

As Introduced

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

S. B. No. 359

Senator Schaffer

To amend sections 323.121, 323.132, 323.31, 718.08, 1
718.27, 718.88, 718.89, 4503.06, 5703.42, 2
5703.52, 5703.60, 5703.70, 5717.01, 5717.011, 3
5717.02, 5721.011, 5726.21, 5739.02, 5745.04, 4
5747.09, 5747.15, 5747.43, and 5751.06 and to 5
enact sections 5703.59, 5717.021, and 5739.125 6
of the Revised Code to modify the tax 7
enforcement authority of the Department of 8
Taxation, municipal tax administrators, county 9
treasurers, and the Board of Tax Appeals and to 10
modify a sales tax exemption for automated car 11
wash services. 12

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

Section 1. That sections 323.121, 323.132, 323.31, 718.08, 13
718.27, 718.88, 718.89, 4503.06, 5703.42, 5703.52, 5703.60, 14
5703.70, 5717.01, 5717.011, 5717.02, 5721.011, 5726.21, 5739.02, 15
5745.04, 5747.09, 5747.15, 5747.43, and 5751.06 be amended and 16
sections 5703.59, 5717.021, and 5739.125 of the Revised Code be 17
enacted to read as follows: 18

Sec. 323.121. (A) (1) Except as otherwise provided in 19
division (A) (2) of this section, if one-half of the current 20
taxes charged against an entry of real estate together with the 21

full amount of any delinquent taxes are not paid on or before 22
the thirty-first day of December in that year or on or before 23
the last day for payment as extended pursuant to section 323.17 24
of the Revised Code, a penalty of ten per cent shall be charged 25
against the unpaid balance of such half of the current taxes on 26
the duplicate. If the total amount of all the taxes is not paid 27
on or before the twentieth day of June, next thereafter, or on 28
or before the last day for payment as extended pursuant to 29
section 323.17 of the Revised Code, a like penalty shall be 30
charged on the balance of the total amount of such unpaid 31
current taxes. 32

(2) After a valid delinquent or omitted tax contract that 33
includes unpaid current taxes from a first-half collection 34
period described in section 323.12 of the Revised Code has been 35
entered into under section 323.31 or 5713.20 of the Revised 36
Code, no ten per cent penalty shall be charged against such 37
taxes after the second-half collection period while the 38
delinquent or omitted tax contract remains in effect. On the day 39
a delinquent or omitted tax contract becomes void, the ten per 40
cent penalty shall be charged against such taxes and shall equal 41
the amount of penalty that would have been charged against 42
unpaid current taxes outstanding on the date on which the 43
second-half penalty would have been charged thereon under 44
division (A)(1) of this section if the contract had not been in 45
effect. 46

(B)(1) On the first day of the month following the last 47
day the second installment of taxes may be paid without penalty, 48
interest shall be charged against and computed on all delinquent 49
taxes other than the current taxes that became delinquent taxes 50
at the close of the last day such second installment could be 51
paid without penalty. The charge shall be for interest that 52

accrued during the period that began on the preceding first day 53
of December and ended on the last day of the month that included 54
the last date such second installment could be paid without 55
penalty. The interest shall be computed at the rate per annum 56
prescribed by section 5703.47 of the Revised Code and shall be 57
entered as a separate item on the tax list and duplicate 58
compiled under section 319.28 or 5721.011 of the Revised Code, 59
whichever list and duplicate are first compiled after the date 60
on which the interest is computed and charged. However, for 61
tracts and lots on the real property tax suspension list under 62
section 319.48 of the Revised Code, the interest shall not be 63
entered on the tax list and duplicate compiled under section 64
319.28 of the Revised Code, but shall be entered on the first 65
tax list and duplicate compiled under section 5721.011 of the 66
Revised Code after the date on which the interest is computed 67
and charged. 68

(2) In a county on behalf of which a county land 69
reutilization corporation has been organized under Chapter 1724. 70
of the Revised Code, upon the written order of the county 71
treasurer, interest shall be charged against and computed on 72
delinquent taxes as provided in division (B)(2)(a) or (b) of 73
this section, as prescribed in the order: 74

(a) In the manner provided under divisions (B)(1) and (B) 75
(3) of this section, except that the interest shall be computed 76
at the rate of twelve per cent per annum; or 77

(b) On the first day of the month following the month in 78
which interest otherwise would be charged in accordance with 79
division (B)(1) of this section as specified in the order, and 80
each subsequent month, interest shall be charged against and 81
computed on all delinquent taxes remaining delinquent on the 82

last day of the preceding month at a rate of one per cent per 83
month. 84

The county treasurer shall file a copy of the order 85
directing the rate and manner of charging interest under this 86
division with the county treasurer and the tax commissioner. If 87
interest is charged under division (B) (2) of this section, 88
interest shall not be charged under division (B) (1) or (3) of 89
this section. 90

(3) On the first day of December, the interest shall be 91
charged against and computed on all delinquent taxes other than 92
the current taxes that became delinquent taxes at the close of 93
the last day the second installment could be paid without 94
penalty. The charge shall be for interest that accrued during 95
the period that began on the first day of the month following 96
the last date prescribed for the payment of the second 97
installment of taxes in the current year and ended on the 98
immediately preceding last day of November. The interest shall 99
be computed at the rate per annum prescribed by section 5703.47 100
of the Revised Code and shall be entered as a separate item on 101
the tax list and duplicate compiled under section 319.28 or 102
5721.011 of the Revised Code, whichever list and duplicate are 103
first compiled after the date on which the interest is computed 104
and charged. However, for tracts and lots on the real property 105
tax suspension list under section 319.48 of the Revised Code, 106
the interest shall not be entered on the tax list and duplicate 107
compiled under section 319.28 of the Revised Code, but shall be 108
entered on the first tax list and duplicate compiled under 109
section 5721.011 of the Revised Code after the date on which the 110
interest is computed and charged. 111

(4) After a valid delinquent tax contract has been entered 112

into for the payment of any delinquent taxes, no interest shall 113
be charged against such delinquent taxes while the delinquent 114
tax contract remains in effect in compliance with section 323.31 115
of the Revised Code. If a valid delinquent tax contract becomes 116
void, interest shall be charged against the delinquent taxes for 117
the periods that interest was not permitted to be charged while 118
the delinquent tax contract was in effect. The interest shall be 119
charged on the day the delinquent tax contract becomes void and 120
shall equal the amount of interest that would have been charged 121
against the unpaid delinquent taxes outstanding on the dates on 122
which interest would have been charged thereon under divisions 123
(B) (1), (2), and (3) of this section had the delinquent tax 124
contract not been in effect. 125

(C) If the full amount of the taxes due at either of the 126
times prescribed by division (A) of this section is paid within 127
ten days after such time, the county treasurer shall waive the 128
collection of and the county auditor shall remit one-half of the 129
penalty provided for in that division for failure to make that 130
payment by the prescribed time. 131

(D) The county treasurer shall compile and deliver to the 132
county auditor a list of all tax payments the treasurer has 133
received as provided in division (C) of this section. The list 134
shall include any information required by the auditor for the 135
remission of the penalties waived by the treasurer. The taxes so 136
collected shall be included in the settlement next succeeding 137
the settlement then in process. 138

Sec. 323.132. If one-half of the current taxes charged 139
against an entry of real estate is not paid on or before the 140
thirty-first day of December of the year for which they are 141
charged or on or before the last day for such payment as 142

extended pursuant to section 323.17 of the Revised Code, that 143
amount, together with the penalty charged under division (A) (1) 144
of section 323.121 of the Revised Code and all delinquent taxes 145
or installment thereof charged against such entry may be paid at 146
any time prior to the date on which tax bills for the second 147
half collection are mailed and delivered, without at the same 148
time requiring payment of the second half of such taxes. 149

If the total amount of such current taxes, delinquent 150
taxes, and all installment payments due under section 323.31 of 151
the Revised Code are not paid on or before the twentieth day of 152
June, next thereafter, or on or before the last day for that 153
payment as extended pursuant to section 323.17 of the Revised 154
Code, the balance of the amount of such taxes, plus all 155
penalties and interest imposed by section 323.121 of the Revised 156
Code, constitutes the delinquent taxes on such entry, ~~which~~ 157
~~shall be placed on~~. If any such amounts remain unpaid at the 158
time the delinquent land list and duplicate is compiled pursuant 159
to section 5721.011 of the Revised Code, the unpaid amounts 160
shall be placed on such list and duplicate and shall be 161
collected in the manner prescribed by law, unless the property 162
against which such taxes are charged is the subject of an 163
application for exemption from taxation pursuant to section 164
5715.27 of the Revised Code. 165

A taxpayer may tender, and the treasurer shall accept, the 166
full amount of delinquent taxes charged against an entry of real 167
estate without having to tender at the same time the payment of 168
any current taxes that are due and payable. 169

A county treasurer may accept partial payments of taxes. 170
Any overpayment shall be refunded by the treasurer in the manner 171
most convenient to the treasurer. When the amount tendered and 172

accepted is less than the amount due, the unpaid balance shall 173
be treated as other unpaid taxes, and, except when the unpaid 174
amount is the penalty or interest and charges on the unpaid 175
taxes, the treasurer shall notify the taxpayer of such 176
deficiency. 177

If the taxpayer files with the payment of taxes a copy of 178
an application to the tax commissioner for remission of penalty, 179
or the payment is received within ten days after the last day 180
the taxes may be paid without penalty, the county treasurer 181
shall accept a partial payment in which the only unpaid amount 182
is the penalty for late payment. 183

If, at any time, and having been provided such 184
documentation as may be found acceptable by the county 185
treasurer, the county treasurer determines that due to a 186
clerical error, a taxpayer has overpaid either the first one- 187
half or second one-half payment of current taxes as charged on 188
the tax list and duplicate, the treasurer may refund the amount 189
of the overpayment to the taxpayer in the manner most convenient 190
to the treasurer. 191

Sec. 323.31. (A) (1) ~~A person who owns agricultural real~~ 192
~~property or owns and occupies residential~~ An owner of real 193
property or of a manufactured or mobile home that does not have 194
an outstanding tax lien certificate or judgment of foreclosure 195
against it, and a person who is a vendee of such property under 196
a purchase agreement or land contract and who occupies the 197
property, shall have at least one opportunity to pay any 198
delinquent or unpaid current taxes, or both, charged against the 199
property by entering into a written delinquent tax contract with 200
the county treasurer in a form prescribed or approved by the tax 201
commissioner. Subsequent opportunities to enter into a 202

delinquent tax contract shall be at the county treasurer's sole discretion. 203
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~~(2) The treasurer may enter into a delinquent tax contract in accordance with division (A) of this section with an owner or vendee of real property, other than residential real property or a manufactured or mobile home that is occupied by the owner, and other than agricultural real property.~~ 205
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~~(3)~~The delinquent tax contract described in division (A) of this section may be entered into at any time prior to an adjudication of foreclosure pursuant to proceedings by the county treasurer and the county prosecuting attorney pursuant to section 323.25 or 323.65 to 323.79 of the Revised Code or by the county prosecuting attorney pursuant to section 5721.18 of the Revised Code, the adjudication of foreclosure pursuant to proceedings by a private attorney pursuant to section 5721.37 of the Revised Code, the commencement of foreclosure and forfeiture proceedings pursuant to section 5721.14 of the Revised Code, or the commencement of collection proceedings pursuant to division (H) of section 4503.06 of the Revised Code by the filing of a civil action as provided in that division. A duplicate copy of each delinquent tax contract shall be filed with the county auditor, who shall attach the copy to the delinquent land tax certificate, delinquent vacant land tax certificate, or the delinquent manufactured home tax list, or who shall enter an asterisk in the margin next to the entry for the tract or lot on the master list of delinquent tracts, master list of delinquent vacant tracts, or next to the entry for the home on the delinquent manufactured home tax list, prior to filing it with the prosecuting attorney under section 5721.13 of the Revised Code, or, in the case of the delinquent manufactured home tax list, prior to delivering it to the county treasurer under 210
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division (H) (2) of section 4503.06 of the Revised Code. If the 234
delinquent tax contract is entered into after the certificate or 235
the master list has been filed with the prosecuting attorney, 236
the treasurer shall file the duplicate copy with the prosecuting 237
attorney. 238

~~(4)~~(3) A delinquent tax contract entered into under 239
division (A) of this section shall provide for the payment of 240
any delinquent or unpaid current taxes, or both, in installments 241
over a period, beginning on the date of the first payment made 242
under the contract, not to exceed one of the following: 243

(a) Five years for a person entering into a contract on 244
the basis of residential real property the person owns and 245
occupies, except the period shall be not less than two years if 246
the person so requests; 247

(b) Ten years for a person entering into a contract on the 248
basis of a qualifying athletic complex, as defined in section 249
5709.57 of the Revised Code; 250

(c) Five years for a person entering into a contract on 251
the basis of property other than that described in division ~~(A)~~ 252
~~(4)~~(a)(A) (3) (a) or (b) of this section. 253

~~(5)~~(4) For each delinquent tax contract entered into under 254
division (A) of this section, the county treasurer shall 255
determine and shall specify in the delinquent tax contract the 256
number of installments, the amount of each installment, and the 257
schedule for payment of the installments. Except as otherwise 258
provided for taxes, penalties, and interest under division (B) 259
of section 319.43 of the Revised Code, the part of each 260
installment payment representing taxes and penalties and 261
interest thereon shall be apportioned among the several taxing 262

districts in the same proportion that the amount of taxes levied 263
by each district against the entry in the preceding tax year 264
bears to the taxes levied by all such districts against the 265
entry in the preceding tax year. The part of each payment 266
representing assessments and other charges shall be credited to 267
those items in the order in which they became due. Each payment 268
made to a taxing district shall be apportioned among the taxing 269
district's several funds for which taxes or assessments have 270
been levied. 271

~~(6)~~ (5) When an installment payment is not received by the 272
treasurer when due under a delinquent tax contract entered into 273
under division (A) of this section or any current taxes or 274
special assessments charged against the property become unpaid, 275
the delinquent tax contract becomes void unless the treasurer 276
permits a new delinquent tax contract to be entered into; if the 277
treasurer does not permit a new delinquent tax contract to be 278
entered into, the treasurer shall certify to the auditor that 279
the delinquent tax contract has become void. 280

~~(7)~~ (6) Upon receipt of certification described in division 281
~~(A)~~ ~~(6)~~ (A) (5) of this section, the auditor shall destroy the 282
duplicate copy of the voided delinquent tax contract. If such 283
copy has been filed with the prosecuting attorney, the auditor 284
immediately shall deliver the certification to the prosecuting 285
attorney, who shall attach it to the appropriate certificate and 286
the duplicate copy of the voided delinquent tax contract or 287
strike through the asterisk entered in the margin of the master 288
list next to the entry for the tract or lot that is the subject 289
of the voided delinquent tax contract. The prosecuting attorney 290
then shall institute a proceeding to foreclose the lien of the 291
state in accordance with section 323.25, sections 323.65 to 292
323.79, or section 5721.18 of the Revised Code or, in the case 293

of delinquent vacant land, a foreclosure proceeding in 294
accordance with section 323.25, sections 323.65 to 323.79, or 295
section 5721.18 of the Revised Code, or a foreclosure and 296
forfeiture proceeding in accordance with section 5721.14 of the 297
Revised Code. In the case of a manufactured or mobile home, the 298
county treasurer shall cause a civil action to be brought as 299
provided under division (H) of section 4503.06 of the Revised 300
Code. 301

(B) If there is an outstanding tax certificate respecting 302
a delinquent parcel under section 5721.32 or 5721.33 of the 303
Revised Code, a written delinquent tax contract may not be 304
entered into under this section. To redeem a tax certificate in 305
installments, the owner or other person seeking to redeem the 306
tax certificate shall enter into a redemption payment plan under 307
division (C) of section 5721.38 of the Revised Code. 308

(C) As used in this section, "unpaid current taxes" means 309
any current taxes charged on the general tax list and duplicate 310
of real and public utility property or the manufactured home tax 311
list and duplicate that remain unpaid after the last day 312
prescribed for payment of the first installment of such taxes 313
without penalty, and any penalties associated with such taxes. 314

Sec. 718.08. (A) As used in this section: 315

(1) "Estimated taxes" means the amount that the taxpayer 316
reasonably estimates to be the taxpayer's tax liability for a 317
municipal corporation's income tax for the current taxable year. 318

(2) "Tax liability" means the total taxes due to a 319
municipal corporation for the taxable year, after allowing any 320
credit to which the taxpayer is entitled, and after applying any 321
estimated tax payment, withholding payment, or credit from 322

another taxable year. 323

(B) (1) Except as provided in division (F) of this section, 324
every taxpayer shall make a declaration of estimated taxes for 325
the current taxable year, on the form prescribed by the tax 326
administrator, if the amount payable as estimated taxes is at 327
least two hundred dollars. For the purposes of this section: 328

(a) Taxes withheld from qualifying wages shall be 329
considered as paid to the municipal corporation for which the 330
taxes were withheld in equal amounts on each payment date unless 331
the taxpayer establishes the dates on which all amounts were 332
actually withheld, in which case the amounts withheld shall be 333
considered as paid on the dates on which the amounts were 334
actually withheld. 335

(b) An overpayment of tax applied as a credit to a 336
subsequent taxable year is deemed to be paid on the date of the 337
postmark stamped on the cover in which the payment is mailed or, 338
if the payment is made by electronic funds transfer, the date 339
the payment is submitted. As used in this division, "date of the 340
postmark" means, in the event there is more than one date on the 341
cover, the earliest date imprinted on the cover by the postal 342
service. 343

(c) Taxes withheld by a casino operator, video lottery 344
sales agent, or type B sports gaming proprietor under section 345
718.031 of the Revised Code are deemed to be paid to the 346
municipal corporation for which the taxes were withheld on the 347
date the taxes are withheld from the taxpayer's winnings. 348

(2) Except as provided in division (F) of this section, 349
taxpayers filing joint returns shall file joint declarations of 350
estimated taxes. A taxpayer may amend a declaration under rules 351

prescribed by the tax administrator. Except as provided in 352
division (F) of this section, a taxpayer having a taxable year 353
of less than twelve months shall make a declaration under rules 354
prescribed by the tax administrator. 355

(3) The declaration of estimated taxes shall be filed on 356
or before the date prescribed for the filing of municipal income 357
tax returns under division (G) of section 718.05 of the Revised 358
Code or on or before the fifteenth day of the fourth month after 359
the taxpayer becomes subject to tax for the first time. 360

(4) Taxpayers reporting on a fiscal year basis shall file 361
a declaration on or before the fifteenth day of the fourth month 362
after the beginning of each fiscal year or period. 363

(5) The original declaration or any subsequent amendment 364
may be increased or decreased on or before any subsequent 365
quarterly payment day as provided in this section. 366

(C) (1) The required portion of the tax liability for the 367
taxable year that shall be paid through estimated taxes made 368
payable to the municipal corporation or tax administrator, 369
including the application of tax refunds to estimated taxes and 370
withholding on or before the applicable payment date, shall be 371
as follows: 372

(a) On or before the fifteenth day of the fourth month 373
after the beginning of the taxable year, twenty-two and one-half 374
per cent of the tax liability for the taxable year; 375

(b) On or before the fifteenth day of the sixth month 376
after the beginning of the taxable year, forty-five per cent of 377
the tax liability for the taxable year; 378

(c) On or before the fifteenth day of the ninth month 379
after the beginning of the taxable year, sixty-seven and one- 380

half per cent of the tax liability for the taxable year; 381

(d) For an individual, on or before the fifteenth day of 382
the first month of the following taxable year, ninety per cent 383
of the tax liability for the taxable year. For a person other 384
than an individual, on or before the fifteenth day of the 385
twelfth month of the taxable year, ninety per cent of the tax 386
liability for the taxable year. 387

(2) When an amended declaration has been filed, the unpaid 388
balance shown due on the amended declaration shall be paid in 389
equal installments on or before the remaining payment dates. 390

(3) On or before the fifteenth day of the fourth month of 391
the year following that for which the declaration or amended 392
declaration was filed, an annual return shall be filed and any 393
balance which may be due shall be paid with the return in 394
accordance with section 718.05 of the Revised Code. 395

(D) (1) In the case of any underpayment of any portion of a 396
tax liability, penalty and interest may be imposed pursuant to 397
section 718.27 of the Revised Code upon the amount of 398
underpayment for the period of underpayment, unless the 399
underpayment is due to reasonable cause as described in division 400
(E) of this section. The amount of the underpayment shall be 401
determined as follows: 402

(a) For the first payment of estimated taxes each year, 403
twenty-two and one-half per cent of the tax liability, less the 404
amount of taxes paid by the date prescribed for that payment; 405

(b) For the second payment of estimated taxes each year, 406
forty-five per cent of the tax liability, less the amount of 407
taxes paid by the date prescribed for that payment; 408

(c) For the third payment of estimated taxes each year, 409

sixty-seven and one-half per cent of the tax liability, less the amount of taxes paid by the date prescribed for that payment;

(d) For the fourth payment of estimated taxes each year, ninety per cent of the tax liability, less the amount of taxes paid by the date prescribed for that payment.

(2) The period of the underpayment shall run from the day the estimated payment was required to be made to the date on which the payment is made. For purposes of this section, a payment of estimated taxes on or before any payment date shall be considered a payment of any previous underpayment only to the extent the payment of estimated taxes exceeds the amount of the payment presently required to be paid to avoid any penalty.

(E) An underpayment of any portion of tax liability determined under division (D) of this section shall be due to reasonable cause and the penalty imposed by this section shall not be added to the taxes for the taxable year if any of the following apply:

(1) The amount of estimated taxes that were paid equals at least ninety per cent of the tax liability for the current taxable year, determined by annualizing the income received during the year up to the end of the month immediately preceding the month in which the payment is due.

(2) The amount of estimated taxes that were paid equals at least one hundred per cent of the tax liability shown on the return of the taxpayer for the preceding taxable year, provided that the immediately preceding taxable year reflected a period of twelve months and the taxpayer filed a return with the municipal corporation under section 718.05 of the Revised Code for that year.

(3) The taxpayer is an individual who resides in the 439
municipal corporation but was not domiciled there on the first 440
day of January of the calendar year that includes the first day 441
of the taxable year. 442

(4) The taxpayer has not underpaid estimated taxes in any 443
preceding taxable year. 444

(F) (1) A tax administrator may waive the requirement for 445
filing a declaration of estimated taxes for any class of 446
taxpayers after finding that the waiver is reasonable and proper 447
in view of administrative costs and other factors. 448

(2) A municipal corporation may, by ordinance or rule, 449
waive the requirement for filing a declaration of estimated 450
taxes for all taxpayers. 451

Sec. 718.27. (A) As used in this section: 452

(1) "Applicable law" means this chapter, the resolutions, 453
ordinances, codes, directives, instructions, and rules adopted 454
by a municipal corporation provided such resolutions, 455
ordinances, codes, directives, instructions, and rules impose or 456
directly or indirectly address the levy, payment, remittance, or 457
filing requirements of a municipal income tax. 458

(2) "Income tax," "estimated income tax," and "withholding 459
tax" means any income tax, estimated income tax, and withholding 460
tax imposed by a municipal corporation pursuant to applicable 461
law, including at any time before January 1, 2016. 462

(3) A "return" includes any tax return, report, 463
reconciliation, schedule, and other document required to be 464
filed with a tax administrator or municipal corporation by a 465
taxpayer, employer, any agent of the employer, or any other 466
payer pursuant to applicable law, including at any time before 467

January 1, 2016.	468
(4) "Federal short-term rate" means the rate of the	469
average market yield on outstanding marketable obligations of	470
the United States with remaining periods to maturity of three	471
years or less, as determined under section 1274 of the Internal	472
Revenue Code, for July of the current year.	473
(5) "Interest rate as described in division (A) of this	474
section" means the federal short-term rate, rounded to the	475
nearest whole number per cent, plus five per cent. The rate	476
shall apply for the calendar year next following the July of the	477
year in which the federal short-term rate is determined in	478
accordance with division (A) (4) of this section.	479
(6) "Unpaid estimated income tax" means estimated income	480
tax due but not paid by the date the tax is required to be paid	481
under applicable law.	482
(7) "Unpaid income tax" means income tax due but not paid	483
by the date the income tax is required to be paid under	484
applicable law.	485
(8) "Unpaid withholding tax" means withholding tax due but	486
not paid by the date the withholding tax is required to be paid	487
under applicable law.	488
(9) "Withholding tax" includes amounts an employer, any	489
agent of an employer, or any other payer did not withhold in	490
whole or in part from an employee's qualifying wages, but that,	491
under applicable law, the employer, agent, or other payer is	492
required to withhold from an employee's qualifying wages.	493
(B) (1) This section applies to the following:	494
(a) Any return required to be filed under applicable law	495

for taxable years beginning on or after January 1, 2016;	496
(b) Income tax, estimated income tax, and withholding tax	497
required to be paid or remitted to the municipal corporation on	498
or after January 1, 2016.	499
(2) This section does not apply to returns required to be	500
filed or payments required to be made before January 1, 2016,	501
regardless of the filing or payment date. Returns required to be	502
filed or payments required to be made before January 1, 2016,	503
but filed or paid after that date shall be subject to the	504
ordinances or rules, as adopted before January 1, 2016, of the	505
municipal corporation to which the return is to be filed or the	506
payment is to be made.	507
(C) Each municipal corporation levying a tax on income may	508
impose on a taxpayer, employer, any agent of the employer, and	509
any other payer, and must attempt to collect, the interest	510
amounts and penalties prescribed under division (C) of this	511
section when the taxpayer, employer, any agent of the employer,	512
or any other payer for any reason fails, in whole or in part, to	513
make to the municipal corporation timely and full payment or	514
remittance of income tax, estimated income tax, or withholding	515
tax or to file timely with the municipal corporation any return	516
required to be filed.	517
(1) Interest shall be imposed at the rate described in	518
division (A) of this section, per annum, on all unpaid income	519
tax, unpaid estimated income tax, and unpaid withholding tax.	520
(2) (a) With respect to unpaid income tax and unpaid	521
estimated income tax, a municipal corporation may impose a	522
penalty equal to fifteen per cent of the amount not timely paid.	523
(b) With respect to any unpaid withholding tax, a	524

municipal corporation may impose a penalty not exceeding fifty 525
per cent of the amount not timely paid. 526

(3) With respect to returns other than estimated income 527
tax returns, a municipal corporation may impose a penalty not 528
exceeding twenty-five dollars for each failure to timely file 529
each return, regardless of the liability shown thereon, except 530
that a municipal corporation shall abate or refund the penalty 531
assessed on a taxpayer's first failure to timely file a return 532
after the taxpayer files that return. 533

(D) (1) With respect to the income taxes, estimated income 534
taxes, withholding taxes, and returns, no municipal corporation 535
shall impose, seek to collect, or collect any penalty, amount of 536
interest, charges, or additional fees not described in this 537
section. 538

(2) With respect to the income taxes, estimated income 539
taxes, withholding taxes, and returns not described in division 540
(A) of this section, nothing in this section requires a 541
municipal corporation to refund or credit any penalty, amount of 542
interest, charges, or additional fees that the municipal 543
corporation has properly imposed or collected before January 1, 544
2016. 545

(E) Nothing in this section limits the authority of a 546
municipal corporation to abate or partially abate penalties or 547
interest imposed under this section when the tax administrator 548
determines, in the tax administrator's sole discretion, that 549
such abatement is appropriate. 550

(F) By the thirty-first day of October of each year the 551
municipal corporation shall publish the rate described in 552
division (A) of this section applicable to the next succeeding 553

calendar year.	554
(G) The municipal corporation may impose on the taxpayer,	555
employer, any agent of the employer, or any other payer the	556
municipal corporation's post-judgment collection costs and fees,	557
including attorney's fees.	558
<u>(H) Notwithstanding any other provision of this section or</u>	559
<u>chapter, the municipal corporation shall not impose any penalty</u>	560
<u>or interest under this chapter for the failure to file a return</u>	561
<u>or report if no amount of tax is due with the return or report.</u>	562
Sec. 718.88. (A) As used in this section:	563
(1) "Combined tax liability" means the total amount of a	564
taxpayer's income tax liabilities to all municipal corporations	565
in this state for a taxable year.	566
(2) "Estimated taxes" means the amount that the taxpayer	567
reasonably estimates to be the taxpayer's combined tax liability	568
for the current taxable year.	569
(B) (1) Except as provided in division (B) (4) of this	570
section, every taxpayer shall make a declaration of estimated	571
taxes for the current taxable year, on the form prescribed by	572
the tax commissioner, if the amount payable as estimated taxes	573
is at least two hundred dollars.	574
(2) Except as provided in division (B) (4) of this section,	575
a taxpayer having a taxable year of less than twelve months	576
shall make a declaration under rules prescribed by the	577
commissioner.	578
(3) The declaration of estimated taxes shall be filed on	579
or before the fifteenth day of the fourth month after the	580
beginning of the taxable year or on or before the fifteenth day	581

of the fourth month after the taxpayer becomes subject to tax 582
for the first time. 583

(4) The tax commissioner may waive the requirement for 584
filing a declaration of estimated taxes for any class of 585
taxpayers after finding that the waiver is reasonable and proper 586
in view of administrative costs and other factors. 587

(C) Each taxpayer shall file the declaration of estimated 588
taxes with, and remit estimated taxes to, the tax commissioner 589
at the times and in the amounts prescribed in division (C) (1) of 590
this section. Remitted taxes shall be made payable to the 591
treasurer of state. 592

(1) The required portion of the combined tax liability for 593
the taxable year that shall be paid through estimated taxes 594
shall be as follows: 595

(a) On or before the fifteenth day of the fourth month 596
after the beginning of the taxable year, twenty-two and one-half 597
per cent of the combined tax liability for the taxable year; 598

(b) On or before the fifteenth day of the sixth month 599
after the beginning of the taxable year, forty-five per cent of 600
the combined tax liability for the taxable year; 601

(c) On or before the fifteenth day of the ninth month 602
after the beginning of the taxable year, sixty-seven and one- 603
half per cent of the combined tax liability for the taxable 604
year; 605

(d) On or before the fifteenth day of the twelfth month of 606
the taxable year, ninety per cent of the combined tax liability 607
for the taxable year. 608

(2) If the taxpayer determines that its declaration of 609

estimated taxes will not accurately reflect the taxpayer's tax liability for the taxable year, the taxpayer shall increase or decrease, as appropriate, its subsequent payments in equal installments to result in a more accurate payment of estimated taxes.

(3) (a) Each taxpayer shall report on the declaration of estimated taxes the portion of the remittance that the taxpayer estimates that it owes to each municipal corporation for the taxable year.

(b) Upon receiving a payment of estimated taxes under this section, the commissioner shall immediately forward the payment to the treasurer of state. The treasurer shall credit the payment in the same manner as in division (B) of section 718.85 of the Revised Code.

(D) (1) In the case of any underpayment of estimated taxes, the tax commissioner may add to the taxes an amount determined at the rate per annum prescribed by section 5703.47 of the Revised Code upon the amount of underpayment for the period of underpayment, unless the underpayment is due to reasonable cause as described in division (E) of this section. The amount of the underpayment shall be determined as follows:

(a) For the first payment of estimated taxes each year, twenty-two and one-half per cent of the combined tax liability, less the amount of taxes paid by the date prescribed for that payment;

(b) For the second payment of estimated taxes each year, forty-five per cent of the combined tax liability, less the amount of taxes paid by the date prescribed for that payment;

(c) For the third payment of estimated taxes each year,

sixty-seven and one-half per cent of the combined tax liability, 639
less the amount of taxes paid by the date prescribed for that 640
payment; 641

(d) For the fourth payment of estimated taxes each year, 642
ninety per cent of the combined tax liability, less the amount 643
of taxes paid by the date prescribed for that payment. 644

(2) The period of the underpayment shall run from the day 645
the estimated payment was required to be made to the date on 646
which the payment is made. For purposes of this section, a 647
payment of estimated taxes on or before any payment date shall 648
be considered a payment of any previous underpayment only to the 649
extent the payment of estimated taxes exceeds the amount of the 650
payment presently due. 651

(3) All amounts collected under this section shall be 652
considered as taxes collected under sections 718.80 to 718.95 of 653
the Revised Code and shall be credited and distributed to 654
municipal corporations in accordance with section 718.83 of the 655
Revised Code. 656

(E) An underpayment of any portion of a combined tax 657
liability shall be due to reasonable cause and the penalty 658
imposed by this section shall not be added to the taxes for the 659
taxable year if any of the following apply: 660

(1) The amount of estimated taxes that were paid equals at 661
least ninety per cent of the combined tax liability for the 662
current taxable year, determined by annualizing the income 663
received during the year up to the end of the month immediately 664
preceding the month in which the payment is due. 665

(2) The amount of estimated taxes that were paid equals at 666
least one hundred per cent of the tax liability shown on the 667

return of the taxpayer for the preceding taxable year, provided 668
that the immediately preceding taxable year reflected a period 669
of twelve months and the taxpayer filed a municipal income tax 670
return for that year. 671

(3) The taxpayer has not underpaid estimated taxes in any 672
preceding taxable year. 673

Sec. 718.89. (A) In addition to any other penalty imposed 674
by sections 718.80 to 718.95 or Chapter 5703. of the Revised 675
Code, the following penalties shall apply: 676

(1) If a taxpayer required to file a tax return under 677
sections 718.80 to 718.95 of the Revised Code fails to make and 678
file the return within the time prescribed, including any 679
extensions of time granted by the tax commissioner, the 680
commissioner may impose a penalty not exceeding twenty-five 681
dollars, except that the commissioner shall abate or refund the 682
penalty assessed on a taxpayer's first failure to timely file a 683
return after the taxpayer files that return. 684

(2) If a person required to file a tax return 685
electronically under sections 718.80 to 718.95 of the Revised 686
Code fails to do so, the commissioner may impose a penalty not 687
to exceed the following: 688

(a) For each of the first two failures, five per cent of 689
the amount required to be reported on the return; 690

(b) For the third and any subsequent failure, ten per cent 691
of the amount required to be reported on the return. 692

(3) If a taxpayer that has made the election allowed under 693
section 718.80 of the Revised Code fails to timely pay an amount 694
of tax required to be paid under this chapter, the commissioner 695
may impose a penalty equal to fifteen per cent of the amount not 696

timely paid. 697

(4) If a taxpayer files what purports to be a tax return 698
required by sections 718.80 to 718.95 of the Revised Code that 699
does not contain information upon which the substantial 700
correctness of the return may be judged or contains information 701
that on its face indicates that the return is substantially 702
incorrect, and the filing of the return in that manner is due to 703
a position that is frivolous or a desire that is apparent from 704
the return to delay or impede the administration of sections 705
718.80 to 718.95 of the Revised Code, a penalty of up to five 706
hundred dollars may be imposed. 707

(5) If a taxpayer makes a fraudulent attempt to evade the 708
reporting or payment of the tax required to be shown on any 709
return required under sections 718.80 to 718.95 of the Revised 710
Code, a penalty may be imposed not exceeding the greater of one 711
thousand dollars or one hundred per cent of the tax required to 712
be shown on the return. 713

(6) If any person makes a false or fraudulent claim for a 714
refund under section 718.91 of the Revised Code, a penalty may 715
be imposed not exceeding the greater of one thousand dollars or 716
one hundred per cent of the claim. Any penalty imposed under 717
this division, any refund issued on the claim, and interest on 718
any refund from the date of the refund, may be assessed under 719
section 718.90 of the Revised Code without regard to any time 720
limitation for the assessment imposed by division (A) of that 721
section. 722

(B) For purposes of this section, the tax required to be 723
shown on a tax return shall be reduced by the amount of any part 724
of the tax paid on or before the date, including any extensions 725
of the date, prescribed for filing the return. 726

(C) Each penalty imposed under this section shall be in 727
addition to any other penalty imposed under this section. All or 728
part of any penalty imposed under this section may be abated by 729
the tax commissioner. The commissioner may adopt rules governing 730
the imposition and abatement of such penalties. 731

(D) All amounts collected under this section shall be 732
considered as taxes collected under sections 718.80 to 718.95 of 733
the Revised Code and shall be credited and distributed to 734
municipal corporations in the same proportion as the underlying 735
tax liability is required to be distributed to such municipal 736
corporations under section 718.83 of the Revised Code. 737

(E) Notwithstanding any other provision of sections 718.80 738
to 718.95 of the Revised Code, the tax commissioner shall not 739
impose any penalty or interest under those sections for the 740
failure to file a return or report if no amount of tax is due 741
with the return or report. 742

Sec. 4503.06. (A) The owner of each manufactured or mobile 743
home that has acquired situs in this state shall pay either a 744
real property tax pursuant to Title LVII of the Revised Code or 745
a manufactured home tax pursuant to division (C) of this 746
section. 747

(B) The owner of a manufactured or mobile home shall pay 748
real property taxes if either of the following applies: 749

(1) The manufactured or mobile home acquired situs in the 750
state or ownership in the home was transferred on or after 751
January 1, 2000, and all of the following apply: 752

(a) The home is affixed to a permanent foundation as 753
defined in division (C) (5) of section 3781.06 of the Revised 754
Code. 755

(b) The home is located on land that is owned by the owner of the home.	756 757
(c) The certificate of title has been inactivated by the clerk of the court of common pleas that issued it, pursuant to division (H) of section 4505.11 of the Revised Code.	758 759 760
(2) The manufactured or mobile home acquired situs in the state or ownership in the home was transferred before January 1, 2000, and all of the following apply:	761 762 763
(a) The home is affixed to a permanent foundation as defined in division (C) (5) of section 3781.06 of the Revised Code.	764 765 766
(b) The home is located on land that is owned by the owner of the home.	767 768
(c) The owner of the home has elected to have the home taxed as real property and, pursuant to section 4505.11 of the Revised Code, has surrendered the certificate of title to the auditor of the county containing the taxing district in which the home has its situs, together with proof that all taxes have been paid.	769 770 771 772 773 774
(d) The county auditor has placed the home on the real property tax list and delivered the certificate of title to the clerk of the court of common pleas that issued it and the clerk has inactivated the certificate.	775 776 777 778
(C) (1) Any mobile or manufactured home that is not taxed as real property as provided in division (B) of this section is subject to an annual manufactured home tax, payable by the owner, for locating the home in this state. The tax as levied in this section is for the purpose of supplementing the general revenue funds of the local subdivisions in which the home has	779 780 781 782 783 784

its situs pursuant to this section. 785

(2) The year for which the manufactured home tax is levied 786
commences on the first day of January and ends on the following 787
thirty-first day of December. The state shall have the first 788
lien on any manufactured or mobile home on the list for the 789
amount of taxes, penalties, and interest charged against the 790
owner of the home under this section. The lien of the state for 791
the tax for a year shall attach on the first day of January to a 792
home that has acquired situs on that date. The lien for a home 793
that has not acquired situs on the first day of January, but 794
that acquires situs during the year, shall attach on the next 795
first day of January. The lien shall continue until the tax, 796
including any penalty or interest, is paid. 797

(3) (a) The situs of a manufactured or mobile home located 798
in this state on the first day of January is the local taxing 799
district in which the home is located on that date. 800

(b) The situs of a manufactured or mobile home not located 801
in this state on the first day of January, but located in this 802
state subsequent to that date, is the local taxing district in 803
which the home is located thirty days after it is acquired or 804
first enters this state. 805

(4) The tax is collected by and paid to the county 806
treasurer of the county containing the taxing district in which 807
the home has its situs. 808

(D) The manufactured home tax shall be computed and 809
assessed by the county auditor of the county containing the 810
taxing district in which the home has its situs as follows: 811

(1) On a home that acquired situs in this state prior to 812
January 1, 2000: 813

(a) By multiplying the assessable value of the home by the tax rate of the taxing district in which the home has its situs, and deducting from the product thus obtained any reduction authorized under section 4503.065 of the Revised Code. The tax levied under this formula shall not be less than thirty-six dollars, unless the home qualifies for a reduction in assessable value under section 4503.065 of the Revised Code, in which case there shall be no minimum tax and the tax shall be the amount calculated under this division.

(b) The assessable value of the home shall be forty per cent of the amount arrived at by the following computation:

(i) If the cost to the owner, or market value at time of purchase, whichever is greater, of the home includes the furnishings and equipment, such cost or market value shall be multiplied according to the following schedule:

	1	2	3
A	For the first calendar year in which the home is owned by the current owner	x	80%
B	2nd calendar year	x	75%
C	3rd "	x	70%
D	4th "	x	65%
E	5th "	x	60%
F	6th "	x	55%
G	7th "	x	50%

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H	8th "	x	45%
I	9th "	x	40%
J	10th and each year thereafter	x	35%

The first calendar year means any period between the first day of January and the thirty-first day of December of the first year. 830
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(ii) If the cost to the owner, or market value at the time of purchase, whichever is greater, of the home does not include the furnishings and equipment, such cost or market value shall be multiplied according to the following schedule: 833
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	1	2	3
A	For the first calendar year in which the home is owned by the current owner	x	95%
B	2nd calendar year	x	90%
C	3rd "	x	85%
D	4th "	x	80%
E	5th "	x	75%
F	6th "	x	70%
G	7th "	x	65%
H	8th "	x	60%
I	9th "	x	55%

the tax commissioner on or before the last day of the month 866
preceding the day delivery of the duplicate is otherwise 867
required. When an extension is granted for delivery of the 868
duplicate, the time period for payment of taxes shall be 869
extended for a like period of time. When a delay in the closing 870
of a tax collection period becomes unavoidable, the tax 871
commissioner, upon application by the county auditor and county 872
treasurer, may order the time for payment of taxes to be 873
extended if the tax commissioner determines that penalties have 874
accrued or would otherwise accrue for reasons beyond the control 875
of the taxpayers of the county. The order shall prescribe the 876
final extended date for payment of taxes for that collection 877
period. 878

(4) After January 1, 1999, the owner of a manufactured or 879
mobile home taxed pursuant to division (D)(1) of this section 880
may elect to have the home taxed pursuant to division (D)(2) of 881
this section by filing a written request with the county auditor 882
of the taxing district in which the home is located on or before 883
the first day of December of any year. Upon the filing of the 884
request, the county auditor shall determine whether all taxes 885
levied under division (D)(1) of this section have been paid, and 886
if those taxes have been paid, the county auditor shall tax the 887
manufactured or mobile home pursuant to division (D)(2) of this 888
section commencing in the next tax year. 889

(5) A manufactured or mobile home that acquired situs in 890
this state prior to January 1, 2000, shall be taxed pursuant to 891
division (D)(2) of this section if no manufactured home tax had 892
been paid for the home and the home was not exempted from 893
taxation pursuant to division (E) of this section for the year 894
for which the taxes were not paid. 895

(6) (a) Immediately upon receipt of any manufactured home tax duplicate from the county auditor, but not less than twenty days prior to the last date on which the first one-half taxes may be paid without penalty as prescribed in division (F) of this section, the county treasurer shall cause to be prepared and mailed or delivered to each person charged on that duplicate with taxes, or to an agent designated by such person, the tax bill prescribed by the tax commissioner under division (D) (7) of this section. When taxes are paid by installments, the county treasurer shall mail or deliver to each person charged on such duplicate or the agent designated by that person a second tax bill showing the amount due at the time of the second tax collection. The second half tax bill shall be mailed or delivered at least twenty days prior to the close of the second half tax collection period. A change in the mailing address, electronic mail address, or telephone number of any tax bill shall be made in writing to the county treasurer. Failure to receive a bill required by this section does not excuse failure or delay to pay any taxes shown on the bill or, except as provided in division (B) (1) of section 5715.39 of the Revised Code, avoid any penalty, interest, or charge for such delay.

A policy adopted by a county treasurer under division (A) (2) of section 323.13 of the Revised Code shall also allow any person required to receive a tax bill under division (D) (6) (a) of this section to request electronic delivery of that tax bill in the same manner. A person may rescind such a request in the same manner as a request made under division (A) (2) of section 323.13 of the Revised Code. The request shall terminate upon a change in the name of the person charged with the taxes pursuant to section 4503.061 of the Revised Code.

(b) After delivery of the copy of the delinquent

manufactured home tax list under division (H) of this section, 927
the county treasurer may prepare and mail to each person in 928
whose name a home is listed an additional tax bill showing the 929
total amount of delinquent taxes charged against the home as 930
shown on the list. The tax bill shall include a notice that the 931
interest charge prescribed by division (G) of this section has 932
begun to accrue. 933

(7) Each tax bill prepared and mailed or delivered under 934
division (D)(6) of this section shall be in the form and contain 935
the information required by the tax commissioner. The 936
commissioner may prescribe different forms for each county and 937
may authorize the county auditor to make up tax bills and tax 938
receipts to be used by the county treasurer. The tax bill shall 939
not contain or be mailed or delivered with any information or 940
material that is not required by this section or that is not 941
authorized by section 321.45 of the Revised Code or by the tax 942
commissioner. In addition to the information required by the 943
commissioner, each tax bill shall contain the following 944
information: 945

(a) The taxes levied and the taxes charged and payable 946
against the manufactured or mobile home; 947

(b) The following notice: "Notice: If the taxes are not 948
paid within sixty days after the county auditor delivers the 949
delinquent manufactured home tax list to the county treasurer, 950
you and your home may be subject to collection proceedings for 951
tax delinquency." Failure to provide such notice has no effect 952
upon the validity of any tax judgment to which a home may be 953
subjected. 954

(c) In the case of manufactured or mobile homes taxed 955
under division (D)(2) of this section, the following additional 956

information:	957
(i) The effective tax rate. The words "effective tax rate" shall appear in boldface type.	958 959
(ii) The following notice: "Notice: If the taxes charged against this home have been reduced by the 2-1/2 per cent tax reduction for residences occupied by the owner but the home is not a residence occupied by the owner, the owner must notify the county auditor's office not later than March 31 of the year for which the taxes are due. Failure to do so may result in the owner being convicted of a fourth degree misdemeanor, which is punishable by imprisonment up to 30 days, a fine up to \$250, or both, and in the owner having to repay the amount by which the taxes were erroneously or illegally reduced, plus any interest that may apply.	960 961 962 963 964 965 966 967 968 969 970
If the taxes charged against this home have not been reduced by the 2-1/2 per cent tax reduction and the home is a residence occupied by the owner, the home may qualify for the tax reduction. To obtain an application for the tax reduction or further information, the owner may contact the county auditor's office at _____ (insert the address and telephone number of the county auditor's office)."	971 972 973 974 975 976 977
(E) (1) A manufactured or mobile home is not subject to this section when any of the following applies:	978 979
(a) It is taxable as personal property pursuant to section 5709.01 of the Revised Code. Any manufactured or mobile home that is used as a residence shall be subject to this section and shall not be taxable as personal property pursuant to section 5709.01 of the Revised Code.	980 981 982 983 984
(b) It bears a license plate issued by any state other	985

than this state unless the home is in this state in excess of an 986
accumulative period of thirty days in any calendar year. 987

(c) The annual tax has been paid on the home in this state 988
for the current year. 989

(d) The tax commissioner has determined, pursuant to 990
section 5715.27 of the Revised Code, that the property is exempt 991
from taxation, or would be exempt from taxation under Chapter 992
5709. of the Revised Code if it were classified as real 993
property. 994

(2) A travel trailer or park trailer, as these terms are 995
defined in section 4501.01 of the Revised Code, is not subject 996
to this section if it is unused or unoccupied and stored at the 997
owner's normal place of residence or at a recognized storage 998
facility. 999

(3) A travel trailer or park trailer, as these terms are 1000
defined in section 4501.01 of the Revised Code, is subject to 1001
this section and shall be taxed as a manufactured or mobile home 1002
if it has a situs longer than thirty days in one location and is 1003
connected to existing utilities, unless either of the following 1004
applies: 1005

(a) The situs is in a state facility or a camping or park 1006
area as defined in division (C), (Q), (S), or (V) of section 1007
3729.01 of the Revised Code. 1008

(b) The situs is in a camping or park area that is a tract 1009
of land that has been limited to recreational use by deed or 1010
zoning restrictions and subdivided for sale of five or more 1011
individual lots for the express or implied purpose of occupancy 1012
by either self-contained recreational vehicles as defined in 1013
division (T) of section 3729.01 of the Revised Code or by 1014

dependent recreational vehicles as defined in division (D) of 1015
section 3729.01 of the Revised Code. 1016

(F) Except as provided in division (D) (3) of this section, 1017
the manufactured home tax is due and payable as follows: 1018

(1) When a manufactured or mobile home has a situs in this 1019
state, as provided in this section, on the first day of January, 1020
one-half of the amount of the tax is due and payable on or 1021
before the first day of March and the balance is due and payable 1022
on or before the thirty-first day of July. At the option of the 1023
owner of the home, the tax for the entire year may be paid in 1024
full on the first day of March. 1025

(2) When a manufactured or mobile home first acquires a 1026
situs in this state after the first day of January, no tax is 1027
due and payable for that year. 1028

(G) (1) (a) Except as otherwise provided in division (G) (1) 1029
(b) of this section, if one-half of the current taxes charged 1030
under this section against a manufactured or mobile home, 1031
together with the full amount of any delinquent taxes, are not 1032
paid on or before the first day of March in that year, or on or 1033
before the last day for such payment as extended pursuant to 1034
section 4503.063 of the Revised Code, a penalty of ten per cent 1035
shall be charged against the unpaid balance of such half of the 1036
current taxes. If the total amount of all such taxes is not paid 1037
on or before the thirty-first day of July, next thereafter, or 1038
on or before the last day for payment as extended pursuant to 1039
section 4503.063 of the Revised Code, a like penalty shall be 1040
charged on the balance of the total amount of the unpaid current 1041
taxes. 1042

(b) After a valid delinquent tax contract that includes 1043

unpaid current taxes from a first-half collection period 1044
described in division (F) of this section has been entered into 1045
under section 323.31 of the Revised Code, no ten per cent 1046
penalty shall be charged against such taxes after the second- 1047
half collection period while the delinquent tax contract remains 1048
in effect. On the day a delinquent tax contract becomes void, 1049
the ten per cent penalty shall be charged against such taxes and 1050
shall equal the amount of penalty that would have been charged 1051
against unpaid current taxes outstanding on the date on which 1052
the second-half penalty would have been charged thereon under 1053
division (G) (1) (a) of this section if the contract had not been 1054
in effect. 1055

(2) (a) On the first day of the month following the last 1056
day the second installment of taxes may be paid without penalty 1057
beginning in 2000, interest shall be charged against and 1058
computed on all delinquent taxes other than the current taxes 1059
that became delinquent taxes at the close of the last day such 1060
second installment could be paid without penalty. The charge 1061
shall be for interest that accrued during the period that began 1062
on the preceding first day of December and ended on the last day 1063
of the month that included the last date such second installment 1064
could be paid without penalty. The interest shall be computed at 1065
the rate per annum prescribed by section 5703.47 of the Revised 1066
Code and shall be entered as a separate item on the delinquent 1067
manufactured home tax list compiled under division (H) of this 1068
section. 1069

(b) On the first day of December ~~beginning in 2000~~, the 1070
interest shall be charged against and computed on all delinquent 1071
taxes other than the current taxes that became delinquent taxes 1072
at the close of the last day the second installment could be 1073
paid without penalty. The charge shall be for interest that 1074

accrued during the period that began on the first day of the 1075
month following the last date prescribed for the payment of the 1076
second installment of taxes in the current year and ended on the 1077
immediately preceding last day of November. The interest shall 1078
be computed at the rate per annum prescribed by section 5703.47 1079
of the Revised Code and shall be entered as a separate item on 1080
the delinquent manufactured home tax list. 1081

(c) After a valid undertaking has been entered into for 1082
the payment of any delinquent taxes, no interest shall be 1083
charged against such delinquent taxes while the undertaking 1084
remains in effect in compliance with section 323.31 of the 1085
Revised Code. If a valid undertaking becomes void, interest 1086
shall be charged against the delinquent taxes for the periods 1087
that interest was not permitted to be charged while the 1088
undertaking was in effect. The interest shall be charged on the 1089
day the undertaking becomes void and shall equal the amount of 1090
interest that would have been charged against the unpaid 1091
delinquent taxes outstanding on the dates on which interest 1092
would have been charged thereon under divisions (G) (1) and (2) 1093
of this section had the undertaking not been in effect. 1094

(3) If the full amount of the taxes due at either of the 1095
times prescribed by division (F) of this section is paid within 1096
ten days after such time, the county treasurer shall waive the 1097
collection of and the county auditor shall remit one-half of the 1098
penalty provided for in this division for failure to make that 1099
payment by the prescribed time. 1100

(4) The treasurer shall compile and deliver to the county 1101
auditor a list of all tax payments the treasurer has received as 1102
provided in division (G) (3) of this section. The list shall 1103
include any information required by the auditor for the 1104

remission of the penalties waived by the treasurer. The taxes so 1105
collected shall be included in the settlement next succeeding 1106
the settlement then in process. 1107

(H) (1) ~~The~~ No sooner than six months after the settlement 1108
under division (H) (2) of section 321.24 of the Revised Code, the 1109
county auditor shall compile ~~annually~~ a "delinquent manufactured 1110
home tax list" consisting of homes the county treasurer's 1111
records indicate have taxes that were not paid within the time 1112
prescribed by divisions (D) (3) and (F) of this section and that 1113
remain unpaid, have taxes that remain unpaid from prior years, 1114
or have unpaid tax penalties or interest that have been 1115
assessed. 1116

(2) ~~Within thirty days after the settlement under division~~ 1117
~~(H) (2) of section 321.24 of the Revised Code, the~~ The county 1118
auditor shall deliver a copy of the delinquent manufactured home 1119
tax list to the county treasurer. The auditor shall update and 1120
publish the delinquent manufactured home tax list annually in 1121
the same manner as delinquent real property tax lists are 1122
published. The county auditor may apportion the cost of 1123
publishing the list among taxing districts in proportion to the 1124
amount of delinquent manufactured home taxes so published that 1125
each taxing district is entitled to receive upon collection of 1126
those taxes, or the county auditor may charge the owner of a 1127
home on the list a flat fee established under section 319.54 of 1128
the Revised Code for the cost of publishing the list and, if the 1129
fee is not paid, may place the fee upon the delinquent 1130
manufactured home tax list as a lien on the listed home, to be 1131
collected as other manufactured home taxes. 1132

(3) When taxes, penalties, or interest are charged against 1133
a person on the delinquent manufactured home tax list and are 1134

not paid within sixty days after the list is delivered to the 1135
county treasurer, the county treasurer shall, in addition to any 1136
other remedy provided by law for the collection of taxes, 1137
penalties, and interest, enforce collection of such taxes, 1138
penalties, and interest by civil action in the name of the 1139
treasurer against the owner for the recovery of the unpaid taxes 1140
following the procedures for the recovery of delinquent real 1141
property taxes in sections 323.25 to 323.28 of the Revised Code. 1142
The action may be brought in municipal or county court, provided 1143
the amount charged does not exceed the monetary limitations for 1144
original jurisdiction for civil actions in those courts. 1145

It is sufficient, having made proper parties to the suit, 1146
for the county treasurer to allege in the treasurer's bill of 1147
particulars or petition that the taxes stand chargeable on the 1148
books of the county treasurer against such person, that they are 1149
due and unpaid, and that such person is indebted in the amount 1150
of taxes appearing to be due the county. The treasurer need not 1151
set forth any other matter relating thereto. If it is found on 1152
the trial of the action that the person is indebted to the 1153
state, judgment shall be rendered in favor of the county 1154
treasurer prosecuting the action. The judgment debtor is not 1155
entitled to the benefit of any law for stay of execution or 1156
exemption of property from levy or sale on execution in the 1157
enforcement of the judgment. 1158

Upon the filing of an entry of confirmation of sale or an 1159
order of forfeiture in a proceeding brought under this division, 1160
title to the manufactured or mobile home shall be in the 1161
purchaser. The clerk of courts shall issue a certificate of 1162
title to the purchaser upon presentation of proof of filing of 1163
the entry of confirmation or order and, in the case of a 1164
forfeiture, presentation of the county auditor's certificate of 1165

sale. 1166

(I) The total amount of taxes collected shall be 1167
distributed in the following manner: four per cent shall be 1168
allowed as compensation to the county auditor for the county 1169
auditor's service in assessing the taxes; two per cent shall be 1170
allowed as compensation to the county treasurer for the services 1171
the county treasurer renders as a result of the tax levied by 1172
this section. Such amounts shall be paid into the county 1173
treasury, to the credit of the county general revenue fund, on 1174
the warrant of the county auditor. Fees to be paid to the credit 1175
of the real estate assessment fund shall be collected pursuant 1176
to division (C) of section 319.54 of the Revised Code and paid 1177
into the county treasury, on the warrant of the county auditor. 1178
The balance of the taxes collected shall be distributed among 1179
the taxing subdivisions of the county in which the taxes are 1180
collected and paid in the same proportions that the amount of 1181
manufactured home tax levied by each taxing subdivision of the 1182
county in the current tax year bears to the amount of such tax 1183
levied by all such subdivisions in the county in the current tax 1184
year. The taxes levied and revenues collected under this section 1185
shall be in lieu of any general property tax and any tax levied 1186
with respect to the privilege of using or occupying a 1187
manufactured or mobile home in this state except as provided in 1188
sections 4503.04 and 5741.02 of the Revised Code. 1189

(J) An agreement to purchase or a bill of sale for a 1190
manufactured home shall show whether or not the furnishings and 1191
equipment are included in the purchase price. 1192

(K) If the county treasurer and the county prosecuting 1193
attorney agree that an item charged on the delinquent 1194
manufactured home tax list is uncollectible, they shall certify 1195

that determination and the reasons to the county board of 1196
revision. If the board determines the amount is uncollectible, 1197
it shall certify its determination to the county auditor, who 1198
shall strike the item from the list. 1199

(L) (1) The county auditor shall appraise at its true value 1200
any manufactured or mobile home in which ownership is 1201
transferred or which first acquires situs in this state on or 1202
after January 1, 2000, and any manufactured or mobile home the 1203
owner of which has elected, under division (D) (4) of this 1204
section, to have the home taxed under division (D) (2) of this 1205
section. The true value shall include the value of the home, any 1206
additions, and any fixtures, but not any furnishings in the 1207
home. In determining the true value of a manufactured or mobile 1208
home, the auditor shall consider all facts and circumstances 1209
relating to the value of the home, including its age, its 1210
capacity to function as a residence, any obsolete 1211
characteristics, and other factors that may tend to prove its 1212
true value. 1213

(2) (a) If a manufactured or mobile home has been the 1214
subject of an arm's length sale between a willing seller and a 1215
willing buyer within a reasonable length of time prior to the 1216
determination of true value, the county auditor shall consider 1217
the sale price of the home to be the true value for taxation 1218
purposes. 1219

(b) The sale price in an arm's length transaction between 1220
a willing seller and a willing buyer shall not be considered the 1221
true value of the home if either of the following occurred after 1222
the sale: 1223

(i) The home has lost value due to a casualty. 1224

(ii) An addition or fixture has been added to the home. 1225

(3) The county auditor shall have each home viewed and 1226
appraised at least once in each six-year period in the same year 1227
in which real property in the county is appraised pursuant to 1228
Chapter 5713. of the Revised Code, and shall update the 1229
appraised values in the third calendar year following the 1230
appraisal. The person viewing or appraising a home may enter the 1231
home to determine by actual view any additions or fixtures that 1232
have been added since the last appraisal. In conducting the 1233
appraisals and establishing the true value, the auditor shall 1234
follow the procedures set forth for appraising real property in 1235
sections 5713.01 and 5713.03 of the Revised Code. 1236

(4) The county auditor shall place the true value of each 1237
home on the manufactured home tax list upon completion of an 1238
appraisal. 1239

(5) (a) If the county auditor changes the true value of a 1240
home, the auditor shall notify the owner of the home in writing, 1241
delivered by mail or in person. The notice shall be given at 1242
least thirty days prior to the issuance of any tax bill that 1243
reflects the change. Failure to receive the notice does not 1244
invalidate any proceeding under this section. 1245

(b) Any owner of a home or any other person or party that 1246
would be authorized to file a complaint under division (A) of 1247
section 5715.19 of the Revised Code if the home was real 1248
property may file a complaint against the true value of the home 1249
as appraised under this section. The complaint shall be filed 1250
with the county auditor on or before the thirty-first day of 1251
March of the current tax year or the date of closing of the 1252
collection for the first half of manufactured home taxes for the 1253
current tax year, whichever is later. The auditor shall present 1254

to the county board of revision all complaints filed with the 1255
auditor under this section. The board shall hear and investigate 1256
the complaint and may take action on it as provided under 1257
sections 5715.11 to 5715.19 of the Revised Code. 1258

(c) If the county board of revision determines, pursuant 1259
to a complaint against the valuation of a manufactured or mobile 1260
home filed under this section, that the amount of taxes, 1261
assessments, or other charges paid was in excess of the amount 1262
due based on the valuation as finally determined, then the 1263
overpayment shall be refunded in the manner prescribed in 1264
section 5715.22 of the Revised Code. 1265

(d) Payment of all or part of a tax under this section for 1266
any year for which a complaint is pending before the county 1267
board of revision does not abate the complaint or in any way 1268
affect the hearing and determination thereof. 1269

(M) If the county auditor determines that any tax or other 1270
charge or any part thereof has been erroneously charged as a 1271
result of a clerical error as defined in section 319.35 of the 1272
Revised Code, the county auditor shall call the attention of the 1273
county board of revision to the erroneous charges. If the board 1274
finds that the taxes or other charges have been erroneously 1275
charged or collected, it shall certify the finding to the 1276
auditor. Upon receipt of the certification, the auditor shall 1277
remove the erroneous charges on the manufactured home tax list 1278
or delinquent manufactured home tax list in the same manner as 1279
is prescribed in section 319.35 of the Revised Code for 1280
erroneous charges against real property, and refund any 1281
erroneous charges that have been collected, with interest, in 1282
the same manner as is prescribed in section 319.36 of the 1283
Revised Code for erroneous charges against real property. 1284

(N) As used in this section and section 4503.061 of the Revised Code:	1285
	1286
(1) "Manufactured home taxes" includes taxes, penalties, and interest charged under division (C) or (G) of this section and any penalties charged under division (G) or (H) (5) of section 4503.061 of the Revised Code.	1287
	1288
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	1290
(2) "Current taxes" means all manufactured home taxes charged against a manufactured or mobile home that have not appeared on the manufactured home tax list for any prior year. Current taxes become delinquent taxes if they remain unpaid after the last day prescribed for payment of the second installment of current taxes without penalty, whether or not they have been certified delinquent.	1291
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(3) "Delinquent taxes" means:	1298
(a) Any manufactured home taxes that were charged against a manufactured or mobile home for a prior year, including any penalties or interest charged for a prior year and the costs of publication under division (H) (2) of this section, and that remain unpaid;	1299
	1300
	1301
	1302
	1303
(b) Any current manufactured home taxes charged against a manufactured or mobile home that remain unpaid after the last day prescribed for payment of the second installment of current taxes without penalty, whether or not they have been certified delinquent, including any penalties or interest and the costs of publication under division (H) (2) of this section.	1304
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Sec. 5703.42. The annual report of the department of taxation shall include a full report of the operation and execution of all laws which it is required to administer. <u>The department shall deliver copies of the report to each member of</u>	1310
	1311
	1312
	1313

the general assembly. 1314

Sec. 5703.52. (A) The tax commissioner shall appoint one 1315
or more problem resolution officers from among the employees of 1316
the department of taxation, and at least one of these employees 1317
shall be assigned as a problem resolution officer as the 1318
employee's full-time duty. These officers shall receive and 1319
review inquiries and complaints concerning matters that have 1320
been pending before the department for an unreasonable length of 1321
time or matters to which a taxpayer has been unable to obtain a 1322
satisfactory response after several attempts to communicate with 1323
the employee of the department assigned to the taxpayer's case 1324
or the employee's immediate supervisor. 1325

Matters arising in cases on appeal from a final 1326
determination of the commissioner or in cases certified to the 1327
attorney general for collection are not reviewable by a problem 1328
resolution officer. An action taken by a problem resolution 1329
officer is not a final order of the commissioner appealable to 1330
the board of tax appeals. 1331

The commissioner shall prescribe and make available on the 1332
department of taxation's web site a form, that may be submitted 1333
online through the department's web site, to request assistance 1334
from or otherwise communicate with a problem resolution officer. 1335
The form shall be available from a link on the home page of the 1336
department's web site. Upon receipt of such a form, the officer 1337
shall transmit a copy of the form to any employee of the 1338
department involved in the matter listed on the form. 1339

The home page of the department's web site shall include a 1340
link that leads to a directory of each employee appointed as a 1341
problem resolution officer, including the name, phone number, 1342
and electronic mail address of the employee. The directory shall 1343

also indicate if an employee is assigned as a problem resolution officer as the employee's full-time duty. This information shall be updated as needed. If a person registers to receive regular communication or updates from the department, this information shall be included in such a communication to the person. If any of the information changes, it shall be included in another communication. 1344
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(B) The tax commissioner shall maintain a continuing education program to train employees of the department and to provide them with a current knowledge of state and federal tax laws. 1351
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1354

(C) In addition to any other information provided by law, the tax commissioner shall include in the annual report required by section 5703.42 of the Revised Code ~~information~~ all of the following, arranged by tax and whether the taxpayer involved is an individual or a business: 1355
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1357
1358
1359

(1) Information about the number and kinds of audits or assessments conducted in the year covered by the report. 1360
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(2) The length of time of such audits, which may be compiled into statistics. 1362
1363

(3) The length of time to resolve appeals, which may be compiled into statistics. 1364
1365

(4) The number of audits that remained unresolved as of the last day of the year covered by the report. Of those audits, the report shall indicate whether each had been unresolved for less than one year, more than one year but less than two years, more than two years but less than three years, or four years or more. 1366
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1371

(5) The number of appeals with respect to which a taxpayer 1372

has filed a petition for reassessment or request for hearing but 1373
that, as of the last day of the year covered by the report, have 1374
have not resulted in a final determination. Of those appeals, 1375
the report shall indicate whether each had been unresolved for 1376
less than one year, more than one year but less than two years, 1377
more than two years but less than three years, or four years or 1378
more. 1379

(D) The tax commissioner shall not use the amounts of 1380
taxes assessed by an employee of the department as the basis of 1381
a production quota system for employees or the basis for 1382
evaluating an employee's performance. 1383

(E) The tax commissioner shall establish procedures for 1384
monitoring the performance of tax agents that include the use of 1385
evaluations obtained from taxpayers. 1386

Sec. 5703.59. (A) As used in this section: 1387

(1) "Taxpayer" and "tax or fee" have the same meanings as 1388
in section 5703.77 of the Revised Code. 1389

(2) "Notice of assessment" means a notice of underpayment 1390
or nonpayment of a tax or fee issued pursuant to any section of 1391
the Revised Code, including under section 5736.09, 5739.13, 1392
5741.11, 5741.13, 5747.13, or 5751.09 of the Revised Code. 1393

(B) A taxpayer shall have at least one opportunity to pay 1394
the amount of any tax or fee, including related charges, 1395
penalties, and interest, for which a notice of assessment has 1396
been issued but that has not been certified to the attorney 1397
general under section 131.02 of the Revised Code by entering 1398
into a written delinquent tax contract with the tax commissioner 1399
on a form prescribed by the commissioner. Additional 1400
opportunities to enter into a delinquent tax contract shall be 1401

at the commissioner's sole discretion. 1402

A delinquent tax contract entered into under this section 1403
shall provide for the payment of any delinquent or unpaid 1404
current taxes, or both, in installments over a period, beginning 1405
on the date of the first payment made under the contract, not to 1406
exceed six years at the election of the taxpayer. 1407

Each delinquent tax contract entered into under this 1408
section shall specify the number of installments, the amount of 1409
each installment, and the schedule for payment of the 1410
installments. The part of each installment payment representing 1411
taxes, fees, charges, interest, and penalties shall be treated 1412
as a regular payment of the tax, fee, charge, penalty, or 1413
interest under applicable law. 1414

When an installment payment is not received by the 1415
commissioner when due under a delinquent tax contract entered 1416
into under this section, the delinquent tax contract becomes 1417
void unless the commissioner permits a new delinquent tax 1418
contract to be entered into. 1419

Sec. 5703.60. (A) If a petition for reassessment has been 1420
properly filed under a law that specifies that this section 1421
applies, the tax commissioner shall proceed as follows: 1422

(1) Except as provided in division (D) of this section, 1423
the commissioner may correct the assessment by issuing a 1424
corrected assessment. The corrected assessment may reduce or 1425
increase the previous assessment, as the commissioner finds 1426
proper. The commissioner shall send the corrected assessment by 1427
ordinary mail to the address to which the original assessment 1428
was sent, unless the petitioner notifies the commissioner of a 1429
different address. The commissioner's mailing of the corrected 1430

assessment is an assessment timely made and issued to the extent 1431
that the original assessment was timely made and issued, 1432
notwithstanding any time limitation otherwise imposed by law. 1433

Within sixty days after the mailing of the corrected 1434
assessment, the petitioner may file a new petition for 1435
reassessment. The petition shall be filed in the same manner as 1436
provided by law for filing the original petition. If a new 1437
petition is properly filed within the sixty-day period, the 1438
commissioner shall proceed under division (A) (2) or (3) of this 1439
section. If a new petition is not properly filed within the 1440
sixty-day period, the corrected assessment becomes final, and 1441
the amount of the corrected assessment is due and payable from 1442
the person assessed. 1443

The issuance of a corrected assessment under this division 1444
nullifies the petition for reassessment filed before such 1445
issuance, and that petition shall not be subject to further 1446
administrative review or appeal. The commissioner may issue to 1447
the person assessed only one corrected assessment under this 1448
division. 1449

(2) The commissioner may cancel the assessment by issuing 1450
either a corrected assessment or a final determination. The 1451
commissioner may mail the cancellation in the same manner as a 1452
corrected assessment under division (A) (1) of this section. 1453
Cancellation of an assessment pursuant to this division is not 1454
subject to further administrative review or appeal. 1455

(3) If no corrected assessment or final determination is 1456
issued under division (A) (1) or (2) of this section, or if a new 1457
petition for reassessment is properly filed under division (A) 1458
(1) of this section, the commissioner shall review the 1459
assessment or corrected assessment petition that is still 1460

pending. If the petitioner requests a hearing, the commissioner 1461
shall assign a time and place for the hearing and notify the 1462
petitioner of such time and place, ~~but the commissioner may~~ 1463
~~continue the hearing from time to time as necessary. Upon~~ The 1464
hearing shall be held not later than one hundred eighty days 1465
after the hearing is requested, unless the petitioner files a 1466
request to extend this deadline by ninety days, which the 1467
commissioner shall grant, or the deadline is extended pursuant 1468
to division (A) (5) of this section or, for not more than one 1469
hundred eighty additional days, by agreement of the petitioner 1470
and commissioner. Subject to division (A) (4) of this section, 1471
upon completion of the review and hearing, if requested by the 1472
person assessed, the commissioner shall either cancel the 1473
assessment or corrected assessment by issuing a corrected 1474
assessment or final determination under division (A) (2) of this 1475
section, or issue a final determination that reduces, affirms, 1476
or increases the assessment or corrected assessment, as the 1477
commissioner finds proper. If a final determination is issued 1478
under this division, a copy of it shall be served on the 1479
petitioner in the manner provided by section 5703.37 of the 1480
Revised Code, and it is subject to appeal under section 5717.02 1481
of the Revised Code. Only objections decided on the merits by 1482
the board of tax appeals or a court shall be given the effect of 1483
collateral estoppel or res judicata in considering an 1484
application for refund of amounts paid pursuant to the 1485
assessment or corrected assessment. 1486

(4) During a hearing described in division (A) (3) of this 1487
section, the petitioner may request that the tax commissioner 1488
disclose to the petitioner or the petitioner's representative 1489
any proposed final determination. The commissioner shall comply 1490
with any such request and shall not issue a final determination 1491

until at least thirty days following delivery of the proposed 1492
final determination to the petitioner or representative. During 1493
that thirty-day period, the petitioner may respond to the 1494
proposed final determination or provide additional supporting 1495
documentation to the commissioner. 1496

If the petitioner does not respond to the proposed final 1497
determination during that thirty-day period, the proposed final 1498
determination shall be deemed, on the last day of such period, 1499
to be the final determination, which may be appealed under 1500
section 5717.02 of the Revised Code. The commissioner shall 1501
subsequently issue a final determination with the same content 1502
as the proposed final determination but, for the purposes of 1503
appeals under section 5717.02 of the Revised Code, the final 1504
determination shall be considered to have been issued on the 1505
last day of the thirty-day period. 1506

If the petitioner does respond to the proposed final 1507
determination during that thirty-day period, the commissioner 1508
may issue the final determination within thirty days after 1509
receiving the response or documentation. If that deadline 1510
expires without issuance of a final determination, then on that 1511
expiration date the proposed final determination is deemed to be 1512
the final determination, which may be appealed under section 1513
5717.02 of the Revised Code. Upon the written consent of the 1514
petitioner, the commissioner may extend the thirty-day period 1515
for issuing a final determination under this paragraph by up to 1516
an additional thirty days. 1517

(5) The commissioner may, within sixty days after the 1518
filing of a petition for reassessment, submit a request to the 1519
petitioner for a settlement conference to explore opportunities 1520
to resolve the petition. If the petitioner accepts the request, 1521

the conference shall be held within one hundred eighty days 1522
after the petition's filing date and the deadline by which a 1523
hearing must be held under division (A) (3) of this section shall 1524
be extended by the number of days between the date the 1525
commissioner makes the request for a conference and the date of 1526
the conference. 1527

(B) Except as provided in division (D) of this section, in 1528
addition to the authority provided in division (A) of this 1529
section and division (H) of section 5703.05 of the Revised Code, 1530
the tax commissioner, on the commissioner's own motion, may 1531
issue a corrected assessment with regard to the assessment of 1532
any tax for which a properly filed petition for reassessment 1533
would be subject to division (A) of this section. A corrected 1534
assessment may be issued under this division only if the 1535
original assessment has not been certified to the attorney 1536
general for collection under section 131.02 of the Revised Code, 1537
or is not an appeal pursuant to section 5717.02 of the Revised 1538
Code. The corrected assessment shall not increase the amount of 1539
tax, penalty, or additional charge if the statute of limitations 1540
to issue a new assessment for such increase has expired. The 1541
corrected assessment shall be issued and reviewed in the same 1542
manner as a corrected assessment under division (A) (1) of this 1543
section. 1544

(C) If the tax commissioner issues a corrected assessment 1545
or final determination under this section that reduces an 1546
assessment below the amount paid thereon, and the reduction is 1547
made at the written request of the party assessed, either 1548
through the filing of a proper petition for reassessment or 1549
otherwise, the commissioner shall certify any overpayment as a 1550
refund due only to the extent a refund could have been timely 1551
claimed when the request was made. If the reduction is made on 1552

the commissioner's own motion, the commissioner shall certify 1553
any overpayment as a refund due only to the extent a refund 1554
could have been timely claimed at the time the reduction was 1555
made. 1556

(D) The tax commissioner shall not issue a corrected 1557
assessment under division (A) (1) or (B) of this section after 1558
the party assessed has requested in writing that the 1559
commissioner not use that procedure. 1560

(E) This section does not require the tax commissioner to 1561
issue a corrected assessment. 1562

(F) Notwithstanding any other section of the Revised Code, 1563
interest on an assessment for which a petition for reassessment 1564
has been filed shall no longer accrue more than one year after 1565
the filing date of that petition through the date that the 1566
commissioner issues a final determination on that petition. 1567

(G) Nothing in this section prohibits the tax commissioner 1568
from doing either of the following between the time a petition 1569
for reassessment is filed and a final determination is issued: 1570

(1) Requesting additional supporting documentation from 1571
the petitioner; 1572

(2) Communicating about, negotiating, or entering into a 1573
settlement agreement with a petitioner, regardless of whether a 1574
settlement conference is held under division (A) (5) of this 1575
section. 1576

Sec. 5703.70. (A) On the filing of an application for 1577
refund under section 718.91, 3734.905, 4307.05, 4307.07, 1578
5726.30, 5727.28, 5727.91, 5728.061, 5733.12, 5735.122, 5735.13, 1579
5735.14, 5735.141, 5735.142, 5735.18, 5736.08, 5739.07, 1580
5739.104, 5741.10, 5743.05, 5743.53, 5747.11, 5749.08, 5751.08, 1581

or 5753.06 of the Revised Code, or an application for 1582
compensation under section 5739.061 of the Revised Code, if the 1583
tax commissioner determines that the amount of the refund or 1584
compensation to which the applicant is entitled is less than the 1585
amount claimed in the application, the commissioner shall give 1586
the applicant written notice electronically or by ~~ordinary~~ 1587
certified mail of the amount. If sent by ~~ordinary-certified~~ 1588
mail, the notice shall be sent to the address shown on the 1589
application unless the applicant notifies the commissioner of a 1590
different address. If sent electronically, the notice shall be 1591
sent to the person or the person's authorized representative 1592
through secure electronic means associated with the person's or 1593
representative's last known electronic mail address, but only 1594
with the person's consent. The applicant shall have sixty days 1595
from the date the commissioner electronically sends or mails the 1596
notice to provide additional information to the commissioner or 1597
request a hearing, or both. 1598

(B) If the applicant neither requests a hearing nor 1599
provides additional information to the tax commissioner within 1600
the time prescribed by division (A) of this section, the 1601
commissioner shall take no further action, and the refund or 1602
compensation amount denied becomes final. 1603

(C) (1) If the applicant requests a hearing within the time 1604
prescribed by division (A) of this section, the tax commissioner 1605
shall assign a time and place for the hearing and notify the 1606
applicant of such time and place, ~~but the commissioner may~~ 1607
~~continue the hearing from time to time, as necessary.~~ The 1608
hearing shall be held not later than one hundred eighty days 1609
after the hearing is requested, unless the applicant files a 1610
request to extend this deadline by ninety days, which the 1611
commissioner shall grant, or the deadline is extended as 1612

required by division (C) (5) of this section or, for not more 1613
than one hundred eighty additional days, by agreement of the 1614
applicant and commissioner. ~~After~~ Subject to division (C) (4) of 1615
this section, after the hearing, the commissioner may make such 1616
adjustments to the refund or compensation as the commissioner 1617
finds proper, and shall issue a final determination thereon. 1618

(2) If the applicant does not request a hearing, but 1619
provides additional information, within the time prescribed by 1620
division (A) of this section, the commissioner shall review the 1621
information, make such adjustments to the refund or compensation 1622
as the commissioner finds proper, and issue a final 1623
determination thereon. The commissioner may review such 1624
information and make such adjustments as many times as the 1625
commissioner finds proper before the issuance of a final 1626
determination. 1627

(3) If the applicant requests a hearing and provides 1628
additional information within the time prescribed by division 1629
(A) of this section, the commissioner may review the information 1630
and make such adjustments to the refund or compensation as the 1631
commissioner finds proper. The commissioner may review such 1632
information and make such adjustments as many times as the 1633
commissioner finds proper before the issuance of a final 1634
determination. 1635

The commissioner shall assign a time and place for the 1636
hearing and notify the applicant of such time and place, ~~but the~~ 1637
~~commissioner may continue the hearing from time to time, as~~ 1638
~~necessary~~ and the deadline for holding the hearing and the 1639
circumstances for extending that deadline shall be the same as 1640
described in division (C) (1) of this section. ~~After~~ Subject to 1641
division (C) (4) of this section, after the hearing, the 1642

commissioner may make any additional adjustments to the refund 1643
or compensation as the commissioner finds proper and shall issue 1644
a final determination thereon. 1645

(4) During a hearing described in division (C) (1) or (3) 1646
of this section, the applicant may request that the tax 1647
commissioner disclose to the applicant or the applicant's 1648
representative any proposed final determination. The 1649
commissioner shall comply with any such request and shall not 1650
issue a final determination until at least thirty days following 1651
delivery of the proposed final determination to the applicant or 1652
representative. During that thirty-day period, the applicant may 1653
respond to the proposed final determination or provide 1654
additional supporting documentation to the commissioner. 1655

If the applicant does not respond to the proposed final 1656
determination during that thirty-day period, the proposed final 1657
determination shall be deemed, on the last day of such period, 1658
to be the final determination, which may be appealed under 1659
section 5717.02 of the Revised Code. The commissioner shall 1660
subsequently issue a final determination with the same content 1661
as the proposed final determination but, for the purposes of 1662
appeals under section 5717.02 of the Revised Code, the final 1663
determination shall be considered to have been issued on the 1664
last day of the thirty-day period. 1665

If the applicant does not respond to the proposed final 1666
determination during that thirty-day period, the commissioner 1667
may issue a final determination within thirty days after 1668
receiving the response or documentation. If that deadline 1669
expires without issuance of a final determination, then on that 1670
expiration date the proposed final determination is deemed to be 1671
the final determination, which may be appealed under section 1672

5717.02 of the Revised Code. Upon the written consent of the 1673
applicant, the commissioner may extend the thirty-day period for 1674
issuing a final determination under this paragraph by up to an 1675
additional thirty days. 1676

(5) The commissioner may, within sixty days after the 1677
applicant requests a hearing, submit a request to the applicant 1678
for a settlement conference to explore opportunities to agree 1679
upon the amount of the refund. If the applicant accepts the 1680
request, the conference shall be held not later than one hundred 1681
eighty days after the hearing request has been filed and the 1682
date on which the hearing would otherwise be held shall be 1683
extended by the number of days between the date the commissioner 1684
makes the request for a conference and the date of the 1685
conference. After the conference, if the applicant and the 1686
commissioner arrive at an agreement, the commissioner shall make 1687
any agreed-upon adjustments to the refund or compensation and 1688
shall issue a final determination thereon. 1689

(6) The commissioner shall serve a copy of the final 1690
determination made under division (C) (1), (2), ~~or~~ (3), or (5) of 1691
this section on the applicant in the manner provided in section 1692
5703.37 of the Revised Code, and the decision is final, subject 1693
to appeal under section 5717.02 of the Revised Code. 1694

(D) The tax commissioner shall certify to the director of 1695
budget and management and treasurer of state for payment from 1696
the tax refund fund created by section 5703.052 of the Revised 1697
Code, the amount of the refund to be refunded under division (B) 1698
or (C) of this section. The commissioner also shall certify to 1699
the director and treasurer of state for payment from the general 1700
revenue fund the amount of compensation to be paid under 1701
division (B) or (C) of this section. 1702

(E) Nothing in this section prohibits the tax commissioner 1703
doing either of the following between the time a hearing is 1704
requested or the applicant provides additional information to 1705
the commissioner and a final determination is issued: 1706

(1) Requesting additional supporting documentation from 1707
the applicant; 1708

(2) Communicating about, negotiating, or entering into a 1709
settlement agreement with an applicant, regardless of whether a 1710
settlement conference is held under division (C) (5) of this 1711
section. 1712

Sec. 5717.01. An appeal from a decision of a county board 1713
of revision may be taken to the board of tax appeals within 1714
thirty days after notice of the decision of the county board of 1715
revision is mailed as provided in division (A) of section 1716
5715.20 of the Revised Code. Such an appeal may be taken by the 1717
county auditor, the tax commissioner, or any board, legislative 1718
authority, public official, or taxpayer authorized by section 1719
5715.19 of the Revised Code to file complaints against 1720
valuations or assessments with the auditor, except that a 1721
subdivision or the legislative authority or mayor of a 1722
subdivision may file such an appeal only if the subdivision owns 1723
or leases the property that is the subject of the board of 1724
revision's decision, and except that no such appeal may be taken 1725
by a third party complainant, as defined in that section. Such 1726
appeal shall be taken by the filing of a notice of appeal, in 1727
person or by certified mail, express mail, facsimile 1728
transmission, electronic transmission, or by authorized delivery 1729
service, with the board of tax appeals and with the county board 1730
of revision. If notice of appeal is filed by certified mail, 1731
express mail, or authorized delivery service as provided in 1732

section 5703.056 of the Revised Code, the date of the United States postmark placed on the sender's receipt by the postal service or the date of receipt recorded by the authorized delivery service shall be treated as the date of filing. If notice of appeal is filed by facsimile transmission or electronic transmission, the date and time the notice is received by the board shall be the date and time reflected on a timestamp provided by the board's electronic system, and the appeal shall be considered filed with the board on the date reflected on that timestamp. Any timestamp provided by another computer system or electronic submission device shall not affect the time and date the notice is received by the board. Upon receipt of such notice of appeal such county board of revision shall notify all persons thereof who were parties to the proceeding before such county board of revision by either certified mail or, if the board has record of an internet identifier of record associated with such a person, by ordinary mail and by that internet identifier of record, and shall file proof of such notice or, in the case of ordinary mail, an affidavit attesting that the board sent the notice with the board of tax appeals. The county board of revision shall thereupon certify to the board of tax appeals a transcript of the record of the proceedings of the county board of revision pertaining to the original complaint, and all evidence offered in connection therewith. Such appeal may be heard by the board of tax appeals at its offices in Columbus or in the county where the property is listed for taxation, or the board of tax appeals may cause its examiners to conduct such hearing and to report to it their findings for affirmation or rejection. An appeal may proceed pursuant to section 5703.021 of the Revised Code on the small claims docket if the appeal qualifies under that section.

The board of tax appeals may order the appeal to be heard 1764
on the record and the evidence certified to it by the county 1765
board of revision, or it may order the hearing of additional 1766
evidence, and it may make such investigation concerning the 1767
appeal as it deems proper. If the board orders a hearing, the 1768
board shall render its decision within twelve months after the 1769
date of that hearing. If the board does not order a hearing, the 1770
board shall render its decision within twelve months after the 1771
last date on which a brief was filed in the case. In either 1772
case, the time for rendering the decision may be extended with 1773
the consent of all parties to the appeal. 1774

As used in this section, "internet identifier of record" 1775
has the same meaning as in section 9.312 of the Revised Code. 1776

Sec. 5717.011. (A) As used in this chapter, "tax 1777
administrator" has the same meaning as in section 718.01 of the 1778
Revised Code. 1779

(B) Appeals from a final determination of a local board of 1780
tax review created under section 718.11 of the Revised Code may 1781
be taken by the taxpayer or the tax administrator to the board 1782
of tax appeals or may be taken by the taxpayer or the tax 1783
administrator to a court of common pleas as otherwise provided 1784
by law. If the taxpayer or the tax administrator elects to make 1785
an appeal to the board of tax appeals or court of common pleas, 1786
and subject to section 5703.021 of the Revised Code with respect 1787
to appeals assigned to the small claims docket, the appeal shall 1788
be taken by the filing of a notice of appeal with the board of 1789
tax appeals or court of common pleas, the local board of tax 1790
review, and the opposing party. The notice of appeal shall be 1791
filed within sixty days after the day the appellant receives 1792
notice of the final determination issued under section 718.11 of 1793

the Revised Code. An appeal filed with a court of common pleas 1794
is governed by the Rules of Civil Procedure and other rules of 1795
practice and procedure applicable to civil actions. For an 1796
appeal filed with the board of tax appeals, the notice of appeal 1797
may be filed in person or by certified mail, express mail, 1798
facsimile transmission, electronic transmission, or by 1799
authorized delivery service as provided in section 5703.056 of 1800
the Revised Code. If the notice of appeal is filed by certified 1801
mail, express mail, or authorized delivery service as provided 1802
in section 5703.056 of the Revised Code, the date of the United 1803
States postmark placed on the sender's receipt by the postal 1804
service or the date of receipt recorded by the authorized 1805
delivery service shall be treated as the date of filing with the 1806
board. If notice of appeal is filed by facsimile transmission or 1807
electronic transmission, the date and time the notice is 1808
received by the board shall be the date and time reflected on a 1809
timestamp provided by the board's electronic system, and the 1810
appeal shall be considered filed with the board on the date 1811
reflected on that timestamp. Any timestamp provided by another 1812
computer system or electronic submission device shall not affect 1813
the time and date the notice is received by the board. The 1814
notice of appeal shall have attached thereto and incorporated 1815
therein by reference a true copy of the final determination 1816
issued under section 718.11 of the Revised Code, but failure to 1817
attach a copy of such notice and incorporate it by reference in 1818
the notice of appeal does not invalidate the appeal. 1819

(C) A notice of appeal for an appeal filed with the board 1820
of tax appeals shall contain a short and plain statement of the 1821
claimed errors in the final determination of the local board of 1822
tax review showing that the appellant is entitled to relief and 1823
a demand for the relief to which the appellant claims to be 1824

entitled. An appellant may amend the notice of appeal once as a matter of course within sixty days after the certification of the transcript. Otherwise, an appellant may amend the notice of appeal only after receiving leave of the board or the written consent of each adverse party. Leave of the board shall be freely given when justice so requires.

(D) Upon the filing of a notice of appeal with the board of tax appeals, the local board of tax review shall certify to the board of tax appeals a transcript of the record of the proceedings before it, together with all evidence considered by it in connection therewith. Such appeals may be heard by the board at its office in Columbus or in the county where the appellant resides, or it may cause its examiners to conduct such hearings and to report to it their findings for affirmation or rejection. The board may order the appeal to be heard upon the record and the evidence certified to it by the tax administrator, but upon the application of any interested party the board shall order the hearing of additional evidence, and the board may make such investigation concerning the appeal as it considers proper. An appeal may proceed pursuant to section 5703.021 of the Revised Code on the small claims docket if the appeals qualifies under that section. If the board orders a hearing, the board shall render its decision within twelve months after the date of that hearing. If the board does not order a hearing, the board shall render its decision within twelve months after the last date on which a brief was filed in the case. In either case, the time for rendering the decision may be extended with the consent of all parties to the appeal.

(E) If an issue being appealed under this section is addressed in a municipal corporation's ordinance or regulation, the tax administrator, upon the request of the board of tax

appeals, shall provide a copy of the ordinance or regulation to 1856
the board of tax appeals. 1857

Sec. 5717.02. (A) Except as otherwise provided by law, 1858
appeals from final determinations by the tax commissioner of any 1859
preliminary, amended, or final tax assessments, reassessments, 1860
valuations, determinations, findings, computations, or orders 1861
made by the commissioner may be taken to the board of tax 1862
appeals by the taxpayer, by the person to whom notice of the tax 1863
assessment, reassessment, valuation, determination, finding, 1864
computation, or order by the commissioner is required by law to 1865
be given, by the director of budget and management if the 1866
revenues affected by that decision would accrue primarily to the 1867
state treasury, or by the county auditors of the counties to the 1868
undivided general tax funds of which the revenues affected by 1869
that decision would primarily accrue. Appeals from the 1870
redetermination by the director of development ~~services~~ under 1871
division (B) of section 5709.64 or division (A) of section 1872
5709.66 of the Revised Code may be taken to the board of tax 1873
appeals by the enterprise to which notice of the redetermination 1874
is required by law to be given. Appeals from a decision of the 1875
tax commissioner or county auditor concerning an application for 1876
a property tax exemption may be taken to the board of tax 1877
appeals by the applicant or by a school district that filed a 1878
statement concerning that application under division (C) of 1879
section 5715.27 of the Revised Code. Appeals from a 1880
redetermination by the director of job and family services under 1881
section 5733.42 of the Revised Code may be taken by the person 1882
to which the notice of the redetermination is required by law to 1883
be given under that section. 1884

(B) The appeals shall be taken by the filing of a notice 1885
of appeal with the board, and with the tax commissioner if the 1886

tax commissioner's action is the subject of the appeal, with the 1887
county auditor if the county auditor's action is the subject of 1888
the appeal, with the director of development ~~services~~ if that 1889
director's action is the subject of the appeal, or with the 1890
director of job and family services if that director's action is 1891
the subject of the appeal. The notice of appeal shall be filed 1892
within sixty days after service of the notice of the tax 1893
assessment, reassessment, valuation, determination, finding, 1894
computation, or order by the commissioner, property tax 1895
exemption determination by the commissioner or the county 1896
auditor, or redetermination by the director has been given as 1897
provided in section 5703.37, 5709.64, 5709.66, or 5733.42 of the 1898
Revised Code. The notice of appeal may be filed in person or by 1899
certified mail, express mail, facsimile transmission, electronic 1900
transmission or by authorized delivery service. If the notice of 1901
appeal is filed by certified mail, express mail, or authorized 1902
delivery service as provided in section 5703.056 of the Revised 1903
Code, the date of the United States postmark placed on the 1904
sender's receipt by the postal service or the date of receipt 1905
recorded by the authorized delivery service shall be treated as 1906
the date of filing. If notice of appeal is filed by facsimile 1907
transmission or electronic transmission, the date and time the 1908
notice is received by the board shall be the date and time 1909
reflected on a timestamp provided by the board's electronic 1910
system, and the appeal shall be considered filed with the board 1911
on the date reflected on that timestamp. Any timestamp provided 1912
by another computer system or electronic submission device shall 1913
not affect the time and date the notice is received by the 1914
board. The notice of appeal shall have attached to it and 1915
incorporated in it by reference a true copy of the notice sent 1916
by the commissioner, county auditor, or director to the 1917
taxpayer, enterprise, or other person of the final determination 1918

or redetermination complained of, but failure to attach a copy 1919
of that notice and to incorporate it by reference in the notice 1920
of appeal does not invalidate the appeal. 1921

(C) A notice of appeal shall contain a short and plain 1922
statement of the claimed errors in the determination or 1923
redetermination of the tax commissioner, county auditor, or 1924
director showing that the appellant is entitled to relief and a 1925
demand for the relief to which the appellant claims to be 1926
entitled. An appellant may amend the notice of appeal once as a 1927
matter of course within sixty days after the certification of 1928
the transcript. Otherwise, an appellant may amend the notice of 1929
appeal only after receiving leave of the board or the written 1930
consent of each adverse party. Leave of the board shall be 1931
freely given when justice so requires. 1932

(D) Upon the filing of a notice of appeal, the tax 1933
commissioner, county auditor, or the director, as appropriate, 1934
shall certify to the board a transcript of the record of the 1935
proceedings before the commissioner, auditor, or director, 1936
together with all evidence considered by the commissioner, 1937
auditor, or director in connection with the proceedings. Those 1938
appeals or applications may be heard by the board at its office 1939
in Columbus or in the county where the appellant resides, or it 1940
may cause its examiners to conduct the hearings and to report to 1941
it their findings for affirmation or rejection. 1942

(E) The board may order the appeal to be heard upon the 1943
record and the evidence certified to it by the commissioner, 1944
county auditor, or director, but upon the application of any 1945
interested party the board shall order the hearing of additional 1946
evidence, and it may make an investigation concerning the appeal 1947
that it considers proper. An appeal may proceed pursuant to 1948

section 5703.021 of the Revised Code on the small claims docket 1949
if the appeal qualifies under that section. If the board orders 1950
a hearing, the board shall render its decision within twelve 1951
months after the date of that hearing. If the board does not 1952
order a hearing, the board shall render its decision within 1953
twelve months after the last date on which a brief was filed in 1954
the case. In either case, the time for rendering the decision 1955
may be extended with the consent of all parties to the appeal. 1956

Sec. 5717.021. If the tax commissioner has not issued a 1957
final determination or proposed a final determination within one 1958
year after a hearing held under section 5703.60 or 5703.70 of 1959
the Revised Code occurs or, if a petitioner does not request a 1960
hearing under section 5703.60 of the Revised Code, within one 1961
year after the petition for reassessment is filed, then the 1962
petitioner or applicant, respectively, may appeal the assessment 1963
or denial of a refund, respectively, to the board of tax 1964
appeals. The appeal shall be taken in the same manner as an 1965
appeal taken under section 5717.02 of the Revised Code, except 1966
as follows: 1967

(A) The assessment or denial of the refund shall be the 1968
tax commissioner's determination that is appealed against. 1969

(B) The transcript of the record of proceedings that the 1970
commissioner is required to file shall include any information, 1971
records, or documents that relate to the petition or denial. 1972

(C) Any objection raised by the appellant in its petition 1973
for reassessment, any objection raised by the appellant in 1974
writing to the commissioner after the filing of a petition for 1975
reassessment but before the filing of an appeal under this 1976
section, or any documentation submitted to the commissioner in 1977
response to the commissioner's denial of a refund shall be 1978

considered denied by the commissioner and an error that may be 1979
appealed. 1980

(D) In the case of an appeal of a refund denial, an 1981
appellant may raise any basis as to why the denial was improper, 1982
even if the basis was not raised before the filing of the appeal 1983
under this section. 1984

(E) Within sixty days after the notice of appeal is filed, 1985
the commissioner shall file a short and plain statement of the 1986
bases for sustaining an assessment or the denial of a refund, 1987
all of which must have been communicated in writing to the 1988
appellant before the filing of the appeal under this section. 1989
The board may deny an appeal filed under this section only on 1990
the basis of an issue raised in the commissioner's statement. 1991

(F) Within thirty days after the commissioner's statement 1992
is filed under division (E) of this section, the appellant may 1993
amend the notice of appeal in order to raise additional 1994
objections to the commissioner's position. 1995

(G) If, for an appeal filed under this section, an 1996
appellant makes a prima facie showing of the facts necessary to 1997
support the appellant's position, the tax commissioner has the 1998
burden of proving, by clear and convincing evidence, that the 1999
assessment should be sustained or the refund should be denied. 2000

Sec. 5721.011. ~~Immediately~~ No sooner than six months after 2001
each settlement required by division (C) of section 321.24 of 2002
the Revised Code, each county auditor shall compile, in 2003
substantially the same form as the list and duplicate prepared 2004
pursuant to section 319.28 of the Revised Code, a list and 2005
duplicate of all delinquent lands in the auditor's county. In 2006
any such list there may be included lands that have been omitted 2007

from a prior list. Lands on which the only unpaid taxes are 2008
amounts claimed in good faith not to be due in complaints 2009
pending under section 5715.19 of the Revised Code and lands that 2010
are the subject of an application for exemption from taxation 2011
under section 5715.27 of the Revised Code shall not be included 2012
in the list. The delinquent land list and duplicate shall 2013
contain the description of the property and the name of the 2014
person in whose name it is listed as they appear on the tax list 2015
of the previous tax year and the total amount of all taxes, 2016
assessments, recoupment charges, penalties, and interest that 2017
were due and unpaid against the entry at the settlement and that 2018
remain unpaid. The list shall set forth as separate items any 2019
interest required to be so entered under divisions (B) (1), (2), 2020
and (3) of section 323.121 of the Revised Code. The original 2021
list shall be kept in the office of the auditor, and the 2022
duplicate shall be certified and delivered to the county 2023
treasurer ~~within thirty days after the settlement required by~~ 2024
~~division (C) of section 321.24 of the Revised Code.~~ 2025

Sec. 5726.21. (A) In addition to any other penalty imposed 2026
by this chapter or Chapter 5703. of the Revised Code, and except 2027
as provided in division (D) of this section, the following 2028
penalties shall apply: 2029

(1) If a taxpayer required to file any report under this 2030
chapter fails to make and file the report within the time 2031
prescribed, a penalty may be imposed not exceeding the greater 2032
of fifty dollars per month or fraction of a month, not to exceed 2033
five hundred dollars, or five per cent per month or fraction of 2034
a month, not to exceed fifty per cent of the tax required to be 2035
shown on the report, for each month or fraction of a month 2036
elapsing between the due date and the date on which the report 2037
is filed. 2038

(2) If a taxpayer fails to pay the amount of tax required 2039
to be paid under this chapter, except for estimated tax under 2040
section 5726.06 of the Revised Code, by the dates prescribed in 2041
this chapter for payment, a penalty may be imposed not exceeding 2042
fifteen per cent of the delinquent payment. 2043

(3) If a taxpayer files what purports to be a report 2044
required by this chapter that does not contain information upon 2045
which the substantial correctness of the report may be judged or 2046
contains information that on its face indicates that the report 2047
is substantially incorrect, and the filing of the report in that 2048
manner is due to a position that is frivolous or a desire that 2049
is apparent from the report to delay or impede the 2050
administration of the tax levied under this chapter, a penalty 2051
of up to five hundred dollars may be imposed. 2052

(4) If a taxpayer makes a fraudulent attempt to evade the 2053
reporting or payment of the tax required to be shown on any 2054
report required under this chapter, a penalty may be imposed not 2055
exceeding the greater of one thousand dollars or one hundred per 2056
cent of the tax required to be shown on the report. 2057

(5) If a taxpayer makes a false or fraudulent claim for a 2058
refund under this chapter, a penalty may be imposed not 2059
exceeding the greater of one thousand dollars or one hundred per 2060
cent of the claim. 2061

(B) The tax commissioner may collect any penalty imposed 2062
by this section in the same manner as the tax levied under this 2063
chapter. Penalties so collected shall be considered as revenue 2064
arising from the tax levied under this chapter. 2065

(C) For purposes of this section, the tax required to be 2066
shown on the report shall be reduced by the amount of any part 2067

of the tax paid on or before the date prescribed for filing the report. 2068
2069

(D) No penalty shall be imposed under division (A) of this section for failure to file a report required by section 5726.06 of the Revised Code if the taxpayer has not failed to file a report under that section in any preceding tax year. 2070
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2073

(E) The tax commissioner may abate all or a portion of any penalties imposed under this section and may adopt rules governing such abatements. 2074
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Sec. 5739.02. For the purpose of providing revenue with which to meet the needs of the state, for the use of the general revenue fund of the state, for the purpose of securing a thorough and efficient system of common schools throughout the state, for the purpose of affording revenues, in addition to those from general property taxes, permitted under constitutional limitations, and from other sources, for the support of local governmental functions, and for the purpose of reimbursing the state for the expense of administering this chapter, an excise tax is hereby levied on each retail sale made in this state. 2077
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(A) (1) The tax shall be collected as provided in section 5739.025 of the Revised Code. The rate of the tax shall be five and three-fourths per cent. The tax applies and is collectible when the sale is made, regardless of the time when the price is paid or delivered. 2088
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(2) In the case of the lease or rental, with a fixed term of more than thirty days or an indefinite term with a minimum period of more than thirty days, of any motor vehicles designed by the manufacturer to carry a load of not more than one ton, 2093
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watercraft, outboard motor, or aircraft, or of any tangible 2097
personal property, other than motor vehicles designed by the 2098
manufacturer to carry a load of more than one ton, to be used by 2099
the lessee or renter primarily for business purposes, the tax 2100
shall be collected by the vendor at the time the lease or rental 2101
is consummated and shall be calculated by the vendor on the 2102
basis of the total amount to be paid by the lessee or renter 2103
under the lease agreement. If the total amount of the 2104
consideration for the lease or rental includes amounts that are 2105
not calculated at the time the lease or rental is executed, the 2106
tax shall be calculated and collected by the vendor at the time 2107
such amounts are billed to the lessee or renter. In the case of 2108
an open-end lease or rental, the tax shall be calculated by the 2109
vendor on the basis of the total amount to be paid during the 2110
initial fixed term of the lease or rental, and for each 2111
subsequent renewal period as it comes due. As used in this 2112
division, "motor vehicle" has the same meaning as in section 2113
4501.01 of the Revised Code, and "watercraft" includes an 2114
outdrive unit attached to the watercraft. 2115

A lease with a renewal clause and a termination penalty or 2116
similar provision that applies if the renewal clause is not 2117
exercised is presumed to be a sham transaction. In such a case, 2118
the tax shall be calculated and paid on the basis of the entire 2119
length of the lease period, including any renewal periods, until 2120
the termination penalty or similar provision no longer applies. 2121
The taxpayer shall bear the burden, by a preponderance of the 2122
evidence, that the transaction or series of transactions is not 2123
a sham transaction. 2124

(3) Except as provided in division (A) (2) of this section, 2125
in the case of a sale, the price of which consists in whole or 2126
in part of the lease or rental of tangible personal property, 2127

the tax shall be measured by the installments of that lease or rental. 2128
2129

(4) In the case of a sale of a physical fitness facility 2130
service or recreation and sports club service, the price of 2131
which consists in whole or in part of a membership for the 2132
receipt of the benefit of the service, the tax applicable to the 2133
sale shall be measured by the installments thereof. 2134

(B) The tax does not apply to the following: 2135

(1) Sales to the state or any of its political 2136
subdivisions, or to any other state or its political 2137
subdivisions if the laws of that state exempt from taxation 2138
sales made to this state and its political subdivisions 2139
including either of the following: 2140

(a) Sales or rentals of tangible personal property by 2141
construction contractors or subcontractors to provide temporary 2142
traffic control or temporary structures, including material and 2143
equipment used to comply with the Ohio manual of uniform traffic 2144
control devices adopted pursuant to section 4511.09 of the 2145
Revised Code, whereby the state or any of its political 2146
subdivisions take title to, or permanent or temporary possession 2147
of, such tangible personal property for use by the state or any 2148
of its political subdivisions, including for use by the general 2149
public thereof; 2150

(b) Sales of services by construction contractors or 2151
subcontractors to provide temporary traffic control or 2152
structures, including labor used to comply with the Ohio manual 2153
of uniform traffic control devices adopted pursuant to section 2154
4511.09 of the Revised Code, whereby the state or any of its 2155
political subdivisions, including the general public thereof, 2156

receive the benefit of such services.	2157
As used in divisions (B) (1) (a) and (b) of this section,	2158
"temporary structures" include temporary roads, bridges, drains,	2159
and pavement.	2160
(2) Sales of food for human consumption off the premises	2161
where sold;	2162
(3) Sales of food sold to students only in a cafeteria,	2163
dormitory, fraternity, or sorority maintained in a private,	2164
public, or parochial school, college, or university;	2165
(4) Sales of newspapers and sales or transfers of	2166
magazines distributed as controlled circulation publications;	2167
(5) The furnishing, preparing, or serving of meals without	2168
charge by an employer to an employee provided the employer	2169
records the meals as part compensation for services performed or	2170
work done;	2171
(6) (a) Sales of motor fuel upon receipt, use,	2172
distribution, or sale of which in this state a tax is imposed by	2173
the law of this state, but this exemption shall not apply to the	2174
sale of motor fuel on which a refund of the tax is allowable	2175
under division (A) of section 5735.14 of the Revised Code; and	2176
the tax commissioner may deduct the amount of tax levied by this	2177
section applicable to the price of motor fuel when granting a	2178
refund of motor fuel tax pursuant to division (A) of section	2179
5735.14 of the Revised Code and shall cause the amount deducted	2180
to be paid into the general revenue fund of this state;	2181
(b) Sales of motor fuel other than that described in	2182
division (B) (6) (a) of this section and used for powering a	2183
refrigeration unit on a vehicle other than one used primarily to	2184
provide comfort to the operator or occupants of the vehicle.	2185

(7) Sales of natural gas by a natural gas company or 2186
municipal gas utility, of water by a water-works company, or of 2187
steam by a heating company, if in each case the thing sold is 2188
delivered to consumers through pipes or conduits, and all sales 2189
of communications services by a telegraph company, all terms as 2190
defined in section 5727.01 of the Revised Code, and sales of 2191
electricity delivered through wires; 2192

(8) Casual sales by a person, or auctioneer employed 2193
directly by the person to conduct such sales, except as to such 2194
sales of motor vehicles, watercraft or outboard motors required 2195
to be titled under section 1548.06 of the Revised Code, 2196
watercraft documented with the United States coast guard, 2197
snowmobiles, and all-purpose vehicles as defined in section 2198
4519.01 of the Revised Code; 2199

(9) (a) Sales of services or tangible personal property, 2200
other than motor vehicles, mobile homes, and manufactured homes, 2201
by churches, organizations exempt from taxation under section 2202
501(c) (3) of the Internal Revenue Code of 1986, or nonprofit 2203
organizations operated exclusively for charitable purposes as 2204
defined in division (B) (12) of this section, provided that the 2205
number of days on which such tangible personal property or 2206
services, other than items never subject to the tax, are sold 2207
does not exceed six in any calendar year, except as otherwise 2208
provided in division (B) (9) (b) of this section. If the number of 2209
days on which such sales are made exceeds six in any calendar 2210
year, the church or organization shall be considered to be 2211
engaged in business and all subsequent sales by it shall be 2212
subject to the tax. In counting the number of days, all sales by 2213
groups within a church or within an organization shall be 2214
considered to be sales of that church or organization. 2215

(b) The limitation on the number of days on which tax- 2216
exempt sales may be made by a church or organization under 2217
division (B) (9) (a) of this section does not apply to sales made 2218
by student clubs and other groups of students of a primary or 2219
secondary school, or a parent-teacher association, booster 2220
group, or similar organization that raises money to support or 2221
fund curricular or extracurricular activities of a primary or 2222
secondary school. 2223

(c) Divisions (B) (9) (a) and (b) of this section do not 2224
apply to sales by a noncommercial educational radio or 2225
television broadcasting station. 2226

(10) Sales not within the taxing power of this state under 2227
the Constitution or laws of the United States or the 2228
Constitution of this state including either of the following: 2229

(a) Sales or rentals of tangible personal property by 2230
construction contractors or subcontractors to provide temporary 2231
traffic control or temporary structures, including material and 2232
equipment used to comply with the Ohio manual of uniform traffic 2233
control devices adopted pursuant to section 4511.09 of the 2234
Revised Code, whereby the United States takes title to, or 2235
permanent or temporary possession of, such tangible personal 2236
property for use by the United States including for use by the 2237
general public thereof; 2238

(b) Sales of services by construction contractors or 2239
subcontractors to provide temporary traffic control or 2240
structures, including labor used to comply with the Ohio manual 2241
of uniform traffic control devices adopted pursuant to section 2242
4511.09 of the Revised Code, whereby the United States, 2243
including the general public thereof, receives the benefit of 2244
such services. 2245

As used in divisions (B) (10) (a) and (b) of this section, 2246
"temporary structures" include temporary roads, bridges, drains, 2247
and pavement. 2248

(11) Except for transactions that are sales under division 2249
(B) (3) (p) of section 5739.01 of the Revised Code, the 2250
transportation of persons or property, unless the transportation 2251
is by a private investigation and security service; 2252

(12) Sales of tangible personal property or services to 2253
churches, to organizations exempt from taxation under section 2254
501(c) (3) of the Internal Revenue Code of 1986, and to any other 2255
nonprofit organizations operated exclusively for charitable 2256
purposes in this state, no part of the net income of which 2257
inures to the benefit of any private shareholder or individual, 2258
and no substantial part of the activities of which consists of 2259
carrying on propaganda or otherwise attempting to influence 2260
legislation; sales to offices administering one or more homes 2261
for the aged or one or more hospital facilities exempt under 2262
section 140.08 of the Revised Code; and sales to organizations 2263
described in division (D) of section 5709.12 of the Revised 2264
Code. 2265

"Charitable purposes" means the relief of poverty; the 2266
improvement of health through the alleviation of illness, 2267
disease, or injury; the operation of an organization exclusively 2268
for the provision of professional, laundry, printing, and 2269
purchasing services to hospitals or charitable institutions; the 2270
operation of a home for the aged, as defined in section 5701.13 2271
of the Revised Code; the operation of a radio or television 2272
broadcasting station that is licensed by the federal 2273
communications commission as a noncommercial educational radio 2274
or television station; the operation of a nonprofit animal 2275

adoption service or a county humane society; the promotion of 2276
education by an institution of learning that maintains a faculty 2277
of qualified instructors, teaches regular continuous courses of 2278
study, and confers a recognized diploma upon completion of a 2279
specific curriculum; the operation of a parent-teacher 2280
association, booster group, or similar organization primarily 2281
engaged in the promotion and support of the curricular or 2282
extracurricular activities of a primary or secondary school; the 2283
operation of a community or area center in which presentations 2284
in music, dramatics, the arts, and related fields are made in 2285
order to foster public interest and education therein; the 2286
production of performances in music, dramatics, and the arts; or 2287
the promotion of education by an organization engaged in 2288
carrying on research in, or the dissemination of, scientific and 2289
technological knowledge and information primarily for the 2290
public. 2291

Nothing in this division shall be deemed to exempt sales 2292
to any organization for use in the operation or carrying on of a 2293
trade or business, or sales to a home for the aged for use in 2294
the operation of independent living facilities as defined in 2295
division (A) of section 5709.12 of the Revised Code. 2296

(13) Building and construction materials and services sold 2297
to construction contractors for incorporation into a structure 2298
or improvement to real property under a construction contract 2299
with this state or a political subdivision of this state, or 2300
with the United States government or any of its agencies; 2301
building and construction materials and services sold to 2302
construction contractors for incorporation into a structure or 2303
improvement to real property that are accepted for ownership by 2304
this state or any of its political subdivisions, or by the 2305
United States government or any of its agencies at the time of 2306

completion of the structures or improvements; building and 2307
construction materials sold to construction contractors for 2308
incorporation into a horticulture structure or livestock 2309
structure for a person engaged in the business of horticulture 2310
or producing livestock; building materials and services sold to 2311
a construction contractor for incorporation into a house of 2312
public worship or religious education, or a building used 2313
exclusively for charitable purposes under a construction 2314
contract with an organization whose purpose is as described in 2315
division (B)(12) of this section; building materials and 2316
services sold to a construction contractor for incorporation 2317
into a building under a construction contract with an 2318
organization exempt from taxation under section 501(c)(3) of the 2319
Internal Revenue Code of 1986 when the building is to be used 2320
exclusively for the organization's exempt purposes; tangible 2321
personal property sold for incorporation into the construction 2322
of a sports facility under section 307.696 of the Revised Code; 2323
building and construction materials and services sold to a 2324
construction contractor for incorporation into real property 2325
outside this state if such materials and services, when sold to 2326
a construction contractor in the state in which the real 2327
property is located for incorporation into real property in that 2328
state, would be exempt from a tax on sales levied by that state; 2329
building and construction materials for incorporation into a 2330
transportation facility pursuant to a public-private agreement 2331
entered into under sections 5501.70 to 5501.83 of the Revised 2332
Code; until one calendar year after the construction of a 2333
convention center that qualifies for property tax exemption 2334
under section 5709.084 of the Revised Code is completed, 2335
building and construction materials and services sold to a 2336
construction contractor for incorporation into the real property 2337
comprising that convention center; and building and construction 2338

materials sold for incorporation into a structure or improvement 2339
to real property that is used primarily as, or primarily in 2340
support of, a manufacturing facility or research and development 2341
facility and that is to be owned by a megaproject operator upon 2342
completion and located at the site of a megaproject that 2343
satisfies the criteria described in division (A) (11) (a) (ii) of 2344
section 122.17 of the Revised Code, provided that the sale 2345
occurs during the period that the megaproject operator has an 2346
agreement for such megaproject with the tax credit authority 2347
under division (D) of section 122.17 of the Revised Code that 2348
remains in effect and has not expired or been terminated. 2349

This division does not apply to building and construction 2350
materials and services sold to construction contractors for 2351
incorporation into a structure or improvement to real property 2352
under a construction contract with a port authority if the 2353
contract is subject to section 4582.72 of the Revised Code but 2354
approval from the appropriate board of county commissioners, as 2355
required by that section, has not been obtained. 2356

(14) Sales of ships or vessels or rail rolling stock used 2357
or to be used principally in interstate or foreign commerce, and 2358
repairs, alterations, fuel, and lubricants for such ships or 2359
vessels or rail rolling stock; 2360

(15) Sales to persons primarily engaged in any of the 2361
activities mentioned in division (B) (42) (a), (g), or (h) of this 2362
section, to persons engaged in making retail sales, or to 2363
persons who purchase for sale from a manufacturer tangible 2364
personal property that was produced by the manufacturer in 2365
accordance with specific designs provided by the purchaser, of 2366
packages, including material, labels, and parts for packages, 2367
and of machinery, equipment, and material for use primarily in 2368

packaging tangible personal property produced for sale, 2369
including any machinery, equipment, and supplies used to make 2370
labels or packages, to prepare packages or products for 2371
labeling, or to label packages or products, by or on the order 2372
of the person doing the packaging, or sold at retail. "Packages" 2373
includes bags, baskets, cartons, crates, boxes, cans, bottles, 2374
bindings, wrappings, and other similar devices and containers, 2375
but does not include motor vehicles or bulk tanks, trailers, or 2376
similar devices attached to motor vehicles. "Packaging" means 2377
placing in a package. Division (B) (15) of this section does not 2378
apply to persons engaged in highway transportation for hire. 2379

(16) Sales of food to persons using supplemental nutrition 2380
assistance program benefits to purchase the food. As used in 2381
this division, "food" has the same meaning as in 7 U.S.C. 2012 2382
and federal regulations adopted pursuant to the Food and 2383
Nutrition Act of 2008. 2384

(17) Sales to persons engaged in farming, agriculture, 2385
horticulture, or floriculture, of tangible personal property for 2386
use or consumption primarily in the production by farming, 2387
agriculture, horticulture, or floriculture of other tangible 2388
personal property for use or consumption primarily in the 2389
production of tangible personal property for sale by farming, 2390
agriculture, horticulture, or floriculture; or material and 2391
parts for incorporation into any such tangible personal property 2392
for use or consumption in production; and of tangible personal 2393
property for such use or consumption in the conditioning or 2394
holding of products produced by and for such use, consumption, 2395
or sale by persons engaged in farming, agriculture, 2396
horticulture, or floriculture, except where such property is 2397
incorporated into real property; 2398

(18) Sales of drugs for a human being that may be	2399
dispensed only pursuant to a prescription; insulin as recognized	2400
in the official United States pharmacopoeia; urine and blood	2401
testing materials when used by diabetics or persons with	2402
hypoglycemia to test for glucose or acetone; hypodermic syringes	2403
and needles when used by diabetics for insulin injections;	2404
epoetin alfa when purchased for use in the treatment of persons	2405
with medical disease; hospital beds when purchased by hospitals,	2406
nursing homes, or other medical facilities; and medical oxygen	2407
and medical oxygen-dispensing equipment when purchased by	2408
hospitals, nursing homes, or other medical facilities;	2409
(19) Sales of prosthetic devices, durable medical	2410
equipment for home use, or mobility enhancing equipment, when	2411
made pursuant to a prescription and when such devices or	2412
equipment are for use by a human being.	2413
(20) Sales of emergency and fire protection vehicles and	2414
equipment to nonprofit organizations for use solely in providing	2415
fire protection and emergency services, including trauma care	2416
and emergency medical services, for political subdivisions of	2417
the state;	2418
(21) Sales of tangible personal property manufactured in	2419
this state, if sold by the manufacturer in this state to a	2420
retailer for use in the retail business of the retailer outside	2421
of this state and if possession is taken from the manufacturer	2422
by the purchaser within this state for the sole purpose of	2423
immediately removing the same from this state in a vehicle owned	2424
by the purchaser;	2425
(22) Sales of services provided by the state or any of its	2426
political subdivisions, agencies, instrumentalities,	2427
institutions, or authorities, or by governmental entities of the	2428

state or any of its political subdivisions, agencies,	2429
instrumentalities, institutions, or authorities;	2430
(23) Sales of motor vehicles to nonresidents of this state	2431
under the circumstances described in division (B) of section	2432
5739.029 of the Revised Code;	2433
(24) Sales to persons engaged in the preparation of eggs	2434
for sale of tangible personal property used or consumed directly	2435
in such preparation, including such tangible personal property	2436
used for cleaning, sanitizing, preserving, grading, sorting, and	2437
classifying by size; packages, including material and parts for	2438
packages, and machinery, equipment, and material for use in	2439
packaging eggs for sale; and handling and transportation	2440
equipment and parts therefor, except motor vehicles licensed to	2441
operate on public highways, used in intraplant or interplant	2442
transfers or shipment of eggs in the process of preparation for	2443
sale, when the plant or plants within or between which such	2444
transfers or shipments occur are operated by the same person.	2445
"Packages" includes containers, cases, baskets, flats, fillers,	2446
filler flats, cartons, closure materials, labels, and labeling	2447
materials, and "packaging" means placing therein.	2448
(25) (a) Sales of water to a consumer for residential use;	2449
(b) Sales of water by a nonprofit corporation engaged	2450
exclusively in the treatment, distribution, and sale of water to	2451
consumers, if such water is delivered to consumers through pipes	2452
or tubing.	2453
(26) Fees charged for inspection or reinspection of motor	2454
vehicles under section 3704.14 of the Revised Code;	2455
(27) Sales to persons licensed to conduct a food service	2456
operation pursuant to section 3717.43 of the Revised Code, of	2457

tangible personal property primarily used directly for the	2458
following:	2459
(a) To prepare food for human consumption for sale;	2460
(b) To preserve food that has been or will be prepared for	2461
human consumption for sale by the food service operator, not	2462
including tangible personal property used to display food for	2463
selection by the consumer;	2464
(c) To clean tangible personal property used to prepare or	2465
serve food for human consumption for sale.	2466
(28) Sales of animals by nonprofit animal adoption	2467
services or county humane societies;	2468
(29) Sales of services to a corporation described in	2469
division (A) of section 5709.72 of the Revised Code, and sales	2470
of tangible personal property that qualifies for exemption from	2471
taxation under section 5709.72 of the Revised Code;	2472
(30) Sales and installation of agricultural land tile, as	2473
defined in division (B) (5) (a) of section 5739.01 of the Revised	2474
Code;	2475
(31) Sales and erection or installation of portable grain	2476
bins, as defined in division (B) (5) (b) of section 5739.01 of the	2477
Revised Code;	2478
(32) The sale, lease, repair, and maintenance of, parts	2479
for, or items attached to or incorporated in, motor vehicles	2480
that are primarily used for transporting tangible personal	2481
property belonging to others by a person engaged in highway	2482
transportation for hire, except for packages and packaging used	2483
for the transportation of tangible personal property;	2484
(33) Sales to the state headquarters of any veterans'	2485

organization in this state that is either incorporated and 2486
issued a charter by the congress of the United States or is 2487
recognized by the United States veterans administration, for use 2488
by the headquarters; 2489

(34) Sales to a telecommunications service vendor, mobile 2490
telecommunications service vendor, or satellite broadcasting 2491
service vendor of tangible personal property and services used 2492
directly and primarily in transmitting, receiving, switching, or 2493
recording any interactive, one- or two-way electromagnetic 2494
communications, including voice, image, data, and information, 2495
through the use of any medium, including, but not limited to, 2496
poles, wires, cables, switching equipment, computers, and record 2497
storage devices and media, and component parts for the tangible 2498
personal property. The exemption provided in this division shall 2499
be in lieu of all other exemptions under division (B) (42) (a) or 2500
(n) of this section to which the vendor may otherwise be 2501
entitled, based upon the use of the thing purchased in providing 2502
the telecommunications, mobile telecommunications, or satellite 2503
broadcasting service. 2504

(35) Sales of strollers meant for transporting children 2505
from infancy to about thirty-six months of age that meet the 2506
United States consumer product safety commission safety standard 2507
for carriages and strollers under 16 C.F.R. 1227.2. 2508

(36) Sales to a person engaged in the business of 2509
horticulture or producing livestock of materials to be 2510
incorporated into a horticulture structure or livestock 2511
structure; 2512

(37) Sales of personal computers, computer monitors, 2513
computer keyboards, modems, and other peripheral computer 2514
equipment to an individual who is licensed or certified to teach 2515

in an elementary or a secondary school in this state for use by 2516
that individual in preparation for teaching elementary or 2517
secondary school students; 2518

(38) Sales of tangible personal property that is not 2519
required to be registered or licensed under the laws of this 2520
state to a citizen of a foreign nation that is not a citizen of 2521
the United States, provided the property is delivered to a 2522
person in this state that is not a related member of the 2523
purchaser, is physically present in this state for the sole 2524
purpose of temporary storage and package consolidation, and is 2525
subsequently delivered to the purchaser at a delivery address in 2526
a foreign nation. As used in division (B)(38) of this section, 2527
"related member" has the same meaning as in section 5733.042 of 2528
the Revised Code, and "temporary storage" means the storage of 2529
tangible personal property for a period of not more than sixty 2530
days. 2531

(39) Sales of used manufactured homes and used mobile 2532
homes, as defined in section 5739.0210 of the Revised Code, made 2533
on or after January 1, 2000; 2534

(40) Sales of tangible personal property and services to a 2535
provider of electricity used or consumed directly and primarily 2536
in generating, transmitting, or distributing electricity for use 2537
by others, including property that is or is to be incorporated 2538
into and will become a part of the consumer's production, 2539
transmission, or distribution system and that retains its 2540
classification as tangible personal property after 2541
incorporation; fuel or power used in the production, 2542
transmission, or distribution of electricity; energy conversion 2543
equipment as defined in section 5727.01 of the Revised Code; and 2544
tangible personal property and services used in the repair and 2545

maintenance of the production, transmission, or distribution 2546
system, including only those motor vehicles as are specially 2547
designed and equipped for such use. The exemption provided in 2548
this division shall be in lieu of all other exemptions in 2549
division (B) (42) (a) or (n) of this section to which a provider 2550
of electricity may otherwise be entitled based on the use of the 2551
tangible personal property or service purchased in generating, 2552
transmitting, or distributing electricity. 2553

(41) Sales to a person providing services under division 2554
(B) (3) (p) of section 5739.01 of the Revised Code of tangible 2555
personal property and services used directly and primarily in 2556
providing taxable services under that section. 2557

(42) Sales where the purpose of the purchaser is to do any 2558
of the following: 2559

(a) To incorporate the thing transferred as a material or 2560
a part into tangible personal property to be produced for sale 2561
by manufacturing, assembling, processing, or refining; or to use 2562
or consume the thing transferred directly in producing tangible 2563
personal property for sale by mining, including, without 2564
limitation, the extraction from the earth of all substances that 2565
are classed geologically as minerals, or directly in the 2566
rendition of a public utility service, except that the sales tax 2567
levied by this section shall be collected upon all meals, 2568
drinks, and food for human consumption sold when transporting 2569
persons. This paragraph does not exempt from "retail sale" or 2570
"sales at retail" the sale of tangible personal property that is 2571
to be incorporated into a structure or improvement to real 2572
property. 2573

(b) To hold the thing transferred as security for the 2574
performance of an obligation of the vendor; 2575

(c) To resell, hold, use, or consume the thing transferred	2576
as evidence of a contract of insurance;	2577
(d) To use or consume the thing directly in commercial	2578
fishing;	2579
(e) To incorporate the thing transferred as a material or	2580
a part into, or to use or consume the thing transferred directly	2581
in the production of, magazines distributed as controlled	2582
circulation publications;	2583
(f) To use or consume the thing transferred in the	2584
production and preparation in suitable condition for market and	2585
sale of printed, imprinted, overprinted, lithographic,	2586
multilithic, blueprinted, photostatic, or other productions or	2587
reproductions of written or graphic matter;	2588
(g) To use the thing transferred, as described in section	2589
5739.011 of the Revised Code, primarily in a manufacturing	2590
operation to produce tangible personal property for sale;	2591
(h) To use the benefit of a warranty, maintenance or	2592
service contract, or similar agreement, as described in division	2593
(B) (7) of section 5739.01 of the Revised Code, to repair or	2594
maintain tangible personal property, if all of the property that	2595
is the subject of the warranty, contract, or agreement would not	2596
be subject to the tax imposed by this section;	2597
(i) To use the thing transferred as qualified research and	2598
development equipment;	2599
(j) To use or consume the thing transferred primarily in	2600
storing, transporting, mailing, or otherwise handling purchased	2601
sales inventory in a warehouse, distribution center, or similar	2602
facility when the inventory is primarily distributed outside	2603
this state to retail stores of the person who owns or controls	2604

the warehouse, distribution center, or similar facility, to 2605
retail stores of an affiliated group of which that person is a 2606
member, or by means of direct marketing. This division does not 2607
apply to motor vehicles registered for operation on the public 2608
highways. As used in this division, "affiliated group" has the 2609
same meaning as in division (B) (3) (e) of section 5739.01 of the 2610
Revised Code and "direct marketing" means the method of selling 2611
where consumers order tangible personal property by United 2612
States mail, delivery service, or telecommunication and the 2613
vendor delivers or ships the tangible personal property sold to 2614
the consumer from a warehouse, catalogue distribution center, or 2615
similar fulfillment facility by means of the United States mail, 2616
delivery service, or common carrier. 2617

(k) To use or consume the thing transferred to fulfill a 2618
contractual obligation incurred by a warrantor pursuant to a 2619
warranty provided as a part of the price of the tangible 2620
personal property sold or by a vendor of a warranty, maintenance 2621
or service contract, or similar agreement the provision of which 2622
is defined as a sale under division (B) (7) of section 5739.01 of 2623
the Revised Code; 2624

(l) To use or consume the thing transferred in the 2625
production of a newspaper for distribution to the public; 2626

(m) To use tangible personal property to perform a service 2627
listed in division (B) (3) of section 5739.01 of the Revised 2628
Code, if the property is or is to be permanently transferred to 2629
the consumer of the service as an integral part of the 2630
performance of the service; 2631

(n) To use or consume the thing transferred primarily in 2632
producing tangible personal property for sale by farming, 2633
agriculture, horticulture, or floriculture. Persons engaged in 2634

rendering farming, agriculture, horticulture, or floriculture 2635
services for others are deemed engaged primarily in farming, 2636
agriculture, horticulture, or floriculture. This paragraph does 2637
not exempt from "retail sale" or "sales at retail" the sale of 2638
tangible personal property that is to be incorporated into a 2639
structure or improvement to real property. 2640

~~(g)~~(o) To use or consume the thing transferred directly in 2641
production of crude oil and natural gas for sale. Persons 2642
engaged in rendering production services for others are deemed 2643
engaged in production. 2644

As used in division ~~(B) (42)~~(B) (42) (o) of this section, 2645
"production" means operations and tangible personal property 2646
directly used to expose and evaluate an underground reservoir 2647
that may contain hydrocarbon resources, prepare the wellbore for 2648
production, and lift and control all substances yielded by the 2649
reservoir to the surface of the earth. 2650

(i) For the purposes of division ~~(B) (42)~~(B) (42) (o) of 2651
this section, the "thing transferred" includes, but is not 2652
limited to, any of the following: 2653

(I) Services provided in the construction of permanent 2654
access roads, services provided in the construction of the well 2655
site, and services provided in the construction of temporary 2656
impoundments; 2657

(II) Equipment and rigging used for the specific purpose 2658
of creating with integrity a wellbore pathway to underground 2659
reservoirs; 2660

(III) Drilling and workover services used to work within a 2661
subsurface wellbore, and tangible personal property directly 2662
used in providing such services; 2663

(IV) Casing, tubulars, and float and centralizing equipment;	2664 2665
(V) Trailers to which production equipment is attached;	2666
(VI) Well completion services, including cementing of casing, and tangible personal property directly used in providing such services;	2667 2668 2669
(VII) Wireline evaluation, mud logging, and perforation services, and tangible personal property directly used in providing such services;	2670 2671 2672
(VIII) Reservoir stimulation, hydraulic fracturing, and acidizing services, and tangible personal property directly used in providing such services, including all material pumped downhole;	2673 2674 2675 2676
(IX) Pressure pumping equipment;	2677
(X) Artificial lift systems equipment;	2678
(XI) Wellhead equipment and well site equipment used to separate, stabilize, and control hydrocarbon phases and produced water;	2679 2680 2681
(XII) Tangible personal property directly used to control production equipment.	2682 2683
(ii) For the purposes of division (B) (42) (q) <u>(B) (42) (o)</u> of this section, the "thing transferred" does not include any of the following:	2684 2685 2686
(I) Tangible personal property used primarily in the exploration and production of any mineral resource regulated under Chapter 1509. of the Revised Code other than oil or gas;	2687 2688 2689
(II) Tangible personal property used primarily in storing,	2690

holding, or delivering solutions or chemicals used in well	2691
stimulation as defined in section 1509.01 of the Revised Code;	2692
(III) Tangible personal property used primarily in	2693
preparing, installing, or reclaiming foundations for drilling or	2694
pumping equipment or well stimulation material tanks;	2695
(IV) Tangible personal property used primarily in	2696
transporting, delivering, or removing equipment to or from the	2697
well site or storing such equipment before its use at the well	2698
site;	2699
(V) Tangible personal property used primarily in gathering	2700
operations occurring off the well site, including gathering	2701
pipelines transporting hydrocarbon gas or liquids away from a	2702
crude oil or natural gas production facility;	2703
(VI) Tangible personal property that is to be incorporated	2704
into a structure or improvement to real property;	2705
(VII) Well site fencing, lighting, or security systems;	2706
(VIII) Communication devices or services;	2707
(IX) Office supplies;	2708
(X) Trailers used as offices or lodging;	2709
(XI) Motor vehicles of any kind;	2710
(XII) Tangible personal property used primarily for the	2711
storage of drilling byproducts and fuel not used for production;	2712
(XIII) Tangible personal property used primarily as a	2713
safety device;	2714
(XIV) Data collection or monitoring devices;	2715
(XV) Access ladders, stairs, or platforms attached to	2716

storage tanks. 2717

The enumeration of tangible personal property in division 2718
~~(B) (42) (q) (ii)~~ (B) (42) (o) (ii) of this section is not intended to 2719
be exhaustive, and any tangible personal property not so 2720
enumerated shall not necessarily be construed to be a "thing 2721
transferred" for the purposes of division ~~(B) (42) (q)~~ (B) (42) (o) 2722
of this section. 2723

The commissioner shall adopt and promulgate rules under 2724
sections 119.01 to 119.13 of the Revised Code that the 2725
commissioner deems necessary to administer division ~~(B) (42) (q)~~ 2726
(B) (42) (o) of this section. 2727

As used in division (B) (42) of this section, "thing" 2728
includes all transactions included in divisions (B) (3) (a), (b), 2729
and (e) of section 5739.01 of the Revised Code. 2730

(43) Sales conducted through ~~a coin-operated~~ an automated 2731
device that activates vacuum equipment or equipment that 2732
dispenses water, whether or not in combination with soap or 2733
other cleaning agents or wax, to the consumer for the consumer's 2734
use on the premises in washing, cleaning, or waxing a motor 2735
vehicle, provided no other ~~personal property or~~ personal service 2736
is provided as part of the ~~transaction~~ automated service. 2737

(44) Sales of replacement and modification parts for 2738
engines, airframes, instruments, and interiors in, and paint 2739
for, aircraft used primarily in a fractional aircraft ownership 2740
program, and sales of services for the repair, modification, and 2741
maintenance of such aircraft, and machinery, equipment, and 2742
supplies primarily used to provide those services. 2743

(45) The fee imposed by section 3743.22 of the Revised 2744
Code, if it is separately stated on the invoice, bill of sale, 2745

or similar document given by the vendor to the consumer for a	2746
retail sale made in this state.	2747
(46) Sales by a telecommunications service vendor of 900	2748
service to a subscriber. This division does not apply to	2749
information services.	2750
(47) Sales of value-added non-voice data service. This	2751
division does not apply to any similar service that is not	2752
otherwise a telecommunications service.	2753
(48) Sales of feminine hygiene products.	2754
(49) Sales of materials, parts, equipment, or engines used	2755
in the repair or maintenance of aircraft or avionics systems of	2756
such aircraft, and sales of repair, remodeling, replacement, or	2757
maintenance services in this state performed on aircraft or on	2758
an aircraft's avionics, engine, or component materials or parts.	2759
As used in division (B) (49) of this section, "aircraft" means	2760
aircraft of more than six thousand pounds maximum certified	2761
takeoff weight or used exclusively in general aviation.	2762
(50) Sales of full flight simulators that are used for	2763
pilot or flight-crew training, sales of repair or replacement	2764
parts or components, and sales of repair or maintenance services	2765
for such full flight simulators. "Full flight simulator" means a	2766
replica of a specific type, or make, model, and series of	2767
aircraft cockpit. It includes the assemblage of equipment and	2768
computer programs necessary to represent aircraft operations in	2769
ground and flight conditions, a visual system providing an out-	2770
of-the-cockpit view, and a system that provides cues at least	2771
equivalent to those of a three-degree-of-freedom motion system,	2772
and has the full range of capabilities of the systems installed	2773
in the device as described in appendices A and B of part 60 of	2774

chapter 1 of title 14 of the Code of Federal Regulations.	2775
(51) Any transfer or lease of tangible personal property	2776
between the state and JobsOhio in accordance with section	2777
4313.02 of the Revised Code.	2778
(52) (a) Sales to a qualifying corporation.	2779
(b) As used in division (B) (52) of this section:	2780
(i) "Qualifying corporation" means a nonprofit corporation	2781
organized in this state that leases from an eligible county	2782
land, buildings, structures, fixtures, and improvements to the	2783
land that are part of or used in a public recreational facility	2784
used by a major league professional athletic team or a class A	2785
to class AAA minor league affiliate of a major league	2786
professional athletic team for a significant portion of the	2787
team's home schedule, provided the following apply:	2788
(I) The facility is leased from the eligible county	2789
pursuant to a lease that requires substantially all of the	2790
revenue from the operation of the business or activity conducted	2791
by the nonprofit corporation at the facility in excess of	2792
operating costs, capital expenditures, and reserves to be paid	2793
to the eligible county at least once per calendar year.	2794
(II) Upon dissolution and liquidation of the nonprofit	2795
corporation, all of its net assets are distributable to the	2796
board of commissioners of the eligible county from which the	2797
corporation leases the facility.	2798
(ii) "Eligible county" has the same meaning as in section	2799
307.695 of the Revised Code.	2800
(53) Sales to or by a cable service provider, video	2801
service provider, or radio or television broadcast station	2802

regulated by the federal government of cable service or 2803
programming, video service or programming, audio service or 2804
programming, or electronically transferred digital audiovisual 2805
or audio work. As used in division (B) (53) of this section, 2806
"cable service" and "cable service provider" have the same 2807
meanings as in section 1332.01 of the Revised Code, and "video 2808
service," "video service provider," and "video programming" have 2809
the same meanings as in section 1332.21 of the Revised Code. 2810

(54) Sales of a digital audio work electronically 2811
transferred for delivery through use of a machine, such as a 2812
juke box, that does all of the following: 2813

(a) Accepts direct payments to operate; 2814

(b) Automatically plays a selected digital audio work for 2815
a single play upon receipt of a payment described in division 2816
(B) (54) (a) of this section; 2817

(c) Operates exclusively for the purpose of playing 2818
digital audio works in a commercial establishment. 2819

(55) (a) Sales of the following occurring on the first 2820
Friday of August and the following Saturday and Sunday of any 2821
year, except in 2024 or any subsequent year in which a sales tax 2822
holiday is held pursuant to section 5739.41 of the Revised Code: 2823

(i) An item of clothing, the price of which is seventy- 2824
five dollars or less; 2825

(ii) An item of school supplies, the price of which is 2826
twenty dollars or less; 2827

(iii) An item of school instructional material, the price 2828
of which is twenty dollars or less. 2829

(b) As used in division (B) (55) of this section: 2830

(i) "Clothing" means all human wearing apparel suitable 2831
for general use. "Clothing" includes, but is not limited to, 2832
aprons, household and shop; athletic supporters; baby receiving 2833
blankets; bathing suits and caps; beach capes and coats; belts 2834
and suspenders; boots; coats and jackets; costumes; diapers, 2835
children and adult, including disposable diapers; earmuffs; 2836
footlets; formal wear; garters and garter belts; girdles; gloves 2837
and mittens for general use; hats and caps; hosiery; insoles for 2838
shoes; lab coats; neckties; overshoes; pantyhose; rainwear; 2839
rubber pants; sandals; scarves; shoes and shoe laces; slippers; 2840
sneakers; socks and stockings; steel-toed shoes; underwear; 2841
uniforms, athletic and nonathletic; and wedding apparel. 2842
"Clothing" does not include items purchased for use in a trade 2843
or business; clothing accessories or equipment; protective 2844
equipment; sports or recreational equipment; belt buckles sold 2845
separately; costume masks sold separately; patches and emblems 2846
sold separately; sewing equipment and supplies including, but 2847
not limited to, knitting needles, patterns, pins, scissors, 2848
sewing machines, sewing needles, tape measures, and thimbles; 2849
and sewing materials that become part of "clothing" including, 2850
but not limited to, buttons, fabric, lace, thread, yarn, and 2851
zippers. 2852

(ii) "School supplies" means items commonly used by a 2853
student in a course of study. "School supplies" includes only 2854
the following items: binders; book bags; calculators; cellophane 2855
tape; blackboard chalk; compasses; composition books; crayons; 2856
erasers; folders, expandable, pocket, plastic, and manila; glue, 2857
paste, and paste sticks; highlighters; index cards; index card 2858
boxes; legal pads; lunch boxes; markers; notebooks; paper, 2859
loose-leaf ruled notebook paper, copy paper, graph paper, 2860
tracing paper, manila paper, colored paper, poster board, and 2861

construction paper; pencil boxes and other school supply boxes; 2862
pencil sharpeners; pencils; pens; protractors; rulers; scissors; 2863
and writing tablets. "School supplies" does not include any item 2864
purchased for use in a trade or business. 2865

(iii) "School instructional material" means written 2866
material commonly used by a student in a course of study as a 2867
reference and to learn the subject being taught. "School 2868
instructional material" includes only the following items: 2869
reference books, reference maps and globes, textbooks, and 2870
workbooks. "School instructional material" does not include any 2871
material purchased for use in a trade or business. 2872

(56) (a) Sales of adult diapers or incontinence underpads 2873
sold pursuant to a prescription, for the benefit of a medicaid 2874
recipient with a diagnosis of incontinence, and by a medicaid 2875
provider that maintains a valid provider agreement under section 2876
5164.30 of the Revised Code with the department of medicaid, 2877
provided that the medicaid program covers diapers or 2878
incontinence underpads as an incontinence garment. 2879

(b) As used in division (B) (56) (a) of this section, 2880
"incontinence underpad" means an absorbent product, not worn on 2881
the body, designed to protect furniture or other tangible 2882
personal property from soiling or damage due to human 2883
incontinence. 2884

(57) Sales of investment metal bullion and investment 2885
coins. "Investment metal bullion" means any bullion described in 2886
section 408(m) (3) (B) of the Internal Revenue Code, regardless of 2887
whether that bullion is in the physical possession of a trustee. 2888
"Investment coin" means any coin composed primarily of gold, 2889
silver, platinum, or palladium. 2890

(58) Sales of tangible personal property used primarily	2891
for any of the following purposes by a megaproject operator at	2892
the site of a megaproject that satisfies the criteria described	2893
in division (A) (11) (a) (ii) of section 122.17 of the Revised	2894
Code, provided that the sale occurs during the period that the	2895
megaproject operator has an agreement for such megaproject with	2896
the tax credit authority under division (D) of section 122.17 of	2897
the Revised Code that remains in effect and has not expired or	2898
been terminated:	2899
(a) To store, transmit, convey, distribute, recycle,	2900
circulate, or clean water, steam, or other gases used in or	2901
produced as a result of manufacturing activity, including items	2902
that support or aid in the operation of such property;	2903
(b) To clean or prepare inventory, at any stage of storage	2904
or production, or equipment used in a manufacturing activity,	2905
including chemicals, solvents, catalysts, soaps, and other items	2906
that support or aid in the operation of property;	2907
(c) To regulate, treat, filter, condition, improve, clean,	2908
maintain, or monitor environmental conditions within areas where	2909
manufacturing activities take place;	2910
(d) To handle, transport, or convey inventory during	2911
production or manufacturing.	2912
(59) Documentary services charges imposed pursuant to	2913
section 4517.261 or 4781.24 of the Revised Code.	2914
(60) Sales of children's diapers.	2915
(61) Sales of therapeutic or preventative creams and wipes	2916
marketed primarily for use on the skin of children.	2917
(62) Sales of a child restraint device or booster seat	2918

that meets the national highway traffic safety administration 2919
standard for child restraint systems under 49 C.F.R. 571.213. 2920

(63) Sales of cribs intended to provide sleeping 2921
accommodations for children that comply with the United States 2922
consumer product safety commission's safety standard for full- 2923
size baby cribs under 16 C.F.R. 1219 or the commission's safety 2924
standard for non-full-size baby cribs under 16 C.F.R. 1220. 2925

(64) Sales of eligible tangible personal property 2926
occurring during the period of a sales tax holiday held pursuant 2927
to section 5739.41 of the Revised Code. 2928

(C) For the purpose of the proper administration of this 2929
chapter, and to prevent the evasion of the tax, it is presumed 2930
that all sales made in this state are subject to the tax until 2931
the contrary is established. 2932

(D) The tax collected by the vendor from the consumer 2933
under this chapter is not part of the price, but is a tax 2934
collection for the benefit of the state, and of counties levying 2935
an additional sales tax pursuant to section 5739.021 or 5739.026 2936
of the Revised Code and of transit authorities levying an 2937
additional sales tax pursuant to section 5739.023 of the Revised 2938
Code. Except for the discount authorized under section 5739.12 2939
of the Revised Code and the effects of any rounding pursuant to 2940
section 5703.055 of the Revised Code, no person other than the 2941
state or such a county or transit authority shall derive any 2942
benefit from the collection or payment of the tax levied by this 2943
section or section 5739.021, 5739.023, or 5739.026 of the 2944
Revised Code. 2945

Sec. 5739.125. Notwithstanding any other provision of this 2946
chapter or Chapter 5741. of the Revised Code, the tax 2947

commissioner shall not impose any penalty or interest under 2948
either chapter or take any action otherwise authorized under 2949
section 5739.30 of the Revised Code for the failure to file a 2950
return if no amount of tax is due with the return. 2951

Sec. 5745.04. (A) As used in this section, "combined tax 2952
liability" means the total of a taxpayer's income tax 2953
liabilities to all municipal corporations in this state for a 2954
taxable year. 2955

(B) Each taxpayer shall file a declaration of estimated 2956
tax report with, and remit estimated taxes to, the tax 2957
commissioner, payable to the treasurer of state, at the times 2958
and in the amounts prescribed in divisions (B)(1) to (4) of this 2959
section. The first taxable year a taxpayer is subject to this 2960
chapter, the estimated taxes the taxpayer is required to remit 2961
under this section shall be based solely on the current taxable 2962
year and not on the liability for the preceding taxable year. 2963

(1) Not less than twenty-five per cent of the combined tax 2964
liability for the preceding taxable year or twenty per cent of 2965
the combined tax liability for the current taxable year shall 2966
have been remitted not later than the fifteenth day of the 2967
fourth month after the end of the preceding taxable year. 2968

(2) Not less than fifty per cent of the combined tax 2969
liability for the preceding taxable year or forty per cent of 2970
the combined tax liability for the current taxable year shall 2971
have been remitted not later than the fifteenth day of the sixth 2972
month after the end of the preceding taxable year. 2973

(3) Not less than seventy-five per cent of the combined 2974
tax liability for the preceding taxable year or sixty per cent 2975
of the combined tax liability for the current taxable year shall 2976

have been remitted not later than the fifteenth day of the ninth 2977
month after the end of the preceding taxable year. 2978

(4) Not less than one hundred per cent of the combined tax 2979
liability for the preceding taxable year or eighty per cent of 2980
the combined tax liability for the current taxable year shall 2981
have been remitted not later than the fifteenth day of the 2982
twelfth month after the end of the preceding taxable year. 2983

(C) Each taxpayer shall report on the declaration of 2984
estimated tax report the portion of the remittance that the 2985
taxpayer estimates that it owes to each municipal corporation 2986
for the taxable year. 2987

(D) Upon receiving a declaration of estimated tax report 2988
and remittance of estimated taxes under this section, the tax 2989
commissioner shall credit ninety-eight and one-half per cent of 2990
the remittance to the municipal income tax fund and credit the 2991
remainder to the municipal income tax administrative fund. 2992

(E) The taxpayer shall make the remittance of estimated 2993
taxes electronically as prescribed by section 5745.041 of the 2994
Revised Code. 2995

(F) Notwithstanding section 5745.08 or 5745.09 of the 2996
Revised Code, no penalty or interest shall be imposed on a 2997
taxpayer if the declaration of estimated tax report is properly 2998
filed, and the estimated tax is paid, within the time prescribed 2999
by division (B) of this section, and no penalty shall be imposed 3000
if the taxpayer has not failed to properly file a declaration of 3001
estimated tax report in any preceding taxable year. 3002

Sec. 5747.09. (A) As used in this section: 3003

(1) "Estimated taxes" means the amount that the taxpayer 3004
estimates to be the taxpayer's combined tax liability under this 3005

chapter and Chapter 5748. of the Revised Code for the current 3006
taxable year. 3007

(2) "Tax liability" means the total taxes due for the 3008
taxable year, after allowing any credit to which the taxpayer is 3009
entitled, but prior to applying any estimated tax payment, 3010
withholding payment, or refund from another tax year. 3011

(3) "Taxes paid" include payments of estimated taxes made 3012
under division (C) of this section, taxes withheld from the 3013
taxpayer's compensation, and tax refunds applied by the taxpayer 3014
in payment of estimated taxes. 3015

(4) "Required installment" means a payment equal to 3016
twenty-five per cent of the lesser of the following: 3017

(a) Ninety per cent of the tax liability for the taxable 3018
year; 3019

(b) One hundred per cent of the tax liability shown on the 3020
return of a taxpayer for the preceding taxable year. 3021

Division (A) (4) (b) of this section applies only if the 3022
taxpayer filed a return under section 5747.08 of the Revised 3023
Code for the preceding taxable year and if the preceding taxable 3024
year was a twelve-month taxable year. 3025

(B) Every taxpayer shall make declaration of estimated 3026
taxes for the current taxable year, in the form that the tax 3027
commissioner shall prescribe, if the amount payable as estimated 3028
taxes, less the amount to be withheld from the taxpayer's 3029
compensation, is more than five hundred dollars. For purposes of 3030
this section, taxes withheld from compensation shall be 3031
considered as paid in equal amounts on each payment date unless 3032
the taxpayer establishes the dates on which all amounts were 3033
actually withheld, in which case the amounts withheld shall be 3034

considered as paid on the dates on which the amounts were 3035
actually withheld. Taxpayers filing joint returns pursuant to 3036
section 5747.08 of the Revised Code shall file joint 3037
declarations of estimated taxes. A taxpayer may amend a 3038
declaration under rules prescribed by the commissioner. A 3039
taxpayer having a taxable year of less than twelve months shall 3040
make a declaration under rules prescribed by the commissioner. 3041
The declaration of estimated taxes for an individual under a 3042
disability shall be made and filed by the person who is required 3043
to file the income tax return. 3044

The declaration of estimated taxes shall be filed on or 3045
before the fifteenth day of April of each year or on or before 3046
the fifteenth day of the fourth month after the taxpayer becomes 3047
subject to tax for the first time. 3048

Taxpayers reporting on a fiscal year basis shall file a 3049
declaration on or before the fifteenth day of the fourth month 3050
after the beginning of each fiscal year or period. 3051

The declaration shall be filed upon a form prescribed by 3052
the commissioner and furnished by or obtainable from the 3053
commissioner. 3054

The original declaration or any subsequent amendment may 3055
be increased or decreased on or before any subsequent quarterly 3056
payment day as provided in this section. 3057

(C) The required portion of the tax liability for the 3058
taxable year that shall be paid through estimated taxes made 3059
payable to the treasurer of state, including the application of 3060
tax refunds to estimated taxes, and withholding on or before the 3061
applicable payment date shall be as follows: 3062

(1) On or before the fifteenth day of the fourth month 3063

after the beginning of the taxable year, twenty-two and one-half 3064
per cent of the tax liability for the taxable year; 3065

(2) On or before the fifteenth day of the sixth month 3066
after the beginning of the taxable year, forty-five per cent of 3067
the tax liability for the taxable year; 3068

(3) On or before the fifteenth day of the ninth month 3069
after the beginning of the taxable year, sixty-seven and one- 3070
half per cent of the tax liability for the taxable year; 3071

(4) On or before the fifteenth day of the first month of 3072
the following taxable year, ninety per cent of the tax liability 3073
for the taxable year. 3074

When an amended return has been filed, the unpaid balance 3075
shown due on the amended return shall be paid in equal 3076
installments on or before the remaining payment dates. 3077

On or before the fifteenth day of the fourth month of the 3078
year following that for which the declaration or amended 3079
declaration was filed, an annual return shall be filed and any 3080
balance which may be due shall be paid with the return in 3081
accordance with section 5747.08 of the Revised Code. 3082

(D) In the case of any underpayment of estimated taxes, an 3083
interest penalty may be added to the taxes for the tax year at 3084
the rate per annum prescribed by section 5703.47 of the Revised 3085
Code upon the amount of underpayment for the period of 3086
underpayment, unless the underpayment is due to reasonable cause 3087
as described in division (E) of this section. The amount of the 3088
underpayment shall be determined as follows: 3089

(1) For the first payment of estimated taxes each year, 3090
the required installment less the amount of taxes paid by the 3091
date prescribed for that payment; 3092

(2) For the second payment of estimated taxes each year, 3093
the required installment less the amount of taxes paid by the 3094
date prescribed for that payment; 3095

(3) For the third payment of estimated taxes each year, 3096
the required installment less the amount of taxes paid by the 3097
date prescribed for that payment; 3098

(4) For the fourth payment of estimated taxes each year, 3099
the required installment less the amount of taxes paid by the 3100
date prescribed for that payment. 3101

The period of the underpayment shall run from the day the 3102
estimated payment was required to be made to the date on which 3103
the payment is made. For purposes of this section, a payment of 3104
estimated taxes on or before any payment date shall be 3105
considered a payment of any previous underpayment only to the 3106
extent the payment of estimated taxes exceeds the amount of the 3107
payment presently required to be paid to avoid any penalty. 3108

The tax commissioner may abate, in whole or in part, the 3109
interest penalty imposed under division (D) of this section. Any 3110
such penalty imposed shall be in lieu of any other interest 3111
charge or penalty imposed for failure to file an estimated 3112
return and make estimated payments as required by this section. 3113

(E) An underpayment of estimated taxes determined under 3114
division (D) of this section shall be due to reasonable cause 3115
and the interest penalty imposed by this section shall not be 3116
added to the taxes for the tax year if ~~either~~ any of the 3117
following apply: 3118

(1) The amount of tax that was paid equals at least ninety 3119
per cent of the tax liability for the current taxable year, 3120
determined by annualizing the income received during the year up 3121

to the end of the month immediately preceding the month in which 3122
the payment is due; 3123

(2) The amount of tax that was paid equals at least one 3124
hundred per cent of the tax liability shown on the return of the 3125
taxpayer for the preceding taxable year, provided that the 3126
immediately preceding taxable year reflected a period of twelve 3127
months and the taxpayer filed a return under section 5747.08 of 3128
the Revised Code for that year; 3129

(3) The taxpayer has not underpaid estimated taxes in any 3130
preceding taxable year. 3131

The tax commissioner may waive the requirement for filing 3132
a declaration of estimated taxes for any class of taxpayers 3133
after finding that the waiver is reasonable and proper in view 3134
of administrative costs and other factors. 3135

Sec. 5747.15. (A) In addition to any other penalty imposed 3136
by this chapter or Chapter 5703. of the Revised Code, the 3137
following penalties shall apply: 3138

(1) If a taxpayer, a qualifying entity, an electing pass- 3139
through entity, or an employer required to file any report or 3140
return, including an informational notice, report, or return, 3141
under this chapter fails to make and file the report or return 3142
within the time prescribed, including any extensions of time 3143
granted by the tax commissioner, a penalty may be imposed not 3144
exceeding the greater of fifty dollars per month or fraction of 3145
a month, not to exceed five hundred dollars, or five per cent 3146
per month or fraction of a month, not to exceed fifty per cent, 3147
of the sum of the taxes required to be shown on the report or 3148
return, for each month or fraction of a month elapsing between 3149
the due date, including extensions of the due date, and the date 3150

on which filed.	3151
(2) If a taxpayer fails to pay any amount of tax required to be paid under section 5733.41 or Chapters 5747. or 5748. of the Revised Code, except estimated tax under section 5747.09 or 5747.43 of the Revised Code, by the dates prescribed for payment, a penalty may be imposed not exceeding twice the applicable interest charged under division (G) of section 5747.08 of the Revised Code for the delinquent payment.	3152 3153 3154 3155 3156 3157 3158
(3) (a) If an employer fails to pay any amount of tax imposed by section 5747.02 of the Revised Code and required to be paid under this chapter by the dates prescribed for payment, a penalty may be imposed not exceeding the sum of ten per cent of the delinquent payment plus twice the interest charged under division (F) (5) of section 5747.07 of the Revised Code for the delinquent payment.	3159 3160 3161 3162 3163 3164 3165
(b) If a qualifying entity or an electing pass-through entity fails to pay any amount of tax imposed by section 5733.41, 5747.38, or 5747.41 of the Revised Code and required to be paid under this chapter by the dates prescribed for payment, a penalty may be imposed not exceeding the sum of ten per cent of the delinquent payment plus twice the applicable interest charged under division (G) of section 5747.08 of the Revised Code for the delinquent payment.	3166 3167 3168 3169 3170 3171 3172 3173
(4) (a) If an employer withholds from employees the tax imposed by section 5747.02 of the Revised Code and fails to remit the tax withheld to the state as required by this chapter on or before the dates prescribed for payment, a penalty may be imposed not exceeding fifty per cent of the delinquent payment.	3174 3175 3176 3177 3178
(b) If a qualifying entity withholds any amount of tax	3179

imposed under section 5747.41 of the Revised Code from an 3180
individual's qualifying amount and fails to remit that amount to 3181
the state as required by sections 5747.42 to 5747.453 of the 3182
Revised Code on or before the dates prescribed for payment, a 3183
penalty may be imposed not exceeding fifty per cent of the 3184
delinquent payment. 3185

(5) If a taxpayer, a qualifying entity, an electing pass- 3186
through entity, or an employer files what purports to be a 3187
return required by this chapter that does not contain 3188
information upon which the substantial correctness of the return 3189
may be judged or contains information that on its face indicates 3190
that the return is substantially incorrect, and the filing of 3191
the return in that manner is due to a position that is frivolous 3192
or a desire that is apparent from the return to delay or impede 3193
the administration of the tax levied by section 5733.41, 3194
5747.02, 5747.38, or 5747.41, or Chapter 5748. of the Revised 3195
Code, a penalty of up to five hundred dollars may be imposed. 3196

(6) If a taxpayer, a qualifying entity, or an electing 3197
pass-through entity makes a fraudulent attempt to evade the 3198
reporting or payment of the tax required to be shown on any 3199
return required under this chapter, a penalty may be imposed not 3200
exceeding the greater of one thousand dollars or one hundred per 3201
cent of the tax required to be shown on the return. 3202

(7) If any person makes a false or fraudulent claim for a 3203
refund under this chapter, a penalty may be imposed not 3204
exceeding the greater of one thousand dollars or one hundred per 3205
cent of the claim. The penalty imposed under division (A) (7) of 3206
this section, any refund issued on the claim, and interest on 3207
any refund from the date of the refund, may be assessed under 3208
section 5747.13 of the Revised Code as tax, penalty, or interest 3209

imposed under section 5733.41, 5747.02, 5747.38, or 5747.41 of 3210
the Revised Code, without regard to whether the person making 3211
the claim is otherwise subject to the provisions of this chapter 3212
or Chapter 5733. of the Revised Code, and without regard to any 3213
time limitation for the assessment imposed by division (A) of 3214
section 5747.13 of the Revised Code. 3215

(B) For purposes of this section, the taxes required to be 3216
shown on the return shall be reduced by the amount of any part 3217
of the taxes paid on or before the date, including any 3218
extensions of the date, prescribed for filing the return. 3219

(C) Any penalty imposed under this section shall be in 3220
addition to all other penalties imposed under this section. All 3221
or part of any penalty imposed under this section may be abated 3222
by the commissioner. All or part of any penalty imposed under 3223
this section may be abated by the commissioner if the taxpayer, 3224
qualifying entity, electing pass-through entity, or employer 3225
shows that the failure to comply with the provisions of this 3226
chapter is due to reasonable cause and not willful neglect. 3227

(D) Notwithstanding any other provision of this section or 3228
chapter, the tax commissioner shall not impose any penalty or 3229
interest under this chapter for the failure to file a return or 3230
report if no amount of tax is due with the return or report. 3231

Sec. 5747.43. (A) As used in this section: 3232

(1) "Estimated taxes" means the amount that a qualifying 3233
entity or electing pass-through entity estimates to be the sum 3234
of its liability under sections 5733.41 and 5747.41 or section 3235
5747.38 of the Revised Code for its current qualifying taxable 3236
year or taxable year, as applicable. 3237

(2) "Tax liability" means the total of the taxes and 3238

withholding taxes due under sections 5733.41 and 5747.41 of the Revised Code or the tax due under section 5747.38 of the Revised Code for the applicable taxable year prior to applying any estimated tax payment or refund from another year.

(3) "Taxes paid" includes payments of estimated taxes made under division (C) of this section and tax refunds applied by the qualifying entity or electing pass-through entity in payment of estimated taxes.

(4) "Required installment" means a payment equal to twenty-five per cent of the lesser of the following:

(a) Ninety per cent of the tax liability for the qualifying taxable year;

(b) One hundred per cent of the tax liability shown on the return of a qualifying entity or an electing pass-through entity for the preceding taxable year.

Division (A) (4) (b) of this section applies only if the entity filed a return under section 5747.42 of the Revised Code for the preceding taxable year and if the preceding taxable year was a twelve-month taxable year.

(B) In addition to the return required to be filed pursuant to section 5747.42 of the Revised Code, each qualifying entity or electing pass-through entity that is subject to the tax imposed under section 5733.41 and to the withholding tax imposed by section 5747.41 of the Revised Code or that is subject to the tax imposed under section 5747.38 of the Revised Code shall file an estimated tax return and pay a portion of the entity's tax liability for its taxable year. The portion of those taxes required to be paid, and the last day prescribed for payment thereof, shall be as prescribed by divisions (B) (1),

(2), (3), and (4) of this section: 3268

(1) On or before the fifteenth day of the fourth month 3269
after the beginning of the entity's taxable year, twenty-two and 3270
one-half per cent of the entity's estimated tax liability for 3271
that taxable year; 3272

(2) On or before the fifteenth day of the sixth month 3273
after the beginning of the entity's taxable year, forty-five per 3274
cent of the entity's estimated tax liability for that taxable 3275
year; 3276

(3) On or before the fifteenth day of the ninth month 3277
after the beginning of the entity's taxable year, sixty-seven 3278
and one-half per cent of the entity's estimated tax liability 3279
for that taxable year; 3280

(4) On or before the fifteenth day of the first month of 3281
~~the~~ the entity's following taxable year, ninety per cent of the 3282
entity's estimated tax liability for that taxable year. 3283

Payments of estimated taxes shall be made payable to the 3284
treasurer of state. 3285

(C) If a payment of estimated taxes is not paid in the 3286
full amount required under division (B) of this section, a 3287
penalty may be added to the taxes charged for the qualifying 3288
taxable year or taxable year, as applicable, unless the 3289
underpayment is due to reasonable cause as described in division 3290
(D) of this section. The penalty shall accrue at the rate per 3291
annum prescribed by section 5703.47 of the Revised Code upon the 3292
amount of underpayment from the day the estimated payment was 3293
required to be made to the day the payment is made. 3294

The amount of the underpayment upon which the penalty 3295
shall accrue shall be determined as follows: 3296

(1) For the first payment of estimated taxes each year, 3297
the required installment less the amount of taxes paid by the 3298
date prescribed for that payment; 3299

(2) For the second payment of estimated taxes each year, 3300
the required installment less the amount of taxes paid by the 3301
date prescribed for that payment; 3302

(3) For the third payment of estimated taxes each year, 3303
the required installment less the amount of taxes paid by the 3304
date prescribed for that payment; 3305

(4) For the fourth payment of estimated taxes each year, 3306
the required installment less the amount of taxes paid by the 3307
date prescribed for that payment. 3308

For the purposes of this section, a payment of estimated 3309
taxes on or before any payment date shall be considered a 3310
payment of a previous underpayment only to the extent the 3311
payment of estimated taxes exceeds the amount of the payment 3312
presently required to be paid to avoid any penalty. 3313

The tax commissioner may abate, in whole or in part, the 3314
penalty imposed under division (C) of this section. Any such 3315
penalty is in lieu of any other interest charge or penalty 3316
imposed for failure to file a declaration of estimated tax 3317
report and make estimated payments as required by this section. 3318

(D) An underpayment of estimated taxes determined under 3319
division (C) of this section is due to reasonable cause if any 3320
of the following apply: 3321

(1) The amount of tax that was paid equals at least ninety 3322
per cent of the tax liability for the current taxable year, 3323
determined by annualizing the income received during that year 3324
up to the end of the month immediately preceding the month in 3325

which the payment is due; 3326

(2) The amount of tax liability that was paid equals at 3327
least ninety per cent of the tax liability for the current 3328
taxable year; 3329

(3) The amount of tax liability that was paid equals at 3330
least one hundred per cent of the tax liability shown on the 3331
return of the entity for the preceding taxable year, provided 3332
that the immediately preceding taxable year reflected a period 3333
of twelve months and the entity filed a return under section 3334
5747.42 of the Revised Code for that year; 3335

(4) The taxpayer has not underpaid estimated taxes in any 3336
preceding taxable year. 3337

(E) (1) Divisions (B) and (C) of this section do not apply 3338
for a taxable year if either of the following applies to the 3339
entity: 3340

(a) For the immediately preceding taxable year, the entity 3341
computes in good faith and in a reasonable manner that the sum 3342
of its adjusted qualifying amounts or its qualifying taxable 3343
income, as applicable, is ten thousand dollars or less. 3344

(b) For the taxable year the entity computes in good faith 3345
and in a reasonable manner that the sum of its adjusted 3346
qualifying amounts or its qualifying taxable income, as 3347
applicable, is ten thousand dollars or less. 3348

(2) Notwithstanding any other provision of Title LVII of 3349
the Revised Code to the contrary, the entity shall establish by 3350
a preponderance of the evidence that its computation of the 3351
adjusted qualifying amounts or qualifying taxable income, as 3352
applicable, for the immediately preceding taxable year and the 3353
taxable year was, in fact, made in good faith and in a 3354

reasonable manner. 3355

(F) The tax commissioner may waive the requirement for 3356
filing a declaration of estimated taxes for any class of 3357
qualifying entities if the commissioner finds the waiver is 3358
reasonable and proper in view of administrative costs and other 3359
factors. 3360

(G) Estimated taxes paid by a qualifying entity or an 3361
electing pass-through entity may be applied to satisfy the 3362
entity's tax liability under section 5733.41, 5747.38, or 3363
5747.41 of the Revised Code. Nothing in this section authorizes 3364
such an entity to apply estimated taxes paid against more than 3365
one tax. 3366

Sec. 5751.06. (A) Any taxpayer that fails to file a return 3367
or pay the full amount of the tax due within the period 3368
prescribed therefor under this chapter shall pay a penalty in an 3369
amount not exceeding the greater of fifty dollars or ten per 3370
cent of the tax required to be paid for the tax period. 3371

(B) (1) If any additional tax is found to be due, the tax 3372
commissioner may impose an additional penalty of up to fifteen 3373
per cent on the additional tax found to be due. 3374

(2) Any delinquent payments of the tax made after a 3375
taxpayer is notified of an audit or a tax discrepancy by the 3376
commissioner is subject to the penalty imposed by division (B) 3377
of this section. If an assessment is issued under section 3378
5751.09 of the Revised Code in connection with such delinquent 3379
payments, the payments shall be credited to the assessment. 3380

(C) If the tax commissioner notifies a person required to 3381
register under section 5751.05 of the Revised Code of such 3382
requirement and of the requirement to remit the tax due under 3383

this chapter, and the person fails to so register and remit the 3384
tax within sixty days after such notice, the tax commissioner 3385
may impose an additional penalty of up to thirty-five per cent 3386
of the tax due. The penalty imposed under this division is in 3387
addition to any other penalties imposed under this section. 3388

(D) The tax commissioner may collect any penalty or 3389
interest imposed by this section in the same manner as the tax 3390
imposed under this chapter. Penalties and interest so collected 3391
shall be considered as revenue arising from the tax imposed 3392
under this chapter. 3393

(E) The tax commissioner may abate all or a portion of any 3394
penalties imposed under this section and may adopt rules 3395
governing such abatements. 3396

(F) If any tax due is not timely paid in accordance with 3397
this chapter, the taxpayer shall pay interest, calculated at the 3398
rate per annum prescribed by section 5703.47 of the Revised 3399
Code, from the date the tax payment was due to the date of 3400
payment or to the date an assessment was issued, whichever 3401
occurs first. 3402

(G) The tax commissioner may impose a penalty of up to ten 3403
per cent for any additional tax that is due under division (B) 3404
(2) of section 5751.051 of the Revised Code from a taxpayer 3405
incorrectly reporting its taxable gross receipts. 3406

(H) If the tax commissioner discovers that a taxpayer has 3407
billed or invoiced another person for the tax imposed under this 3408
chapter in violation of division (B) of section 5751.02 of the 3409
Revised Code, the tax commissioner shall notify the taxpayer of 3410
the violation in the manner provided in section 5703.37 of the 3411
Revised Code and may impose a penalty of up to five hundred 3412

dollars. If the taxpayer subsequently bills or invoices a person 3413
for the tax imposed under this chapter, the tax commissioner 3414
shall impose a penalty of five hundred dollars. 3415

(I) Notwithstanding any other provision of this section or 3416
chapter, the tax commissioner shall not impose any penalty or 3417
interest under this chapter for the failure to file a return if 3418
no amount of tax is due with the return. 3419

Section 2. That existing sections 323.121, 323.132, 3420
323.31, 718.08, 718.27, 718.88, 718.89, 4503.06, 5703.42, 3421
5703.52, 5703.60, 5703.70, 5717.01, 5717.011, 5717.02, 5721.011, 3422
5726.21, 5739.02, 5745.04, 5747.09, 5747.15, 5747.43, and 3423
5751.06 of the Revised Code are hereby repealed. 3424

Section 3. (A) The amendment by this act of sections 3425
5717.01, 5717.011, and 5717.02 of the Revised Code applies to 3426
appeals filed on or after December 31, 2026. The enactment by 3427
this act of section 5717.021 of the Revised Code applies to 3428
petitioners or applicants who meet the criteria for filing an 3429
appeal under that section on and after that date. 3430

(B) The amendment by this act of sections 718.08, 718.88, 3431
5726.21, 5745.04, 5747.09, and 5747.43 of the Revised Code 3432
applies to taxable years beginning on or after January 1, 2026. 3433

(C) The amendment by this act of section 5739.02 of the 3434
Revised Code applies on and after the first day of the first 3435
month beginning after the effective date of this section. 3436

(D) The amendment or enactment by this act of sections 3437
718.27, 718.89, 5739.125, 5774.15, and 5751.06 of the Revised 3438
Code applies to returns or reports required to be filed on or 3439
after the effective date of that amendment or enactment. 3440

(E) The amendment by this act of sections 323.121, 3441

323.132, and 5721.011 of the Revised Code applies to taxes	3442
charged and payable for tax years ending on or after the	3443
effective date of this section. The amendment by this act of	3444
section 4503.06 of the Revised Code applies to taxes charged and	3445
payable for tax years beginning on or after the effective date	3446
of this section.	3447