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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

H.B. 613
136th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 613's Bill Analysis](#)

Version: As Introduced

Primary Sponsors: Reps. Click and D. Thomas

Local Impact Statement Procedure Required: No

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Highlights

- The bill may increase the administrative and operational costs of the Department of Taxation and the Board of Tax Appeals by imposing shorter and more specific time frames for resolving cases, but this effect is uncertain and depends on the current staffing needs of each department.
- The bill has no direct fiscal effect on local governments or other political subdivisions.

Detailed Analysis

The bill makes several changes to Ohio's tax administration and appeals process. It establishes a one-year deadline for the Board of Tax Appeals (BTA) to issue decisions and creates a 180-day deadline for holding hearings on tax assessments and refund appeals, with limited extensions. The bill authorizes the Tax Commissioner to request settlement conferences and allows taxpayers to obtain a "proposed" final determination before a final decision is issued. If the Commissioner does not issue a final determination within one year, the taxpayer may appeal directly to the BTA, and the bill sets a burden-shifting standard requiring the Commissioner to prove the Commissioner's case by clear and convincing evidence once the taxpayer makes a prima-facie showing. The bill suspends interest accrual on unpaid assessments one year after an appeal is filed until a final determination is issued. It also strengthens the role of problem resolution officers by requiring at least one full-time officer, an online request form, and a public directory. Finally, the bill expands the Department of Taxation's annual report to include the duration of audits and appeals, the number of unresolved matters categorized by age, and statistics organized by tax type and taxpayer type.

Fiscal effect

The bill may increase the administrative and operational costs of the Department of Taxation and the Board of Tax Appeals by imposing shorter and more specific time frames for resolving cases. Both agencies may incur additional hiring and training costs to comply with the bill's requirements. The total cost is uncertain and depends on the different staffing needs of each agency. LBO staff contacted the Department of Taxation about its estimated cost to implement the bill and is awaiting a response.

The bill's suspension of interest accrual on unpaid assessments one year after an appeal is filed, until the appeal is resolved, may result in some revenue loss, though any loss is expected to be minimal. After the appeal is resolved, interest on unpaid taxes will resume accruing.

The bill has no direct fiscal effect on local governments or other political subdivisions.