

As Introduced

**135th General Assembly
Regular Session
2023-2024**

H. B. No. 638

Representative Barhorst

A BILL

To amend sections 5703.052 and 5739.132 of the
Revised Code to eliminate interest on county
sales tax refunds and extend the time for state
recovery of amounts of refunded taxes from local
subdivisions.

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

Section 1. That sections 5703.052 and 5739.132 of the
Revised Code be amended to read as follows:

Sec. 5703.052. (A) There is hereby created in the state
treasury the tax refund fund, from which refunds shall be paid
for amounts illegally or erroneously assessed or collected, or
for any other reason overpaid, with respect to taxes levied by
Chapter 4301., 4305., 5726., 5728., 5729., 5731., 5733., 5735.,
5736., 5739., 5741., 5743., 5747., 5748., 5749., 5751., or 5753.
and sections 3737.71, 3905.35, 3905.36, 4303.33, 5707.03,
5725.18, 5727.28, 5727.38, 5727.81, and 5727.811 of the Revised
Code. Refunds for fees levied under sections 3734.90 to
3734.9014 of the Revised Code, wireless 9-1-1 charges imposed
under section 128.40 of the Revised Code, next generation 9-1-1
access fees imposed under sections 128.41 and 128.42 of the

Revised Code, or any penalties assessed with respect to such 20
fees or charges, that are illegally or erroneously assessed or 21
collected, or for any other reason overpaid, also shall be paid 22
from the fund. Refunds for amounts illegally or erroneously 23
assessed or collected by the tax commissioner, or for any other 24
reason overpaid, that are due under section 1509.50 of the 25
Revised Code shall be paid from the fund. Refunds for amounts 26
illegally or erroneously assessed or collected by the 27
commissioner, or for any other reason overpaid to the 28
commissioner, under sections 718.80 to 718.95 of the Revised 29
Code shall be paid from the fund. However, refunds for amounts 30
illegally or erroneously assessed or collected by the 31
commissioner, or for any other reason overpaid to the 32
commissioner, with respect to taxes levied under section 33
5739.101 of the Revised Code shall not be paid from the tax 34
refund fund, but shall be paid as provided in section 5739.104 35
of the Revised Code. 36

(B) (1) Upon certification by the tax commissioner to the 37
treasurer of state of a tax refund, a wireless 9-1-1 charge 38
refund, a next generation 9-1-1 access fee refund, or another 39
amount refunded, or by the superintendent of insurance of a 40
domestic or foreign insurance tax refund, the treasurer of state 41
shall place the amount certified to the credit of the fund. The 42
certified amount transferred shall be derived from the receipts 43
of the same tax, fee, wireless 9-1-1 charge, next generation 9- 44
1-1 access fee, or other amount from which the refund arose. 45

(2) When a refund is for a tax, fee, wireless 9-1-1 46
charge, next generation 9-1-1 access fee, or other amount that 47
is not levied by the state or that was illegally or erroneously 48
distributed to a taxing jurisdiction, the tax commissioner shall 49
recover the amount of that refund from the next distribution of 50

that tax, fee, wireless 9-1-1 charge, next generation 9-1-1 51
access fee, or other amount that otherwise would be made to the 52
taxing jurisdiction. If the amount to be recovered would exceed 53
twenty-five per cent of the next distribution of that tax, fee, 54
wireless 9-1-1 charge, next generation 9-1-1 access fee, or 55
other amount, the commissioner may spread the recovery over more 56
than one future distribution, taking into account the amount to 57
be recovered and the amount of the anticipated future 58
distributions. In no event may the commissioner spread the 59
recovery over a period to exceed ~~thirty-six~~seventy-two months. 60

Sec. 5739.132. (A) If a tax, fee, or charge due under this 61
chapter or Chapter 128. or 5741. of the Revised Code is not paid 62
on or before the day the payment is required to be paid, 63
interest shall accrue on the unpaid tax, fee, or charge at the 64
rate per annum prescribed by section 5703.47 of the Revised Code 65
from the day the tax, fee, or charge was required to be paid 66
until the tax, fee, or charge is paid or until the day an 67
assessment is issued under section 5739.13 or 5739.15 of the 68
Revised Code, whichever occurs first. Interest shall be paid in 69
the same manner as the tax, fee, or charge, and may be collected 70
by assessment. 71

~~(B) Interest~~ (B) (1) Except as provided in division (B) (2) 72
of this section, interest shall be allowed and paid on any 73
refund granted pursuant to section 128.47, 5739.07, or 5741.10 74
of the Revised Code from the date of the overpayment. The 75
interest shall be computed at the rate per annum prescribed by 76
section 5703.47 of the Revised Code. 77

(2) No interest shall be allowed or paid on a refund of a 78
tax levied pursuant to section 5739.021, 5739.026, 5741.021, or 79
5741.023 of the Revised Code. 80

Section 2. That existing sections 5703.052 and 5739.132 of 81
the Revised Code are hereby repealed. 82

Section 3. The amendment by this act of section 5739.132 83
of the Revised Code applies to refunds allowed on and after the 84
effective date of that amendment. 85