

As Reported by the Senate Ways and Means Committee

134th General Assembly

Regular Session

2021-2022

Sub. H. B. No. 228

Representative Roemer

Cosponsors: Representatives Fowler Arthur, Seitz, Young, T., Riedel, McClain, Baldrige, Bird, Brown, Carruthers, Crossman, Cutrona, Edwards, Fraizer, Galonski, Gross, Hoops, Lanese, Merrin, Pavliga, Plummer, Richardson, Stephens

Senator Roegner

A BILL

To amend sections 718.01, 718.80, 718.81, 718.83, 1
718.85, 718.90, and 5703.77 and to enact section 2
718.841 of the Revised Code to make changes 3
related to the state administration of municipal 4
net profits taxes and the municipal taxation of 5
retirement benefits and to authorize the 6
conveyance of state-owned land. 7

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

Section 1. That sections 718.01, 718.80, 718.81, 718.83, 8
718.85, 718.90, and 5703.77 be amended and section 718.841 of 9
the Revised Code be enacted to read as follows: 10

Sec. 718.01. Any term used in this chapter that is not 11
otherwise defined in this chapter has the same meaning as when 12
used in a comparable context in laws of the United States 13
relating to federal income taxation or in Title LVIII of the 14
Revised Code, unless a different meaning is clearly required. 15
Except as provided in section 718.81 of the Revised Code, if a 16

term used in this chapter that is not otherwise defined in this 17
chapter is used in a comparable context in both the laws of the 18
United States relating to federal income tax and in Title LVII 19
of the Revised Code and the use is not consistent, then the use 20
of the term in the laws of the United States relating to federal 21
income tax shall control over the use of the term in Title LVII 22
of the Revised Code. 23

Except as otherwise provided in section 718.81 of the 24
Revised Code, as used in this chapter: 25

(A) (1) "Municipal taxable income" means the following: 26

(a) For a person other than an individual, income 27
apportioned or situated to the municipal corporation under 28
section 718.02 of the Revised Code, as applicable, reduced by 29
any pre-2017 net operating loss carryforward available to the 30
person for the municipal corporation. 31

(b) (i) For an individual who is a resident of a municipal 32
corporation other than a qualified municipal corporation, income 33
reduced by exempt income to the extent otherwise included in 34
income, then reduced as provided in division (A) (2) of this 35
section, and further reduced by any pre-2017 net operating loss 36
carryforward available to the individual for the municipal 37
corporation. 38

(ii) For an individual who is a resident of a qualified 39
municipal corporation, Ohio adjusted gross income reduced by 40
income exempted, and increased by deductions excluded, by the 41
qualified municipal corporation from the qualified municipal 42
corporation's tax. If a qualified municipal corporation, on or 43
before December 31, 2013, exempts income earned by individuals 44
who are not residents of the qualified municipal corporation and 45

net profit of persons that are not wholly located within the 46
qualified municipal corporation, such individual or person shall 47
have no municipal taxable income for the purposes of the tax 48
levied by the qualified municipal corporation and may be 49
exempted by the qualified municipal corporation from the 50
requirements of section 718.03 of the Revised Code. 51

(c) For an individual who is a nonresident of a municipal 52
corporation, income reduced by exempt income to the extent 53
otherwise included in income and then, as applicable, 54
apportioned or situated to the municipal corporation under 55
section 718.02 of the Revised Code, then reduced as provided in 56
division (A) (2) of this section, and further reduced by any pre- 57
2017 net operating loss carryforward available to the individual 58
for the municipal corporation. 59

(2) In computing the municipal taxable income of a 60
taxpayer who is an individual, the taxpayer may subtract, as 61
provided in division (A) (1) (b) (i) or (c) of this section, the 62
amount of the individual's employee business expenses reported 63
on the individual's form 2106 that the individual deducted for 64
federal income tax purposes for the taxable year, subject to the 65
limitation imposed by section 67 of the Internal Revenue Code. 66
For the municipal corporation in which the taxpayer is a 67
resident, the taxpayer may deduct all such expenses allowed for 68
federal income tax purposes. For a municipal corporation in 69
which the taxpayer is not a resident, the taxpayer may deduct 70
such expenses only to the extent the expenses are related to the 71
taxpayer's performance of personal services in that nonresident 72
municipal corporation. 73

(B) "Income" means the following: 74

(1) (a) For residents, all income, salaries, qualifying 75

wages, commissions, and other compensation from whatever source 76
earned or received by the resident, including the resident's 77
distributive share of the net profit of pass-through entities 78
owned directly or indirectly by the resident and any net profit 79
of the resident, except as provided in division (D) (5) of this 80
section. 81

(b) For the purposes of division (B) (1) (a) of this 82
section: 83

(i) Any net operating loss of the resident incurred in the 84
taxable year and the resident's distributive share of any net 85
operating loss generated in the same taxable year and 86
attributable to the resident's ownership interest in a pass- 87
through entity shall be allowed as a deduction, for that taxable 88
year and the following five taxable years, against any other net 89
profit of the resident or the resident's distributive share of 90
any net profit attributable to the resident's ownership interest 91
in a pass-through entity until fully utilized, subject to 92
division (B) (1) (d) of this section; 93

(ii) The resident's distributive share of the net profit 94
of each pass-through entity owned directly or indirectly by the 95
resident shall be calculated without regard to any net operating 96
loss that is carried forward by that entity from a prior taxable 97
year and applied to reduce the entity's net profit for the 98
current taxable year. 99

(c) Division (B) (1) (b) of this section does not apply with 100
respect to any net profit or net operating loss attributable to 101
an ownership interest in an S corporation unless shareholders' 102
distributive shares of net profits from S corporations are 103
subject to tax in the municipal corporation as provided in 104
division (C) (14) (b) or (c) of this section. 105

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

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

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

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

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

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

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

(b) A municipal corporation that taxed any type of 135
intangible income on March 29, 1988, pursuant to Section 3 of 136
S.B. 238 of the 116th general assembly, may continue to tax that 137
type of income if a majority of the electors of the municipal 138
corporation voting on the question of whether to permit the 139
taxation of that type of intangible income after 1988 voted in 140
favor thereof at an election held on November 8, 1988. 141

(3) Social security benefits, railroad retirement 142
benefits, unemployment compensation, pensions, retirement 143
benefit payments, payments from annuities, and similar payments 144
made to an employee or to the beneficiary of an employee under a 145
retirement program or plan, disability payments received from 146
private industry or local, state, or federal governments or from 147
charitable, religious or educational organizations, and the 148
proceeds of sickness, accident, or liability insurance policies. 149
As used in division (C) (3) of this section, "unemployment 150
compensation" does not include supplemental unemployment 151
compensation described in section 3402(o) (2) of the Internal 152
Revenue Code. 153

(4) The income of religious, fraternal, charitable, 154
scientific, literary, or educational institutions to the extent 155
such income is derived from tax-exempt real estate, tax-exempt 156
tangible or intangible property, or tax-exempt activities. 157

(5) Compensation paid under section 3501.28 or 3501.36 of 158
the Revised Code to a person serving as a precinct election 159
official to the extent that such compensation does not exceed 160
one thousand dollars for the taxable year. Such compensation in 161
excess of one thousand dollars for the taxable year may be 162
subject to taxation by a municipal corporation. A municipal 163
corporation shall not require the payer of such compensation to 164

withhold any tax from that compensation.	165
(6) Dues, contributions, and similar payments received by charitable, religious, educational, or literary organizations or labor unions, lodges, and similar organizations;	166 167 168
(7) Alimony and child support received;	169
(8) Compensation for personal injuries or for damages to property from insurance proceeds or otherwise, excluding compensation paid for lost salaries or wages or compensation from punitive damages;	170 171 172 173
(9) Income of a public utility when that public utility is subject to the tax levied under section 5727.24 or 5727.30 of the Revised Code. Division (C) (9) of this section does not apply for purposes of Chapter 5745. of the Revised Code.	174 175 176 177
(10) Gains from involuntary conversions, interest on federal obligations, items of income subject to a tax levied by the state and that a municipal corporation is specifically prohibited by law from taxing, and income of a decedent's estate during the period of administration except such income from the operation of a trade or business;	178 179 180 181 182 183
(11) Compensation or allowances excluded from federal gross income under section 107 of the Internal Revenue Code;	184 185
(12) Employee compensation that is not qualifying wages as defined in division (R) of this section;	186 187
(13) Compensation paid to a person employed within the boundaries of a United States air force base under the jurisdiction of the United States air force that is used for the housing of members of the United States air force and is a center for air force operations, unless the person is subject to	188 189 190 191 192

taxation because of residence or domicile. If the compensation 193
is subject to taxation because of residence or domicile, tax on 194
such income shall be payable only to the municipal corporation 195
of residence or domicile. 196

(14) (a) Except as provided in division (C) (14) (b) or (c) 197
of this section, an S corporation shareholder's distributive 198
share of net profits of the S corporation, other than any part 199
of the distributive share of net profits that represents wages 200
as defined in section 3121(a) of the Internal Revenue Code or 201
net earnings from self-employment as defined in section 1402(a) 202
of the Internal Revenue Code. 203

(b) If, pursuant to division (H) of former section 718.01 204
of the Revised Code as it existed before March 11, 2004, a 205
majority of the electors of a municipal corporation voted in 206
favor of the question at an election held on November 4, 2003, 207
the municipal corporation may continue after 2002 to tax an S 208
corporation shareholder's distributive share of net profits of 209
an S corporation. 210

(c) If, on December 6, 2002, a municipal corporation was 211
imposing, assessing, and collecting a tax on an S corporation 212
shareholder's distributive share of net profits of the S 213
corporation to the extent the distributive share would be 214
allocated or apportioned to this state under divisions (B) (1) 215
and (2) of section 5733.05 of the Revised Code if the S 216
corporation were a corporation subject to taxes imposed under 217
Chapter 5733. of the Revised Code, the municipal corporation may 218
continue to impose the tax on such distributive shares to the 219
extent such shares would be so allocated or apportioned to this 220
state only until December 31, 2004, unless a majority of the 221
electors of the municipal corporation voting on the question of 222

continuing to tax such shares after that date voted in favor of 223
that question at an election held November 2, 2004. If a 224
majority of those electors voted in favor of the question, the 225
municipal corporation may continue after December 31, 2004, to 226
impose the tax on such distributive shares only to the extent 227
such shares would be so allocated or apportioned to this state. 228

(d) A municipal corporation shall be deemed to have 229
elected to tax S corporation shareholders' distributive shares 230
of net profits of the S corporation in the hands of the 231
shareholders if a majority of the electors of a municipal 232
corporation voted in favor of a question at an election held 233
under division (C) (14) (b) or (c) of this section. The municipal 234
corporation shall specify by resolution or ordinance that the 235
tax applies to the distributive share of a shareholder of an S 236
corporation in the hands of the shareholder of the S 237
corporation. 238

(15) To the extent authorized under a resolution or 239
ordinance adopted by a municipal corporation before January 1, 240
2016, all or a portion of the income of individuals or a class 241
of individuals under eighteen years of age. 242

(16) (a) Except as provided in divisions (C) (16) (b), (c), 243
and (d) of this section, qualifying wages described in division 244
(B) (1) or (E) of section 718.011 of the Revised Code to the 245
extent the qualifying wages are not subject to withholding for 246
the municipal corporation under either of those divisions. 247

(b) The exemption provided in division (C) (16) (a) of this 248
section does not apply with respect to the municipal corporation 249
in which the employee resided at the time the employee earned 250
the qualifying wages. 251

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

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

(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;

(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.

(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.

(b) The exemption provided in division (C)(17)(a) of this section does not apply under either of the following circumstances:

(i) The individual's base of operation is located in the municipal corporation.

(ii) The individual is a professional athlete, 281
professional entertainer, or public figure, and the compensation 282
is paid for the performance of services in the individual's 283
capacity as a professional athlete, professional entertainer, or 284
public figure. For purposes of division (C)(17)(b)(ii) of this 285
section, "professional athlete," "professional entertainer," and 286
"public figure" have the same meanings as in section 718.011 of 287
the Revised Code. 288

(c) Compensation to which division (C)(17) of this section 289
applies shall be treated as earned or received at the 290
individual's base of operation. If the individual does not have 291
a base of operation, the compensation shall be treated as earned 292
or received where the individual is domiciled. 293

(d) For purposes of division (C)(17) of this section, 294
"base of operation" means the location where an individual owns 295
or rents an office, storefront, or similar facility to which the 296
individual regularly reports and at which the individual 297
regularly performs personal services for compensation. 298

(18) Compensation paid to a person for personal services 299
performed for a political subdivision on property owned by the 300
political subdivision, regardless of whether the compensation is 301
received by an employee of the subdivision or another person 302
performing services for the subdivision under a contract with 303
the subdivision, if the property on which services are performed 304
is annexed to a municipal corporation pursuant to section 305
709.023 of the Revised Code on or after March 27, 2013, unless 306
the person is subject to such taxation because of residence. If 307
the compensation is subject to taxation because of residence, 308
municipal income tax shall be payable only to the municipal 309
corporation of residence. 310

(19) In the case of a tax administered, collected, and enforced by a municipal corporation pursuant to an agreement with the board of directors of a joint economic development district under section 715.72 of the Revised Code, the net profits of a business, and the income of the employees of that business, exempted from the tax under division (Q) of that section.

(20) All of the following:

(a) Income derived from disaster work conducted in this state by an out-of-state disaster business during a disaster response period pursuant to a qualifying solicitation received by the business;

(b) Income of a qualifying employee described in division (A) (14) (a) of section 5703.94 of the Revised Code, to the extent such income is derived from disaster work conducted in this state by the employee during a disaster response period pursuant to a qualifying solicitation received by the employee's employer;

(c) Income of a qualifying employee described in division (A) (14) (b) of section 5703.94 of the Revised Code, to the extent such income is derived from disaster work conducted in this state by the employee during a disaster response period on critical infrastructure owned or used by the employee's employer.

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

Any item of income that is exempt income of a pass-through entity under division (C) of this section is exempt income of each owner of the pass-through entity to the extent of that

owner's distributive or proportionate share of that item of the 340
entity's income. 341

(D) (1) "Net profit" for a person who is an individual 342
means the individual's net profit required to be reported on 343
schedule C, schedule E, or schedule F reduced by any net 344
operating loss carried forward. For the purposes of division (D) 345
(1) of this section, the net operating loss carried forward 346
shall be calculated and deducted in the same manner as provided 347
in division (D) (3) of this section. 348

(2) "Net profit" for a person other than an individual 349
means adjusted federal taxable income reduced by any net 350
operating loss incurred by the person in a taxable year 351
beginning on or after January 1, 2017, subject to the 352
limitations of division (D) (3) of this section. 353

(3) (a) The amount of such net operating loss shall be 354
deducted from net profit to the extent necessary to reduce 355
municipal taxable income to zero, with any remaining unused 356
portion of the net operating loss carried forward to not more 357
than five consecutive taxable years following the taxable year 358
in which the loss was incurred, but in no case for more years 359
than necessary for the deduction to be fully utilized. 360

(b) No person shall use the deduction allowed by division 361
(D) (3) of this section to offset qualifying wages. 362

(c) (i) For taxable years beginning in 2018, 2019, 2020, 363
2021, or 2022, a person may not deduct, for purposes of an 364
income tax levied by a municipal corporation that levies an 365
income tax before January 1, 2016, more than fifty per cent of 366
the amount of the deduction otherwise allowed by division (D) (3) 367
of this section. 368

(ii) For taxable years beginning in 2023 or thereafter, a 369
person may deduct, for purposes of an income tax levied by a 370
municipal corporation that levies an income tax before January 371
1, 2016, the full amount allowed by division (D) (3) of this 372
section without regard to the limitation of division (D) (3) (b) 373
(i) of this section. 374

(d) Any pre-2017 net operating loss carryforward deduction 375
that is available may be utilized before a taxpayer may deduct 376
any amount pursuant to division (D) (3) of this section. 377

(e) Nothing in division (D) (3) (c) (i) of this section 378
precludes a person from carrying forward, for use with respect 379
to any return filed for a taxable year beginning after 2018, any 380
amount of net operating loss that was not fully utilized by 381
operation of division (D) (3) (c) (i) of this section. To the 382
extent that an amount of net operating loss that was not fully 383
utilized in one or more taxable years by operation of division 384
(D) (3) (c) (i) of this section is carried forward for use with 385
respect to a return filed for a taxable year beginning in 2019, 386
2020, 2021, or 2022, the limitation described in division (D) (3) 387
(c) (i) of this section shall apply to the amount carried 388
forward. 389

(4) For the purposes of this chapter, and notwithstanding 390
division (D) (2) of this section, net profit of a disregarded 391
entity shall not be taxable as against that disregarded entity, 392
but shall instead be included in the net profit of the owner of 393
the disregarded entity. 394

(5) For the purposes of this chapter, and notwithstanding 395
any other provision of this chapter, the net profit of a 396
publicly traded partnership that makes the election described in 397
division (D) (5) of this section shall be taxed as if the 398

partnership were a C corporation, and shall not be treated as 399
the net profit or income of any owner of the partnership. 400

A publicly traded partnership that is treated as a 401
partnership for federal income tax purposes and that is subject 402
to tax on its net profits in one or more municipal corporations 403
in this state may elect to be treated as a C corporation for 404
municipal income tax purposes. The publicly traded partnership 405
shall make the election in every municipal corporation in which 406
the partnership is subject to taxation on its net profits. The 407
election shall be made on the annual tax return filed in each 408
such municipal corporation. The publicly traded partnership 409
shall not be required to file the election with any municipal 410
corporation in which the partnership is not subject to taxation 411
on its net profits, but division (D) (5) of this section applies 412
to all municipal corporations in which an individual owner of 413
the partnership resides. 414

(E) "Adjusted federal taxable income," for a person 415
required to file as a C corporation, or for a person that has 416
elected to be taxed as a C corporation under division (D) (5) of 417
this section, means a C corporation's federal taxable income 418
before net operating losses and special deductions as determined 419
under the Internal Revenue Code, adjusted as follows: 420

(1) Deduct intangible income to the extent included in 421
federal taxable income. The deduction shall be allowed 422
regardless of whether the intangible income relates to assets 423
used in a trade or business or assets held for the production of 424
income. 425

(2) Add an amount equal to five per cent of intangible 426
income deducted under division (E) (1) of this section, but 427
excluding that portion of intangible income directly related to 428

the sale, exchange, or other disposition of property described	429
in section 1221 of the Internal Revenue Code;	430
(3) Add any losses allowed as a deduction in the	431
computation of federal taxable income if the losses directly	432
relate to the sale, exchange, or other disposition of an asset	433
described in section 1221 or 1231 of the Internal Revenue Code;	434
(4) (a) Except as provided in division (E) (4) (b) of this	435
section, deduct income and gain included in federal taxable	436
income to the extent the income and gain directly relate to the	437
sale, exchange, or other disposition of an asset described in	438
section 1221 or 1231 of the Internal Revenue Code;	439
(b) Division (E) (4) (a) of this section does not apply to	440
the extent the income or gain is income or gain described in	441
section 1245 or 1250 of the Internal Revenue Code.	442
(5) Add taxes on or measured by net income allowed as a	443
deduction in the computation of federal taxable income;	444
(6) In the case of a real estate investment trust or	445
regulated investment company, add all amounts with respect to	446
dividends to, distributions to, or amounts set aside for or	447
credited to the benefit of investors and allowed as a deduction	448
in the computation of federal taxable income;	449
(7) Deduct, to the extent not otherwise deducted or	450
excluded in computing federal taxable income, any income derived	451
from a transfer agreement or from the enterprise transferred	452
under that agreement under section 4313.02 of the Revised Code;	453
(8) Deduct exempt income to the extent not otherwise	454
deducted or excluded in computing adjusted federal taxable	455
income.	456

(9) Deduct any net profit of a pass-through entity owned 457
directly or indirectly by the taxpayer and included in the 458
taxpayer's federal taxable income unless an affiliated group of 459
corporations includes that net profit in the group's federal 460
taxable income in accordance with division (E) (3) (b) of section 461
718.06 of the Revised Code. 462

(10) Add any loss incurred by a pass-through entity owned 463
directly or indirectly by the taxpayer and included in the 464
taxpayer's federal taxable income unless an affiliated group of 465
corporations includes that loss in the group's federal taxable 466
income in accordance with division (E) (3) (b) of section 718.06 467
of the Revised Code. 468

If the taxpayer is not a C corporation, is not a 469
disregarded entity that has made the election described in 470
division (L) (2) of this section, is not a publicly traded 471
partnership that has made the election described in division (D) 472
(5) of this section, and is not an individual, the taxpayer 473
shall compute adjusted federal taxable income under this section 474
as if the taxpayer were a C corporation, except guaranteed 475
payments and other similar amounts paid or accrued to a partner, 476
former partner, shareholder, former shareholder, member, or 477
former member shall not be allowed as a deductible expense 478
unless such payments are a pension or retirement benefit payment 479
paid to a retired partner, retired shareholder, or retired 480
member or are in consideration for the use of capital and 481
treated as payment of interest under section 469 of the Internal 482
Revenue Code or United States treasury regulations. Amounts paid 483
or accrued to a qualified self-employed retirement plan with 484
respect to a partner, former partner, shareholder, former 485
shareholder, member, or former member of the taxpayer, amounts 486
paid or accrued to or for health insurance for a partner, former 487

partner, shareholder, former shareholder, member, or former 488
member, and amounts paid or accrued to or for life insurance for 489
a partner, former partner, shareholder, former shareholder, 490
member, or former member shall not be allowed as a deduction. 491

Nothing in division (E) of this section shall be construed 492
as allowing the taxpayer to add or deduct any amount more than 493
once or shall be construed as allowing any taxpayer to deduct 494
any amount paid to or accrued for purposes of federal self- 495
employment tax. 496

(F) "Schedule C" means internal revenue service schedule C 497
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 498
Code. 499

(G) "Schedule E" means internal revenue service schedule E 500
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 501
Code. 502

(H) "Schedule F" means internal revenue service schedule F 503
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 504
Code. 505

(I) "Internal Revenue Code" has the same meaning as in 506
section 5747.01 of the Revised Code. 507

(J) "Resident" means an individual who is domiciled in the 508
municipal corporation as determined under section 718.012 of the 509
Revised Code. 510

(K) "Nonresident" means an individual that is not a 511
resident. 512

(L) (1) "Taxpayer" means a person subject to a tax levied 513
on income by a municipal corporation in accordance with this 514
chapter. "Taxpayer" does not include a grantor trust or, except 515

as provided in division (L) (2) (a) of this section, a disregarded 516
entity. 517

(2) (a) A single member limited liability company that is a 518
disregarded entity for federal tax purposes may be a separate 519
taxpayer from its single member in all Ohio municipal 520
corporations in which it either filed as a separate taxpayer or 521
did not file for its taxable year ending in 2003, if all of the 522
following conditions are met: 523

(i) The limited liability company's single member is also 524
a limited liability company. 525

(ii) The limited liability company and its single member 526
were formed and doing business in one or more Ohio municipal 527
corporations for at least five years before January 1, 2004. 528

(iii) Not later than December 31, 2004, the limited 529
liability company and its single member each made an election to 530
be treated as a separate taxpayer under division (L) of this 531
section as this section existed on December 31, 2004. 532

(iv) The limited liability company was not formed for the 533
purpose of evading or reducing Ohio municipal corporation income 534
tax liability of the limited liability company or its single 535
member. 536

(v) The Ohio municipal corporation that was the primary 537
place of business of the sole member of the limited liability 538
company consented to the election. 539

(b) For purposes of division (L) (2) (a) (v) of this section, 540
a municipal corporation was the primary place of business of a 541
limited liability company if, for the limited liability 542
company's taxable year ending in 2003, its income tax liability 543
was greater in that municipal corporation than in any other 544

municipal corporation in Ohio, and that tax liability to that 545
municipal corporation for its taxable year ending in 2003 was at 546
least four hundred thousand dollars. 547

(M) "Person" includes individuals, firms, companies, joint 548
stock companies, business trusts, estates, trusts, partnerships, 549
limited liability partnerships, limited liability companies, 550
associations, C corporations, S corporations, governmental 551
entities, and any other entity. 552

(N) "Pass-through entity" means a partnership not treated 553
as an association taxable as a C corporation for federal income 554
tax purposes, a limited liability company not treated as an 555
association taxable as a C corporation for federal income tax 556
purposes, an S corporation, or any other class of entity from 557
which the income or profits of the entity are given pass-through 558
treatment for federal income tax purposes. "Pass-through entity" 559
does not include a trust, estate, grantor of a grantor trust, or 560
disregarded entity. 561

(O) "S corporation" means a person that has made an 562
election under subchapter S of Chapter 1 of Subtitle A of the 563
Internal Revenue Code for its taxable year. 564

(P) "Single member limited liability company" means a 565
limited liability company that has one direct member. 566

(Q) "Limited liability company" means a limited liability 567
company formed under Chapter 1705. or 1706. of the Revised Code 568
or under the laws of another state. 569

(R) "Qualifying wages" means wages, as defined in section 570
3121(a) of the Internal Revenue Code, without regard to any wage 571
limitations, adjusted as follows: 572

(1) Deduct the following amounts: 573

(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.	574 575 576
(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.	577 578 579 580
(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.	581 582 583 584 585 586
(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.	587 588 589 590 591 592 593
(e) Any amount included in wages that is exempt income.	594
(2) Add the following amounts:	595
(a) Any amount not included in wages solely because the employee was employed by the employer before April 1, 1986.	596 597
(b) Any amount not included in wages because the amount arises from the sale, exchange, or other disposition of a stock option, the exercise of a stock option, or the sale, exchange, or other disposition of stock purchased under a stock option and the municipal corporation has not, by resolution or ordinance,	598 599 600 601 602

exempted the amount from withholding and tax adopted before 603
January 1, 2016. Division (R) (2) (b) of this section applies only 604
to those amounts constituting ordinary income. 605

(c) Any amount not included in wages if the amount is an 606
amount described in section 401(k), 403(b), or 457 of the 607
Internal Revenue Code. Division (R) (2) (c) of this section 608
applies only to employee contributions and employee deferrals. 609

(d) Any amount that is supplemental unemployment 610
compensation benefits described in section 3402(o) (2) of the 611
Internal Revenue Code and not included in wages. 612

(e) Any amount received that is treated as self-employment 613
income for federal tax purposes in accordance with section 614
1402(a) (8) of the Internal Revenue Code. 615

(f) Any amount not included in wages if all of the 616
following apply: 617

(i) For the taxable year the amount is employee 618
compensation that is earned outside of the United States and 619
that either is included in the taxpayer's gross income for 620
federal income tax purposes or would have been included in the 621
taxpayer's gross income for such purposes if the taxpayer did 622
not elect to exclude the income under section 911 of the 623
Internal Revenue Code; 624

(ii) For no preceding taxable year did the amount 625
constitute wages as defined in section 3121(a) of the Internal 626
Revenue Code; 627

(iii) For no succeeding taxable year will the amount 628
constitute wages; and 629

(iv) For any taxable year the amount has not otherwise 630

been added to wages pursuant to either division (R) (2) of this 631
section or section 718.03 of the Revised Code, as that section 632
existed before the effective date of H.B. 5 of the 130th general 633
assembly, March 23, 2015. 634

(S) "Intangible income" means income of any of the 635
following types: income yield, interest, capital gains, 636
dividends, or other income arising from the ownership, sale, 637
exchange, or other disposition of intangible property including, 638
but not limited to, investments, deposits, money, or credits as 639
those terms are defined in Chapter 5701. of the Revised Code, 640
and patents, copyrights, trademarks, tradenames, investments in 641
real estate investment trusts, investments in regulated 642
investment companies, and appreciation on deferred compensation. 643
"Intangible income" does not include prizes, awards, or other 644
income associated with any lottery winnings, gambling winnings, 645
or other similar games of chance. 646

(T) "Taxable year" means the corresponding tax reporting 647
period as prescribed for the taxpayer under the Internal Revenue 648
Code. 649

(U) "Tax administrator" means the individual charged with 650
direct responsibility for administration of an income tax levied 651
by a municipal corporation in accordance with this chapter, and 652
also includes the following: 653

(1) A municipal corporation acting as the agent of another 654
municipal corporation; 655

(2) A person retained by a municipal corporation to 656
administer a tax levied by the municipal corporation, but only 657
if the municipal corporation does not compensate the person in 658
whole or in part on a contingency basis; 659

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

"Tax administrator" does not include the tax commissioner.

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

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

(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.

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

(Z) "Form 2106" means internal revenue service form 2106 filed by a taxpayer pursuant to the Internal Revenue Code.

(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 715.72 of the Revised Code.

(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.

(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 688
of an employer, or other payer, estimated municipal income 689
taxes, or annual municipal income tax liability or for filing a 690
refund claim. 691

(DD) "Tax return preparer" means any individual described 692
in section 7701(a)(36) of the Internal Revenue Code and 26 693
C.F.R. 301.7701-15. 694

(EE) "Ohio business gateway" means the online computer 695
network system, created under section 125.30 of the Revised 696
Code, that allows persons to electronically file business reply 697
forms with state agencies and includes any successor electronic 698
filing and payment system. 699

(FF) "Local board of tax review" and "board of tax review" 700
mean the entity created under section 718.11 of the Revised 701
Code. 702

(GG) "Net operating loss" means a loss incurred by a 703
person in the operation of a trade or business. "Net operating 704
loss" does not include unutilized losses resulting from basis 705
limitations, at-risk limitations, or passive activity loss 706
limitations. 707

(HH) "Casino operator" and "casino facility" have the same 708
meanings as in section 3772.01 of the Revised Code. 709

(II) "Video lottery terminal" has the same meaning as in 710
section 3770.21 of the Revised Code. 711

(JJ) "Video lottery terminal sales agent" means a lottery 712
sales agent licensed under Chapter 3770. of the Revised Code to 713
conduct video lottery terminals on behalf of the state pursuant 714
to section 3770.21 of the Revised Code. 715

(KK) "Postal service" means the United States postal service. 716
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(LL) "Certified mail," "express mail," "United States mail," "postal service," and similar terms include any delivery service authorized pursuant to section 5703.056 of the Revised Code. 718
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(MM) "Postmark date," "date of postmark," and similar terms include the date recorded and marked in the manner described in division (B) (3) of section 5703.056 of the Revised Code. 722
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(NN) "Related member" means a person that, with respect to the taxpayer during all or any portion of the taxable year, is either a related entity, a component member as defined in section 1563(b) of the Internal Revenue Code, or a person to or from whom there is attribution of stock ownership in accordance with section 1563(e) of the Internal Revenue Code except, for purposes of determining whether a person is a related member under this division, "twenty per cent" shall be substituted for "5 percent" wherever "5 percent" appears in section 1563(e) of the Internal Revenue Code. 726
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(OO) "Related entity" means any of the following: 736

(1) An individual stockholder, or a member of the stockholder's family enumerated in section 318 of the Internal Revenue Code, if the stockholder and the members of the stockholder's family own directly, indirectly, beneficially, or constructively, in the aggregate, at least fifty per cent of the value of the taxpayer's outstanding stock; 737
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(2) A stockholder, or a stockholder's partnership, estate, trust, or corporation, if the stockholder and the stockholder's 743
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partnerships, estates, trusts, or corporations own directly, 745
indirectly, beneficially, or constructively, in the aggregate, 746
at least fifty per cent of the value of the taxpayer's 747
outstanding stock; 748

(3) A corporation, or a party related to the corporation 749
in a manner that would require an attribution of stock from the 750
corporation to the party or from the party to the corporation 751
under division (00) (4) of this section, provided the taxpayer 752
owns directly, indirectly, beneficially, or constructively, at 753
least fifty per cent of the value of the corporation's 754
outstanding stock; 755

(4) The attribution rules described in section 318 of the 756
Internal Revenue Code apply for the purpose of determining 757
whether the ownership requirements in divisions (00) (1) to (3) 758
of this section have been met. 759

(PP) (1) "Assessment" means a written finding by the tax 760
administrator that a person has underpaid municipal income tax, 761
or owes penalty and interest, or any combination of tax, 762
penalty, or interest, to the municipal corporation that 763
commences the person's time limitation for making an appeal to 764
the local board of tax review pursuant to section 718.11 of the 765
Revised Code, and has "ASSESSMENT" written in all capital 766
letters at the top of such finding. 767

(2) "Assessment" does not include an informal notice 768
denying a request for refund issued under division (B) (3) of 769
section 718.19 of the Revised Code, a billing statement 770
notifying a taxpayer of current or past-due balances owed to the 771
municipal corporation, a tax administrator's request for 772
additional information, a notification to the taxpayer of 773
mathematical errors, or a tax administrator's other written 774

correspondence to a person or taxpayer that does meet the 775
criteria prescribed by division (PP) (1) of this section. 776

(QQ) "Taxpayers' rights and responsibilities" means the 777
rights provided to taxpayers in sections 718.11, 718.12, 718.19, 778
718.23, 718.36, 718.37, 718.38, 5717.011, and 5717.03 of the 779
Revised Code and the responsibilities of taxpayers to file, 780
report, withhold, remit, and pay municipal income tax and 781
otherwise comply with Chapter 718. of the Revised Code and 782
resolutions, ordinances, and rules adopted by a municipal 783
corporation for the imposition and administration of a municipal 784
income tax. 785

(RR) "Qualified municipal corporation" means a municipal 786
corporation that, by resolution or ordinance adopted on or 787
before December 31, 2011, adopted Ohio adjusted gross income, as 788
defined by section 5747.01 of the Revised Code, as the income 789
subject to tax for the purposes of imposing a municipal income 790
tax. 791

(SS) (1) "Pre-2017 net operating loss carryforward" means 792
any net operating loss incurred in a taxable year beginning 793
before January 1, 2017, to the extent such loss was permitted, 794
by a resolution or ordinance of the municipal corporation that 795
was adopted by the municipal corporation before January 1, 2016, 796
to be carried forward and utilized to offset income or net 797
profit generated in such municipal corporation in future taxable 798
years. 799

(2) For the purpose of calculating municipal taxable 800
income, any pre-2017 net operating loss carryforward may be 801
carried forward to any taxable year, including taxable years 802
beginning in 2017 or thereafter, for the number of taxable years 803
provided in the resolution or ordinance or until fully utilized, 804

whichever is earlier. 805

(TT) "Small employer" means any employer that had total 806
revenue of less than five hundred thousand dollars during the 807
preceding taxable year. For purposes of this division, "total 808
revenue" means receipts of any type or kind, including, but not 809
limited to, sales receipts; payments; rents; profits; gains, 810
dividends, and other investment income; compensation; 811
commissions; premiums; money; property; grants; contributions; 812
donations; gifts; program service revenue; patient service 813
revenue; premiums; fees, including premium fees and service 814
fees; tuition payments; unrelated business revenue; 815
reimbursements; any type of payment from a governmental unit, 816
including grants and other allocations; and any other similar 817
receipts reported for federal income tax purposes or under 818
generally accepted accounting principles. "Small employer" does 819
not include the federal government; any state government, 820
including any state agency or instrumentality; any political 821
subdivision; or any entity treated as a government for financial 822
accounting and reporting purposes. 823

(UU) "Audit" means the examination of a person or the 824
inspection of the books, records, memoranda, or accounts of a 825
person for the purpose of determining liability for a municipal 826
income tax. 827

(VV) "Publicly traded partnership" means any partnership, 828
an interest in which is regularly traded on an established 829
securities market. A "publicly traded partnership" may have any 830
number of partners. 831

(WW) "Tax commissioner" means the tax commissioner 832
appointed under section 121.03 of the Revised Code. 833

(XX) "Out-of-state disaster business," "qualifying solicitation," "qualifying employee," "disaster work," "critical infrastructure," and "disaster response period" have the same meanings as in section 5703.94 of the Revised Code.

(YY) "Pension" means a retirement benefit plan, regardless of whether the plan satisfies the qualifications described under section 401(a) of the Internal Revenue Code, including amounts that are taxable under the "Federal Insurance Contributions Act," Chapter 21 of the Internal Revenue Code, excluding employee contributions and elective deferrals, and regardless of whether such amounts are paid in the same taxable year in which the amounts are included in the employee's wages, as defined by section 3121(a) of the Internal Revenue Code.

(ZZ) "Retirement benefit plan" means an arrangement whereby an entity provides benefits to individuals either on or after their termination of service because of retirement or disability. "Retirement benefit plan" does not include wage continuation payments, severance payments, or payments made for accrued personal or vacation time.

Sec. 718.80. (A) A taxpayer may elect to be subject to sections 718.80 to 718.95 of the Revised Code in lieu of the provisions set forth in the remainder of this chapter. Notwithstanding any other provision of this chapter, upon the taxpayer's election, both of the following shall apply:

(1) The tax commissioner shall serve as the sole administrator of each municipal income tax for which the taxpayer is liable for the term of the election;

(2) The commissioner shall administer the tax pursuant to sections 718.80 to 718.95 of the Revised Code and any applicable

provision of Chapter 5703. of the Revised Code. 863

(B) (1) A taxpayer shall make the initial election on or 864
before the ~~first~~ fifteenth day of the ~~third~~ fourth month after 865
the beginning of the taxpayer's taxable year by ~~notifying~~ 866
providing to the tax commissioner and each a list of all 867
municipal ~~corporation~~ corporations in which the taxpayer 868
conducted business during the previous taxable year, on a form 869
prescribed by the tax commissioner. 870

~~(2)(a)~~ (2) At least quarterly, the tax commissioner shall 871
notify each municipal corporation that a taxpayer lists in its 872
election under division (B) (1) of this section that the taxpayer 873
has made the election. 874

(3) (a) The election, once made by the taxpayer, applies to 875
the taxable year in which the election is made and to each 876
subsequent taxable year until the taxpayer notifies the tax 877
commissioner of its termination of the election. 878

(b) A notification of termination shall be made, on a form 879
prescribed by the tax commissioner, on or before the ~~first~~ 880
fifteenth day of the ~~third~~ fourth month of any taxable year. 881

(c) Upon a timely and valid termination of the election, 882
the taxpayer is no longer subject to sections 718.80 to 718.95 883
of the Revised Code, and is instead subject to the provisions 884
set forth in the remainder of this chapter. 885

(d) At least quarterly, the tax commissioner shall notify 886
each municipal corporation reported on a taxpayer's most recent 887
return or declaration filed with the commissioner of the 888
taxpayer's termination of its election. 889

(4) The tax commissioner shall provide to all municipal 890
corporations imposing a tax on income on or after January 1, 891

2018, a list of taxpayers that are subject to sections 718.80 to 892
718.95 of the Revised Code, including the taxpayers' names, 893
addresses, and federal employee identification numbers. The list 894
shall be made available via the portal created under section 895
718.841 of the Revised Code. 896

(C) (1) (a) On or before the thirty-first day of January 897
each year, each municipal corporation imposing a tax on income 898
shall certify to the tax commissioner the rate of the tax in 899
effect on the first day of January of that year. 900

(b) If, after the thirty-first day of January of any year, 901
the electors of a municipal corporation approve an increase in 902
the rate of the municipal corporation's tax on income that takes 903
effect within that year, the municipal corporation shall certify 904
to the tax commissioner the new rate of tax not less than sixty 905
days before the effective date of the increase, after which 906
effective date the commissioner shall apply the increased rate. 907

(2) A municipal corporation, ~~within ninety days of~~ 908
~~receiving that receives a taxpayer's notification of election~~ 909
under division (B) (2) of this section, shall submit to the tax 910
commissioner, on a form prescribed by the ~~tax~~ commissioner and 911
within the time prescribed by division (C) (3) of this section, 912
the following information regarding the taxpayer and any member 913
of an affiliated group of corporations included on the 914
taxpayer's consolidated tax return, when applicable: 915

(a) The amount of any net operating loss that the taxpayer 916
is entitled to carry forward to a future tax year; 917

(b) The amount of any net operating loss carryforward 918
utilized by the taxpayer in prior years; 919

(c) Any credits granted by the municipal corporation to 920

which the taxpayer is entitled, the amount of such credits, 921
whether the credits may be carried forward to future tax years, 922
and, if the credits may be carried forward, the duration of any 923
such carryforward; 924

(d) Any overpayments of tax that the taxpayer has elected 925
to carry forward to a subsequent tax year; 926

(e) Any other information the municipal corporation deems 927
relevant in order to effectuate the tax commissioner's efficient 928
administration of the tax on the municipal corporation's behalf. 929

(3) A municipal corporation shall submit the information 930
required under division (C) (2) of this section to the tax 931
commissioner within ninety days after the taxpayer files its 932
final return or within fifteen days after the end of the taxable 933
year for which the taxpayer made the initial election under 934
division (B) (1) of this section, whichever occurs first. For the 935
purposes of this section, "final return" means the return filed 936
with the municipal corporation for the taxable year immediately 937
preceding the taxable year for which the taxpayer made the 938
election under division (B) (1) of this section. 939

(4) If any municipal corporation fails to timely comply 940
with ~~divisions~~ division (C) (1) ~~and, (2), or (3)~~ of this section, 941
the tax commissioner ~~shall~~ may notify the director of budget and 942
management, who, upon receiving such notification, shall 943
withhold ~~from~~ a portion of each payment made to the municipal 944
corporation under section 718.83 of the Revised Code. The 945
commissioner shall specify the percentage of the payment to be 946
withheld, not to exceed fifty per cent of the amount of the 947
payment otherwise due to the municipal corporation under that 948
section. The director shall compute the withholding on the basis 949
of the tax rate most recently certified to the tax commissioner 950

until the municipal corporation complies with divisions (C) (1) 951
~~and, (2), and (3)~~ of this section. 952

If, after any such withholding, the municipal corporation 953
complies with divisions (C) (1), (2), and (3) of this section, 954
the tax commissioner shall notify the director of budget and 955
management, who shall provide payment to the municipal 956
corporation under section 718.83 of the Revised Code of such 957
amounts withheld under this division. 958

(D) The tax commissioner shall enforce and administer 959
sections 718.80 to 718.95 of the Revised Code. In addition to 960
any other powers conferred upon the tax commissioner by law, the 961
tax commissioner may: 962

(1) Prescribe all forms necessary to administer those 963
sections; 964

(2) Adopt such rules as the tax commissioner finds 965
necessary to carry out those sections; 966

(3) Appoint and employ such personnel as are necessary to 967
carry out the duties imposed upon the tax commissioner by those 968
sections. 969

(E) No tax administrator shall utilize sections 718.81 to 970
718.95 of the Revised Code in the administrator's administration 971
of a municipal income tax, and those sections shall not be 972
applied to any taxpayer that has not made the election under 973
this section. 974

(F) Nothing in this chapter shall be construed to make any 975
section of this chapter, other than sections 718.01 and 718.80 976
to 718.95 of the Revised Code, applicable to the tax 977
commissioner's administration of a municipal income tax or to 978
any taxpayer that has made the election under this section. 979

(G) The tax commissioner shall not be considered a tax administrator, as that term is defined in section 718.01 of the Revised Code. 980
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Sec. 718.81. If a term used in sections 718.80 to 718.95 of the Revised Code that is not otherwise defined in this chapter is used in a comparable context in both the laws of the United States relating to federal income tax and in Title LVII of the Revised Code and the use is not consistent, then the use of the term in the laws of the United States relating to federal income tax shall have control over the use of the term in Title LVII of the Revised Code, unless the term is defined in Chapter 5703. of the Revised Code, in which case the definition in that chapter shall control. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States related to federal income taxes. If a term is defined in both this section and section 718.01 of the Revised Code, the definition in this section shall control for all uses of that term in sections 718.80 through 718.95 of the Revised Code. 983
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As used in sections 718.80 to 718.95 of the Revised Code only: 998
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(A) "Municipal taxable income" means income apportioned or situated to the municipal corporation under section 718.82 of the Revised Code, as applicable, reduced by any pre-2017 net operating loss carryforward available to the person for the municipal corporation. 1000
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(B) "Adjusted federal taxable income," for a person required to file as a C corporation, or for a person that has elected to be taxed as a C corporation as described in division (D) (5) of section 718.01 of the Revised Code, means a C corporation's federal taxable income before net operating losses 1005
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and special deductions as determined under the Internal Revenue Code, adjusted as follows: 1010
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(1) Deduct intangible income to the extent included in federal taxable income. The deduction shall be allowed regardless of whether the intangible income relates to assets used in a trade or business or assets held for the production of income. 1012
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(2) Add an amount equal to five per cent of intangible income deducted under division (B) (1) of this section, but excluding that portion of intangible income directly related to the sale, exchange, or other disposition of property described in section 1221 of the Internal Revenue Code. 1017
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(3) Add any losses allowed as a deduction in the computation of federal taxable income if the losses directly relate to the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code. 1022
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(4) (a) Except as provided in division (B) (4) (b) of this section, deduct income and gain included in federal taxable income to the extent the income and gain directly relate to the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code. 1026
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(b) Division (B) (4) (a) of this section does not apply to the extent the income or gain is income or gain described in section 1245 or 1250 of the Internal Revenue Code. 1031
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(5) Add taxes on or measured by net income allowed as a deduction in the computation of federal taxable income. 1034
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(6) In the case of a real estate investment trust or regulated investment company, add all amounts with respect to dividends to, distributions to, or amounts set aside for or 1036
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credited to the benefit of investors and allowed as a deduction 1039
in the computation of federal taxable income. 1040

(7) Deduct, to the extent not otherwise deducted or 1041
excluded in computing federal taxable income, any income derived 1042
from a transfer agreement or from the enterprise transferred 1043
under that agreement under section 4313.02 of the Revised Code. 1044

(8) Deduct exempt income to the extent not otherwise 1045
deducted or excluded in computing adjusted federal taxable 1046
income. 1047

(9) Deduct any net profit of a pass-through entity owned 1048
directly or indirectly by the taxpayer and included in the 1049
taxpayer's federal taxable income unless an affiliated group of 1050
corporations includes that net profit in the group's federal 1051
taxable income in accordance with division (E) (3) (b) of section 1052
718.86 of the Revised Code. 1053

(10) Add any loss incurred by a pass-through entity owned 1054
directly or indirectly by the taxpayer and included in the 1055
taxpayer's federal taxable income unless an affiliated group of 1056
corporations includes that loss in the group's federal taxable 1057
income in accordance with division (E) (3) (b) of section 718.86 1058
of the Revised Code. 1059

If the taxpayer is not a C corporation, is not a 1060
disregarded entity that has made the election described in 1061
division (L) (2) of section 718.01 of the Revised Code, and is 1062
not a publicly traded partnership that has made the election 1063
described in division (D) (5) of section 718.01 of the Revised 1064
Code, the taxpayer shall compute adjusted federal taxable income 1065
under this section as if the taxpayer were a C corporation, 1066
except guaranteed payments and other similar amounts paid or 1067

accrued to a partner, former partner, shareholder, former 1068
shareholder, member, or former member shall not be allowed as a 1069
deductible expense unless such payments are a pension or 1070
retirement benefit payment paid to a retired partner, retired 1071
shareholder, or retired member or are in consideration for the 1072
use of capital and treated as payment of interest under section 1073
469 of the Internal Revenue Code or United States treasury 1074
regulations. Amounts paid or accrued to a qualified self- 1075
employed retirement plan with respect to a partner, former 1076
partner, shareholder, former shareholder, member, or former 1077
member of the taxpayer, amounts paid or accrued to or for health 1078
insurance for a partner, former partner, shareholder, former 1079
shareholder, member, or former member, and amounts paid or 1080
accrued to or for life insurance for a partner, former partner, 1081
shareholder, former shareholder, member, or former member shall 1082
not be allowed as a deduction. 1083

Nothing in division (B) of this section shall be construed 1084
as allowing the taxpayer to add or deduct any amount more than 1085
once or shall be construed as allowing any taxpayer to deduct 1086
any amount paid to or accrued for purposes of federal self- 1087
employment tax. 1088

(C) "Taxpayer" has the same meaning as in section 718.01 1089
of the Revised Code, except that "taxpayer" does not include 1090
natural persons or entities subject to the tax imposed under 1091
Chapter 5745. of the Revised Code. "Taxpayer" may include 1092
receivers, assignees, or trustees in bankruptcy when such 1093
persons are required to assume the role of a taxpayer. 1094

(D) "Tax return" or "return" means the notifications and 1095
reports required to be filed pursuant to sections 718.80 to 1096
718.95 of the Revised Code for the purpose of reporting 1097

municipal income taxes, and includes declarations of estimated 1098
tax. 1099

~~(E) "Taxable year" means the calendar year or the 1100
taxpayer's fiscal year beginning during the calendar year, or 1101
fractional part thereof, upon which the calculation of the 1102
taxpayer's adjusted federal taxable income is based pursuant to 1103
this chapter. If a taxpayer's taxable year is changed for 1104
federal income tax purposes, the taxable year for purposes of 1105
sections 718.80 to 718.95 of the Revised Code is changed 1106
accordingly but may consist of an aggregation of more than one 1107
taxable year for federal income tax purposes. The tax 1108
commissioner may prescribe by rule an appropriate period as the 1109
taxable year for a taxpayer that has had a change of its taxable 1110
year for federal income tax purposes, for a taxpayer that has 1111
two or more short taxable years for federal income tax purposes 1112
as the result of a change of ownership, or for a new taxpayer 1113
that would otherwise have no taxable year. 1114~~

~~(F) "Assessment" means a notice of underpayment or 1115
nonpayment of a tax issued pursuant to section 718.90 of the 1116
Revised Code. 1117~~

Sec. 718.83. (A) On or before the last day of each month, 1118
the tax commissioner shall certify to the director of budget and 1119
management the amount to be paid to each municipal corporation, 1120
based on amounts reported on annual returns and declarations of 1121
estimated tax under sections 718.85 and 718.88 of the Revised 1122
Code, less any amounts previously distributed and net of any 1123
audit adjustments made or refunds granted by the commissioner, 1124
for the calendar month preceding the month in which the 1125
certification is made. Not later than the fifth day of each 1126
month, the director shall provide for payment of the amount 1127

certified to each municipal corporation from the municipal net 1128
profit tax fund, plus a pro rata share of any investment 1129
earnings accruing to the fund since the previous payment under 1130
this section, and minus any reduction required by the 1131
commissioner under division (D) of this section. Each municipal 1132
corporation's share of such earnings shall equal the proportion 1133
that the municipal corporation's certified tax payment is of the 1134
total taxes certified to all municipal corporations in that 1135
quarter. All investment earnings on money in the municipal net 1136
profit tax fund shall be credited to that fund. 1137

(B) If the tax commissioner determines that the amount of 1138
tax paid by a taxpayer and distributed to a municipal 1139
corporation under this section for a taxable year exceeds the 1140
amount payable to that municipal corporation under sections 1141
718.80 to 718.95 of the Revised Code after accounting for 1142
amounts remitted with the annual return and as estimated taxes, 1143
the commissioner shall proceed according to ~~divisions (A) and~~ 1144
~~(B)~~ of section 5703.77 of the Revised Code. 1145

(C) If the amount of a municipal corporation's net 1146
distribution computed by the commissioner under division (A) of 1147
this section is less than zero, the commissioner may notify the 1148
municipal corporation of the deficiency. Within thirty days 1149
after receiving such a notice, the municipal corporation shall 1150
pay an amount equal to the deficiency to the treasurer of state. 1151
The treasurer of state shall credit any payment received under 1152
this division to the municipal net profit tax fund. 1153

(D) If a municipal corporation fails to make a timely 1154
payment required under division (C) of this section, the 1155
commissioner may recover the deficiency using any or all of the 1156
following options: 1157

(1) Deduct the amount of the deficiency from the next 1158
distribution to that municipal corporation under division (A) of 1159
this section or, if the amount of the deficiency exceeds the 1160
amount of such distribution, withhold such distributions 1161
entirely until the withheld amount equals the amount of the 1162
municipal corporation's deficiency; 1163

(2) Deduct the amount of the deficiency from the next 1164
payment to that municipal corporation under division (A) of 1165
section 5745.05 of the Revised Code or, if the amount of the 1166
deficiency exceeds the amount of such distribution, withhold 1167
such distributions entirely until the withheld amount equals the 1168
amount of the municipal corporation's deficiency; 1169

(3) Deduct the amount of the deficiency from the municipal 1170
corporation's share of the next payment made by the commissioner 1171
under division (F) of section 321.24 of the Revised Code or, if 1172
the amount of the deficiency exceeds the amount of the municipal 1173
corporation's share of such payment, withhold the municipal 1174
corporation's share of the payments entirely until the withheld 1175
amount equals the amount of the municipal corporation's 1176
deficiency. 1177

(E) The total amount of payments and distributions 1178
withheld from a municipal corporation under division (D) of this 1179
section shall not exceed the unpaid portion of the municipal 1180
corporation's net distribution deficiency. All amounts withheld 1181
under division (D) of this section shall be credited to the 1182
municipal net profit tax fund. 1183

(F) The commissioner may adopt rules necessary to 1184
administer this section. 1185

Sec. 718.841. (A) The department of taxation shall create 1186

and maintain a world wide web portal capable of securely 1187
exchanging information between the department and municipal 1188
corporations. 1189

(B) The web portal created pursuant to division (A) of 1190
this section shall be used by both the department and municipal 1191
corporations to securely exchange information as required under 1192
sections 718.80 to 718.95 of the Revised Code. The tax 1193
commissioner shall establish the procedures by which municipal 1194
corporations may access the web portal and the format in which 1195
information must be submitted. 1196

(C) If the web portal is unavailable for any reason, the 1197
tax commissioner and municipal corporations shall provide the 1198
information as required under sections 718.80 to 718.95 of the 1199
Revised Code through another secure format. If the commissioner 1200
determines it reasonably necessary, the commissioner may extend 1201
the time within which information must be provided by not more 1202
than forty-five days. If the commissioner extends the time 1203
within which information must be provided, any event attaching a 1204
penalty for failure to provide such information shall be 1205
extended accordingly. 1206

(D) The tax commissioner may modify the web portal created 1207
pursuant to division (A) of this section to enable the exchange 1208
of information between the commissioner and municipal 1209
corporations under Chapter 5745. and division (D) of section 1210
5747.50 of the Revised Code and as otherwise required or 1211
permitted by law. 1212

(E) The tax commissioner may adopt rules governing the use 1213
of the web portal created pursuant to division (A) of this 1214
section. 1215

Sec. 718.85. (A) (1) For each taxable year, every taxpayer 1216
shall file an annual return. Such return, along with the amount 1217
of tax shown to be due on the return less the amount paid for 1218
the taxable year under section 718.88 of the Revised Code, shall 1219
be submitted to the tax commissioner, on a form and in the 1220
manner prescribed by the commissioner, on or before the 1221
fifteenth day of the fourth month following the end of the 1222
taxpayer's taxable year. 1223

~~(2) If a taxpayer has multiple taxable years beginning 1224
within one calendar year, the taxpayer shall aggregate the facts 1225
and figures necessary to compute the tax due under this chapter, 1226
in accordance with sections 718.81, 718.82, and, if applicable, 1227
718.86 of the Revised Code onto its annual return. 1228~~

~~(3) The remittance shall be made payable to the treasurer 1229
of state and in the form prescribed by the tax commissioner. If 1230
the amount payable with the tax return is ten dollars or less, 1231
no remittance is required. 1232~~

(B) The tax commissioner shall immediately forward to the 1233
treasurer of state all amounts the commissioner receives 1234
pursuant to sections 718.80 to 718.95 of the Revised Code. The 1235
treasurer shall credit ~~ninety-nine and one-half per cent of such 1236
amounts to the municipal net profit tax fund which is hereby 1237
created in the state treasury, and the remainder to the 1238
municipal income tax administrative fund established under 1239
section 5745.03 of the Revised Code. 1240~~

(C) (1) Each return required to be filed under this section 1241
shall contain the signature of the taxpayer or the taxpayer's 1242
duly authorized agent and of the person who prepared the return 1243
for the taxpayer, and shall include the taxpayer's 1244
identification number. Each return shall be verified by a 1245

declaration under penalty of perjury. 1246

(2) (a) The tax commissioner may require a taxpayer to 1247
include, with each annual tax return, amended return, or request 1248
for refund filed with the commissioner under sections 718.80 to 1249
718.95 of the Revised Code, copies of any relevant documents or 1250
other information. 1251

(b) A taxpayer that files an annual tax return 1252
electronically through the Ohio business gateway or in another 1253
manner as prescribed by the tax commissioner shall either submit 1254
the documents required under this division electronically as 1255
prescribed at the time of filing or, if electronic submission is 1256
not available, mail the documents to the tax commissioner. The 1257
department of taxation shall publish a method of electronically 1258
submitting the documents required under this division on or 1259
before January 1, 2019. 1260

(3) After a taxpayer files a tax return, the tax 1261
commissioner may request, and the taxpayer shall provide, any 1262
information, statements, or documents required to determine and 1263
verify the taxpayer's municipal income tax. 1264

(D) (1) (a) Any taxpayer that has duly requested an 1265
automatic extension for filing the taxpayer's federal income tax 1266
return shall automatically receive an extension for the filing 1267
of a tax return with the commissioner under this section. The 1268
extended due date of the return shall be the fifteenth day of 1269
the tenth month after the last day of the taxable year to which 1270
the return relates. 1271

(b) A taxpayer that has not requested or received a six- 1272
month extension for filing the taxpayer's federal income tax 1273
return may request that the commissioner grant the taxpayer a 1274

six-month extension of the date for filing the taxpayer's 1275
municipal income tax return. If the commissioner receives the 1276
request on or before the date the municipal income tax return is 1277
due, the commissioner shall grant the taxpayer's extension 1278
request. 1279

(c) An extension of time to file under division (D)(1) of 1280
this section is not an extension of the time to pay any tax due 1281
unless the tax commissioner grants an extension of that date. 1282

(2) If the commissioner considers it necessary in order to 1283
ensure payment of a tax imposed in accordance with section 1284
718.04 of the Revised Code, the commissioner may require 1285
taxpayers to file returns and make payments otherwise than as 1286
provided in this section, including taxpayers not otherwise 1287
required to file annual returns. 1288

(E) Each return required to be filed in accordance with 1289
this section shall include a box that the taxpayer may check to 1290
authorize another person, including a tax return preparer who 1291
prepared the return, to communicate with the tax commissioner 1292
about matters pertaining to the return. The return or 1293
instructions accompanying the return shall indicate that by 1294
checking the box the taxpayer authorizes the commissioner to 1295
contact the preparer or other person concerning questions that 1296
arise during the examination or other review of the return and 1297
authorizes the preparer or other person only to provide the 1298
commissioner with information that is missing from the return, 1299
to contact the commissioner for information about the 1300
examination or other review of the return or the status of the 1301
taxpayer's refund or payments, and to respond to notices about 1302
mathematical errors, offsets, or return preparation that the 1303
taxpayer has received from the commissioner and has shown to the 1304

preparer or other person. 1305

(F) When income tax returns or other documents require the 1306
signature of a tax return preparer, the tax commissioner shall 1307
accept a facsimile or electronic version of such a signature in 1308
lieu of a manual signature. 1309

Sec. 718.90. (A) If any taxpayer required to file a return 1310
under section 718.80 to 718.95 of the Revised Code fails to file 1311
the return within the time prescribed, files an incorrect 1312
return, or fails to remit the full amount of the tax due for the 1313
period covered by the return, the tax commissioner may make an 1314
assessment against the taxpayer for any deficiency for the 1315
period for which the return or tax is due, based upon any 1316
information in the commissioner's possession. 1317

The tax commissioner shall not make or issue an assessment 1318
against a taxpayer more than three years after the later of the 1319
date the return subject to assessment was required to be filed 1320
or the date the return was filed. Such time limit may be 1321
extended if both the taxpayer and the commissioner consent in 1322
writing to the extension. Any such extension shall extend the 1323
three-year time limit in section 718.91 of the Revised Code for 1324
the same period of time. There shall be no bar or limit to an 1325
assessment against a taxpayer that fails to file a return 1326
subject to assessment as required by sections 718.80 to 718.95 1327
of the Revised Code, or that files a fraudulent return. The 1328
commissioner shall give the taxpayer assessed written notice of 1329
the assessment as provided in section 5703.37 of the Revised 1330
Code. With the notice, the commissioner shall provide 1331
instructions on how to petition for reassessment and request a 1332
hearing on the petition. 1333

(B) Unless the taxpayer assessed files with the tax 1334

commissioner within sixty days after service of the notice of 1335
assessment, either personally or by certified mail, a written 1336
petition for reassessment signed by the authorized agent of the 1337
taxpayer assessed having knowledge of the facts, the assessment 1338
becomes final, and the amount of the assessment is due and 1339
payable from the taxpayer to the treasurer of state. The 1340
petition shall indicate the taxpayer's objections, but 1341
additional objections may be raised in writing if received by 1342
the commissioner prior to the date shown on the final 1343
determination. If the petition has been properly filed, the 1344
commissioner shall proceed under section 5703.60 of the Revised 1345
Code. 1346

(C) After an assessment becomes final, if any portion of 1347
the assessment remains unpaid, including accrued interest, a 1348
certified copy of the tax commissioner's entry making the 1349
assessment final may be filed in the office of the clerk of the 1350
court of common pleas in the county in which the taxpayer has an 1351
office or place of business in this state, the county in which 1352
the taxpayer's statutory agent is located, or Franklin county. 1353

Immediately upon the filing of the entry, the clerk shall 1354
enter a judgment against the taxpayer assessed in the amount 1355
shown on the entry. The judgment may be filed by the clerk in a 1356
loose-leaf book entitled "special judgments for municipal income 1357
taxes," and shall have the same effect as other judgments. 1358
Execution shall issue upon the judgment upon the request of the 1359
tax commissioner, and all laws applicable to sales on execution 1360
shall apply to sales made under the judgment. 1361

If the assessment is not paid in its entirety within sixty 1362
days after the day the assessment was issued, the portion of the 1363
assessment consisting of tax due shall bear interest at the rate 1364

per annum prescribed by section 5703.47 of the Revised Code from 1365
the day the commissioner issues the assessment until the 1366
assessment is paid or until it is certified to the attorney 1367
general for collection under section 131.02 of the Revised Code, 1368
whichever comes first. If the unpaid portion of the assessment 1369
is certified to the attorney general for collection, the entire 1370
unpaid portion of the assessment shall bear interest at the rate 1371
per annum prescribed by section 5703.47 of the Revised Code from 1372
the date of certification until the date it is paid in its 1373
entirety. Interest shall be paid in the same manner as the tax 1374
and may be collected by issuing an assessment under this 1375
section. 1376

~~(D) All~~ (D) (1) Except as provided in division (D) (2) of 1377
this section, all money collected under this section shall be 1378
credited to the municipal net profit tax fund and distributed to 1379
the municipal corporation to which the money is owed based on 1380
the assessment issued under this section. 1381

(2) The attorney general may assess collection costs as 1382
authorized under section 109.08, 109.081, or 131.02 of the 1383
Revised Code on amounts collected under this section, which 1384
shall be credited to the attorney general claims fund created 1385
under section 109.081 of the Revised Code. 1386

(E) If the tax commissioner believes that collection of 1387
the tax will be jeopardized unless proceedings to collect or 1388
secure collection of the tax are instituted without delay, the 1389
commissioner may issue a jeopardy assessment against the 1390
taxpayer liable for the tax. Immediately upon the issuance of 1391
the jeopardy assessment, the commissioner shall file an entry 1392
with the clerk of the court of common pleas in the manner 1393
prescribed by division (C) of this section. Notice of the 1394

jeopardy assessment shall be served on the taxpayer assessed or 1395
the taxpayer's legal representative in the manner provided in 1396
section 5703.37 of the Revised Code within five days of the 1397
filing of the entry with the clerk. The total amount assessed is 1398
immediately due and payable, unless the taxpayer assessed files 1399
a petition for reassessment in accordance with division (B) of 1400
this section and provides security in a form satisfactory to the 1401
commissioner and in an amount sufficient to satisfy the unpaid 1402
balance of the assessment. Full or partial payment of the 1403
assessment does not prejudice the commissioner's consideration 1404
of the petition for reassessment. 1405

(F) Notwithstanding the fact that a petition for 1406
reassessment is pending, the taxpayer may pay all or a portion 1407
of the assessment that is the subject of the petition. The 1408
acceptance of a payment by the treasurer of state does not 1409
prejudice any claim for refund upon final determination of the 1410
petition. 1411

If upon final determination of the petition an error in 1412
the assessment is corrected by the tax commissioner, upon 1413
petition so filed or pursuant to a decision of the board of tax 1414
appeals or any court to which the determination or decision has 1415
been appealed, so that the amount due from the taxpayer under 1416
the corrected assessment is less than the portion paid, there 1417
shall be issued to the taxpayer, its assigns, or legal 1418
representative a refund in the amount of the overpayment as 1419
provided by section 718.91 of the Revised Code, with interest on 1420
that amount as provided by that section. 1421

Sec. 5703.77. (A) As used in this section: 1422

(1) "Taxpayer" means a person subject to or previously 1423
subject to a tax or fee, a person that remits a tax or fee, or a 1424

person required to or previously required to withhold or collect 1425
and remit a tax or fee on behalf of another person. 1426

(2) "Tax or fee" means a tax or fee administered by the 1427
tax commissioner. 1428

(3) "Credit account balance" means the amount of a tax or 1429
fee that a taxpayer remits to the state in excess of the amount 1430
required to be remitted, after accounting for factors applicable 1431
to the taxpayer such as accelerated payments, estimated 1432
payments, tax credits, and tax credit balances that may be 1433
carried forward. 1434

(4) "Tax debt" means an unpaid tax or fee or any unpaid 1435
penalty, interest, or additional charge on such a tax or fee due 1436
the state. 1437

(B) As soon as practicable, but not later than sixty days 1438
before the expiration of the period of time during which a 1439
taxpayer may file a refund application for a tax or fee, the tax 1440
commissioner shall review the taxpayer's accounts for the tax or 1441
fee and notify the taxpayer of any credit account balance for 1442
which the commissioner is required to issue a refund if the 1443
taxpayer were to file a refund application for that balance, 1444
regardless of whether the taxpayer files a refund application or 1445
amended return with respect to that tax or fee. The notice shall 1446
be made using contact information for the taxpayer on file with 1447
the commissioner. 1448

(C) Notwithstanding sections 128.47, 718.91, 3734.905, 1449
4307.05, 5726.30, 5727.28, 5727.42, 5727.91, 5728.061, 5735.122, 1450
5736.08, 5739.07, 5739.104, 5741.10, 5743.05, 5743.53, 5747.11, 1451
5749.08, 5751.08, 5753.06, and any other section of the Revised 1452
Code governing refunds of taxes or fees, the commissioner may 1453

apply the amount of any credit account balance for which the 1454
commissioner is required to issue a refund if the taxpayer were 1455
to file a refund application for that balance as a credit 1456
against the taxpayer's liability for the tax or fee in the 1457
taxpayer's next reporting period for that tax or fee or issue a 1458
refund of that credit account balance to the taxpayer, subject 1459
to division (D) of this section. 1460

(D) Before issuing a refund to a taxpayer under division 1461
(C) of this section, the tax commissioner shall withhold from 1462
that refund the amount of any of the taxpayer's tax debt 1463
certified to the attorney general under section 131.02 of the 1464
Revised Code and the amount of the taxpayer's liability, if any, 1465
for a tax or fee. The commissioner shall apply any amount 1466
withheld first in satisfaction of the amount of the taxpayer's 1467
certified tax debt and then in satisfaction of the taxpayer's 1468
liability. If the credit account balance originates from the tax 1469
administered under sections 718.80 to 718.95 of the Revised 1470
Code, it may be applied only against the taxpayer's certified 1471
tax debt or tax liability due under those sections. 1472

(E) The tax commissioner may adopt rules to administer 1473
this section. 1474

Section 2. That existing sections 718.01, 718.80, 718.81, 1475
718.83, 718.85, 718.90, and 5703.77 of the Revised Code are 1476
hereby repealed. 1477

Section 3. (A) The amendment by this act of section 718.01 1478
and division (B) of section 718.81 of the Revised Code applies 1479
to municipal taxable years beginning on and after January 1, 1480
2020. 1481

(B) Except as provided in division (A) of this section, 1482

the amendment by this act of sections 718.80, 718.81, and 718.85 1483
of the Revised Code applies to municipal taxable years beginning 1484
on or after January 1, 2022. 1485

Section 4. With respect to the world wide web portal 1486
required to be established under section 718.841 of the Revised 1487
Code, the Department of Taxation shall make the portal available 1488
to municipal corporations for the exchange of information 1489
required by division (C) (1) of section 718.80 of the Revised 1490
Code and divisions (B), (C), and (D) of section 718.84 of the 1491
Revised Code upon the effective date of the enactment by this 1492
act of section 718.841 of the Revised Code, and shall continue 1493
to add functionality to the portal until such time that the 1494
portal is capable of handling the exchange of all information 1495
necessary to be exchanged for the purposes of administering 1496
sections 718.80 to 718.95 of the Revised Code. 1497

Section 5. (A) The Governor may execute a Governor's Deed 1498
in the name of the State conveying to Yukon Investments, LLC, an 1499
Ohio limited liability company, and its successors and assigns, 1500
or to an alternate purchaser or purchasers, and to the alternate 1501
purchaser or purchaser's successors and assigns, all of the 1502
State's right, title and interest in the following described 1503
real estate: 1504

Situated in the City of Cincinnati, County of Hamilton, 1505
and State of Ohio in Section 8, Township 3, Fractional Range 2, 1506
Miami Purchase, and more particularly described as follows: 1507

Beginning at the northwest corner of McMillan Street and 1508
Melrose Avenue, thence N 0° 10' E along the west line of Melrose 1509
Avenue 330 feet; thence N 89° 40' W parallel with Wm. Howard 1510
Taft Road 45.72 feet; thence north parallel with Chatham Street 1511
0.78 feet to a point 168 feet south of the south line of Wm. 1512

Howard Taft Road; thence N 89° 40' W parallel with Wm. Howard 1513
Taft Road 75 feet; thence north parallel with Chatham Street 1514
35.07 feet; thence N 89° 53' W parallel with the original north 1515
line of McMillan Street 28 feet to a point 132 feet east of the 1516
east line of Chatham Street; thence south parallel with Chatham 1517
Street 375 feet to the north line of McMillan Street; thence 1518
along the northerly line of McMillan Street the following 1519
courses and distances: N 73° 03' E 29.01 feet, S 89° 53' E 44.46 1520
feet and N 89° 58' E 75.54 feet to the place of beginning. 1521

Being the same premises described in Deed from the 1522
Ambassador Corporation to Colonial Stores Incorporated dated 1523
November 29, 1966, and recorded in Deed Book 3518, Page 800, 1524
Deed Records of Hamilton County, Ohio. 1525

Hamilton County Parcel Nos. 067-0002-0010-90, 067-0002- 1526
0011-90, 067-0002-0054-90 and 067-0002-0194-90. 1527

Prior Instrument Reference No.: Deed Book 4002, Page 458 1528

The foregoing legal description may be corrected or 1529
modified by the Department of Administrative Services to a final 1530
form if such corrections or modifications are needed to 1531
facilitate recordation of the deed. 1532

(B) (1) The conveyance shall include the improvements and 1533
chattels situated on the real estate, and is subject to all 1534
easements, covenants, conditions, and restrictions of record: 1535
all legal highways and public rights-of-way; zoning, building, 1536
and other laws, ordinances, restrictions, and regulations; and 1537
real estate taxes and assessments not yet due and payable. The 1538
real estate shall be conveyed in an "as-is, where-is, with all 1539
faults" condition. 1540

(2) The deed for the conveyance of the real estate 1541

described in division (A) of this section may contain 1542
restrictions, exceptions, reservations, reversionary interests, 1543
or other terms and conditions the Director of Administrative 1544
Services and the Board of Trustees of the University of 1545
Cincinnati determine to be in the best interest of the State. 1546

(3) Subsequent to the conveyance, any restrictions, 1547
exceptions, reservations, reversionary interests, or other terms 1548
and conditions contained in the deed may be released by the 1549
State or the Board of Trustees of the University of Cincinnati 1550
without the necessity of further legislation. 1551

(C) Consideration for the conveyance of the real estate 1552
described in division (A) of this section shall be One Million 1553
Six Hundred Thousand and 00/100 Dollars (\$1,600,000.00). If 1554
Yukon Investments, LLC does not complete the purchase of the 1555
real estate described in division (A) of this section within one 1556
hundred (100) days from the effective date of this section, the 1557
Director of Administrative Services may use any reasonable 1558
method of sale considered acceptable by the Board of Trustees of 1559
the University of Cincinnati to determine an alternate purchaser 1560
or purchasers willing to complete the purchase within three (3) 1561
years after the effective date of this section. In that case, 1562
consideration for the conveyance of the real estate to an 1563
alternate purchaser or purchasers shall be at a price and 1564
pursuant to terms and conditions acceptable to the Board of 1565
Trustees of the University of Cincinnati. 1566

(D) The real estate described in division (A) of this 1567
section shall be sold as an entire tract and not in parcels. 1568

(E) The purchaser or purchasers shall pay all costs 1569
associated with the purchase, closing and conveyance of the 1570
subject real estate, including appraisals, surveys, title 1571

evidence, title insurance, transfer costs and fees, recording 1572
costs and fees, taxes, and any other fees, assessments, and 1573
costs that may be imposed. 1574

The net proceeds of the sale of the real estate shall be 1575
deposited into university accounts for purposes to be determined 1576
by the Board of Trustees of the University of Cincinnati. 1577

(F) A Governor's Deed to the purchaser or purchasers shall 1578
be drafted and recorded in accordance with Ohio Revised Code 1579
Section 5301.13. The Governor's Deed shall state the 1580
consideration and shall be executed by the Governor in the name 1581
of the State, countersigned by the Secretary of State, sealed 1582
with the Great Seal of the State, and delivered to the purchaser 1583
or purchasers. The purchaser or purchasers shall present the 1584
Governor's Deed for recording in the Office of the Hamilton 1585
County Recorder. 1586

(G) This section shall expire three (3) years after its 1587
effective date. 1588