As Introduced

136th General Assembly
Regular Session
2025-2026

S. B. No. 475

Senators Reynolds, Timken

To amend sections 5735.50 and 5735.99 of the Revised Code to temporarily reduce certain motor fuel taxes, to levy a temporary retail tax on certain motor fuel, to require gas stations to provide itemized receipts to customers, to make appropriations to supplement the loss of motor fuel tax revenues and to make payments to gas stations, and to declare an emergency.

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

Section 1. That sections 5735.50 and 5735.99 of the Revised Code be amended to read as follows:

Sec. 5735.50. (A) As used in this section:

(1) <u>"Federal motor fuel tax" means the tax levied under section 4081 of the Internal Revenue Code on gasoline other than aviation gasoline or diesel fuel, as those terms are defined in section 4083 of the Internal Revenue Code.</u>

<u>(2) "State motor fuel tax" means the tax levied under section 5735.05 of the Revised Code on gasoline or diesel fuel.</u>

<u>(3)</u> "Rate of federal motor fuel tax" means the rate of <u>federal motor fuel</u> tax levied ~~under section 4081 of the Internal Revenue Code~~ on one gallon of gasoline other than aviation

gasoline or one gallon of diesel fuel~~, as those terms are defined in section 4083 of the Internal Revenue Code~~.

~~(2)~~ (4) "Rate of state motor fuel tax" means the rate of state motor fuel tax ~~levied under section 5735.05 of the Revised Code~~ on one gallon of gasoline or one gallon of diesel fuel.

~~(3)~~ (5) "Adjustment date" means a date on which a change in the rate of federal or state motor fuel tax takes effect or, if such a change occurs within six months after an adjustment date, the first day of the seventh month following that adjustment date.

~~(4)~~ (6) "Fuel tax notice" means a notice described in division (B)(1) of this section.

~~(5)~~ (7) "Retail pump" means a pump situated at a retail service station through which gasoline or diesel fuel is pumped directly into motor vehicle fuel tanks for consumption.

~~(6)~~ (8) "Municipal sealer" means a sealer of weights and measures appointed under section 733.63 of the Revised Code.

(B)(1) The director of agriculture shall, within ninety days after an adjustment date, design and cause to be produced a notice that displays, in readable font, the following information, which the director may obtain in consultation with the tax commissioner:

(a) The rate of federal and state motor fuel tax as of the adjustment date. The information required by division (B)(1)(a) of this section shall be categorized and arranged on the notice as such information is categorized and arranged on the following table:

	1	2	3
A		GASOLINE	DIESEL FUEL
B	FEDERAL TAX	[Rate of federal motor fuel tax on gasoline other than aviation gasoline]	[Rate of federal motor fuel tax on diesel fuel]
C	STATE TAX	[Rate of state motor fuel tax on gasoline]	[Rate of state motor fuel tax on diesel fuel]
D	TOTAL TAX	[sum of the rate of federal motor fuel tax on gasoline other than aviation gasoline plus the rate of state motor fuel tax on gasoline]	[sum of the rate of motor fuel tax on diesel fuel plus the rate of state motor fuel tax on diesel fuel]

Each of the three columns in the table described in division (B)(1)(a) of this section shall be separated by a vertical line and each of the four rows shall be separated by a horizontal line. The table shall be enclosed within lines forming a box such that "federal tax," "state tax," "total tax," and the corresponding gasoline and diesel rates appear as individual cells within a grid pattern.

(b) A representation of the great seal of the state as described in section 5.10 of the Revised Code without regard to the minimum dimensions prescribed by that section;

(c) At the bottom of the notice and in a font smaller than that used to display the information described in division (B)

(1)(a) of this section, a statement that reads as follows: "THIS NOTICE IS REQUIRED BY THE OHIO FUEL TAX TRANSPARENCY ACT, O.R.C. 5735.50."

(2) A fuel tax notice shall not display any information other than the information required under divisions (B)(1)(a) to (c) of this section, and shall not display the name of any public official, state employee, or state agency. No color shall be displayed on the notice other than red, white, or blue. The width and length of a fuel tax notice shall not be less than four inches and shall not exceed four and one-half inches.

(3) The director shall, within ninety days after an adjustment date, distribute fuel tax notices to each county auditor or municipal sealer in the number requested by the auditor or sealer under division (C)(1) of this section. The director shall not charge a county auditor, municipal sealer, or any person for the creation or delivery of a fuel tax notice under this section.

(C)(1) Within fifteen days after an adjustment date, the director of agriculture shall notify each county auditor and municipal sealer that the director is designing and causing to be produced fuel tax notices as required under division (B)(1) of this section. Within fifteen days after receipt of such a notice, a county auditor or municipal sealer shall notify the director of the number of fuel tax notices the auditor or sealer requires to perform the auditor's or sealer's duties under division (C)(2) of this section.

(2) Except as otherwise provided in division (C)(3) of this section, each county auditor or municipal sealer or an employee thereof shall affix fuel tax notices received from the director of agriculture on each retail pump the auditor or

sealer is required to inspect under the authority of section 1327.52 of the Revised Code. Each notice shall be affixed on or before the earlier of fourteen months following the most recent adjustment date or the date the auditor or sealer or an employee thereof arrives on the premises of a retail service station for the purposes of carrying out a required inspection or other official business, including the performance of the auditor's or sealer's duties under section 1327.52 of the Revised Code. A fuel tax notice shall be displayed in a clear and prominent manner and shall be affixed on each face of a retail pump on which a meter measuring the volume of gasoline or diesel fuel dispensed is located. A notice shall not be affixed in a manner that obstructs or obscures any other notice or sticker required to be displayed pursuant to federal, state, or local law. A county auditor or municipal sealer or employee thereof shall replace any fuel tax notice that is no longer readable or is no longer affixed as required under division (C)(2) of this section or that has been affixed on a retail pump for more than three consecutive years.

(3) In lieu of fuel tax notices being affixed on each retail pump as required by division (C)(2) of this section, the owner or operator of a retail service station may provide the information required to be displayed on the notice by any of the following means:

(a) Displaying video messages via video displays visible to users of the retail pump;

(b) Printing the information on customer receipts;

(c) Posting the information conspicuously at the public entrance to the premises of the service station.

(D) A county auditor or municipal sealer may notify the director of agriculture at any time if the auditor or sealer requires additional fuel tax notices to perform the auditor's or sealer's duties under this section. Upon receiving such a request, the director shall distribute the number of fuel tax notices so requested to the auditor or sealer.

(E) Nothing in this section makes the owner or operator of a retail service station liable for affixing or maintaining a fuel tax notice.

(F) Notwithstanding division (A) of section 5735.10 of the Revised Code and in addition to the requirements of divisions (B) and (C) of this section, the owner or operator of a retail service station shall, upon request, provide a receipt to a consumer who purchases motor fuel at the retail service station. Each receipt shall separately list all of the following information, with all monetary amounts rounded to the nearest one cent:

(1) The number of gallons of motor fuel purchased and the amount charged per gallon before any federal or state motor fuel taxes apply;

(2) The product obtained by multiplying the number of gallons purchased by the rate of federal motor fuel tax that applied on the date of the sale;

(3) The product obtained by multiplying the number of gallons purchased by the rate of state motor fuel tax that applied on the date of the sale;

(4) The total amount charged for the purchase of the motor fuel, including all federal and state motor fuel taxes.

Sec. 5735.99. (A) Whoever violates division (F) of section

5735.02, division (D) of section 5735.021, division (B) of section 5735.063, division (B) of section 5735.064, or division (A)(2) of section 5735.20 of the Revised Code is guilty of a misdemeanor of the first degree.

(B) Whoever violates division (C) of section 5735.06 of the Revised Code is guilty of a felony of the fourth degree.

(C) Whoever violates section 5735.025 or division (A)(1) of section 5735.20 of the Revised Code is guilty of a misdemeanor of the first degree, if the tax owed or the fraudulent refund received is not greater than five hundred dollars. If the tax owed or the fraudulent refund received is greater than five hundred dollars but not greater than ten thousand dollars, the offender is guilty of a felony of the fourth degree; for each subsequent offense when the tax owed or the fraudulent refund received is greater than five hundred dollars but not greater than ten thousand dollars, the offender is guilty of a felony of the third degree. If the tax owed or the fraudulent refund received is greater than ten thousand dollars, the offender is guilty of a felony of the second degree.

(D) Whoever violates a provision of this chapter, except division (F) of section 5735.50 of the Revised Code, for which a penalty is not otherwise prescribed under this section is guilty of a misdemeanor of the fourth degree.

(E) Whoever violates division (D)(5) of section 5735.19 of the Revised Code is guilty of a misdemeanor of the first degree.

Section 2. That existing sections 5735.50 and 5735.99 of the Revised Code are hereby repealed.

Section 3. (A) Terms used in this section have the same meaning as in section 5735.01 of the Revised Code. As used in this section, "temporary reduction period" means the period beginning at 12:01 a.m. on the third day after the effective date of this section and ending at 11:59 p.m. on the date that is ninety-three days after the effective date of this section.

(B) Notwithstanding section 5735.05 of the Revised Code, the rates of tax imposed by division (E) of that section on each gallon of gasoline and diesel fuel shall be one-hundredth of one cent during the temporary reduction period.

Notwithstanding section 5735.50 of the Revised Code, the Director of Agriculture shall not produce and distribute fuel tax notices reflecting the rates imposed by this section during the temporary reduction period.

(C) A licensed retail dealer shall apply to the Tax Commissioner for payment under this section. The payment shall equal, for each gallon of gasoline or diesel fuel that the licensed retail dealer has in its possession at the beginning of the temporary reduction period or that the dealer receives after that time and that the dealer sells at retail during the temporary reduction period, the difference, if any, between the amount of tax that was paid or required to be paid by a licensed motor fuel dealer on that gallon of gasoline or diesel fuel, as applicable, under section 5735.05 of the Revised Code and one-hundredth of one cent. The licensed retail dealer shall apply for the payment on or before February 1, 2027. The Commissioner shall prescribe the form of the application and shall review each application. If a payment is approved, the Commissioner shall, within thirty days after receipt of the application, certify the amount to the Director of Budget and Management and Treasurer of State for payment from the Tax Refund Fund created by section 5703.052 of the Revised Code. The payment shall be treated for all purposes as a refund of the tax levied under section 5735.05 of the Revised Code. A licensed retail dealer may submit more than one application under this division, provided that the same gallons of gasoline or diesel fuel are not included on more than one application.

(D)(1) For the same purposes described in section 5735.05 of the Revised Code, a motor fuel excise tax is levied on licensed retail dealers, measured by gallons, upon the gasoline or diesel fuel that the dealer sells at retail after the end of the temporary reduction period and that has been taxed at the rate prescribed in division (B) of this section. On or before March 1, 2027, each licensed retail dealer of motor fuel shall remit the tax to the Tax Commissioner, which shall equal the sum of the following:

(a) The product obtained by multiplying thirty-eight and forty-nine hundredths cents by the number of gallons of such gasoline.

(b) The product obtained by multiplying forty-six and ninety-nine hundredths cents by the number of gallons of such diesel fuel.

The Commissioner shall prescribe a form for remission of the payment.

(2) Any licensed retail dealer who fails to remit a payment as required under this division shall forfeit and pay into the state treasury a late charge equal to fifty dollars or ten per cent of the payment due, whichever is greater.

(3) Unpaid payments and late charges may be collected by assessment in the same manner prescribed under section 5735.12

of the Revised Code.

(4) All amounts collected under this section shall be considered revenue arising from the tax imposed by section 5735.05 of the Revised Code.

(E)(1) No licensed retail dealer or licensed motor fuel dealer shall sell any motor fuel during the temporary reduction period without passing the full benefit of the reduced rate of tax effective during that period onto the consumer or other purchaser.

(2) Notwithstanding any provision of the Revised Code to the contrary, a violation of division (E)(1) of this section may be considered in any licensing determination made by the Tax Commissioner.

(3) The Tax Commissioner may also refer any violation described in division (E)(1) of this section to the Attorney General. During the temporary reduction period, any such violation shall constitute a deceptive act or practice in connection with a consumer transaction in violation of section 1345.02 of the Revised Code, that, notwithstanding section 1345.09 of the Revised Code to the contrary, is subject to the sole enforcement authority of the Attorney General. The Attorney General may continue any investigations or enforcement actions of such violations during the period of time provided for in division (E) of section 1345.07 of the Revised Code.

(F) Notwithstanding any other provision to the contrary, the Tax Commissioner may delay by up to ten business days, as defined in section 122.84 of the Revised Code, the distribution of taxes levied under sections 5728.06 and 5735.05 of the Revised Code required to be made in December 2026.

Section 4. All items in this act are hereby appropriated as designated out of any moneys in the state treasury to the credit of the designated fund. For all operating appropriations made in this act, those in the first column are for fiscal year 2026 and those in the second column are for fiscal year 2027. The operating appropriations made in this act are in addition to any other operating appropriations made for these fiscal years.

Section 5.

	1	2	3	4	5
A			TAX DEPARTMENT OF TAXATION		
B	General Revenue Fund				
C	GRF	110413	Tax Relief Hold Harmless	$0	$725,000,000
D	GRF	110414	Gas Station Payments	$0	$1,000,000
E	General Revenue Fund Total			$0	$726,000,000
F	TOTAL ALL BUDGET FUND GROUPS			$0	$726,000,000

Section 6. TAX RELIEF HOLD HARMLESS

The foregoing appropriation 110413, Tax Relief Hold Harmless, shall be treated as revenue arising from taxes imposed under section 5728.06 or 5735.05 of the Revised Code during the temporary reduction period established in Section 3 of this act due to the reduction authorized in that section. The appropriation shall be used to disburse cash from the General Revenue Fund to the funds specified in Chapter 5728. or 5735. of the Revised Code.

Section 7. GAS STATION PAYMENTS

The foregoing appropriation item 110414, Gas Station Payments, shall be used by the Department of Taxation to make payments of $125 for each retail service station in this state of a licensed retail dealer, as those terms are defined in section 5735.01 of the Revised Code. A licensed retail dealer shall submit a request for payment under this section from the Department, on a form prescribed by the Department, on or before December 1, 2026. Any appropriation remaining after all payments have been made may be used by the Department of Taxation for administration of the tax levied under section 5735.05 of the Revised Code.

Section 8. Within the limits set forth in this act, the Director of Budget and Management shall establish accounts indicating the source and amount of funds for each appropriation made in this act, and shall determine the manner in which appropriation accounts shall be maintained. Expenditures from operating appropriations contained in this act shall be accounted for as though made in, and are subject to all applicable provisions of, H.B. 96 of the 136th General Assembly.

Section 9. The amendment by this act of section 5735.50 of the Revised Code applies beginning on and after the seventh day after the effective day of this section.

Section 10. This act is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, and safety. The reason for such necessity is to provide immediate tax relief to Ohioans. Therefore, this act shall go into immediate effect.