

**As Introduced**

**135th General Assembly  
Regular Session  
2023-2024**

**H. B. No. 638**

**Representative Barhorst**

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**A BILL**

To amend sections 5703.052 and 5739.132 of the  
Revised Code to eliminate interest on county  
sales tax refunds and extend the time for state  
recovery of amounts of refunded taxes from local  
subdivisions.

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

**Section 1.** That sections 5703.052 and 5739.132 of the  
Revised Code be amended to read as follows:

**Sec. 5703.052.** (A) There is hereby created in the state  
treasury the tax refund fund, from which refunds shall be paid  
for amounts illegally or erroneously assessed or collected, or  
for any other reason overpaid, with respect to taxes levied by  
Chapter 4301., 4305., 5726., 5728., 5729., 5731., 5733., 5735.,  
5736., 5739., 5741., 5743., 5747., 5748., 5749., 5751., or 5753.  
and sections 3737.71, 3905.35, 3905.36, 4303.33, 5707.03,  
5725.18, 5727.28, 5727.38, 5727.81, and 5727.811 of the Revised  
Code. Refunds for fees levied under sections 3734.90 to  
3734.9014 of the Revised Code, wireless 9-1-1 charges imposed  
under section 128.40 of the Revised Code, next generation 9-1-1  
access fees imposed under sections 128.41 and 128.42 of the

Revised Code, or any penalties assessed with respect to such 20  
fees or charges, that are illegally or erroneously assessed or 21  
collected, or for any other reason overpaid, also shall be paid 22  
from the fund. Refunds for amounts illegally or erroneously 23  
assessed or collected by the tax commissioner, or for any other 24  
reason overpaid, that are due under section 1509.50 of the 25  
Revised Code shall be paid from the fund. Refunds for amounts 26  
illegally or erroneously assessed or collected by the 27  
commissioner, or for any other reason overpaid to the 28  
commissioner, under sections 718.80 to 718.95 of the Revised 29  
Code shall be paid from the fund. However, refunds for amounts 30  
illegally or erroneously assessed or collected by the 31  
commissioner, or for any other reason overpaid to the 32  
commissioner, with respect to taxes levied under section 33  
5739.101 of the Revised Code shall not be paid from the tax 34  
refund fund, but shall be paid as provided in section 5739.104 35  
of the Revised Code. 36

(B) (1) Upon certification by the tax commissioner to the 37  
treasurer of state of a tax refund, a wireless 9-1-1 charge 38  
refund, a next generation 9-1-1 access fee refund, or another 39  
amount refunded, or by the superintendent of insurance of a 40  
domestic or foreign insurance tax refund, the treasurer of state 41  
shall place the amount certified to the credit of the fund. The 42  
certified amount transferred shall be derived from the receipts 43  
of the same tax, fee, wireless 9-1-1 charge, next generation 9- 44  
1-1 access fee, or other amount from which the refund arose. 45

(2) When a refund is for a tax, fee, wireless 9-1-1 46  
charge, next generation 9-1-1 access fee, or other amount that 47  
is not levied by the state or that was illegally or erroneously 48  
distributed to a taxing jurisdiction, the tax commissioner shall 49  
recover the amount of that refund from the next distribution of 50

that tax, fee, wireless 9-1-1 charge, next generation 9-1-1 51  
access fee, or other amount that otherwise would be made to the 52  
taxing jurisdiction. If the amount to be recovered would exceed 53  
twenty-five per cent of the next distribution of that tax, fee, 54  
wireless 9-1-1 charge, next generation 9-1-1 access fee, or 55  
other amount, the commissioner may spread the recovery over more 56  
than one future distribution, taking into account the amount to 57  
be recovered and the amount of the anticipated future 58  
distributions. In no event may the commissioner spread the 59  
recovery over a period to exceed ~~thirty-six~~seventy-two months. 60

**Sec. 5739.132.** (A) If a tax, fee, or charge due under this 61  
chapter or Chapter 128. or 5741. of the Revised Code is not paid 62  
on or before the day the payment is required to be paid, 63  
interest shall accrue on the unpaid tax, fee, or charge at the 64  
rate per annum prescribed by section 5703.47 of the Revised Code 65  
from the day the tax, fee, or charge was required to be paid 66  
until the tax, fee, or charge is paid or until the day an 67  
assessment is issued under section 5739.13 or 5739.15 of the 68  
Revised Code, whichever occurs first. Interest shall be paid in 69  
the same manner as the tax, fee, or charge, and may be collected 70  
by assessment. 71

~~(B) Interest~~ (B) (1) Except as provided in division (B) (2) 72  
of this section, interest shall be allowed and paid on any 73  
refund granted pursuant to section 128.47, 5739.07, or 5741.10 74  
of the Revised Code from the date of the overpayment. The 75  
interest shall be computed at the rate per annum prescribed by 76  
section 5703.47 of the Revised Code. 77

(2) No interest shall be allowed or paid on a refund of a 78  
tax levied pursuant to section 5739.021, 5739.026, 5741.021, or 79  
5741.023 of the Revised Code. 80

**Section 2.** That existing sections 5703.052 and 5739.132 of 81  
the Revised Code are hereby repealed. 82

**Section 3.** The amendment by this act of section 5739.132 83  
of the Revised Code applies to refunds allowed on and after the 84  
effective date of that amendment. 85