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**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  
Senators Roegner, Blessing, Brenner, Cirino, Gavarone, Hackett, Johnson, Lang, Reineke, Romanchuk, Rulli, Sykes, Thomas, Wilson, Yuko**

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**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 term used in this chapter 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 control over the use of the term in Title LVII of the Revised Code.

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

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

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

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

(ii) For an individual who is a resident of a qualified municipal corporation, Ohio adjusted gross income reduced by income exempted, and increased by deductions excluded, by the qualified municipal corporation from the qualified municipal corporation's tax. If a qualified municipal corporation, on or before December 31, 2013, exempts income earned by individuals

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.	106 107 108 109 110 111 112
(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.	113 114 115 116 117 118 119 120
(3) For taxpayers that are not individuals, net profit of the taxpayer;	121 122
(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.	123 124 125 126 127 128
(C) "Exempt income" means all of the following:	129
(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;	130 131 132
(2) (a) Except as provided in division (C) (2) (b) of this	133

section, intangible income;	134
(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 withhold any tax from that compensation.	164 165
(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	188 189 190 191

center for air force operations, unless the person is subject to 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 311  
enforced by a municipal corporation pursuant to an agreement 312  
with the board of directors of a joint economic development 313  
district under section 715.72 of the Revised Code, the net 314  
profits of a business, and the income of the employees of that 315  
business, exempted from the tax under division (Q) of that 316  
section. 317

(20) All of the following: 318

(a) Income derived from disaster work conducted in this 319  
state by an out-of-state disaster business during a disaster 320  
response period pursuant to a qualifying solicitation received 321  
by the business; 322

(b) Income of a qualifying employee described in division 323  
(A) (14) (a) of section 5703.94 of the Revised Code, to the extent 324  
such income is derived from disaster work conducted in this 325  
state by the employee during a disaster response period pursuant 326  
to a qualifying solicitation received by the employee's 327  
employer; 328

(c) Income of a qualifying employee described in division 329  
(A) (14) (b) of section 5703.94 of the Revised Code, to the extent 330  
such income is derived from disaster work conducted in this 331  
state by the employee during a disaster response period on 332  
critical infrastructure owned or used by the employee's 333  
employer. 334

(21) Income the taxation of which is prohibited by the 335  
constitution or laws of the United States. 336

Any item of income that is exempt income of a pass-through 337  
entity under division (C) of this section is exempt income of 338  
each owner of the pass-through entity to the extent of that 339

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 person may deduct, for purposes of an income tax levied by a municipal corporation that levies an income tax before January 1, 2016, the full amount allowed by division (D) (3) of this section without regard to the limitation of division (D) (3) (b) (i) of this section.

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

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

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

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

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 574  
compensation attributable to a plan or program described in 575  
section 125 of the Internal Revenue Code. 576

(b) Any amount included in wages if the amount constitutes 577  
payment on account of a disability related to sickness or an 578  
accident paid by a party unrelated to the employer, agent of an 579  
employer, or other payer. 580

(c) Any amount attributable to a nonqualified deferred 581  
compensation plan or program described in section 3121(v) (2) (C) 582  
of the Internal Revenue Code if the compensation is included in 583  
wages and the municipal corporation has, by resolution or 584  
ordinance adopted before January 1, 2016, exempted the amount 585  
from withholding and tax. 586

(d) Any amount included in wages if the amount arises from 587  
the sale, exchange, or other disposition of a stock option, the 588  
exercise of a stock option, or the sale, exchange, or other 589  
disposition of stock purchased under a stock option and the 590  
municipal corporation has, by resolution or ordinance adopted 591  
before January 1, 2016, exempted the amount from withholding and 592  
tax. 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 596  
employee was employed by the employer before April 1, 1986. 597

(b) Any amount not included in wages because the amount 598  
arises from the sale, exchange, or other disposition of a stock 599  
option, the exercise of a stock option, or the sale, exchange, 600  
or other disposition of stock purchased under a stock option and 601  
the municipal corporation has not, by resolution or ordinance, 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.

**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.

As used in sections 718.80 to 718.95 of the Revised Code only:

(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.

(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

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