the Revised Code. 4854

(2) The returns shall be filed for every quarterly period, 4855  
which periods shall end on the thirty-first day of March, the 4856  
thirtieth day of June, the thirtieth day of September, and the 4857  
thirty-first day of December of each year, as required by this 4858  
section, unless a different return period is prescribed for a 4859  
taxpayer by the commissioner. 4860

(B)(1) A separate return shall be filed for each calendar 4861  
quarterly period, or other period, or any part thereof, during 4862  
which the severer holds a license as provided by section 5749.04 4863  
of the Revised Code, or is required to hold the license, or during 4864  
which an owner is required to file a return. The return shall be 4865  
filed within forty-five days after the last day of each such 4866  
calendar month, or other period, or any part thereof, for which 4867  
the return is required. The tax due is payable along with the 4868  
return. All such returns shall contain such information as the 4869  
commissioner may require to fairly administer the tax. 4870

(2) All returns shall be signed by the severer or owner, as 4871  
applicable, shall contain the full and complete information 4872  
requested, and shall be made under penalty of perjury. 4873

(C) If the commissioner believes that quarterly payments of 4874  
tax would result in a delay that might jeopardize the collection 4875  
of such tax payments, the commissioner may order that such 4876  
payments be made weekly, or more frequently if necessary, such 4877  
payments to be made not later than seven days following the close 4878  
of the period for which the jeopardy payment is required. Such an 4879  
order shall be delivered to the taxpayer personally or by 4880  
certified mail and shall remain in effect until the commissioner 4881  
notifies the taxpayer to the contrary. 4882

(D) Upon good cause the commissioner may extend for thirty 4883  
days the period for filing any notice or return required to be 4884

filed under this section, and may remit all or a part of penalties 4885  
that may become due under this chapter. 4886

(E) Any tax and any amount due under section 1509.50 of the 4887  
Revised Code not paid by the day the tax or amount is due shall 4888  
bear interest computed at the rate per annum prescribed by section 4889  
5703.47 of the Revised Code on that amount due from the day that 4890  
the amount was originally required to be paid to the day of actual 4891  
payment or to the day an assessment was issued under section 4892  
5749.07 or 5749.10 of the Revised Code, whichever occurs first. 4893

(F) A severer or owner, as applicable, that fails to file a 4894  
complete return or pay the full amount due under this chapter 4895  
within the time prescribed, including any extensions of time 4896  
granted by the commissioner, shall be subject to a penalty not to 4897  
exceed the greater of fifty dollars or ten per cent of the amount 4898  
due for the period. 4899

(G)(1) A severer or owner, as applicable, shall remit 4900  
payments electronically and, if required by the commissioner, file 4901  
each return electronically. The commissioner may require that the 4902  
severer or owner use the Ohio business gateway, as defined in 4903  
section ~~718.051~~ 718.01 of the Revised Code, or another electronic 4904  
means to file returns and remit payments electronically. 4905

(2) A severer or owner that is required to remit payments 4906  
electronically under this section may apply to the commissioner, 4907  
in the manner prescribed by the commissioner, to be excused from 4908  
that requirement. The commissioner may excuse a severer or owner 4909  
from the requirements of division (G) of this section for good 4910  
cause. 4911

(3) If a severer or owner that is required to remit payments 4912  
or file returns electronically under this section fails to do so, 4913  
the commissioner may impose a penalty on the severer or owner not 4914  
to exceed the following: 4915

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

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

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

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

(3) After the director of budget and management makes any transfer required by division (H)(2) of this section, but not later than the fifteenth day of the month following the end of each calendar quarter, the commissioner shall certify to the director the total amount remaining in the severance tax receipts fund organized according to the amount attributable to each natural resource and according to the amount attributable to a tax imposed by this chapter and the amounts due under section 1509.50 of the Revised Code.

(I) Penalties imposed under this section are in addition to any other penalty imposed under this chapter and shall be



considered as revenue arising from the tax levied under this 4947  
chapter or the amount due under section 1509.50 of the Revised 4948  
Code, as applicable. The commissioner may collect any penalty or 4949  
interest imposed under this section in the same manner as provided 4950  
for the making of an assessment in section 5749.07 of the Revised 4951  
Code. The commissioner may abate all or a portion of such interest 4952  
or penalties and may adopt rules governing such abatements. 4953

**Sec. 5751.07.** (A) Any person required to file returns under 4954  
this chapter shall remit each tax payment, and, if required by the 4955  
tax commissioner, file the tax return or the annual report, 4956  
electronically. The commissioner may require taxpayers to use the 4957  
Ohio business gateway as defined in section ~~718.051~~ 718.01 of the 4958  
Revised Code to file returns and remit the tax, or may provide 4959  
another means for taxpayers to file and remit the tax 4960  
electronically. 4961

(B) A person required by this section to remit taxes or file 4962  
returns electronically may apply to the tax commissioner, on the 4963  
form prescribed by the commissioner, to be excused from that 4964  
requirement. The commissioner may excuse a person from the 4965  
requirements of this division for good cause. 4966

(C)(1) If a person required to remit taxes or file a return 4967  
electronically under this section fails to do so, the commissioner 4968  
may impose a penalty not to exceed the following: 4969

(a) For either of the first two tax periods the person so 4970  
fails, the greater of twenty-five dollars or five per cent of the 4971  
amount of the payment that was required to be remitted; 4972

(b) For the third and any subsequent tax periods the person 4973  
so fails, the greater of fifty dollars or ten per cent of the 4974  
amount of the payment that was required to be remitted. 4975

(2) The penalty imposed under division (C)(1) of this section 4976

is in addition to any other penalty imposed under this chapter and 4977  
shall be considered as revenue arising from the tax imposed under 4978  
this chapter. A penalty may be collected by assessment in the 4979  
manner prescribed by section 5751.09 of the Revised Code. The tax 4980  
commissioner may abate all or a portion of such a penalty. 4981

(D) The tax commissioner may adopt rules necessary to 4982  
administer this section. 4983

**Section 2.** That existing sections 128.46, 709.023, 715.013, 4984  
718.02, 718.03, 718.04, 718.051, 718.07, 718.09, 718.10, 718.11, 4985  
718.121, 718.13, 5703.02, 5703.059, 5703.57, 5717.011, 5717.03, 4986  
5726.03, 5736.04, 5739.12, 5739.124, 5741.122, 5747.063, 5747.064, 4987  
5747.50, 5749.06, and 5751.07 and sections 718.01, 718.011, 4988  
718.041, 718.05, 718.06, 718.08, 718.12, and 718.14 of the Revised 4989  
Code are hereby repealed. 4990

**Section 3.** This act applies to municipal taxable years 4991  
beginning on or after January 1, 2016. For municipal taxable years 4992  
beginning before January 1, 2016, tax administrators may continue 4993  
to administer, audit, and enforce the income tax of a municipal 4994  
corporation under Chapter 718. and ordinances and resolutions of 4995  
the municipal corporation as that chapter and those ordinances and 4996  
resolutions existed before January 1, 2016. 4997

**Section 4.** (A) There is hereby created the Municipal Income 4998  
Tax Net Operating Loss Review Committee for the purpose of 4999  
evaluating and quantifying the potential fiscal impact to 5000  
municipal corporations levying an income tax requiring such 5001  
municipal corporations to allow taxpayers to carry forward net 5002  
operating losses for five years. The Committee is a public body 5003  
for the purposes of section 121.22 of the Revised Code. 5004

(B) The Committee shall be composed of the following members: 5005

(1) Two members of the House of Representatives who are not 5006  
of the same political party, appointed by the Speaker of the House 5007  
of Representatives; 5008

(2) Two members of the Senate who are not of the same 5009  
political party, appointed by the President of the Senate; 5010

(3) Three members representing municipal income taxpayers, 5011  
appointed by the Speaker of the House of Representatives; 5012

(4) Three members representing municipal corporations that 5013  
levy an income tax in calendar year 2016, appointed by the 5014  
President of the Senate. At least two of the members appointed 5015  
under division (B)(4) of this section shall represent municipal 5016  
corporations that do not allow taxpayers to carry forward net 5017  
operating losses to future taxable years. 5018

(5) One member appointed by the Governor, who shall serve as 5019  
the chairperson of the Committee. 5020

The appointing authorities shall appoint members of the 5021  
Committee not later than March 1, 2015. An appointed member shall 5022  
serve until the member resigns or is removed by the member's 5023  
appointing authority. Vacancies shall be filled in the same manner 5024  
as original appointments. A vacancy on the committee does not 5025  
impair the right of the other members to exercise all the 5026  
functions of the Committee. 5027

The Committee shall meet for the first time on or before May 5028  
31, 2015. Thereafter, the Committee shall meet at the call of the 5029  
chairperson. The presence of a majority of the members of the 5030  
Committee constitutes a quorum for the conduct of business of the 5031  
Committee. The concurrence of at least a majority of the members 5032  
of the Committee is necessary to approve the report issued by the 5033  
Committee under division (E) of this section. Members of the 5034  
Committee shall not be compensated or reimbursed for members' 5035  
expenses. 5036

(C) On or before November 30, 2015, the Committee shall 5037  
prescribe a method that municipal corporations shall use to 5038  
estimate the difference between the municipal corporation's actual 5039  
or projected municipal income tax revenue in 2012, 2013, 2014, 5040  
2015, 2016, 2017, and 2018 and the actual or projected municipal 5041  
income tax revenue that would have resulted in each of those years 5042  
if the municipal corporation allowed net operating loss to be 5043  
carried forward for five years for losses incurred in 2011, 2012, 5044  
and 2013. 5045

(D) On or before September 30, 2016, each municipal 5046  
corporation that levies an income tax in 2011, 2012, or 2013 shall 5047  
report to the Municipal Income Tax Net Operating Loss Review 5048  
Committee the difference between the municipal corporation's 5049  
actual or projected municipal income tax revenue in 2012, 2013, 5050  
2014, 2015, 2016, 2017, and 2018 and the actual or projected 5051  
municipal income tax revenue that would have resulted in each of 5052  
those years if the municipal corporation allowed net operating 5053  
loss to be carried forward for five years for losses incurred in 5054  
2011, 2012, and 2013, as estimated by the method prescribed by the 5055  
Committee under division (C) of this section. 5056

(E) If the Municipal Income Tax Net Operating Loss Review 5057  
Committee receives reports from a representative sample, then the 5058  
Committee shall review the information reported by municipal 5059  
corporations under division (D) of this section and calculate the 5060  
total of the revenue effects reported by such municipal 5061  
corporations. On or before May 1, 2017, the Committee shall issue 5062  
a written report to the Speaker and Minority Leader of the House 5063  
of Representatives and the President and Minority Leader of the 5064  
Senate reporting the Committee's findings and estimated revenue 5065  
impact of requiring municipal corporations levying an income tax 5066  
to allow net operating loss to be carried forward for five years. 5067  
The report shall contain recommendations to address revenue 5068

shortfalls, which may include, but which shall not be limited to, 5069  
the use of supplemental funds from the Local Government Fund to 5070  
mitigate those shortfalls. 5071

(F) Nothing in this section delays or otherwise affects the 5072  
taxable years to which division (E)(8) of section 718.01 of the 5073  
Revised Code, as enacted by this act, apply as prescribed in that 5074  
division. 5075

(G) The Municipal Income Tax Net Operating Loss Review 5076  
Committee shall cease to exist on May 1, 2017. 5077

(H) As used in this section, "representative sample" includes 5078  
at least three cities with a population of more than two hundred 5079  
fifty thousand, five cities or villages with a higher ratio of 5080  
business taxpayers to resident individual taxpayers relative to 5081  
the state average, and five cities or villages with a higher ratio 5082  
of resident individual taxpayers to business taxpayers relative to 5083  
the state average. 5084

**Section 5.** (A) There is hereby created the Municipal Income 5085  
Tax Revenue Reporting Study Committee. The Committee shall study 5086  
the feasibility of requiring municipal corporations to separately 5087  
report the portion of the municipal corporation's income tax 5088  
revenue that is derived from taxes paid by resident individuals 5089  
and the portion of such revenue that is derived from taxes paid by 5090  
nonresident individuals. The Committee is a public body for the 5091  
purposes of section 121.22 of the Revised Code. 5092

(B) The Committee shall be composed of the following members: 5093

(1) Three members of the Senate, two of whom shall be 5094  
appointed by the President of the Senate and one of whom shall be 5095  
appointed by the Minority Leader of the Senate; 5096

(2) Three members of the House of Representatives, two of 5097  
whom shall be appointed by the Speaker of the House of 5098

Representatives and one of whom shall be appointed by the Minority 5099  
Leader of the House of Representatives; 5100

(3) Six members representing business interests or municipal 5101  
corporations that levy an income tax, two of whom shall be 5102  
appointed by the President of the Senate, two of whom shall be 5103  
appointed by the Speaker of the House of Representatives, one of 5104  
whom shall be appointed by the Minority Leader of the Senate, and 5105  
one of whom shall be appointed by the Minority Leader of the House 5106  
of Representatives. 5107

The appointments shall be made within thirty days after the 5108  
effective date of this section. An appointed member shall serve 5109  
until the member resigns or is removed by the member's appointing 5110  
authority. Vacancies shall be filled in the same manner as 5111  
original appointments. 5112

Members of the Committee shall not be compensated or 5113  
reimbursed for members' expenses. 5114

(C) The Committee shall study the costs and benefits of, and 5115  
challenges involved in, requiring that municipal corporations 5116  
separately report the portion of the municipal corporation's 5117  
income tax revenue that is derived from taxes paid by resident 5118  
individuals and the portion of such revenue that is derived from 5119  
taxes paid by nonresident individuals. On or before May 1, 2015, 5120  
the Committee shall issue a report of its findings and 5121  
recommendations with respect to the reporting requirement. The 5122  
Committee shall provide copies of the report to the Governor, the 5123  
President and Minority Leader of the Senate, and the Speaker and 5124  
Minority Leader of the House of Representatives. 5125

(D) The Committee shall cease to exist on May 1, 2015. 5126

(E) It is the intent of the General Assembly to provide 5127  
transparency with regards to the source of municipal income tax 5128  
receipts beginning on and after January 1, 2015, but not to impose 5129

a significant burden upon municipal corporations. 5130

**Section 6.** Section 6 of Article XIII, Ohio Constitution, 5131  
grants the General Assembly authority to restrict the power of 5132  
municipal corporations to levy taxes so as to prevent the abuse of 5133  
such power. Section 13 of Article XVIII, Ohio Constitution, also 5134  
authorizes the General Assembly to limit the power of municipal 5135  
corporations to levy taxes. In order to ensure a fair, stable, and 5136  
efficient system of local taxation, and to prevent any abuse of 5137  
power by municipal corporations, the General Assembly hereby 5138  
exercises its authority under those Articles to restrict the 5139  
taxing powers of municipal corporations by requiring that any 5140  
income tax or withholding tax levied by a municipal corporation 5141  
must be levied in accordance with this act and any provisions of 5142  
Chapter 718. of the Revised Code that remain unchanged by this 5143  
act. No municipal corporation is required, as a result of this 5144  
act, to modify, reenact, or repeal any ordinance or resolution 5145  
that levies an income tax and that was in effect prior to January 5146  
1, 2016, except to the extent that the ordinance or resolution 5147  
conflicts with the provisions of this act. 5148