

As Reported by the House Ways and Means Committee

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Representative Buchy

Cosponsors: Representatives Amstutz, Antonio, Barnes, Becker, Boyce, Bishoff, Curtin, Derickson, Dever, DeVitis, Hagan, Hall, Hood, LaTourette, Maag, Manning, Patmon, Perales, Retherford, Rezabek, Ruhl, Schaffer, Slaby, Sprague, Stinziano, Sykes, Thompson, Vitale

A BILL

To amend section 5739.01 of the Revised Code to 1
exempt memberships to gyms or other recreational 2
facilities operated by nonprofit organizations 3
from sales and use taxation. 4

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

Section 1. That section 5739.01 of the Revised Code be 5
amended to read as follows: 6

Sec. 5739.01. As used in this chapter: 7

(A) "Person" includes individuals, receivers, assignees, 8
trustees in bankruptcy, estates, firms, partnerships, 9
associations, joint-stock companies, joint ventures, clubs, 10
societies, corporations, the state and its political 11
subdivisions, and combinations of individuals of any form. 12

(B) "Sale" and "selling" include all of the following 13
transactions for a consideration in any manner, whether 14
absolutely or conditionally, whether for a price or rental, in 15

money or by exchange, and by any means whatsoever:	16
(1) All transactions by which title or possession, or	17
both, of tangible personal property, is or is to be transferred,	18
or a license to use or consume tangible personal property is or	19
is to be granted;	20
(2) All transactions by which lodging by a hotel is or is	21
to be furnished to transient guests;	22
(3) All transactions by which:	23
(a) An item of tangible personal property is or is to be	24
repaired, except property, the purchase of which would not be	25
subject to the tax imposed by section 5739.02 of the Revised	26
Code;	27
(b) An item of tangible personal property is or is to be	28
installed, except property, the purchase of which would not be	29
subject to the tax imposed by section 5739.02 of the Revised	30
Code or property that is or is to be incorporated into and will	31
become a part of a production, transmission, transportation, or	32
distribution system for the delivery of a public utility	33
service;	34
(c) The service of washing, cleaning, waxing, polishing,	35
or painting a motor vehicle is or is to be furnished;	36
(d) Until August 1, 2003, industrial laundry cleaning	37
services are or are to be provided and, on and after August 1,	38
2003, laundry and dry cleaning services are or are to be	39
provided;	40
(e) Automatic data processing, computer services, or	41
electronic information services are or are to be provided for	42
use in business when the true object of the transaction is the	43

receipt by the consumer of automatic data processing, computer 44
services, or electronic information services rather than the 45
receipt of personal or professional services to which automatic 46
data processing, computer services, or electronic information 47
services are incidental or supplemental. Notwithstanding any 48
other provision of this chapter, such transactions that occur 49
between members of an affiliated group are not sales. An 50
"affiliated group" means two or more persons related in such a 51
way that one person owns or controls the business operation of 52
another member of the group. In the case of corporations with 53
stock, one corporation owns or controls another if it owns more 54
than fifty per cent of the other corporation's common stock with 55
voting rights. 56

(f) Telecommunications service, including prepaid calling 57
service, prepaid wireless calling service, or ancillary service, 58
is or is to be provided, but not including coin-operated 59
telephone service; 60

(g) Landscaping and lawn care service is or is to be 61
provided; 62

(h) Private investigation and security service is or is to 63
be provided; 64

(i) Information services or tangible personal property is 65
provided or ordered by means of a nine hundred telephone call; 66

(j) Building maintenance and janitorial service is or is 67
to be provided; 68

(k) Employment service is or is to be provided; 69

(l) Employment placement service is or is to be provided; 70

(m) Exterminating service is or is to be provided; 71

(n) Physical fitness facility service is or is to be 72
provided, unless such service is or is to be provided by an 73
organization that is exempt from taxation under section 501(c) 74
(3) of the Internal Revenue Code; 75

(o) Recreation and sports club service is or is to be 76
provided, unless such service is or is to be provided by an 77
organization that is exempt from taxation under section 501(c) 78
(3) of the Internal Revenue Code; 79

(p) On and after August 1, 2003, satellite broadcasting 80
service is or is to be provided; 81

(q) On and after August 1, 2003, personal care service is 82
or is to be provided to an individual. As used in this division, 83
"personal care service" includes skin care, the application of 84
cosmetics, manicuring, pedicuring, hair removal, tattooing, body 85
piercing, tanning, massage, and other similar services. 86
"Personal care service" does not include a service provided by 87
or on the order of a licensed physician or licensed 88
chiropractor, or the cutting, coloring, or styling of an 89
individual's hair. 90

(r) On and after August 1, 2003, the transportation of 91
persons by motor vehicle or aircraft is or is to be provided, 92
when the transportation is entirely within this state, except 93
for transportation provided by an ambulance service, by a 94
transit bus, as defined in section 5735.01 of the Revised Code, 95
and transportation provided by a citizen of the United States 96
holding a certificate of public convenience and necessity issued 97
under 49 U.S.C. 41102; 98

(s) On and after August 1, 2003, motor vehicle towing 99
service is or is to be provided. As used in this division, 100

"motor vehicle towing service" means the towing or conveyance of 101
a wrecked, disabled, or illegally parked motor vehicle. 102

(t) On and after August 1, 2003, snow removal service is 103
or is to be provided. As used in this division, "snow removal 104
service" means the removal of snow by any mechanized means, but 105
does not include the providing of such service by a person that 106
has less than five thousand dollars in sales of such service 107
during the calendar year. 108

(u) Electronic publishing service is or is to be provided 109
to a consumer for use in business, except that such transactions 110
occurring between members of an affiliated group, as defined in 111
division (B) (3) (e) of this section, are not sales. 112

(4) All transactions by which printed, imprinted, 113
overprinted, lithographic, multilithic, blueprinted, 114
photostatic, or other productions or reproductions of written or 115
graphic matter are or are to be furnished or transferred; 116

(5) The production or fabrication of tangible personal 117
property for a consideration for consumers who furnish either 118
directly or indirectly the materials used in the production of 119
fabrication work; and include the furnishing, preparing, or 120
serving for a consideration of any tangible personal property 121
consumed on the premises of the person furnishing, preparing, or 122
serving such tangible personal property. Except as provided in 123
section 5739.03 of the Revised Code, a construction contract 124
pursuant to which tangible personal property is or is to be 125
incorporated into a structure or improvement on and becoming a 126
part of real property is not a sale of such tangible personal 127
property. The construction contractor is the consumer of such 128
tangible personal property, provided that the sale and 129
installation of carpeting, the sale and installation of 130

agricultural land tile, the sale and erection or installation of 131
portable grain bins, or the provision of landscaping and lawn 132
care service and the transfer of property as part of such 133
service is never a construction contract. 134

As used in division (B) (5) of this section: 135

(a) "Agricultural land tile" means fired clay or concrete 136
tile, or flexible or rigid perforated plastic pipe or tubing, 137
incorporated or to be incorporated into a subsurface drainage 138
system appurtenant to land used or to be used primarily in 139
production by farming, agriculture, horticulture, or 140
floriculture. The term does not include such materials when they 141
are or are to be incorporated into a drainage system appurtenant 142
to a building or structure even if the building or structure is 143
used or to be used in such production. 144

(b) "Portable grain bin" means a structure that is used or 145
to be used by a person engaged in farming or agriculture to 146
shelter the person's grain and that is designed to be 147
disassembled without significant damage to its component parts. 148

(6) All transactions in which all of the shares of stock 149
of a closely held corporation are transferred, or an ownership 150
interest in a pass-through entity, as defined in section 5733.04 151
of the Revised Code, is transferred, if the corporation or pass- 152
through entity is not engaging in business and its entire assets 153
consist of boats, planes, motor vehicles, or other tangible 154
personal property operated primarily for the use and enjoyment 155
of the shareholders or owners; 156

(7) All transactions in which a warranty, maintenance or 157
service contract, or similar agreement by which the vendor of 158
the warranty, contract, or agreement agrees to repair or 159

maintain the tangible personal property of the consumer is or is	160
to be provided;	161
(8) The transfer of copyrighted motion picture films used	162
solely for advertising purposes, except that the transfer of	163
such films for exhibition purposes is not a sale;	164
(9) On and after August 1, 2003, all transactions by which	165
tangible personal property is or is to be stored, except such	166
property that the consumer of the storage holds for sale in the	167
regular course of business;	168
(10) All transactions in which "guaranteed auto	169
protection" is provided whereby a person promises to pay to the	170
consumer the difference between the amount the consumer receives	171
from motor vehicle insurance and the amount the consumer owes to	172
a person holding title to or a lien on the consumer's motor	173
vehicle in the event the consumer's motor vehicle suffers a	174
total loss under the terms of the motor vehicle insurance policy	175
or is stolen and not recovered, if the protection and its price	176
are included in the purchase or lease agreement;	177
(11) (a) Except as provided in division (B) (11) (b) of this	178
section, on and after October 1, 2009, all transactions by which	179
health care services are paid for, reimbursed, provided,	180
delivered, arranged for, or otherwise made available by a	181
medicaid health insuring corporation pursuant to the	182
corporation's contract with the state.	183
(b) If the centers for medicare and medicaid services of	184
the United States department of health and human services	185
determines that the taxation of transactions described in	186
division (B) (11) (a) of this section constitutes an impermissible	187
health care-related tax under the "Social Security Act," section	188

1903(w), 42 U.S.C. 1396b(w), and regulations adopted thereunder, 189
the medicaid director shall notify the tax commissioner of that 190
determination. Beginning with the first day of the month 191
following that notification, the transactions described in 192
division (B)(11)(a) of this section are not sales for the 193
purposes of this chapter or Chapter 5741. of the Revised Code. 194
The tax commissioner shall order that the collection of taxes 195
under sections 5739.02, 5739.021, 5739.023, 5739.026, 5741.02, 196
5741.021, 5741.022, and 5741.023 of the Revised Code shall cease 197
for transactions occurring on or after that date. 198

(12) All transactions by which a specified digital product 199
is provided for permanent use or less than permanent use, 200
regardless of whether continued payment is required. 201

Except as provided in this section, "sale" and "selling" 202
do not include transfers of interest in leased property where 203
the original lessee and the terms of the original lease 204
agreement remain unchanged, or professional, insurance, or 205
personal service transactions that involve the transfer of 206
tangible personal property as an inconsequential element, for 207
which no separate charges are made. 208

(C) "Vendor" means the person providing the service or by 209
whom the transfer effected or license given by a sale is or is 210
to be made or given and, for sales described in division (B)(3) 211
(i) of this section, the telecommunications service vendor that 212
provides the nine hundred telephone service; if two or more 213
persons are engaged in business at the same place of business 214
under a single trade name in which all collections on account of 215
sales by each are made, such persons shall constitute a single 216
vendor. 217

Physicians, dentists, hospitals, and veterinarians who are 218

engaged in selling tangible personal property as received from 219
others, such as eyeglasses, mouthwashes, dentifrices, or similar 220
articles, are vendors. Veterinarians who are engaged in 221
transferring to others for a consideration drugs, the dispensing 222
of which does not require an order of a licensed veterinarian or 223
physician under federal law, are vendors. 224

(D) (1) "Consumer" means the person for whom the service is 225
provided, to whom the transfer effected or license given by a 226
sale is or is to be made or given, to whom the service described 227
in division (B) (3) (f) or (i) of this section is charged, or to 228
whom the admission is granted. 229

(2) Physicians, dentists, hospitals, and blood banks 230
operated by nonprofit institutions and persons licensed to 231
practice veterinary medicine, surgery, and dentistry are 232
consumers of all tangible personal property and services 233
purchased by them in connection with the practice of medicine, 234
dentistry, the rendition of hospital or blood bank service, or 235
the practice of veterinary medicine, surgery, and dentistry. In 236
addition to being consumers of drugs administered by them or by 237
their assistants according to their direction, veterinarians 238
also are consumers of drugs that under federal law may be 239
dispensed only by or upon the order of a licensed veterinarian 240
or physician, when transferred by them to others for a 241
consideration to provide treatment to animals as directed by the 242
veterinarian. 243

(3) A person who performs a facility management, or 244
similar service contract for a contractee is a consumer of all 245
tangible personal property and services purchased for use in 246
connection with the performance of such contract, regardless of 247
whether title to any such property vests in the contractee. The 248

purchase of such property and services is not subject to the 249
exception for resale under division (E) (1) of this section. 250

(4) (a) In the case of a person who purchases printed 251
matter for the purpose of distributing it or having it 252
distributed to the public or to a designated segment of the 253
public, free of charge, that person is the consumer of that 254
printed matter, and the purchase of that printed matter for that 255
purpose is a sale. 256

(b) In the case of a person who produces, rather than 257
purchases, printed matter for the purpose of distributing it or 258
having it distributed to the public or to a designated segment 259
of the public, free of charge, that person is the consumer of 260
all tangible personal property and services purchased for use or 261
consumption in the production of that printed matter. That 262
person is not entitled to claim exemption under division (B) (42) 263
(f) of section 5739.02 of the Revised Code for any material 264
incorporated into the printed matter or any equipment, supplies, 265
or services primarily used to produce the printed matter. 266

(c) The distribution of printed matter to the public or to 267
a designated segment of the public, free of charge, is not a 268
sale to the members of the public to whom the printed matter is 269
distributed or to any persons who purchase space in the printed 270
matter for advertising or other purposes. 271

(5) A person who makes sales of any of the services listed 272
in division (B) (3) of this section is the consumer of any 273
tangible personal property used in performing the service. The 274
purchase of that property is not subject to the resale exception 275
under division (E) (1) of this section. 276

(6) A person who engages in highway transportation for 277

hire is the consumer of all packaging materials purchased by 278
that person and used in performing the service, except for 279
packaging materials sold by such person in a transaction 280
separate from the service. 281

(7) In the case of a transaction for health care services 282
under division (B)(11) of this section, a medicaid health 283
insuring corporation is the consumer of such services. The 284
purchase of such services by a medicaid health insuring 285
corporation is not subject to the exception for resale under 286
division (E)(1) of this section or to the exemptions provided 287
under divisions (B)(12), (18), (19), and (22) of section 5739.02 288
of the Revised Code. 289

(E) "Retail sale" and "sales at retail" include all sales, 290
except those in which the purpose of the consumer is to resell 291
the thing transferred or benefit of the service provided, by a 292
person engaging in business, in the form in which the same is, 293
or is to be, received by the person. 294

(F) "Business" includes any activity engaged in by any 295
person with the object of gain, benefit, or advantage, either 296
direct or indirect. "Business" does not include the activity of 297
a person in managing and investing the person's own funds. 298

(G) "Engaging in business" means commencing, conducting, 299
or continuing in business, and liquidating a business when the 300
liquidator thereof holds itself out to the public as conducting 301
such business. Making a casual sale is not engaging in business. 302

(H)(1)(a) "Price," except as provided in divisions (H)(2), 303
(3), and (4) of this section, means the total amount of 304
consideration, including cash, credit, property, and services, 305
for which tangible personal property or services are sold, 306

leased, or rented, valued in money, whether received in money or	307
otherwise, without any deduction for any of the following:	308
(i) The vendor's cost of the property sold;	309
(ii) The cost of materials used, labor or service costs,	310
interest, losses, all costs of transportation to the vendor, all	311
taxes imposed on the vendor, including the tax imposed under	312
Chapter 5751. of the Revised Code, and any other expense of the	313
vendor;	314
(iii) Charges by the vendor for any services necessary to	315
complete the sale;	316
(iv) On and after August 1, 2003, delivery charges. As	317
used in this division, "delivery charges" means charges by the	318
vendor for preparation and delivery to a location designated by	319
the consumer of tangible personal property or a service,	320
including transportation, shipping, postage, handling, crating,	321
and packing.	322
(v) Installation charges;	323
(vi) Credit for any trade-in.	324
(b) "Price" includes consideration received by the vendor	325
from a third party, if the vendor actually receives the	326
consideration from a party other than the consumer, and the	327
consideration is directly related to a price reduction or	328
discount on the sale; the vendor has an obligation to pass the	329
price reduction or discount through to the consumer; the amount	330
of the consideration attributable to the sale is fixed and	331
determinable by the vendor at the time of the sale of the item	332
to the consumer; and one of the following criteria is met:	333
(i) The consumer presents a coupon, certificate, or other	334

document to the vendor to claim a price reduction or discount 335
where the coupon, certificate, or document is authorized, 336
distributed, or granted by a third party with the understanding 337
that the third party will reimburse any vendor to whom the 338
coupon, certificate, or document is presented; 339

(ii) The consumer identifies the consumer's self to the 340
seller as a member of a group or organization entitled to a 341
price reduction or discount. A preferred customer card that is 342
available to any patron does not constitute membership in such a 343
group or organization. 344

(iii) The price reduction or discount is identified as a 345
third party price reduction or discount on the invoice received 346
by the consumer, or on a coupon, certificate, or other document 347
presented by the consumer. 348

(c) "Price" does not include any of the following: 349

(i) Discounts, including cash, term, or coupons that are 350
not reimbursed by a third party that are allowed by a vendor and 351
taken by a consumer on a sale; 352

(ii) Interest, financing, and carrying charges from credit 353
extended on the sale of tangible personal property or services, 354
if the amount is separately stated on the invoice, bill of sale, 355
or similar document given to the purchaser; 356

(iii) Any taxes legally imposed directly on the consumer 357
that are separately stated on the invoice, bill of sale, or 358
similar document given to the consumer. For the purpose of this 359
division, the tax imposed under Chapter 5751. of the Revised 360
Code is not a tax directly on the consumer, even if the tax or a 361
portion thereof is separately stated. 362

(iv) Notwithstanding divisions (H) (1) (b) (i) to (iii) of 363

this section, any discount allowed by an automobile manufacturer 364
to its employee, or to the employee of a supplier, on the 365
purchase of a new motor vehicle from a new motor vehicle dealer 366
in this state. 367

(v) The dollar value of a gift card that is not sold by a 368
vendor or purchased by a consumer and that is redeemed by the 369
consumer in purchasing tangible personal property or services if 370
the vendor is not reimbursed and does not receive compensation 371
from a third party to cover all or part of the gift card value. 372
For the purposes of this division, a gift card is not sold by a 373
vendor or purchased by a consumer if it is distributed pursuant 374
to an awards, loyalty, or promotional program. Past and present 375
purchases of tangible personal property or services by the 376
consumer shall not be treated as consideration exchanged for a 377
gift card. 378

(2) In the case of a sale of any new motor vehicle by a 379
new motor vehicle dealer, as defined in section 4517.01 of the 380
Revised Code, in which another motor vehicle is accepted by the 381
dealer as part of the consideration received, "price" has the 382
same meaning as in division (H)(1) of this section, reduced by 383
the credit afforded the consumer by the dealer for the motor 384
vehicle received in trade. 385

(3) In the case of a sale of any watercraft or outboard 386
motor by a watercraft dealer licensed in accordance with section 387
1547.543 of the Revised Code, in which another watercraft, 388
watercraft and trailer, or outboard motor is accepted by the 389
dealer as part of the consideration received, "price" has the 390
same meaning as in division (H)(1) of this section, reduced by 391
the credit afforded the consumer by the dealer for the 392
watercraft, watercraft and trailer, or outboard motor received 393

in trade. As used in this division, "watercraft" includes an 394
outdrive unit attached to the watercraft. 395

(4) In the case of transactions for health care services 396
under division (B)(11) of this section, "price" means the amount 397
of managed care premiums received each month by a medicaid 398
health insuring corporation. 399

(I) "Receipts" means the total amount of the prices of the 400
sales of vendors, provided that the dollar value of gift cards 401
distributed pursuant to an awards, loyalty, or promotional 402
program, and cash discounts allowed and taken on sales at the 403
time they are consummated are not included, minus any amount 404
deducted as a bad debt pursuant to section 5739.121 of the 405
Revised Code. "Receipts" does not include the sale price of 406
property returned or services rejected by consumers when the 407
full sale price and tax are refunded either in cash or by 408
credit. 409

(J) "Place of business" means any location at which a 410
person engages in business. 411

(K) "Premises" includes any real property or portion 412
thereof upon which any person engages in selling tangible 413
personal property at retail or making retail sales and also 414
includes any real property or portion thereof designated for, or 415
devoted to, use in conjunction with the business engaged in by 416
such person. 417

(L) "Casual sale" means a sale of an item of tangible 418
personal property that was obtained by the person making the 419
sale, through purchase or otherwise, for the person's own use 420
and was previously subject to any state's taxing jurisdiction on 421
its sale or use, and includes such items acquired for the 422

seller's use that are sold by an auctioneer employed directly by 423
the person for such purpose, provided the location of such sales 424
is not the auctioneer's permanent place of business. As used in 425
this division, "permanent place of business" includes any 426
location where such auctioneer has conducted more than two 427
auctions during the year. 428

(M) "Hotel" means every establishment kept, used, 429
maintained, advertised, or held out to the public to be a place 430
where sleeping accommodations are offered to guests, in which 431
five or more rooms are used for the accommodation of such 432
guests, whether the rooms are in one or several structures, 433
except as otherwise provided in division (G) of section 5739.09 434
of the Revised Code. 435

(N) "Transient guests" means persons occupying a room or 436
rooms for sleeping accommodations for less than thirty 437
consecutive days. 438

(O) "Making retail sales" means the effecting of 439
transactions wherein one party is obligated to pay the price and 440
the other party is obligated to provide a service or to transfer 441
title to or possession of the item sold. "Making retail sales" 442
does not include the preliminary acts of promoting or soliciting 443
the retail sales, other than the distribution of printed matter 444
which displays or describes and prices the item offered for 445
sale, nor does it include delivery of a predetermined quantity 446
of tangible personal property or transportation of property or 447
personnel to or from a place where a service is performed. 448

(P) "Used directly in the rendition of a public utility 449
service" means that property that is to be incorporated into and 450
will become a part of the consumer's production, transmission, 451
transportation, or distribution system and that retains its 452

classification as tangible personal property after such 453
incorporation; fuel or power used in the production, 454
transmission, transportation, or distribution system; and 455
tangible personal property used in the repair and maintenance of 456
the production, transmission, transportation, or distribution 457
system, including only such motor vehicles as are specially 458
designed and equipped for such use. Tangible personal property 459
and services used primarily in providing highway transportation 460
for hire are not used directly in the rendition of a public 461
utility service. In this definition, "public utility" includes a 462
citizen of the United States holding, and required to hold, a 463
certificate of public convenience and necessity issued under 49 464
U.S.C. 41102. 465

(Q) "Refining" means removing or separating a desirable 466
product from raw or contaminated materials by distillation or 467
physical, mechanical, or chemical processes. 468

(R) "Assembly" and "assembling" mean attaching or fitting 469
together parts to form a product, but do not include packaging a 470
product. 471

(S) "Manufacturing operation" means a process in which 472
materials are changed, converted, or transformed into a 473
different state or form from which they previously existed and 474
includes refining materials, assembling parts, and preparing raw 475
materials and parts by mixing, measuring, blending, or otherwise 476
committing such materials or parts to the manufacturing process. 477
"Manufacturing operation" does not include packaging. 478

(T) "Fiscal officer" means, with respect to a regional 479
transit authority, the secretary-treasurer thereof, and with 480
respect to a county that is a transit authority, the fiscal 481
officer of the county transit board if one is appointed pursuant 482

to section 306.03 of the Revised Code or the county auditor if 483
the board of county commissioners operates the county transit 484
system. 485

(U) "Transit authority" means a regional transit authority 486
created pursuant to section 306.31 of the Revised Code or a 487
county in which a county transit system is created pursuant to 488
section 306.01 of the Revised Code. For the purposes of this 489
chapter, a transit authority must extend to at least the entire 490
area of a single county. A transit authority that includes 491
territory in more than one county must include all the area of 492
the most populous county that is a part of such transit 493
authority. County population shall be measured by the most 494
recent census taken by the United States census bureau. 495

(V) "Legislative authority" means, with respect to a 496
regional transit authority, the board of trustees thereof, and 497
with respect to a county that is a transit authority, the board 498
of county commissioners. 499

(W) "Territory of the transit authority" means all of the 500
area included within the territorial boundaries of a transit 501
authority as they from time to time exist. Such territorial 502
boundaries must at all times include all the area of a single 503
county or all the area of the most populous county that is a 504
part of such transit authority. County population shall be 505
measured by the most recent census taken by the United States 506
census bureau. 507

(X) "Providing a service" means providing or furnishing 508
anything described in division (B) (3) of this section for 509
consideration. 510

(Y) (1) (a) "Automatic data processing" means processing of 511

others' data, including keypunching or similar data entry 512
services together with verification thereof, or providing access 513
to computer equipment for the purpose of processing data. 514

(b) "Computer services" means providing services 515
consisting of specifying computer hardware configurations and 516
evaluating technical processing characteristics, computer 517
programming, and training of computer programmers and operators, 518
provided in conjunction with and to support the sale, lease, or 519
operation of taxable computer equipment or systems. 520

(c) "Electronic information services" means providing 521
access to computer equipment by means of telecommunications 522
equipment for the purpose of either of the following: 523

(i) Examining or acquiring data stored in or accessible to 524
the computer equipment; 525

(ii) Placing data into the computer equipment to be 526
retrieved by designated recipients with access to the computer 527
equipment. 528

For transactions occurring on or after the effective date 529
of the amendment of this section by H.B. 157 of the 127th 530
general assembly, December 21, 2007, "electronic information 531
services" does not include electronic publishing as defined in 532
division (LLL) of this section. 533

(d) "Automatic data processing, computer services, or 534
electronic information services" shall not include personal or 535
professional services. 536

(2) As used in divisions (B) (3) (e) and (Y) (1) of this 537
section, "personal and professional services" means all services 538
other than automatic data processing, computer services, or 539
electronic information services, including but not limited to: 540

(a) Accounting and legal services such as advice on tax matters, asset management, budgetary matters, quality control, information security, and auditing and any other situation where the service provider receives data or information and studies, alters, analyzes, interprets, or adjusts such material;	541 542 543 544 545
(b) Analyzing business policies and procedures;	546
(c) Identifying management information needs;	547
(d) Feasibility studies, including economic and technical analysis of existing or potential computer hardware or software needs and alternatives;	548 549 550
(e) Designing policies, procedures, and custom software for collecting business information, and determining how data should be summarized, sequenced, formatted, processed, controlled, and reported so that it will be meaningful to management;	551 552 553 554 555
(f) Developing policies and procedures that document how business events and transactions are to be authorized, executed, and controlled;	556 557 558
(g) Testing of business procedures;	559
(h) Training personnel in business procedure applications;	560
(i) Providing credit information to users of such information by a consumer reporting agency, as defined in the "Fair Credit Reporting Act," 84 Stat. 1114, 1129 (1970), 15 U.S.C. 1681a(f), or as hereafter amended, including but not limited to gathering, organizing, analyzing, recording, and furnishing such information by any oral, written, graphic, or electronic medium;	561 562 563 564 565 566 567
(j) Providing debt collection services by any oral,	568

written, graphic, or electronic means. 569

The services listed in divisions (Y)(2)(a) to (j) of this 570
section are not automatic data processing or computer services. 571

(Z) "Highway transportation for hire" means the 572
transportation of personal property belonging to others for 573
consideration by any of the following: 574

(1) The holder of a permit or certificate issued by this 575
state or the United States authorizing the holder to engage in 576
transportation of personal property belonging to others for 577
consideration over or on highways, roadways, streets, or any 578
similar public thoroughfare; 579

(2) A person who engages in the transportation of personal 580
property belonging to others for consideration over or on 581
highways, roadways, streets, or any similar public thoroughfare 582
but who could not have engaged in such transportation on 583
December 11, 1985, unless the person was the holder of a permit 584
or certificate of the types described in division (Z)(1) of this 585
section; 586

(3) A person who leases a motor vehicle to and operates it 587
for a person described by division (Z)(1) or (2) of this 588
section. 589

(AA)(1) "Telecommunications service" means the electronic 590
transmission, conveyance, or routing of voice, data, audio, 591
video, or any other information or signals to a point, or 592
between or among points. "Telecommunications service" includes 593
such transmission, conveyance, or routing in which computer 594
processing applications are used to act on the form, code, or 595
protocol of the content for purposes of transmission, 596
conveyance, or routing without regard to whether the service is 597

referred to as voice-over internet protocol service or is 598
classified by the federal communications commission as enhanced 599
or value-added. "Telecommunications service" does not include 600
any of the following: 601

(a) Data processing and information services that allow 602
data to be generated, acquired, stored, processed, or retrieved 603
and delivered by an electronic transmission to a consumer where 604
the consumer's primary purpose for the underlying transaction is 605
the processed data or information; 606

(b) Installation or maintenance of wiring or equipment on 607
a customer's premises; 608

(c) Tangible personal property; 609

(d) Advertising, including directory advertising; 610

(e) Billing and collection services provided to third 611
parties; 612

(f) Internet access service; 613

(g) Radio and television audio and video programming 614
services, regardless of the medium, including the furnishing of 615
transmission, conveyance, and routing of such services by the 616
programming service provider. Radio and television audio and 617
video programming services include, but are not limited to, 618
cable service, as defined in 47 U.S.C. 522(6), and audio and 619
video programming services delivered by commercial mobile radio 620
service providers, as defined in 47 C.F.R. 20.3; 621

(h) Ancillary service; 622

(i) Digital products delivered electronically, including 623
software, music, video, reading materials, or ring tones. 624

(2) "Ancillary service" means a service that is associated 625
with or incidental to the provision of telecommunications 626
service, including conference bridging service, detailed 627
telecommunications billing service, directory assistance, 628
vertical service, and voice mail service. As used in this 629
division: 630

(a) "Conference bridging service" means an ancillary 631
service that links two or more participants of an audio or video 632
conference call, including providing a telephone number. 633
"Conference bridging service" does not include 634
telecommunications services used to reach the conference bridge. 635

(b) "Detailed telecommunications billing service" means an 636
ancillary service of separately stating information pertaining 637
to individual calls on a customer's billing statement. 638

(c) "Directory assistance" means an ancillary service of 639
providing telephone number or address information. 640

(d) "Vertical service" means an ancillary service that is 641
offered in connection with one or more telecommunications 642
services, which offers advanced calling features that allow 643
customers to identify callers and manage multiple calls and call 644
connections, including conference bridging service. 645

(e) "Voice mail service" means an ancillary service that 646
enables the customer to store, send, or receive recorded 647
messages. "Voice mail service" does not include any vertical 648
services that the customer may be required to have in order to 649
utilize the voice mail service. 650

(3) "900 service" means an inbound toll telecommunications 651
service purchased by a subscriber that allows the subscriber's 652
customers to call in to the subscriber's prerecorded 653

announcement or live service, and which is typically marketed 654
under the name "900 service" and any subsequent numbers 655
designated by the federal communications commission. "900 656
service" does not include the charge for collection services 657
provided by the seller of the telecommunications service to the 658
subscriber, or services or products sold by the subscriber to 659
the subscriber's customer. 660

(4) "Prepaid calling service" means the right to access 661
exclusively telecommunications services, which must be paid for 662
in advance and which enables the origination of calls using an 663
access number or authorization code, whether manually or 664
electronically dialed, and that is sold in predetermined units 665
or dollars of which the number declines with use in a known 666
amount. 667

(5) "Prepaid wireless calling service" means a 668
telecommunications service that provides the right to utilize 669
mobile telecommunications service as well as other non- 670
telecommunications services, including the download of digital 671
products delivered electronically, and content and ancillary 672
services, that must be paid for in advance and that is sold in 673
predetermined units or dollars of which the number declines with 674
use in a known amount. 675

(6) "Value-added non-voice data service" means a 676
telecommunications service in which computer processing 677
applications are used to act on the form, content, code, or 678
protocol of the information or data primarily for a purpose 679
other than transmission, conveyance, or routing. 680

(7) "Coin-operated telephone service" means a 681
telecommunications service paid for by inserting money into a 682
telephone accepting direct deposits of money to operate. 683

(8) "Customer" has the same meaning as in section 5739.034 684
of the Revised Code. 685

(BB) "Laundry and dry cleaning services" means removing 686
soil or dirt from towels, linens, articles of clothing, or other 687
fabric items that belong to others and supplying towels, linens, 688
articles of clothing, or other fabric items. "Laundry and dry 689
cleaning services" does not include the provision of self- 690
service facilities for use by consumers to remove soil or dirt 691
from towels, linens, articles of clothing, or other fabric 692
items. 693

(CC) "Magazines distributed as controlled circulation 694
publications" means magazines containing at least twenty-four 695
pages, at least twenty-five per cent editorial content, issued 696
at regular intervals four or more times a year, and circulated 697
without charge to the recipient, provided that such magazines 698
are not owned or controlled by individuals or business concerns 699
which conduct such publications as an auxiliary to, and 700
essentially for the advancement of the main business or calling 701
of, those who own or control them. 702

(DD) "Landscaping and lawn care service" means the 703
services of planting, seeding, sodding, removing, cutting, 704
trimming, pruning, mulching, aerating, applying chemicals, 705
watering, fertilizing, and providing similar services to 706
establish, promote, or control the growth of trees, shrubs, 707
flowers, grass, ground cover, and other flora, or otherwise 708
maintaining a lawn or landscape grown or maintained by the owner 709
for ornamentation or other nonagricultural purpose. However, 710
"landscaping and lawn care service" does not include the 711
providing of such services by a person who has less than five 712
thousand dollars in sales of such services during the calendar 713

year. 714

(EE) "Private investigation and security service" means 715
the performance of any activity for which the provider of such 716
service is required to be licensed pursuant to Chapter 4749. of 717
the Revised Code, or would be required to be so licensed in 718
performing such services in this state, and also includes the 719
services of conducting polygraph examinations and of monitoring 720
or overseeing the activities on or in, or the condition of, the 721
consumer's home, business, or other facility by means of 722
electronic or similar monitoring devices. "Private investigation 723
and security service" does not include special duty services 724
provided by off-duty police officers, deputy sheriffs, and other 725
peace officers regularly employed by the state or a political 726
subdivision. 727

(FF) "Information services" means providing conversation, 728
giving consultation or advice, playing or making a voice or 729
other recording, making or keeping a record of the number of 730
callers, and any other service provided to a consumer by means 731
of a nine hundred telephone call, except when the nine hundred 732
telephone call is the means by which the consumer makes a 733
contribution to a recognized charity. 734

(GG) "Research and development" means designing, creating, 735
or formulating new or enhanced products, equipment, or 736
manufacturing processes, and also means conducting scientific or 737
technological inquiry and experimentation in the physical 738
sciences with the goal of increasing scientific knowledge which 739
may reveal the bases for new or enhanced products, equipment, or 740
manufacturing processes. 741

(HH) "Qualified research and development equipment" means 742
capitalized tangible personal property, and leased personal 743

property that would be capitalized if purchased, used by a 744
person primarily to perform research and development. Tangible 745
personal property primarily used in testing, as defined in 746
division (A) (4) of section 5739.011 of the Revised Code, or used 747
for recording or storing test results, is not qualified research 748
and development equipment unless such property is primarily used 749
by the consumer in testing the product, equipment, or 750
manufacturing process being created, designed, or formulated by 751
the consumer in the research and development activity or in 752
recording or storing such test results. 753

(II) "Building maintenance and janitorial service" means 754
cleaning the interior or exterior of a building and any tangible 755
personal property located therein or thereon, including any 756
services incidental to such cleaning for which no separate 757
charge is made. However, "building maintenance and janitorial 758
service" does not include the providing of such service by a 759
person who has less than five thousand dollars in sales of such 760
service during the calendar year. As used in this division, 761
"cleaning" does not include sanitation services necessary for an 762
establishment described in 21 U.S.C. 608 to comply with rules 763
and regulations adopted pursuant to that section. 764

(JJ) "Employment service" means providing or supplying 765
personnel, on a temporary or long-term basis, to perform work or 766
labor under the supervision or control of another, when the 767
personnel so provided or supplied receive their wages, salary, 768
or other compensation from the provider or supplier of the 769
employment service or from a third party that provided or 770
supplied the personnel to the provider or supplier. "Employment 771
service" does not include: 772

(1) Acting as a contractor or subcontractor, where the 773

personnel performing the work are not under the direct control	774
of the purchaser.	775
(2) Medical and health care services.	776
(3) Supplying personnel to a purchaser pursuant to a	777
contract of at least one year between the service provider and	778
the purchaser that specifies that each employee covered under	779
the contract is assigned to the purchaser on a permanent basis.	780
(4) Transactions between members of an affiliated group,	781
as defined in division (B) (3) (e) of this section.	782
(5) Transactions where the personnel so provided or	783
supplied by a provider or supplier to a purchaser of an	784
employment service are then provided or supplied by that	785
purchaser to a third party as an employment service, except	786
"employment service" does include the transaction between that	787
purchaser and the third party.	788
(KK) "Employment placement service" means locating or	789
finding employment for a person or finding or locating an	790
employee to fill an available position.	791
(LL) "Exterminating service" means eradicating or	792
attempting to eradicate vermin infestations from a building or	793
structure, or the area surrounding a building or structure, and	794
includes activities to inspect, detect, or prevent vermin	795
infestation of a building or structure.	796
(MM) "Physical fitness facility service" means all	797
transactions by which a membership is granted, maintained, or	798
renewed, including initiation fees, membership dues, renewal	799
fees, monthly minimum fees, and other similar fees and dues, by	800
a physical fitness facility such as an athletic club, health	801
spa, or gymnasium, which entitles the member to use the facility	802

for physical exercise. 803

(NN) "Recreation and sports club service" means all 804
transactions by which a membership is granted, maintained, or 805
renewed, including initiation fees, membership dues, renewal 806
fees, monthly minimum fees, and other similar fees and dues, by 807
a recreation and sports club, which entitles the member to use 808
the facilities of the organization. "Recreation and sports club" 809
means an organization that has ownership of, or controls or 810
leases on a continuing, long-term basis, the facilities used by 811
its members and includes an aviation club, gun or shooting club, 812
yacht club, card club, swimming club, tennis club, golf club, 813
country club, riding club, amateur sports club, or similar 814
organization. 815

(OO) "Livestock" means farm animals commonly raised for 816
food, food production, or other agricultural purposes, 817
including, but not limited to, cattle, sheep, goats, swine, 818
poultry, and captive deer. "Livestock" does not include 819
invertebrates, amphibians, reptiles, domestic pets, animals for 820
use in laboratories or for exhibition, or other animals not 821
commonly raised for food or food production. 822

(PP) "Livestock structure" means a building or structure 823
used exclusively for the housing, raising, feeding, or 824
sheltering of livestock, and includes feed storage or handling 825
structures and structures for livestock waste handling. 826

(QQ) "Horticulture" means the growing, cultivation, and 827
production of flowers, fruits, herbs, vegetables, sod, 828
mushrooms, and nursery stock. As used in this division, "nursery 829
stock" has the same meaning as in section 927.51 of the Revised 830
Code. 831

(RR) "Horticulture structure" means a building or 832
structure used exclusively for the commercial growing, raising, 833
or overwintering of horticultural products, and includes the 834
area used for stocking, storing, and packing horticultural 835
products when done in conjunction with the production of those 836
products. 837

(SS) "Newspaper" means an unbound publication bearing a 838
title or name that is regularly published, at least as 839
frequently as biweekly, and distributed from a fixed place of 840
business to the public in a specific geographic area, and that 841
contains a substantial amount of news matter of international, 842
national, or local events of interest to the general public. 843

(TT) "Professional racing team" means a person that 844
employs at least twenty full-time employees for the purpose of 845
conducting a motor vehicle racing business for profit. The 846
person must conduct the business with the purpose of racing one 847
or more motor racing vehicles in at least ten competitive 848
professional racing events each year that comprise all or part 849
of a motor racing series sanctioned by one or more motor racing 850
sanctioning organizations. A "motor racing vehicle" means a 851
vehicle for which the chassis, engine, and parts are designed 852
exclusively for motor racing, and does not include a stock or 853
production model vehicle that may be modified for use in racing. 854
For the purposes of this division: 855

(1) A "competitive professional racing event" is a motor 856
vehicle racing event sanctioned by one or more motor racing 857
sanctioning organizations, at which aggregate cash prizes in 858
excess of eight hundred thousand dollars are awarded to the 859
competitors. 860

(2) "Full-time employee" means an individual who is 861

employed for consideration for thirty-five or more hours a week, 862
or who renders any other standard of service generally accepted 863
by custom or specified by contract as full-time employment. 864

(UU) (1) "Lease" or "rental" means any transfer of the 865
possession or control of tangible personal property for a fixed 866
or indefinite term, for consideration. "Lease" or "rental" 867
includes future options to purchase or extend, and agreements 868
described in 26 U.S.C. 7701(h) (1) covering motor vehicles and 869
trailers where the amount of consideration may be increased or 870
decreased by reference to the amount realized upon the sale or 871
disposition of the property. "Lease" or "rental" does not 872
include: 873

(a) A transfer of possession or control of tangible 874
personal property under a security agreement or a deferred 875
payment plan that requires the transfer of title upon completion 876
of the required payments; 877

(b) A transfer of possession or control of tangible 878
personal property under an agreement that requires the transfer 879
of title upon completion of required payments and payment of an 880
option price that does not exceed the greater of one hundred 881
dollars or one per cent of the total required payments; 882

(c) Providing tangible personal property along with an 883
operator for a fixed or indefinite period of time, if the 884
operator is necessary for the property to perform as designed. 885
For purposes of this division, the operator must do more than 886
maintain, inspect, or set up the tangible personal property. 887

(2) "Lease" and "rental," as defined in division (UU) of 888
this section, shall not apply to leases or rentals that exist 889
before June 26, 2003. 890

(3) "Lease" and "rental" have the same meaning as in 891
division (UU) (1) of this section regardless of whether a 892
transaction is characterized as a lease or rental under 893
generally accepted accounting principles, the Internal Revenue 894
Code, Title XIII of the Revised Code, or other federal, state, 895
or local laws. 896

(VV) "Mobile telecommunications service" has the same 897
meaning as in the "Mobile Telecommunications Sourcing Act," Pub. 898
L. No. 106-252, 114 Stat. 631 (2000), 4 U.S.C.A. 124(7), as 899
amended, and, on and after August 1, 2003, includes related fees 900
and ancillary services, including universal service fees, 901
detailed billing service, directory assistance, service 902
initiation, voice mail service, and vertical services, such as 903
caller ID and three-way calling. 904

(WW) "Certified service provider" has the same meaning as 905
in section 5740.01 of the Revised Code. 906

(XX) "Satellite broadcasting service" means the 907
distribution or broadcasting of programming or services by 908
satellite directly to the subscriber's receiving equipment 909
without the use of ground receiving or distribution equipment, 910
except the subscriber's receiving equipment or equipment used in 911
the uplink process to the satellite, and includes all service 912
and rental charges, premium channels or other special services, 913
installation and repair service charges, and any other charges 914
having any connection with the provision of the satellite 915
broadcasting service. 916

(YY) "Tangible personal property" means personal property 917
that can be seen, weighed, measured, felt, or touched, or that 918
is in any other manner perceptible to the senses. For purposes 919
of this chapter and Chapter 5741. of the Revised Code, "tangible 920

personal property" includes motor vehicles, electricity, water, 921
gas, steam, and prewritten computer software. 922

(ZZ) "Direct mail" means printed material delivered or 923
distributed by United States mail or other delivery service to a 924
mass audience or to addressees on a mailing list provided by the 925
consumer or at the direction of the consumer when the cost of 926
the items are not billed directly to the recipients. "Direct 927
mail" includes tangible personal property supplied directly or 928
indirectly by the consumer to the direct mail vendor for 929
inclusion in the package containing the printed material. 930
"Direct mail" does not include multiple items of printed 931
material delivered to a single address. 932

(AAA) "Computer" means an electronic device that accepts 933
information in digital or similar form and manipulates it for a 934
result based on a sequence of instructions. 935

(BBB) "Computer software" means a set of coded 936
instructions designed to cause a computer or automatic data 937
processing equipment to perform a task. 938

(CCC) "Delivered electronically" means delivery of 939
computer software from the seller to the purchaser by means 940
other than tangible storage media. 941

(DDD) "Prewritten computer software" means computer 942
software, including prewritten upgrades, that is not designed 943
and developed by the author or other creator to the 944
specifications of a specific purchaser. The combining of two or 945
more prewritten computer software programs or prewritten 946
portions thereof does not cause the combination to be other than 947
prewritten computer software. "Prewritten computer software" 948
includes software designed and developed by the author or other 949

creator to the specifications of a specific purchaser when it is 950
sold to a person other than the purchaser. If a person modifies 951
or enhances computer software of which the person is not the 952
author or creator, the person shall be deemed to be the author 953
or creator only of such person's modifications or enhancements. 954
Prewritten computer software or a prewritten portion thereof 955
that is modified or enhanced to any degree, where such 956
modification or enhancement is designed and developed to the 957
specifications of a specific purchaser, remains prewritten 958
computer software; provided, however, that where there is a 959
reasonable, separately stated charge or an invoice or other 960
statement of the price given to the purchaser for the 961
modification or enhancement, the modification or enhancement 962
shall not constitute prewritten computer software. 963

(EEE) (1) "Food" means substances, whether in liquid, 964
concentrated, solid, frozen, dried, or dehydrated form, that are 965
sold for ingestion or chewing by humans and are consumed for 966
their taste or nutritional value. "Food" does not include 967
alcoholic beverages, dietary supplements, soft drinks, or 968
tobacco. 969

(2) As used in division (EEE) (1) of this section: 970

(a) "Alcoholic beverages" means beverages that are 971
suitable for human consumption and contain one-half of one per 972
cent or more of alcohol by volume. 973

(b) "Dietary supplements" means any product, other than 974
tobacco, that is intended to supplement the diet and that is 975
intended for ingestion in tablet, capsule, powder, softgel, 976
gelcap, or liquid form, or, if not intended for ingestion in 977
such a form, is not represented as conventional food for use as 978
a sole item of a meal or of the diet; that is required to be 979

labeled as a dietary supplement, identifiable by the "supplement	980
facts" box found on the label, as required by 21 C.F.R. 101.36;	981
and that contains one or more of the following dietary	982
ingredients:	983
(i) A vitamin;	984
(ii) A mineral;	985
(iii) An herb or other botanical;	986
(iv) An amino acid;	987
(v) A dietary substance for use by humans to supplement	988
the diet by increasing the total dietary intake;	989
(vi) A concentrate, metabolite, constituent, extract, or	990
combination of any ingredient described in divisions (EEE) (2) (b)	991
(i) to (v) of this section.	992
(c) "Soft drinks" means nonalcoholic beverages that	993
contain natural or artificial sweeteners. "Soft drinks" does not	994
include beverages that contain milk or milk products, soy, rice,	995
or similar milk substitutes, or that contains greater than fifty	996
per cent vegetable or fruit juice by volume.	997
(d) "Tobacco" means cigarettes, cigars, chewing or pipe	998
tobacco, or any other item that contains tobacco.	999
(FFF) "Drug" means a compound, substance, or preparation,	1000
and any component of a compound, substance, or preparation,	1001
other than food, dietary supplements, or alcoholic beverages	1002
that is recognized in the official United States pharmacopoeia,	1003
official homeopathic pharmacopoeia of the United States, or	1004
official national formulary, and supplements to them; is	1005
intended for use in the diagnosis, cure, mitigation, treatment,	1006
or prevention of disease; or is intended to affect the structure	1007

or any function of the body. 1008

(GGG) "Prescription" means an order, formula, or recipe 1009
issued in any form of oral, written, electronic, or other means 1010
of transmission by a duly licensed practitioner authorized by 1011
the laws of this state to issue a prescription. 1012

(HHH) "Durable medical equipment" means equipment, 1013
including repair and replacement parts for such equipment, that 1014
can withstand repeated use, is primarily and customarily used to 1015
serve a medical purpose, generally is not useful to a person in 1016
the absence of illness or injury, and is not worn in or on the 1017
body. "Durable medical equipment" does not include mobility 1018
enhancing equipment. 1019

(III) "Mobility enhancing equipment" means equipment, 1020
including repair and replacement parts for such equipment, that 1021
is primarily and customarily used to provide or increase the 1022
ability to move from one place to another and is appropriate for 1023
use either in a home or a motor vehicle, that is not generally 1024
used by persons with normal mobility, and that does not include 1025
any motor vehicle or equipment on a motor vehicle normally 1026
provided by a motor vehicle manufacturer. "Mobility enhancing 1027
equipment" does not include durable medical equipment. 1028

(JJJ) "Prosthetic device" means a replacement, corrective, 1029
or supportive device, including repair and replacement parts for 1030
the device, worn on or in the human body to artificially replace 1031
a missing portion of the body, prevent or correct physical 1032
deformity or malfunction, or support a weak or deformed portion 1033
of the body. As used in this division, "prosthetic device" does 1034
not include corrective eyeglasses, contact lenses, or dental 1035
prosthesis. 1036

(KKK) (1) "Fractional aircraft ownership program" means a 1037
program in which persons within an affiliated group sell and 1038
manage fractional ownership program aircraft, provided that at 1039
least one hundred airworthy aircraft are operated in the program 1040
and the program meets all of the following criteria: 1041

(a) Management services are provided by at least one 1042
program manager within an affiliated group on behalf of the 1043
fractional owners. 1044

(b) Each program aircraft is owned or possessed by at 1045
least one fractional owner. 1046

(c) Each fractional owner owns or possesses at least a 1047
one-sixteenth interest in at least one fixed-wing program 1048
aircraft. 1049

(d) A dry-lease aircraft interchange arrangement is in 1050
effect among all of the fractional owners. 1051

(e) Multi-year program agreements are in effect regarding 1052
the fractional ownership, management services, and dry-lease 1053
aircraft interchange arrangement aspects of the program. 1054

(2) As used in division (KKK) (1) of this section: 1055

(a) "Affiliated group" has the same meaning as in division 1056
(B) (3) (e) of this section. 1057

(b) "Fractional owner" means a person that owns or 1058
possesses at least a one-sixteenth interest in a program 1059
aircraft and has entered into the agreements described in 1060
division (KKK) (1) (e) of this section. 1061

(c) "Fractional ownership program aircraft" or "program 1062
aircraft" means a turbojet aircraft that is owned or possessed 1063
by a fractional owner and that has been included in a dry-lease 1064

aircraft interchange arrangement and agreement under divisions 1065
(KKK) (1) (d) and (e) of this section, or an aircraft a program 1066
manager owns or possesses primarily for use in a fractional 1067
aircraft ownership program. 1068

(d) "Management services" means administrative and 1069
aviation support services furnished under a fractional aircraft 1070
ownership program in accordance with a management services 1071
agreement under division (KKK) (1) (e) of this section, and 1072
offered by the program manager to the fractional owners, 1073
including, at a minimum, the establishment and implementation of 1074
safety guidelines; the coordination of the scheduling of the 1075
program aircraft and crews; program aircraft maintenance; 1076
program aircraft insurance; crew training for crews employed, 1077
furnished, or contracted by the program manager or the 1078
fractional owner; the satisfaction of record-keeping 1079
requirements; and the development and use of an operations 1080
manual and a maintenance manual for the fractional aircraft 1081
ownership program. 1082

(e) "Program manager" means the person that offers 1083
management services to fractional owners pursuant to a 1084
management services agreement under division (KKK) (1) (e) of this 1085
section. 1086

(LLL) "Electronic publishing" means providing access to 1087
one or more of the following primarily for business customers, 1088
including the federal government or a state government or a 1089
political subdivision thereof, to conduct research: news; 1090
business, financial, legal, consumer, or credit materials; 1091
editorials, columns, reader commentary, or features; photos or 1092
images; archival or research material; legal notices, identity 1093
verification, or public records; scientific, educational, 1094

instructional, technical, professional, trade, or other literary 1095
materials; or other similar information which has been gathered 1096
and made available by the provider to the consumer in an 1097
electronic format. Providing electronic publishing includes the 1098
functions necessary for the acquisition, formatting, editing, 1099
storage, and dissemination of data or information that is the 1100
subject of a sale. 1101

(MMM) "Medicaid health insuring corporation" means a 1102
health insuring corporation that holds a certificate of 1103
authority under Chapter 1751. of the Revised Code and is under 1104
contract with the department of job and family services pursuant 1105
to section 5111.17 of the Revised Code. 1106

(NNN) "Managed care premium" means any premium, 1107
capitation, or other payment a medicaid health insuring 1108
corporation receives for providing or arranging for the 1109
provision of health care services to its members or enrollees 1110
residing in this state. 1111

(OOO) "Captive deer" means deer and other cervidae that 1112
have been legally acquired, or their offspring, that are 1113
privately owned for agricultural or farming purposes. 1114

(PPP) "Gift card" means a document, card, certificate, or 1115
other record, whether tangible or intangible, that may be 1116
redeemed by a consumer for a dollar value when making a purchase 1117
of tangible personal property or services. 1118

(QQQ) "Specified digital product" means an electronically 1119
transferred digital audiovisual work, digital audio work, or 1120
digital book. 1121

As used in division (QQQ) of this section: 1122

(1) "Digital audiovisual work" means a series of related 1123

images that, when shown in succession, impart an impression of 1124
motion, together with accompanying sounds, if any. 1125

(2) "Digital audio work" means a work that results from 1126
the fixation of a series of musical, spoken, or other sounds, 1127
including digitized sound files that are downloaded onto a 1128
device and that may be used to alert the customer with respect 1129
to a communication. 1130

(3) "Digital book" means a work that is generally 1131
recognized in the ordinary and usual sense as a book. 1132

(4) "Electronically transferred" means obtained by the 1133
purchaser by means other than tangible storage media. 1134

Section 2. That existing section 5739.01 of the Revised 1135
Code is hereby repealed. 1136

Section 3. The amendment by this act of section 5739.01 of 1137
the Revised Code applies beginning on the first day of the first 1138
July after this act takes effect. 1139