

As Reported by the House Ways and Means Committee

134th General Assembly

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2021-2022

Sub. S. B. No. 19

Senator Schaffer

Cosponsors: Senators Hottinger, Williams, Blessing, Antonio, Brenner, Craig, Dolan, Gavarone, Hackett, Hoagland, Huffman, S., McColley, O'Brien, Peterson, Reineke, Roegner, Rulli, Schuring, Sykes, Thomas, Wilson, Yuko Representative Merrin

A BILL

To amend sections 306.322, 319.38, 323.08, 5703.21, 1
5709.09, 5709.17, 5713.08, 5715.27, 5739.023, 2
and 5741.02 and to enact section 323.18 of the 3
Revised Code to modify the law regarding 4
property taxation and sales and use tax. 5

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

Section 1. That sections 306.322, 319.38, 323.08, 5703.21, 6
5709.09, 5709.17, 5713.08, 5715.27, 5739.023, and 5741.02 be 7
amended and section 323.18 of the Revised Code be enacted to 8
read as follows: 9

Sec. 306.322. (A) As used in this section: 10

(1) "Political subdivision" means a county, a municipal 11
corporation, or a township. 12

(2) "Governing body" means a board of county commissioners 13
of a county, a legislative authority of a municipal corporation, 14
or a board of trustees of a township. 15

(B) For any regional transit authority that levies a property tax and that includes in its membership political subdivisions that are located in a county having a population of at least four hundred thousand according to the most recent federal census, the procedures of this section apply until December 31, 2022, and are in addition to and an alternative to those established in sections 306.32, 306.321, and 306.54 of the Revised Code for joining to the regional transit authority additional political subdivisions.

(C) Any political subdivision may adopt a resolution or ordinance proposing to join a regional transit authority described in division (B) of this section. In its resolution or ordinance, the political subdivision may propose joining the regional transit authority for a limited period of three years or without a time limit.

(D) The political subdivision proposing to join the regional transit authority shall submit a copy of its resolution or ordinance to the governing body of each political subdivision comprising the regional transit authority. Within thirty days of receiving the resolution or ordinance for inclusion in the regional transit authority, the governing body of each political subdivision shall consider the question of whether to include the additional political subdivision in the regional transit authority, shall adopt a resolution or ordinance approving or rejecting the inclusion of the additional political subdivision, and shall present its resolution or ordinance to the board of trustees of the regional transit authority.

(E) If a majority of the political subdivisions comprising the regional transit authority approve the inclusion of the additional political subdivision under division (D) of this

section, the board of trustees of the regional transit authority 46
may proceed as provided in division (K) of this section or as 47
provided in divisions (F) to (J) of this section, as applicable. 48

(F) Not later than the tenth day following the day on 49
which the last ordinance or resolution is presented under 50
division (D) of this section, the board of trustees of the 51
regional transit authority shall notify the political 52
subdivision proposing to join the regional transit authority 53
that it may certify the proposal to the board of elections for 54
the purpose of having the proposal placed on the ballot at the 55
next general election or at a special election conducted on the 56
day of the next primary election that occurs not less than 57
ninety days after the resolution or ordinance is certified to 58
the board of elections. 59

(G) Upon certification of a proposal to the board of 60
elections pursuant to division (F) of this section, the board of 61
elections shall make the necessary arrangements for the 62
submission of the question to the electors of the territory to 63
be included in the regional transit authority qualified to vote 64
on the question, and the election shall be held, canvassed, and 65
certified in the same manner as regular elections for the 66
election of officers of the political subdivision proposing to 67
join the regional transit authority, except that, if the 68
resolution proposed the inclusion without a time limitation the 69
question appearing on the ballot shall read: 70

"Shall the territory within the _____ 71
(Name or names of political subdivisions to be joined) be added 72
to _____ (Name) regional transit 73
authority and shall a(n) _____ (here insert type of tax or 74
taxes) at a rate of taxation not to exceed _____ (here insert 75

maximum tax rate or rates) be levied for all transit purposes?" 76

If the resolution proposed the inclusion with a three-year 77
time limitation, the question appearing on the ballot shall 78
read: 79

"Shall the territory within the _____ 80
(Name or names of political subdivisions to be joined) be added 81
to _____ (Name) regional transit 82
authority for three years and shall a(n) _____ (here insert 83
type of tax or taxes) at a rate of taxation not to exceed _____ 84
(here insert maximum tax rate or rates) be levied for all 85
transit purposes for three years?" 86

(H) If the question is approved by at least a majority of 87
the electors voting on the question, the addition of the new 88
territory is effective ~~six~~ twelve months from the date of the 89
certification of its passage, and the regional transit authority 90
may extend the levy of the tax against all the taxable property 91
within the territory that was added. If the question is approved 92
at a general election or at a special election occurring prior 93
to the general election but after the fifteenth day of July, the 94
regional transit authority may amend its budget and resolution 95
adopted pursuant to section 5705.34 of the Revised Code, and the 96
levy shall be placed on the current tax list and duplicate and 97
collected as other taxes are collected from all taxable property 98
within the territorial boundaries of the regional transit 99
authority, including the territory within the political 100
subdivision added as a result of the election. If the budget of 101
the regional transit authority is amended pursuant to this 102
paragraph, the county auditor shall prepare and deliver an 103
amended certificate of estimated resources to reflect the change 104
in anticipated revenues of the regional transit authority. 105

(I) If the question is approved by at least a majority of 106
the electors voting on the question, the board of trustees of 107
the regional transit authority immediately shall amend the 108
resolution or ordinance creating the regional transit authority 109
to include the additional political subdivision. 110

(J) If the question approved by a majority of the electors 111
voting on the question added the political subdivision for three 112
years, the territory of the additional political subdivision in 113
the regional transit authority shall be removed from the 114
territory of the regional transit authority three years after 115
the date the territory was added, as determined in the effective 116
date of the election, and shall no longer be a part of that 117
authority without any further action by either the political 118
subdivisions that were included in the authority prior to 119
submitting the question to the electors or of the political 120
subdivision added to the authority as a result of the election. 121
The regional transit authority reduced to its territory as it 122
existed prior to the inclusion of the additional political 123
subdivision shall be entitled to levy and collect any property 124
taxes that it was authorized to levy and collect prior to the 125
enlargement of its territory and for which authorization has not 126
expired, as if the enlargement had not occurred. 127

(K) (1) If a majority of the political subdivisions 128
comprising the regional transit authority approve the inclusion 129
of the additional political subdivision without a time limit 130
under division (D) of this section, the board of trustees of the 131
regional transit authority may adopt a resolution to submit to 132
the electors of the regional transit authority, as it would be 133
enlarged by the inclusion, the question of including the 134
political subdivision in the regional transit authority, of 135
levying a tax under sections 5739.023 and 5741.022 of the 136

Revised Code throughout the territorial boundaries of the 137
regional transit authority as so enlarged, and of repealing the 138
property tax levied by the regional transit authority under 139
section 306.49 of the Revised Code. 140

~~The~~ Subject to division (L) of this section, the 141
resolution shall state all of the following: 142

(a) The date on which the political subdivision is to be 143
included in the regional transit authority; 144

(b) The rate of the tax to be levied under sections 145
5739.023 and 5741.022 of the Revised Code, the number of years 146
it is to be levied or that it is to be levied for a continuing 147
period of time, and the date on which it shall first be levied, 148
all as provided under section 5739.023 of the Revised Code; 149

(c) The last tax year that the property tax is to be 150
levied under section 306.49 of the Revised Code. 151

~~(2) Except as otherwise provided in division (K) (5) of~~ 152
~~this section, the political subdivision shall not be joined to~~ 153
~~the regional transit authority before the first day sales and~~ 154
~~use tax is levied by the regional transit authority under~~ 155
~~sections 5739.023 and 5741.022 of the Revised Code. Sales and~~ 156
~~use tax shall not be levied under those sections on or before~~ 157
~~the last day of the last tax year the regional transit authority~~ 158
~~levies property tax under section 306.49 of the Revised Code.~~ 159

~~(3)~~ The board of trustees of the regional transit 160
authority shall certify the resolution to the board of elections 161
for the purpose of having the proposal placed on the ballot at 162
the next general election or at a special election conducted on 163
the day of the next primary election that occurs not less than 164
ninety days after the resolution is certified to the board of 165

elections. The election shall be held, canvassed, and certified, 166
as provided in section 306.70 of the Revised Code, except that 167
the question appearing on the ballot shall read: 168

"Shall the territory within the _____ (Name or 169
names of political subdivisions to be joined) be added to 170
_____ (Name) regional transit authority, shall sales 171
and use tax at a rate not exceeding _____ (Insert tax rate) 172
be levied for all transit purposes throughout the territory of 173
the regional transit authority, and shall the existing property 174
tax levied for transit purposes be repealed?" 175

~~(4) If (3) Subject to division (L) of this section, if the 176
question is approved, the sales and use tax may be levied and 177
collected as is otherwise provided under sections 5739.023 and 178
5741.022 of the Revised Code on and after the date stated in the 179
resolution. 180~~

~~(5) The board of trustees shall appropriate from the first 181
moneys received from the sales and use tax in each year the full 182
amount required in order to pay the principal of and interest on 183
any notes of the regional transit authority issued pursuant to 184
section 306.49 of the Revised Code in anticipation of the 185
collection of the property tax. The board of trustees shall not 186
thereafter levy and collect the property tax unless and to the 187
extent that the levy and collection is necessary to pay the 188
principal of and interest on notes issued in anticipation of the 189
property tax in order to avoid impairing the obligation of the 190
contract between the regional transit authority and the note 191
holders. Such property tax shall be levied only in the territory 192
of the authority as it existed before the political subdivision 193
was joined to the authority. 194~~

~~(6) If the question is approved after the fifteenth day of 195~~

~~July in any calendar year, the regional transit authority may~~ 196
~~amend its budget for the current and next fiscal year, and any~~ 197
~~resolution adopted pursuant to section 5705.34 of the Revised~~ 198
~~Code, to reflect the imposition of the sales and use tax, and~~ 199
~~shall amend its budget for the next fiscal year, and any~~ 200
~~resolution adopted pursuant to section 5705.34 of the Revised~~ 201
~~Code, to comply with division (K) (5) of this section. If the~~ 202
~~budget of the regional transit authority is amended pursuant to~~ 203
~~this division, the county auditor shall prepare and deliver an~~ 204
~~amended certificate of estimated resources to reflect the change~~ 205
~~in anticipated revenues of the regional transit authority.~~ 206

~~(7)~~ (4) If the question is approved, the board of trustees 207
of the regional transit authority immediately shall amend the 208
resolution or ordinance creating the regional transit authority 209
to include the additional political subdivision. 210

(L) Notwithstanding any resolution adopted or tax approved 211
by electors under division (K) of this section before, on, or 212
after the effective date of this amendment, all of the following 213
apply: 214

(1) The date on which the political subdivision is to be 215
added to the regional transit authority shall be the first day 216
of January that occurs at least twelve months after the 217
certification date of the question's passage under division (K) 218
(2) of this section. 219

(2) A sales and use tax levied under division (K) of this 220
section shall not be levied until on or after the first day of 221
January described in division (L) (1) of this section. If the 222
sales and tax is approved for a specified number of years, the 223
regional transit authority may levy and collect the tax for 224
those number of years, notwithstanding the date stated in the 225

resolution adopted under division (K) (1) of this section on 226
which the tax is to be first levied. 227

(3) The rate of a sales and use tax levied pursuant to 228
division (K) of this section may not exceed three-tenths of one 229
per cent, unless a higher rate is approved in accordance with 230
division (A) (3) of section 5739.023 of the Revised Code. 231

(4) A property tax levied by a regional transit authority 232
under section 306.49 of the Revised Code may not be levied for a 233
tax year that includes the date a sales and use tax is levied 234
under division (K) of this section by that transit authority, as 235
provided in division (A) (3) of section 5739.023 of the Revised 236
Code. 237

Sec. 319.38. Whenever it is made to appear to the county 238
auditor, ~~by the oath of the owner or one of the owners of a~~ 239
~~building or structure, land, orchard, timber, ornamental trees,~~ 240
~~or groves, or by the affidavit of~~ based on an inspection by the 241
county auditor or based on notice provided to the county 242
auditor, on a form prescribed by the department of taxation, by 243
a property owner or two disinterested persons who are residents 244
of the township or municipal corporation in which ~~such the~~ 245
property is or was situated, that ~~it~~ property that is listed for 246
taxation for the current year, ~~and~~ has been destroyed or injured 247
after the first day of January of the current year, the county 248
auditor shall investigate the matter and adjust the valuation of 249
the property, on the tax list for the current year, as 250
prescribed by divisions (A) through (D) of this section: 251

(A) If the injury or destruction occurred during the first 252
calendar quarter, the county auditor shall deduct from the 253
valuation of the property an amount that, in the county 254
auditor's judgment, fairly represents the extent of the injury 255

or destruction; 256

(B) If the injury or destruction occurred during the 257
second calendar quarter, the county auditor shall deduct from 258
the valuation of the property seventy-five per cent of the 259
amount that, in the county auditor's judgment, fairly represents 260
the extent of the injury or destruction; 261

(C) If the injury or destruction occurred during the third 262
calendar quarter, the county auditor shall deduct from the 263
valuation of the property fifty per cent of the amount that, in 264
the county auditor's judgment, fairly represents the extent of 265
the injury or destruction; 266

(D) If the injury or destruction occurred during the 267
fourth calendar quarter, the county auditor shall deduct from 268
the valuation of the property twenty-five per cent of the amount 269
that, in the county auditor's judgment, fairly represents the 270
extent of the injury or destruction. 271

No such deduction shall be made in the case of an injury 272
~~to or destruction of a building, structure, land, orchard,~~ 273
~~timber, ornamental trees, or groves,~~ resulting in damage of less 274
than one hundred dollars. 275

If a form has not been filed with the county auditor by 276
either an owner or two disinterested persons but it appears to 277
the county auditor, based on an inspection and investigation, 278
that the owner's property is listed for taxation for the current 279
year and has been destroyed or injured after the first day of 280
January of the current year, the county auditor may complete the 281
form on behalf of an owner. 282

To obtain ~~the deductions prescribed in divisions (A) to~~ 283
~~(D) of this section, the owner or one of the owners of injured~~ 284

~~or destroyed property or the two disinterested persons who are~~ 285
~~residents of the township or municipal corporation in which the~~ 286
~~property is or was situated shall apply to the county auditor.~~ 287
~~In the case of a~~ deduction under division (A), (B), or (C) of 288
this section, the oath or affidavit shall be filed ~~an owner or~~ 289
two disinterested persons shall file the form with the county 290
auditor, or the county auditor shall complete the form on behalf 291
of an owner, not later than the thirty-first day of December of 292
the year in which the injury or destruction occurred. ~~In the~~ 293
~~case of~~ To obtain a deduction under division (D) of this 294
section, ~~the oath or affidavit shall be filed an owner or two~~ 295
disinterested persons shall file the form with the county 296
auditor, or the county auditor shall complete the form on behalf 297
of an owner, not later than the thirty-first day of January of 298
the year after the year in which the injury or destruction 299
occurred. 300

The county auditor shall certify the deductions made under 301
this section to the county treasurer, who shall correct the tax 302
list and duplicate in accordance with such deductions. If the 303
deduction cannot be entered upon the current tax list and 304
duplicate, the county auditor shall proceed in the manner 305
prescribed under section 5715.22 of the Revised Code to refund 306
or credit to the taxpayer the amount of the reduction in taxes 307
attributable to the deduction in valuation made under this 308
section. 309

Sec. 323.08. After certifying the tax list and duplicate 310
pursuant to section 319.28 of the Revised Code, the county 311
auditor shall deliver a list of the tax rates, ~~tax reduction~~ 312
~~factors,~~ expressed in mills for each one dollar of taxable 313
value, and effective tax rates, expressed both in mills for each 314
one dollar of taxable value and as a percentage of true value, 315

assessed and applied against each of the two classes of property 316
of the county to the county treasurer, who shall immediately 317
cause a schedule of all such tax rates and effective rates to be 318
published in a newspaper of general circulation in the county 319
or, in lieu of such publication, the county treasurer may insert 320
a copy of such schedule with each tax bill mailed. Such schedule 321
shall specify particularly the rates and effective rates of 322
taxation levied for all purposes on the tax list and duplicate 323
for the support of the various taxing units within the county, 324
expressed in dollars and cents for each one thousand dollars of 325
valuation. ~~The effective tax rates shall be printed in boldface~~ 326
~~type.~~ The schedule may also include, in the county auditor's 327
discretion, the tax reduction factors for each of the two 328
classes of property of the county, or it may exclude that 329
information if the county auditor prefers the schedule to be 330
more concise and more user-friendly. 331

The county treasurer shall publish notice of the date of 332
the last date for payment of each installment of taxes once a 333
week for two successive weeks prior to such date in a newspaper 334
of general circulation within the county or as provided in 335
section 7.16 of the Revised Code. The notice shall be inserted 336
in a conspicuous place in the newspaper and shall also contain 337
notice that any taxes paid after such date will accrue a penalty 338
and interest and that failure to receive a tax bill will not 339
avoid such penalty and interest. The notice shall contain a 340
telephone number that may be called by taxpayers who have not 341
received tax bills. 342

As used in this section and section 323.131 of the Revised 343
Code, "effective tax rate" means the effective rate after making 344
the reduction required by section 319.301, but before making the 345
reduction required by section 319.302 of the Revised Code. 346

<u>Sec. 323.18. (A) As used in this section:</u>	347
<u>(1) "Dwelling tax exemptions" means the partial real</u>	348
<u>property tax or manufactured and mobile home tax exemptions</u>	349
<u>authorized under divisions (A) and (B) of section 323.152 and</u>	350
<u>section 4503.065 of the Revised Code.</u>	351
<u>(2) A manufactured or mobile home is "located" in the</u>	352
<u>county in which the home has its situs for the purpose of</u>	353
<u>section 4503.06 of the Revised Code.</u>	354
<u>(3) "Triennial update" means the third-year update</u>	355
<u>referred to in division (B) of section 5715.24 of the Revised</u>	356
<u>Code.</u>	357
<u>(4) "Sexennial appraisal" means an appraisal required</u>	358
<u>under section 5713.01 of the Revised Code.</u>	359
<u>(B) Not later than the first day of January of each year,</u>	360
<u>beginning in the first year commencing after the effective date</u>	361
<u>of this section, the commissioner shall notify and order the</u>	362
<u>county auditor and county treasurer of each county subject to a</u>	363
<u>triennial update or sexennial reappraisal for that year to</u>	364
<u>provide to the commissioner, on or before the deadline</u>	365
<u>prescribed by the commissioner, a list of the parcels of real</u>	366
<u>property and manufactured or mobile homes that are located</u>	367
<u>within the county and receive one or more dwelling tax</u>	368
<u>exemptions. The commissioner may request additional information</u>	369
<u>from the county that is required to determine the eligibility of</u>	370
<u>the parcels and homes for those exemptions. The county auditor</u>	371
<u>or treasurer shall respond in a reasonable time to such requests</u>	372
<u>and provide the requested list or information in the electronic</u>	373
<u>format and manner prescribed by the commissioner, in</u>	374
<u>consultation with the county auditors association of Ohio.</u>	375

(C) The commissioner shall compare the information 376
provided under division (B) of this section to the records 377
maintained by the registrar of motor vehicles under section 378
4501.021 of the Revised Code, vital statistics compiled under 379
Chapter 3705. of the Revised Code, records of the department of 380
taxation, or any other records or databases that are accessible 381
to the commissioner and that the commissioner determines is 382
required to evaluate the eligibility of a parcel or home for the 383
applicable dwelling tax exemption or exemptions. 384

(D) Upon completion of the comparison required under 385
division (C) of this section, the commissioner shall, as soon as 386
is practicable after receipt of the information provided under 387
division (B) of this section, submit a report to the county 388
auditor of each county required to submit such information 389
listing any parcels of real property and manufactured or mobile 390
homes in that county provided under that division whose 391
eligibility for one or more dwelling tax exemptions appear to be 392
inconsistent with records or databases reviewed by the 393
commissioner under division (C) of this section. Information 394
received by a county auditor from the commissioner pursuant to 395
division (D) of this section shall be kept confidential, except 396
as provided by division (E) of this section, and is not a public 397
record as defined in section 149.43 of the Revised Code. 398

(E) Before the first day of January of the next tax year 399
in which the county is subject to a triennial update or 400
sexennial reappraisal, the county auditor of the county shall 401
investigate the parcels and homes listed in the commissioner's 402
report submitted under division (D) of this section and submit a 403
report to the commissioner and the auditor of state, containing 404
the following: 405

(1) A list of the parcels and homes included in the 406
commissioner's report that the county auditor determines to be 407
eligible for the applicable dwelling tax exemptions; 408

(2) A list of the parcels and homes included in the 409
commissioner's report that the county auditor determines are not 410
eligible for one or more dwelling tax exemptions the parcel or 411
home received previously; 412

(3) A list of the parcels and homes included in the 413
commissioner's report for which the county auditor has not yet 414
made a final determination. 415

(F) Not later than the first day of April following the 416
receipt of reports under division (E) of this section, the 417
commissioner shall compile a report summarizing the findings of 418
those reports and describing the prevalence of ineligible 419
parcels and homes receiving one or more dwelling tax exemptions. 420
The report may include information on the following: 421

(1) Savings to the state from the discovery and 422
disqualification of ineligible parcels and homes that were 423
previously receiving such exemptions; 424

(2) Data limitations that the commissioner encountered 425
while assessing the eligibility of parcels and homes. 426

(G) The commissioner shall submit a copy of the report 427
compiled under division (F) of this section to the general 428
assembly, as provided by division (B) of section 101.68 of the 429
Revised Code, the auditor of state, and the governor. 430

(H) The auditor of state, at any time, may audit the study 431
required under this section in accordance with Chapter 117. of 432
the Revised Code. 433

Sec. 5703.21. (A) Except as provided in divisions (B) and 434
(C) of this section, no agent of the department of taxation, 435
except in the agent's report to the department or when called on 436
to testify in any court or proceeding, shall divulge any 437
information acquired by the agent as to the transactions, 438
property, or business of any person while acting or claiming to 439
act under orders of the department. Whoever violates this 440
provision shall thereafter be disqualified from acting as an 441
officer or employee or in any other capacity under appointment 442
or employment of the department. 443

(B) (1) For purposes of an audit pursuant to section 117.15 444
of the Revised Code, or an audit of the department pursuant to 445
Chapter 117. of the Revised Code, or an audit, pursuant to that 446
chapter, the objective of which is to express an opinion on a 447
financial report or statement prepared or issued pursuant to 448
division (A) (7) or (9) of section 126.21 of the Revised Code, 449
the officers and employees of the auditor of state charged with 450
conducting the audit shall have access to and the right to 451
examine any state tax returns and state tax return information 452
in the possession of the department to the extent that the 453
access and examination are necessary for purposes of the audit. 454
Any information acquired as the result of that access and 455
examination shall not be divulged for any purpose other than as 456
required for the audit or unless the officers and employees are 457
required to testify in a court or proceeding under compulsion of 458
legal process. Whoever violates this provision shall thereafter 459
be disqualified from acting as an officer or employee or in any 460
other capacity under appointment or employment of the auditor of 461
state. 462

(2) For purposes of an internal audit pursuant to section 463
126.45 of the Revised Code, the officers and employees of the 464

office of internal audit in the office of budget and management 465
charged with directing the internal audit shall have access to 466
and the right to examine any state tax returns and state tax 467
return information in the possession of the department to the 468
extent that the access and examination are necessary for 469
purposes of the internal audit. Any information acquired as the 470
result of that access and examination shall not be divulged for 471
any purpose other than as required for the internal audit or 472
unless the officers and employees are required to testify in a 473
court or proceeding under compulsion of legal process. Whoever 474
violates this provision shall thereafter be disqualified from 475
acting as an officer or employee or in any other capacity under 476
appointment or employment of the office of internal audit. 477

(3) As provided by section 6103(d)(2) of the Internal 478
Revenue Code, any federal tax returns or federal tax information 479
that the department has acquired from the internal revenue 480
service, through federal and state statutory authority, may be 481
disclosed to the auditor of state or the office of internal 482
audit solely for purposes of an audit of the department. 483

(4) For purposes of Chapter 3739. of the Revised Code, an 484
agent of the department of taxation may share information with 485
the division of state fire marshal that the agent finds during 486
the course of an investigation. 487

(C) Division (A) of this section does not prohibit any of 488
the following: 489

(1) Divulging information contained in applications, 490
complaints, and related documents filed with the department 491
under section 5715.27 of the Revised Code or in applications 492
filed with the department under section 5715.39 of the Revised 493
Code; 494

(2) Providing information to the office of child support	495
within the department of job and family services pursuant to	496
section 3125.43 of the Revised Code;	497
(3) Disclosing to the motor vehicle repair board any	498
information in the possession of the department that is	499
necessary for the board to verify the existence of an	500
applicant's valid vendor's license and current state tax	501
identification number under section 4775.07 of the Revised Code;	502
(4) Providing information to the administrator of workers'	503
compensation pursuant to sections 4123.271 and 4123.591 of the	504
Revised Code;	505
(5) Providing to the attorney general information the	506
department obtains under division (J) of section 1346.01 of the	507
Revised Code;	508
(6) Permitting properly authorized officers, employees, or	509
agents of a municipal corporation from inspecting reports or	510
information pursuant to section 718.84 of the Revised Code or	511
rules adopted under section 5745.16 of the Revised Code;	512
(7) Providing information regarding the name, account	513
number, or business address of a holder of a vendor's license	514
issued pursuant to section 5739.17 of the Revised Code, a holder	515
of a direct payment permit issued pursuant to section 5739.031	516
of the Revised Code, or a seller having a use tax account	517
maintained pursuant to section 5741.17 of the Revised Code, or	518
information regarding the active or inactive status of a	519
vendor's license, direct payment permit, or seller's use tax	520
account;	521
(8) Releasing invoices or invoice information furnished	522
under section 4301.433 of the Revised Code pursuant to that	523

section;	524
(9) Providing to a county auditor notices or documents	525
concerning or affecting the taxable value of property in the	526
county auditor's county <u>or the eligibility of such property for</u>	527
<u>one or more dwelling tax exemptions, as that term is defined in</u>	528
<u>section 323.18 of the Revised Code.</u> Unless authorized by law to	529
disclose documents so provided, the county auditor shall not	530
disclose such documents;	531
(10) Providing to a county auditor sales or use tax return	532
or audit information under section 333.06 of the Revised Code;	533
(11) Subject to section 4301.441 of the Revised Code,	534
disclosing to the appropriate state agency information in the	535
possession of the department of taxation that is necessary to	536
verify a permit holder's gallonage or noncompliance with taxes	537
levied under Chapter 4301. or 4305. of the Revised Code;	538
(12) Disclosing to the department of natural resources	539
information in the possession of the department of taxation that	540
is necessary for the department of taxation to verify the	541
taxpayer's compliance with section 5749.02 of the Revised Code	542
or to allow the department of natural resources to enforce	543
Chapter 1509. of the Revised Code;	544
(13) Disclosing to the department of job and family	545
services, industrial commission, and bureau of workers'	546
compensation information in the possession of the department of	547
taxation solely for the purpose of identifying employers that	548
misclassify employees as independent contractors or that fail to	549
properly report and pay employer tax liabilities. The department	550
of taxation shall disclose only such information that is	551
necessary to verify employer compliance with law administered by	552

those agencies.	553
(14) Disclosing to the Ohio casino control commission	554
information in the possession of the department of taxation that	555
is necessary to verify a casino operator's compliance with	556
section 5747.063 or 5753.02 of the Revised Code and sections	557
related thereto;	558
(15) Disclosing to the state lottery commission	559
information in the possession of the department of taxation that	560
is necessary to verify a lottery sales agent's compliance with	561
section 5747.064 of the Revised Code.	562
(16) Disclosing to the development services agency	563
information in the possession of the department of taxation that	564
is necessary to ensure compliance with the laws of this state	565
governing taxation and to verify information reported to the	566
development services agency for the purpose of evaluating	567
potential tax credits, grants, or loans. Such information shall	568
not include information received from the internal revenue	569
service the disclosure of which is prohibited by section 6103 of	570
the Internal Revenue Code. No officer, employee, or agent of the	571
development services agency shall disclose any information	572
provided to the development services agency by the department of	573
taxation under division (C) (16) of this section except when	574
disclosure of the information is necessary for, and made solely	575
for the purpose of facilitating, the evaluation of potential tax	576
credits, grants, or loans.	577
(17) Disclosing to the department of insurance information	578
in the possession of the department of taxation that is	579
necessary to ensure a taxpayer's compliance with the	580
requirements with any tax credit administered by the development	581
services agency and claimed by the taxpayer against any tax	582

administered by the superintendent of insurance. No officer, 583
employee, or agent of the department of insurance shall disclose 584
any information provided to the department of insurance by the 585
department of taxation under division (C)(17) of this section. 586

(18) Disclosing to the division of liquor control 587
information in the possession of the department of taxation that 588
is necessary for the division and department to comply with the 589
requirements of sections 4303.26 and 4303.271 of the Revised 590
Code. 591

(19) Disclosing to the department of education, upon that 592
department's request, information in the possession of the 593
department of taxation that is necessary only to verify whether 594
the family income of a student applying for or receiving a 595
scholarship under the educational choice scholarship pilot 596
program is equal to, less than, or greater than the income 597
thresholds prescribed by section 3310.02 or 3310.032 of the 598
Revised Code. The department of education shall provide 599
sufficient information about the student and the student's 600
family to enable the department of taxation to make the 601
verification. 602

(20) Disclosing to the Ohio rail development commission 603
information in the possession of the department of taxation that 604
is necessary to ensure compliance with the laws of this state 605
governing taxation and to verify information reported to the 606
commission for the purpose of evaluating potential grants or 607
loans. Such information shall not include information received 608
from the internal revenue service the disclosure of which is 609
prohibited by section 6103 of the Internal Revenue Code. No 610
member, officer, employee, or agent of the Ohio rail development 611
commission shall disclose any information provided to the 612

commission by the department of taxation under division (C) (20) 613
of this section except when disclosure of the information is 614
necessary for, and made solely for the purpose of facilitating, 615
the evaluation of potential grants or loans. 616

Sec. 5709.09. (A) Real property or any estate, interest, 617
or right therein dedicated in accordance with section 1517.05 of 618
the Revised Code is exempt from taxation. 619

(B) Real property is exempt from taxation if 620
the property is owned or held by an organization that is 621
organized for the purpose of natural resources protection, 622
preservation, restoration, or enhancement or water quality 623
improvement and that is described under section 501(c) (3) of the 624
Internal Revenue Code and exempt from taxation under section 625
501(a) of the Internal Revenue Code 626

and if either of the following apply: 627

(1) The property is subject to an environmental response 628
project described in division (E) (2) of section 5301.80 of the 629
Revised Code; 630

(2) The property is subject to a nature water project that 631
receives funding from the H2Ohio fund established in section 632
126.60 of the Revised Code. 633

Sec. 5709.17. The following property shall be exempted 634
from taxation: 635

(A) Real estate held or occupied by an association or 636
corporation, organized or incorporated under the laws of this 637
state relative to soldiers' memorial associations or monumental 638
building associations and that, in the opinion of the trustees, 639
directors, or managers thereof, is necessary and proper to carry 640

out the object intended for such association or corporation; 641

(B) Real estate and tangible personal property held or 642
occupied by a qualifying veterans' organization and used 643
primarily for meetings and administration of the qualifying 644
veterans' organization or for providing, on a not-for-profit 645
basis, programs and supportive services to past or present 646
members of the armed forces of the United States and their 647
families, except real estate held by such an organization for 648
the production of rental income in excess of thirty-six thousand 649
dollars in a tax year, before accounting for any cost or expense 650
incurred in the production of such income. For the purposes of 651
this division, rental income includes only income arising 652
directly from renting the real estate to others for 653
consideration, but does not include income arising from renting 654
the real estate to a qualifying veterans' organization. 655

As used in this division, "qualifying veterans' 656
organization" means an organization that is incorporated under 657
the laws of this state or the United States and that meets 658
either of the following requirements: 659

(1) The organization qualifies for exemption from taxation 660
under section 501(c)(19) or 501(c)(23) of the Internal Revenue 661
Code. 662

(2) The organization meets the criteria for exemption 663
under section 501(c)(19) of the Internal Revenue Code and 664
regulations adopted pursuant thereto, but is exempt from 665
taxation under section 501(c)(4) of the Internal Revenue Code. 666

(C) Tangible personal property held by a corporation 667
chartered under 112 Stat. 1335, 36 U.S.C. 40701, described in 668
section 501(c)(3) of the Internal Revenue Code, and exempt from 669

taxation under section 501(a) of the Internal Revenue Code shall 670
be exempt from taxation if it is property obtained as described 671
in 112 Stat. 1335-1341, 36 U.S.C.A. Chapter 407. 672

(D) Real estate held or occupied by a fraternal 673
organization and used primarily for meetings of and the 674
administration of the fraternal organization or for providing, 675
on a not-for-profit basis, educational or health services, 676
except real estate held by such an organization for the 677
production of rental income in excess of thirty-six thousand 678
dollars in a tax year before accounting for any cost or expense 679
incurred in the production of such income. For the purposes of 680
this division, rental income includes only income arising 681
directly from renting the real estate to others for 682
consideration, but does not include income arising from renting 683
the real estate to any fraternal organization for use primarily 684
for meetings of and the administration of such fraternal 685
organization or for providing, on a not-for-profit basis, 686
educational or health services. As used in this division, 687
"fraternal organization" means a domestic fraternal society, 688
order, or association operating under the lodge, council, or 689
grange system that qualifies for exemption from taxation under 690
section 501(c)(5), 501(c)(8), or 501(c)(10) of the "Internal 691
Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C. 1, as amended; 692
that provides financial support for charitable purposes, as 693
defined in division (B)(12) of section 5739.02 of the Revised 694
Code; and that operates under either a state or national 695
governing body that has been operating in this state for at 696
least eighty-five years. 697

Sec. 5713.08. (A) The county auditor shall make a list of 698
all real and personal property in the auditor's county that is 699
exempted from taxation. Such list shall show the name of the 700

owner, the value of the property exempted, and a statement in 701
brief form of the ground on which such exemption has been 702
granted. It shall be corrected annually by adding thereto the 703
items of property which have been exempted during the year, and 704
by striking therefrom the items which in the opinion of the 705
auditor have lost their right of exemption and which have been 706
reentered on the taxable list, but no property shall be struck 707
from the exempt property list solely because the property has 708
been conveyed to a single member limited liability company with 709
a nonprofit purpose from its nonprofit member or because the 710
property has been conveyed by a single member limited liability 711
company with a nonprofit purpose to its nonprofit member. No 712
additions shall be made to such exempt lists and no additional 713
items of property shall be exempted from taxation without the 714
consent of the tax commissioner as is provided for in section 715
5715.27 of the Revised Code or without the consent of the 716
housing officer under section 3735.67 of the Revised Code, 717
except for property exempted by the auditor under that section, 718
~~property owned by a community school and subject to the~~ 719
~~exemption authorized under division (A) (1) of section 5709.07 of~~ 720
~~the Revised Code for tax years after the tax year for which the~~ 721
~~commissioner grants an application under section 5715.27 of the~~ 722
~~Revised Code, as described in division (I) of that section, or~~ 723
qualifying agricultural real property, as defined in section 724
5709.28 of the Revised Code, that is enrolled in an agriculture 725
security area that is exempt under that section. 726

The commissioner may revise at any time the list in every 727
county so that no property is improperly or illegally exempted 728
from taxation. The auditor shall follow the orders of the 729
commissioner given under this section. An abstract of such list 730
shall be filed annually with the commissioner, on a form 731

approved by the commissioner, and a copy thereof shall be kept 732
on file in the office of each auditor for public inspection. 733

An application for exemption of property shall include a 734
certificate executed by the county treasurer certifying one of 735
the following: 736

(1) That all taxes, interest, and penalties levied and 737
assessed against the property sought to be exempted have been 738
paid in full for all of the tax years preceding the tax year for 739
which the application for exemption is filed, except for such 740
taxes, interest, and penalties that may be remitted under 741
division (C) of this section; 742

(2) That the applicant has entered into a valid delinquent 743
tax contract with the county treasurer pursuant to division (A) 744
of section 323.31 of the Revised Code to pay all of the 745
delinquent taxes, interest, and penalties charged against the 746
property, except for such taxes, interest, and penalties that 747
may be remitted under division (C) of this section. If the 748
auditor receives notice under section 323.31 of the Revised Code 749
that such a written delinquent tax contract has become void, the 750
auditor shall strike such property from the list of exempted 751
property and reenter such property on the taxable list. If 752
property is removed from the exempt list because a written 753
delinquent tax contract has become void, current taxes shall 754
first be extended against that property on the general tax list 755
and duplicate of real and public utility property for the tax 756
year in which the auditor receives the notice required by 757
division (A) of section 323.31 of the Revised Code that the 758
delinquent tax contract has become void or, if that notice is 759
not timely made, for the tax year in which falls the latest date 760
by which the treasurer is required by such section to give such 761

notice. A county auditor shall not remove from any tax list and 762
duplicate the amount of any unpaid delinquent taxes, 763
assessments, interest, or penalties owed on property that is 764
placed on the exempt list pursuant to this division. 765

(3) That a tax certificate has been issued under section 766
5721.32 or 5721.33 of the Revised Code with respect to the 767
property that is the subject of the application, and the tax 768
certificate is outstanding. 769

(B) If the treasurer's certificate is not included with 770
the application or the certificate reflects unpaid taxes, 771
penalties, and interest that may not be remitted, the tax 772
commissioner or county auditor with whom the application was 773
filed shall notify the property owner of that fact, and the 774
applicant shall be given sixty days from the date that 775
notification was mailed in which to provide the tax commissioner 776
or county auditor with a corrected treasurer's certificate. If a 777
corrected treasurer's certificate is not received within the 778
time permitted, the tax commissioner or county auditor does not 779
have authority to consider the tax exemption application. 780

(C) Any taxes, interest, and penalties which have become a 781
lien after the property was first used for the exempt purpose, 782
but in no case prior to the date of acquisition of the title to 783
the property by the applicant, may be remitted by the 784
commissioner or county auditor, except as is provided in 785
division (A) of section 5713.081 of the Revised Code. 786

(D) Real property acquired by the state in fee simple is 787
exempt from taxation from the date of acquisition of title or 788
date of possession, whichever is the earlier date, provided that 789
all taxes, interest, and penalties as provided in the 790
apportionment provisions of section 319.20 of the Revised Code 791

have been paid to the date of acquisition of title or date of 792
possession by the state, whichever is earlier. The proportionate 793
amount of taxes that are a lien but not yet determined, 794
assessed, and levied for the year in which the property is 795
acquired, shall be remitted by the county auditor for the 796
balance of the year from date of acquisition of title or date of 797
possession, whichever is earlier. This section shall not be 798
construed to authorize the exemption of such property from 799
taxation or the remission of taxes, interest, and penalties 800
thereon until all private use has terminated. 801

Sec. 5715.27. (A) (1) Except as provided in division (A) (2) 802
of this section and in section 3735.67 of the Revised Code, the 803
owner, a vendee in possession under a purchase agreement or a 804
land contract, the beneficiary of a trust, or a lessee for an 805
initial term of not less than thirty years of any property may 806
file an application with the tax commissioner, on forms 807
prescribed by the commissioner, requesting that such property be 808
exempted from taxation and that taxes, interest, and penalties 809
be remitted as provided in division (C) of section 5713.08 of 810
the Revised Code. 811

(2) If the property that is the subject of the application 812
for exemption is any of the following, the application shall be 813
filed with the county auditor of the county in which the 814
property is listed for taxation: 815

(a) A public road or highway; 816

(b) Property belonging to the federal government of the 817
United States; 818

(c) Additions or other improvements to an existing 819
building or structure that belongs to the state or a political 820

subdivision, as defined in section 5713.081 of the Revised Code, 821
and that is exempted from taxation as property used exclusively 822
for a public purpose. 823

(B) The board of education of any school district may 824
request the tax commissioner or county auditor to provide it 825
with notification of applications for exemption from taxation 826
for property located within that district. If so requested, the 827
commissioner or auditor shall send to the board on a monthly 828
basis reports that contain sufficient information to enable the 829
board to identify each property that is the subject of an 830
exemption application, including, but not limited to, the name 831
of the property owner or applicant, the address of the property, 832
and the auditor's parcel number. The commissioner or auditor 833
shall mail the reports by the fifteenth day of the month 834
following the end of the month in which the commissioner or 835
auditor receives the applications for exemption. 836

(C) A board of education that has requested notification 837
under division (B) of this section may, with respect to any 838
application for exemption of property located in the district 839
and included in the commissioner's or auditor's most recent 840
report provided under that division, file a statement with the 841
commissioner or auditor and with the applicant indicating its 842
intent to submit evidence and participate in any hearing on the 843
application. The statements shall be filed prior to the first 844
day of the third month following the end of the month in which 845
that application was docketed by the commissioner or auditor. A 846
statement filed in compliance with this division entitles the 847
district to submit evidence and to participate in any hearing on 848
the property and makes the district a party for purposes of 849
sections 5717.02 to 5717.04 of the Revised Code in any appeal of 850
the commissioner's or auditor's decision to the board of tax 851

appeals. 852

(D) The commissioner or auditor shall not hold a hearing 853
on or grant or deny an application for exemption of property in 854
a school district whose board of education has requested 855
notification under division (B) of this section until the end of 856
the period within which the board may submit a statement with 857
respect to that application under division (C) of this section. 858
The commissioner or auditor may act upon an application at any 859
time prior to that date upon receipt of a written waiver from 860
each such board of education, or, in the case of exemptions 861
authorized by section 725.02, 1728.10, 5709.40, 5709.41, 862
5709.411, 5709.45, 5709.62, 5709.63, 5709.632, 5709.73, 5709.78, 863
5709.84, or 5709.88 of the Revised Code, upon the request of the 864
property owner. Failure of a board of education to receive the 865
report required in division (B) of this section shall not void 866
an action of the commissioner or auditor with respect to any 867
application. The commissioner or auditor may extend the time for 868
filing a statement under division (C) of this section. 869

(E) A complaint may also be filed with the commissioner or 870
auditor by any person, board, or officer authorized by section 871
5715.19 of the Revised Code to file complaints with the county 872
board of revision against the continued exemption of any 873
property granted exemption by the commissioner or auditor under 874
this section. 875

(F) An application for exemption and a complaint against 876
exemption shall be filed prior to the thirty-first day of 877
December of the tax year for which exemption is requested or for 878
which the liability of the property to taxation in that year is 879
requested. The commissioner or auditor shall consider such 880
application or complaint in accordance with procedures 881

established by the commissioner, determine whether the property 882
is subject to taxation or exempt therefrom, and, if the 883
commissioner makes the determination, certify the determination 884
to the auditor. Upon making the determination or receiving the 885
commissioner's determination, the auditor shall correct the tax 886
list and duplicate accordingly. If a tax certificate has been 887
sold under section 5721.32 or 5721.33 of the Revised Code with 888
respect to property for which an exemption has been requested, 889
the tax commissioner or auditor shall also certify the findings 890
to the county treasurer of the county in which the property is 891
located. 892

(G) Applications and complaints, and documents of any kind 893
related to applications and complaints, filed with the tax 894
commissioner or county auditor under this section are public 895
records within the meaning of section 149.43 of the Revised 896
Code. 897

(H) If the commissioner or auditor determines that the use 898
of property or other facts relevant to the taxability of 899
property that is the subject of an application for exemption or 900
a complaint under this section has changed while the application 901
or complaint was pending, the commissioner or auditor may make 902
the determination under division (F) of this section separately 903
for each tax year beginning with the year in which the 904
application or complaint was filed or the year for which 905
remission of taxes under division (C) of section 5713.08 of the 906
Revised Code was requested, and including each subsequent tax 907
year during which the application or complaint is pending before 908
the commissioner or auditor. 909

~~(I) If the tax commissioner grants an application filed by~~ 910
~~a community school under this section for the exemption~~ 911

~~authorized under division (A) (1) of section 5709.07 of the Revised Code, any property that is the subject of that application shall be exempt from property tax for each succeeding tax year regardless of whether the community school files an application under this section with respect to such property. The community school, on or before the thirty first day of December of each such succeeding tax year, shall submit a statement to the commissioner attesting that the property that is the subject of that initial application qualifies for the exemption authorized under division (A) (1) of section 5709.07 of the Revised Code for that succeeding tax year. If the community school fails to file such a statement for a tax year or if the commissioner otherwise discovers that the property no longer qualifies for that exemption, the commissioner shall order the county auditor to return the property to the tax list.~~

Sec. 5739.023. (A) (1) For the purpose of providing additional general revenues for a transit authority, funding a regional transportation improvement project under section 5595.06 of the Revised Code, or funding public infrastructure projects as described in section 306.353 of the Revised Code, and to pay the expenses of administering such levy, any transit authority may levy a tax upon every retail sale made in the territory of the transit authority, except sales of watercraft and outboard motors required to be titled pursuant to Chapter 1548. of the Revised Code and sales of motor vehicles, and may increase the rate of an existing tax. The rate of any tax levied pursuant to this section shall be a multiple of one-twentieth of one per cent. The Except as otherwise provided in division (A) (3) of this section, the rate shall not exceed one and one-half per cent minus the amount by which the rate levied under section 5739.021 of the Revised Code by a county located in the

territory of the transit authority exceeds one per cent. The tax 943
shall be levied and the rate increased pursuant to a resolution 944
of the legislative authority of the transit authority and a 945
certified copy of the resolution shall be delivered by the 946
fiscal officer to the board of elections as provided in section 947
3505.071 of the Revised Code and to the tax commissioner. The 948
resolution shall specify the number of years for which the tax 949
is to be in effect or that the tax is for a continuing period of 950
time, the purpose or purposes of the levy, and the date of the 951
election on the question of the tax pursuant to section 306.70 952
of the Revised Code. The board of elections shall certify the 953
results of the election to the transit authority and tax 954
commissioner. 955

A resolution adopted under this section may not specify 956
that the sole purpose of the tax is to fund infrastructure 957
projects as described in section 306.353 of the Revised Code; 958
that purpose must be combined with the purpose of providing 959
additional general revenues for the transit authority, funding a 960
regional transportation improvement project under section 961
5595.06 of the Revised Code, or both. The resolution may specify 962
the percentage of the proceeds of the tax that will be allocated 963
among each of the purposes for which the tax is to be levied. If 964
one of the purposes of the tax is to provide general revenue for 965
the transit authority, the resolution may identify specific 966
projects, functions, or other uses to which that general revenue 967
will be allocated and the percentage of the tax proceeds to be 968
allocated to each of those projects, functions, or other uses. 969

(2) Except as provided in division (C) of this section, 970
the tax levied by the resolution shall become effective on the 971
first day of a calendar quarter next following the sixty-fifth 972
day following the date the tax commissioner receives from the 973

board of elections the certification of the results of the 974
election on the question of the tax. 975

(3) For a regional transit authority that includes 976
territory in a county that has a population greater than four 977
hundred thousand but less than four hundred fifty thousand, the 978
rate of the tax may not exceed three-tenths of one per cent, 979
unless the legislative authority of each county, municipal 980
corporation, and township that is a member of the regional 981
transit authority adopts a resolution or ordinance approving the 982
rate before the question of the tax is submitted to electors 983
under section 306.70 of the Revised Code. 984

The board of trustees of such a regional transit authority 985
shall not levy sales and use tax under this section and section 986
5741.022 of the Revised Code on or before the last day of the 987
last tax year the regional transit authority levies property tax 988
under section 306.49 of the Revised Code. If the board of 989
trustees of such regional transit authority issued any notes or 990
securities as authorized in that section in anticipation of the 991
collection of the property tax, the board shall appropriate from 992
the first moneys received from the sales tax levy under this 993
section in each year the full amount required in order to pay 994
the principal of and interest on any such notes or securities. 995
The board shall not thereafter levy and collect property tax 996
under that section, even if the tax is necessary to pay the 997
principal of and interest on any such notes or securities. 998

(B) The legislative authority may, at any time while the 999
tax is in effect, by resolution fix the rate of the tax at any 1000
rate authorized by this section and not in excess of that 1001
approved by the voters pursuant to section 306.70 of the Revised 1002
Code. Except as provided in division (A) (3) or (C) of this 1003

section, any change in the rate of the tax shall be made 1004
effective on the first day of a calendar quarter next following 1005
the sixty-fifth day following the date the tax commissioner 1006
receives the certification of the resolution; provided, that in 1007
any case where bonds, or notes in anticipation of bonds, of a 1008
regional transit authority have been issued under section 306.40 1009
of the Revised Code without a vote of the electors while the tax 1010
proposed to be reduced was in effect, the board of trustees of 1011
the regional transit authority shall continue to levy and 1012
collect under authority of the original election authorizing the 1013
tax a rate of tax that the board of trustees reasonably 1014
estimates will produce an amount in that year equal to the 1015
amount of principal of and interest on those bonds as is payable 1016
in that year. 1017

(C) Upon receipt from the board of elections of the 1018
certification of the results of the election required by 1019
division (A) of this section, or from the legislative authority 1020
of the certification of a resolution under division (B) of this 1021
section, the tax commissioner shall provide notice of a tax rate 1022
change in a manner that is reasonably accessible to all affected 1023
vendors. The commissioner shall provide this notice at least 1024
sixty days prior to the effective date of the rate change. The 1025
commissioner, by rule, may establish the method by which notice 1026
will be provided. 1027

(D) If a vendor makes a sale in this state by printed 1028
catalog and the consumer computed the tax on the sale based on 1029
local rates published in the catalog, any tax levied or rate 1030
changed under this section shall not apply to such a sale until 1031
the first day of a calendar quarter following the expiration of 1032
one hundred twenty days from the date of notice by the tax 1033
commissioner pursuant to division (C) of this section. 1034

(E) The tax on every retail sale subject to a tax levied 1035
pursuant to this section is in addition to the tax levied by 1036
section 5739.02 of the Revised Code and any tax levied pursuant 1037
to section 5739.021 or 5739.026 of the Revised Code. 1038

(F) The additional tax levied by the transit authority 1039
shall be collected pursuant to section 5739.025 of the Revised 1040
Code. 1041

(G) Any tax levied pursuant to this section is subject to 1042
the exemptions provided in section 5739.02 of the Revised Code 1043
and in addition shall not be applicable to sales not within the 1044
taxing power of a transit authority under the constitution of 1045
the United States or the constitution of this state. 1046

(H) The rate of a tax levied under this section is subject 1047
to reduction under section 5739.028 of the Revised Code, if a 1048
ballot question is approved by voters pursuant to that section. 1049

Sec. 5741.02. (A) (1) For the use of the general revenue 1050
fund of the state, an excise tax is hereby levied on the 1051
storage, use, or other consumption in this state of tangible 1052
personal property or the benefit realized in this state of any 1053
service provided. The tax shall be collected as provided in 1054
section 5739.025 of the Revised Code. The rate of the tax shall 1055
be five and three-fourths per cent. 1056

(2) In the case of the lease or rental, with a fixed term 1057
of more than thirty days or an indefinite term with a minimum 1058
period of more than thirty days, of any motor vehicles designed 1059
by the manufacturer to carry a load of not more than one ton, 1060
watercraft, outboard motor, or aircraft, or of any tangible 1061
personal property, other than motor vehicles designed by the 1062
manufacturer to carry a load of more than one ton, to be used by 1063

the lessee or renter primarily for business purposes, the tax 1064
shall be collected by the seller at the time the lease or rental 1065
is consummated and shall be calculated by the seller on the 1066
basis of the total amount to be paid by the lessee or renter 1067
under the lease or rental agreement. If the total amount of the 1068
consideration for the lease or rental includes amounts that are 1069
not calculated at the time the lease or rental is executed, the 1070
tax shall be calculated and collected by the seller at the time 1071
such amounts are billed to the lessee or renter. In the case of 1072
an open-end lease or rental, the tax shall be calculated by the 1073
seller on the basis of the total amount to be paid during the 1074
initial fixed term of the lease or rental, and for each 1075
subsequent renewal period as it comes due. As used in this 1076
division, "motor vehicle" has the same meaning as in section 1077
4501.01 of the Revised Code, and "watercraft" includes an 1078
outdrive unit attached to the watercraft. 1079

(3) Except as provided in division (A) (2) of this section, 1080
in the case of a transaction, the price of which consists in 1081
whole or part of the lease or rental of tangible personal 1082
property, the tax shall be measured by the installments of those 1083
leases or rentals. 1084

(B) Each consumer, storing, using, or otherwise consuming 1085
in this state tangible personal property or realizing in this 1086
state the benefit of any service provided, shall be liable for 1087
the tax, and such liability shall not be extinguished until the 1088
tax has been paid to this state; provided, that the consumer 1089
shall be relieved from further liability for the tax if the tax 1090
has been paid to a seller in accordance with section 5741.04 of 1091
the Revised Code or prepaid by the seller in accordance with 1092
section 5741.06 of the Revised Code. 1093

(C) The tax does not apply to the storage, use, or 1094
consumption in this state of the following described tangible 1095
personal property or services, nor to the storage, use, or 1096
consumption or benefit in this state of tangible personal 1097
property or services purchased under the following described 1098
circumstances: 1099

(1) When the sale of property or service in this state is 1100
subject to the excise tax imposed by sections 5739.01 to 5739.31 1101
of the Revised Code, provided said tax has been paid; 1102

(2) Except as provided in division (D) of this section, 1103
tangible personal property or services, the acquisition of 1104
which, if made in Ohio, would be a sale not subject to the tax 1105
imposed by sections 5739.01 to 5739.31 of the Revised Code; 1106

(3) Property or services, the storage, use, or other 1107
consumption of or benefit from which this state is prohibited 1108
from taxing by the Constitution of the United States, laws of 1109
the United States, or the Constitution of this state. This 1110
exemption shall not exempt from the application of the tax 1111
imposed by this section the storage, use, or consumption of 1112
tangible personal property that was purchased in interstate 1113
commerce, but that has come to rest in this state, provided that 1114
fuel to be used or transported in carrying on interstate 1115
commerce that is stopped within this state pending transfer from 1116
one conveyance to another is exempt from the excise tax imposed 1117
by this section and section 5739.02 of the Revised Code; 1118

(4) Transient use of tangible personal property in this 1119
state by a nonresident tourist or vacationer, or a nonbusiness 1120
use within this state by a nonresident of this state, if the 1121
property so used was purchased outside this state for use 1122
outside this state and is not required to be registered or 1123

licensed under the laws of this state; 1124

(5) Tangible personal property or services rendered, upon 1125
which taxes have been paid to another jurisdiction to the extent 1126
of the amount of the tax paid to such other jurisdiction. Where 1127
the amount of the tax imposed by this section and imposed 1128
pursuant to section 5741.021, 5741.022, or 5741.023 of the 1129
Revised Code exceeds the amount paid to another jurisdiction, 1130
the difference shall be allocated between the tax imposed by 1131
this section and any tax imposed by a county or a transit 1132
authority pursuant to section 5741.021, 5741.022, or 5741.023 of 1133
the Revised Code, in proportion to the respective rates of such 1134
taxes. 1135

As used in this subdivision, "taxes paid to another 1136
jurisdiction" means the total amount of retail sales or use tax 1137
or similar tax based upon the sale, purchase, or use of tangible 1138
personal property or services rendered legally, levied by and 1139
paid to another state or political subdivision thereof, or to 1140
the District of Columbia, where the payment of such tax does not 1141
entitle the taxpayer to any refund or credit for such payment. 1142

(6) The transfer of a used manufactured home or used 1143
mobile home, as defined by section 5739.0210 of the Revised 1144
Code, made on or after January 1, 2000; 1145

(7) Drugs that are or are intended to be distributed free 1146
of charge to a practitioner licensed to prescribe, dispense, and 1147
administer drugs to a human being in the course of a 1148
professional practice and that by law may be dispensed only by 1149
or upon the order of such a practitioner; 1150

(8) Computer equipment and related software leased from a 1151
lessor located outside this state and initially received in this 1152

state on behalf of the consumer by a third party that will 1153
retain possession of such property for not more than ninety days 1154
and that will, within that ninety-day period, deliver such 1155
property to the consumer at a location outside this state. 1156
Division (C) (8) of this section does not provide exemption from 1157
taxation for any otherwise taxable charges associated with such 1158
property while it is in this state or for any subsequent 1159
storage, use, or consumption of such property in this state by 1160
or on behalf of the consumer. 1161

(9) Tangible personal property held for sale by a person 1162
but not for that person's own use and donated by that person, 1163
without charge or other compensation, to either of the 1164
following: 1165

(a) A nonprofit organization operated exclusively for 1166
charitable purposes in this state, no part of the net income of 1167
which inures to the benefit of any private shareholder or 1168
individual and no substantial part of the activities of which 1169
consists of carrying on propaganda or otherwise attempting to 1170
influence legislation; or 1171

(b) This state or any political subdivision of this state, 1172
but only if donated for exclusively public purposes. 1173

For the purposes of division (C) (9) of this section, 1174
"charitable purposes" has the same meaning as in division (B) 1175
(12) of section 5739.02 of the Revised Code. 1176

(10) Equipment stored, used, or otherwise consumed in this 1177
state by an out-of-state disaster business during a disaster 1178
response period during which the business conducts disaster work 1179
pursuant to a qualifying solicitation received by the business, 1180
provided the equipment is removed from the state before the last 1181

day of that period. All terms used in division (C)(10) of this 1182
section have the same meanings as in section 5703.94 of the 1183
Revised Code. 1184

(11)(a) Watercraft, if all of the following apply: 1185

(i) The watercraft is in this state only for storage and 1186
maintenance purposes. 1187

(ii) The watercraft is not used or stored in this state 1188
between the first day of May and the last day of September of 1189
any year. 1190

(iii) The watercraft is not required to be registered in 1191
this state under section 1547.54 of the Revised Code. 1192

(iv) The owner paid taxes to another jurisdiction on the 1193
sale, use, or consumption of the watercraft or paid sales tax on 1194
the watercraft under section 5739.027 of the Revised Code, 1195
unless the watercraft is used and titled or registered in a 1196
jurisdiction that does not impose a sales or use tax or similar 1197
excise tax on the ownership or use of the watercraft. 1198

(b) As used in division (C)(11) of this section: 1199

(i) "Taxes paid to another jurisdiction" has the same 1200
meaning as in division (C)(5) of this section. 1201

(ii) "Maintenance" means any act to preserve or improve 1202
the condition or efficiency of a watercraft including cleaning 1203
and repairing the watercraft and installing equipment, fixtures, 1204
or technology in or on the watercraft. 1205

(c) Nothing in division (C)(11) of this section exempts 1206
sales of storage of watercraft taxable under division (B)(9) of 1207
section 5739.01 of the Revised Code or sales of repair or 1208
installation of tangible personal property in or on the 1209

watercraft taxable under division (B) (3) (a) or (b) of that 1210
section. 1211

(D) The tax applies to the storage, use, or other 1212
consumption in this state of tangible personal property or 1213
services, the acquisition of which at the time of sale was 1214
excepted under division (E) of section 5739.01 of the Revised 1215
Code from the tax imposed by section 5739.02 of the Revised 1216
Code, but which has subsequently been temporarily or permanently 1217
stored, used, or otherwise consumed in a taxable manner. 1218

(E) (1) (a) If any transaction is claimed to be exempt under 1219
division (E) of section 5739.01 of the Revised Code or under 1220
section 5739.02 of the Revised Code, with the exception of 1221
divisions (B) (1) to (11) or (28) of section 5739.02 of the 1222
Revised Code, the consumer shall provide to the seller, and the 1223
seller shall obtain from the consumer, a certificate specifying 1224
the reason that the transaction is not subject to the tax. The 1225
certificate shall be in such form, and shall be provided either 1226
in a hard copy form or electronic form, as the tax commissioner 1227
prescribes. 1228

(b) A seller that obtains a fully completed exemption 1229
certificate from a consumer is relieved of liability for 1230
collecting and remitting tax on any sale covered by that 1231
certificate. If it is determined the exemption was improperly 1232
claimed, the consumer shall be liable for any tax due on that 1233
sale under this chapter. Relief under this division from 1234
liability does not apply to any of the following: 1235

(i) A seller that fraudulently fails to collect tax; 1236

(ii) A seller that solicits consumers to participate in 1237
the unlawful claim of an exemption; 1238

(iii) A seller that accepts an exemption certificate from 1239
a consumer that claims an exemption based on who purchases or 1240
who sells property or a service, when the subject of the 1241
transaction sought to be covered by the exemption certificate is 1242
actually received by the consumer at a location operated by the 1243
seller in this state, and this state has posted to its web site 1244
an exemption certificate form that clearly and affirmatively 1245
indicates that the claimed exemption is not available in this 1246
state; 1247

(iv) A seller that accepts an exemption certificate from a 1248
consumer who claims a multiple points of use exemption under 1249
division (D) of section 5739.033 of the Revised Code, if the 1250
item purchased is tangible personal property, other than 1251
prewritten computer software. 1252

(2) The seller shall maintain records, including exemption 1253
certificates, of all sales on which a consumer has claimed an 1254
exemption, and provide them to the tax commissioner on request. 1255

(3) If no certificate is provided or obtained within 1256
ninety days after the date on which the transaction is 1257
consummated, it shall be presumed that the tax applies. Failure 1258
to have so provided or obtained a certificate shall not preclude 1259
a seller, within one hundred twenty days after the tax 1260
commissioner gives written notice of intent to levy an 1261
assessment, from either establishing that the transaction is not 1262
subject to the tax, or obtaining, in good faith, a fully 1263
completed exemption certificate. 1264

(4) If a transaction is claimed to be exempt under 1265
division (B)(13) of section 5739.02 of the Revised Code, the 1266
contractor shall obtain certification of the claimed exemption 1267
from the contractee. This certification shall be in addition to 1268

an exemption certificate provided by the contractor to the 1269
seller. A contractee that provides a certification under this 1270
division shall be deemed to be the consumer of all items 1271
purchased by the contractor under the claim of exemption, if it 1272
is subsequently determined that the exemption is not properly 1273
claimed. The certification shall be in such form as the tax 1274
commissioner prescribes. 1275

(F) A seller who files a petition for reassessment 1276
contesting the assessment of tax on transactions for which the 1277
seller obtained no valid exemption certificates, and for which 1278
the seller failed to establish that the transactions were not 1279
subject to the tax during the one-hundred-twenty-day period 1280
allowed under division (E) of this section, may present to the 1281
tax commissioner additional evidence to prove that the 1282
transactions were exempt. The seller shall file such evidence 1283
within ninety days of the receipt by the seller of the notice of 1284
assessment, except that, upon application and for reasonable 1285
cause, the tax commissioner may extend the period for submitting 1286
such evidence thirty days. 1287

(G) For the purpose of the proper administration of 1288
sections 5741.01 to 5741.22 of the Revised Code, and to prevent 1289
the evasion of the tax hereby levied, it shall be presumed that 1290
any use, storage, or other consumption of tangible personal 1291
property in this state is subject to the tax until the contrary 1292
is established. 1293

(H) The tax collected by the seller from the consumer 1294
under this chapter is not part of the price, but is a tax 1295
collection for the benefit of the state, and of counties levying 1296
an additional use tax pursuant to section 5741.021 or 5741.023 1297
of the Revised Code and of transit authorities levying an 1298

additional use tax pursuant to section 5741.022 of the Revised Code. Except for the discount authorized under section 5741.12 of the Revised Code and the effects of any rounding pursuant to section 5703.055 of the Revised Code, no person other than the state or such a county or transit authority shall derive any benefit from the collection of such tax.

Section 2. That existing sections 306.322, 319.38, 323.08, 5703.21, 5709.09, 5709.17, 5713.08, 5715.27, 5739.023, and 5741.02 of the Revised Code are hereby repealed.

Section 3. The amendment by this act of sections 323.08, 5713.08, and 5715.27 of the Revised Code applies to tax year 2022 and every tax year thereafter.

The amendment by this act of section 5709.09 of the Revised Code applies to tax years ending on or after the effective date of this section.

The amendment by this act of section 5709.17 of the Revised Code applies to tax year 2021 and every tax year thereafter.

The amendment by this act of section 5741.02 of the Revised Code applies beginning the first day of the first month beginning on or after the effective date of this section.

Section 4. Pursuant to division (G) of section 5703.95 of the Revised Code, which states that any bill introduced in the House of Representatives or the Senate that proposes to enact or modify one or more tax expenditures should include a statement explaining the objectives of the tax expenditure or its modification and the sponsor's intent in proposing the tax expenditure or its modification:

The objective of this act is to increase business to

Ohio's marine industry by removing a disincentive for out-of- 1328
state boat owners from coming into Ohio with their business. 1329

Currently, subjecting boats to use taxes on the value of 1330
the boat has resulted in out-of-state boats going elsewhere for 1331
winter storage, repair, and refitting work. The charge for 1332
winter storage notwithstanding, most winter work orders from 1333
customers are estimated to range from fifteen thousand dollars 1334
to one hundred thousand dollars. The loss of even one major job, 1335
never mind several, could mean the success or failure of a 1336
marine business. 1337

The state of Ohio also suffers significant losses. 1338
Virtually everything related to winter storage and work is 1339
subject to sales tax, including parts, materials, labor, and 1340
storage. When a boat is not winter-stored in Ohio, there are not 1341
only no related sales taxes collected, but also no commercial 1342
activity taxes and no income taxes. 1343