

**As Introduced**

**136th General Assembly  
Regular Session  
2025-2026**

**S. B. No. 284**

**Senator Schaffer**

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To amend sections 5747.15 and 5751.06 and to enact  
section 5739.125 of the Revised Code to waive  
penalties for taxpayers that do not file certain  
tax returns because no tax is due.

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

**Section 1.** That sections 5747.15 and 5751.06 be amended  
and section 5739.125 of the Revised Code be enacted to read as  
follows:

**Sec. 5739.125.** Notwithstanding any other provision of this  
chapter or Chapter 5741. of the Revised Code, the tax  
commissioner shall not impose any penalty or interest under  
either chapter or take any action otherwise authorized under  
section 5739.30 of the Revised Code for the failure to file a  
return if no amount of tax is due with the return.

**Sec. 5747.15.** (A) In addition to any other penalty imposed  
by this chapter or Chapter 5703. of the Revised Code, the  
following penalties shall apply:

(1) If a taxpayer, a qualifying entity, an electing pass-  
through entity, or an employer required to file any report or  
return, including an informational notice, report, or return,  
under this chapter fails to make and file the report or return

within the time prescribed, including any extensions of time 21  
granted by the tax commissioner, a penalty may be imposed not 22  
exceeding the greater of fifty dollars per month or fraction of 23  
a month, not to exceed five hundred dollars, or five per cent 24  
per month or fraction of a month, not to exceed fifty per cent, 25  
of the sum of the taxes required to be shown on the report or 26  
return, for each month or fraction of a month elapsing between 27  
the due date, including extensions of the due date, and the date 28  
on which filed. 29

(2) If a taxpayer fails to pay any amount of tax required 30  
to be paid under section 5733.41 or Chapters 5747. or 5748. of 31  
the Revised Code, except estimated tax under section 5747.09 or 32  
5747.43 of the Revised Code, by the dates prescribed for 33  
payment, a penalty may be imposed not exceeding twice the 34  
applicable interest charged under division (G) of section 35  
5747.08 of the Revised Code for the delinquent payment. 36

(3) (a) If an employer fails to pay any amount of tax 37  
imposed by section 5747.02 of the Revised Code and required to 38  
be paid under this chapter by the dates prescribed for payment, 39  
a penalty may be imposed not exceeding the sum of ten per cent 40  
of the delinquent payment plus twice the interest charged under 41  
division (F) (5) of section 5747.07 of the Revised Code for the 42  
delinquent payment. 43

(b) If a qualifying entity or an electing pass-through 44  
entity fails to pay any amount of tax imposed by section 45  
5733.41, 5747.38, or 5747.41 of the Revised Code and required to 46  
be paid under this chapter by the dates prescribed for payment, 47  
a penalty may be imposed not exceeding the sum of ten per cent 48  
of the delinquent payment plus twice the applicable interest 49  
charged under division (G) of section 5747.08 of the Revised 50

Code for the delinquent payment. 51

(4) (a) If an employer withholds from employees the tax 52  
imposed by section 5747.02 of the Revised Code and fails to 53  
remit the tax withheld to the state as required by this chapter 54  
on or before the dates prescribed for payment, a penalty may be 55  
imposed not exceeding fifty per cent of the delinquent payment. 56

(b) If a qualifying entity withholds any amount of tax 57  
imposed under section 5747.41 of the Revised Code from an 58  
individual's qualifying amount and fails to remit that amount to 59  
the state as required by sections 5747.42 to 5747.453 of the 60  
Revised Code on or before the dates prescribed for payment, a 61  
penalty may be imposed not exceeding fifty per cent of the 62  
delinquent payment. 63

(5) If a taxpayer, a qualifying entity, an electing pass- 64  
through entity, or an employer files what purports to be a 65  
return required by this chapter that does not contain 66  
information upon which the substantial correctness of the return 67  
may be judged or contains information that on its face indicates 68  
that the return is substantially incorrect, and the filing of 69  
the return in that manner is due to a position that is frivolous 70  
or a desire that is apparent from the return to delay or impede 71  
the administration of the tax levied by section 5733.41, 72  
5747.02, 5747.38, or 5747.41, or Chapter 5748. of the Revised 73  
Code, a penalty of up to five hundred dollars may be imposed. 74

(6) If a taxpayer, a qualifying entity, or an electing 75  
pass-through entity makes a fraudulent attempt to evade the 76  
reporting or payment of the tax required to be shown on any 77  
return required under this chapter, a penalty may be imposed not 78  
exceeding the greater of one thousand dollars or one hundred per 79  
cent of the tax required to be shown on the return. 80

(7) If any person makes a false or fraudulent claim for a refund under this chapter, a penalty may be imposed not exceeding the greater of one thousand dollars or one hundred per cent of the claim. The penalty imposed under division (A) (7) of this section, any refund issued on the claim, and interest on any refund from the date of the refund, may be assessed under section 5747.13 of the Revised Code as tax, penalty, or interest imposed under section 5733.41, 5747.02, 5747.38, or 5747.41 of the Revised Code, without regard to whether the person making the claim is otherwise subject to the provisions of this chapter or Chapter 5733. of the Revised Code, and without regard to any time limitation for the assessment imposed by division (A) of section 5747.13 of the Revised Code.

(B) For purposes of this section, the taxes required to be shown on the return shall be reduced by the amount of any part of the taxes paid on or before the date, including any extensions of the date, prescribed for filing the return.

(C) Any penalty imposed under this section shall be in addition to all other penalties imposed under this section. All or part of any penalty imposed under this section may be abated by the commissioner. All or part of any penalty imposed under this section may be abated by the commissioner if the taxpayer, qualifying entity, electing pass-through entity, or employer shows that the failure to comply with the provisions of this chapter is due to reasonable cause and not willful neglect.

(D) Notwithstanding any other provision of this section or chapter, the tax commissioner shall not impose any penalty or interest under this chapter for the failure to file a return or report if no amount of tax is due with the return or report.

**Sec. 5751.06.** (A) Any taxpayer that fails to file a return

or pay the full amount of the tax due within the period 111  
prescribed therefor under this chapter shall pay a penalty in an 112  
amount not exceeding the greater of fifty dollars or ten per 113  
cent of the tax required to be paid for the tax period. 114

(B) (1) If any additional tax is found to be due, the tax 115  
commissioner may impose an additional penalty of up to fifteen 116  
per cent on the additional tax found to be due. 117

(2) Any delinquent payments of the tax made after a 118  
taxpayer is notified of an audit or a tax discrepancy by the 119  
commissioner is subject to the penalty imposed by division (B) 120  
of this section. If an assessment is issued under section 121  
5751.09 of the Revised Code in connection with such delinquent 122  
payments, the payments shall be credited to the assessment. 123

(C) If the tax commissioner notifies a person required to 124  
register under section 5751.05 of the Revised Code of such 125  
requirement and of the requirement to remit the tax due under 126  
this chapter, and the person fails to so register and remit the 127  
tax within sixty days after such notice, the tax commissioner 128  
may impose an additional penalty of up to thirty-five per cent 129  
of the tax due. The penalty imposed under this division is in 130  
addition to any other penalties imposed under this section. 131

(D) The tax commissioner may collect any penalty or 132  
interest imposed by this section in the same manner as the tax 133  
imposed under this chapter. Penalties and interest so collected 134  
shall be considered as revenue arising from the tax imposed 135  
under this chapter. 136

(E) The tax commissioner may abate all or a portion of any 137  
penalties imposed under this section and may adopt rules 138  
governing such abatements. 139

(F) If any tax due is not timely paid in accordance with 140  
this chapter, the taxpayer shall pay interest, calculated at the 141  
rate per annum prescribed by section 5703.47 of the Revised 142  
Code, from the date the tax payment was due to the date of 143  
payment or to the date an assessment was issued, whichever 144  
occurs first. 145

(G) The tax commissioner may impose a penalty of up to ten 146  
per cent for any additional tax that is due under division (B) 147  
(2) of section 5751.051 of the Revised Code from a taxpayer 148  
incorrectly reporting its taxable gross receipts. 149

(H) If the tax commissioner discovers that a taxpayer has 150  
billed or invoiced another person for the tax imposed under this 151  
chapter in violation of division (B) of section 5751.02 of the 152  
Revised Code, the tax commissioner shall notify the taxpayer of 153  
the violation in the manner provided in section 5703.37 of the 154  
Revised Code and may impose a penalty of up to five hundred 155  
dollars. If the taxpayer subsequently bills or invoices a person 156  
for the tax imposed under this chapter, the tax commissioner 157  
shall impose a penalty of five hundred dollars. 158

(I) Notwithstanding any other provision of this section or 159  
chapter, the tax commissioner shall not impose any penalty or 160  
interest under this chapter for the failure to file a return if 161  
no amount of tax is due with the return. 162

**Section 2.** That existing sections 5747.15 and 5751.06 of 163  
the Revised Code are hereby repealed. 164

**Section 3.** The amendment or enactment by this act of 165  
sections 5739.125, 5774.15, and 5751.06 of the Revised Code 166  
applies to returns or reports required to be filed on or after 167  
the effective date of that amendment or enactment. 168