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**129th General Assembly  
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**Sub. H. B. No. 508**

**Representative Beck**

**Cosponsors: Representatives Amstutz, Stautberg, Anielski, Antonio, Baker, Blessing, Boose, Bubp, Combs, Damschroder, Derickson, Garland, Gerberry, Grossman, Hackett, Hagan, R., Hayes, Huffman, Kozlowski, Lynch, Martin, McClain, Ruhl, Sears, Smith, Sprague, Stebelton, Terhar, Thompson, Young  
Speaker Batchelder**

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**A B I L L**

To amend sections 131.02, 349.01, 1545.21, 1701.86, 1  
1702.47, 3318.011, 3318.36, 3769.28, 4301.42, 2  
4303.33, 4701.01, 4701.04, 5703.261, 5703.37, 3  
5703.47, 5709.084, 5709.40, 5709.41, 5709.73, 4  
5709.78, 5727.84, 5727.86, 5731.39, 5733.056, 5  
5735.02, 5735.03, 5739.01, 5739.02, 5739.021, 6  
5739.023, 5739.026, 5739.04, 5739.17, 5741.08, 7  
5743.20, 5743.61, 5743.66, 5747.082, 5751.01, 8  
5751.011, 5751.012, 5751.03, 5751.04, 5751.05, 9  
5751.051, 5751.12, 5751.20, 5751.22, and 5753.03, 10  
to enact section 5703.061, and to repeal section 11  
5751.032 of the Revised Code to make changes to 12  
the laws governing the assessment, levy, and 13  
collection of taxes in the state, to the laws 14  
governing public accounting firm peer review, and 15  
to the school facilities construction law. 16

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

**Section 1.** That sections 131.02, 349.01, 1545.21, 1701.86, 1702.47, 3318.011, 3318.36, 3769.28, 4301.42, 4303.33, 4701.01, 4701.04, 5703.261, 5703.37, 5703.47, 5709.084, 5709.40, 5709.41, 5709.73, 5709.78, 5727.84, 5727.86, 5731.39, 5733.056, 5735.02, 5735.03, 5739.01, 5739.02, 5739.021, 5739.023, 5739.026, 5739.04, 5739.17, 5741.08, 5743.20, 5743.61, 5743.66, 5747.082, 5751.01, 5751.011, 5751.012, 5751.03, 5751.04, 5751.05, 5751.051, 5751.12, 5751.20, 5751.22, and 5753.03 be amended and section 5703.061 of the Revised Code be enacted to read as follows:

**Sec. 131.02.** (A) Except as otherwise provided in section 4123.37, section 5703.061, and division (K) of section 4123.511 of the Revised Code, whenever any amount is payable to the state, the officer, employee, or agent responsible for administering the law under which the amount is payable shall immediately proceed to collect the amount or cause the amount to be collected and shall pay the amount into the state treasury or into the appropriate custodial fund in the manner set forth pursuant to section 113.08 of the Revised Code. Except as otherwise provided in this division, if the amount is not paid within forty-five days after payment is due, the officer, employee, or agent shall certify the amount due to the attorney general, in the form and manner prescribed by the attorney general, and notify the director of budget and management thereof. In the case of an amount payable by a student enrolled in a state institution of higher education, the amount shall be certified within the later of forty-five days after the amount is due or the tenth day after the beginning of the next academic semester, quarter, or other session following the session for which the payment is payable. The attorney general may assess the collection cost to the amount certified in such manner and amount as prescribed by the attorney general. If an amount payable to a political subdivision is past due, the

political subdivision may, with the approval of the attorney 48  
general, certify the amount to the attorney general pursuant to 49  
this section. 50

For the purposes of this section, the attorney general and 51  
the officer, employee, or agent responsible for administering the 52  
law under which the amount is payable shall agree on the time a 53  
payment is due, and that agreed upon time shall be one of the 54  
following times: 55

(1) If a law, including an administrative rule, of this state 56  
prescribes the time a payment is required to be made or reported, 57  
when the payment is required by that law to be paid or reported. 58

(2) If the payment is for services rendered, when the 59  
rendering of the services is completed. 60

(3) If the payment is reimbursement for a loss, when the loss 61  
is incurred. 62

(4) In the case of a fine or penalty for which a law or 63  
administrative rule does not prescribe a time for payment, when 64  
the fine or penalty is first assessed. 65

(5) If the payment arises from a legal finding, judgment, or 66  
adjudication order, when the finding, judgment, or order is 67  
rendered or issued. 68

(6) If the payment arises from an overpayment of money by the 69  
state to another person, when the overpayment is discovered. 70

(7) The date on which the amount for which an individual is 71  
personally liable under section 5735.35, section 5739.33, or 72  
division (G) of section 5747.07 of the Revised Code is determined. 73

(8) Upon proof of claim being filed in a bankruptcy case. 74

(9) Any other appropriate time determined by the attorney 75  
general and the officer, employee, or agent responsible for 76  
administering the law under which the amount is payable on the 77

basis of statutory requirements or ordinary business processes of 78  
the state agency to which the payment is owed. 79

(B)(1) The attorney general shall give immediate notice by 80  
mail or otherwise to the party indebted of the nature and amount 81  
of the indebtedness. 82

(2) If the amount payable to this state arises from a tax 83  
levied under Chapter 5733., 5739., 5741., 5747., or 5751. of the 84  
Revised Code, the notice also shall specify all of the following: 85

(a) The assessment or case number; 86

(b) The tax pursuant to which the assessment is made; 87

(c) The reason for the liability, including, if applicable, 88  
that a penalty or interest is due; 89

(d) An explanation of how and when interest will be added to 90  
the amount assessed; 91

(e) That the attorney general and tax commissioner, acting 92  
together, have the authority, but are not required, to compromise 93  
the claim and accept payment over a reasonable time, if such 94  
actions are in the best interest of the state. 95

(C) The attorney general shall collect the claim or secure a 96  
judgment and issue an execution for its collection. 97

(D) Each claim shall bear interest, from the day on which the 98  
claim became due, at the rate per annum required by section 99  
5703.47 of the Revised Code. 100

(E) The attorney general and the chief officer of the agency 101  
reporting a claim, acting together, may do any of the following if 102  
such action is in the best interests of the state: 103

(1) Compromise the claim; 104

(2) Extend for a reasonable period the time for payment of 105  
the claim by agreeing to accept monthly or other periodic 106

payments. The agreement may require security for payment of the claim. 107  
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(3) Add fees to recover the cost of processing checks or other draft instruments returned for insufficient funds and the cost of providing electronic payment options. 109  
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(F)(1) Except as provided in division (F)(2) of this section, if the attorney general finds, after investigation, that any claim due and owing to the state is uncollectible, the attorney general, with the consent of the chief officer of the agency reporting the claim, may do the following: 112  
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(a) Sell, convey, or otherwise transfer the claim to one or more private entities for collection; 117  
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(b) Cancel the claim or cause it to be canceled. 119

(2) The attorney general shall cancel or cause to be canceled an unsatisfied claim on the date that is forty years after the date the claim is certified. 120  
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(3) No initial action shall be commenced to collect any tax payable to the state that is administered by the tax commissioner, whether or not such tax is subject to division (B) of this section, or any penalty, interest, or additional charge on such tax, after the expiration of the period ending on the later of the dates specified in divisions (F)(3)(a) and (b) of this section, provided that such period shall be extended by the period of any stay to such collection or by any other period to which the parties mutually agree. If the initial action in aid of execution is commenced before the later of the dates specified in divisions (F)(3)(a) and (b) of this section, any and all subsequent actions may be pursued in aid of execution of judgment for as long as the debt exists. 123  
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(a) Seven years after the assessment of the tax, penalty, interest, or additional charge is issued. 136  
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(b) Four years after the assessment of the tax, penalty, interest, or additional charge becomes final. For the purposes of division (F)(3)(b) of this section, the assessment becomes final at the latest of the following: upon expiration of the period to petition for reassessment, or if applicable, to appeal a final determination of the commissioner or decision of the board of tax appeals or a court, or, if applicable, upon decision of the United States supreme court.

For the purposes of division (F)(3) of this section, an initial action to collect a tax debt is commenced at the time when any action, including any action in aid of execution on a judgment, commences after a certified copy of the tax commissioner's entry making an assessment final has been filed in the office of the clerk of court of common pleas in the county in which the taxpayer resides or has its principal place of business in this state, or in the office of the clerk of court of common pleas of Franklin county, as provided in section 5739.13, 5741.14, 5747.13, or 5751.09 of the Revised Code or in any other applicable law requiring such a filing. If an assessment has not been issued and there is no time limitation on the issuance of an assessment under applicable law, an action to collect a tax debt commences when the action is filed in the courts of this state to collect the liability.

(4) If information contained in a claim that is sold, conveyed, or transferred to a private entity pursuant to this section is confidential pursuant to federal law or a section of the Revised Code that implements a federal law governing confidentiality, such information remains subject to that law during and following the sale, conveyance, or transfer.

**Sec. 349.01.** As used in this chapter:

(A) "New community" means a community or an addition to an

existing community planned pursuant to this chapter so that it 169  
includes facilities for the conduct of industrial, commercial, 170  
residential, cultural, educational, and recreational activities, 171  
and designed in accordance with planning concepts for the 172  
placement of utility, open space, and other supportive facilities. 173

In the case of a new community authority established within 174  
three years after March 22, 2012, the effective date of H.B. 225 175  
of the 129th general assembly, "new community" may mean a 176  
community or development of property planned under this chapter in 177  
relation to an existing community so that the community includes 178  
facilities for the conduct of community activities, and is 179  
designed in accordance with planning concepts for the placement of 180  
utility, open space, and other supportive facilities for the 181  
community. 182

(B) "New community development program" means a program for 183  
the development of a new community characterized by well-balanced 184  
and diversified land use patterns and which includes land 185  
acquisition and land development, the acquisition, construction, 186  
operation, and maintenance of community facilities, and the 187  
provision of services authorized in this chapter. 188

In the case of a new community authority established within 189  
three years after March 22, 2012, the effective date of H.B. 225 190  
of the 129th general assembly, a new community development program 191  
may take into account any existing community in relation to which 192  
a new community is developed for purposes of being characterized 193  
by well-balanced and diversified land use patterns. 194

(C) "New community district" means the area of land described 195  
by the developer in the petition as set forth in division (A) of 196  
section 349.03 of the Revised Code for development as a new 197  
community and any lands added to the district by amendment of the 198  
resolution establishing the community authority. 199

(D) "New community authority" means a body corporate and politic in this state, established pursuant to section 349.03 of the Revised Code and governed by a board of trustees as provided in section 349.04 of the Revised Code.

(E) "Developer" means any person, organized for carrying out a new community development program who owns or controls, through leases of at least seventy-five years' duration, options, or contracts to purchase, the land within a new community district, or any municipal corporation, county, or port authority that owns the land within a new community district, or has the ability to acquire such land, either by voluntary acquisition or condemnation in order to eliminate slum, blighted, and deteriorated or deteriorating areas and to prevent the recurrence thereof. In the case of a new community authority established within three years after March 22, 2012, the effective date of H.B. 225 of the 129th general assembly, "developer" may mean a person, municipal corporation, county, or port authority that controls land within a new community district through leases of at least forty years' duration.

(F) "Organizational board of commissioners" means, if the new community district is located in only one county, the board of county commissioners of such county; if located in more than one county, a board consisting of the members of the board of county commissioners of each of the counties in which the district is located, provided that action of such board shall require a majority vote of the members of each separate board of county commissioners; or, if more than half of the new community district is located within the boundaries of the most populous municipal corporation of a county, the legislative authority of the municipal corporation.

(G) "Land acquisition" means the acquisition of real property and interests in real property as part of a new community

development program. 232

(H) "Land development" means the process of clearing and 233  
grading land, making, installing, or constructing water 234  
distribution systems, sewers, sewage collection systems, steam, 235  
gas, and electric lines, roads, streets, curbs, gutters, 236  
sidewalks, storm drainage facilities, and other installations or 237  
work, whether within or without the new community district, and 238  
the construction of community facilities. 239

(I)(1) "Community facilities" means all real property, 240  
buildings, structures, or other facilities, including related 241  
fixtures, equipment, and furnishings, to be owned, operated, 242  
financed, constructed, and maintained under this chapter, 243  
including public, community, village, neighborhood, or town 244  
buildings, centers and plazas, auditoriums, day care centers, 245  
recreation halls, educational facilities, hospital facilities as 246  
defined in section 140.01 of the Revised Code, recreational 247  
facilities, natural resource facilities, including parks and other 248  
open space land, lakes and streams, cultural facilities, community 249  
streets, pathway and bikeway systems, pedestrian underpasses and 250  
overpasses, lighting facilities, design amenities, or other 251  
community facilities, and buildings needed in connection with 252  
water supply or sewage disposal installations or steam, gas, or 253  
electric lines or installation. 254

(2) In the case of a new community authority established 255  
within three years after March 22, 2012, the effective date of 256  
H.B. 225 of the 129th general assembly, "community facilities" may 257  
mean, in addition to the facilities authorized in division (I)(1) 258  
of this section, any community facilities that are owned, 259  
operated, financed, constructed, or maintained for, relating to, 260  
or in furtherance of community activities, including, but not 261  
limited to, town buildings or other facilities, health care 262  
facilities including, but limited to, hospital facilities, and 263

off-street parking facilities. 264

(J) "Cost" as applied to a new community development program 265  
means all costs related to land acquisition and land development, 266  
the acquisition, construction, maintenance, and operation of 267  
community facilities and offices of the community authority, and 268  
of providing furnishings and equipment therefor, financing charges 269  
including interest prior to and during construction and for the 270  
duration of the new community development program, planning 271  
expenses, engineering expenses, administrative expenses including 272  
working capital, and all other expenses necessary and incident to 273  
the carrying forward of the new community development program. 274

(K) "Income source" means any and all sources of income to 275  
the community authority, including community development charges 276  
of which the new community authority is the beneficiary as 277  
provided in section 349.07 of the Revised Code, rentals, user fees 278  
and other charges received by the new community authority, any 279  
gift or grant received, any moneys received from any funds 280  
invested by or on behalf of the new community authority, and 281  
proceeds from the sale or lease of land and community facilities. 282

(L) "Community development charge" means: 283

(1) A dollar amount which shall be determined on the basis of 284  
the assessed valuation of real property or interests in real 285  
property in a new community district sold, leased, or otherwise 286  
conveyed by the developer or the new community authority, the 287  
income of the residents of such property subject to such charge 288  
under section 349.07 of the Revised Code, if such property is 289  
devoted to residential uses or to the profits of any business, a 290  
uniform fee on each parcel of such real property originally sold, 291  
leased, or otherwise conveyed by the developer or new community 292  
authority, or any combination of the foregoing bases. 293

(2) For a new community authority that is established within 294

three years after March 22, 2012, the effective date of H.B. 225 295  
of the 129th general assembly, "community development charge" 296  
includes, in addition to the charges authorized in division (L)(1) 297  
of this section, a charge determined on the basis of all or a part 298  
of the income of the residents of real property within the new 299  
community district if such property is devoted to residential 300  
uses, or all or a part of the profits, gross receipts, or other 301  
revenues of any business operating in the new community district, 302  
including rentals received from leases of real property located in 303  
the district. If a new community authority imposes a community 304  
development charge determined on the basis of rentals received 305  
from leases of real property, improvements of any real property 306  
located in the new community district and subject to that charge 307  
may not be exempted from taxation under section 5709.40, 5709.41, 308  
5709.73, or 5709.78 of the Revised Code. 309

(M) "Proximate city" means any city that, as of the date of 310  
filing of the petition under section 349.03 of the Revised Code, 311  
is the city with the greatest population located in the county in 312  
which the proposed new community district is located, is the city 313  
with the greatest population located in an adjoining county if any 314  
portion of such city is within five miles of any part of the 315  
boundaries of such district, or exercises extraterritorial 316  
subdivision authority under section 711.09 of the Revised Code 317  
with respect to any part of such district. 318

In the case of a new community authority that is established 319  
within three years after March 22, 2012, the effective date of 320  
H.B. 225 of the 129th general assembly, "proximate city" may mean 321  
a municipal corporation in which, at the time of filing the 322  
petition under section 349.03 of the Revised Code, any portion of 323  
the proposed new community district is located, or, if at the time 324  
of that filing more than one-half of the proposed district is 325  
contained within a joint economic development district created 326

under sections 715.70 to 715.83 of the Revised Code, the township 327  
containing the greatest portion of the territory of the joint 328  
economic development district. 329

(N) "Community activities" means cultural, educational, 330  
governmental, recreational, residential, industrial, commercial, 331  
distribution and research activities, or any combination thereof 332  
that includes residential activities. 333

**Sec. 1545.21.** The board of park commissioners, by resolution, 334  
may submit to the electors of the park district the question of 335  
levying taxes for the use of the district. The resolution shall 336  
declare the necessity of levying such taxes, shall specify the 337  
purpose for which such taxes shall be used, the annual rate 338  
proposed, and the number of consecutive years the rate shall be 339  
levied. Such resolution shall be forthwith certified to the board 340  
of elections in each county in which any part of such district is 341  
located, not later than the ninetieth day before the day of the 342  
election, and the question of the levy of taxes as provided in 343  
such resolution shall be submitted to the electors of the district 344  
at a special election to be held on whichever of the following 345  
occurs first: 346

(A) The day of the next general election; 347

(B) The first Tuesday after the first Monday in May in any 348  
calendar year, except that if a presidential primary election is 349  
held in that calendar year, then the day of that election. The 350  
ballot shall set forth the purpose for which the taxes shall be 351  
levied, the annual rate of levy, and the number of years of such 352  
levy. If the tax is to be placed on the current tax list, the form 353  
of the ballot shall state that the tax will be levied in the 354  
current tax year and shall indicate the first calendar year the 355  
tax will be due. If the resolution of the board of park 356  
commissioners provides that an existing levy will be canceled upon 357

the passage of the new levy, the ballot may include a statement 358  
that: "an existing levy of ... mills (stating the original levy 359  
millage), having ... years remaining, will be canceled and 360  
replaced upon the passage of this levy." In such case, the ballot 361  
may refer to the new levy as a "replacement levy" if the new 362  
millage does not exceed the original millage of the levy being 363  
canceled or as a "replacement and additional levy" if the new 364  
millage exceeds the original millage of the levy being canceled. 365  
If a majority of the electors voting upon the question of such 366  
levy vote in favor thereof, such taxes shall be levied and shall 367  
be in addition to the taxes authorized by section 1545.20 of the 368  
Revised Code, and all other taxes authorized by law. The rate 369  
submitted to the electors at any one time shall not exceed two 370  
mills annually upon each dollar of valuation unless the purpose of 371  
the levy includes providing operating revenues for one of Ohio's 372  
major metropolitan zoos, as defined in section 4503.74 of the 373  
Revised Code, in which case the rate shall not exceed three mills 374  
annually upon each dollar of valuation. When a tax levy has been 375  
authorized as provided in this section or in section 1545.041 of 376  
the Revised Code, the board of park commissioners may issue bonds 377  
pursuant to section 133.24 of the Revised Code in anticipation of 378  
the collection of such levy, provided that such bonds shall be 379  
issued only for the purpose of acquiring and improving lands. Such 380  
levy, when collected, shall be applied in payment of the bonds so 381  
issued and the interest thereon. The amount of bonds so issued and 382  
outstanding at any time shall not exceed one per cent of the total 383  
tax valuation in such district. Such bonds shall bear interest at 384  
a rate not to exceed the rate determined as provided in section 385  
9.95 of the Revised Code. 386

**Sec. 1701.86.** (A) A corporation may be dissolved voluntarily 387  
in the manner provided in this section, provided the provisions of 388  
Chapter 1704. of the Revised Code do not prevent the dissolution 389

from being effected.	390
(B) A resolution of dissolution for a corporation shall set forth that the corporation elects to be dissolved. The resolution also may include any of the following:	391 392 393
(1) The date on which the certificate of dissolution is to be filed or the conditions or events that will result in the filing of the certificate;	394 395 396
(2) Authorization for the officers or directors to abandon the proposed dissolution before the filing of the certificate of dissolution;	397 398 399
(3) Any additional provision considered necessary with respect to the proposed dissolution and winding up.	400 401
(C) If an initial stated capital is not set forth in the articles then before the corporation begins business, or if an initial stated capital is set forth in the articles then before subscriptions to shares shall have been received in the amount of that initial stated capital, the incorporators or a majority of them may adopt, by a writing signed by each of them, a resolution of dissolution.	402 403 404 405 406 407 408
(D) The directors may adopt a resolution of dissolution in any of the following cases:	409 410
(1) When the corporation has been adjudged bankrupt or has made a general assignment for the benefit of creditors;	411 412
(2) By leave of the court, when a receiver has been appointed in a general creditors' suit or in any suit in which the affairs of the corporation are to be wound up;	413 414 415
(3) When substantially all of the assets have been sold at judicial sale or otherwise;	416 417
(4) When the articles have been canceled for failure to file annual franchise or excise tax returns or for failure to pay	418 419

franchise or excise taxes and the corporation has not been 420  
reinstated or does not desire to be reinstated; 421

(5) When the period of existence of the corporation specified 422  
in its articles has expired. 423

(E) The shareholders at a meeting held for such purpose may 424  
adopt a resolution of dissolution by the affirmative vote of the 425  
holders of shares entitling them to exercise two-thirds of the 426  
voting power of the corporation on such proposal or, if the 427  
articles provide or permit, by the affirmative vote of a greater 428  
or lesser proportion, though not less than a majority, of such 429  
voting power, and by such affirmative vote of the holders of 430  
shares of any particular class as is required by the articles. 431  
Notice of the meeting of the shareholders shall be given to all 432  
the shareholders whether or not entitled to vote at it. 433

(F) Upon the adoption of a resolution of dissolution, a 434  
certificate shall be prepared, on a form prescribed by the 435  
secretary of state, setting forth all of the following: 436

(1) The name of the corporation; 437

(2) A statement that a resolution of dissolution has been 438  
adopted; 439

(3) A statement of the manner of adoption of such resolution, 440  
and, in the case of its adoption by the incorporators or 441  
directors, a statement of the basis for such adoption; 442

(4) The place in this state where its principal office is or 443  
is to be located; 444

(5) The internet address of each domain name held or 445  
maintained by or on behalf of the corporation; 446

(6) The name and address of its statutory agent; 447

(7) The date of dissolution, if other than the filing date. 448  
The date of dissolution shall not be more than ninety days after 449

the filing of the certificate of dissolution. 450

(G) When the resolution of dissolution is adopted by the 451  
incorporators, the certificate shall be signed by not less than a 452  
majority of them. In all other cases, the certificate shall be 453  
signed by any authorized officer, unless the officer fails to 454  
execute and file such certificate within thirty days after the 455  
date upon which such certificate is to be filed. In that latter 456  
event, the certificate of dissolution may be signed by any three 457  
shareholders or, if there are less than three shareholders, all of 458  
the shareholders and shall set forth a statement that the persons 459  
signing the certificate are shareholders and are filing the 460  
certificate because of the failure of the officers to do so. 461

(H) Except as otherwise provided in division (I) of this 462  
section, a certificate of dissolution, filed with the secretary of 463  
state, shall be accompanied by all of the following: 464

(1) An affidavit of one or more of the persons executing the 465  
certificate of dissolution or of an officer of the corporation 466  
containing a statement of the counties, if any, in this state in 467  
which the corporation has personal property or a statement that 468  
the corporation is of a type required to pay personal property 469  
taxes to state authorities only; 470

(2) A certificate or other evidence from the department of 471  
taxation showing that the payment of all franchise, sales, use, 472  
and highway use taxes accruing up to the date of dissolution or 473  
showing that such payment has been adequately guaranteed, 474  
corporation has paid all taxes administered by and required to be 475  
paid to the tax commissioner that are or will be due from the 476  
corporation on the date of the dissolution or an affidavit of one 477  
or more of the persons executing the certificate of dissolution or 478  
of an officer of the corporation containing a statement that the 479  
corporation is not required to pay or the department of taxation 480  
has not assessed any tax for which such a certificate or other 481

evidence is not provided; 482

(3) A certificate or other evidence showing the payment of 483  
all personal property ~~and commercial activity~~ taxes accruing up to 484  
the date of dissolution or showing that such payment has been 485  
adequately guaranteed, or an affidavit of one or more of the 486  
persons executing the certificate of dissolution or of an officer 487  
of the corporation containing a statement that the corporation is 488  
not required to pay or the department of taxation has not assessed 489  
any tax for which such a certificate or other evidence is not 490  
provided; 491

(4) A receipt, certificate, or other evidence from the 492  
director of job and family services showing that all contributions 493  
due from the corporation as an employer have been paid, or that 494  
such payment has been adequately guaranteed, or that the 495  
corporation is not subject to such contributions; 496

(5) A receipt, certificate, or other evidence from the bureau 497  
of workers' compensation showing that all premiums due from the 498  
corporation as an employer have been paid, or that such payment 499  
has been adequately guaranteed, or that the corporation is not 500  
subject to such premium payments. 501

(I) In lieu of the receipt, certificate, or other evidence 502  
described in division (H)(2), (3), (4), or (5) of this section, an 503  
affidavit of one or more persons executing the certificate of 504  
dissolution or of an officer of the corporation containing a 505  
statement of the date upon which the particular department, 506  
agency, or authority was advised in writing of the scheduled 507  
effective date of the dissolution and was advised in writing of 508  
the acknowledgment by the corporation of the applicability of the 509  
provisions of section 1701.95 of the Revised Code. 510

(J) Upon the filing of a certificate of dissolution and such 511  
accompanying documents or on a later date specified in the 512

certificate that is not more than ninety days after the filing, 513  
the corporation shall be dissolved. 514

**Sec. 1702.47.** (A) A corporation may be dissolved voluntarily 515  
in the manner provided in this section. 516

(B) A resolution of dissolution for a corporation shall set 517  
forth: 518

(1) That the corporation elects to be dissolved; 519

(2) Any additional provision deemed necessary with respect to 520  
the proposed dissolution and winding up. 521

(C) The directors may adopt a resolution of dissolution in 522  
the following cases: 523

(1) When the corporation has been adjudged bankrupt or has 524  
made a general assignment for the benefit of creditors; 525

(2) By leave of the court, when a receiver has been appointed 526  
in a general creditors' suit or in any suit in which the affairs 527  
of the corporation are to be wound up; 528

(3) When substantially all of the assets have been sold at 529  
judicial sale or otherwise; 530

(4) When the period of existence of the corporation specified 531  
in its articles has expired. 532

(D)(1) The voting members at a meeting held for that purpose 533  
may adopt a resolution of dissolution by the affirmative vote of a 534  
majority of the voting members present in person or, if permitted, 535  
by mail, by proxy, or by the use of authorized communications 536  
equipment, if a quorum is present or, if the articles or the 537  
regulations provide or permit, by the affirmative vote of a 538  
greater or lesser proportion or number of the voting members, and 539  
by the affirmative vote of the voting members or the affirmative 540  
vote of the voting members of any particular class that is 541

required by the articles or the regulations. Notice of the meeting 542  
of the members shall be sent to all the members who would be 543  
entitled to vote at the meeting by mail, overnight delivery 544  
service, or any authorized communications equipment. 545

(2) For purposes of division (D)(1) of this section, 546  
participation by a voting member at a meeting through the use of 547  
any of the means of communication described in that division 548  
constitutes presence in person of that voting member at the 549  
meeting for purposes of determining a quorum. 550

(E) Upon the adoption of a resolution of dissolution, a 551  
certificate shall be prepared, on a form prescribed by the 552  
secretary of state, setting forth the following: 553

(1) The name of the corporation; 554

(2) A statement that a resolution of dissolution has been 555  
adopted; 556

(3) A statement of the manner of adoption of that resolution, 557  
and, in the case of its adoption by the directors, a statement of 558  
the basis for the adoption; 559

(4) The place in this state where its principal office is or 560  
is to be located; 561

(5) The names and addresses of its directors and officers; 562

(6) The name and address of its statutory agent; 563

(7) The date of dissolution, if other than the filing date. 564

(F) The certificate described in division (E) of this section 565  
shall be signed by any authorized officer, unless the officer 566  
fails to execute and file the certificate within thirty days after 567  
the adoption of the resolution, or upon any date specified in the 568  
resolution as the date upon which the certificate is to be filed, 569  
or upon the expiration of any period specified in the resolution 570  
as the period within which the certificate is to be filed, 571

whichever is latest, in which event the certificate of dissolution 572  
may be signed by any three voting members and shall set forth a 573  
statement that the persons signing the certificate are voting 574  
members and are filing the certificate because of the failure of 575  
the officers to do so. 576

(G) A certificate of dissolution, filed with the secretary of 577  
state, shall be accompanied by: 578

~~(1) An affidavit of one or more of the persons executing the 579  
certificate of dissolution or of an officer of the corporation 580  
containing a statement of the counties, if any, in this state in 581  
which the corporation has personal property subject to personal 582  
property taxes or a statement that the corporation is of a type 583  
required to pay personal property taxes to state authorities only; 584~~

~~(2) A receipt, certificate, or other evidence showing the 585  
payment of all personal property taxes accruing up to the date of 586  
such filing or, if applicable, to the later date specified in the 587  
certificate of dissolution in accordance with division (E) of this 588  
section, unless the affidavit provided for in division (G)(1) of 589  
this section states that the corporation has in this state no 590  
personal property subject to personal property taxes; 591~~

~~(3) A receipt, certificate, or other evidence from the 592  
director of job and family services showing that all contributions 593  
due from the corporation as an employer have been paid, that such 594  
payment has been adequately guaranteed, or that the corporation is 595  
not subject to such contributions; 596~~

~~(4)(2) A receipt, certificate, or other evidence showing that 597  
the payment of all sales, use, and highway use taxes accruing up 598  
to the date of such filing or, if applicable, to the later date 599  
specified in the certificate of corporation has paid all taxes 600  
imposed under the laws of this state that are or will be due from 601  
the corporation on the date of the dissolution in accordance with 602~~

division ~~(E)~~ of this section, or that such payment has been 603  
adequately guaranteed; 604

~~(5)~~(3) In lieu of the receipt, certificate, or other evidence 605  
described in division (G)(1) or (2), ~~(3), or (4)~~ of this section, 606  
an affidavit of one or more of the persons executing the 607  
certificate of dissolution or of an officer of the corporation 608  
containing a statement of the date upon which the particular 609  
department, agency, or authority was advised in writing of the 610  
scheduled effective date of the dissolution and was advised in 611  
writing of the acknowledgement by the corporation of the 612  
applicability of section 1702.55 of the Revised Code. 613

(H) Upon the filing of a certificate of dissolution and those 614  
accompanying documents or on a later date specified in the 615  
certificate that is not more than ninety days after the filing, 616  
the corporation shall be dissolved. 617

**Sec. 3318.011.** For purposes of providing assistance under 618  
sections 3318.01 to 3318.20 of the Revised Code, the department of 619  
education shall annually do all of the following: 620

(A) Calculate the adjusted valuation per pupil of each city, 621  
local, and exempted village school district according to the 622  
following formula: 623

The district's valuation per pupil - 624  
[\$30,000 X (1 - the district's income factor)]. 625

For purposes of this calculation: 626

(1) Except for a district with an open enrollment net gain 627  
that is ten per cent or more of its formula ADM, "valuation per 628  
pupil" for a district means its average taxable value, divided by 629  
its formula ADM for the previous fiscal year. "Valuation per 630  
pupil," for a district with an open enrollment net gain that is 631  
ten per cent or more of its formula ADM, means its average taxable 632

value, divided by the sum of its formula ADM for the previous 633  
fiscal year plus its open enrollment net gain for the previous 634  
fiscal year. 635

(2) "Average Except for a tangible personal property 636  
phase-out impacted district, "average taxable value" means the 637  
average of the sum of the amounts certified for a district under 638  
divisions (A)(1) and (2) of section 3317.021 of the Revised Code 639  
in the second, third, and fourth preceding fiscal years. For a 640  
tangible personal property phase-out impacted district, "average 641  
taxable value" means the average of the sum of the amounts 642  
certified for the district under division (A)(1) and as public 643  
utility personal property under division (A)(2) of section 644  
3317.021 of the Revised Code in the second, third, and fourth 645  
preceding fiscal years. 646

(3) "Entitled to attend school" means entitled to attend 647  
school in a city, local, or exempted village school district under 648  
section 3313.64 or 3313.65 of the Revised Code. 649

(4) "Formula ADM" and "income factor" have the same meanings 650  
as in section 3317.02 of the Revised Code. 651

(5) "Native student" has the same meaning as in section 652  
3313.98 of the Revised Code. 653

(6) "Open enrollment net gain" for a district means (a) the 654  
number of the students entitled to attend school in another 655  
district but who are enrolled in the schools of the district under 656  
its open enrollment policy minus (b) the number of the district's 657  
native students who are enrolled in the schools of another 658  
district under the other district's open enrollment policy, both 659  
numbers as certified to the department under section 3313.981 of 660  
the Revised Code. If the difference is a negative number, the 661  
district's "open enrollment net gain" is zero. 662

(7) "Open enrollment policy" means an interdistrict open 663

enrollment policy adopted under section 3313.98 of the Revised Code. 664  
665

(8) "Tangible personal property phase-out impacted district" 666  
means a school district for which the taxable value of its 667  
tangible personal property certified under division (A)(2) of 668  
section 3317.021 of the Revised Code for tax year 2005, excluding 669  
the taxable value of public utility personal property, made up 670  
eighteen per cent or more of its total taxable value for tax year 671  
2005 as certified under that section. 672

(B) Calculate for each district the three-year average of the 673  
adjusted valuations per pupil calculated for the district for the 674  
current and two preceding fiscal years; 675

(C) Rank all such districts in order of adjusted valuation 676  
per pupil from the district with the lowest three-year average 677  
adjusted valuation per pupil to the district with the highest 678  
three-year average adjusted valuation per pupil; 679

(D) Divide such ranking into percentiles with the first 680  
percentile containing the one per cent of school districts having 681  
the lowest three-year average adjusted valuations per pupil and 682  
the one-hundredth percentile containing the one per cent of school 683  
districts having the highest three-year average adjusted 684  
valuations per pupil; 685

(E) Determine the school districts that have three-year 686  
average adjusted valuations per pupil that are greater than the 687  
median three-year average adjusted valuation per pupil for all 688  
school districts in the state; 689

(F) On or before the first day of September, certify the 690  
information described in divisions (A) to (E) of this section to 691  
the Ohio school facilities commission. 692

**Sec. 3318.36.** (A)(1) As used in this section: 693

(a) "Ohio school facilities commission," "classroom facilities," "school district," "school district board," "net bonded indebtedness," "required percentage of the basic project costs," "basic project cost," "valuation," and "percentile" have the same meanings as in section 3318.01 of the Revised Code.

(b) "Required level of indebtedness" means five per cent of the school district's valuation for the year preceding the year in which the commission and school district enter into an agreement under division (B) of this section, plus [two one-hundredths of one per cent multiplied by (the percentile in which the district ranks minus one)].

(c) "Local resources" means any moneys generated in any manner permitted for a school district board to raise the school district portion of a project undertaken with assistance under sections 3318.01 to 3318.20 of the Revised Code.

(d) "Tangible personal property phase-out impacted district" has the same meaning as in section 3318.011 of the Revised Code.

(2) For purposes of determining the required level of indebtedness, the required percentage of the basic project costs under division (C)(1) of this section, and priority for assistance under sections 3318.01 to 3318.20 of the Revised Code, the percentile ranking of a school district with which the commission has entered into an agreement under this section between the first day of July and the thirty-first day of August in each fiscal year is the percentile ranking calculated for that district for the immediately preceding fiscal year, and the percentile ranking of a school district with which the commission has entered into such agreement between the first day of September and the thirtieth day of June in each fiscal year is the percentile ranking calculated for that district for the current fiscal year. However, in the case of a tangible personal property phase-out impacted district, the district's priority for assistance under sections 3318.01 to

3318.20 of the Revised Code and its portion of the basic project 726  
cost under those sections shall be determined in the manner 727  
prescribed, respectively, in divisions (B)(3)(b) and (E)(1)(b) of 728  
this section. 729

(B)(1) There is hereby established the school building 730  
assistance expedited local partnership program. Under the program, 731  
the Ohio school facilities commission may enter into an agreement 732  
with the school district board of any school district under which 733  
the school district board may proceed with the new construction or 734  
major repairs of a part of the school district's classroom 735  
facilities needs, as determined under sections 3318.01 to 3318.20 736  
of the Revised Code, through the expenditure of local resources 737  
prior to the school district's eligibility for state assistance 738  
under those sections and may apply that expenditure toward meeting 739  
the school district's portion of the basic project cost of the 740  
total of the school district's classroom facilities needs, as 741  
determined under sections 3318.01 to 3318.20 of the Revised Code 742  
and as recalculated under division (E) of this section, that are 743  
eligible for state assistance under sections 3318.01 to 3318.20 of 744  
the Revised Code when the school district becomes eligible for 745  
that assistance. Any school district that is reasonably expected 746  
to receive assistance under sections 3318.01 to 3318.20 of the 747  
Revised Code within two fiscal years from the date the school 748  
district adopts its resolution under division (B) of this section 749  
shall not be eligible to participate in the program established 750  
under this section. 751

(2) To participate in the program, a school district board 752  
shall first adopt a resolution certifying to the commission the 753  
board's intent to participate in the program. 754

The resolution shall specify the approximate date that the 755  
board intends to seek elector approval of any bond or tax measures 756  
or to apply other local resources to use to pay the cost of 757

classroom facilities to be constructed under this section. The 758  
resolution may specify the application of local resources or 759  
elector-approved bond or tax measures after the resolution is 760  
adopted by the board, and in such case the board may proceed with 761  
a discrete portion of its project under this section as soon as 762  
the commission and the controlling board have approved the basic 763  
project cost of the district's classroom facilities needs as 764  
specified in division (D) of this section. The board shall submit 765  
its resolution to the commission not later than ten days after the 766  
date the resolution is adopted by the board. 767

The commission shall not consider any resolution that is 768  
submitted pursuant to division (B)(2) of this section, as amended 769  
by this amendment, sooner than September 14, 2000. 770

(3) For purposes of determining when a district that enters 771  
into an agreement under this section becomes eligible for 772  
assistance under sections 3318.01 to 3318.20 of the Revised Code, 773  
the commission shall use one of the following as applicable: 774

(a) Except for a tangible personal property phase-out 775  
impacted district, the district's percentile ranking determined at 776  
the time the district entered into the agreement under this 777  
section, as prescribed by division (A)(2) of this section; 778

(b) For a tangible personal property phase-out impacted 779  
district, the lesser of (i) the district's percentile ranking 780  
determined at the time the district entered into the agreement 781  
under this section, as prescribed by division (A)(2) of this 782  
section, or (ii) the district's current percentile ranking under 783  
section 3318.011 of the Revised Code. 784

(4) Any project under this section shall comply with section 785  
3318.03 of the Revised Code and with any specifications for plans 786  
and materials for classroom facilities adopted by the commission 787  
under section 3318.04 of the Revised Code. 788

(5) If a school district that enters into an agreement under 789  
this section has not begun a project applying local resources as 790  
provided for under that agreement at the time the district is 791  
notified by the commission that it is eligible to receive state 792  
assistance under sections 3318.01 to 3318.20 of the Revised Code, 793  
all assessment and agreement documents entered into under this 794  
section are void. 795

(6) Only construction of or repairs to classroom facilities 796  
that have been approved by the commission and have been therefore 797  
included as part of a district's basic project cost qualify for 798  
application of local resources under this section. 799

(C) Based on the results of on-site visits and assessment, 800  
the commission shall determine the basic project cost of the 801  
school district's classroom facilities needs. The commission shall 802  
determine the school district's portion of such basic project 803  
cost, which shall be the greater of: 804

(1) The required percentage of the basic project costs, 805  
determined based on the school district's percentile ranking; 806

(2) An amount necessary to raise the school district's net 807  
bonded indebtedness, as of the fiscal year the commission and the 808  
school district enter into the agreement under division (B) of 809  
this section, to within five thousand dollars of the required 810  
level of indebtedness. 811

(D)(1) When the commission determines the basic project cost 812  
of the classroom facilities needs of a school district and the 813  
school district's portion of that basic project cost under 814  
division (C) of this section, the project shall be conditionally 815  
approved. Such conditional approval shall be submitted to the 816  
controlling board for approval thereof. The controlling board 817  
shall forthwith approve or reject the commission's determination, 818  
conditional approval, and the amount of the state's portion of the 819

basic project cost; however, no state funds shall be encumbered 820  
under this section. Upon approval by the controlling board, the 821  
school district board may identify a discrete part of its 822  
classroom facilities needs, which shall include only new 823  
construction of or additions or major repairs to a particular 824  
building, to address with local resources. Upon identifying a part 825  
of the school district's basic project cost to address with local 826  
resources, the school district board may allocate any available 827  
school district moneys to pay the cost of that identified part, 828  
including the proceeds of an issuance of bonds if approved by the 829  
electors of the school district. 830

All local resources utilized under this division shall first 831  
be deposited in the project construction account required under 832  
section 3318.08 of the Revised Code. 833

(2) Unless the school district board exercises its option 834  
under division (D)(3) of this section, for a school district to 835  
qualify for participation in the program authorized under this 836  
section, one of the following conditions shall be satisfied: 837

(a) The electors of the school district by a majority vote 838  
shall approve the levy of taxes outside the ten-mill limitation 839  
for a period of twenty-three years at the rate of not less than 840  
one-half mill for each dollar of valuation to be used to pay the 841  
cost of maintaining the classroom facilities included in the basic 842  
project cost as determined by the commission. The form of the 843  
ballot to be used to submit the question whether to approve the 844  
tax required under this division to the electors of the school 845  
district shall be the form for an additional levy of taxes 846  
prescribed in section 3318.361 of the Revised Code, which may be 847  
combined in a single ballot question with the questions prescribed 848  
under section 5705.218 of the Revised Code. 849

(b) As authorized under division (C) of section 3318.05 of 850  
the Revised Code, the school district board shall earmark from the 851

proceeds of a permanent improvement tax levied under section 852  
5705.21 of the Revised Code, an amount equivalent to the 853  
additional tax otherwise required under division (D)(2)(a) of this 854  
section for the maintenance of the classroom facilities included 855  
in the basic project cost as determined by the commission. 856

(c) As authorized under section 3318.051 of the Revised Code, 857  
the school district board shall, if approved by the commission, 858  
annually transfer into the maintenance fund required under section 859  
3318.05 of the Revised Code the amount prescribed in section 860  
3318.051 of the Revised Code in lieu of the tax otherwise required 861  
under division (D)(2)(a) of this section for the maintenance of 862  
the classroom facilities included in the basic project cost as 863  
determined by the commission. 864

(d) If the school district board has rescinded the agreement 865  
to make transfers under section 3318.051 of the Revised Code, as 866  
provided under division (F) of that section, the electors of the 867  
school district, in accordance with section 3318.063 of the 868  
Revised Code, first shall approve the levy of taxes outside the 869  
ten-mill limitation for the period specified in that section at a 870  
rate of not less than one-half mill for each dollar of valuation. 871

(e) The school district board shall apply the proceeds of a 872  
tax to leverage bonds as authorized under section 3318.052 of the 873  
Revised Code or dedicate a local donated contribution in the 874  
manner described in division (B) of section 3318.084 of the 875  
Revised Code in an amount equivalent to the additional tax 876  
otherwise required under division (D)(2)(a) of this section for 877  
the maintenance of the classroom facilities included in the basic 878  
project cost as determined by the commission. 879

(3) A school district board may opt to delay taking any of 880  
the actions described in division (D)(2) of this section until the 881  
school district becomes eligible for state assistance under 882  
sections 3318.01 to 3318.20 of the Revised Code. In order to 883

exercise this option, the board shall certify to the commission a resolution indicating the board's intent to do so prior to entering into an agreement under division (B) of this section.

(4) If pursuant to division (D)(3) of this section a district board opts to delay levying an additional tax until the district becomes eligible for state assistance, it shall submit the question of levying that tax to the district electors as follows:

(a) In accordance with section 3318.06 of the Revised Code if it will also be necessary pursuant to division (E) of this section to submit a proposal for approval of a bond issue;

(b) In accordance with section 3318.361 of the Revised Code if it is not necessary to also submit a proposal for approval of a bond issue pursuant to division (E) of this section.

(5) No state assistance under sections 3318.01 to 3318.20 of the Revised Code shall be released until a school district board that adopts and certifies a resolution under division (D) of this section also demonstrates to the satisfaction of the commission compliance with the provisions of division (D)(2) of this section.

Any amount required for maintenance under division (D)(2) of this section shall be deposited into a separate fund as specified in division (B) of section 3318.05 of the Revised Code.

(E)(1) If the school district becomes eligible for state assistance under sections 3318.01 to 3318.20 of the Revised Code based on its percentile ranking under division (B)(3) of this section, the commission shall conduct a new assessment of the school district's classroom facilities needs and shall recalculate the basic project cost based on this new assessment. The basic project cost recalculated under this division shall include the amount of expenditures made by the school district board under division (D)(1) of this section. The commission shall then recalculate the school district's portion of the new basic project

cost, which shall be one of the following as applicable: 915

(a) Except for a tangible personal property phase-out 916  
impacted district, the percentage of the original basic project 917  
cost assigned to the school district as its portion under division 918  
(C) of this section; 919

(b) For a tangible personal property phase-out impacted 920  
district, the lesser of (i) the percentage of the original basic 921  
project cost assigned to the school district as its portion under 922  
division (C) of this section, or (ii) the percentage of the new 923  
basic project cost determined under section 3318.032 of the 924  
Revised Code using the district's current percentile ranking under 925  
section 3318.011 of the Revised Code. The 926

The commission shall deduct the expenditure of school 927  
district moneys made under division (D)(1) of this section from 928  
the school district's portion of the basic project cost as 929  
recalculated under this division. If the amount of school district 930  
resources applied by the school district board to the school 931  
district's portion of the basic project cost under this section is 932  
less than the total amount of such portion as recalculated under 933  
this division, the school district board by a majority vote of all 934  
of its members shall, if it desires to seek state assistance under 935  
sections 3318.01 to 3318.20 of the Revised Code, adopt a 936  
resolution as specified in section 3318.06 of the Revised Code to 937  
submit to the electors of the school district the question of 938  
approval of a bond issue in order to pay any additional amount of 939  
school district portion required for state assistance. Any tax 940  
levy approved under division (D) of this section satisfies the 941  
requirements to levy the additional tax under section 3318.06 of 942  
the Revised Code. 943

(2) If the amount of school district resources applied by the 944  
school district board to the school district's portion of the 945  
basic project cost under this section is more than the total 946

amount of such portion as recalculated under ~~this~~ division (E)(1) 947  
of this section, within one year after the school district's 948  
portion is so recalculated ~~under division (E)(1) of this section~~ 949  
the commission may grant to the school district the difference 950  
between the two calculated portions, but at no time shall the 951  
commission expend any state funds on a project in an amount 952  
greater than the state's portion of the basic project cost as 953  
recalculated under ~~this~~ division (E)(1) of this section. 954

Any reimbursement under this division shall be only for local 955  
resources the school district has applied toward construction cost 956  
expenditures for the classroom facilities approved by the 957  
commission, which shall not include any financing costs associated 958  
with that construction. 959

The school district board shall use any moneys reimbursed to 960  
the district under this division to pay off any debt service the 961  
district owes for classroom facilities constructed under its 962  
project under this section before such moneys are applied to any 963  
other purpose. However, the district board first may deposit 964  
moneys reimbursed under this division into the district's general 965  
fund or a permanent improvement fund to replace local resources 966  
the district withdrew from those funds, as long as, and to the 967  
extent that, those local resources were used by the district for 968  
constructing classroom facilities included in the district's basic 969  
project cost. 970

(3) A tangible personal property phase-out impacted district 971  
shall receive credit under division (E) of this section for the 972  
expenditure of local resources pursuant to any prior agreement 973  
authorized by this section, notwithstanding any recalculation of 974  
its average taxable value. 975

**Sec. 3769.28.** The tax commissioner shall collect from each 976  
permit holder who conducts a pari-mutuel system of wagering where 977

the wagering is less than five million dollars a sum of money 978  
equal to one-tenth of one per cent of the total amount wagered and 979  
where the wagering is five million dollars or more a sum of money 980  
equal to fifteen hundredths of one per cent of the total amount 981  
wagered during any horse-racing meeting for the purpose of 982  
providing operating revenue for the political subdivisions wherein 983  
such meetings are held. ~~Such moneys shall be collected by the~~ 984  
~~commissioner within~~ Within ten days after the close of such a 985  
meeting and shall be sent back to, the permit holder ~~who paid the~~ 986  
~~tax. Such permit holder shall prepare and transmit to the tax~~ 987  
commissioner a final report showing the total amount wagered 988  
during the horse-racing meeting and any other information required 989  
by the commissioner relative to the tax levied by this section. 990  
The final report shall be signed by the permit holder or an 991  
authorized agent of the permit holder. The commissioner shall 992  
prescribe the form of the final report. 993

The commissioner shall collect the tax due under this section 994  
on amounts wagered during a horse-racing meeting within ten days 995  
after the close of the meeting. The commissioner shall then 996  
immediately forward the ~~moneys~~ amount collected to the chief 997  
fiscal officers of the municipal corporations or townships in 998  
which such horse-racing meeting took place and in which any such 999  
facilities or accessory uses therefor were located. ~~Such moneys~~ 1000  
The amount collected shall be divided equally between the 1001  
municipal corporations or townships in which such horse-racing 1002  
meeting took place and in which any facilities or accessory uses 1003  
therefor were located. Such municipal corporations or townships 1004  
may distribute a portion of the moneys so received to any 1005  
adjoining political subdivision which incurs increased expenses 1006  
because of such horse-racing meeting. 1007

This section shall not apply to any agricultural society 1008  
which holds a horse-racing permit. 1009

The amount collected under this section from any one permit holder shall not exceed fifteen thousand dollars from any one horse-racing meeting in any calendar year.

**Sec. 4301.42.** For the purpose of providing revenue for the support of the state, a tax is hereby levied on the sale of beer in sealed bottles and cans having twelve ounces or less of liquid content, at the rate of fourteen one-hundredths of one cent on each ounce of liquid content or fractional part of each ounce of liquid content, and on such containers in excess of twelve ounces, at the rate of eighty-four one-hundredths of one cent on each six ounces of liquid content or fractional part of each six ounces of liquid content. Sections 4307.01 to 4307.12 of the Revised Code apply in the administration of that tax. Manufacturers, bottlers, and canners of ~~and wholesale dealers in~~ beer, wholesale dealers in beer, and S permit holders have the duty to pay the tax imposed by this section and are entitled to the privileges in the manner provided in section 4303.33 of the Revised Code.

**Sec. 4303.33.** (A) Every A-1 permit holder in this state, every bottler, importer, wholesale dealer, broker, producer, or manufacturer of beer outside this state and within the United States, and every B-1 permit holder and importer importing beer from any manufacturer, bottler, person, or group of persons however organized outside the United States for sale or distribution for sale in this state, on or before the eighteenth day of each month, shall make and file with the tax commissioner upon a form prescribed by the tax commissioner an advance tax payment in an amount estimated to equal the taxpayer's tax liability for the month in which the advance tax payment is made. If the advance tax payment credits claimed on the report are for advance tax payments received by the tax commissioner on or before the eighteenth day of the month covered by the report, the

taxpayer is entitled to an additional credit of three per cent of 1041  
the advance tax payment and a discount of three per cent shall be 1042  
allowed the taxpayer at the time of filing the report if filed as 1043  
provided in division (B) of this section on any amount by which 1044  
the tax liability reflected in the report exceeds the advance tax 1045  
payment estimate by not more than ten per cent. The additional 1046  
three per cent credit and three per cent discount shall be in 1047  
consideration for advancing the payment of the tax and other 1048  
services performed by the permit holder and other taxpayers in the 1049  
collection of the tax. 1050

"Advance tax payment credit" means credit for payments made 1051  
by an A-1 or B-1 permit holder and any other persons during the 1052  
period covered by a report which was made in anticipation of the 1053  
tax liability required to be reported on that report. 1054

"Tax liability" as used in division (A) of this section means 1055  
the total gross tax liability of an A-1 or B-1 permit holder and 1056  
any other persons for the period covered by a report before any 1057  
allowance for credits and discount. 1058

(B) Every A-1 permit holder in this state, every bottler, 1059  
importer, wholesale dealer, broker, producer, or manufacturer of 1060  
beer outside this state and within the United States, ~~and~~ every 1061  
B-1 permit holder importing beer from any manufacturer, bottler, 1062  
person, or group of persons however organized outside the United 1063  
States, and every S permit holder, on or before the tenth day of 1064  
each month, shall make and file a report for the preceding month 1065  
upon a form prescribed by the tax commissioner which report shall 1066  
show the amount of beer produced, sold, and distributed for sale 1067  
in this state by the A-1 permit holder, sold and distributed for 1068  
sale in this state by each manufacturer, bottler, importer, 1069  
wholesale dealer, or broker outside this state and within the 1070  
United States, ~~and~~ the amount of beer imported into this state 1071  
from outside the United States and sold and distributed for sale 1072

in this state by the B-1 permit holder or importer, and the amount 1073  
of beer sold in this state by the S permit holder. 1074

The report shall be filed by mailing it to the tax 1075  
commissioner, together with payment of the tax levied by sections 1076  
4301.42 and 4305.01 of the Revised Code shown to be due on the 1077  
report after deduction of advance payment credits and any 1078  
additional credits or discounts provided for under this section. 1079

(C)(1) Every A-2, A-4, B-2, B-2a, B-3, B-4, B-5, and S permit 1080  
holder in this state, on or before the eighteenth day of each 1081  
month, shall make and file a report with the tax commissioner upon 1082  
a form prescribed by the tax commissioner which report shall show, 1083  
on the report of each A-2, A-4, B-2a, and S permit holder the 1084  
amount of wine, cider, and mixed beverages produced and sold, or 1085  
sold in this state by each such A-2, A-4, B-2a, and S permit 1086  
holder for the next preceding calendar month and such other 1087  
information as the tax commissioner requires, and on the report of 1088  
each such B-2, B-3, B-4, and B-5 permit holder the amount of wine, 1089  
cider, and mixed beverages purchased from an importer, broker, 1090  
wholesale dealer, producer, or manufacturer located outside this 1091  
state and sold and distributed in this state by such B-2, B-3, 1092  
B-4, and B-5 permit holder, for the next preceding calendar month 1093  
and such other information as the tax commissioner requires. 1094

(2) Every such A-2, A-4, B-2, B-2a, B-3, B-4, B-5, and S 1095  
permit holder in this state shall remit with the report the tax 1096  
levied by sections 4301.43 and, if applicable, 4301.432 of the 1097  
Revised Code less a discount thereon of three per cent of the 1098  
total tax so levied and paid, provided the return is filed 1099  
together with remittance of the amount of tax shown to be due 1100  
thereon, within the time prescribed. Any permit holder or other 1101  
persons who fail to file a report under this section, for each day 1102  
the person so fails, may be required to forfeit and pay into the 1103  
state treasury the sum of one dollar as revenue arising from the 1104

tax imposed by sections 4301.42, 4301.43, 4301.432, and 4305.01 of 1105  
the Revised Code, and that sum may be collected by assessment in 1106  
the manner provided in section 4305.13 of the Revised Code. 1107

(3) If the tax commissioner determines that the quantity 1108  
reported by a person does not warrant monthly reporting, the 1109  
commissioner may authorize the filing of returns and the payment 1110  
of the tax required by this section for periods longer than one 1111  
month. 1112

(D) Every B-1 permit holder and importer in this state 1113  
importing beer from any manufacturer, bottler, person, or group of 1114  
persons however organized, outside the United States, if required 1115  
by the tax commissioner shall post a bond payable to the state in 1116  
such form and amount as the commissioner prescribes with surety to 1117  
the satisfaction of the tax commissioner, conditioned upon the 1118  
payment to the tax commissioner of taxes levied by sections 1119  
4301.42 and 4305.01 of the Revised Code. 1120

(E) No such wine, beer, cider, or mixed beverages sold or 1121  
distributed in this state shall be taxed more than once under 1122  
sections 4301.42, 4301.43, and 4305.01 of the Revised Code. 1123

(F) As used in this section: 1124

(1) "Cider" has the same meaning as in section 4301.01 of the 1125  
Revised Code. 1126

(2) "Wine" has the same meaning as in section 4301.01 of the 1127  
Revised Code, except that "wine" does not include cider. 1128

(G) All money collected by the tax commissioner under this 1129  
section shall be paid to the treasurer of state as revenue arising 1130  
from the taxes levied by sections 4301.42, 4301.43, 4301.432, and 1131  
4305.01 of the Revised Code. 1132

**Sec. 4701.01.** As used in this chapter: 1133

(A) "Practice of public accounting" means performing or 1134

offering to perform any engagement that will result in the 1135  
issuance of an attest report and, with respect to a person who 1136  
holds a CPA certificate, PA registration, foreign certificate, or 1137  
firm registration, any other services involving the use of 1138  
accounting or auditing skills as established by rules adopted by 1139  
the accountancy board. 1140

(B) "Public accounting firm" means a sole proprietorship, a 1141  
partnership, a limited liability company, a professional 1142  
association, a corporation-for-profit, or any other business 1143  
organization that is engaged in the practice of public accounting 1144  
in this state. 1145

(C) "Opinion report" means any opinion on a financial 1146  
statement that is expressed in accordance with generally accepted 1147  
auditing standards as to the fairness of presentation of 1148  
information and that is used for guidance in financial 1149  
transactions, for accounting, or for assessing the status or 1150  
performance of commercial and noncommercial enterprises, whether 1151  
public, private, or governmental. 1152

(D) "Peer review" means a study, appraisal, or review of one 1153  
or more aspects of the professional work of a public accounting 1154  
firm that meets the standards and requirements set forth by the 1155  
accountancy board. 1156

(E) "Review report" means either of the following: 1157

(1) Any review report on a financial statement that is issued 1158  
with respect to any of the following: 1159

(a) Interim financial information in accordance with 1160  
generally accepted auditing standards; 1161

(b) The financial information of a nonpublic entity in 1162  
accordance with statements on standards for accounting and review 1163  
services; 1164

(c) The reliability of another party's written assertion in accordance with statements on standards for attestation engagements. 1165  
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(2) Any other review report on a financial statement that is not described in division (E)(1) of this section and that is issued in accordance with standards promulgated by the American institute of certified public accountants. 1168  
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(F) "Compilation report" means any compilation report on a financial statement that is issued with respect to financial information of a nonpublic entity in accordance with statements on standards for accounting and review services as promulgated by the American institute of certified public accountants. 1172  
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(G) "Examination report" means any examination report on a financial statement that is issued with respect to another party's written assertion in accordance with statements on standards for attestation engagements as promulgated by the American institute of certified public accountants. 1177  
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(H) "Agreed-upon procedures report" means any report that is on a financial statement and that is based on agreed-upon procedures issued with respect to another party's written assertion in accordance with statements on standards for attestation engagements as promulgated by the American institute of certified public accountants. 1182  
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(I) "Qualified firm" means a sole proprietorship, partnership, professional association, corporation-for-profit, limited liability company, or other business organization in which the individuals who own a majority of the business organization interests in the business organization and control the business organization hold an Ohio permit or a foreign certificate. 1188  
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(J) "Own" means any direct or indirect ownership of an equity interest in a public accounting firm or qualified firm. 1194  
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(K) "Control" or "controlled" means the right to exercise the majority of the voting equity interests in a public accounting firm or qualified firm with respect to any matter.

(L) "Equity interest" means any capital interest or profit interest in a sole proprietorship, partnership, professional association, corporation-for-profit, limited liability company, or other business organization.

(M) "Ohio permit" means a permit to practice public accounting issued under division (A) of section 4701.10 of the Revised Code that is not revoked or suspended.

(N) "Ohio registration" means the registration under division (B) of section 4701.10 of the Revised Code of a holder of a CPA certificate or PA registration who is not in the practice of public accounting in this state.

(O) "Firm registration" or "registered firm" means registration as a public accounting firm under section 4701.04 of the Revised Code.

(P) "PA registration" means registration as a public accountant under section 4701.07 of the Revised Code that is not revoked or suspended.

(Q) "CPA certificate" means a certificate issued under section 4701.06 or 4701.061 of the Revised Code that is not revoked or suspended.

(R) "Foreign certificate" means a license, permit, certificate of, or registration issued to a certified public accountant ~~issued~~ under the laws of another state that authorizes the holder to practice public accounting in that state, is valid, is in good standing, and has not expired.

(S) "Attest report" means an opinion report, review report, compilation report, examination report, agreed-upon procedures

report, or any similar report prepared in accordance with 1226  
standards established by the American institute of certified 1227  
public accountants with respect to a financial statement or other 1228  
financial information. 1229

(T) "Person" means any individual, corporation-for-profit, 1230  
business trust, estate, partnership, limited liability company, 1231  
professional association, or other business organization. 1232

(U) Technical terms that define specific public accounting 1233  
engagements have the same meanings as in the professional 1234  
standards promulgated by the American institute of certified 1235  
public accountants. 1236

(V)(1) "Good moral character" means the combination of 1237  
personal traits of honesty, integrity, attention to duty, 1238  
forthrightness, and self-restraint that enables a person to 1239  
discharge the duties of the accounting profession fully and 1240  
faithfully. 1241

(2) A history of dishonest acts or felonious acts or 1242  
convictions is sufficient to prove lack of good moral character if 1243  
that history demonstrates by a preponderance of the evidence that 1244  
the person lacks one or more of the personal traits referred to in 1245  
division (V)(1) of this section. A person who has a felony 1246  
conviction related to one or more of those personal traits bears 1247  
the burden of establishing the person's present good moral 1248  
character, including the person's full and complete rehabilitation 1249  
subsequent to the conviction. If less than one year has passed 1250  
since the completion of the person's sentence on a felony 1251  
conviction, including any period under a community control 1252  
sanction or post-release control, the board may delay any 1253  
determination of the person's good moral character until one year 1254  
has passed from the time of the completion of that sentence. 1255

(3) In determining whether a person who has a felony 1256

conviction has met the person's burden of proof described in	1257
division (V)(2) of this section, the accountancy board may	1258
consider the following factors:	1259
(a) The person's path toward professional licensing following	1260
completion of the person's sentence;	1261
(b) The nature and degree of the person's academic	1262
achievements;	1263
(c) The nature and degree of the person's employment	1264
following completion of the person's sentence;	1265
(d) The person's degree of self-sufficiency following	1266
completion of the person's sentence;	1267
(e) The nature and degree of the person's other	1268
responsibilities following completion of the person's sentence;	1269
(f) The person's conviction for any other criminal offense	1270
since completion of the person's sentence for the person's first	1271
felony conviction;	1272
(g) Whether the person's application or presentation contains	1273
any inconsistencies or misleading explanations that convince the	1274
board that either the person or the person's attorney is trying to	1275
keep the board from acquiring a true, though damaging,	1276
representation of the person's character;	1277
(h) The nature and circumstances of the dishonest acts or	1278
felonious acts or convictions of the person;	1279
(i) Any other specifically identifiable information that the	1280
board determines to be relevant to the person's ability to	1281
discharge the duties of the accounting profession fully and	1282
faithfully.	1283
<b>Sec. 4701.04.</b> (A) No public accounting firm <u>located in this</u>	1284
<u>state</u> shall engage in the practice of public accounting in this	1285

state unless it registers with the accountancy board and pays a 1286  
registration fee set by the board. 1287

(B) Public accounting firms shall apply for initial 1288  
registration within ninety days after formation or within ninety 1289  
days after the commencement of practicing public accounting in 1290  
this state. All public accounting firms shall renew their 1291  
registration triennially. All public accounting firms shall submit 1292  
with their initial and renewal registration applications all of 1293  
the following: 1294

(1) A list of the names, addresses, and certificate or 1295  
registration numbers of all individuals who hold an Ohio permit 1296  
and who own an equity interest in the public accounting firm or 1297  
are employed by the public accounting firm; 1298

(2) A list of the names and addresses of each person who does 1299  
not hold an Ohio permit or a foreign certificate and who owns an 1300  
equity interest in the public accounting firm if the person's 1301  
principal place of business is located in this state; 1302

(3) A statement that the public accounting firm and each 1303  
person who owns an equity interest in the public accounting firm 1304  
or is employed by the public accounting firm and who does not hold 1305  
an Ohio permit or a foreign certificate is in compliance with 1306  
divisions (C) and (D) of this section. 1307

(C) A public accounting firm shall satisfy all of the 1308  
following requirements in order to register: 1309

(1) Except as provided in division (C)(5) of this section, 1310  
each partner, shareholder, member, or other person who owns an 1311  
equity interest in the public accounting firm shall hold an Ohio 1312  
permit or a foreign certificate. 1313

(2) ~~The chief executive of any office of a public accounting~~ 1314  
~~firm located in or doing business in this state shall hold~~ 1315  
designate an individual who holds an Ohio permit ~~or a foreign~~ 1316

certificate who shall be responsible for the proper registration 1317  
of the firm. The public accounting firm shall identify this 1318  
individual to the board. 1319

(3) Each individual in a public accounting firm who signs any 1320  
attest report issued from an office of the public accounting firm 1321  
located in this state shall hold an Ohio permit. 1322

(4) An individual who owns an equity interest in the public 1323  
accounting firm or is employed by the public accounting firm and 1324  
who holds an Ohio permit or a foreign certificate, or a qualified 1325  
firm that owns an equity interest in the public accounting firm, 1326  
shall assume ultimate responsibility for any attest report issued 1327  
from an office of the public accounting firm located in this 1328  
state. 1329

(5) Any person who does not hold an Ohio permit or a foreign 1330  
certificate and who holds an equity interest in the public 1331  
accounting firm shall satisfy the conditions set forth in division 1332  
(D) of this section. 1333

(6) The public accounting firm shall provide for the transfer 1334  
of the equity interest owned by persons who do not hold an Ohio 1335  
permit or a foreign certificate to either the public accounting 1336  
firm or to another person who owns an equity interest in the firm 1337  
if a person who does not hold an Ohio permit or a foreign 1338  
certificate withdraws from or ceases to be employed by the public 1339  
accounting firm. The public accounting firm may make payments in 1340  
connection with the person's withdrawal from the firm to that 1341  
person or, if that person is deceased or dissolved, to the 1342  
person's estate or successor in interest. 1343

(D) A person who does not hold an Ohio permit or a foreign 1344  
certificate may own an equity interest in a public accounting firm 1345  
if all of the following conditions are met: 1346

(1) All of the individuals who hold an Ohio permit or a 1347

foreign certificate and who own equity interests in the public 1348  
accounting firm, and qualified firms that own equity interests in 1349  
the public accounting firm, own, in the aggregate, a majority of 1350  
the equity interests in the public accounting firm and control the 1351  
public accounting firm. 1352

(2) The person does not assume or use any titles or 1353  
designations specified in division (A) of section 4701.14 of the 1354  
Revised Code. The person may designate or refer to the person as a 1355  
shareholder, partner, member, principal, owner, or officer of the 1356  
public accounting firm and also may use any other title that the 1357  
board authorizes by rule. 1358

(3) The person is not in violation of any standard regarding 1359  
the character or conduct of that person that the board establishes 1360  
by rule. 1361

(4) The person's participation in the business of the public 1362  
accounting firm is the person's principal occupation and consists 1363  
of providing services to or on behalf of the public accounting 1364  
firm, and the person is not functioning solely or predominately as 1365  
a passive investor in the public accounting firm. 1366

~~(5) The person has graduated with a baccalaureate or higher 1367  
degree conferred by a college or university approved by the board. 1368~~

~~(6)~~ The person meets or exceeds the continuing education 1369  
requirements that the board establishes by rule. 1370

~~(7)~~(6) A person who holds a professional license, 1371  
registration, or certification issued by this state or another 1372  
state complies with the requirements of that license, 1373  
registration, or certification. 1374

~~(8)~~(7) The person abides by the code of conduct of the 1375  
American institute of certified public accountants or a comparable 1376  
code of professional conduct that the board adopts by rule. 1377

~~(9)~~(8) The person complies with all applicable provisions of 1378  
this chapter and the rules adopted by the board. 1379

(E) A person who owns a voting equity interest in a public 1380  
accounting firm may not delegate, by proxy or otherwise, the duty 1381  
to exercise any voting rights to a person that does not hold an 1382  
Ohio permit or a foreign certificate or to a person that is not a 1383  
qualified firm. 1384

(F) As a condition for initial or renewal registration of a 1385  
public accounting firm on and after January 1, 1993, the board, by 1386  
rule, shall require that each public accounting firm undergo a 1387  
peer review to determine the public accounting firm's degree of 1388  
compliance in the practice of public accounting with generally 1389  
accepted accounting principles, generally accepted auditing 1390  
standards, and other generally accepted technical standards as 1391  
defined by the board in rule, unless the public accounting firm 1392  
meets one of the exceptions in division (J) of this section. 1393

(G) The board shall adopt rules establishing guidelines for 1394  
peer reviews, and may authorize an agent to administer all or part 1395  
of the board's peer review program and to assess a reasonable fee 1396  
to firms to cover the costs incurred by the agent for program 1397  
administration. The rules shall do all of the following: 1398

(1) Designate a peer review committee consisting of 1399  
accounting professionals to serve as advisors to the board and to 1400  
ensure that the board's guidelines are followed. ~~The board may~~ 1401  
~~establish fair and reasonable compensation for the committee~~ 1402  
~~members to be paid for time they spend conducting committee~~ 1403  
~~business.~~ 1404

(2) Require that the peer review be conducted by a reviewer 1405  
that is both independent of the public accounting firm reviewed 1406  
and qualified pursuant to board rules; 1407

(3) Require that the standards and practices applied by the 1408

reviewer be at least as stringent as those applied by the American 1409  
institute of certified public accountants; 1410

(4) Prohibit the use or disclosure of information obtained by 1411  
members of the board or a committee of peer reviewers during or in 1412  
connection with the peer review process for purposes other than 1413  
those related to determining the degree of compliance by the 1414  
public accounting firm with generally accepted accounting 1415  
principles, generally accepted auditing standards, and other 1416  
generally accepted technical standards as defined by the board in 1417  
rule. Division (G)(4) of this section does not apply to the use or 1418  
disclosure of information that is described in division (K)(3) of 1419  
this section or that is necessary to comply with any provision of 1420  
law. 1421

(H)(1) If a peer review report indicates that a public 1422  
accounting firm does not comply with standards and practices set 1423  
forth in the rules adopted by the board ~~guidelines~~, the board, in 1424  
its discretion, may ~~hold a hearing to~~ review the results of the 1425  
peer review report. If the board, ~~after conducting the hearing or~~ 1426  
its authorized peer review program administrator, determines that 1427  
the public accounting firm does not comply with the standards and 1428  
practices, it may ~~issue an order that requires~~ require both of the 1429  
following: 1430

(a) Remedial ~~or disciplinary~~ action, which may include any of 1431  
the following: 1432

(i) Requiring employees of the public accounting firm to 1433  
complete general or specific continuing professional education 1434  
courses; 1435

(ii) Requiring the public accounting firm to undergo peer 1436  
review more frequently than triennially and peer review that is 1437  
conducted in whole or part under the direct supervision of the 1438  
board or its designee; 1439

(iii) Any other remedial action specified by the board	1440
<del>(iv) Imposing any disciplinary measures set forth in division</del>	1441
<del>(B) of section 4701.16 of the Revised Code.</del>	1442
(b) An affidavit from the public accounting firm submitted	1443
within the time specified by the board indicating completion of	1444
required remedial actions.	1445
(2) <u>If the board, or its authorized peer review program</u>	1446
<u>administrator, determines that a public accounting firm has not</u>	1447
<u>complied with any requirement ordered under division (H) of this</u>	1448
<u>section, or if the board determines, after the review of a peer</u>	1449
<u>review report, that the public accounting firm has a history of</u>	1450
<u>noncompliance with standards and practices set forth in board</u>	1451
<u>rules, the board may hold a hearing to determine the extent of the</u>	1452
<u>firm's noncompliance. If the board, after conducting the hearing,</u>	1453
<u>determines that the public accounting firm does not comply with</u>	1454
<u>appropriate standards and practices, the board may issue an order</u>	1455
<u>that imposes any disciplinary measure set forth in division (B) of</u>	1456
<u>section 4701.16 of the Revised Code.</u>	1457
(3) Notwithstanding divisions (K)(1) and (2) of this section,	1458
all matters relating to the procedures for determining compliance	1459
with the standards and practices under division (H) <del>(1)</del> (2) of this	1460
section are subject to Chapter 119. of the Revised Code, including	1461
the notice and conduct of any hearing and the issuance and appeal	1462
of any order. <u>Remedial orders made under division (H)(1) of this</u>	1463
<u>section are not subject to Chapter 119. of the Revised Code.</u>	1464
(I) The public accounting firm reviewed shall pay for any	1465
peer review performed.	1466
(J) The board may exempt a public accounting firm from the	1467
requirement to undergo a peer review if the public accounting firm	1468
submits to the board a written and notarized statement that the	1469
public accounting firm meets at least one of the following grounds	1470

for exemption identified in the statement: 1471

(1) Within three years of the date of application for initial 1472  
or renewal registration, the public accounting firm has ~~been~~ 1473  
~~subject to~~ completed a peer review acceptable to the board and 1474  
conducted pursuant to standards not less stringent than the peer 1475  
review standards ~~applied~~ promulgated by the American institute of 1476  
certified public accountants. A peer review that does not comply 1477  
with standards and practices set forth in the rules adopted by the 1478  
board and that may subject a public accounting firm to remedial or 1479  
disciplinary action pursuant to division (H) of this section, does 1480  
not qualify as an acceptable peer review. The public accounting 1481  
firm shall submit to the board a copy of the results of the peer 1482  
review and any additional documentation required by the board. The 1483  
board shall not require submittal of the working papers related to 1484  
the peer review process. 1485

(2) Within three years of the date of application for initial 1486  
or renewal registration, the public accounting firm has ~~undergone~~ 1487  
completed a peer review acceptable to the board that was conducted 1488  
in another state or foreign country. The public accounting firm 1489  
shall submit to the board a copy of the results of the peer review 1490  
and any additional documentation required by the board, including 1491  
a detailed report of the procedures and standards applied by the 1492  
reviewer. 1493

(3) The public accounting firm has never practiced public 1494  
accounting in this state or any other state or foreign country 1495  
~~and,~~ will ~~undergo~~ complete a peer review acceptable to the board 1496  
within eighteen months of initial registration, and will review 1497  
its registration with the board two years after initial 1498  
registration as specified in rules the board adopts. 1499

(4) The public accounting firm, on a schedule as required by 1500  
rule adopted by the board, submits a report to the board that 1501  
states all of the following: 1502

(a) The public accounting firm does not undertake any 1503  
engagement that will result in the issuance of an attest report or 1504  
other engagement that is subject to peer review in accordance with 1505  
division (F) of this section. 1506

~~(b) Within the next three years, the public accounting firm 1507  
does not intend to undertake any engagement that will result in 1508  
the issuance of any attest report. 1509~~

~~(c)~~ The public accounting firm agrees to notify the board 1510  
within ninety days after accepting any engagement that will result 1511  
in the issuance of any attest report or other engagement that is 1512  
subject to peer review in accordance with division (F) of this 1513  
section and will ~~undergo~~ complete a peer review acceptable to the 1514  
board within one year after the acceptance of an engagement of 1515  
that nature. 1516

(5) Subject to the board's approval, and ~~for reasons of~~ 1517  
~~personal health, military service, or other~~ good cause as defined 1518  
in rules the board adopts, the public accounting firm is entitled 1519  
to an exemption. 1520

(K) In any civil action, arbitration, or administrative 1521  
proceeding involving a public accounting firm, all of the 1522  
following shall apply: 1523

(1) The proceedings, records, and work papers of any 1524  
reviewer, including board members and review committee members, 1525  
involved in the peer review process are privileged and not subject 1526  
to discovery, subpoena, or other means of legal process and may 1527  
not be introduced into evidence. 1528

(2) No reviewer, including board members and review committee 1529  
members, involved in the peer review process shall be permitted or 1530  
required to testify as to any matters produced, presented, 1531  
disclosed, or discussed during or in connection with the peer 1532  
review process or shall be required to testify to any finding, 1533

recommendation, evaluation, opinion, or other actions of those 1534  
committees or their members. 1535

(3) No privilege exists under this section for either of the 1536  
following: 1537

(a) Information presented or considered in the peer review 1538  
process that was otherwise available to the public; 1539

(b) Materials prepared in connection with a particular 1540  
engagement merely because they subsequently are presented or 1541  
considered as part of the peer review process. 1542

(L)(1) If a peer review report indicates that a public 1543  
accounting firm complies with standards and practices set forth in 1544  
rules adopted by the board guidelines, the board shall destroy all 1545  
documents and reports related to the peer review within thirty 1546  
days after the board completes its review of the report. ~~If~~ 1547

(2) If a peer review report indicates that a public 1548  
accounting firm does not comply with those standards and practices 1549  
set forth in rules adopted by the board, the board shall retain 1550  
all documents and reports related to the peer review until 1551  
completion of the next peer review that complies with standards 1552  
and practices set forth in rules adopted by the board pursuant to 1553  
division (G) of this section. The board also may use these 1554  
documents to determine a history of noncompliance with standards 1555  
and practices in any proceeding held under division (H)(2) of this 1556  
section. 1557

Sec. 5703.061. The tax commissioner may cancel a debt owed to 1558  
the state arising from any tax administered by the commissioner if 1559  
the total amount of the debt does not exceed fifty dollars and if 1560  
the debt consists only of unpaid taxes due for a single reporting 1561  
period and of any penalty, interest, assessment, or other charge 1562  
arising from such unpaid taxes. 1563

**Sec. 5703.261.** ~~If~~ (A) As used in this section: 1564

(1) "Instrument" has the same meaning as in section 1303.03 1565  
of the Revised Code. 1566

(2) "Financial transaction device" has the same meaning as in 1567  
section 113.40 of the Revised Code. 1568

(B) If a taxpayer or employer required by any tax 1569  
administered by the department of taxation to pay taxes, 1570  
penalties, or interest makes payment of the taxes, penalties, or 1571  
interest with a ~~nonnegotiable or~~ dishonored instrument, an 1572  
instrument that is determined to be nonnegotiable, or with any 1573  
financial transaction device that is declined, returned, or 1574  
dishonored, a penalty of fifty dollars shall be added to the 1575  
amount due. The penalty imposed by this section shall be assessed 1576  
and collected in the same manner as the taxes, penalties, or 1577  
interest. All or part of any penalty imposed under this section 1578  
may be abated by the tax commissioner. The commissioner may assess 1579  
only one penalty under this section against the same instrument or 1580  
the same financial transaction device for the same payment. 1581

**Sec. 5703.37.** (A)(1) Except as provided in division (B) of 1582  
this section, whenever service of a notice or order is required in 1583  
the manner provided in this section, a copy of the notice or order 1584  
shall be served upon the person affected thereby either by 1585  
personal service, by certified mail, or by a delivery service 1586  
authorized under section 5703.056 of the Revised Code that 1587  
notifies the tax commissioner of the date of delivery. 1588

~~(2) With the permission of the person affected by the notice~~ 1589  
~~or order, the commissioner may enter into a written agreement to~~ 1590  
~~deliver a notice or order by~~ In lieu of serving a copy of a notice 1591  
or order through one of the means provided in division (A)(1) of 1592  
this section, the commissioner may serve a notice or order upon 1593

the person affected thereby through alternative means as provided 1594  
in this section, including, but not limited to, delivery by secure 1595  
electronic mail as provided in division (F) of this section. 1596  
Delivery by such means satisfies the requirements for delivery 1597  
under this section. 1598

(B)(1)(a) If certified mail is returned because of an 1599  
undeliverable address, the commissioner shall first utilize 1600  
reasonable means to ascertain a new last known address, including 1601  
the use of a change of address service offered by the United 1602  
States postal service or an authorized delivery service under 1603  
section 5703.056 of the Revised Code. If, after using reasonable 1604  
means, the commissioner is unable to ascertain a new last known 1605  
address, the assessment is final for purposes of section 131.02 of 1606  
the Revised Code sixty days after the notice or order sent by 1607  
certified mail is first returned to the commissioner, and the 1608  
commissioner shall certify the notice or order, if applicable, to 1609  
the attorney general for collection under section 131.02 of the 1610  
Revised Code. 1611

(b) Notwithstanding certification to the attorney general 1612  
under division (B)(1)(a) of this section, once the commissioner or 1613  
attorney general, or the designee of either, makes an initial 1614  
contact with the person to whom the notice or order is directed, 1615  
the person may protest an assessment by filing a petition for 1616  
reassessment within sixty days after the initial contact. The 1617  
certification of an assessment under division (B)(1)(a) of this 1618  
section is prima-facie evidence that delivery is complete and that 1619  
the notice or order is served. 1620

(2) If mailing of a notice or order by certified mail is 1621  
returned for some cause other than an undeliverable address, the 1622  
~~tax~~ commissioner shall resend the notice or order by ordinary 1623  
mail. The notice or order shall show the date the commissioner 1624  
sends the notice or order and include the following statement: 1625

"This notice or order is deemed to be served on the addressee 1626  
under applicable law ten days from the date this notice or order 1627  
was mailed by the commissioner as shown on the notice or order, 1628  
and all periods within which an appeal may be filed apply from and 1629  
after that date." 1630

Unless the mailing is returned because of an undeliverable 1631  
address, the mailing of that information is prima-facie evidence 1632  
that delivery of the notice or order was completed ten days after 1633  
the commissioner sent the notice or order by ordinary mail and 1634  
that the notice or order was served. 1635

If the ordinary mail is subsequently returned because of an 1636  
undeliverable address, the commissioner shall proceed under 1637  
division (B)(1)(a) of this section. A person may challenge the 1638  
presumption of delivery and service under this division in 1639  
accordance with division (C) of this section. 1640

(C)(1) A person disputing the presumption of delivery and 1641  
service under division (B) of this section bears the burden of 1642  
proving by a preponderance of the evidence that the address to 1643  
which the notice or order was sent was not an address with which 1644  
the person was associated at the time the commissioner originally 1645  
mailed the notice or order by certified mail. For the purposes of 1646  
this section, a person is associated with an address at the time 1647  
the commissioner originally mailed the notice or order if, at that 1648  
time, the person was residing, receiving legal documents, or 1649  
conducting business at the address; or if, before that time, the 1650  
person had conducted business at the address and, when the notice 1651  
or order was mailed, the person's agent or the person's affiliate 1652  
was conducting business at the address. For the purposes of this 1653  
section, a person's affiliate is any other person that, at the 1654  
time the notice or order was mailed, owned or controlled at least 1655  
twenty per cent, as determined by voting rights, of the 1656  
addressee's business. 1657

(2) If the person elects to protest an assessment certified 1658  
to the attorney general for collection, the person must do so 1659  
within sixty days after the attorney general's initial contact 1660  
with the person. The attorney general may enter into a compromise 1661  
with the person under sections 131.02 and 5703.06 of the Revised 1662  
Code if the person does not file a petition for reassessment with 1663  
the ~~tax~~ commissioner. 1664

(D) Nothing in this section prohibits the ~~tax~~ commissioner or 1665  
the commissioner's designee from delivering a notice or order by 1666  
personal service. 1667

(E) Collection actions taken pursuant to section 131.02 of 1668  
the Revised Code upon any assessment being challenged under 1669  
division (B)(1)(b) of this section shall be stayed upon the 1670  
pendency of an appeal under this section. If a petition for 1671  
reassessment is filed pursuant to this section on a claim that has 1672  
been certified to the attorney general for collection, the claim 1673  
shall be uncertified. 1674

(F) The commissioner may serve a notice or order upon the 1675  
person affected by the notice or order through secure electronic 1676  
means only with the person's consent. The commissioner must inform 1677  
the recipient, electronically or by mail, that a notice or order 1678  
is available for electronic review and provide instructions to 1679  
access and print the notice or order. The recipient's electronic 1680  
access of the notice or order satisfies the requirements for 1681  
delivery under this section. If the recipient fails to access the 1682  
notice or order electronically within ten business days, the 1683  
notice or order shall be served upon the person through one of the 1684  
means provided in division (A)(1) of this section. 1685

(G) As used in this section: 1686

(1) "Last known address" means the address the department has 1687  
at the time the document is originally sent by certified mail, or 1688

any address the department can ascertain using reasonable means 1689  
such as the use of a change of address service offered by the 1690  
United States postal service or an authorized delivery service 1691  
under section 5703.056 of the Revised Code. 1692

(2) "Undeliverable address" means an address to which the 1693  
United States postal service or an authorized delivery service 1694  
under section 5703.056 of the Revised Code is not able to deliver 1695  
a notice or order, except when the reason for nondelivery is 1696  
because the addressee fails to acknowledge or accept the notice or 1697  
order. 1698

**Sec. 5703.47.** (A) As used in this section, "federal 1699  
short-term rate" means the rate of the average market yield on 1700  
outstanding marketable obligations of the United States with 1701  
remaining periods to maturity of three years or less, as 1702  
determined under section 1274 of the "Internal Revenue Code of 1703  
1986," 100 Stat. 2085, 26 U.S.C.A. 1274, for July of the current 1704  
year. 1705

(B) On the fifteenth day of October of each year, the tax 1706  
commissioner shall determine the federal short-term rate. For 1707  
purposes of any section of the Revised Code requiring interest to 1708  
be computed at the rate per annum required by this section, the 1709  
rate determined by the commissioner under this section, rounded to 1710  
the nearest whole number per cent, plus three per cent, shall be 1711  
the interest rate per annum used in making the computation for 1712  
interest that accrues during the following calendar year. For the 1713  
purposes of sections 5719.041 and 5731.23 of the Revised Code, 1714  
references to the "federal short-term rate" are references to the 1715  
federal short-term rate as determined by the tax commissioner 1716  
under this section rounded to the nearest whole number per cent. 1717

(C) Within ten days after the interest rate per annum is 1718  
determined under this section, the tax commissioner shall notify 1719

the auditor of each county ~~in writing~~ of that rate of interest. 1720

**Sec. 5709.084.** Real and personal property comprising a 1721  
convention center that is constructed or, in the case of personal 1722  
property, acquired, after January 1, 2010, are exempt from 1723  
taxation if the convention center is located in a county having a 1724  
population, when construction of the convention center commences, 1725  
of more than one million two hundred thousand according to the 1726  
most recent federal decennial census, and if the convention 1727  
center, or the land upon which the convention center is situated, 1728  
is owned or leased by the county. For the purposes of this 1729  
section, construction of the convention center commences upon the 1730  
earlier of issuance of debt to finance all or a portion of the 1731  
convention center, demolition of existing structures on the site, 1732  
or grading of the site in preparation for construction. 1733

Real and personal property comprising a convention center 1734  
owned by the largest city in a county having a population greater 1735  
than seven hundred thousand but less than nine hundred thousand 1736  
according to the most recent federal decennial census is exempt 1737  
from taxation, regardless of whether the property is leased to or 1738  
otherwise operated or managed by a person other than the city. 1739

Real and personal property comprising a convention center or 1740  
arena owned by the largest city in a county having a population 1741  
greater than two hundred thirty-five thousand but less than three 1742  
hundred thousand according to the most recent federal decennial 1743  
census is exempt from taxation, regardless of whether the property 1744  
is leased to or otherwise operated or managed by a person other 1745  
than the city. 1746

As used in this section, "convention center" ~~has~~ and "arena" 1747  
have the same ~~meaning~~ meanings as in section 307.695 of the 1748  
Revised Code. 1749

<b>Sec. 5709.40.</b> (A) As used in this section:	1750
(1) "Blighted area" and "impacted city" have the same meanings as in section 1728.01 of the Revised Code.	1751 1752
(2) "Business day" means a day of the week excluding Saturday, Sunday, and a legal holiday as defined under section 1.14 of the Revised Code.	1753 1754 1755
(3) "Housing renovation" means a project carried out for residential purposes.	1756 1757
(4) "Improvement" means the increase in the assessed value of any real property that would first appear on the tax list and duplicate of real and public utility property after the effective date of an ordinance adopted under this section were it not for the exemption granted by that ordinance.	1758 1759 1760 1761 1762
(5) "Incentive district" means an area not more than three hundred acres in size enclosed by a continuous boundary in which a project is being, or will be, undertaken and having one or more of the following distress characteristics:	1763 1764 1765 1766
(a) At least fifty-one per cent of the residents of the district have incomes of less than eighty per cent of the median income of residents of the political subdivision in which the district is located, as determined in the same manner specified under section 119(b) of the "Housing and Community Development Act of 1974," 88 Stat. 633, 42 U.S.C. 5318, as amended;	1767 1768 1769 1770 1771 1772
(b) The average rate of unemployment in the district during the most recent twelve-month period for which data are available is equal to at least one hundred fifty per cent of the average rate of unemployment for this state for the same period.	1773 1774 1775 1776
(c) At least twenty per cent of the people residing in the district live at or below the poverty level as defined in the federal Housing and Community Development Act of 1974, 42 U.S.C.	1777 1778 1779

5301, as amended, and regulations adopted pursuant to that act.	1780
(d) The district is a blighted area.	1781
(e) The district is in a situational distress area as	1782
designated by the director of development under division (F) of	1783
section 122.23 of the Revised Code.	1784
(f) As certified by the engineer for the political	1785
subdivision, the public infrastructure serving the district is	1786
inadequate to meet the development needs of the district as	1787
evidenced by a written economic development plan or urban renewal	1788
plan for the district that has been adopted by the legislative	1789
authority of the subdivision.	1790
(g) The district is comprised entirely of unimproved land	1791
that is located in a distressed area as defined in section 122.23	1792
of the Revised Code.	1793
(6) "Project" means development activities undertaken on one	1794
or more parcels, including, but not limited to, construction,	1795
expansion, and alteration of buildings or structures, demolition,	1796
remediation, and site development, and any building or structure	1797
that results from those activities.	1798
(7) "Public infrastructure improvement" includes, but is not	1799
limited to, public roads and highways; water and sewer lines;	1800
environmental remediation; land acquisition, including acquisition	1801
in aid of industry, commerce, distribution, or research;	1802
demolition, including demolition on private property when	1803
determined to be necessary for economic development purposes;	1804
stormwater and flood remediation projects, including such projects	1805
on private property when determined to be necessary for public	1806
health, safety, and welfare; the provision of gas, electric, and	1807
communications service facilities; and the enhancement of public	1808
waterways through improvements that allow for greater public	1809
access.	1810

(B) The legislative authority of a municipal corporation, by 1811  
ordinance, may declare improvements to certain parcels of real 1812  
property located in the municipal corporation to be a public 1813  
purpose. Improvements with respect to a parcel that is used or to 1814  
be used for residential purposes may be declared a public purpose 1815  
under this division only if the parcel is located in a blighted 1816  
area of an impacted city. Except with the approval under division 1817  
(D) of this section of the board of education of each city, local, 1818  
or exempted village school district within which the improvements 1819  
are located, not more than seventy-five per cent of an improvement 1820  
thus declared to be a public purpose may be exempted from real 1821  
property taxation for a period of not more than ten years. The 1822  
ordinance shall specify the percentage of the improvement to be 1823  
exempted from taxation and the life of the exemption. 1824

An ordinance adopted or amended under this division shall 1825  
designate the specific public infrastructure improvements made, to 1826  
be made, or in the process of being made by the municipal 1827  
corporation that directly benefit, or that once made will directly 1828  
benefit, the parcels for which improvements are declared to be a 1829  
public purpose. The service payments provided for in section 1830  
5709.42 of the Revised Code shall be used to finance the public 1831  
infrastructure improvements designated in the ordinance, for the 1832  
purpose described in division (D)(1) of this section or as 1833  
provided in section 5709.43 of the Revised Code. 1834

(C)(1) The legislative authority of a municipal corporation 1835  
may adopt an ordinance creating an incentive district and 1836  
declaring improvements to parcels within the district to be a 1837  
public purpose and, except as provided in division (F) of this 1838  
section, exempt from taxation as provided in this section, but no 1839  
legislative authority of a municipal corporation that has a 1840  
population that exceeds twenty-five thousand, as shown by the most 1841  
recent federal decennial census, shall adopt an ordinance that 1842

creates an incentive district if the sum of the taxable value of 1843  
real property in the proposed district for the preceding tax year 1844  
and the taxable value of all real property in the municipal 1845  
corporation that would have been taxable in the preceding year 1846  
were it not for the fact that the property was in an existing 1847  
incentive district and therefore exempt from taxation exceeds 1848  
twenty-five per cent of the taxable value of real property in the 1849  
municipal corporation for the preceding tax year. The ordinance 1850  
shall delineate the boundary of the district and specifically 1851  
identify each parcel within the district. A district may not 1852  
include any parcel that is or has been exempted from taxation 1853  
under division (B) of this section or that is or has been within 1854  
another district created under this division. An ordinance may 1855  
create more than one such district, and more than one ordinance 1856  
may be adopted under division (C)(1) of this section. 1857

(2) Not later than thirty days prior to adopting an ordinance 1858  
under division (C)(1) of this section, if the municipal 1859  
corporation intends to apply for exemptions from taxation under 1860  
section 5709.911 of the Revised Code on behalf of owners of real 1861  
property located within the proposed incentive district, the 1862  
legislative authority of a municipal corporation shall conduct a 1863  
public hearing on the proposed ordinance. Not later than thirty 1864  
days prior to the public hearing, the legislative authority shall 1865  
give notice of the public hearing and the proposed ordinance by 1866  
first class mail to every real property owner whose property is 1867  
located within the boundaries of the proposed incentive district 1868  
that is the subject of the proposed ordinance. 1869

(3)(a) An ordinance adopted under division (C)(1) of this 1870  
section shall specify the life of the incentive district and the 1871  
percentage of the improvements to be exempted, shall designate the 1872  
public infrastructure improvements made, to be made, or in the 1873  
process of being made, that benefit or serve, or, once made, will 1874

benefit or serve parcels in the district. The ordinance also shall 1875  
identify one or more specific projects being, or to be, undertaken 1876  
in the district that place additional demand on the public 1877  
infrastructure improvements designated in the ordinance. The 1878  
project identified may, but need not be, the project under 1879  
division (C)(3)(b) of this section that places real property in 1880  
use for commercial or industrial purposes. Except as otherwise 1881  
permitted under that division, the service payments provided for 1882  
in section 5709.42 of the Revised Code shall be used to finance 1883  
the designated public infrastructure improvements, for the purpose 1884  
described in division (D)(1) or (E) of this section, or as 1885  
provided in section 5709.43 of the Revised Code. 1886

An ordinance adopted under division (C)(1) of this section on 1887  
or after March 30, 2006, shall not designate police or fire 1888  
equipment as public infrastructure improvements, and no service 1889  
payment provided for in section 5709.42 of the Revised Code and 1890  
received by the municipal corporation under the ordinance shall be 1891  
used for police or fire equipment. 1892

(b) An ordinance adopted under division (C)(1) of this 1893  
section may authorize the use of service payments provided for in 1894  
section 5709.42 of the Revised Code for the purpose of housing 1895  
renovations within the incentive district, provided that the 1896  
ordinance also designates public infrastructure improvements that 1897  
benefit or serve the district, and that a project within the 1898  
district places real property in use for commercial or industrial 1899  
purposes. Service payments may be used to finance or support 1900  
loans, deferred loans, and grants to persons for the purpose of 1901  
housing renovations within the district. The ordinance shall 1902  
designate the parcels within the district that are eligible for 1903  
housing renovation. The ordinance shall state separately the 1904  
amounts or the percentages of the expected aggregate service 1905  
payments that are designated for each public infrastructure 1906

improvement and for the general purpose of housing renovations. 1907

(4) Except with the approval of the board of education of 1908  
each city, local, or exempted village school district within the 1909  
territory of which the incentive district is or will be located, 1910  
and subject to division (E) of this section, the life of an 1911  
incentive district shall not exceed ten years, and the percentage 1912  
of improvements to be exempted shall not exceed seventy-five per 1913  
cent. With approval of the board of education, the life of a 1914  
district may be not more than thirty years, and the percentage of 1915  
improvements to be exempted may be not more than one hundred per 1916  
cent. The approval of a board of education shall be obtained in 1917  
the manner provided in division (D) of this section. 1918

(D)(1) If the ordinance declaring improvements to a parcel to 1919  
be a public purpose or creating an incentive district specifies 1920  
that payments in lieu of taxes provided for in section 5709.42 of 1921  
the Revised Code shall be paid to the city, local, or exempted 1922  
village, and joint vocational school district in which the parcel 1923  
or incentive district is located in the amount of the taxes that 1924  
would have been payable to the school district if the improvements 1925  
had not been exempted from taxation, the percentage of the 1926  
improvement that may be exempted from taxation may exceed 1927  
seventy-five per cent, and the exemption may be granted for up to 1928  
thirty years, without the approval of the board of education as 1929  
otherwise required under division (D)(2) of this section. 1930

(2) Improvements with respect to a parcel may be exempted 1931  
from taxation under division (B) of this section, and improvements 1932  
to parcels within an incentive district may be exempted from 1933  
taxation under division (C) of this section, for up to ten years 1934  
or, with the approval under this paragraph of the board of 1935  
education of the city, local, or exempted village school district 1936  
within which the parcel or district is located, for up to thirty 1937  
years. The percentage of the improvement exempted from taxation 1938

may, with such approval, exceed seventy-five per cent, but shall 1939  
not exceed one hundred per cent. Not later than forty-five 1940  
business days prior to adopting an ordinance under this section 1941  
declaring improvements to be a public purpose that is subject to 1942  
approval by a board of education under this division, the 1943  
legislative authority shall deliver to the board of education a 1944  
notice stating its intent to adopt an ordinance making that 1945  
declaration. The notice regarding improvements with respect to a 1946  
parcel under division (B) of this section shall identify the 1947  
parcels for which improvements are to be exempted from taxation, 1948  
provide an estimate of the true value in money of the 1949  
improvements, specify the period for which the improvements would 1950  
be exempted from taxation and the percentage of the improvement 1951  
that would be exempted, and indicate the date on which the 1952  
legislative authority intends to adopt the ordinance. The notice 1953  
regarding improvements to parcels within an incentive district 1954  
under division (C) of this section shall delineate the boundaries 1955  
of the district, specifically identify each parcel within the 1956  
district, identify each anticipated improvement in the district, 1957  
provide an estimate of the true value in money of each such 1958  
improvement, specify the life of the district and the percentage 1959  
of improvements that would be exempted, and indicate the date on 1960  
which the legislative authority intends to adopt the ordinance. 1961  
The board of education, by resolution adopted by a majority of the 1962  
board, may approve the exemption for the period or for the 1963  
exemption percentage specified in the notice; may disapprove the 1964  
exemption for the number of years in excess of ten, may disapprove 1965  
the exemption for the percentage of the improvement to be exempted 1966  
in excess of seventy-five per cent, or both; or may approve the 1967  
exemption on the condition that the legislative authority and the 1968  
board negotiate an agreement providing for compensation to the 1969  
school district equal in value to a percentage of the amount of 1970  
taxes exempted in the eleventh and subsequent years of the 1971

exemption period or, in the case of exemption percentages in 1972  
excess of seventy-five per cent, compensation equal in value to a 1973  
percentage of the taxes that would be payable on the portion of 1974  
the improvement in excess of seventy-five per cent were that 1975  
portion to be subject to taxation, or other mutually agreeable 1976  
compensation. If an agreement is negotiated between the 1977  
legislative authority and the board to compensate the school 1978  
district for all or part of the taxes exempted, including 1979  
agreements for payments in lieu of taxes under section 5709.42 of 1980  
the Revised Code, the legislative authority shall compensate the 1981  
joint vocational school district within which the parcel or 1982  
district is located at the same rate and under the same terms 1983  
received by the city, local, or exempted village school district. 1984

(3) The board of education shall certify its resolution to 1985  
the legislative authority not later than fourteen days prior to 1986  
the date the legislative authority intends to adopt the ordinance 1987  
as indicated in the notice. If the board of education and the 1988  
legislative authority negotiate a mutually acceptable compensation 1989  
agreement, the ordinance may declare the improvements a public 1990  
purpose for the number of years specified in the ordinance or, in 1991  
the case of exemption percentages in excess of seventy-five per 1992  
cent, for the exemption percentage specified in the ordinance. In 1993  
either case, if the board and the legislative authority fail to 1994  
negotiate a mutually acceptable compensation agreement, the 1995  
ordinance may declare the improvements a public purpose for not 1996  
more than ten years, and shall not exempt more than seventy-five 1997  
per cent of the improvements from taxation. If the board fails to 1998  
certify a resolution to the legislative authority within the time 1999  
prescribed by this division, the legislative authority thereupon 2000  
may adopt the ordinance and may declare the improvements a public 2001  
purpose for up to thirty years, or, in the case of exemption 2002  
percentages proposed in excess of seventy-five per cent, for the 2003  
exemption percentage specified in the ordinance. The legislative 2004

authority may adopt the ordinance at any time after the board of 2005  
education certifies its resolution approving the exemption to the 2006  
legislative authority, or, if the board approves the exemption on 2007  
the condition that a mutually acceptable compensation agreement be 2008  
negotiated, at any time after the compensation agreement is agreed 2009  
to by the board and the legislative authority. 2010

(4) If a board of education has adopted a resolution waiving 2011  
its right to approve exemptions from taxation under this section 2012  
and the resolution remains in effect, approval of exemptions by 2013  
the board is not required under division (D) of this section. If a 2014  
board of education has adopted a resolution allowing a legislative 2015  
authority to deliver the notice required under division (D) of 2016  
this section fewer than forty-five business days prior to the 2017  
legislative authority's adoption of the ordinance, the legislative 2018  
authority shall deliver the notice to the board not later than the 2019  
number of days prior to such adoption as prescribed by the board 2020  
in its resolution. If a board of education adopts a resolution 2021  
waiving its right to approve agreements or shortening the 2022  
notification period, the board shall certify a copy of the 2023  
resolution to the legislative authority. If the board of education 2024  
rescinds such a resolution, it shall certify notice of the 2025  
rescission to the legislative authority. 2026

(5) If the legislative authority is not required by division 2027  
(D) of this section to notify the board of education of the 2028  
legislative authority's intent to declare improvements to be a 2029  
public purpose, the legislative authority shall comply with the 2030  
notice requirements imposed under section 5709.83 of the Revised 2031  
Code, unless the board has adopted a resolution under that section 2032  
waiving its right to receive such a notice. 2033

(E)(1) If a proposed ordinance under division (C)(1) of this 2034  
section exempts improvements with respect to a parcel within an 2035  
incentive district for more than ten years, or the percentage of 2036

the improvement exempted from taxation exceeds seventy-five per cent, not later than forty-five business days prior to adopting the ordinance the legislative authority of the municipal corporation shall deliver to the board of county commissioners of the county within which the incentive district will be located a notice that states its intent to adopt an ordinance creating an incentive district. The notice shall include a copy of the proposed ordinance, identify the parcels for which improvements are to be exempted from taxation, provide an estimate of the true value in money of the improvements, specify the period of time for which the improvements would be exempted from taxation, specify the percentage of the improvements that would be exempted from taxation, and indicate the date on which the legislative authority intends to adopt the ordinance.

(2) The board of county commissioners, by resolution adopted by a majority of the board, may object to the exemption for the number of years in excess of ten, may object to the exemption for the percentage of the improvement to be exempted in excess of seventy-five per cent, or both. If the board of county commissioners objects, the board may negotiate a mutually acceptable compensation agreement with the legislative authority. In no case shall the compensation provided to the board exceed the property taxes forgone due to the exemption. If the board of county commissioners objects, and the board and legislative authority fail to negotiate a mutually acceptable compensation agreement, the ordinance adopted under division (C)(1) of this section shall provide to the board compensation in the eleventh and subsequent years of the exemption period equal in value to not more than fifty per cent of the taxes that would be payable to the county or, if the board's objection includes an objection to an exemption percentage in excess of seventy-five per cent, compensation equal in value to not more than fifty per cent of the taxes that would be payable to the county, on the portion of the

improvement in excess of seventy-five per cent, were that portion 2070  
to be subject to taxation. The board of county commissioners shall 2071  
certify its resolution to the legislative authority not later than 2072  
thirty days after receipt of the notice. 2073

(3) If the board of county commissioners does not object or 2074  
fails to certify its resolution objecting to an exemption within 2075  
thirty days after receipt of the notice, the legislative authority 2076  
may adopt the ordinance, and no compensation shall be provided to 2077  
the board of county commissioners. If the board timely certifies 2078  
its resolution objecting to the ordinance, the legislative 2079  
authority may adopt the ordinance at any time after a mutually 2080  
acceptable compensation agreement is agreed to by the board and 2081  
the legislative authority, or, if no compensation agreement is 2082  
negotiated, at any time after the legislative authority agrees in 2083  
the proposed ordinance to provide compensation to the board of 2084  
fifty per cent of the taxes that would be payable to the county in 2085  
the eleventh and subsequent years of the exemption period or on 2086  
the portion of the improvement in excess of seventy-five per cent, 2087  
were that portion to be subject to taxation. 2088

(F) Service payments in lieu of taxes that are attributable 2089  
to any amount by which the effective tax rate of either a renewal 2090  
levy with an increase or a replacement levy exceeds the effective 2091  
tax rate of the levy renewed or replaced, or that are attributable 2092  
to an additional levy, for a levy authorized by the voters for any 2093  
of the following purposes on or after January 1, 2006, and which 2094  
are provided pursuant to an ordinance creating an incentive 2095  
district under division (C)(1) of this section that is adopted on 2096  
or after January 1, 2006, shall be distributed to the appropriate 2097  
taxing authority as required under division (C) of section 5709.42 2098  
of the Revised Code in an amount equal to the amount of taxes from 2099  
that additional levy or from the increase in the effective tax 2100  
rate of such renewal or replacement levy that would have been 2101

payable to that taxing authority from the following levies were it 2102  
not for the exemption authorized under division (C) of this 2103  
section: 2104

(1) A tax levied under division (L) of section 5705.19 or 2105  
section 5705.191 of the Revised Code for community mental 2106  
retardation and developmental disabilities programs and services 2107  
pursuant to Chapter 5126. of the Revised Code; 2108

(2) A tax levied under division (Y) of section 5705.19 of the 2109  
Revised Code for providing or maintaining senior citizens services 2110  
or facilities; 2111

(3) A tax levied under section 5705.22 of the Revised Code 2112  
for county hospitals; 2113

(4) A tax levied by a joint-county district or by a county 2114  
under section 5705.19, 5705.191, or 5705.221 of the Revised Code 2115  
for alcohol, drug addiction, and mental health services or 2116  
facilities; 2117

(5) A tax levied under section 5705.23 of the Revised Code 2118  
for library purposes; 2119

(6) A tax levied under section 5705.24 of the Revised Code 2120  
for the support of children services and the placement and care of 2121  
children; 2122

(7) A tax levied under division (Z) of section 5705.19 of the 2123  
Revised Code for the provision and maintenance of zoological park 2124  
services and facilities under section 307.76 of the Revised Code; 2125

(8) A tax levied under section 511.27 or division (H) of 2126  
section 5705.19 of the Revised Code for the support of township 2127  
park districts; 2128

(9) A tax levied under division (A), (F), or (H) of section 2129  
5705.19 of the Revised Code for parks and recreational purposes of 2130  
a joint recreation district organized pursuant to division (B) of 2131

section 755.14 of the Revised Code; 2132

(10) A tax levied under section 1545.20 or 1545.21 of the 2133  
Revised Code for park district purposes; 2134

(11) A tax levied under section 5705.191 of the Revised Code 2135  
for the purpose of making appropriations for public assistance; 2136  
human or social services; public relief; public welfare; public 2137  
health and hospitalization; and support of general hospitals; 2138

(12) A tax levied under section 3709.29 of the Revised Code 2139  
for a general health district program. 2140

(G) An exemption from taxation granted under this section 2141  
commences with the tax year specified in the ordinance so long as 2142  
the year specified in the ordinance commences after the effective 2143  
date of the ordinance. If the ordinance specifies a year 2144  
commencing before the effective date of the resolution or 2145  
specifies no year whatsoever, the exemption commences with the tax 2146  
year in which an exempted improvement first appears on the tax 2147  
list and duplicate of real and public utility property and that 2148  
commences after the effective date of the ordinance. Except as 2149  
otherwise provided in this division, the exemption ends on the 2150  
date specified in the ordinance as the date the improvement ceases 2151  
to be a public purpose or the incentive district expires, or ends 2152  
on the date on which the public infrastructure improvements and 2153  
housing renovations are paid in full from the municipal public 2154  
improvement tax increment equivalent fund established under 2155  
division (A) of section 5709.43 of the Revised Code, whichever 2156  
occurs first. The exemption of an improvement with respect to a 2157  
parcel or within an incentive district may end on a later date, as 2158  
specified in the ordinance, if the legislative authority and the 2159  
board of education of the city, local, or exempted village school 2160  
district within which the parcel or district is located have 2161  
entered into a compensation agreement under section 5709.82 of the 2162  
Revised Code with respect to the improvement, and the board of 2163

education has approved the term of the exemption under division 2164  
(D)(2) of this section, but in no case shall the improvement be 2165  
exempted from taxation for more than thirty years. Exemptions 2166  
shall be claimed and allowed in the same manner as in the case of 2167  
other real property exemptions. If an exemption status changes 2168  
during a year, the procedure for the apportionment of the taxes 2169  
for that year is the same as in the case of other changes in tax 2170  
exemption status during the year. 2171

(H) Additional municipal financing of public infrastructure 2172  
improvements and housing renovations may be provided by any 2173  
methods that the municipal corporation may otherwise use for 2174  
financing such improvements or renovations. If the municipal 2175  
corporation issues bonds or notes to finance the public 2176  
infrastructure improvements and housing renovations and pledges 2177  
money from the municipal public improvement tax increment 2178  
equivalent fund to pay the interest on and principal of the bonds 2179  
or notes, the bonds or notes are not subject to Chapter 133. of 2180  
the Revised Code. 2181

(I) The municipal corporation, not later than fifteen days 2182  
after the adoption of an ordinance under this section, shall 2183  
submit to the director of development a copy of the ordinance. On 2184  
or before the thirty-first day of March of each year, the 2185  
municipal corporation shall submit a status report to the director 2186  
of development. The report shall indicate, in the manner 2187  
prescribed by the director, the progress of the project during 2188  
each year that an exemption remains in effect, including a summary 2189  
of the receipts from service payments in lieu of taxes; 2190  
expenditures of money from the funds created under section 5709.43 2191  
of the Revised Code; a description of the public infrastructure 2192  
improvements and housing renovations financed with such 2193  
expenditures; and a quantitative summary of changes in employment 2194  
and private investment resulting from each project. 2195

(J) Nothing in this section shall be construed to prohibit a legislative authority from declaring to be a public purpose improvements with respect to more than one parcel.

(K) If a parcel is located in a new community district in which the new community authority imposes a community development charge on the basis of rentals received from leases of real property as described in division (L)(2) of section 349.01 of the Revised Code, the parcel may not be exempted from taxation under this section.

**Sec. 5709.41.** (A) As used in this section:

(1) "Business day" means a day of the week excluding Saturday, Sunday, and a legal holiday as defined under section 1.14 of the Revised Code.

(2) "Improvement" means the increase in assessed value of any parcel of property subsequent to the acquisition of the parcel by a municipal corporation engaged in urban redevelopment.

(B) The legislative authority of a municipal corporation, by ordinance, may declare to be a public purpose any improvement to a parcel of real property if both of the following apply:

(1) The municipal corporation held fee title to the parcel prior to the adoption of the ordinance;

(2) The parcel is leased, or the fee of the parcel is conveyed, to any person either before or after adoption of the ordinance.

Improvements used or to be used for residential purposes may be declared a public purpose under this section only if the parcel is located in a blighted area of an impacted city as those terms are defined in section 1728.01 of the Revised Code.

(C) Except as otherwise provided in division (C)(1), (2), or (3) of this section, not more than seventy-five per cent of an

improvement thus declared to be a public purpose may be exempted 2226  
from real property taxation. The ordinance shall specify the 2227  
percentage of the improvement to be exempted from taxation. If a 2228  
parcel is located in a new community district in which the new 2229  
community authority imposes a community development charge on the 2230  
basis of rentals received from leases of real property as 2231  
described in division (L)(2) of section 349.01 of the Revised 2232  
Code, the parcel may not be exempted from taxation under this 2233  
section. 2234

(1) If the ordinance declaring improvements to a parcel to be 2235  
a public purpose specifies that payments in lieu of taxes provided 2236  
for in section 5709.42 of the Revised Code shall be paid to the 2237  
city, local, or exempted village school district in which the 2238  
parcel is located in the amount of the taxes that would have been 2239  
payable to the school district if the improvements had not been 2240  
exempted from taxation, the percentage of the improvement that may 2241  
be exempted from taxation may exceed seventy-five per cent, and 2242  
the exemption may be granted for up to thirty years, without the 2243  
approval of the board of education as otherwise required under 2244  
division (C)(2) of this section. 2245

(2) Improvements may be exempted from taxation for up to ten 2246  
years or, with the approval of the board of education of the city, 2247  
local, or exempted village school district within the territory of 2248  
which the improvements are or will be located, for up to thirty 2249  
years. The percentage of the improvement exempted from taxation 2250  
may, with such approval, exceed seventy-five per cent, but shall 2251  
not exceed one hundred per cent. Not later than forty-five 2252  
business days prior to adopting an ordinance under this section, 2253  
the legislative authority shall deliver to the board of education 2254  
a notice stating its intent to declare improvements to be a public 2255  
purpose under this section. The notice shall describe the parcel 2256  
and the improvements, provide an estimate of the true value in 2257

money of the improvements, specify the period for which the 2258  
improvements would be exempted from taxation and the percentage of 2259  
the improvements that would be exempted, and indicate the date on 2260  
which the legislative authority intends to adopt the ordinance. 2261  
The board of education, by resolution adopted by a majority of the 2262  
board, may approve the exemption for the period or for the 2263  
exemption percentage specified in the notice, may disapprove the 2264  
exemption for the number of years in excess of ten, may disapprove 2265  
the exemption for the percentage of the improvements to be 2266  
exempted in excess of seventy-five per cent, or both, or may 2267  
approve the exemption on the condition that the legislative 2268  
authority and the board negotiate an agreement providing for 2269  
compensation to the school district equal in value to a percentage 2270  
of the amount of taxes exempted in the eleventh and subsequent 2271  
years of the exemption period, or, in the case of exemption 2272  
percentages in excess of seventy-five per cent, compensation equal 2273  
in value to a percentage of the taxes that would be payable on the 2274  
portion of the improvement in excess of seventy-five per cent were 2275  
that portion to be subject to taxation. The board of education 2276  
shall certify its resolution to the legislative authority not 2277  
later than fourteen days prior to the date the legislative 2278  
authority intends to adopt the ordinance as indicated in the 2279  
notice. If the board of education approves the exemption on the 2280  
condition that a compensation agreement be negotiated, the board 2281  
in its resolution shall propose a compensation percentage. If the 2282  
board of education and the legislative authority negotiate a 2283  
mutually acceptable compensation agreement, the ordinance may 2284  
declare the improvements a public purpose for the number of years 2285  
specified in the ordinance or, in the case of exemption 2286  
percentages in excess of seventy-five per cent, for the exemption 2287  
percentage specified in the ordinance. In either case, if the 2288  
board and the legislative authority fail to negotiate a mutually 2289  
acceptable compensation agreement, the ordinance may declare the 2290

improvements a public purpose for not more than ten years, but 2291  
shall not exempt more than seventy-five per cent of the 2292  
improvements from taxation. If the board fails to certify a 2293  
resolution to the legislative authority within the time prescribed 2294  
by this division, the legislative authority thereupon may adopt 2295  
the ordinance and may declare the improvements a public purpose 2296  
for up to thirty years. The legislative authority may adopt the 2297  
ordinance at any time after the board of education certifies its 2298  
resolution approving the exemption to the legislative authority, 2299  
or, if the board approves the exemption on the condition that a 2300  
mutually acceptable compensation agreement be negotiated, at any 2301  
time after the compensation agreement is agreed to by the board 2302  
and the legislative authority. If a mutually acceptable 2303  
compensation agreement is negotiated between the legislative 2304  
authority and the board, including agreements for payments in lieu 2305  
of taxes under section 5709.42 of the Revised Code, the 2306  
legislative authority shall compensate the joint vocational school 2307  
district within the territory of which the improvements are or 2308  
will be located at the same rate and under the same terms received 2309  
by the city, local, or exempted village school district. 2310

(3) If a board of education has adopted a resolution waiving 2311  
its right to approve exemptions from taxation and the resolution 2312  
remains in effect, approval of exemptions by the board is not 2313  
required under this division. If a board of education has adopted 2314  
a resolution allowing a legislative authority to deliver the 2315  
notice required under this division fewer than forty-five business 2316  
days prior to the legislative authority's adoption of the 2317  
ordinance, the legislative authority shall deliver the notice to 2318  
the board not later than the number of days prior to such adoption 2319  
as prescribed by the board in its resolution. If a board of 2320  
education adopts a resolution waiving its right to approve 2321  
exemptions or shortening the notification period, the board shall 2322  
certify a copy of the resolution to the legislative authority. If 2323

the board of education rescinds such a resolution, it shall 2324  
certify notice of the rescission to the legislative authority. 2325

(4) If the legislative authority is not required by division 2326  
(C)(1), (2), or (3) of this section to notify the board of 2327  
education of the legislative authority's intent to declare 2328  
improvements to be a public purpose, the legislative authority 2329  
shall comply with the notice requirements imposed under section 2330  
5709.83 of the Revised Code, unless the board has adopted a 2331  
resolution under that section waiving its right to receive such a 2332  
notice. 2333

(D) The exemption commences on the effective date of the 2334  
ordinance and ends on the date specified in the ordinance as the 2335  
date the improvement ceases to be a public purpose. The exemption 2336  
shall be claimed and allowed in the same or a similar manner as in 2337  
the case of other real property exemptions. If an exemption status 2338  
changes during a tax year, the procedure for the apportionment of 2339  
the taxes for that year is the same as in the case of other 2340  
changes in tax exemption status during the year. 2341

(E) A municipal corporation, not later than fifteen days 2342  
after the adoption of an ordinance granting a tax exemption under 2343  
this section, shall submit to the director of development a copy 2344  
of the ordinance. On or before the thirty-first day of March each 2345  
year, the municipal corporation shall submit a status report to 2346  
the director of development outlining the progress of the project 2347  
during each year that the exemption remains in effect. 2348

**Sec. 5709.73.** (A) As used in this section and section 5709.74 2349  
of the Revised Code: 2350

(1) "Business day" means a day of the week excluding 2351  
Saturday, Sunday, and a legal holiday as defined in section 1.14 2352  
of the Revised Code. 2353

(2) "Further improvements" or "improvements" means the increase in the assessed value of real property that would first appear on the tax list and duplicate of real and public utility property after the effective date of a resolution adopted under this section were it not for the exemption granted by that resolution. For purposes of division (B) of this section, "improvements" do not include any property used or to be used for residential purposes.

(3) "Housing renovation" means a project carried out for residential purposes.

(4) "Incentive district" has the same meaning as in section 5709.40 of the Revised Code, except that a blighted area is in the unincorporated area of a township.

(5) "Project" and "public infrastructure improvement" have the same meanings as in section 5709.40 of the Revised Code.

(B) A board of township trustees may, by unanimous vote, adopt a resolution that declares to be a public purpose any public infrastructure improvements made that are necessary for the development of certain parcels of land located in the unincorporated area of the township. Except with the approval under division (D) of this section of the board of education of each city, local, or exempted village school district within which the improvements are located, the resolution may exempt from real property taxation not more than seventy-five per cent of further improvements to a parcel of land that directly benefits from the public infrastructure improvements, for a period of not more than ten years. The resolution shall specify the percentage of the further improvements to be exempted and the life of the exemption.

(C)(1) A board of township trustees may adopt, by unanimous vote, a resolution creating an incentive district and declaring improvements to parcels within the district to be a public purpose

and, except as provided in division (F) of this section, exempt 2385  
from taxation as provided in this section, but no board of 2386  
township trustees of a township that has a population that exceeds 2387  
twenty-five thousand, as shown by the most recent federal 2388  
decennial census, shall adopt a resolution that creates an 2389  
incentive district if the sum of the taxable value of real 2390  
property in the proposed district for the preceding tax year and 2391  
the taxable value of all real property in the township that would 2392  
have been taxable in the preceding year were it not for the fact 2393  
that the property was in an existing incentive district and 2394  
therefore exempt from taxation exceeds twenty-five per cent of the 2395  
taxable value of real property in the township for the preceding 2396  
tax year. The district shall be located within the unincorporated 2397  
area of the township and shall not include any territory that is 2398  
included within a district created under division (B) of section 2399  
5709.78 of the Revised Code. The resolution shall delineate the 2400  
boundary of the district and specifically identify each parcel 2401  
within the district. A district may not include any parcel that is 2402  
or has been exempted from taxation under division (B) of this 2403  
section or that is or has been within another district created 2404  
under this division. A resolution may create more than one 2405  
district, and more than one resolution may be adopted under 2406  
division (C)(1) of this section. 2407

(2) Not later than thirty days prior to adopting a resolution 2408  
under division (C)(1) of this section, if the township intends to 2409  
apply for exemptions from taxation under section 5709.911 of the 2410  
Revised Code on behalf of owners of real property located within 2411  
the proposed incentive district, the board shall conduct a public 2412  
hearing on the proposed resolution. Not later than thirty days 2413  
prior to the public hearing, the board shall give notice of the 2414  
public hearing and the proposed resolution by first class mail to 2415  
every real property owner whose property is located within the 2416  
boundaries of the proposed incentive district that is the subject 2417

of the proposed resolution. 2418

(3)(a) A resolution adopted under division (C)(1) of this 2419  
section shall specify the life of the incentive district and the 2420  
percentage of the improvements to be exempted, shall designate the 2421  
public infrastructure improvements made, to be made, or in the 2422  
process of being made, that benefit or serve, or, once made, will 2423  
benefit or serve parcels in the district. The resolution also 2424  
shall identify one or more specific projects being, or to be, 2425  
undertaken in the district that place additional demand on the 2426  
public infrastructure improvements designated in the resolution. 2427  
The project identified may, but need not be, the project under 2428  
division (C)(3)(b) of this section that places real property in 2429  
use for commercial or industrial purposes. 2430

A resolution adopted under division (C)(1) of this section on 2431  
or after March 30, 2006, shall not designate police or fire 2432  
equipment as public infrastructure improvements, and no service 2433  
payment provided for in section 5709.74 of the Revised Code and 2434  
received by the township under the resolution shall be used for 2435  
police or fire equipment. 2436

(b) A resolution adopted under division (C)(1) of this 2437  
section may authorize the use of service payments provided for in 2438  
section 5709.74 of the Revised Code for the purpose of housing 2439  
renovations within the incentive district, provided that the 2440  
resolution also designates public infrastructure improvements that 2441  
benefit or serve the district, and that a project within the 2442  
district places real property in use for commercial or industrial 2443  
purposes. Service payments may be used to finance or support 2444  
loans, deferred loans, and grants to persons for the purpose of 2445  
housing renovations within the district. The resolution shall 2446  
designate the parcels within the district that are eligible for 2447  
housing renovations. The resolution shall state separately the 2448  
amount or the percentages of the expected aggregate service 2449

payments that are designated for each public infrastructure 2450  
improvement and for the purpose of housing renovations. 2451

(4) Except with the approval of the board of education of 2452  
each city, local, or exempted village school district within the 2453  
territory of which the incentive district is or will be located, 2454  
and subject to division (E) of this section, the life of an 2455  
incentive district shall not exceed ten years, and the percentage 2456  
of improvements to be exempted shall not exceed seventy-five per 2457  
cent. With approval of the board of education, the life of a 2458  
district may be not more than thirty years, and the percentage of 2459  
improvements to be exempted may be not more than one hundred per 2460  
cent. The approval of a board of education shall be obtained in 2461  
the manner provided in division (D) of this section. 2462

(D) Improvements with respect to a parcel may be exempted 2463  
from taxation under division (B) of this section, and improvements 2464  
to parcels within an incentive district may be exempted from 2465  
taxation under division (C) of this section, for up to ten years 2466  
or, with the approval of the board of education of the city, 2467  
local, or exempted village school district within which the parcel 2468  
or district is located, for up to thirty years. The percentage of 2469  
the improvements exempted from taxation may, with such approval, 2470  
exceed seventy-five per cent, but shall not exceed one hundred per 2471  
cent. Not later than forty-five business days prior to adopting a 2472  
resolution under this section declaring improvements to be a 2473  
public purpose that is subject to approval by a board of education 2474  
under this division, the board of township trustees shall deliver 2475  
to the board of education a notice stating its intent to adopt a 2476  
resolution making that declaration. The notice regarding 2477  
improvements with respect to a parcel under division (B) of this 2478  
section shall identify the parcels for which improvements are to 2479  
be exempted from taxation, provide an estimate of the true value 2480  
in money of the improvements, specify the period for which the 2481

improvements would be exempted from taxation and the percentage of 2482  
the improvements that would be exempted, and indicate the date on 2483  
which the board of township trustees intends to adopt the 2484  
resolution. The notice regarding improvements made under division 2485  
(C) of this section to parcels within an incentive district shall 2486  
delineate the boundaries of the district, specifically identify 2487  
each parcel within the district, identify each anticipated 2488  
improvement in the district, provide an estimate of the true value 2489  
in money of each such improvement, specify the life of the 2490  
district and the percentage of improvements that would be 2491  
exempted, and indicate the date on which the board of township 2492  
trustees intends to adopt the resolution. The board of education, 2493  
by resolution adopted by a majority of the board, may approve the 2494  
exemption for the period or for the exemption percentage specified 2495  
in the notice; may disapprove the exemption for the number of 2496  
years in excess of ten, may disapprove the exemption for the 2497  
percentage of the improvements to be exempted in excess of 2498  
seventy-five per cent, or both; or may approve the exemption on 2499  
the condition that the board of township trustees and the board of 2500  
education negotiate an agreement providing for compensation to the 2501  
school district equal in value to a percentage of the amount of 2502  
taxes exempted in the eleventh and subsequent years of the 2503  
exemption period or, in the case of exemption percentages in 2504  
excess of seventy-five per cent, compensation equal in value to a 2505  
percentage of the taxes that would be payable on the portion of 2506  
the improvements in excess of seventy-five per cent were that 2507  
portion to be subject to taxation, or other mutually agreeable 2508  
compensation. 2509

The board of education shall certify its resolution to the 2510  
board of township trustees not later than fourteen days prior to 2511  
the date the board of township trustees intends to adopt the 2512  
resolution as indicated in the notice. If the board of education 2513  
and the board of township trustees negotiate a mutually acceptable 2514

compensation agreement, the resolution may declare the 2515  
improvements a public purpose for the number of years specified in 2516  
the resolution or, in the case of exemption percentages in excess 2517  
of seventy-five per cent, for the exemption percentage specified 2518  
in the resolution. In either case, if the board of education and 2519  
the board of township trustees fail to negotiate a mutually 2520  
acceptable compensation agreement, the resolution may declare the 2521  
improvements a public purpose for not more than ten years, and 2522  
shall not exempt more than seventy-five per cent of the 2523  
improvements from taxation. If the board of education fails to 2524  
certify a resolution to the board of township trustees within the 2525  
time prescribed by this section, the board of township trustees 2526  
thereupon may adopt the resolution and may declare the 2527  
improvements a public purpose for up to thirty years or, in the 2528  
case of exemption percentages proposed in excess of seventy-five 2529  
per cent, for the exemption percentage specified in the 2530  
resolution. The board of township trustees may adopt the 2531  
resolution at any time after the board of education certifies its 2532  
resolution approving the exemption to the board of township 2533  
trustees, or, if the board of education approves the exemption on 2534  
the condition that a mutually acceptable compensation agreement be 2535  
negotiated, at any time after the compensation agreement is agreed 2536  
to by the board of education and the board of township trustees. 2537  
If a mutually acceptable compensation agreement is negotiated 2538  
between the board of township trustees and the board of education, 2539  
including agreements for payments in lieu of taxes under section 2540  
5709.74 of the Revised Code, the board of township trustees shall 2541  
compensate the joint vocational school district within which the 2542  
parcel or district is located at the same rate and under the same 2543  
terms received by the city, local, or exempted village school 2544  
district. 2545

If a board of education has adopted a resolution waiving its 2546  
right to approve exemptions from taxation under this section and 2547

the resolution remains in effect, approval of such exemptions by 2548  
the board of education is not required under division (D) of this 2549  
section. If a board of education has adopted a resolution allowing 2550  
a board of township trustees to deliver the notice required under 2551  
division (D) of this section fewer than forty-five business days 2552  
prior to adoption of the resolution by the board of township 2553  
trustees, the board of township trustees shall deliver the notice 2554  
to the board of education not later than the number of days prior 2555  
to the adoption as prescribed by the board of education in its 2556  
resolution. If a board of education adopts a resolution waiving 2557  
its right to approve exemptions or shortening the notification 2558  
period, the board of education shall certify a copy of the 2559  
resolution to the board of township trustees. If the board of 2560  
education rescinds the resolution, it shall certify notice of the 2561  
rescission to the board of township trustees. 2562

If the board of township trustees is not required by division 2563  
(D) of this section to notify the board of education of the board 2564  
of township trustees' intent to declare improvements to be a 2565  
public purpose, the board of township trustees shall comply with 2566  
the notice requirements imposed under section 5709.83 of the 2567  
Revised Code before taking formal action to adopt the resolution 2568  
making that declaration, unless the board of education has adopted 2569  
a resolution under that section waiving its right to receive the 2570  
notice. 2571

(E)(1) If a proposed resolution under division (C)(1) of this 2572  
section exempts improvements with respect to a parcel within an 2573  
incentive district for more than ten years, or the percentage of 2574  
the improvement exempted from taxation exceeds seventy-five per 2575  
cent, not later than forty-five business days prior to adopting 2576  
the resolution the board of township trustees shall deliver to the 2577  
board of county commissioners of the county within which the 2578  
incentive district is or will be located a notice that states its 2579

intent to adopt a resolution creating an incentive district. The 2580  
notice shall include a copy of the proposed resolution, identify 2581  
the parcels for which improvements are to be exempted from 2582  
taxation, provide an estimate of the true value in money of the 2583  
improvements, specify the period of time for which the 2584  
improvements would be exempted from taxation, specify the 2585  
percentage of the improvements that would be exempted from 2586  
taxation, and indicate the date on which the board of township 2587  
trustees intends to adopt the resolution. 2588

(2) The board of county commissioners, by resolution adopted 2589  
by a majority of the board, may object to the exemption for the 2590  
number of years in excess of ten, may object to the exemption for 2591  
the percentage of the improvement to be exempted in excess of 2592  
seventy-five per cent, or both. If the board of county 2593  
commissioners objects, the board may negotiate a mutually 2594  
acceptable compensation agreement with the board of township 2595  
trustees. In no case shall the compensation provided to the board 2596  
of county commissioners exceed the property taxes foregone due to 2597  
the exemption. If the board of county commissioners objects, and 2598  
the board of county commissioners and board of township trustees 2599  
fail to negotiate a mutually acceptable compensation agreement, 2600  
the resolution adopted under division (C)(1) of this section shall 2601  
provide to the board of county commissioners compensation in the 2602  
eleventh and subsequent years of the exemption period equal in 2603  
value to not more than fifty per cent of the taxes that would be 2604  
payable to the county or, if the board of county commissioner's 2605  
objection includes an objection to an exemption percentage in 2606  
excess of seventy-five per cent, compensation equal in value to 2607  
not more than fifty per cent of the taxes that would be payable to 2608  
the county, on the portion of the improvement in excess of 2609  
seventy-five per cent, were that portion to be subject to 2610  
taxation. The board of county commissioners shall certify its 2611  
resolution to the board of township trustees not later than thirty 2612

days after receipt of the notice. 2613

(3) If the board of county commissioners does not object or 2614  
fails to certify its resolution objecting to an exemption within 2615  
thirty days after receipt of the notice, the board of township 2616  
trustees may adopt its resolution, and no compensation shall be 2617  
provided to the board of county commissioners. If the board of 2618  
county commissioners timely certifies its resolution objecting to 2619  
the trustees' resolution, the board of township trustees may adopt 2620  
its resolution at any time after a mutually acceptable 2621  
compensation agreement is agreed to by the board of county 2622  
commissioners and the board of township trustees, or, if no 2623  
compensation agreement is negotiated, at any time after the board 2624  
of township trustees agrees in the proposed resolution to provide 2625  
compensation to the board of county commissioners of fifty per 2626  
cent of the taxes that would be payable to the county in the 2627  
eleventh and subsequent years of the exemption period or on the 2628  
portion of the improvement in excess of seventy-five per cent, 2629  
were that portion to be subject to taxation. 2630

(F) Service payments in lieu of taxes that are attributable 2631  
to any amount by which the effective tax rate of either a renewal 2632  
levy with an increase or a replacement levy exceeds the effective 2633  
tax rate of the levy renewed or replaced, or that are attributable 2634  
to an additional levy, for a levy authorized by the voters for any 2635  
of the following purposes on or after January 1, 2006, and which 2636  
are provided pursuant to a resolution creating an incentive 2637  
district under division (C)(1) of this section that is adopted on 2638  
or after January 1, 2006, shall be distributed to the appropriate 2639  
taxing authority as required under division (C) of section 5709.74 2640  
of the Revised Code in an amount equal to the amount of taxes from 2641  
that additional levy or from the increase in the effective tax 2642  
rate of such renewal or replacement levy that would have been 2643  
payable to that taxing authority from the following levies were it 2644

not for the exemption authorized under division (C) of this	2645
section:	2646
(1) A tax levied under division (L) of section 5705.19 or	2647
section 5705.191 of the Revised Code for community mental	2648
retardation and developmental disabilities programs and services	2649
pursuant to Chapter 5126. of the Revised Code;	2650
(2) A tax levied under division (Y) of section 5705.19 of the	2651
Revised Code for providing or maintaining senior citizens services	2652
or facilities;	2653
(3) A tax levied under section 5705.22 of the Revised Code	2654
for county hospitals;	2655
(4) A tax levied by a joint-county district or by a county	2656
under section 5705.19, 5705.191, or 5705.221 of the Revised Code	2657
for alcohol, drug addiction, and mental health services or	2658
families;	2659
(5) A tax levied under section 5705.23 of the Revised Code	2660
for library purposes;	2661
(6) A tax levied under section 5705.24 of the Revised Code	2662
for the support of children services and the placement and care of	2663
children;	2664
(7) A tax levied under division (Z) of section 5705.19 of the	2665
Revised Code for the provision and maintenance of zoological park	2666
services and facilities under section 307.76 of the Revised Code;	2667
(8) A tax levied under section 511.27 or division (H) of	2668
section 5705.19 of the Revised Code for the support of township	2669
park districts;	2670
(9) A tax levied under division (A), (F), or (H) of section	2671
5705.19 of the Revised Code for parks and recreational purposes of	2672
a joint recreation district organized pursuant to division (B) of	2673
section 755.14 of the Revised Code;	2674

(10) A tax levied under section 1545.20 or 1545.21 of the Revised Code for park district purposes;	2675 2676
(11) A tax levied under section 5705.191 of the Revised Code for the purpose of making appropriations for public assistance; human or social services; public relief; public welfare; public health and hospitalization; and support of general hospitals;	2677 2678 2679 2680
(12) A tax levied under section 3709.29 of the Revised Code for a general health district program.	2681 2682
(G) An exemption from taxation granted under this section commences with the tax year specified in the resolution so long as the year specified in the resolution commences after the effective date of the resolution. If the resolution specifies a year commencing before the effective date of the resolution or specifies no year whatsoever, the exemption commences with the tax year in which an exempted improvement first appears on the tax list and duplicate of real and public utility property and that commences after the effective date of the resolution. Except as otherwise provided in this division, the exemption ends on the date specified in the resolution as the date the improvement ceases to be a public purpose or the incentive district expires, or ends on the date on which the public infrastructure improvements and housing renovations are paid in full from the township public improvement tax increment equivalent fund established under section 5709.75 of the Revised Code, whichever occurs first. The exemption of an improvement with respect to a parcel or within an incentive district may end on a later date, as specified in the resolution, if the board of township trustees and the board of education of the city, local, or exempted village school district within which the parcel or district is located have entered into a compensation agreement under section 5709.82 of the Revised Code with respect to the improvement and the board of education has approved the term of the exemption under division	2683 2684 2685 2686 2687 2688 2689 2690 2691 2692 2693 2694 2695 2696 2697 2698 2699 2700 2701 2702 2703 2704 2705 2706

(D) of this section, but in no case shall the improvement be 2707  
exempted from taxation for more than thirty years. The board of 2708  
township trustees may, by majority vote, adopt a resolution 2709  
permitting the township to enter into such agreements as the board 2710  
finds necessary or appropriate to provide for the construction or 2711  
undertaking of public infrastructure improvements and housing 2712  
renovations. Any exemption shall be claimed and allowed in the 2713  
same or a similar manner as in the case of other real property 2714  
exemptions. If an exemption status changes during a tax year, the 2715  
procedure for the apportionment of the taxes for that year is the 2716  
same as in the case of other changes in tax exemption status 2717  
during the year. 2718

(H) The board of township trustees may issue the notes of the 2719  
township to finance all costs pertaining to the construction or 2720  
undertaking of public infrastructure improvements and housing 2721  
renovations made pursuant to this section. The notes shall be 2722  
signed by the board and attested by the signature of the township 2723  
fiscal officer, shall bear interest not to exceed the rate 2724  
provided in section 9.95 of the Revised Code, and are not subject 2725  
to Chapter 133. of the Revised Code. The resolution authorizing 2726  
the issuance of the notes shall pledge the funds of the township 2727  
public improvement tax increment equivalent fund established 2728  
pursuant to section 5709.75 of the Revised Code to pay the 2729  
interest on and principal of the notes. The notes, which may 2730  
contain a clause permitting prepayment at the option of the board, 2731  
shall be offered for sale on the open market or given to the 2732  
vendor or contractor if no sale is made. 2733

(I) The township, not later than fifteen days after the 2734  
adoption of a resolution under this section, shall submit to the 2735  
director of development a copy of the resolution. On or before the 2736  
thirty-first day of March of each year, the township shall submit 2737  
a status report to the director of development. The report shall 2738

indicate, in the manner prescribed by the director, the progress 2739  
of the project during each year that the exemption remains in 2740  
effect, including a summary of the receipts from service payments 2741  
in lieu of taxes; expenditures of money from the fund created 2742  
under section 5709.75 of the Revised Code; a description of the 2743  
public infrastructure improvements and housing renovations 2744  
financed with the expenditures; and a quantitative summary of 2745  
changes in private investment resulting from each project. 2746

(J) Nothing in this section shall be construed to prohibit a 2747  
board of township trustees from declaring to be a public purpose 2748  
improvements with respect to more than one parcel. 2749

If a parcel is located in a new community district in which 2750  
the new community authority imposes a community development charge 2751  
on the basis of rentals received from leases of real property as 2752  
described in division (L)(2) of section 349.01 of the Revised 2753  
Code, the parcel may not be exempted from taxation under this 2754  
section. 2755

(K) A board of township trustees that adopted a resolution 2756  
under this section prior to July 21, 1994, may amend that 2757  
resolution to include any additional public infrastructure 2758  
improvement. A board of township trustees that seeks by the 2759  
amendment to utilize money from its township public improvement 2760  
tax increment equivalent fund for land acquisition in aid of 2761  
industry, commerce, distribution, or research, demolition on 2762  
private property, or stormwater and flood remediation projects may 2763  
do so provided that the board currently is a party to a 2764  
hold-harmless agreement with the board of education of the city, 2765  
local, or exempted village school district within the territory of 2766  
which are located the parcels that are subject to an exemption. 2767  
For the purposes of this division, a "hold-harmless agreement" 2768  
means an agreement under which the board of township trustees 2769  
agrees to compensate the school district for one hundred per cent 2770

of the tax revenue that the school district would have received 2771  
from further improvements to parcels designated in the resolution 2772  
were it not for the exemption granted by the resolution. 2773

**Sec. 5709.78.** (A) A board of county commissioners may, by 2774  
resolution, declare improvements to certain parcels of real 2775  
property located in the unincorporated territory of the county to 2776  
be a public purpose. Except with the approval under division (C) 2777  
of this section of the board of education of each city, local, or 2778  
exempted village school district within which the improvements are 2779  
located, not more than seventy-five per cent of an improvement 2780  
thus declared to be a public purpose may be exempted from real 2781  
property taxation, for a period of not more than ten years. The 2782  
resolution shall specify the percentage of the improvement to be 2783  
exempted and the life of the exemption. 2784

A resolution adopted under this division shall designate the 2785  
specific public infrastructure improvements made, to be made, or 2786  
in the process of being made by the county that directly benefit, 2787  
or that once made will directly benefit, the parcels for which 2788  
improvements are declared to be a public purpose. The service 2789  
payments provided for in section 5709.79 of the Revised Code shall 2790  
be used to finance the public infrastructure improvements 2791  
designated in the resolution, or as provided in section 5709.80 of 2792  
the Revised Code. 2793

(B)(1) A board of county commissioners may adopt a resolution 2794  
creating an incentive district and declaring improvements to 2795  
parcels within the district to be a public purpose and, except as 2796  
provided in division (E) of this section, exempt from taxation as 2797  
provided in this section, but no board of county commissioners of 2798  
a county that has a population that exceeds twenty-five thousand, 2799  
as shown by the most recent federal decennial census, shall adopt 2800  
a resolution that creates an incentive district if the sum of the 2801

taxable value of real property in the proposed district for the 2802  
preceding tax year and the taxable value of all real property in 2803  
the county that would have been taxable in the preceding year were 2804  
it not for the fact that the property was in an existing incentive 2805  
district and therefore exempt from taxation exceeds twenty-five 2806  
per cent of the taxable value of real property in the county for 2807  
the preceding tax year. The district shall be located within the 2808  
unincorporated territory of the county and shall not include any 2809  
territory that is included within a district created under 2810  
division (C) of section 5709.73 of the Revised Code. The 2811  
resolution shall delineate the boundary of the district and 2812  
specifically identify each parcel within the district. A district 2813  
may not include any parcel that is or has been exempted from 2814  
taxation under division (A) of this section or that is or has been 2815  
within another district created under this division. A resolution 2816  
may create more than one such district, and more than one 2817  
resolution may be adopted under division (B)(1) of this section. 2818

(2) Not later than thirty days prior to adopting a resolution 2819  
under division (B)(1) of this section, if the county intends to 2820  
apply for exemptions from taxation under section 5709.911 of the 2821  
Revised Code on behalf of owners of real property located within 2822  
the proposed incentive district, the board of county commissioners 2823  
shall conduct a public hearing on the proposed resolution. Not 2824  
later than thirty days prior to the public hearing, the board 2825  
shall give notice of the public hearing and the proposed 2826  
resolution by first class mail to every real property owner whose 2827  
property is located within the boundaries of the proposed 2828  
incentive district that is the subject of the proposed resolution. 2829  
The board also shall provide the notice by first class mail to the 2830  
clerk of each township in which the proposed incentive district 2831  
will be located. 2832

(3)(a) A resolution adopted under division (B)(1) of this 2833

section shall specify the life of the incentive district and the 2834  
percentage of the improvements to be exempted, shall designate the 2835  
public infrastructure improvements made, to be made, or in the 2836  
process of being made, that benefit or serve, or, once made, will 2837  
benefit or serve parcels in the district. The resolution also 2838  
shall identify one or more specific projects being, or to be, 2839  
undertaken in the district that place additional demand on the 2840  
public infrastructure improvements designated in the resolution. 2841  
The project identified may, but need not be, the project under 2842  
division (B)(3)(b) of this section that places real property in 2843  
use for commercial or industrial purposes. 2844

A resolution adopted under division (B)(1) of this section on 2845  
or after March 30, 2006, shall not designate police or fire 2846  
equipment as public infrastructure improvements, and no service 2847  
payment provided for in section 5709.79 of the Revised Code and 2848  
received by the county under the resolution shall be used for 2849  
police or fire equipment. 2850

(b) A resolution adopted under division (B)(1) of this 2851  
section may authorize the use of service payments provided for in 2852  
section 5709.79 of the Revised Code for the purpose of housing 2853  
renovations within the incentive district, provided that the 2854  
resolution also designates public infrastructure improvements that 2855  
benefit or serve the district, and that a project within the 2856  
district places real property in use for commercial or industrial 2857  
purposes. Service payments may be used to finance or support 2858  
loans, deferred loans, and grants to persons for the purpose of 2859  
housing renovations within the district. The resolution shall 2860  
designate the parcels within the district that are eligible for 2861  
housing renovations. The resolution shall state separately the 2862  
amount or the percentages of the expected aggregate service 2863  
payments that are designated for each public infrastructure 2864  
improvement and for the purpose of housing renovations. 2865

(4) Except with the approval of the board of education of each city, local, or exempted village school district within the territory of which the incentive district is or will be located, and subject to division (D) of this section, the life of an incentive district shall not exceed ten years, and the percentage of improvements to be exempted shall not exceed seventy-five per cent. With approval of the board of education, the life of a district may be not more than thirty years, and the percentage of improvements to be exempted may be not more than one hundred per cent. The approval of a board of education shall be obtained in the manner provided in division (C) of this section.

(C)(1) Improvements with respect to a parcel may be exempted from taxation under division (A) of this section, and improvements to parcels within an incentive district may be exempted from taxation under division (B) of this section, for up to ten years or, with the approval of the board of education of each city, local, or exempted village school district within which the parcel or district is located, for up to thirty years. The percentage of the improvements exempted from taxation may, with such approval, exceed seventy-five per cent, but shall not exceed one hundred per cent. Not later than forty-five business days prior to adopting a resolution under this section declaring improvements to be a public purpose that is subject to the approval of a board of education under this division, the board of county commissioners shall deliver to the board of education a notice stating its intent to adopt a resolution making that declaration. The notice regarding improvements with respect to a parcel under division (A) of this section shall identify the parcels for which improvements are to be exempted from taxation, provide an estimate of the true value in money of the improvements, specify the period for which the improvements would be exempted from taxation and the percentage of the improvements that would be exempted, and indicate the date on which the board of county commissioners

intends to adopt the resolution. The notice regarding improvements 2899  
to parcels within an incentive district under division (B) of this 2900  
section shall delineate the boundaries of the district, 2901  
specifically identify each parcel within the district, identify 2902  
each anticipated improvement in the district, provide an estimate 2903  
of the true value in money of each such improvement, specify the 2904  
life of the district and the percentage of improvements that would 2905  
be exempted, and indicate the date on which the board of county 2906  
commissioners intends to adopt the resolution. The board of 2907  
education, by resolution adopted by a majority of the board, may 2908  
approve the exemption for the period or for the exemption 2909  
percentage specified in the notice; may disapprove the exemption 2910  
for the number of years in excess of ten, may disapprove the 2911  
exemption for the percentage of the improvements to be exempted in 2912  
excess of seventy-five per cent, or both; or may approve the 2913  
exemption on the condition that the board of county commissioners 2914  
and the board of education negotiate an agreement providing for 2915  
compensation to the school district equal in value to a percentage 2916  
of the amount of taxes exempted in the eleventh and subsequent 2917  
years of the exemption period or, in the case of exemption 2918  
percentages in excess of seventy-five per cent, compensation equal 2919  
in value to a percentage of the taxes that would be payable on the 2920  
portion of the improvements in excess of seventy-five per cent 2921  
were that portion to be subject to taxation, or other mutually 2922  
agreeable compensation. 2923

(2) The board of education shall certify its resolution to 2924  
the board of county commissioners not later than fourteen days 2925  
prior to the date the board of county commissioners intends to 2926  
adopt its resolution as indicated in the notice. If the board of 2927  
education and the board of county commissioners negotiate a 2928  
mutually acceptable compensation agreement, the resolution of the 2929  
board of county commissioners may declare the improvements a 2930  
public purpose for the number of years specified in that 2931

resolution or, in the case of exemption percentages in excess of 2932  
seventy-five per cent, for the exemption percentage specified in 2933  
the resolution. In either case, if the board of education and the 2934  
board of county commissioners fail to negotiate a mutually 2935  
acceptable compensation agreement, the resolution may declare the 2936  
improvements a public purpose for not more than ten years, and 2937  
shall not exempt more than seventy-five per cent of the 2938  
improvements from taxation. If the board of education fails to 2939  
certify a resolution to the board of county commissioners within 2940  
the time prescribed by this section, the board of county 2941  
commissioners thereupon may adopt the resolution and may declare 2942  
the improvements a public purpose for up to thirty years or, in 2943  
the case of exemption percentages proposed in excess of 2944  
seventy-five per cent, for the exemption percentage specified in 2945  
the resolution. The board of county commissioners may adopt the 2946  
resolution at any time after the board of education certifies its 2947  
resolution approving the exemption to the board of county 2948  
commissioners, or, if the board of education approves the 2949  
exemption on the condition that a mutually acceptable compensation 2950  
agreement be negotiated, at any time after the compensation 2951  
agreement is agreed to by the board of education and the board of 2952  
county commissioners. If a mutually acceptable compensation 2953  
agreement is negotiated between the board of county commissioners 2954  
and the board of education, including agreements for payments in 2955  
lieu of taxes under section 5709.79 of the Revised Code, the board 2956  
of county commissioners shall compensate the joint vocational 2957  
school district within which the parcel or district is located at 2958  
the same rate and under the same terms received by the city, 2959  
local, or exempted village school district. 2960

(3) If a board of education has adopted a resolution waiving 2961  
its right to approve exemptions from taxation under this section 2962  
and the resolution remains in effect, approval of such exemptions 2963  
by the board of education is not required under division (C) of 2964

this section. If a board of education has adopted a resolution 2965  
allowing a board of county commissioners to deliver the notice 2966  
required under division (C) of this section fewer than forty-five 2967  
business days prior to approval of the resolution by the board of 2968  
county commissioners, the board of county commissioners shall 2969  
deliver the notice to the board of education not later than the 2970  
number of days prior to such approval as prescribed by the board 2971  
of education in its resolution. If a board of education adopts a 2972  
resolution waiving its right to approve exemptions or shortening 2973  
the notification period, the board of education shall certify a 2974  
copy of the resolution to the board of county commissioners. If 2975  
the board of education rescinds such a resolution, it shall 2976  
certify notice of the rescission to the board of county 2977  
commissioners. 2978

(D)(1) If a proposed resolution under division (B)(1) of this 2979  
section exempts improvements with respect to a parcel within an 2980  
incentive district for more than ten years, or the percentage of 2981  
the improvement exempted from taxation exceeds seventy-five per 2982  
cent, not later than forty-five business days prior to adopting 2983  
the resolution the board of county commissioners shall deliver to 2984  
the board of township trustees of any township within which the 2985  
incentive district is or will be located a notice that states its 2986  
intent to adopt a resolution creating an incentive district. The 2987  
notice shall include a copy of the proposed resolution, identify 2988  
the parcels for which improvements are to be exempted from 2989  
taxation, provide an estimate of the true value in money of the 2990  
improvements, specify the period of time for which the 2991  
improvements would be exempted from taxation, specify the 2992  
percentage of the improvements that would be exempted from 2993  
taxation, and indicate the date on which the board intends to 2994  
adopt the resolution. 2995

(2) The board of township trustees, by resolution adopted by 2996

a majority of the board, may object to the exemption for the 2997  
number of years in excess of ten, may object to the exemption for 2998  
the percentage of the improvement to be exempted in excess of 2999  
seventy-five per cent, or both. If the board of township trustees 3000  
objects, the board of township trustees may negotiate a mutually 3001  
acceptable compensation agreement with the board of county 3002  
commissioners. In no case shall the compensation provided to the 3003  
board of township trustees exceed the property taxes forgone due 3004  
to the exemption. If the board of township trustees objects, and 3005  
the board of township trustees and the board of county 3006  
commissioners fail to negotiate a mutually acceptable compensation 3007  
agreement, the resolution adopted under division (B)(1) of this 3008  
section shall provide to the board of township trustees 3009  
compensation in the eleventh and subsequent years of the exemption 3010  
period equal in value to not more than fifty per cent of the taxes 3011  
that would be payable to the township or, if the board of township 3012  
trustee's objection includes an objection to an exemption 3013  
percentage in excess of seventy-five per cent, compensation equal 3014  
in value to not more than fifty per cent of the taxes that would 3015  
be payable to the township on the portion of the improvement in 3016  
excess of seventy-five per cent, were that portion to be subject 3017  
to taxation. The board of township trustees shall certify its 3018  
resolution to the board of county commissioners not later than 3019  
thirty days after receipt of the notice. 3020

(3) If the board of township trustees does not object or 3021  
fails to certify a resolution objecting to an exemption within 3022  
thirty days after receipt of the notice, the board of county 3023  
commissioners may adopt its resolution, and no compensation shall 3024  
be provided to the board of township trustees. If the board of 3025  
township trustees certifies its resolution objecting to the 3026  
commissioners' resolution, the board of county commissioners may 3027  
adopt its resolution at any time after a mutually acceptable 3028  
compensation agreement is agreed to by the board of county 3029

commissioners and the board of township trustees. If the board of 3030  
township trustees certifies a resolution objecting to the 3031  
commissioners' resolution, the board of county commissioners may 3032  
adopt its resolution at any time after a mutually acceptable 3033  
compensation agreement is agreed to by the board of county 3034  
commissioners and the board of township trustees, or, if no 3035  
compensation agreement is negotiated, at any time after the board 3036  
of county commissioners in the proposed resolution to provide 3037  
compensation to the board of township trustees of fifty per cent 3038  
of the taxes that would be payable to the township in the eleventh 3039  
and subsequent years of the exemption period or on the portion of 3040  
the improvement in excess of seventy-five per cent, were that 3041  
portion to be subject to taxation. 3042

(E) Service payments in lieu of taxes that are attributable 3043  
to any amount by which the effective tax rate of either a renewal 3044  
levy with an increase or a replacement levy exceeds the effective 3045  
tax rate of the levy renewed or replaced, or that are attributable 3046  
to an additional levy, for a levy authorized by the voters for any 3047  
of the following purposes on or after January 1, 2006, and which 3048  
are provided pursuant to a resolution creating an incentive 3049  
district under division (B)(1) of this section that is adopted on 3050  
or after January 1, 2006, shall be distributed to the appropriate 3051  
taxing authority as required under division (D) of section 5709.79 3052  
of the Revised Code in an amount equal to the amount of taxes from 3053  
that additional levy or from the increase in the effective tax 3054  
rate of such renewal or replacement levy that would have been 3055  
payable to that taxing authority from the following levies were it 3056  
not for the exemption authorized under division (B) of this 3057  
section: 3058

(1) A tax levied under division (L) of section 5705.19 or 3059  
section 5705.191 of the Revised Code for community mental 3060  
retardation and developmental disabilities programs and services 3061

pursuant to Chapter 5126. of the Revised Code;	3062
(2) A tax levied under division (Y) of section 5705.19 of the Revised Code for providing or maintaining senior citizens services or facilities;	3063 3064 3065
(3) A tax levied under section 5705.22 of the Revised Code for county hospitals;	3066 3067
(4) A tax levied by a joint-county district or by a county under section 5705.19, 5705.191, or 5705.221 of the Revised Code for alcohol, drug addiction, and mental health services or facilities;	3068 3069 3070 3071
(5) A tax levied under section 5705.23 of the Revised Code for library purposes;	3072 3073
(6) A tax levied under section 5705.24 of the Revised Code for the support of children services and the placement and care of children;	3074 3075 3076
(7) A tax levied under division (Z) of section 5705.19 of the Revised Code for the provision and maintenance of zoological park services and facilities under section 307.76 of the Revised Code;	3077 3078 3079
(8) A tax levied under section 511.27 or division (H) of section 5705.19 of the Revised Code for the support of township park districts;	3080 3081 3082
(9) A tax levied under division (A), (F), or (H) of section 5705.19 of the Revised Code for parks and recreational purposes of a joint recreation district organized pursuant to division (B) of section 755.14 of the Revised Code;	3083 3084 3085 3086
(10) A tax levied under section 1545.20 or 1545.21 of the Revised Code for park district purposes;	3087 3088
(11) A tax levied under section 5705.191 of the Revised Code for the purpose of making appropriations for public assistance; human or social services; public relief; public welfare; public	3089 3090 3091

health and hospitalization; and support of general hospitals; 3092

(12) A tax levied under section 3709.29 of the Revised Code 3093  
for a general health district program. 3094

(F) An exemption from taxation granted under this section 3095  
commences with the tax year specified in the resolution so long as 3096  
the year specified in the resolution commences after the effective 3097  
date of the resolution. If the resolution specifies a year 3098  
commencing before the effective date of the resolution or 3099  
specifies no year whatsoever, the exemption commences with the tax 3100  
year in which an exempted improvement first appears on the tax 3101  
list and duplicate of real and public utility property and that 3102  
commences after the effective date of the resolution. Except as 3103  
otherwise provided in this division, the exemption ends on the 3104  
date specified in the resolution as the date the improvement 3105  
ceases to be a public purpose or the incentive district expires, 3106  
or ends on the date on which the county can no longer require 3107  
annual service payments in lieu of taxes under section 5709.79 of 3108  
the Revised Code, whichever occurs first. The exemption of an 3109  
improvement with respect to a parcel or within an incentive 3110  
district may end on a later date, as specified in the resolution, 3111  
if the board of commissioners and the board of education of the 3112  
city, local, or exempted village school district within which the 3113  
parcel or district is located have entered into a compensation 3114  
agreement under section 5709.82 of the Revised Code with respect 3115  
to the improvement, and the board of education has approved the 3116  
term of the exemption under division (C)(1) of this section, but 3117  
in no case shall the improvement be exempted from taxation for 3118  
more than thirty years. Exemptions shall be claimed and allowed in 3119  
the same or a similar manner as in the case of other real property 3120  
exemptions. If an exemption status changes during a tax year, the 3121  
procedure for the apportionment of the taxes for that year is the 3122  
same as in the case of other changes in tax exemption status 3123

during the year. 3124

(G) If the board of county commissioners is not required by 3125  
this section to notify the board of education of the board of 3126  
county commissioners' intent to declare improvements to be a 3127  
public purpose, the board of county commissioners shall comply 3128  
with the notice requirements imposed under section 5709.83 of the 3129  
Revised Code before taking formal action to adopt the resolution 3130  
making that declaration, unless the board of education has adopted 3131  
a resolution under that section waiving its right to receive such 3132  
a notice. 3133

(H) The county, not later than fifteen days after the 3134  
adoption of a resolution under this section, shall submit to the 3135  
director of development a copy of the resolution. On or before the 3136  
thirty-first day of March of each year, the county shall submit a 3137  
status report to the director of development. The report shall 3138  
indicate, in the manner prescribed by the director, the progress 3139  
of the project during each year that an exemption remains in 3140  
effect, including a summary of the receipts from service payments 3141  
in lieu of taxes; expenditures of money from the fund created 3142  
under section 5709.80 of the Revised Code; a description of the 3143  
public infrastructure improvements and housing renovations 3144  
financed with such expenditures; and a quantitative summary of 3145  
changes in employment and private investment resulting from each 3146  
project. 3147

(I) Nothing in this section shall be construed to prohibit a 3148  
board of county commissioners from declaring to be a public 3149  
purpose improvements with respect to more than one parcel. 3150

(J) If a parcel is located in a new community district in 3151  
which the new community authority imposes a community development 3152  
charge on the basis of rentals received from leases of real 3153  
property as described in division (L)(2) of section 349.01 of the 3154  
Revised Code, the parcel may not be exempted from taxation under 3155

this section. 3156

**Sec. 5727.84.** (A) As used in this section and sections 3157  
5727.85, 5727.86, and 5727.87 of the Revised Code: 3158

(1) "School district" means a city, local, or exempted 3159  
village school district. 3160

(2) "Joint vocational school district" means a joint 3161  
vocational school district created under section 3311.16 of the 3162  
Revised Code, and includes a cooperative education school district 3163  
created under section 3311.52 or 3311.521 of the Revised Code and 3164  
a county school financing district created under section 3311.50 3165  
of the Revised Code. 3166

(3) "Local taxing unit" means a subdivision or taxing unit, 3167  
as defined in section 5705.01 of the Revised Code, a park district 3168  
created under Chapter 1545. of the Revised Code, or a township 3169  
park district established under section 511.23 of the Revised 3170  
Code, but excludes school districts and joint vocational school 3171  
districts. 3172

(4) "State education aid," for a school district, means the 3173  
following: 3174

(a) For fiscal years prior to fiscal year 2010, the sum of 3175  
state aid amounts computed for the district under the following 3176  
provisions, as they existed for the applicable fiscal year: 3177  
divisions (A), (C)(1), (C)(4), (D), (E), and (F) of section 3178  
3317.022; divisions (B), (C), and (D) of section 3317.023; 3179  
divisions (G), (L), and (N) of section 3317.024; and sections 3180  
3317.029, 3317.0216, 3317.0217, 3317.04, 3317.05, 3317.052, and 3181  
3317.053 of the Revised Code; and the adjustments required by: 3182  
division (C) of section 3310.08; division (C)(2) of section 3183  
3310.41; division (C) of section 3314.08; division (D)(2) of 3184  
section 3314.091; division (D) of section 3314.13; divisions (E), 3185

(K), (L), (M), and (N) of section 3317.023; division (C) of 3186  
section 3317.20; and sections 3313.979 and 3313.981 of the Revised 3187  
Code. However, when calculating state education aid for a school 3188  
district for fiscal years 2008 and 2009, include the amount 3189  
computed for the district under Section 269.20.80 of H.B. 119 of 3190  
the 127th general assembly, as subsequently amended, instead of 3191  
division (D) of section 3317.022 of the Revised Code; and include 3192  
amounts calculated under Section 269.30.80 of H.B. 119 of the 3193  
127th general assembly, as subsequently amended. 3194

(b) For fiscal years 2010 and 2011, the sum of the amounts 3195  
computed for the district under former sections 3306.052, 3306.12, 3196  
3306.13, 3306.19, 3306.191, and 3306.192 of the Revised Code and 3197  
the following provisions, as they existed for the applicable 3198  
fiscal year: division (G) of section 3317.024; sections 3317.05, 3199  
3317.052, and 3317.053 of the Revised Code; and the adjustments 3200  
required by division (C) of section 3310.08; division (C)(2) of 3201  
section 3310.41; division (C) of section 3314.08; division (D)(2) 3202  
of section 3314.091; division (D) of section 3314.13; divisions 3203  
(E), (K), (L), (M), and (N) of section 3317.023; division (C) of 3204  
section 3317.20; and sections 3313.979, 3313.981, and 3326.33 of 3205  
the Revised Code. 3206

(c) For fiscal years 2012 and 2013, the amount paid in 3207  
accordance with the section of H.B. 153 of the 129th general 3208  
assembly entitled "FUNDING FOR CITY, EXEMPTED VILLAGE, AND LOCAL 3209  
SCHOOL DISTRICTS" and the adjustments required by division (C) of 3210  
section 3310.08; division (C)(2) of section 3310.41; section 3211  
3310.55; division (C) of section 3314.08; division (D)(2) of 3212  
section 3314.091; division (D) of section 3314.13; divisions (B), 3213  
(H), (I), (J), and (K) of section 3317.023; division (C) of 3214  
section 3317.20; and sections 3313.979 and 3313.981 of the Revised 3215  
Code. 3216

(5) "State education aid," for a joint vocational school 3217

district, means the following: 3218

(a) For fiscal years prior to fiscal year 2010, the sum of 3219  
the state aid amounts computed for the district under division (N) 3220  
of section 3317.024 and section 3317.16 of the Revised Code. 3221  
However, when calculating state education aid for a joint 3222  
vocational school district for fiscal years 2008 and 2009, include 3223  
the amount computed for the district under Section 269.30.90 of 3224  
H.B. 119 of the 127th general assembly, as subsequently amended. 3225

(b) For fiscal years 2010 and 2011, the amount computed for 3226  
the district in accordance with the section of H.B. 1 of the 128th 3227  
general assembly entitled "FUNDING FOR JOINT VOCATIONAL SCHOOL 3228  
DISTRICTS". 3229

(c) For fiscal years 2012 and 2013, the amount paid in 3230  
accordance with the section of H.B. 153 of the 129th general 3231  
assembly entitled "FUNDING FOR JOINT VOCATIONAL SCHOOL DISTRICTS." 3232

(6) "State education aid offset" means the amount determined 3233  
for each school district or joint vocational school district under 3234  
division (A)(1) of section 5727.85 of the Revised Code. 3235

(7) "Recognized valuation" has the same meaning as in section 3236  
3317.02 of the Revised Code. 3237

(8) "Electric company tax value loss" means the amount 3238  
determined under division (D) of this section. 3239

(9) "Natural gas company tax value loss" means the amount 3240  
determined under division (E) of this section. 3241

(10) "Tax value loss" means the sum of the electric company 3242  
tax value loss and the natural gas company tax value loss. 3243

(11) "Fixed-rate levy" means any tax levied on property other 3244  
than a fixed-sum levy. 3245

(12) "Fixed-rate levy loss" means the amount determined under 3246  
division (G) of this section. 3247

(13) "Fixed-sum levy" means a tax levied on property at 3248  
whatever rate is required to produce a specified amount of tax 3249  
money or levied in excess of the ten-mill limitation to pay debt 3250  
charges, and includes school district emergency levies ~~imposed~~ 3251  
charged and payable pursuant to section 5705.194 of the Revised 3252  
Code. 3253

(14) "Fixed-sum levy loss" means the amount determined under 3254  
division (H) of this section. 3255

(15) "Consumer price index" means the consumer price index 3256  
(all items, all urban consumers) prepared by the bureau of labor 3257  
statistics of the United States department of labor. 3258

(16) "Total resources" ~~has~~ and "total library resources" have 3259  
the same ~~meaning~~ meanings as in section 5751.20 of the Revised 3260  
Code. 3261

(17) "2011 current expense S.B. 3 allocation" means the sum 3262  
of payments received by a school district or joint vocational 3263  
school district in fiscal year 2011 for current expense levy 3264  
losses pursuant to division (C)(2) of section 5727.85 of the 3265  
Revised Code. If a fixed-rate levy eligible for reimbursement is 3266  
not ~~imposed~~ charged and payable in any year after tax year 2010, 3267  
"2011 current expense S.B. 3 allocation" used to compute payments 3268  
to be made under division (C)(3) of section 5727.85 of the Revised 3269  
Code in the tax years following the last year the levy is ~~imposed~~ 3270  
charged and payable shall be reduced ~~by the amount of~~ to the 3271  
extent that those payments are attributable to the fixed-rate levy 3272  
loss of that levy. 3273

(18) "2010 current expense S.B. 3 allocation" means the sum 3274  
of payments received by a municipal corporation in calendar year 3275  
2010 for current expense levy losses pursuant to division (A)(1) 3276  
of section 5727.86 of the Revised Code, excluding any such 3277  
payments received for current expense levy losses attributable to 3278

a tax levied under section 5705.23 of the Revised Code. If a 3279  
fixed-rate levy eligible for reimbursement is not ~~imposed~~ charged 3280  
and payable in any year after tax year 2010, "2010 current expense 3281  
S.B. 3 allocation" used to compute payments to be made under 3282  
division (A)(1)(d) or (e) of section 5727.86 of the Revised Code 3283  
in the tax years following the last year the levy is ~~imposed~~ 3284  
charged and payable shall be reduced ~~by the amount of~~ to the 3285  
extent that those payments are attributable to the fixed-rate levy 3286  
loss of that levy. 3287

(19) "2010 S.B. 3 allocation" means the sum of payments 3288  
received by a local taxing unit during calendar year 2010 pursuant 3289  
to division (A)(1) of section 5727.86 of the Revised Code, 3290  
excluding any such payments received for fixed-rate levy losses 3291  
attributable to a tax levied under section 5705.23 of the Revised 3292  
Code. If a fixed-rate levy eligible for reimbursement is not 3293  
~~imposed~~ charged and payable in any year after tax year 2010, "2010 3294  
S.B. 3 allocation" used to compute payments to be made under 3295  
division (A)(1)(d) or (e) of section 5727.86 of the Revised Code 3296  
in the tax years following the last year the levy is ~~imposed~~ 3297  
charged and payable shall be reduced ~~by the amount of~~ to the 3298  
extent that those payments are attributable to the fixed-rate levy 3299  
loss of that levy. 3300

(20) "Total S.B. 3 allocation" means, in the case of a school 3301  
district or joint vocational school district, the sum of the 3302  
~~amounts~~ payments received in fiscal year 2011 pursuant to 3303  
divisions (C)(2) and (D) of section 5727.85 of the Revised Code. 3304  
In the case of a local taxing unit, "total S.B. 3 allocation" 3305  
means the sum of payments received by the unit in calendar year 3306  
2010 pursuant to divisions (A)(1) and (4) of section 5727.86 of 3307  
the Revised Code, excluding any such payments received for 3308  
fixed-rate levy losses attributable to a tax levied under section 3309  
5705.23 of the Revised Code. If a fixed-rate levy eligible for 3310

reimbursement is not ~~imposed~~ charged and payable in any year after 3311  
tax year 2010, "total S.B. 3 allocation" used to compute payments 3312  
to be made under division (C)(3) of section 5727.85 or division 3313  
(A)(1)(d) or (e) of section 5727.86 of the Revised Code in the tax 3314  
years following the last year the levy is ~~imposed~~ charged and 3315  
payable shall be reduced ~~by the amount of~~ to the extent that those 3316  
payments are attributable to the fixed-rate levy loss of that levy 3317  
as would be computed under division (C)(2) of section 5727.85 or 3318  
division (A)(1)(b) of section 5727.86 of the Revised Code. 3319

(21) "2011 non-current expense S.B. 3 allocation" means the 3320  
difference of a school district's or joint vocational school 3321  
district's total S.B. 3 allocation minus the sum of the school 3322  
district's 2011 current expense S.B. 3 allocation and the portion 3323  
of the school district's total S.B. 3 allocation constituting 3324  
reimbursement for debt levies pursuant to division (D) of section 3325  
5727.85 of the Revised Code. 3326

(22) "2010 non-current expense S.B. 3 allocation" means the 3327  
difference of a municipal corporation's total S.B. 3 allocation 3328  
minus the sum of its 2010 current expense S.B. 3 allocation and 3329  
the portion of its total S.B. 3 allocation constituting 3330  
reimbursement for debt levies pursuant to division (A)(4) of 3331  
section 5727.86 of the Revised Code. 3332

(23) "S.B. 3 allocation for library purposes" means, in the 3333  
case of a county, municipal corporation, school district, or 3334  
township public library that receives the proceeds of a tax levied 3335  
under section 5705.23 of the Revised Code, the sum of the payments 3336  
received by the public library in calendar year 2010 pursuant to 3337  
section 5727.86 of the Revised Code for fixed-rate levy losses 3338  
attributable to a tax levied under section 5705.23 of the Revised 3339  
Code. If a fixed-rate levy authorized under section 5705.23 of the 3340  
Revised Code that is eligible for reimbursement is not charged and 3341  
payable in any year after tax year 2010, "S.B. 3 allocation for 3342

library purposes" used to compute payments to be made under 3343  
division (A)(1)(f) of section 5727.86 of the Revised Code in the 3344  
tax years following the last year the levy is charged and payable 3345  
shall be reduced to the extent that those payments are 3346  
attributable to the fixed-rate levy loss of that levy as would be 3347  
computed under division (A)(1)(b) of section 5727.86 of the 3348  
Revised Code. 3349

(24) "Threshold per cent" means, in the case of a school 3350  
 district or joint vocational school district, two per cent for 3351  
 fiscal year 2012 and four per cent for fiscal years 2013 and 3352  
 thereafter. In the case of a local taxing unit or public library 3353  
that receives the proceeds of a tax levied under section 5705.23 3354  
of the Revised Code, "threshold per cent" means two per cent for 3355  
 calendar year 2011, four per cent for calendar year 2012, and six 3356  
 per cent for calendar years 2013 and thereafter. 3357

(B) The kilowatt-hour tax receipts fund is hereby created in 3358  
 the state treasury and shall consist of money arising from the tax 3359  
 imposed by section 5727.81 of the Revised Code. All money in the 3360  
 kilowatt-hour tax receipts fund shall be credited as follows: 3361

Fiscal Year	General Revenue Fund	School District Property Tax Replacement Fund	Local Government Property Tax Replacement Fund	
2001-2011	63.0%	25.4%	11.6%	3363
2012 and thereafter	88.0%	9.0%	3.0%	3364

(C) The natural gas tax receipts fund is hereby created in 3365  
 the state treasury and shall consist of money arising from the tax 3366  
 imposed by section 5727.811 of the Revised Code. All money in the 3367  
 fund shall be credited as follows: 3368

(1) For fiscal years before fiscal year 2012: 3369

(a) Sixty-eight and seven-tenths per cent shall be credited 3370

to the school district property tax replacement fund for the 3371  
purpose of making the payments described in section 5727.85 of the 3372  
Revised Code. 3373

(b) Thirty-one and three-tenths per cent shall be credited to 3374  
the local government property tax replacement fund for the purpose 3375  
of making the payments described in section 5727.86 of the Revised 3376  
Code. 3377

(2) For fiscal years 2012 and thereafter, one hundred per 3378  
cent to the general revenue fund. 3379

(D) Not later than January 1, 2002, the tax commissioner 3380  
shall determine for each taxing district its electric company tax 3381  
value loss, which is the sum of the applicable amounts described 3382  
in divisions (D)(1) to (4) of this section: 3383

(1) The difference obtained by subtracting the amount 3384  
described in division (D)(1)(b) from the amount described in 3385  
division (D)(1)(a) of this section. 3386

(a) The value of electric company and rural electric company 3387  
tangible personal property as assessed by the tax commissioner for 3388  
tax year 1998 on a preliminary assessment, or an amended 3389  
preliminary assessment if issued prior to March 1, 1999, and as 3390  
apportioned to the taxing district for tax year 1998; 3391

(b) The value of electric company and rural electric company 3392  
tangible personal property as assessed by the tax commissioner for 3393  
tax year 1998 had the property been apportioned to the taxing 3394  
district for tax year 2001, and assessed at the rates in effect 3395  
for tax year 2001. 3396

(2) The difference obtained by subtracting the amount 3397  
described in division (D)(2)(b) from the amount described in 3398  
division (D)(2)(a) of this section. 3399

(a) The three-year average for tax years 1996, 1997, and 1998 3400

of the assessed value from nuclear fuel materials and assemblies 3401  
assessed against a person under Chapter 5711. of the Revised Code 3402  
from the leasing of them to an electric company for those 3403  
respective tax years, as reflected in the preliminary assessments; 3404

(b) The three-year average assessed value from nuclear fuel 3405  
materials and assemblies assessed under division (D)(2)(a) of this 3406  
section for tax years 1996, 1997, and 1998, as reflected in the 3407  
preliminary assessments, using an assessment rate of twenty-five 3408  
per cent. 3409

(3) In the case of a taxing district having a nuclear power 3410  
plant within its territory, any amount, resulting in an electric 3411  
company tax value loss, obtained by subtracting the amount 3412  
described in division (D)(1) of this section from the difference 3413  
obtained by subtracting the amount described in division (D)(3)(b) 3414  
of this section from the amount described in division (D)(3)(a) of 3415  
this section. 3416

(a) The value of electric company tangible personal property 3417  
as assessed by the tax commissioner for tax year 2000 on a 3418  
preliminary assessment, or an amended preliminary assessment if 3419  
issued prior to March 1, 2001, and as apportioned to the taxing 3420  
district for tax year 2000; 3421

(b) The value of electric company tangible personal property 3422  
as assessed by the tax commissioner for tax year 2001 on a 3423  
preliminary assessment, or an amended preliminary assessment if 3424  
issued prior to March 1, 2002, and as apportioned to the taxing 3425  
district for tax year 2001. 3426

(4) In the case of a taxing district having a nuclear power 3427  
plant within its territory, the difference obtained by subtracting 3428  
the amount described in division (D)(4)(b) of this section from 3429  
the amount described in division (D)(4)(a) of this section, 3430  
provided that such difference is greater than ten per cent of the 3431

amount described in division (D)(4)(a) of this section. 3432

(a) The value of electric company tangible personal property 3433  
as assessed by the tax commissioner for tax year 2005 on a 3434  
preliminary assessment, or an amended preliminary assessment if 3435  
issued prior to March 1, 2006, and as apportioned to the taxing 3436  
district for tax year 2005; 3437

(b) The value of electric company tangible personal property 3438  
as assessed by the tax commissioner for tax year 2006 on a 3439  
preliminary assessment, or an amended preliminary assessment if 3440  
issued prior to March 1, 2007, and as apportioned to the taxing 3441  
district for tax year 2006. 3442

(E) Not later than January 1, 2002, the tax commissioner 3443  
shall determine for each taxing district its natural gas company 3444  
tax value loss, which is the sum of the amounts described in 3445  
divisions (E)(1) and (2) of this section: 3446

(1) The difference obtained by subtracting the amount 3447  
described in division (E)(1)(b) from the amount described in 3448  
division (E)(1)(a) of this section. 3449

(a) The value of all natural gas company tangible personal 3450  
property, other than property described in division (E)(2) of this 3451  
section, as assessed by the tax commissioner for tax year 1999 on 3452  
a preliminary assessment, or an amended preliminary assessment if 3453  
issued prior to March 1, 2000, and apportioned to the taxing 3454  
district for tax year 1999; 3455

(b) The value of all natural gas company tangible personal 3456  
property, other than property described in division (E)(2) of this 3457  
section, as assessed by the tax commissioner for tax year 1999 had 3458  
the property been apportioned to the taxing district for tax year 3459  
2001, and assessed at the rates in effect for tax year 2001. 3460

(2) The difference in the value of current gas obtained by 3461  
subtracting the amount described in division (E)(2)(b) from the 3462

amount described in division (E)(2)(a) of this section. 3463

(a) The three-year average assessed value of current gas as 3464  
assessed by the tax commissioner for tax years 1997, 1998, and 3465  
1999 on a preliminary assessment, or an amended preliminary 3466  
assessment if issued prior to March 1, 2001, and as apportioned in 3467  
the taxing district for those respective years; 3468

(b) The three-year average assessed value from current gas 3469  
under division (E)(2)(a) of this section for tax years 1997, 1998, 3470  
and 1999, as reflected in the preliminary assessment, using an 3471  
assessment rate of twenty-five per cent. 3472

(F) The tax commissioner may request that natural gas 3473  
companies, electric companies, and rural electric companies file a 3474  
report to help determine the tax value loss under divisions (D) 3475  
and (E) of this section. The report shall be filed within thirty 3476  
days of the commissioner's request. A company that fails to file 3477  
the report or does not timely file the report is subject to the 3478  
penalty in section 5727.60 of the Revised Code. 3479

(G) Not later than January 1, 2002, the tax commissioner 3480  
shall determine for each school district, joint vocational school 3481  
district, and local taxing unit its fixed-rate levy loss, which is 3482  
the sum of its electric company tax value loss multiplied by the 3483  
tax rate in effect in tax year 1998 for fixed-rate levies and its 3484  
natural gas company tax value loss multiplied by the tax rate in 3485  
effect in tax year 1999 for fixed-rate levies. 3486

(H) Not later than January 1, 2002, the tax commissioner 3487  
shall determine for each school district, joint vocational school 3488  
district, and local taxing unit its fixed-sum levy loss, which is 3489  
the amount obtained by subtracting the amount described in 3490  
division (H)(2) of this section from the amount described in 3491  
division (H)(1) of this section: 3492

(1) The sum of the electric company tax value loss multiplied 3493

by the tax rate in effect in tax year 1998, and the natural gas 3494  
company tax value loss multiplied by the tax rate in effect in tax 3495  
year 1999, for fixed-sum levies for all taxing districts within 3496  
each school district, joint vocational school district, and local 3497  
taxing unit. For the years 2002 through 2006, this computation 3498  
shall include school district emergency levies that existed in 3499  
1998 in the case of the electric company tax value loss, and 1999 3500  
in the case of the natural gas company tax value loss, and all 3501  
other fixed-sum levies that existed in 1998 in the case of the 3502  
electric company tax value loss and 1999 in the case of the 3503  
natural gas company tax value loss and continue to be charged in 3504  
the tax year preceding the distribution year. For the years 2007 3505  
through 2016 in the case of school district emergency levies, and 3506  
for all years after 2006 in the case of all other fixed-sum 3507  
levies, this computation shall exclude all fixed-sum levies that 3508  
existed in 1998 in the case of the electric company tax value loss 3509  
and 1999 in the case of the natural gas company tax value loss, 3510  
but are no longer in effect in the tax year preceding the 3511  
distribution year. For the purposes of this section, an emergency 3512  
levy that existed in 1998 in the case of the electric company tax 3513  
value loss, and 1999 in the case of the natural gas company tax 3514  
value loss, continues to exist in a year beginning on or after 3515  
January 1, 2007, but before January 1, 2017, if, in that year, the 3516  
board of education levies a school district emergency levy for an 3517  
annual sum at least equal to the annual sum levied by the board in 3518  
tax year 1998 or 1999, respectively, less the amount of the 3519  
payment certified under this division for 2002. 3520

(2) The total taxable value in tax year 1999 less the tax 3521  
value loss in each school district, joint vocational school 3522  
district, and local taxing unit multiplied by one-fourth of one 3523  
mill. 3524

If the amount computed under division (H) of this section for 3525

any school district, joint vocational school district, or local 3526  
taxing unit is greater than zero, that amount shall equal the 3527  
fixed-sum levy loss reimbursed pursuant to division (F) of section 3528  
5727.85 of the Revised Code or division (A)(2) of section 5727.86 3529  
of the Revised Code, and the one-fourth of one mill that is 3530  
subtracted under division (H)(2) of this section shall be 3531  
apportioned among all contributing fixed-sum levies in the 3532  
proportion of each levy to the sum of all fixed-sum levies within 3533  
each school district, joint vocational school district, or local 3534  
taxing unit. 3535

(I) Notwithstanding divisions (D), (E), (G), and (H) of this 3536  
section, in computing the tax value loss, fixed-rate levy loss, 3537  
and fixed-sum levy loss, the tax commissioner shall use the 3538  
greater of the 1998 tax rate or the 1999 tax rate in the case of 3539  
levy losses associated with the electric company tax value loss, 3540  
but the 1999 tax rate shall not include for this purpose any tax 3541  
levy approved by the voters after June 30, 1999, and the tax 3542  
commissioner shall use the greater of the 1999 or the 2000 tax 3543  
rate in the case of levy losses associated with the natural gas 3544  
company tax value loss. 3545

(J) Not later than January 1, 2002, the tax commissioner 3546  
shall certify to the department of education the tax value loss 3547  
determined under divisions (D) and (E) of this section for each 3548  
taxing district, the fixed-rate levy loss calculated under 3549  
division (G) of this section, and the fixed-sum levy loss 3550  
calculated under division (H) of this section. The calculations 3551  
under divisions (G) and (H) of this section shall separately 3552  
display the levy loss for each levy eligible for reimbursement. 3553

(K) Not later than September 1, 2001, the tax commissioner 3554  
shall certify the amount of the fixed-sum levy loss to the county 3555  
auditor of each county in which a school district with a fixed-sum 3556  
levy loss has territory. 3557

**Sec. 5727.86.** (A) ~~Not later than January 1, 2002, the~~ The tax 3558  
commissioner shall compute the payments to be made to each local 3559  
taxing unit, and to each public library that receives the proceeds 3560  
of a tax levied under section 5705.23 of the Revised Code, for 3561  
each year according to divisions (A)(1), (2), (3), and (4) and 3562  
division (E) of this section, and shall distribute the payments in 3563  
the manner prescribed by division (C) of this section. The 3564  
calculation of the fixed-sum levy loss shall cover a time period 3565  
sufficient to include all fixed-sum levies for which the tax 3566  
commissioner determined, pursuant to division (H) of section 3567  
5727.84 of the Revised Code, that a fixed-sum levy loss is to be 3568  
reimbursed. 3569

(1) Except as provided in divisions (A)(3) and (4) of this 3570  
section, the following amounts shall be paid on or before the 3571  
thirty-first day of August and the twenty-eighth day of February: 3572

(a) For years 2002 through 2006, fifty per cent of the 3573  
fixed-rate levy loss computed under division (G) of section 3574  
5727.84 of the Revised Code; 3575

(b) For years 2007 through 2010, forty per cent of the 3576  
fixed-rate levy loss computed under division (G) of section 3577  
5727.84 of the Revised Code; 3578

(c) For the payment in 2011 to be made on or before the 3579  
twentieth day of February, the amount required to be paid in 2010 3580  
on or before the twentieth day of February; 3581

(d) For the payment in 2011 to be made on or before the 3582  
thirty-first day of August ~~and for all payments to be made in~~ 3583  
~~years 2012 and thereafter,~~ the sum of the amounts in divisions 3584  
(A)(1)(d)(i) or (ii) and (iii) of this section: 3585

(i) If the ratio of fifty per cent of the taxing unit's 2010 3586  
S.B. 3 allocation to its total resources is equal to or less than 3587

the threshold per cent, zero; 3588

(ii) If the ratio of fifty per cent of the taxing unit's 2010 3589  
S.B. 3 allocation to its total resources is greater than the 3590  
threshold per cent, the difference of fifty per cent of the 2010 3591  
S.B. 3 allocation minus the product of total resources multiplied 3592  
by the threshold per cent; 3593

(iii) In the case of a municipal corporation, fifty per cent 3594  
of the product of its 2010 non-current expense S.B. 3 allocation 3595  
multiplied by seventy-five per cent ~~for year 2011, fifty per cent~~ 3596  
~~for year 2012, and twenty five percent for years 2013 and~~ 3597  
~~thereafter.~~ 3598

(e) For 2012 and each year thereafter, the sum of the amounts 3599  
in divisions (A)(1)(e)(i) or (ii) and (iii) of this section: 3600

(i) If the ratio of the taxing unit's 2010 S.B. 3 allocation 3601  
to its total resources is equal to or less than the threshold per 3602  
cent, zero; 3603

(ii) If the ratio of the taxing unit's 2010 S.B. 3 allocation 3604  
to its total resources is greater than the threshold per cent, 3605  
fifty per cent of the difference of the 2010 S.B. 3 allocation 3606  
minus the product of total resources multiplied by the threshold 3607  
per cent; 3608

(iii) In the case of a municipal corporation, fifty per cent 3609  
of the product of its 2010 non-current expense S.B. 3 allocation 3610  
multiplied by fifty per cent for year 2012 and by twenty-five per 3611  
cent for years 2013 and thereafter. 3612

(f) For the payment in 2012 to be made to a public library on 3613  
or before the thirty-first day of August and for all such payments 3614  
to be made in 2013 and thereafter, the amount in division 3615  
(A)(1)(f)(i) or (ii) of this section: 3616

(i) If the ratio of S.B. 3 allocation for library purposes to 3617

total library resources is equal to or less than the threshold per cent, zero; 3618  
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(ii) If the ratio of S.B. 3 allocation for library purposes to total library resources is greater than the threshold per cent, fifty per cent of the difference of the S.B. 3 allocation for library purposes minus the product of total library resources multiplied by the threshold per cent. 3620  
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(2) For fixed-sum levy losses determined under division (H) of section 5727.84 of the Revised Code, payments shall be made in the amount of one hundred per cent of the fixed-sum levy loss for payments required to be made in 2002 and thereafter. 3625  
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(3) A local taxing unit in a county of less than two hundred fifty square miles that receives eighty per cent or more of its combined general fund and bond retirement fund revenues from property taxes and rollbacks based on 1997 actual revenues as presented in its 1999 tax budget, and in which electric companies and rural electric companies comprise over twenty per cent of its property valuation, shall receive one hundred per cent of its fixed-rate levy losses from electric company tax value losses certified under division (A) of this section in years 2002 to 2010. Beginning in 2011, payments for such local taxing units shall be determined under division (A)(1) of this section. 3629  
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(4) For taxes levied within the ten-mill limitation or pursuant to a municipal charter for debt purposes in tax year 1998 in the case of electric company tax value losses, and in tax year 1999 in the case of natural gas company tax value losses, payments shall be made equal to one hundred per cent of the loss computed as if the tax were a fixed-rate levy, but those payments shall extend from 2011 through 2016 if the levy was ~~imposed~~ charged and payable for debt purposes in tax year 2010. If the levy is not ~~imposed~~ charged and payable for debt purposes in tax year 2010 or any following tax year before tax year 2016, payments for that 3640  
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levy shall be made under division (A)(1) of this section beginning 3650  
with the first year after the year the levy is ~~imposed~~ charged and 3651  
payable for a purpose other than debt. For the purposes of this 3652  
division, taxes levied pursuant to a municipal charter refer to 3653  
taxes levied pursuant to a provision of a municipal charter that 3654  
permits the tax to be levied without prior voter approval. 3655

(B) Beginning in 2003, by the thirty-first day of January of 3656  
each year, the tax commissioner shall review the calculation 3657  
originally made under division (A) of this section of the 3658  
fixed-sum levy loss determined under division (H) of section 3659  
5727.84 of the Revised Code. If the commissioner determines that a 3660  
fixed-sum levy that had been scheduled to be reimbursed in the 3661  
current year has expired, a revised calculation for that and all 3662  
subsequent years shall be made. 3663

(C) Payments to local taxing units and public libraries 3664  
required to be made under divisions (A) and (E) of this section 3665  
shall be paid from the local government property tax replacement 3666  
fund to the county undivided income tax fund in the proper county 3667  
treasury. The county treasurer shall distribute amounts paid under 3668  
division (A) of this section to the proper local taxing unit or 3669  
public library as if they had been levied and collected as taxes, 3670  
and the local taxing unit or public library shall apportion the 3671  
amounts so received among its funds in the same proportions as if 3672  
those amounts had been levied and collected as taxes. Except in 3673  
the case of amounts distributed to the county as a local taxing 3674  
unit, amounts distributed under division (E)(2) of this section 3675  
shall be credited to the general fund of the local taxing unit 3676  
that receives them. Amounts distributed to each county as a local 3677  
taxing unit under division (E)(2) of this section shall be 3678  
credited in the proportion that the current taxes charged and 3679  
payable from each levy of or by the county bears to the total 3680  
current taxes charged and payable from all levies of or by the 3681

county. 3682

(D) By February 5, 2002, the tax commissioner shall estimate 3683  
the amount of money in the local government property tax 3684  
replacement fund in excess of the amount necessary to make 3685  
payments in that month under division (C) of this section. 3686  
Notwithstanding division (A) of this section, the tax commissioner 3687  
may pay any local taxing unit, from those excess funds, nine and 3688  
four-tenths times the amount computed for 2002 under division 3689  
(A)(1) of this section. A payment made under this division shall 3690  
be in lieu of the payment to be made in February 2002 under 3691  
division (A)(1) of this section. A local taxing unit receiving a 3692  
payment under this division will no longer be entitled to any 3693  
further payments under division (A)(1) of this section. A payment 3694  
made under this division shall be paid from the local government 3695  
property tax replacement fund to the county undivided income tax 3696  
fund in the proper county treasury. The county treasurer shall 3697  
distribute the payment to the proper local taxing unit as if it 3698  
had been levied and collected as taxes, and the local taxing unit 3699  
shall apportion the amounts so received among its funds in the 3700  
same proportions as if those amounts had been levied and collected 3701  
as taxes. 3702

(E)(1) On the thirty-first day of July of 2002, 2003, 2004, 3703  
2005, and 2006, and on the thirty-first day of January and July of 3704  
2007 through January 2011, if the amount credited to the local 3705  
government property tax replacement fund exceeds the amount needed 3706  
to be distributed from the fund under division (A) of this section 3707  
in the following month, the tax commissioner shall distribute the 3708  
excess to each county as follows: 3709

(a) One-half shall be distributed to each county in 3710  
proportion to each county's population. 3711

(b) One-half shall be distributed to each county in the 3712  
proportion that the amounts determined under divisions (G) and (H) 3713

of section 5727.84 of the Revised Code for all local taxing units 3714  
in the county is of the total amounts so determined for all local 3715  
taxing units in the state. 3716

(2) The amounts distributed to each county under division (E) 3717  
of this section shall be distributed by the county auditor to each 3718  
local taxing unit in the county in the proportion that the unit's 3719  
current taxes charged and payable are of the total current taxes 3720  
charged and payable of all the local taxing units in the county. 3721  
If the amount that the county auditor determines to be distributed 3722  
to a local taxing unit is less than five dollars, that amount 3723  
shall not be distributed, and the amount not distributed shall 3724  
remain credited to the county undivided income tax fund. At the 3725  
time of the next distribution under division (E)(2) of this 3726  
section, any amount that had not been distributed in the prior 3727  
distribution shall be added to the amount available for the next 3728  
distribution prior to calculation of the amount to be distributed. 3729  
As used in this division, "current taxes charged and payable" 3730  
means the taxes charged and payable as most recently determined 3731  
for local taxing units in the county. 3732

After January 2011, any amount that exceeds the amount needed 3733  
to be distributed from the fund under division (A) of this section 3734  
in the following month shall be transferred to the general revenue 3735  
fund. 3736

(F) If the total amount in the local government property tax 3737  
replacement fund is insufficient to make all payments under 3738  
division (C) of this section at the times the payments are to be 3739  
made, the director of budget and management shall transfer from 3740  
the general revenue fund to the local government property tax 3741  
replacement fund the difference between the total amount to be 3742  
paid and the amount in the local government property tax 3743  
replacement fund, except that no transfer shall be made by reason 3744  
of a deficiency to the extent that it results from the amendment 3745

of section 5727.84 of the Revised Code by Amended Substitute House 3746  
Bill 95 of the 125th general assembly. 3747

(G) If all or a part of the territories of two or more local 3748  
taxing units are merged, or unincorporated territory of a township 3749  
is annexed by a municipal corporation, the tax commissioner shall 3750  
adjust the payments made under this section to each of the local 3751  
taxing units in proportion to the square mileage apportioned to 3752  
the merged or annexed territory, or as otherwise provided by a 3753  
written agreement between the legislative authorities of the local 3754  
taxing units certified to the tax commissioner not later than the 3755  
first day of June of the calendar year in which the payment is to 3756  
be made. 3757

**Sec. 5731.39.** ~~(A)~~ This section does not apply to, and the 3758  
written permission of the tax commissioner is not required for 3759  
asset transfers with respect to, decedents dying on or after 3760  
January 1, 2013. 3761

(A) No corporation organized or existing under the laws of 3762  
this state shall transfer on its books or issue a new certificate 3763  
for any share of its capital stock registered in the name of a 3764  
decedent, or in trust for a decedent, or in the name of a decedent 3765  
and another person or persons, without the written consent of the 3766  
tax commissioner. 3767

(B) No safe deposit company, trust company, financial 3768  
institution as defined in division (A) of section 5725.01 of the 3769  
Revised Code or other corporation or person, having in possession, 3770  
control, or custody a deposit standing in the name of a decedent, 3771  
or in trust for a decedent, or in the name of a decedent and 3772  
another person or persons, shall deliver or transfer an amount in 3773  
excess of three-fourths of the total value of such deposit, 3774  
including accrued interest and dividends, as of the date of 3775  
decedent's death, without the written consent of the tax 3776

commissioner. The written consent of the tax commissioner need not 3777  
be obtained prior to the delivery or transfer of amounts having a 3778  
value of three-fourths or less of said total value. 3779

(C) No life insurance company shall pay the proceeds of an 3780  
annuity or matured endowment contract, or of a life insurance 3781  
contract payable to the estate of a decedent, or of any other 3782  
insurance contract taxable under Chapter 5731. of the Revised 3783  
Code, without the written consent of the tax commissioner. Any 3784  
life insurance company may pay the proceeds of any insurance 3785  
contract not specified in this division (C) without the written 3786  
consent of the tax commissioner. 3787

(D) No trust company or other corporation or person shall pay 3788  
the proceeds of any death benefit, retirement, pension or profit 3789  
sharing plan in excess of two thousand dollars, without the 3790  
written consent of the tax commissioner. Such trust company or 3791  
other corporation or person, however, may pay the proceeds of any 3792  
death benefit, retirement, pension, or profit-sharing plan which 3793  
consists of insurance on the life of the decedent payable to a 3794  
beneficiary other than the estate of the insured without the 3795  
written consent of the tax commissioner. 3796

(E) No safe deposit company, trust company, financial 3797  
institution as defined in division (A) of section 5725.01 of the 3798  
Revised Code, or other corporation or person, having in 3799  
possession, control, or custody securities, assets, or other 3800  
property (including the shares of the capital stock of, or other 3801  
interest in, such safe deposit company, trust company, financial 3802  
institution as defined in division (A) of section 5725.01 of the 3803  
Revised Code, or other corporation), standing in the name of a 3804  
decedent, or in trust for a decedent, or in the name of a decedent 3805  
and another person or persons, and the transfer of which is 3806  
taxable under Chapter 5731. of the Revised Code, shall deliver or 3807  
transfer any such securities, assets, or other property which have 3808

a value as of the date of decedent's death in excess of 3809  
three-fourths of the total value thereof, without the written 3810  
consent of the tax commissioner. The written consent of the tax 3811  
commissioner need not be obtained prior to the delivery or 3812  
transfer of any such securities, assets, or other property having 3813  
a value of three-fourths or less of said total value. 3814

(F) No safe deposit company, financial institution as defined 3815  
in division (A) of section 5725.01 of the Revised Code, or other 3816  
corporation or person having possession or control of a safe 3817  
deposit box or similar receptacle standing in the name of a 3818  
decedent or in the name of the decedent and another person or 3819  
persons, or to which the decedent had a right of access, except 3820  
when such safe deposit box or other receptacle stands in the name 3821  
of a corporation or partnership, or in the name of the decedent as 3822  
guardian or executor, shall deliver any of the contents thereof 3823  
unless the safe deposit box or similar receptacle has been opened 3824  
and inventoried in the presence of the tax commissioner or the 3825  
commissioner's agent, and a written consent to transfer issued; 3826  
provided, however, that a safe deposit company, financial 3827  
institution, or other corporation or person having possession or 3828  
control of a safe deposit box may deliver wills, deeds to burial 3829  
lots, and insurance policies to a representative of the decedent, 3830  
but that a representative of the safe deposit company, financial 3831  
institution, or other corporation or person must supervise the 3832  
opening of the box and make a written record of the wills, deeds, 3833  
and policies removed. Such written record shall be included in the 3834  
tax commissioner's inventory records. 3835

(G) Notwithstanding any provision of this section: 3836

(1) The tax commissioner may authorize any delivery or 3837  
transfer or waive any of the foregoing requirements under such 3838  
terms and conditions as the commissioner may prescribe; 3839

(2) An adult care facility, as defined in section 5119.70 of 3840

the Revised Code, or a home, as defined in section 3721.10 of the Revised Code, may transfer or use the money in a personal needs allowance account in accordance with section 5111.113 of the Revised Code without the written consent of the tax commissioner, and without the account having been opened and inventoried in the presence of the commissioner or the commissioner's agent.

Failure to comply with this section shall render such safe deposit company, trust company, life insurance company, financial institution as defined in division (A) of section 5725.01 of the Revised Code, or other corporation or person liable for the amount of the taxes and interest due under the provisions of Chapter 5731. of the Revised Code on the transfer of such stock, deposit, proceeds of an annuity or matured endowment contract or of a life insurance contract payable to the estate of a decedent, or other insurance contract taxable under Chapter 5731. of the Revised Code, proceeds of any death benefit, retirement, pension, or profit sharing plan in excess of two thousand dollars, or securities, assets, or other property of any resident decedent, and in addition thereto, to a penalty of not less than five hundred or more than five thousand dollars.

**Sec. 5733.056.** (A) As used in this section:

(1) "Billing address" means the address where any notice, statement, or bill relating to a customer's account is mailed, as indicated in the books and records of the taxpayer on the first day of the taxable year or on such later date in the taxable year when the customer relationship began.

(2) "Borrower or credit card holder located in this state" means:

(a) A borrower, other than a credit card holder, that is engaged in a trade or business and maintains its commercial domicile in this state; or

(b) A borrower that is not engaged in a trade or business, or a credit card holder, whose billing address is in this state.

(3) "Branch" means a "domestic branch" as defined in section 3 of the "Federal Deposit Insurance Act," 64 Stat. 873, 12 U.S.C. 1813(o), as amended.

(4) "Compensation" means wages, salaries, commissions, and any other form of remuneration paid to employees for personal services that are included in such employee's gross income under the Internal Revenue Code. In the case of employees not subject to the Internal Revenue Code, such as those employed in foreign countries, the determination of whether such payments would constitute gross income to such employees under the Internal Revenue Code shall be made as though such employees were subject to the Internal Revenue Code.

(5) "Credit card" means a credit, travel, or entertainment card.

(6) "Credit card issuer's reimbursement fee" means the fee a taxpayer receives from a merchant's bank because one of the persons to whom the taxpayer has issued a credit card has charged merchandise or services to the credit card.

(7) "Deposits" has the meaning given in section 3 of the "Federal Deposit Insurance Act," 64 Stat. 873, 12 U.S.C. 1813(1), as amended.

(8) "Employee" means, with respect to a particular taxpayer, any individual who under the usual common law rules applicable in determining the employer-employee relationship, has the status of an employee of that taxpayer.

(9) "Gross rents" means the actual sum of money or other consideration payable for the use or possession of property. "Gross rents" includes:

(a) Any amount payable for the use or possession of real property or tangible personal property whether designated as a fixed sum of money or as a percentage of receipts, profits, or otherwise;	3902 3903 3904 3905
(b) Any amount payable as additional rent or in lieu of rent, such as interest, taxes, insurance, repairs, or any other amount required to be paid by the terms of a lease or other arrangement; and	3906 3907 3908 3909
(c) A proportionate part of the cost of any improvement to real property made by or on behalf of the taxpayer which reverts to the owner or lessor upon termination of a lease or other arrangement. The amount to be included in gross rents is the amount of amortization or depreciation allowed in computing the taxable income base for the taxable year. However, where a building is erected on leased land, by or on behalf of the taxpayer, the value of the land is determined by multiplying the gross rent by eight, and the value of the building is determined in the same manner as if owned by the taxpayer.	3910 3911 3912 3913 3914 3915 3916 3917 3918 3919
(d) The following are not included in the term "gross rents":	3920
(i) Reasonable amounts payable as separate charges for water and electric service furnished by the lessor;	3921 3922
(ii) Reasonable amounts payable as service charges for janitorial services furnished by the lessor;	3923 3924
(iii) Reasonable amounts payable for storage, provided such amounts are payable for space not designated and not under the control of the taxpayer; and	3925 3926 3927
(iv) That portion of any rental payment which is applicable to the space subleased from the taxpayer and not used by it.	3928 3929
(10) "Loan" means any extension of credit resulting from direct negotiations between the taxpayer and its customer, or the	3930 3931

purchase, in whole or in part, of such extension of credit from 3932  
another. Loans include debt obligations of subsidiaries, 3933  
participations, syndications, and leases treated as loans for 3934  
federal income tax purposes. "Loan" does not include: properties 3935  
treated as loans under section 595 of the Internal Revenue Code; 3936  
futures or forward contracts; options; notional principal 3937  
contracts such as swaps; credit card receivables, including 3938  
purchased credit card relationships; non-interest bearing balances 3939  
due from depositor institutions; cash items in the process of 3940  
collection; federal funds sold; securities purchased under 3941  
agreements to resell; assets held in a trading account; 3942  
securities; interests in a real estate mortgage investment conduit 3943  
or other mortgage-backed or asset-backed security; and other 3944  
similar items. 3945

(11) "Loan secured by real property" means that fifty per 3946  
cent or more of the aggregate value of the collateral used to 3947  
secure a loan or other obligation, when valued at fair market 3948  
value as of the time the original loan or obligation was incurred, 3949  
was real property. 3950

(12) "Merchant discount" means the fee, or negotiated 3951  
discount, charged to a merchant by the taxpayer for the privilege 3952  
of participating in a program whereby a credit card is accepted in 3953  
payment for merchandise or services sold to the card holder. 3954

(13) "Participation" means an extension of credit in which an 3955  
undivided ownership interest is held on a pro rata basis in a 3956  
single loan or pool of loans and related collateral. In a loan 3957  
participation, the credit originator initially makes the loan and 3958  
then subsequently resells all or a portion of it to other lenders. 3959  
The participation may or may not be known to the borrower. 3960

(14) "Principal base of operations" with respect to 3961  
transportation property means the place of more or less permanent 3962  
nature from which the property is regularly directed or 3963

controlled. With respect to an employee, the "principal base of operations" means the place of more or less permanent nature from which the employee regularly (a) starts work and to which the employee customarily returns in order to receive instructions from the employer or (b) communicates with the employee's customers or other persons or (c) performs any other functions necessary to the exercise of the trade or profession at some other point or points.

(15) "Qualified institution" means a financial institution that on or after June 1, 1997:

(a)(i) Has consummated one or more approved transactions with insured banks with different home states that would qualify under section 102 of the "Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994," Public Law 103-328, 108 Stat. 2338;

(ii) Is a federal savings association or federal savings bank that has consummated one or more interstate acquisitions that result in a financial institution that has branches in more than one state; or

(iii) Has consummated one or more approved interstate acquisitions under authority of Title XI of the Revised Code that result in a financial institution that has branches in more than one state; and

(b) Has at least nine per cent of its deposits in this state as of the last day of June prior to the beginning of the tax year.

(16) "Real property owned" and "tangible personal property owned" mean real and tangible personal property, respectively, on which the taxpayer may claim depreciation for federal income tax purposes, or to which the taxpayer holds legal title and on which no other person may claim depreciation for federal income tax purposes, or could claim depreciation if subject to federal income tax. Real and tangible personal property do not include coin, currency, or property acquired in lieu of or pursuant to a

foreclosure. 3995

(17) "Regular place of business" means an office at which the taxpayer carries on its business in a regular and systematic manner and which is continuously maintained, occupied, and used by employees of the taxpayer. 3996  
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(18) "State" means a state of the United States, the District of Columbia, the commonwealth of Puerto Rico, or any territory or possession of the United States. 4000  
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(19) "Syndication" means an extension of credit in which two or more persons fund and each person is at risk only up to a specified percentage of the total extension of credit or up to a specified dollar amount. 4003  
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(20) "Transportation property" means vehicles and vessels capable of moving under their own power, such as aircraft, trains, water vessels and motor vehicles, as well as any equipment or containers attached to such property, such as rolling stock, barges, trailers, or the like. 4007  
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(21) "Qualified financial institution" means a financial institution in which not less than eighty per cent of the financial institution's ownership interest is owned directly or indirectly by a grandfathered unitary savings and loan holding company described in 12 U.S.C. 1467a(c)(9)(C). 4012  
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(B) The annual financial institution report determines the value of the issued and outstanding shares of stock of the taxpayer, and is the base or measure of the franchise tax liability. Such determination shall be made as of the date shown by the report to have been the beginning of the financial institution's annual accounting period that includes the first day of January of the tax year. For purposes of this section, division (A) of section 5733.05, and division (D) of section 5733.06 of the Revised Code, the value of the issued and outstanding shares of 4017  
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stock of the financial institution shall include the total value, 4026  
as shown by the books of the financial institution, of its 4027  
capital, surplus, whether earned or unearned, undivided profits, 4028  
and reserves, but exclusive of: 4029

(1) Reserves for accounts receivable, depreciation, 4030  
depletion, and any other valuation reserves with respect to 4031  
specific assets; 4032

(2) Taxes due and payable during the year for which such 4033  
report was made; 4034

(3) Voting stock and participation certificates in 4035  
corporations chartered pursuant to the "Farm Credit Act of 1971," 4036  
85 Stat. 597, 12 U.S.C. 2091, as amended; 4037

(4) Good will, appreciation, and abandoned property as set up 4038  
in the annual report of the financial institution, provided a 4039  
certified balance sheet of the company is made available upon the 4040  
request of the tax commissioner. Such balance sheet shall not be a 4041  
part of the public records, but shall be a confidential report for 4042  
use of the tax commissioner only. 4043

(5) A portion of the value of the issued and outstanding 4044  
shares of stock of such financial institution equal to the amount 4045  
obtained by multiplying such value by the quotient obtained by: 4046

(a) Dividing (1) the amount of the financial institution's 4047  
assets, as shown on its books, represented by investments in the 4048  
capital stock and indebtedness of public utilities, except 4049  
electric companies and combined companies, and, for tax years 2005 4050  
and thereafter, telephone companies, of which at least eighty per 4051  
cent of the utility's issued and outstanding common stock is owned 4052  
by the financial institution by (2) the total assets of such 4053  
financial institution as shown on its books; 4054

(b) Dividing (1) the amount of the financial institution's 4055  
assets, as shown on its books, represented by investments in the 4056

capital stock and indebtedness of insurance companies of which at 4057  
least eighty per cent of the insurance company's issued and 4058  
outstanding common stock is owned by the financial institution by 4059  
(2) the total assets of such financial institution as shown on its 4060  
books; 4061

(c) Dividing (1) the amount of the financial institution's 4062  
assets, as shown on its books, represented by investments in the 4063  
capital stock and indebtedness of other financial institutions of 4064  
which at least twenty-five per cent of the other financial 4065  
institution's issued and outstanding common stock is owned by the 4066  
financial institution by (2) the total assets of the financial 4067  
institution as shown on its books. Division (B)(5)(c) of this 4068  
section applies only with respect to such other financial 4069  
institutions that for the tax year immediately following the 4070  
taxpayer's taxable year will pay the tax imposed by division (D) 4071  
of section 5733.06 of the Revised Code. 4072

(6) Land that has been determined pursuant to section 5713.31 4073  
of the Revised Code by the county auditor of the county in which 4074  
the land is located to be devoted exclusively to agricultural use 4075  
as of the first Monday of June in the financial institution's 4076  
taxable year. 4077

(7) Property within this state used exclusively during the 4078  
taxable year for qualified research as defined in section 5733.05 4079  
of the Revised Code. 4080

(C) ~~The~~ Except as provided under division (I) of this 4081  
section, the base upon which the tax levied under division (D) of 4082  
section 5733.06 of the Revised Code shall be computed by 4083  
multiplying the value of a financial institution's issued and 4084  
outstanding shares of stock as determined in division (B) of this 4085  
section by a fraction. The numerator of the fraction is the sum of 4086  
the following: the property factor multiplied by fifteen, the 4087  
payroll factor multiplied by fifteen, and the sales factor 4088

multiplied by seventy. The denominator of the fraction is one 4089  
hundred, provided that the denominator shall be reduced by fifteen 4090  
if the property factor has a denominator of zero, by fifteen if 4091  
the payroll factor has a denominator of zero, and by seventy if 4092  
the sales factor has a denominator of zero. 4093

(D) A financial institution shall calculate the property 4094  
factor as follows: 4095

(1) The property factor is a fraction, the numerator of which 4096  
is the average value of real property and tangible personal 4097  
property rented to the taxpayer that is located or used within 4098  
this state during the taxable year, the average value of real and 4099  
tangible personal property owned by the taxpayer that is located 4100  
or used within this state during the taxable year, and the average 4101  
value of the taxpayer's loans and credit card receivables that are 4102  
located within this state during the taxable year; and the 4103  
denominator of which is the average value of all such property 4104  
located or used within and without this state during the taxable 4105  
year. 4106

(2)(a) The value of real property and tangible personal 4107  
property owned by the taxpayer is the original cost or other basis 4108  
of such property for federal income tax purposes without regard to 4109  
depletion, depreciation, or amortization. 4110

(b) Loans are valued at their outstanding principal balance, 4111  
without regard to any reserve for bad debts. If a loan is 4112  
charged-off in whole or in part for federal income tax purposes, 4113  
the portion of the loan charged-off is not outstanding. A 4114  
specifically allocated reserve established pursuant to financial 4115  
accounting guidelines which is treated as charged-off for federal 4116  
income tax purposes shall be treated as charged-off for purposes 4117  
of this section. 4118

(c) Credit card receivables are valued at their outstanding 4119

principal balance, without regard to any reserve for bad debts. If 4120  
a credit card receivable is charged-off in whole or in part for 4121  
federal income tax purposes, the portion of the receivable 4122  
charged-off is not outstanding. 4123

(3) The average value of property owned by the taxpayer is 4124  
computed on an annual basis by adding the value of the property on 4125  
the first day of the taxable year and the value on the last day of 4126  
the taxable year and dividing the sum by two. If averaging on this 4127  
basis does not properly reflect average value, the tax 4128  
commissioner may require averaging on a more frequent basis. The 4129  
taxpayer may elect to average on a more frequent basis. When 4130  
averaging on a more frequent basis is required by the tax 4131  
commissioner or is elected by the taxpayer, the same method of 4132  
valuation must be used consistently by the taxpayer with respect 4133  
to property within and without this state and on all subsequent 4134  
returns unless the taxpayer receives prior permission from the tax 4135  
commissioner or the tax commissioner requires a different method 4136  
of determining value. 4137

(4)(a) The average value of real property and tangible 4138  
personal property that the taxpayer has rented from another and is 4139  
not treated as property owned by the taxpayer for federal income 4140  
tax purposes, shall be determined annually by multiplying the 4141  
gross rents payable during the taxable year by eight. 4142

(b) Where the use of the general method described in division 4143  
(D)(4)(a) of this section results in inaccurate valuations of 4144  
rented property, any other method which properly reflects the 4145  
value may be adopted by the tax commissioner or by the taxpayer 4146  
when approved in writing by the tax commissioner. Once approved, 4147  
such other method of valuation must be used on all subsequent 4148  
returns unless the taxpayer receives prior approval from the tax 4149  
commissioner or the tax commissioner requires a different method 4150  
of valuation. 4151

(5)(a) Except as described in division (D)(5)(b) of this section, real property and tangible personal property owned by or rented to the taxpayer is considered to be located within this state if it is physically located, situated, or used within this state.

(b) Transportation property is included in the numerator of the property factor to the extent that the property is used in this state. The extent an aircraft will be deemed to be used in this state and the amount of value that is to be included in the numerator of this state's property factor is determined by multiplying the average value of the aircraft by a fraction, the numerator of which is the number of landings of the aircraft in this state and the denominator of which is the total number of landings of the aircraft everywhere. If the extent of the use of any transportation property within this state cannot be determined, then the property will be deemed to be used wholly in the state in which the property has its principal base of operations. A motor vehicle will be deemed to be used wholly in the state in which it is registered.

(6)(a)(i) A loan, other than a loan or advance described in division (D)(6)(d) of this section, is considered to be located within this state if it is properly assigned to a regular place of business of the taxpayer within this state.

(ii) A loan is properly assigned to the regular place of business with which it has a preponderance of substantive contacts. A loan assigned by the taxpayer to a regular place of business without the state shall be presumed to have been properly assigned if:

(I) The taxpayer has assigned, in the regular course of its business, such loan on its records to a regular place of business consistent with federal or state regulatory requirements;

(II) Such assignment on its records is based upon substantive 4183  
contacts of the load to such regular place of business; and 4184

(III) The taxpayer uses the records reflecting assignment of 4185  
loans for the filing of all state and local tax returns for which 4186  
an assignment of loans to a regular place of business is required. 4187

(iii) The presumption of proper assignment of a loan provided 4188  
in division (D)(6)(a)(ii) of this section may be rebutted upon a 4189  
showing by the tax commissioner, supported by a preponderance of 4190  
the evidence, that the preponderance of substantive contacts 4191  
regarding such loan did not occur at the regular place of business 4192  
to which it was assigned on the taxpayer's records. When such 4193  
presumption has been rebutted, the loan shall then be located 4194  
within this state if (1) the taxpayer had a regular place of 4195  
business within this state at the time the loan was made; and (2) 4196  
the taxpayer fails to show, by a preponderance of the evidence, 4197  
that the preponderance of substantive contacts regarding such loan 4198  
did not occur within this state. 4199

(b) In the case of a loan which is assigned by the taxpayer 4200  
to a place without this state which is not a regular place of 4201  
business, it shall be presumed, subject to rebuttal by the 4202  
taxpayer on a showing supported by the preponderance of evidence, 4203  
that the preponderance of substantive contacts regarding the loan 4204  
occurred within this state if, at the time the loan was made the 4205  
taxpayer's commercial domicile was within this state. 4206

(c) To determine the state in which the preponderance of 4207  
substantive contacts relating to a loan have occurred, the facts 4208  
and circumstances regarding the loan at issue shall be reviewed on 4209  
a case-by-case basis and consideration shall be given to such 4210  
activities as the solicitation, investigation, negotiation, 4211  
approval, and administration of the loan. The terms 4212  
"solicitation," "investigation," "negotiation," "approval," and 4213  
"administration" are defined as follows: 4214

(i) "Solicitation" is either active or passive. Active 4215  
solicitation occurs when an employee of the taxpayer initiates the 4216  
contact with the customer. Such activity is located at the regular 4217  
place of business which the taxpayer's employee is regularly 4218  
connected with or working out of, regardless of where the services 4219  
of such employee were actually performed. Passive solicitation 4220  
occurs when the customer initiates the contact with the taxpayer. 4221  
If the customer's initial contact was not at a regular place of 4222  
business of the taxpayer, the regular place of business, if any, 4223  
where the passive solicitation occurred is determined by the facts 4224  
in each case. 4225

(ii) "Investigation" is the procedure whereby employees of 4226  
the taxpayer determine the creditworthiness of the customer as 4227  
well as the degree of risk involved in making a particular 4228  
agreement. Such activity is located at the regular place of 4229  
business which the taxpayer's employees are regularly connected 4230  
with or working out of, regardless of where the services of such 4231  
employees were actually performed. 4232

(iii) Negotiation is the procedure whereby employees of the 4233  
taxpayer and its customer determine the terms of the agreement, 4234  
such as the amount, duration, interest rate, frequency of 4235  
repayment, currency denomination, and security required. Such 4236  
activity is located at the regular place of business to which the 4237  
taxpayer's employees are regularly connected or working from, 4238  
regardless of where the services of such employees were actually 4239  
performed. 4240

(iv) "Approval" is the procedure whereby employees or the 4241  
board of directors of the taxpayer make the final determination 4242  
whether to enter into the agreement. Such activity is located at 4243  
the regular place of business to which the taxpayer's employees 4244  
are regularly connected or working from, regardless of where the 4245  
services of such employees were actually performed. If the board 4246

of directors makes the final determination, such activity is 4247  
located at the commercial domicile of the taxpayer. 4248

(v) "Administration" is the process of managing the account. 4249  
This process includes bookkeeping, collecting the payments, 4250  
corresponding with the customer, reporting to management regarding 4251  
the status of the agreement, and proceeding against the borrower 4252  
or the security interest if the borrower is in default. Such 4253  
activity is located at the regular place of business that oversees 4254  
this activity. 4255

(d) A loan or advance to a subsidiary corporation at least 4256  
fifty-one per cent of whose common stock is owned by the financial 4257  
institution shall be allocated in and out of the state by the 4258  
application of a ratio whose numerator is the sum of the net book 4259  
value of the subsidiary's real property owned in this state and 4260  
the subsidiary's tangible personal property owned in this state 4261  
and whose denominator is the sum of the subsidiary's real property 4262  
owned wherever located and the subsidiary's tangible personal 4263  
property owned wherever located. For purposes of calculating this 4264  
ratio, the taxpayer shall determine net book value in accordance 4265  
with generally accepted accounting principles. If the subsidiary 4266  
corporation owns at least fifty-one per cent of the common stock 4267  
of another corporation, the ratio shall be calculated by including 4268  
the other corporation's real property and tangible personal 4269  
property. The calculation of the ratio applies with respect to all 4270  
lower-tiered subsidiaries, provided that the immediate parent 4271  
corporation of the subsidiary owns at least fifty-one per cent of 4272  
the common stock of that subsidiary. 4273

(7) For purposes of determining the location of credit card 4274  
receivables, credit card receivables shall be treated as loans and 4275  
shall be subject to division (D)(6) of this section. 4276

(8) A loan that has been properly assigned to a state shall, 4277  
absent any change of material fact, remain assigned to that state 4278

for the length of the original term of the loan. Thereafter, the 4279  
loan may be properly assigned to another state if the loan has a 4280  
preponderance of substantive contact to a regular place of 4281  
business there. 4282

(E) A financial institution shall calculate the payroll 4283  
factor as follows: 4284

(1) The payroll factor is a fraction, the numerator of which 4285  
is the total amount paid in this state during the taxable year by 4286  
the taxpayer for compensation, and the denominator of which is the 4287  
total compensation paid both within and without this state during 4288  
the taxable year. 4289

(2) Compensation is paid in this state if any one of the 4290  
following tests, applied consecutively, is met: 4291

(a) The employee's services are performed entirely within 4292  
this state. 4293

(b) The employee's services are performed both within and 4294  
without this state, but the service performed without this state 4295  
is incidental to the employee's service within this state. The 4296  
term "incidental" means any service which is temporary or 4297  
transitory in nature, or which is rendered in connection with an 4298  
isolated transaction. 4299

(c) The employee's services are performed both within and 4300  
without this state, and: 4301

(i) The employee's principal base of operations is within 4302  
this state; or 4303

(ii) There is no principal base of operations in any state in 4304  
which some part of the services are performed, but the place from 4305  
which the services are directed or controlled is in this state; or 4306

(iii) The principal base of operations and the place from 4307  
which the services are directed or controlled are not in any state 4308

in which some part of the service is performed but the employee's 4309  
residence is in this state. 4310

(F) A financial institution shall calculate the sales factor 4311  
as follows: 4312

(1) The sales factor is a fraction, the numerator of which is 4313  
the receipts of the taxpayer in this state during the taxable year 4314  
and the denominator of which is the receipts of the taxpayer 4315  
within and without this state during the taxable year. The method 4316  
of calculating receipts for purposes of the denominator is the 4317  
same as the method used in determining receipts for purposes of 4318  
the numerator. 4319

(2) The numerator of the sales factor includes receipts from 4320  
the lease or rental of real property owned by the taxpayer if the 4321  
property is located within this state, or receipts from the 4322  
sublease of real property if the property is located within this 4323  
state. 4324

(3)(a) Except as described in division (F)(3)(b) of this 4325  
section the numerator of the sales factor includes receipts from 4326  
the lease or rental of tangible personal property owned by the 4327  
taxpayer if the property is located within this state when it is 4328  
first placed in service by the lessee. 4329

(b) Receipts from the lease or rental of transportation 4330  
property owned by the taxpayer are included in the numerator of 4331  
the sales factor to the extent that the property is used in this 4332  
state. The extent an aircraft will be deemed to be used in this 4333  
state and the amount of receipts that is to be included in the 4334  
numerator of this state's sales factor is determined by 4335  
multiplying all the receipts from the lease or rental of the 4336  
aircraft by a fraction, the numerator of which is the number of 4337  
landings of the aircraft in this state and the denominator of 4338  
which is the total number of landings of the aircraft. If the 4339

extent of the use of any transportation property within this state 4340  
cannot be determined, then the property will be deemed to be used 4341  
wholly in the state in which the property has its principal base 4342  
of operations. A motor vehicle will be deemed to be used wholly in 4343  
the state in which it is registered. 4344

(4)(a) The numerator of the sales factor includes interest 4345  
and fees or penalties in the nature of interest from loans secured 4346  
by real property if the property is located within this state. If 4347  
the property is located both within this state and one or more 4348  
other states, the receipts described in this paragraph are 4349  
included in the numerator of the sales factor if more than fifty 4350  
per cent of the fair market value of the real property is located 4351  
within this state. If more than fifty per cent of the fair market 4352  
value of the real property is not located within any one state, 4353  
then the receipts described in this paragraph shall be included in 4354  
the numerator of the sales factor if the borrower is located in 4355  
this state. 4356

(b) The determination of whether the real property securing a 4357  
loan is located within this state shall be made as of the time the 4358  
original agreement was made and any and all subsequent 4359  
substitutions of collateral shall be disregarded. 4360

(5) The numerator of the sales factor includes interest and 4361  
fees or penalties in the nature of interest from loans not secured 4362  
by real property if the borrower is located in this state. 4363

(6) The numerator of the sales factor includes net gains from 4364  
the sale of loans. Net gains from the sale of loans includes 4365  
income recorded under the coupon stripping rules of section 1286 4366  
of the Internal Revenue Code. 4367

(a) The amount of net gains, but not less than zero, from the 4368  
sale of loans secured by real property included in the numerator 4369  
is determined by multiplying such net gains by a fraction the 4370

numerator of which is the amount included in the numerator of the 4371  
sales factor pursuant to division (F)(4) of this section and the 4372  
denominator of which is the total amount of interest and fees or 4373  
penalties in the nature of interest from loans secured by real 4374  
property. 4375

(b) The amount of net gains, but not less than zero, from the 4376  
sale of loans not secured by real property included in the 4377  
numerator is determined by multiplying such net gains by a 4378  
fraction the numerator of which is the amount included in the 4379  
numerator of the sales factor pursuant to division (F)(5) of this 4380  
section and the denominator of which is the total amount of 4381  
interest and fees or penalties in the nature of interest from 4382  
loans not secured by real property. 4383

(7) The numerator of the sales factor includes interest and 4384  
fees or penalties in the nature of interest from credit card 4385  
receivables and receipts from fees charged to card holders, such 4386  
as annual fees, if the billing address of the card holder is in 4387  
this state. 4388

(8) The numerator of the sales factor includes net gains, but 4389  
not less than zero, from the sale of credit card receivables 4390  
multiplied by a fraction, the numerator of which is the amount 4391  
included in the numerator of the sales factor pursuant to division 4392  
(F)(7) of this section and the denominator of which is the 4393  
taxpayer's total amount of interest and fees or penalties in the 4394  
nature of interest from credit card receivables and fees charged 4395  
to card holders. 4396

(9) The numerator of the sales factor includes all credit 4397  
card issuer's reimbursement fees multiplied by a fraction, the 4398  
numerator of which is the amount included in the numerator of the 4399  
sales factor pursuant to division (F)(7) of this section and the 4400  
denominator of which is the taxpayer's total amount of interest 4401  
and fees or penalties in the nature of interest from credit card 4402

receivables and fees charged to card holders. 4403

(10) The numerator of the sales factor includes receipts from 4404  
merchant discount if the commercial domicile of the merchant is in 4405  
this state. Such receipts shall be computed net of any card holder 4406  
charge backs, but shall not be reduced by any interchange 4407  
transaction fees or by any issuer's reimbursement fees paid to 4408  
another for charges made by its card holders. 4409

(11)(a)(i) The numerator of the sales factor includes loan 4410  
servicing fees derived from loans secured by real property 4411  
multiplied by a fraction the numerator of which is the amount 4412  
included in the numerator of the sales factor pursuant to division 4413  
(F)(4) of this section and the denominator of which is the total 4414  
amount of interest and fees or penalties in the nature of interest 4415  
from loans secured by real property. 4416

(ii) The numerator of the sales factor includes loan 4417  
servicing fees derived from loans not secured by real property 4418  
multiplied by a fraction the numerator of which is the amount 4419  
included in the numerator of the sales factor pursuant to division 4420  
(F)(5) of this section and the denominator of which is the total 4421  
amount of interest and fees or penalties in the nature of interest 4422  
from loans not secured by real property. 4423

(b) In circumstances in which the taxpayer receives loan 4424  
servicing fees for servicing either the secured or the unsecured 4425  
loans of another, the numerator of the sales factor shall include 4426  
such fees if the borrower is located in this state. 4427

(12) The numerator of the sales factor includes receipts from 4428  
services not otherwise apportioned under this section if the 4429  
service is performed in this state. If the service is performed 4430  
both within and without this state, the numerator of the sales 4431  
factor includes receipts from services not otherwise apportioned 4432  
under this section, if a greater proportion of the 4433

income-producing activity is performed in this state based on 4434  
cost of performance. 4435

(13)(a) Interest, dividends, net gains, but not less than 4436  
zero, and other income from investment assets and activities and 4437  
from trading assets and activities shall be included in the sales 4438  
factor. Investment assets and activities and trading assets and 4439  
activities include but are not limited to: investment securities; 4440  
trading account assets; federal funds; securities purchased and 4441  
sold under agreements to resell or repurchase; options; futures 4442  
contracts; forward contracts; notional principal contracts such as 4443  
swaps; equities; and foreign currency transactions. With respect 4444  
to the investment and trading assets and activities described in 4445  
divisions (F)(13)(a)(i) and (ii) of this section, the sales factor 4446  
shall include the amounts described in such divisions. 4447

(i) The sales factor shall include the amount by which 4448  
interest from federal funds sold and securities purchased under 4449  
resale agreements exceeds interest expense on federal funds 4450  
purchased and securities sold under repurchase agreements. 4451

(ii) The sales factor shall include the amount by which 4452  
interest, dividends, gains, and other income from trading assets 4453  
and activities, including, but not limited to, assets and 4454  
activities in the matched book, in the arbitrage book, and foreign 4455  
currency transactions, exceed amounts paid in lieu of interest, 4456  
amounts paid in lieu of dividends, and losses from such assets and 4457  
activities. 4458

(b) The numerator of the sales factor includes interest, 4459  
dividends, net gains, but not less than zero, and other income 4460  
from investment assets and activities and from trading assets and 4461  
activities described in division (F)(13)(a) of this section that 4462  
are attributable to this state. 4463

(i) The amount of interest, other than interest described in 4464

division (F)(13)(b)(iv) of this section, dividends, other than 4465  
dividends described in that division, net gains, but not less than 4466  
zero, and other income from investment assets and activities in 4467  
the investment account to be attributed to this state and included 4468  
in the numerator is determined by multiplying all such income from 4469  
such assets and activities by a fraction, the numerator of which 4470  
is the average value of such assets which are properly assigned to 4471  
a regular place of business of the taxpayer within this state and 4472  
the denominator of which is the average value of all such assets. 4473

(ii) The amount of interest from federal funds sold and 4474  
purchased and from securities purchased under resale agreements 4475  
and securities sold under repurchase agreements attributable to 4476  
this state and included in the numerator is determined by 4477  
multiplying the amount described in division (F)(13)(a)(i) of this 4478  
section from such funds and such securities by a fraction, the 4479  
numerator of which is the average value of federal funds sold and 4480  
securities purchased under agreements to resell which are properly 4481  
assigned to a regular place of business of the taxpayer within 4482  
this state and the denominator of which is the average value of 4483  
all such funds and such securities. 4484

(iii) The amount of interest, dividends, gains, and other 4485  
income from trading assets and activities, including but not 4486  
limited to assets and activities in the matched book, in the 4487  
arbitrage book, and foreign currency transaction, but excluding 4488  
amounts described in division (F)(13)(b)(i) or (ii) of this 4489  
section, attributable to this state and included in the numerator 4490  
is determined by multiplying the amount described in division 4491  
(F)(13)(a)(ii) of this section by a fraction, the numerator of 4492  
which is the average value of such trading assets which are 4493  
properly assigned to a regular place of business of the taxpayer 4494  
within this state and the denominator of which is the average 4495  
value of all such assets. 4496

(iv) The amount of dividends received on the capital stock 4497  
of, and the amount of interest received from loans and advances 4498  
to, subsidiary corporations at least fifty-one per cent of whose 4499  
common stock is owned by the reporting financial institution shall 4500  
be allocated in and out of this state by the application of a 4501  
ratio whose numerator is the sum of the net book value of the 4502  
payor's real property owned in this state and the payor's tangible 4503  
personal property owned in this state and whose denominator is the 4504  
sum of the net book value of the payor's real property owned 4505  
wherever located and the payor's tangible personal property owned 4506  
wherever located. For purposes of calculating this ratio, the 4507  
taxpayer shall determine net book value in accordance with 4508  
generally accepted accounting principles. 4509

(v) For purposes of this division, average value shall be 4510  
determined using the rules for determining the average value of 4511  
tangible personal property set forth in division (D)(2) and (3) of 4512  
this section. 4513

(c) In lieu of using the method set forth in division 4514  
(F)(13)(b) of this section, the taxpayer may elect, or the tax 4515  
commissioner may require in order to fairly represent the business 4516  
activity of the taxpayer in this state, the use of the method set 4517  
forth in division (F)(13)(c) of this section. 4518

(i) The amount of interest, other than interest described in 4519  
division (F)(13)(b)(iv) of this section, dividends, other than 4520  
dividends described in that division, net gains, but not less than 4521  
zero, and other income from investment assets and activities in 4522  
the investment account to be attributed to this state and included 4523  
in the numerator is determined by multiplying all such income from 4524  
such assets and activities by a fraction, the numerator of which 4525  
is the gross income from such assets and activities which are 4526  
properly assigned to a regular place of business of the taxpayer 4527  
within this state, and the denominator of which is the gross 4528

income from all such assets and activities. 4529

(ii) The amount of interest from federal funds sold and 4530  
purchased and from securities purchased under resale agreements 4531  
and securities sold under repurchase agreements attributable to 4532  
this state and included in the numerator is determined by 4533  
multiplying the amount described in division (F)(13)(a)(i) of this 4534  
section from such funds and such securities by a fraction, the 4535  
numerator of which is the gross income from such funds and such 4536  
securities which are properly assigned to a regular place of 4537  
business of the taxpayer within this state and the denominator of 4538  
which is the gross income from all such funds and such securities. 4539

(iii) The amount of interest, dividends, gains, and other 4540  
income from trading assets and activities, including, but not 4541  
limited to, assets and activities in the matched book, in the 4542  
arbitrage book, and foreign currency transactions, but excluding 4543  
amounts described in division (F)(13)(a)(i) or (ii) of this 4544  
section, attributable to this state and included in the numerator, 4545  
is determined by multiplying the amount described in division 4546  
(F)(13)(a)(ii) of this section by a fraction, the numerator of 4547  
which is the gross income from such trading assets and activities 4548  
which are properly assigned to a regular place of business of the 4549  
taxpayer within this state and the denominator of which is the 4550  
gross income from all such assets and activities. 4551

(iv) The amount of dividends received on the capital stock 4552  
of, and the amount of interest received from loans and advances 4553  
to, subsidiary corporations at least fifty-one per cent of whose 4554  
common stock is owned by the reporting financial institution shall 4555  
be allocated in and out of this state by the application of a 4556  
ratio whose numerator is the sum of the net book value of the 4557  
payor's real property owned in this state and the payor's tangible 4558  
personal property owned in this state and whose denominator is the 4559  
sum of the payor's real property owned wherever located and the 4560

payor's tangible personal property owned wherever located. For 4561  
purposes of calculating this ratio, the taxpayer shall determine 4562  
net book value in accordance with generally accepted accounting 4563  
principles. 4564

(d) If the taxpayer elects or is required by the tax 4565  
commissioner to use the method set forth in division (F)(13)(c) of 4566  
this section, it shall use this method on all subsequent returns 4567  
unless the taxpayer receives prior permission from the tax 4568  
commissioner to use or the tax commissioner requires a different 4569  
method. 4570

(e) The taxpayer shall have the burden of proving that an 4571  
investment asset or activity or trading asset or activity was 4572  
properly assigned to a regular place of business outside of this 4573  
state by demonstrating that the day-to-day decisions regarding the 4574  
asset or activity occurred at a regular place of business outside 4575  
this state. Where the day-to-day decisions regarding an investment 4576  
asset or activity or trading asset or activity occur at more than 4577  
one regular place of business and one such regular place of 4578  
business is in this state and one such regular place of business 4579  
is outside this state such asset or activity shall be considered 4580  
to be located at the regular place of business of the taxpayer 4581  
where the investment or trading policies or guidelines with 4582  
respect to the asset or activity are established. Unless the 4583  
taxpayer demonstrates to the contrary, such policies and 4584  
guidelines shall be presumed to be established at the commercial 4585  
domicile of the taxpayer. 4586

(14) The numerator of the sales factor includes all other 4587  
receipts if either: 4588

(a) The income-producing activity is performed solely in this 4589  
state; or 4590

(b) The income-producing activity is performed both within 4591

and without this state and a greater proportion of the 4592  
income-producing activity is performed within this state than in 4593  
any other state, based on costs of performance. 4594

(G) A qualified institution may calculate the base upon which 4595  
the fee provided for in division (D) of section 5733.06 of the 4596  
Revised Code is determined for each tax year by multiplying the 4597  
value of its issued and outstanding shares of stock determined 4598  
under division (B) of this section by a single deposits fraction 4599  
whose numerator is the deposits assigned to branches in this state 4600  
and whose denominator is the deposits assigned to branches 4601  
everywhere. Deposits shall be assigned to branches in the same 4602  
manner in which the assignment is made for regulatory purposes. If 4603  
the base calculated under this division is less than the base 4604  
calculated under division (C) of this section, then the qualifying 4605  
institution may elect to substitute the base calculated under this 4606  
division for the base calculated under division (C) of this 4607  
section. Such election may be made annually for each tax year on 4608  
the corporate report. The election need not accompany the report; 4609  
rather, the election may accompany a subsequently filed but timely 4610  
application for refund, a subsequently filed but timely amended 4611  
report, or a subsequently filed but timely petition for 4612  
reassessment. The election is not irrevocable and it applies only 4613  
to the specified tax year. Nothing in this division shall be 4614  
construed to extend any statute of limitations set forth in this 4615  
chapter. 4616

(H) If the apportionment provisions of this section do not 4617  
fairly represent the extent of the taxpayer's business activity in 4618  
this state, the taxpayer may petition for or the tax commissioner 4619  
may require, in respect to all or any part of the taxpayer's 4620  
business activity, if reasonable: 4621

(1) Separate accounting; 4622

(2) The exclusion of any one or more of the factors; 4623

(3) The inclusion of one or more additional factors which 4624  
will fairly represent the taxpayer's business activity in this 4625  
state; or 4626

(4) The employment of any other method to effectuate an 4627  
equitable allocation and apportionment of the taxpayer's value. 4628

(I) For tax year 2012 and every tax year thereafter, a 4629  
qualified financial institution may calculate the base upon which 4630  
the tax imposed by division (D) of section 5733.06 of the Revised 4631  
Code is determined by multiplying the value of the qualified 4632  
financial institution's issued and outstanding shares of stock as 4633  
determined under division (B) of this section by the sales factor 4634  
calculated in division (F) of this section instead of using the 4635  
base calculated under division (C) of this section. An election 4636  
under this division shall accompany the report or a subsequently 4637  
filed but timely amended report. 4638

**Sec. 5735.02.** (A) A motor fuel dealer shall not receive, use, 4639  
sell, or distribute any motor fuel or engage in business within 4640  
this state unless the motor fuel dealer holds an unrevoked license 4641  
issued by the tax commissioner to engage in such business. ~~Fe~~ 4642

(B) To procure ~~such a motor fuel dealer's~~ license, every 4643  
motor fuel dealer shall file with the commissioner an application 4644  
verified under oath by the applicant and in such form as the 4645  
commissioner prescribes, setting forth, in addition to such other 4646  
information required by the commissioner, the following: 4647

~~(A)~~(1) The name under which the motor fuel dealer will 4648  
transact business within the state; 4649

~~(B)~~(2) The location, including street number address, of its 4650  
principal office or place of business within this state; 4651

~~(C)~~(3) The name and address of the owner, or the names and 4652  
addresses of the partners if such motor fuel dealer is a 4653

partnership, or the names and addresses of the principal officers 4654  
if such motor fuel dealer is a corporation or an association; 4655

~~(D)~~(4) If such motor fuel dealer is a corporation organized 4656  
under the laws of another state, territory, or country, a 4657  
certified copy of the certificate or license issued by the Ohio 4658  
secretary of state showing that such corporation is authorized to 4659  
transact business in this state; 4660

~~(E)~~(5) An agreement that the motor fuel dealer will assume 4661  
the liability and will pay the tax on any shipment of motor fuel 4662  
made into the state from any other state or foreign country and 4663  
sold or caused to be sold by such motor fuel dealer for delivery 4664  
to a person in this state who is not the holder of an unrevoked 4665  
motor fuel dealer's license. 4666

~~An~~ (C)(1) Except as provided in division (C)(2) of this 4667  
section, an application for a license shall be accompanied by a 4668  
bond, of the character stipulated and in the amount provided for 4669  
in section 5735.03 of the Revised Code, which shall be filed with 4670  
the commissioner. 4671

(2) The tax commissioner may exempt a motor fuel dealer from 4672  
the requirements set forth in division (C)(1) of this section and 4673  
section 5753.03 of the Revised Code if the motor fuel dealer only 4674  
sells or distributes motor fuel upon which the motor fuel taxes 4675  
imposed under this chapter have been paid or are not required to 4676  
be paid by the motor fuel dealer. 4677

(D) If any application for a license to transact business as 4678  
a motor fuel dealer in the state is filed by any person who has 4679  
had any license previously canceled for cause by the tax 4680  
commissioner; if the commissioner believes that such application 4681  
is not filed in good faith or that such application is filed as a 4682  
subterfuge by some person for the real person in interest who has 4683  
previously had any license canceled for cause by the tax 4684

commissioner; or if the person has violated any provision of this 4685  
chapter, then the tax commissioner, after a hearing, of which the 4686  
applicant shall be given five days' notice in writing and at which 4687  
said applicant shall have the right to appear in person or by 4688  
counsel and present testimony, may refuse to issue to such person 4689  
a license to transact business as a motor fuel dealer in the 4690  
state. 4691

(E) When the application in proper form has been accepted for 4692  
filing, and the bond accepted and approved, the commissioner shall 4693  
issue to such motor fuel dealer a license to transact business as 4694  
a motor fuel dealer in the state, subject to cancellation of such 4695  
license as provided by law. 4696

(F) No person shall make a false or fraudulent statement on 4697  
the application required by this section. 4698

**Sec. 5735.03.** Every Except as provided in division (C)(2) of 4699  
section 5735.02 of the Revised Code, every motor fuel dealer shall 4700  
file with the tax commissioner a surety bond of not less than five 4701  
thousand dollars, but may be required by the tax commissioner to 4702  
submit a surety bond equal to three months' average tax liability, 4703  
on a form approved by and with a surety satisfactory to the 4704  
commissioner, upon which the motor fuel dealer shall be the 4705  
principal obligor and the state shall be the obligee, conditioned 4706  
upon the prompt filing of true reports and the payment by the 4707  
motor fuel dealer to the treasurer of state of all motor fuel 4708  
excise taxes levied by the state, provided that after notice is 4709  
received from the state by the surety of the delinquency of any 4710  
taxes, if the surety pays the taxes within thirty days after the 4711  
receipt of the notice no penalties or interest shall be charged 4712  
against the surety. If the surety does not pay the taxes within 4713  
thirty days, but does pay within ninety days from the date of the 4714  
receipt of notice from the state by the surety, no penalty shall 4715

be assessed against the surety but the surety shall pay interest 4716  
at the rate of six per cent per annum on the unpaid taxes from the 4717  
date the taxes are due and payable. If the surety does not pay 4718  
within ninety days then the surety shall be liable for interest 4719  
and penalties, and the tax commissioner may cancel all bonds 4720  
issued by the surety. 4721

The commissioner may increase or reduce the amount of the 4722  
bond required to be filed by any licensed motor fuel dealer. If 4723  
the commissioner finds that it is necessary to increase the bond 4724  
to assure payment of the tax, the bond may be increased to an 4725  
amount equal to three months/average liability or fifty thousand 4726  
dollars, whichever is greater. 4727

If liability upon the bond thus filed by the motor fuel 4728  
dealer with the commissioner is discharged or reduced, whether by 4729  
judgment rendered, payment made, or otherwise, or if, in the 4730  
opinion of the commissioner any surety on the bond theretofore 4731  
given has become unsatisfactory or unacceptable, the commissioner 4732  
may require the motor fuel dealer to file a new bond with 4733  
satisfactory sureties in the same amount, and if a new bond is not 4734  
filed the commissioner shall forthwith cancel the license of the 4735  
motor fuel dealer. If a new bond is furnished by the motor fuel 4736  
dealer, the commissioner shall cancel and surrender the bond of 4737  
the motor fuel dealer for which the new bond is substituted. 4738

A surety on a bond furnished by a motor fuel dealer shall be 4739  
released from all liability to the state accruing on the bond 4740  
after the expiration of sixty days from the date upon which the 4741  
surety lodges with the commissioner a written request to be 4742  
released. The request shall not operate to release the surety from 4743  
any liability already accrued, or which accrues before the 4744  
expiration of the sixty-day period. The commissioner shall 4745  
promptly on receipt of notice of the request notify the motor fuel 4746  
dealer who furnished the bond and, unless the motor fuel dealer on 4747

or before the expiration of the sixty-day period files with the 4748  
commissioner a new bond with a surety satisfactory to the 4749  
commissioner in the amount and form provided in this section, the 4750  
commissioner shall forthwith cancel the license of the motor fuel 4751  
dealer. If the new bond is furnished by said motor fuel dealer, 4752  
the commissioner shall cancel and surrender the bond of the motor 4753  
fuel dealer for which the new bond is substituted. 4754

The commissioner, in lieu of any surety bond required by this 4755  
section, may accept a deposit by a motor fuel dealer of cash. Any 4756  
cash thus accepted shall be deposited with the treasurer of state 4757  
to be held by the treasurer of state, in the same manner as other 4758  
cash required to be deposited with the treasurer of state under 4759  
the laws of the state, for the account of such motor fuel dealer 4760  
and subject to any lawful claim of the state for any excise tax 4761  
upon motor fuel, and penalties and interest thereon levied by the 4762  
laws of this state. The state shall have a lien upon cash thus 4763  
deposited for the amount of any motor fuel excise taxes and 4764  
penalty and interest due to the state from the motor fuel dealer 4765  
in whose behalf they were deposited. The amount of cash to be thus 4766  
accepted shall in all respects be determined in the same manner as 4767  
provided in this section for the amount of surety bonds. Any cash 4768  
deposited shall be subject to levy upon execution to satisfy any 4769  
judgment secured in any action by the state to recover any motor 4770  
fuel excise taxes, and penalties and interest found to be due to 4771  
the state from such motor fuel dealer. The cash shall be released 4772  
by the treasurer of state upon certificate of the commissioner 4773  
that the license of the motor fuel dealer in whose behalf they 4774  
have been deposited has been canceled or that other security has 4775  
been accepted in lieu thereof, and that the state asserts no claim 4776  
thereto. 4777

**Sec. 5739.01.** As used in this chapter: 4778

(A) "Person" includes individuals, receivers, assignees, 4779  
trustees in bankruptcy, estates, firms, partnerships, 4780  
associations, joint-stock companies, joint ventures, clubs, 4781  
societies, corporations, the state and its political subdivisions, 4782  
and combinations of individuals of any form. 4783

(B) "Sale" and "selling" include all of the following 4784  
transactions for a consideration in any manner, whether absolutely 4785  
or conditionally, whether for a price or rental, in money or by 4786  
exchange, and by any means whatsoever: 4787

(1) All transactions by which title or possession, or both, 4788  
of tangible personal property, is or is to be transferred, or a 4789  
license to use or consume tangible personal property is or is to 4790  
be granted; 4791

(2) All transactions by which lodging by a hotel is or is to 4792  
be furnished to transient guests; 4793

(3) All transactions by which: 4794

(a) An item of tangible personal property is or is to be 4795  
repaired, except property, the purchase of which would not be 4796  
subject to the tax imposed by section 5739.02 of the Revised Code; 4797

(b) An item of tangible personal property is or is to be 4798  
installed, except property, the purchase of which would not be 4799  
subject to the tax imposed by section 5739.02 of the Revised Code 4800  
or property that is or is to be incorporated into and will become 4801  
a part of a production, transmission, transportation, or 4802  
distribution system for the delivery of a public utility service; 4803

(c) The service of washing, cleaning, waxing, polishing, or 4804  
painting a motor vehicle is or is to be furnished; 4805

(d) Until August 1, 2003, industrial laundry cleaning 4806  
services are or are to be provided and, on and after August 1, 4807  
2003, laundry and dry cleaning services are or are to be provided; 4808

(e) Automatic data processing, computer services, or	4809
electronic information services are or are to be provided for use	4810
in business when the true object of the transaction is the receipt	4811
by the consumer of automatic data processing, computer services,	4812
or electronic information services rather than the receipt of	4813
personal or professional services to which automatic data	4814
processing, computer services, or electronic information services	4815
are incidental or supplemental. Notwithstanding any other	4816
provision of this chapter, such transactions that occur between	4817
members of an affiliated group are not sales. An "affiliated	4818
group" means two or more persons related in such a way that one	4819
person owns or controls the business operation of another member	4820
of the group. In the case of corporations with stock, one	4821
corporation owns or controls another if it owns more than fifty	4822
per cent of the other corporation's common stock with voting	4823
rights.	4824
(f) Telecommunications service, including prepaid calling	4825
service, prepaid wireless calling service, or ancillary service,	4826
is or is to be provided, but not including coin-operated telephone	4827
service;	4828
(g) Landscaping and lawn care service is or is to be	4829
provided;	4830
(h) Private investigation and security service is or is to be	4831
provided;	4832
(i) Information services or tangible personal property is	4833
provided or ordered by means of a nine hundred telephone call;	4834
(j) Building maintenance and janitorial service is or is to	4835
be provided;	4836
(k) Employment service is or is to be provided;	4837
(l) Employment placement service is or is to be provided;	4838

(m) Exterminating service is or is to be provided;	4839
(n) Physical fitness facility service is or is to be provided;	4840 4841
(o) Recreation and sports club service is or is to be provided;	4842 4843
(p) On and after August 1, 2003, satellite broadcasting service is or is to be provided;	4844 4845
(q) On and after August 1, 2003, personal care service is or is to be provided to an individual. As used in this division, "personal care service" includes skin care, the application of cosmetics, manicuring, pedicuring, hair removal, tattooing, body piercing, tanning, massage, and other similar services. "Personal care service" does not include a service provided by or on the order of a licensed physician or licensed chiropractor, or the cutting, coloring, or styling of an individual's hair.	4846 4847 4848 4849 4850 4851 4852 4853
(r) On and after August 1, 2003, the transportation of persons by motor vehicle or aircraft is or is to be provided, when the transportation is entirely within this state, except for transportation provided by an ambulance service, by a transit bus, as defined in section 5735.01 of the Revised Code, and transportation provided by a citizen of the United States holding a certificate of public convenience and necessity issued under 49 U.S.C. 41102;	4854 4855 4856 4857 4858 4859 4860 4861
(s) On and after August 1, 2003, motor vehicle towing service is or is to be provided. As used in this division, "motor vehicle towing service" means the towing or conveyance of a wrecked, disabled, or illegally parked motor vehicle.	4862 4863 4864 4865
(t) On and after August 1, 2003, snow removal service is or is to be provided. As used in this division, "snow removal service" means the removal of snow by any mechanized means, but does not include the providing of such service by a person that	4866 4867 4868 4869

has less than five thousand dollars in sales of such service 4870  
during the calendar year. 4871

(u) Electronic publishing service is or is to be provided to 4872  
a consumer for use in business, except that such transactions 4873  
occurring between members of an affiliated group, as defined in 4874  
division (B)(3)(e) of this section, are not sales. 4875

(4) All transactions by which printed, imprinted, 4876  
overprinted, lithographic, multilithic, blueprinted, photostatic, 4877  
or other productions or reproductions of written or graphic matter 4878  
are or are to be furnished or transferred; 4879

(5) The production or fabrication of tangible personal 4880  
property for a consideration for consumers who furnish either 4881  
directly or indirectly the materials used in the production of 4882  
fabrication work; and include the furnishing, preparing, or 4883  
serving for a consideration of any tangible personal property 4884  
consumed on the premises of the person furnishing, preparing, or 4885  
serving such tangible personal property. Except as provided in 4886  
section 5739.03 of the Revised Code, a construction contract 4887  
pursuant to which tangible personal property is or is to be 4888  
incorporated into a structure or improvement on and becoming a 4889  
part of real property is not a sale of such tangible personal 4890  
property. The construction contractor is the consumer of such 4891  
tangible personal property, provided that the sale and 4892  
installation of carpeting, the sale and installation of 4893  
agricultural land tile, the sale and erection or installation of 4894  
portable grain bins, or the provision of landscaping and lawn care 4895  
service and the transfer of property as part of such service is 4896  
never a construction contract. 4897

As used in division (B)(5) of this section: 4898

(a) "Agricultural land tile" means fired clay or concrete 4899  
tile, or flexible or rigid perforated plastic pipe or tubing, 4900

incorporated or to be incorporated into a subsurface drainage 4901  
system appurtenant to land used or to be used primarily in 4902  
production by farming, agriculture, horticulture, or floriculture. 4903  
The term does not include such materials when they are or are to 4904  
be incorporated into a drainage system appurtenant to a building 4905  
or structure even if the building or structure is used or to be 4906  
used in such production. 4907

(b) "Portable grain bin" means a structure that is used or to 4908  
be used by a person engaged in farming or agriculture to shelter 4909  
the person's grain and that is designed to be disassembled without 4910  
significant damage to its component parts. 4911

(6) All transactions in which all of the shares of stock of a 4912  
closely held corporation are transferred, or an ownership interest 4913  
in a pass-through entity, as defined in section 5733.04 of the 4914  
Revised Code, is transferred, if the corporation or pass-through 4915  
entity is not engaging in business and its entire assets consist 4916  
of boats, planes, motor vehicles, or other tangible personal 4917  
property operated primarily for the use and enjoyment of the 4918  
shareholders or owners; 4919

(7) All transactions in which a warranty, maintenance or 4920  
service contract, or similar agreement by which the vendor of the 4921  
warranty, contract, or agreement agrees to repair or maintain the 4922  
tangible personal property of the consumer is or is to be 4923  
provided; 4924

(8) The transfer of copyrighted motion picture films used 4925  
solely for advertising purposes, except that the transfer of such 4926  
films for exhibition purposes is not a sale; 4927

(9) On and after August 1, 2003, all transactions by which 4928  
tangible personal property is or is to be stored, except such 4929  
property that the consumer of the storage holds for sale in the 4930  
regular course of business; 4931

(10) All transactions in which "guaranteed auto protection" 4932  
is provided whereby a person promises to pay to the consumer the 4933  
difference between the amount the consumer receives from motor 4934  
vehicle insurance and the amount the consumer owes to a person 4935  
holding title to or a lien on the consumer's motor vehicle in the 4936  
event the consumer's motor vehicle suffers a total loss under the 4937  
terms of the motor vehicle insurance policy or is stolen and not 4938  
recovered, if the protection and its price are included in the 4939  
purchase or lease agreement; 4940

(11)(a) Except as provided in division (B)(11)(b) of this 4941  
section, on and after October 1, 2009, all transactions by which 4942  
health care services are paid for, reimbursed, provided, 4943  
delivered, arranged for, or otherwise made available by a medicaid 4944  
health insuring corporation pursuant to the corporation's contract 4945  
with the state. 4946

(b) If the centers for medicare and medicaid services of the 4947  
United States department of health and human services determines 4948  
that the taxation of transactions described in division (B)(11)(a) 4949  
of this section constitutes an impermissible health care-related 4950  
tax under section 1903(w) of the "Social Security Act," 49 Stat. 4951  
620 (1935), 42 U.S.C. 1396b(w), as amended, and regulations 4952  
adopted thereunder, the director of job and family services shall 4953  
notify the tax commissioner of that determination. Beginning with 4954  
the first day of the month following that notification, the 4955  
transactions described in division (B)(11)(a) of this section are 4956  
not sales for the purposes of this chapter or Chapter 5741. of the 4957  
Revised Code. The tax commissioner shall order that the collection 4958  
of taxes under sections 5739.02, 5739.021, 5739.023, 5739.026, 4959  
5741.02, 5741.021, 5741.022, and 5741.023 of the Revised Code 4960  
shall cease for transactions occurring on or after that date. 4961

Except as provided in this section, "sale" and "selling" do 4962  
not include transfers of interest in leased property where the 4963

original lessee and the terms of the original lease agreement 4964  
remain unchanged, or professional, insurance, or personal service 4965  
transactions that involve the transfer of tangible personal 4966  
property as an inconsequential element, for which no separate 4967  
charges are made. 4968

(C) "Vendor" means the person providing the service or by 4969  
whom the transfer effected or license given by a sale is or is to 4970  
be made or given and, for sales described in division (B)(3)(i) of 4971  
this section, the telecommunications service vendor that provides 4972  
the nine hundred telephone service; if two or more persons are 4973  
engaged in business at the same place of business under a single 4974  
trade name in which all collections on account of sales by each 4975  
are made, such persons shall constitute a single vendor. 4976

Physicians, dentists, hospitals, and veterinarians who are 4977  
engaged in selling tangible personal property as received from 4978  
others, such as eyeglasses, mouthwashes, dentifrices, or similar 4979  
articles, are vendors. Veterinarians who are engaged in 4980  
transferring to others for a consideration drugs, the dispensing 4981  
of which does not require an order of a licensed veterinarian or 4982  
physician under federal law, are vendors. 4983

(D)(1) "Consumer" means the person for whom the service is 4984  
provided, to whom the transfer effected or license given by a sale 4985  
is or is to be made or given, to whom the service described in 4986  
division (B)(3)(f) or (i) of this section is charged, or to whom 4987  
the admission is granted. 4988

(2) Physicians, dentists, hospitals, and blood banks operated 4989  
by nonprofit institutions and persons licensed to practice 4990  
veterinary medicine, surgery, and dentistry are consumers of all 4991  
tangible personal property and services purchased by them in 4992  
connection with the practice of medicine, dentistry, the rendition 4993  
of hospital or blood bank service, or the practice of veterinary 4994  
medicine, surgery, and dentistry. In addition to being consumers 4995

of drugs administered by them or by their assistants according to 4996  
their direction, veterinarians also are consumers of drugs that 4997  
under federal law may be dispensed only by or upon the order of a 4998  
licensed veterinarian or physician, when transferred by them to 4999  
others for a consideration to provide treatment to animals as 5000  
directed by the veterinarian. 5001

(3) A person who performs a facility management, or similar 5002  
service contract for a contractee is a consumer of all tangible 5003  
personal property and services purchased for use in connection 5004  
with the performance of such contract, regardless of whether title 5005  
to any such property vests in the contractee. The purchase of such 5006  
property and services is not subject to the exception for resale 5007  
under division (E)(1) of this section. 5008

(4)(a) In the case of a person who purchases printed matter 5009  
for the purpose of distributing it or having it distributed to the 5010  
public or to a designated segment of the public, free of charge, 5011  
that person is the consumer of that printed matter, and the 5012  
purchase of that printed matter for that purpose is a sale. 5013

(b) In the case of a person who produces, rather than 5014  
purchases, printed matter for the purpose of distributing it or 5015  
having it distributed to the public or to a designated segment of 5016  
the public, free of charge, that person is the consumer of all 5017  
tangible personal property and services purchased for use or 5018  
consumption in the production of that printed matter. That person 5019  
is not entitled to claim exemption under division (B)(42)(f) of 5020  
section 5739.02 of the Revised Code for any material incorporated 5021  
into the printed matter or any equipment, supplies, or services 5022  
primarily used to produce the printed matter. 5023

(c) The distribution of printed matter to the public or to a 5024  
designated segment of the public, free of charge, is not a sale to 5025  
the members of the public to whom the printed matter is 5026  
distributed or to any persons who purchase space in the printed 5027

matter for advertising or other purposes. 5028

(5) A person who makes sales of any of the services listed in 5029  
division (B)(3) of this section is the consumer of any tangible 5030  
personal property used in performing the service. The purchase of 5031  
that property is not subject to the resale exception under 5032  
division (E)(1) of this section. 5033

(6) A person who engages in highway transportation for hire 5034  
is the consumer of all packaging materials purchased by that 5035  
person and used in performing the service, except for packaging 5036  
materials sold by such person in a transaction separate from the 5037  
service. 5038

(7) In the case of a transaction for health care services 5039  
under division (B)(11) of this section, a medicaid health insuring 5040  
corporation is the consumer of such services. The purchase of such 5041  
services by a medicaid health insuring corporation is not subject 5042  
to the exception for resale under division (E)(1) of this section 5043  
or to the exemptions provided under divisions (B)(12), (18), (19), 5044  
and (22) of section 5739.02 of the Revised Code. 5045

(E) "Retail sale" and "sales at retail" include all sales, 5046  
except those in which the purpose of the consumer is to resell the 5047  
thing transferred or benefit of the service provided, by a person 5048  
engaging in business, in the form in which the same is, or is to 5049  
be, received by the person. 5050

(F) "Business" includes any activity engaged in by any person 5051  
with the object of gain, benefit, or advantage, either direct or 5052  
indirect. "Business" does not include the activity of a person in 5053  
managing and investing the person's own funds. 5054

(G) "Engaging in business" means commencing, conducting, or 5055  
continuing in business, and liquidating a business when the 5056  
liquidator thereof holds itself out to the public as conducting 5057  
such business. Making a casual sale is not engaging in business. 5058

(H)(1)(a) "Price," except as provided in divisions (H)(2), 5059  
(3), and (4) of this section, means the total amount of 5060  
consideration, including cash, credit, property, and services, for 5061  
which tangible personal property or services are sold, leased, or 5062  
rented, valued in money, whether received in money or otherwise, 5063  
without any deduction for any of the following: 5064

(i) The vendor's cost of the property sold; 5065

(ii) The cost of materials used, labor or service costs, 5066  
interest, losses, all costs of transportation to the vendor, all 5067  
taxes imposed on the vendor, including the tax imposed under 5068  
Chapter 5751. of the Revised Code, and any other expense of the 5069  
vendor; 5070

(iii) Charges by the vendor for any services necessary to 5071  
complete the sale; 5072

(iv) On and after August 1, 2003, delivery charges. As used 5073  
in this division, "delivery charges" means charges by the vendor 5074  
for preparation and delivery to a location designated by the 5075  
consumer of tangible personal property or a service, including 5076  
transportation, shipping, postage, handling, crating, and packing. 5077

(v) Installation charges; 5078

(vi) Credit for any trade-in. 5079

(b) "Price" includes consideration received by the vendor 5080  
from a third party, if the vendor actually receives the 5081  
consideration from a party other than the consumer, and the 5082  
consideration is directly related to a price reduction or discount 5083  
on the sale; the vendor has an obligation to pass the price 5084  
reduction or discount through to the consumer; the amount of the 5085  
consideration attributable to the sale is fixed and determinable 5086  
by the vendor at the time of the sale of the item to the consumer; 5087  
and one of the following criteria is met: 5088

(i) The consumer presents a coupon, certificate, or other document to the vendor to claim a price reduction or discount where the coupon, certificate, or document is authorized, distributed, or granted by a third party with the understanding that the third party will reimburse any vendor to whom the coupon, certificate, or document is presented;

(ii) The consumer identifies the consumer's self to the seller as a member of a group or organization entitled to a price reduction or discount. A preferred customer card that is available to any patron does not constitute membership in such a group or organization.

(iii) The price reduction or discount is identified as a third party price reduction or discount on the invoice received by the consumer, or on a coupon, certificate, or other document presented by the consumer.

(c) "Price" does not include any of the following:

(i) Discounts, including cash, term, or coupons that are not reimbursed by a third party that are allowed by a vendor and taken by a consumer on a sale;

(ii) Interest, financing, and carrying charges from credit extended on the sale of tangible personal property or services, if the amount is separately stated on the invoice, bill of sale, or similar document given to the purchaser;

(iii) Any taxes legally imposed directly on the consumer that are separately stated on the invoice, bill of sale, or similar document given to the consumer. For the purpose of this division, the tax imposed under Chapter 5751. of the Revised Code is not a tax directly on the consumer, even if the tax or a portion thereof is separately stated.

(iv) Notwithstanding divisions (H)(1)(b)(i) to (iii) of this section, any discount allowed by an automobile manufacturer to its

employee, or to the employee of a supplier, on the purchase of a 5120  
new motor vehicle from a new motor vehicle dealer in this state. 5121

(v) The dollar value of a gift card that is not sold by a 5122  
vendor or purchased by a consumer and that is redeemed by the 5123  
consumer in purchasing tangible personal property or services if 5124  
the vendor is not reimbursed and does not receive compensation 5125  
from a third party to cover all or part of the gift card value. 5126  
For the purposes of this division, a gift card is not sold by a 5127  
vendor or purchased by a consumer if it is distributed pursuant to 5128  
an awards, loyalty, or promotional program. Past and present 5129  
purchases of tangible personal property or services by the 5130  
consumer shall not be treated as consideration exchanged for a 5131  
gift card. 5132

(2) In the case of a sale of any new motor vehicle by a new 5133  
motor vehicle dealer, as defined in section 4517.01 of the Revised 5134  
Code, in which another motor vehicle is accepted by the dealer as 5135  
part of the consideration received, "price" has the same meaning 5136  
as in division (H)(1) of this section, reduced by the credit 5137  
afforded the consumer by the dealer for the motor vehicle received 5138  
in trade. 5139

(3) In the case of a sale of any watercraft or outboard motor 5140  
by a watercraft dealer licensed in accordance with section 5141  
1547.543 of the Revised Code, in which another watercraft, 5142  
watercraft and trailer, or outboard motor is accepted by the 5143  
dealer as part of the consideration received, "price" has the same 5144  
meaning as in division (H)(1) of this section, reduced by the 5145  
credit afforded the consumer by the dealer for the watercraft, 5146  
watercraft and trailer, or outboard motor received in trade. As 5147  
used in this division, "watercraft" includes an outdrive unit 5148  
attached to the watercraft. 5149

(4) In the case of transactions for health care services 5150  
under division (B)(11) of this section, "price" means the amount 5151

of managed care premiums received each month by a medicaid health 5152  
insuring corporation. 5153

(I) "Receipts" means the total amount of the prices of the 5154  
sales of vendors, provided that the dollar value of gift cards 5155  
distributed pursuant to an awards, loyalty, or promotional 5156  
program, and cash discounts allowed and taken on sales at the time 5157  
they are consummated are not included, minus any amount deducted 5158  
as a bad debt pursuant to section 5739.121 of the Revised Code. 5159  
"Receipts" does not include the sale price of property returned or 5160  
services rejected by consumers when the full sale price and tax 5161  
are refunded either in cash or by credit. 5162

(J) "Place of business" means any location at which a person 5163  
engages in business. 5164

(K) "Premises" includes any real property or portion thereof 5165  
upon which any person engages in selling tangible personal 5166  
property at retail or making retail sales and also includes any 5167  
real property or portion thereof designated for, or devoted to, 5168  
use in conjunction with the business engaged in by such person. 5169

(L) "Casual sale" means a sale of an item of tangible 5170  
personal property that was obtained by the person making the sale, 5171  
through purchase or otherwise, for the person's own use and was 5172  
previously subject to any state's taxing jurisdiction on its sale 5173  
or use, and includes such items acquired for the seller's use that 5174  
are sold by an auctioneer employed directly by the person for such 5175  
purpose, provided the location of such sales is not the 5176  
auctioneer's permanent place of business. As used in this 5177  
division, "permanent place of business" includes any location 5178  
where such auctioneer has conducted more than two auctions during 5179  
the year. 5180

(M) "Hotel" means every establishment kept, used, maintained, 5181  
advertised, or held out to the public to be a place where sleeping 5182

accommodations are offered to guests, in which five or more rooms 5183  
are used for the accommodation of such guests, whether the rooms 5184  
are in one or several structures, except as otherwise provided in 5185  
division (G) of section 5739.09 of the Revised Code. 5186

(N) "Transient guests" means persons occupying a room or 5187  
rooms for sleeping accommodations for less than thirty consecutive 5188  
days. 5189

(O) "Making retail sales" means the effecting of transactions 5190  
wherein one party is obligated to pay the price and the other 5191  
party is obligated to provide a service or to transfer title to or 5192  
possession of the item sold. "Making retail sales" does not 5193  
include the preliminary acts of promoting or soliciting the retail 5194  
sales, other than the distribution of printed matter which 5195  
displays or describes and prices the item offered for sale, nor 5196  
does it include delivery of a predetermined quantity of tangible 5197  
personal property or transportation of property or personnel to or 5198  
from a place where a service is performed, ~~regardless of whether~~ 5199  
~~the vendor is a delivery vendor.~~ 5200

(P) "Used directly in the rendition of a public utility 5201  
service" means that property that is to be incorporated into and 5202  
will become a part of the consumer's production, transmission, 5203  
transportation, or distribution system and that retains its 5204  
classification as tangible personal property after such 5205  
incorporation; fuel or power used in the production, transmission, 5206  
transportation, or distribution system; and tangible personal 5207  
property used in the repair and maintenance of the production, 5208  
transmission, transportation, or distribution system, including 5209  
only such motor vehicles as are specially designed and equipped 5210  
for such use. Tangible personal property and services used 5211  
primarily in providing highway transportation for hire are not 5212  
used directly in the rendition of a public utility service. In 5213  
this definition, "public utility" includes a citizen of the United 5214

States holding, and required to hold, a certificate of public  
convenience and necessity issued under 49 U.S.C. 41102. 5215  
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(Q) "Refining" means removing or separating a desirable  
product from raw or contaminated materials by distillation or  
physical, mechanical, or chemical processes. 5217  
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(R) "Assembly" and "assembling" mean attaching or fitting  
together parts to form a product, but do not include packaging a  
product. 5220  
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(S) "Manufacturing operation" means a process in which  
materials are changed, converted, or transformed into a different  
state or form from which they previously existed and includes  
refining materials, assembling parts, and preparing raw materials  
and parts by mixing, measuring, blending, or otherwise committing  
such materials or parts to the manufacturing process. 5223  
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"Manufacturing operation" does not include packaging. 5229

(T) "Fiscal officer" means, with respect to a regional  
transit authority, the secretary-treasurer thereof, and with  
respect to a county that is a transit authority, the fiscal  
officer of the county transit board if one is appointed pursuant  
to section 306.03 of the Revised Code or the county auditor if the  
board of county commissioners operates the county transit system. 5230  
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(U) "Transit authority" means a regional transit authority  
created pursuant to section 306.31 of the Revised Code or a county  
in which a county transit system is created pursuant to section  
306.01 of the Revised Code. For the purposes of this chapter, a  
transit authority must extend to at least the entire area of a  
single county. A transit authority that includes territory in more  
than one county must include all the area of the most populous  
county that is a part of such transit authority. County population  
shall be measured by the most recent census taken by the United  
States census bureau. 5236  
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(V) "Legislative authority" means, with respect to a regional transit authority, the board of trustees thereof, and with respect to a county that is a transit authority, the board of county commissioners.

(W) "Territory of the transit authority" means all of the area included within the territorial boundaries of a transit authority as they from time to time exist. Such territorial boundaries must at all times include all the area of a single county or all the area of the most populous county that is a part of such transit authority. County population shall be measured by the most recent census taken by the United States census bureau.

(X) "Providing a service" means providing or furnishing anything described in division (B)(3) of this section for consideration.

(Y)(1)(a) "Automatic data processing" means processing of others' data, including keypunching or similar data entry services together with verification thereof, or providing access to computer equipment for the purpose of processing data.

(b) "Computer services" means providing services consisting of specifying computer hardware configurations and evaluating technical processing characteristics, computer programming, and training of computer programmers and operators, provided in conjunction with and to support the sale, lease, or operation of taxable computer equipment or systems.

(c) "Electronic information services" means providing access to computer equipment by means of telecommunications equipment for the purpose of either of the following:

(i) Examining or acquiring data stored in or accessible to the computer equipment;

(ii) Placing data into the computer equipment to be retrieved by designated recipients with access to the computer equipment.

For transactions occurring on or after the effective date of 5277  
the amendment of this section by H.B. 157 of the 127th general 5278  
assembly, December 21, 2007, "electronic information services" 5279  
does not include electronic publishing as defined in division 5280  
(LLL) of this section. 5281

(d) "Automatic data processing, computer services, or 5282  
electronic information services" shall not include personal or 5283  
professional services. 5284

(2) As used in divisions (B)(3)(e) and (Y)(1) of this 5285  
section, "personal and professional services" means all services 5286  
other than automatic data processing, computer services, or 5287  
electronic information services, including but not limited to: 5288

(a) Accounting and legal services such as advice on tax 5289  
matters, asset management, budgetary matters, quality control, 5290  
information security, and auditing and any other situation where 5291  
the service provider receives data or information and studies, 5292  
alters, analyzes, interprets, or adjusts such material; 5293

(b) Analyzing business policies and procedures; 5294

(c) Identifying management information needs; 5295

(d) Feasibility studies, including economic and technical 5296  
analysis of existing or potential computer hardware or software 5297  
needs and alternatives; 5298

(e) Designing policies, procedures, and custom software for 5299  
collecting business information, and determining how data should 5300  
be summarized, sequenced, formatted, processed, controlled, and 5301  
reported so that it will be meaningful to management; 5302

(f) Developing policies and procedures that document how 5303  
business events and transactions are to be authorized, executed, 5304  
and controlled; 5305

(g) Testing of business procedures; 5306

(h) Training personnel in business procedure applications;	5307
(i) Providing credit information to users of such information	5308
by a consumer reporting agency, as defined in the "Fair Credit	5309
Reporting Act," 84 Stat. 1114, 1129 (1970), 15 U.S.C. 1681a(f), or	5310
as hereafter amended, including but not limited to gathering,	5311
organizing, analyzing, recording, and furnishing such information	5312
by any oral, written, graphic, or electronic medium;	5313
(j) Providing debt collection services by any oral, written,	5314
graphic, or electronic means.	5315
The services listed in divisions (Y)(2)(a) to (j) of this	5316
section are not automatic data processing or computer services.	5317
(Z) "Highway transportation for hire" means the	5318
transportation of personal property belonging to others for	5319
consideration by any of the following:	5320
(1) The holder of a permit or certificate issued by this	5321
state or the United States authorizing the holder to engage in	5322
transportation of personal property belonging to others for	5323
consideration over or on highways, roadways, streets, or any	5324
similar public thoroughfare;	5325
(2) A person who engages in the transportation of personal	5326
property belonging to others for consideration over or on	5327
highways, roadways, streets, or any similar public thoroughfare	5328
but who could not have engaged in such transportation on December	5329
11, 1985, unless the person was the holder of a permit or	5330
certificate of the types described in division (Z)(1) of this	5331
section;	5332
(3) A person who leases a motor vehicle to and operates it	5333
for a person described by division (Z)(1) or (2) of this section.	5334
(AA)(1) "Telecommunications service" means the electronic	5335
transmission, conveyance, or routing of voice, data, audio, video,	5336

or any other information or signals to a point, or between or 5337  
among points. "Telecommunications service" includes such 5338  
transmission, conveyance, or routing in which computer processing 5339  
applications are used to act on the form, code, or protocol of the 5340  
content for purposes of transmission, conveyance, or routing 5341  
without regard to whether the service is referred to as voice-over 5342  
internet protocol service or is classified by the federal 5343  
communications commission as enhanced or value-added. 5344  
"Telecommunications service" does not include any of the 5345  
following: 5346

(a) Data processing and information services that allow data 5347  
to be generated, acquired, stored, processed, or retrieved and 5348  
delivered by an electronic transmission to a consumer where the 5349  
consumer's primary purpose for the underlying transaction is the 5350  
processed data or information; 5351

(b) Installation or maintenance of wiring or equipment on a 5352  
customer's premises; 5353

(c) Tangible personal property; 5354

(d) Advertising, including directory advertising; 5355

(e) Billing and collection services provided to third 5356  
parties; 5357

(f) Internet access service; 5358

(g) Radio and television audio and video programming 5359  
services, regardless of the medium, including the furnishing of 5360  
transmission, conveyance, and routing of such services by the 5361  
programming service provider. Radio and television audio and video 5362  
programming services include, but are not limited to, cable 5363  
service, as defined in 47 U.S.C. 522(6), and audio and video 5364  
programming services delivered by commercial mobile radio service 5365  
providers, as defined in 47 C.F.R. 20.3; 5366

(h) Ancillary service;	5367
(i) Digital products delivered electronically, including software, music, video, reading materials, or ring tones.	5368 5369
(2) "Ancillary service" means a service that is associated with or incidental to the provision of telecommunications service, including conference bridging service, detailed telecommunications billing service, directory assistance, vertical service, and voice mail service. As used in this division:	5370 5371 5372 5373 5374
(a) "Conference bridging service" means an ancillary service that links two or more participants of an audio or video conference call, including providing a telephone number. "Conference bridging service" does not include telecommunications services used to reach the conference bridge.	5375 5376 5377 5378 5379
(b) "Detailed telecommunications billing service" means an ancillary service of separately stating information pertaining to individual calls on a customer's billing statement.	5380 5381 5382
(c) "Directory assistance" means an ancillary service of providing telephone number or address information.	5383 5384
(d) "Vertical service" means an ancillary service that is offered in connection with one or more telecommunications services, which offers advanced calling features that allow customers to identify callers and manage multiple calls and call connections, including conference bridging service.	5385 5386 5387 5388 5389
(e) "Voice mail service" means an ancillary service that enables the customer to store, send, or receive recorded messages. "Voice mail service" does not include any vertical services that the customer may be required to have in order to utilize the voice mail service.	5390 5391 5392 5393 5394
(3) "900 service" means an inbound toll telecommunications service purchased by a subscriber that allows the subscriber's	5395 5396

customers to call in to the subscriber's prerecorded announcement 5397  
or live service, and which is typically marketed under the name 5398  
"900" service and any subsequent numbers designated by the federal 5399  
communications commission. "900 service" does not include the 5400  
charge for collection services provided by the seller of the 5401  
telecommunications service to the subscriber, or services or 5402  
products sold by the subscriber to the subscriber's customer. 5403

(4) "Prepaid calling service" means the right to access 5404  
exclusively telecommunications services, which must be paid for in 5405  
advance and which enables the origination of calls using an access 5406  
number or authorization code, whether manually or electronically 5407  
dialed, and that is sold in predetermined units ~~of~~ or dollars of 5408  
which the number declines with use in a known amount. 5409

(5) "Prepaid wireless calling service" means a 5410  
telecommunications service that provides the right to utilize 5411  
mobile telecommunications service as well as other 5412  
non-telecommunications services, including the download of digital 5413  
products delivered electronically, and content and ancillary 5414  
services, that must be paid for in advance and that is sold in 5415  
predetermined units of dollars of which the number declines with 5416  
use in a known amount. 5417

(6) "Value-added non-voice data service" means a 5418  
telecommunications service in which computer processing 5419  
applications are used to act on the form, content, code, or 5420  
protocol of the information or data primarily for a purpose other 5421  
than transmission, conveyance, or routing. 5422

(7) "Coin-operated telephone service" means a 5423  
telecommunications service paid for by inserting money into a 5424  
telephone accepting direct deposits of money to operate. 5425

(8) "Customer" has the same meaning as in section 5739.034 of 5426  
the Revised Code. 5427

(BB) "Laundry and dry cleaning services" means removing soil 5428  
or dirt from towels, linens, articles of clothing, or other fabric 5429  
items that belong to others and supplying towels, linens, articles 5430  
of clothing, or other fabric items. "Laundry and dry cleaning 5431  
services" does not include the provision of self-service 5432  
facilities for use by consumers to remove soil or dirt from 5433  
towels, linens, articles of clothing, or other fabric items. 5434

(CC) "Magazines distributed as controlled circulation 5435  
publications" means magazines containing at least twenty-four 5436  
pages, at least twenty-five per cent editorial content, issued at 5437  
regular intervals four or more times a year, and circulated 5438  
without charge to the recipient, provided that such magazines are 5439  
not owned or controlled by individuals or business concerns which 5440  
conduct such publications as an auxiliary to, and essentially for 5441  
the advancement of the main business or calling of, those who own 5442  
or control them. 5443

(DD) "Landscaping and lawn care service" means the services 5444  
of planting, seeding, sodding, removing, cutting, trimming, 5445  
pruning, mulching, aerating, applying chemicals, watering, 5446  
fertilizing, and providing similar services to establish, promote, 5447  
or control the growth of trees, shrubs, flowers, grass, ground 5448  
cover, and other flora, or otherwise maintaining a lawn or 5449  
landscape grown or maintained by the owner for ornamentation or 5450  
other nonagricultural purpose. However, "landscaping and lawn care 5451  
service" does not include the providing of such services by a 5452  
person who has less than five thousand dollars in sales of such 5453  
services during the calendar year. 5454

(EE) "Private investigation and security service" means the 5455  
performance of any activity for which the provider of such service 5456  
is required to be licensed pursuant to Chapter 4749. of the 5457  
Revised Code, or would be required to be so licensed in performing 5458  
such services in this state, and also includes the services of 5459

conducting polygraph examinations and of monitoring or overseeing 5460  
the activities on or in, or the condition of, the consumer's home, 5461  
business, or other facility by means of electronic or similar 5462  
monitoring devices. "Private investigation and security service" 5463  
does not include special duty services provided by off-duty police 5464  
officers, deputy sheriffs, and other peace officers regularly 5465  
employed by the state or a political subdivision. 5466

(FF) "Information services" means providing conversation, 5467  
giving consultation or advice, playing or making a voice or other 5468  
recording, making or keeping a record of the number of callers, 5469  
and any other service provided to a consumer by means of a nine 5470  
hundred telephone call, except when the nine hundred telephone 5471  
call is the means by which the consumer makes a contribution to a 5472  
recognized charity. 5473

(GG) "Research and development" means designing, creating, or 5474  
formulating new or enhanced products, equipment, or manufacturing 5475  
processes, and also means conducting scientific or technological 5476  
inquiry and experimentation in the physical sciences with the goal 5477  
of increasing scientific knowledge which may reveal the bases for 5478  
new or enhanced products, equipment, or manufacturing processes. 5479

(HH) "Qualified research and development equipment" means 5480  
capitalized tangible personal property, and leased personal 5481  
property that would be capitalized if purchased, used by a person 5482  
primarily to perform research and development. Tangible personal 5483  
property primarily used in testing, as defined in division (A)(4) 5484  
of section 5739.011 of the Revised Code, or used for recording or 5485  
storing test results, is not qualified research and development 5486  
equipment unless such property is primarily used by the consumer 5487  
in testing the product, equipment, or manufacturing process being 5488  
created, designed, or formulated by the consumer in the research 5489  
and development activity or in recording or storing such test 5490  
results. 5491

(II) "Building maintenance and janitorial service" means 5492  
cleaning the interior or exterior of a building and any tangible 5493  
personal property located therein or thereon, including any 5494  
services incidental to such cleaning for which no separate charge 5495  
is made. However, "building maintenance and janitorial service" 5496  
does not include the providing of such service by a person who has 5497  
less than five thousand dollars in sales of such service during 5498  
the calendar year. 5499

(JJ) "Employment service" means providing or supplying 5500  
personnel, on a temporary or long-term basis, to perform work or 5501  
labor under the supervision or control of another, when the 5502  
personnel so provided or supplied receive their wages, salary, or 5503  
other compensation from the provider or supplier of the employment 5504  
service or from a third party that provided or supplied the 5505  
personnel to the provider or supplier. "Employment service" does 5506  
not include: 5507

(1) Acting as a contractor or subcontractor, where the 5508  
personnel performing the work are not under the direct control of 5509  
the purchaser. 5510

(2) Medical and health care services. 5511

(3) Supplying personnel to a purchaser pursuant to a contract 5512  
of at least one year between the service provider and the 5513  
purchaser that specifies that each employee covered under the 5514  
contract is assigned to the purchaser on a permanent basis. 5515

(4) Transactions between members of an affiliated group, as 5516  
defined in division (B)(3)(e) of this section. 5517

(5) Transactions where the personnel so provided or supplied 5518  
by a provider or supplier to a purchaser of an employment service 5519  
are then provided or supplied by that purchaser to a third party 5520  
as an employment service, except "employment service" does include 5521  
the transaction between that purchaser and the third party. 5522

(KK) "Employment placement service" means locating or finding 5523  
employment for a person or finding or locating an employee to fill 5524  
an available position. 5525

(LL) "Exterminating service" means eradicating or attempting 5526  
to eradicate vermin infestations from a building or structure, or 5527  
the area surrounding a building or structure, and includes 5528  
activities to inspect, detect, or prevent vermin infestation of a 5529  
building or structure. 5530

(MM) "Physical fitness facility service" means all 5531  
transactions by which a membership is granted, maintained, or 5532  
renewed, including initiation fees, membership dues, renewal fees, 5533  
monthly minimum fees, and other similar fees and dues, by a 5534  
physical fitness facility such as an athletic club, health spa, or 5535  
gymnasium, which entitles the member to use the facility for 5536  
physical exercise. 5537

(NN) "Recreation and sports club service" means all 5538  
transactions by which a membership is granted, maintained, or 5539  
renewed, including initiation fees, membership dues, renewal fees, 5540  
monthly minimum fees, and other similar fees and dues, by a 5541  
recreation and sports club, which entitles the member to use the 5542  
facilities of the organization. "Recreation and sports club" means 5543  
an organization that has ownership of, or controls or leases on a 5544  
continuing, long-term basis, the facilities used by its members 5545  
and includes an aviation club, gun or shooting club, yacht club, 5546  
card club, swimming club, tennis club, golf club, country club, 5547  
riding club, amateur sports club, or similar organization. 5548

(OO) "Livestock" means farm animals commonly raised for food, 5549  
food production, or other agricultural purposes, including, but 5550  
not limited to, cattle, sheep, goats, swine, poultry, and captive 5551  
deer. "Livestock" does not include invertebrates, amphibians, 5552  
reptiles, domestic pets, animals for use in laboratories or for 5553  
exhibition, or other animals not commonly raised for food or food 5554

production. 5555

(PP) "Livestock structure" means a building or structure used 5556  
exclusively for the housing, raising, feeding, or sheltering of 5557  
livestock, and includes feed storage or handling structures and 5558  
structures for livestock waste handling. 5559

(QQ) "Horticulture" means the growing, cultivation, and 5560  
production of flowers, fruits, herbs, vegetables, sod, mushrooms, 5561  
and nursery stock. As used in this division, "nursery stock" has 5562  
the same meaning as in section 927.51 of the Revised Code. 5563

(RR) "Horticulture structure" means a building or structure 5564  
used exclusively for the commercial growing, raising, or 5565  
overwintering of horticultural products, and includes the area 5566  
used for stocking, storing, and packing horticultural products 5567  
when done in conjunction with the production of those products. 5568

(SS) "Newspaper" means an unbound publication bearing a title 5569  
or name that is regularly published, at least as frequently as 5570  
biweekly, and distributed from a fixed place of business to the 5571  
public in a specific geographic area, and that contains a 5572  
substantial amount of news matter of international, national, or 5573  
local events of interest to the general public. 5574

(TT) "Professional racing team" means a person that employs 5575  
at least twenty full-time employees for the purpose of conducting 5576  
a motor vehicle racing business for profit. The person must 5577  
conduct the business with the purpose of racing one or more motor 5578  
racing vehicles in at least ten competitive professional racing 5579  
events each year that comprise all or part of a motor racing 5580  
series sanctioned by one or more motor racing sanctioning 5581  
organizations. A "motor racing vehicle" means a vehicle for which 5582  
the chassis, engine, and parts are designed exclusively for motor 5583  
racing, and does not include a stock or production model vehicle 5584  
that may be modified for use in racing. For the purposes of this 5585

division: 5586

(1) A "competitive professional racing event" is a motor 5587  
vehicle racing event sanctioned by one or more motor racing 5588  
sanctioning organizations, at which aggregate cash prizes in 5589  
excess of eight hundred thousand dollars are awarded to the 5590  
competitors. 5591

(2) "Full-time employee" means an individual who is employed 5592  
for consideration for thirty-five or more hours a week, or who 5593  
renders any other standard of service generally accepted by custom 5594  
or specified by contract as full-time employment. 5595

(UU)(1) "Lease" or "rental" means any transfer of the 5596  
possession or control of tangible personal property for a fixed or 5597  
indefinite term, for consideration. "Lease" or "rental" includes 5598  
future options to purchase or extend, and agreements described in 5599  
26 U.S.C. 7701(h)(1) covering motor vehicles and trailers where 5600  
the amount of consideration may be increased or decreased by 5601  
reference to the amount realized upon the sale or disposition of 5602  
the property. "Lease" or "rental" does not include: 5603

(a) A transfer of possession or control of tangible personal 5604  
property under a security agreement or a deferred payment plan 5605  
that requires the transfer of title upon completion of the 5606  
required payments; 5607

(b) A transfer of possession or control of tangible personal 5608  
property under an agreement that requires the transfer of title 5609  
upon completion of required payments and payment of an option 5610  
price that does not exceed the greater of one hundred dollars or 5611  
one per cent of the total required payments; 5612

(c) Providing tangible personal property along with an 5613  
operator for a fixed or indefinite period of time, if the operator 5614  
is necessary for the property to perform as designed. For purposes 5615  
of this division, the operator must do more than maintain, 5616

inspect, or set-up the tangible personal property. 5617

(2) "Lease" and "rental," as defined in division (UU) of this 5618  
section, shall not apply to leases or rentals that exist before 5619  
June 26, 2003. 5620

(3) "Lease" and "rental" have the same meaning as in division 5621  
(UU)(1) of this section regardless of whether a transaction is 5622  
characterized as a lease or rental under generally accepted 5623  
accounting principles, the Internal Revenue Code, Title XIII of 5624  
the Revised Code, or other federal, state, or local laws. 5625

(VV) "Mobile telecommunications service" has the same meaning 5626  
as in the "Mobile Telecommunications Sourcing Act," Pub. L. No. 5627  
106-252, 114 Stat. 631 (2000), 4 U.S.C.A. 124(7), as amended, and, 5628  
on and after August 1, 2003, includes related fees and ancillary 5629  
services, including universal service fees, detailed billing 5630  
service, directory assistance, service initiation, voice mail 5631  
service, and vertical services, such as caller ID and three-way 5632  
calling. 5633

(WW) "Certified service provider" has the same meaning as in 5634  
section 5740.01 of the Revised Code. 5635

(XX) "Satellite broadcasting service" means the distribution 5636  
or broadcasting of programming or services by satellite directly 5637  
to the subscriber's receiving equipment without the use of ground 5638  
receiving or distribution equipment, except the subscriber's 5639  
receiving equipment or equipment used in the uplink process to the 5640  
satellite, and includes all service and rental charges, premium 5641  
channels or other special services, installation and repair 5642  
service charges, and any other charges having any connection with 5643  
the provision of the satellite broadcasting service. 5644

(YY) "Tangible personal property" means personal property 5645  
that can be seen, weighed, measured, felt, or touched, or that is 5646  
in any other manner perceptible to the senses. For purposes of 5647

this chapter and Chapter 5741. of the Revised Code, "tangible 5648  
personal property" includes motor vehicles, electricity, water, 5649  
gas, steam, and prewritten computer software. 5650

(ZZ) "Direct mail" means printed material delivered or 5651  
distributed by United States mail or other delivery service to a 5652  
mass audience or to addressees on a mailing list provided by the 5653  
consumer or at the direction of the consumer when the cost of the 5654  
items are not billed directly to the recipients. "Direct mail" 5655  
includes tangible personal property supplied directly or 5656  
indirectly by the consumer to the direct mail vendor for inclusion 5657  
in the package containing the printed material. "Direct mail" does 5658  
not include multiple items of printed material delivered to a 5659  
single address. 5660

(AAA) "Computer" means an electronic device that accepts 5661  
information in digital or similar form and manipulates it for a 5662  
result based on a sequence of instructions. 5663

(BBB) "Computer software" means a set of coded instructions 5664  
designed to cause a computer or automatic data processing 5665  
equipment to perform a task. 5666

(CCC) "Delivered electronically" means delivery of computer 5667  
software from the seller to the purchaser by means other than 5668  
tangible storage media. 5669

(DDD) "Prewritten computer software" means computer software, 5670  
including prewritten upgrades, that is not designed and developed 5671  
by the author or other creator to the specifications of a specific 5672  
purchaser. The combining of two or more prewritten computer 5673  
software programs or prewritten portions thereof does not cause 5674  
the combination to be other than prewritten computer software. 5675  
"Prewritten computer software" includes software designed and 5676  
developed by the author or other creator to the specifications of 5677  
a specific purchaser when it is sold to a person other than the 5678

purchaser. If a person modifies or enhances computer software of 5679  
which the person is not the author or creator, the person shall be 5680  
deemed to be the author or creator only of such person's 5681  
modifications or enhancements. Prewritten computer software or a 5682  
prewritten portion thereof that is modified or enhanced to any 5683  
degree, where such modification or enhancement is designed and 5684  
developed to the specifications of a specific purchaser, remains 5685  
prewritten computer software; provided, however, that where there 5686  
is a reasonable, separately stated charge or an invoice or other 5687  
statement of the price given to the purchaser for the modification 5688  
or enhancement, the modification or enhancement shall not 5689  
constitute prewritten computer software. 5690

(EEE)(1) "Food" means substances, whether in liquid, 5691  
concentrated, solid, frozen, dried, or dehydrated form, that are 5692  
sold for ingestion or chewing by humans and are consumed for their 5693  
taste or nutritional value. "Food" does not include alcoholic 5694  
beverages, dietary supplements, soft drinks, or tobacco. 5695

(2) As used in division (EEE)(1) of this section: 5696

(a) "Alcoholic beverages" means beverages that are suitable 5697  
for human consumption and contain one-half of one per cent or more 5698  
of alcohol by volume. 5699

(b) "Dietary supplements" means any product, other than 5700  
tobacco, that is intended to supplement the diet and that is 5701  
intended for ingestion in tablet, capsule, powder, softgel, 5702  
gelcap, or liquid form, or, if not intended for ingestion in such 5703  
a form, is not represented as conventional food for use as a sole 5704  
item of a meal or of the diet; that is required to be labeled as a 5705  
dietary supplement, identifiable by the "supplement facts" box 5706  
found on the label, as required by 21 C.F.R. 101.36; and that 5707  
contains one or more of the following dietary ingredients: 5708

(i) A vitamin; 5709

(ii) A mineral;	5710
(iii) An herb or other botanical;	5711
(iv) An amino acid;	5712
(v) A dietary substance for use by humans to supplement the diet by increasing the total dietary intake;	5713 5714
(vi) A concentrate, metabolite, constituent, extract, or combination of any ingredient described in divisions (EEE)(2)(b)(i) to (v) of this section.	5715 5716 5717
(c) "Soft drinks" means nonalcoholic beverages that contain natural or artificial sweeteners. "Soft drinks" does not include beverages that contain milk or milk products, soy, rice, or similar milk substitutes, or that contains greater than fifty per cent vegetable or fruit juice by volume.	5718 5719 5720 5721 5722
(d) "Tobacco" means cigarettes, cigars, chewing or pipe tobacco, or any other item that contains tobacco.	5723 5724
(FFF) "Drug" means a compound, substance, or preparation, and any component of a compound, substance, or preparation, other than food, dietary supplements, or alcoholic beverages that is recognized in the official United States pharmacopoeia, official homeopathic pharmacopoeia of the United States, or official national formulary, and supplements to them; is intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease; or is intended to affect the structure or any function of the body.	5725 5726 5727 5728 5729 5730 5731 5732 5733
(GGG) "Prescription" means an order, formula, or recipe issued in any form of oral, written, electronic, or other means of transmission by a duly licensed practitioner authorized by the laws of this state to issue a prescription.	5734 5735 5736 5737
(HHH) "Durable medical equipment" means equipment, including repair and replacement parts for such equipment, that can	5738 5739

withstand repeated use, is primarily and customarily used to serve 5740  
a medical purpose, generally is not useful to a person in the 5741  
absence of illness or injury, and is not worn in or on the body. 5742  
"Durable medical equipment" does not include mobility enhancing 5743  
equipment. 5744

(III) "Mobility enhancing equipment" means equipment, 5745  
including repair and replacement parts for such equipment, that is 5746  
primarily and customarily used to provide or increase the ability 5747  
to move from one place to another and is appropriate for use 5748  
either in a home or a motor vehicle, that is not generally used by 5749  
persons with normal mobility, and that does not include any motor 5750  
vehicle or equipment on a motor vehicle normally provided by a 5751  
motor vehicle manufacturer. "Mobility enhancing equipment" does 5752  
not include durable medical equipment. 5753

(JJJ) "Prosthetic device" means a replacement, corrective, or 5754  
supportive device, including repair and replacement parts for the 5755  
device, worn on or in the human body to artificially replace a 5756  
missing portion of the body, prevent or correct physical deformity 5757  
or malfunction, or support a weak or deformed portion of the body. 5758  
As used in this division, "prosthetic device" does not include 5759  
corrective eyeglasses, contact lenses, or dental prosthesis. 5760

(KKK)(1) "Fractional aircraft ownership program" means a 5761  
program in which persons within an affiliated group sell and 5762  
manage fractional ownership program aircraft, provided that at 5763  
least one hundred airworthy aircraft are operated in the program 5764  
and the program meets all of the following criteria: 5765

(a) Management services are provided by at least one program 5766  
manager within an affiliated group on behalf of the fractional 5767  
owners. 5768

(b) Each program aircraft is owned or possessed by at least 5769  
one fractional owner. 5770

(c) Each fractional owner owns or possesses at least a one-sixteenth interest in at least one fixed-wing program aircraft.

(d) A dry-lease aircraft interchange arrangement is in effect among all of the fractional owners.

(e) Multi-year program agreements are in effect regarding the fractional ownership, management services, and dry-lease aircraft interchange arrangement aspects of the program.

(2) As used in division (KKK)(1) of this section:

(a) "Affiliated group" has the same meaning as in division (B)(3)(e) of this section.

(b) "Fractional owner" means a person that owns or possesses at least a one-sixteenth interest in a program aircraft and has entered into the agreements described in division (KKK)(1)(e) of this section.

(c) "Fractional ownership program aircraft" or "program aircraft" means a turbojet aircraft that is owned or possessed by a fractional owner and that has been included in a dry-lease aircraft interchange arrangement and agreement under divisions (KKK)(1)(d) and (e) of this section, or an aircraft a program manager owns or possesses primarily for use in a fractional aircraft ownership program.

(d) "Management services" means administrative and aviation support services furnished under a fractional aircraft ownership program in accordance with a management services agreement under division (KKK)(1)(e) of this section, and offered by the program manager to the fractional owners, including, at a minimum, the establishment and implementation of safety guidelines; the coordination of the scheduling of the program aircraft and crews; program aircraft maintenance; program aircraft insurance; crew training for crews employed, furnished, or contracted by the

program manager or the fractional owner; the satisfaction of 5802  
record-keeping requirements; and the development and use of an 5803  
operations manual and a maintenance manual for the fractional 5804  
aircraft ownership program. 5805

(e) "Program manager" means the person that offers management 5806  
services to fractional owners pursuant to a management services 5807  
agreement under division (KKK)(1)(e) of this section. 5808

(LLL) "Electronic publishing" means providing access to one 5809  
or more of the following primarily for business customers, 5810  
including the federal government or a state government or a 5811  
political subdivision thereof, to conduct research: news; 5812  
business, financial, legal, consumer, or credit materials; 5813  
editorials, columns, reader commentary, or features; photos or 5814  
images; archival or research material; legal notices, identity 5815  
verification, or public records; scientific, educational, 5816  
instructional, technical, professional, trade, or other literary 5817  
materials; or other similar information which has been gathered 5818  
and made available by the provider to the consumer in an 5819  
electronic format. Providing electronic publishing includes the 5820  
functions necessary for the acquisition, formatting, editing, 5821  
storage, and dissemination of data or information that is the 5822  
subject of a sale. 5823

(MMM) "Medicaid health insuring corporation" means a health 5824  
insuring corporation that holds a certificate of authority under 5825  
Chapter 1751. of the Revised Code and is under contract with the 5826  
department of job and family services pursuant to section 5111.17 5827  
of the Revised Code. 5828

(NNN) "Managed care premium" means any premium, capitation, 5829  
or other payment a medicaid health insuring corporation receives 5830  
for providing or arranging for the provision of health care 5831  
services to its members or enrollees residing in this state. 5832

(000) "Captive deer" means deer and other cervidae that have 5833  
been legally acquired, or their offspring, that are privately 5834  
owned for agricultural or farming purposes. 5835

(PPP) "Gift card" means a document, card, certificate, or 5836  
other record, whether tangible or intangible, that may be redeemed 5837  
by a consumer for a dollar value when making a purchase of 5838  
tangible personal property or services. 5839

**Sec. 5739.02.** For the purpose of providing revenue with which 5840  
to meet the needs of the state, for the use of the general revenue 5841  
fund of the state, for the purpose of securing a thorough and 5842  
efficient system of common schools throughout the state, for the 5843  
purpose of affording revenues, in addition to those from general 5844  
property taxes, permitted under constitutional limitations, and 5845  
from other sources, for the support of local governmental 5846  
functions, and for the purpose of reimbursing the state for the 5847  
expense of administering this chapter, an excise tax is hereby 5848  
levied on each retail sale made in this state. 5849

(A)(1) The tax shall be collected as provided in section 5850  
5739.025 of the Revised Code. The rate of the tax shall be five 5851  
and one-half per cent. The tax applies and is collectible when the 5852  
sale is made, regardless of the time when the price is paid or 5853  
delivered. 5854

(2) In the case of the lease or rental, with a fixed term of 5855  
more than thirty days or an indefinite term with a minimum period 5856  
of more than thirty days, of any motor vehicles designed by the 5857  
manufacturer to carry a load of not more than one ton, watercraft, 5858  
outboard motor, or aircraft, or of any tangible personal property, 5859  
other than motor vehicles designed by the manufacturer to carry a 5860  
load of more than one ton, to be used by the lessee or renter 5861  
primarily for business purposes, the tax shall be collected by the 5862  
vendor at the time the lease or rental is consummated and shall be 5863

calculated by the vendor on the basis of the total amount to be 5864  
paid by the lessee or renter under the lease agreement. If the 5865  
total amount of the consideration for the lease or rental includes 5866  
amounts that are not calculated at the time the lease or rental is 5867  
executed, the tax shall be calculated and collected by the vendor 5868  
at the time such amounts are billed to the lessee or renter. In 5869  
the case of an open-end lease or rental, the tax shall be 5870  
calculated by the vendor on the basis of the total amount to be 5871  
paid during the initial fixed term of the lease or rental, and for 5872  
each subsequent renewal period as it comes due. As used in this 5873  
division, "motor vehicle" has the same meaning as in section 5874  
4501.01 of the Revised Code, and "watercraft" includes an outdrive 5875  
unit attached to the watercraft. 5876

A lease with a renewal clause and a termination penalty or 5877  
similar provision that applies if the renewal clause is not 5878  
exercised is presumed to be a sham transaction. In such a case, 5879  
the tax shall be calculated and paid on the basis of the entire 5880  
length of the lease period, including any renewal periods, until 5881  
the termination penalty or similar provision no longer applies. 5882  
The taxpayer shall bear the burden, by a preponderance of the 5883  
evidence, that the transaction or series of transactions is not a 5884  
sham transaction. 5885

(3) Except as provided in division (A)(2) of this section, in 5886  
the case of a sale, the price of which consists in whole or in 5887  
part of the lease or rental of tangible personal property, the tax 5888  
shall be measured by the installments of that lease or rental. 5889

(4) In the case of a sale of a physical fitness facility 5890  
service or recreation and sports club service, the price of which 5891  
consists in whole or in part of a membership for the receipt of 5892  
the benefit of the service, the tax applicable to the sale shall 5893  
be measured by the installments thereof. 5894

(B) The tax does not apply to the following: 5895

(1) Sales to the state or any of its political subdivisions,	5896
or to any other state or its political subdivisions if the laws of	5897
that state exempt from taxation sales made to this state and its	5898
political subdivisions;	5899
(2) Sales of food for human consumption off the premises	5900
where sold;	5901
(3) Sales of food sold to students only in a cafeteria,	5902
dormitory, fraternity, or sorority maintained in a private,	5903
public, or parochial school, college, or university;	5904
(4) Sales of newspapers and of magazine subscriptions and	5905
sales or transfers of magazines distributed as controlled	5906
circulation publications;	5907
(5) The furnishing, preparing, or serving of meals without	5908
charge by an employer to an employee provided the employer records	5909
the meals as part compensation for services performed or work	5910
done;	5911
(6) Sales of motor fuel upon receipt, use, distribution, or	5912
sale of which in this state a tax is imposed by the law of this	5913
state, but this exemption shall not apply to the sale of motor	5914
fuel on which a refund of the tax is allowable under division (A)	5915
of section 5735.14 of the Revised Code; and the tax commissioner	5916
may deduct the amount of tax levied by this section applicable to	5917
the price of motor fuel when granting a refund of motor fuel tax	5918
pursuant to division (A) of section 5735.14 of the Revised Code	5919
and shall cause the amount deducted to be paid into the general	5920
revenue fund of this state;	5921
(7) Sales of natural gas by a natural gas company, of water	5922
by a water-works company, or of steam by a heating company, if in	5923
each case the thing sold is delivered to consumers through pipes	5924
or conduits, and all sales of communications services by a	5925
telegraph company, all terms as defined in section 5727.01 of the	5926

Revised Code, and sales of electricity delivered through wires; 5927

(8) Casual sales by a person, or auctioneer employed directly 5928  
by the person to conduct such sales, except as to such sales of 5929  
motor vehicles, watercraft or outboard motors required to be 5930  
titled under section 1548.06 of the Revised Code, watercraft 5931  
documented with the United States coast guard, snowmobiles, and 5932  
all-purpose vehicles as defined in section 4519.01 of the Revised 5933  
Code; 5934

(9)(a) Sales of services or tangible personal property, other 5935  
than motor vehicles, mobile homes, and manufactured homes, by 5936  
churches, organizations exempt from taxation under section 5937  
501(c)(3) of the Internal Revenue Code of 1986, or nonprofit 5938  
organizations operated exclusively for charitable purposes as 5939  
defined in division (B)(12) of this section, provided that the 5940  
number of days on which such tangible personal property or 5941  
services, other than items never subject to the tax, are sold does 5942  
not exceed six in any calendar year, except as otherwise provided 5943  
in division (B)(9)(b) of this section. If the number of days on 5944  
which such sales are made exceeds six in any calendar year, the 5945  
church or organization shall be considered to be engaged in 5946  
business and all subsequent sales by it shall be subject to the 5947  
tax. In counting the number of days, all sales by groups within a 5948  
church or within an organization shall be considered to be sales 5949  
of that church or organization. 5950

(b) The limitation on the number of days on which tax-exempt 5951  
sales may be made by a church or organization under division 5952  
(B)(9)(a) of this section does not apply to sales made by student 5953  
clubs and other groups of students of a primary or secondary 5954  
school, or a parent-teacher association, booster group, or similar 5955  
organization that raises money to support or fund curricular or 5956  
extracurricular activities of a primary or secondary school. 5957

(c) Divisions (B)(9)(a) and (b) of this section do not apply 5958

to sales by a noncommercial educational radio or television 5959  
broadcasting station. 5960

(10) Sales not within the taxing power of this state under 5961  
the Constitution of the United States; 5962

(11) Except for transactions that are sales under division 5963  
(B)(3)(r) of section 5739.01 of the Revised Code, the 5964  
transportation of persons or property, unless the transportation 5965  
is by a private investigation and security service; 5966

(12) Sales of tangible personal property or services to 5967  
churches, to organizations exempt from taxation under section 5968  
501(c)(3) of the Internal Revenue Code of 1986, and to any other 5969  
nonprofit organizations operated exclusively for charitable 5970  
purposes in this state, no part of the net income of which inures 5971  
to the benefit of any private shareholder or individual, and no 5972  
substantial part of the activities of which consists of carrying 5973  
on propaganda or otherwise attempting to influence legislation; 5974  
sales to offices administering one or more homes for the aged or 5975  
one or more hospital facilities exempt under section 140.08 of the 5976  
Revised Code; and sales to organizations described in division (D) 5977  
of section 5709.12 of the Revised Code. 5978

"Charitable purposes" means the relief of poverty; the 5979  
improvement of health through the alleviation of illness, disease, 5980  
or injury; the operation of an organization exclusively for the 5981  
provision of professional, laundry, printing, and purchasing 5982  
services to hospitals or charitable institutions; the operation of 5983  
a home for the aged, as defined in section 5701.13 of the Revised 5984  
Code; the operation of a radio or television broadcasting station 5985  
that is licensed by the federal communications commission as a 5986  
noncommercial educational radio or television station; the 5987  
operation of a nonprofit animal adoption service or a county 5988  
humane society; the promotion of education by an institution of 5989  
learning that maintains a faculty of qualified instructors, 5990

teaches regular continuous courses of study, and confers a 5991  
recognized diploma upon completion of a specific curriculum; the 5992  
operation of a parent-teacher association, booster group, or 5993  
similar organization primarily engaged in the promotion and 5994  
support of the curricular or extracurricular activities of a 5995  
primary or secondary school; the operation of a community or area 5996  
center in which presentations in music, dramatics, the arts, and 5997  
related fields are made in order to foster public interest and 5998  
education therein; the production of performances in music, 5999  
dramatics, and the arts; or the promotion of education by an 6000  
organization engaged in carrying on research in, or the 6001  
dissemination of, scientific and technological knowledge and 6002  
information primarily for the public. 6003

Nothing in this division shall be deemed to exempt sales to 6004  
any organization for use in the operation or carrying on of a 6005  
trade or business, or sales to a home for the aged for use in the 6006  
operation of independent living facilities as defined in division 6007  
(A) of section 5709.12 of the Revised Code. 6008

(13) Building and construction materials and services sold to 6009  
construction contractors for incorporation into a structure or 6010  
improvement to real property under a construction contract with 6011  
this state or a political subdivision of this state, or with the 6012  
United States government or any of its agencies; building and 6013  
construction materials and services sold to construction 6014  
contractors for incorporation into a structure or improvement to 6015  
real property that are accepted for ownership by this state or any 6016  
of its political subdivisions, or by the United States government 6017  
or any of its agencies at the time of completion of the structures 6018  
or improvements; building and construction materials sold to 6019  
construction contractors for incorporation into a horticulture 6020  
structure or livestock structure for a person engaged in the 6021  
business of horticulture or producing livestock; building 6022

materials and services sold to a construction contractor for 6023  
incorporation into a house of public worship or religious 6024  
education, or a building used exclusively for charitable purposes 6025  
under a construction contract with an organization whose purpose 6026  
is as described in division (B)(12) of this section; building 6027  
materials and services sold to a construction contractor for 6028  
incorporation into a building under a construction contract with 6029  
an organization exempt from taxation under section 501(c)(3) of 6030  
the Internal Revenue Code of 1986 when the building is to be used 6031  
exclusively for the organization's exempt purposes; building and 6032  
construction materials sold for incorporation into the original 6033  
construction of a sports facility under section 307.696 of the 6034  
Revised Code; building and construction materials and services 6035  
sold to a construction contractor for incorporation into real 6036  
property outside this state if such materials and services, when 6037  
sold to a construction contractor in the state in which the real 6038  
property is located for incorporation into real property in that 6039  
state, would be exempt from a tax on sales levied by that state; 6040  
and, until one calendar year after the construction of a 6041  
convention center that qualifies for property tax exemption under 6042  
section 5709.084 of the Revised Code is completed, building and 6043  
construction materials and services sold to a construction 6044  
contractor for incorporation into the real property comprising 6045  
that convention center; 6046

(14) Sales of ships or vessels or rail rolling stock used or 6047  
to be used principally in interstate or foreign commerce, and 6048  
repairs, alterations, fuel, and lubricants for such ships or 6049  
vessels or rail rolling stock; 6050

(15) Sales to persons primarily engaged in any of the 6051  
activities mentioned in division (B)(42)(a), (g), or (h) of this 6052  
section, to persons engaged in making retail sales, or to persons 6053  
who purchase for sale from a manufacturer tangible personal 6054

property that was produced by the manufacturer in accordance with 6055  
specific designs provided by the purchaser, of packages, including 6056  
material, labels, and parts for packages, and of machinery, 6057  
equipment, and material for use primarily in packaging tangible 6058  
personal property produced for sale, including any machinery, 6059  
equipment, and supplies used to make labels or packages, to 6060  
prepare packages or products for labeling, or to label packages or 6061  
products, by or on the order of the person doing the packaging, or 6062  
sold at retail. "Packages" includes bags, baskets, cartons, 6063  
crates, boxes, cans, bottles, bindings, wrappings, and other 6064  
similar devices and containers, but does not include motor 6065  
vehicles or bulk tanks, trailers, or similar devices attached to 6066  
motor vehicles. "Packaging" means placing in a package. Division 6067  
(B)(15) of this section does not apply to persons engaged in 6068  
highway transportation for hire. 6069

(16) Sales of food to persons using supplemental nutrition 6070  
assistance program benefits to purchase the food. As used in this 6071  
division, "food" has the same meaning as in 7 U.S.C. 2012 and 6072  
federal regulations adopted pursuant to the Food and Nutrition Act 6073  
of 2008. 6074

(17) Sales to persons engaged in farming, agriculture, 6075  
horticulture, or floriculture, of tangible personal property for 6076  
use or consumption primarily in the production by farming, 6077  
agriculture, horticulture, or floriculture of other tangible 6078  
personal property for use or consumption primarily in the 6079  
production of tangible personal property for sale by farming, 6080  
agriculture, horticulture, or floriculture; or material and parts 6081  
for incorporation into any such tangible personal property for use 6082  
or consumption in production; and of tangible personal property 6083  
for such use or consumption in the conditioning or holding of 6084  
products produced by and for such use, consumption, or sale by 6085  
persons engaged in farming, agriculture, horticulture, or 6086

floriculture, except where such property is incorporated into real 6087  
property; 6088

(18) Sales of drugs for a human being that may be dispensed 6089  
only pursuant to a prescription; insulin as recognized in the 6090  
official United States pharmacopoeia; urine and blood testing 6091  
materials when used by diabetics or persons with hypoglycemia to 6092  
test for glucose or acetone; hypodermic syringes and needles when 6093  
used by diabetics for insulin injections; epoetin alfa when 6094  
purchased for use in the treatment of persons with medical 6095  
disease; hospital beds when purchased by hospitals, nursing homes, 6096  
or other medical facilities; and medical oxygen and medical 6097  
oxygen-dispensing equipment when purchased by hospitals, nursing 6098  
homes, or other medical facilities; 6099

(19) Sales of prosthetic devices, durable medical equipment 6100  
for home use, or mobility enhancing equipment, when made pursuant 6101  
to a prescription and when such devices or equipment are for use 6102  
by a human being. 6103

(20) Sales of emergency and fire protection vehicles and 6104  
equipment to nonprofit organizations for use solely in providing 6105  
fire protection and emergency services, including trauma care and 6106  
emergency medical services, for political subdivisions of the 6107  
state; 6108

(21) Sales of tangible personal property manufactured in this 6109  
state, if sold by the manufacturer in this state to a retailer for 6110  
use in the retail business of the retailer outside of this state 6111  
and if possession is taken from the manufacturer by the purchaser 6112  
within this state for the sole purpose of immediately removing the 6113  
same from this state in a vehicle owned by the purchaser; 6114

(22) Sales of services provided by the state or any of its 6115  
political subdivisions, agencies, instrumentalities, institutions, 6116  
or authorities, or by governmental entities of the state or any of 6117

its political subdivisions, agencies, instrumentalities, 6118  
institutions, or authorities; 6119

(23) Sales of motor vehicles to nonresidents of this state 6120  
under the circumstances described in division (B) of section 6121  
5739.029 of the Revised Code; 6122

(24) Sales to persons engaged in the preparation of eggs for 6123  
sale of tangible personal property used or consumed directly in 6124  
such preparation, including such tangible personal property used 6125  
for cleaning, sanitizing, preserving, grading, sorting, and 6126  
classifying by size; packages, including material and parts for 6127  
packages, and machinery, equipment, and material for use in 6128  
packaging eggs for sale; and handling and transportation equipment 6129  
and parts therefor, except motor vehicles licensed to operate on 6130  
public highways, used in intraplant or interplant transfers or 6131  
shipment of eggs in the process of preparation for sale, when the 6132  
plant or plants within or between which such transfers or 6133  
shipments occur are operated by the same person. "Packages" 6134  
includes containers, cases, baskets, flats, fillers, filler flats, 6135  
cartons, closure materials, labels, and labeling materials, and 6136  
"packaging" means placing therein. 6137

(25)(a) Sales of water to a consumer for residential use, 6138  
~~except the sale of bottled water, distilled water, mineral water,~~ 6139  
~~carbonated water, or ice;~~ 6140

(b) Sales of water by a nonprofit corporation engaged 6141  
exclusively in the treatment, distribution, and sale of water to 6142  
consumers, if such water is delivered to consumers through pipes 6143  
or tubing. 6144

(26) Fees charged for inspection or reinspection of motor 6145  
vehicles under section 3704.14 of the Revised Code; 6146

(27) Sales to persons licensed to conduct a food service 6147  
operation pursuant to section 3717.43 of the Revised Code, of 6148

tangible personal property primarily used directly for the	6149
following:	6150
(a) To prepare food for human consumption for sale;	6151
(b) To preserve food that has been or will be prepared for	6152
human consumption for sale by the food service operator, not	6153
including tangible personal property used to display food for	6154
selection by the consumer;	6155
(c) To clean tangible personal property used to prepare or	6156
serve food for human consumption for sale.	6157
(28) Sales of animals by nonprofit animal adoption services	6158
or county humane societies;	6159
(29) Sales of services to a corporation described in division	6160
(A) of section 5709.72 of the Revised Code, and sales of tangible	6161
personal property that qualifies for exemption from taxation under	6162
section 5709.72 of the Revised Code;	6163
(30) Sales and installation of agricultural land tile, as	6164
defined in division (B)(5)(a) of section 5739.01 of the Revised	6165
Code;	6166
(31) Sales and erection or installation of portable grain	6167
bins, as defined in division (B)(5)(b) of section 5739.01 of the	6168
Revised Code;	6169
(32) The sale, lease, repair, and maintenance of, parts for,	6170
or items attached to or incorporated in, motor vehicles that are	6171
primarily used for transporting tangible personal property	6172
belonging to others by a person engaged in highway transportation	6173
for hire, except for packages and packaging used for the	6174
transportation of tangible personal property;	6175
(33) Sales to the state headquarters of any veterans'	6176
organization in this state that is either incorporated and issued	6177
a charter by the congress of the United States or is recognized by	6178

the United States veterans administration, for use by the 6179  
headquarters; 6180

(34) Sales to a telecommunications service vendor, mobile 6181  
telecommunications service vendor, or satellite broadcasting 6182  
service vendor of tangible personal property and services used 6183  
directly and primarily in transmitting, receiving, switching, or 6184  
recording any interactive, one- or two-way electromagnetic 6185  
communications, including voice, image, data, and information, 6186  
through the use of any medium, including, but not limited to, 6187  
poles, wires, cables, switching equipment, computers, and record 6188  
storage devices and media, and component parts for the tangible 6189  
personal property. The exemption provided in this division shall 6190  
be in lieu of all other exemptions under division (B)(42)(a) or 6191  
(n) of this section to which the vendor may otherwise be entitled, 6192  
based upon the use of the thing purchased in providing the 6193  
telecommunications, mobile telecommunications, or satellite 6194  
broadcasting service. 6195

(35)(a) Sales where the purpose of the consumer is to use or 6196  
consume the things transferred in making retail sales and 6197  
consisting of newspaper inserts, catalogues, coupons, flyers, gift 6198  
certificates, or other advertising material that prices and 6199  
describes tangible personal property offered for retail sale. 6200

(b) Sales to direct marketing vendors of preliminary 6201  
materials such as photographs, artwork, and typesetting that will 6202  
be used in printing advertising material; of printed matter that 6203  
offers free merchandise or chances to win sweepstake prizes and 6204  
that is mailed to potential customers with advertising material 6205  
described in division (B)(35)(a) of this section; and of equipment 6206  
such as telephones, computers, facsimile machines, and similar 6207  
tangible personal property primarily used to accept orders for 6208  
direct marketing retail sales. 6209

(c) Sales of automatic food vending machines that preserve 6210

food with a shelf life of forty-five days or less by refrigeration 6211  
and dispense it to the consumer. 6212

For purposes of division (B)(35) of this section, "direct 6213  
marketing" means the method of selling where consumers order 6214  
tangible personal property by United States mail, delivery 6215  
service, or telecommunication and the vendor delivers or ships the 6216  
tangible personal property sold to the consumer from a warehouse, 6217  
catalogue distribution center, or similar fulfillment facility by 6218  
means of the United States mail, delivery service, or common 6219  
carrier. 6220

(36) Sales to a person engaged in the business of 6221  
horticulture or producing livestock of materials to be 6222  
incorporated into a horticulture structure or livestock structure; 6223

(37) Sales of personal computers, computer monitors, computer 6224  
keyboards, modems, and other peripheral computer equipment to an 6225  
individual who is licensed or certified to teach in an elementary 6226  
or a secondary school in this state for use by that individual in 6227  
preparation for teaching elementary or secondary school students; 6228

(38) Sales to a professional racing team of any of the 6229  
following: 6230

(a) Motor racing vehicles; 6231

(b) Repair services for motor racing vehicles; 6232

(c) Items of property that are attached to or incorporated in 6233  
motor racing vehicles, including engines, chassis, and all other 6234  
components of the vehicles, and all spare, replacement, and 6235  
rebuilt parts or components of the vehicles; except not including 6236  
tires, consumable fluids, paint, and accessories consisting of 6237  
instrumentation sensors and related items added to the vehicle to 6238  
collect and transmit data by means of telemetry and other forms of 6239  
communication. 6240

(39) Sales of used manufactured homes and used mobile homes, 6241  
as defined in section 5739.0210 of the Revised Code, made on or 6242  
after January 1, 2000; 6243

(40) Sales of tangible personal property and services to a 6244  
provider of electricity used or consumed directly and primarily in 6245  
generating, transmitting, or distributing electricity for use by 6246  
others, including property that is or is to be incorporated into 6247  
and will become a part of the consumer's production, transmission, 6248  
or distribution system and that retains its classification as 6249  
tangible personal property after incorporation; fuel or power used 6250  
in the production, transmission, or distribution of electricity; 6251  
energy conversion equipment as defined in section 5727.01 of the 6252  
Revised Code; and tangible personal property and services used in 6253  
the repair and maintenance of the production, transmission, or 6254  
distribution system, including only those motor vehicles as are 6255  
specially designed and equipped for such use. The exemption 6256  
provided in this division shall be in lieu of all other exemptions 6257  
in division (B)(42)(a) or (n) of this section to which a provider 6258  
of electricity may otherwise be entitled based on the use of the 6259  
tangible personal property or service purchased in generating, 6260  
transmitting, or distributing electricity. 6261

(41) Sales to a person providing services under division 6262  
(B)(3)(r) of section 5739.01 of the Revised Code of tangible 6263  
personal property and services used directly and primarily in 6264  
providing taxable services under that section. 6265

(42) Sales where the purpose of the purchaser is to do any of 6266  
the following: 6267

(a) To incorporate the thing transferred as a material or a 6268  
part into tangible personal property to be produced for sale by 6269  
manufacturing, assembling, processing, or refining; or to use or 6270  
consume the thing transferred directly in producing tangible 6271  
personal property for sale by mining, including, without 6272

limitation, the extraction from the earth of all substances that 6273  
are classed geologically as minerals, production of crude oil and 6274  
natural gas, or directly in the rendition of a public utility 6275  
service, except that the sales tax levied by this section shall be 6276  
collected upon all meals, drinks, and food for human consumption 6277  
sold when transporting persons. Persons engaged in rendering 6278  
services in the exploration for, and production of, crude oil and 6279  
natural gas for others are deemed engaged directly in the 6280  
exploration for, and production of, crude oil and natural gas. 6281  
This paragraph does not exempt from "retail sale" or "sales at 6282  
retail" the sale of tangible personal property that is to be 6283  
incorporated into a structure or improvement to real property. 6284

(b) To hold the thing transferred as security for the 6285  
performance of an obligation of the vendor; 6286

(c) To resell, hold, use, or consume the thing transferred as 6287  
evidence of a contract of insurance; 6288

(d) To use or consume the thing directly in commercial 6289  
fishing; 6290

(e) To incorporate the thing transferred as a material or a 6291  
part into, or to use or consume the thing transferred directly in 6292  
the production of, magazines distributed as controlled circulation 6293  
publications; 6294

(f) To use or consume the thing transferred in the production 6295  
and preparation in suitable condition for market and sale of 6296  
printed, imprinted, overprinted, lithographic, multilithic, 6297  
blueprinted, photostatic, or other productions or reproductions of 6298  
written or graphic matter; 6299

(g) To use the thing transferred, as described in section 6300  
5739.011 of the Revised Code, primarily in a manufacturing 6301  
operation to produce tangible personal property for sale; 6302

(h) To use the benefit of a warranty, maintenance or service 6303

contract, or similar agreement, as described in division (B)(7) of 6304  
section 5739.01 of the Revised Code, to repair or maintain 6305  
tangible personal property, if all of the property that is the 6306  
subject of the warranty, contract, or agreement would not be 6307  
subject to the tax imposed by this section; 6308

(i) To use the thing transferred as qualified research and 6309  
development equipment; 6310

(j) To use or consume the thing transferred primarily in 6311  
storing, transporting, mailing, or otherwise handling purchased 6312  
sales inventory in a warehouse, distribution center, or similar 6313  
facility when the inventory is primarily distributed outside this 6314  
state to retail stores of the person who owns or controls the 6315  
warehouse, distribution center, or similar facility, to retail 6316  
stores of an affiliated group of which that person is a member, or 6317  
by means of direct marketing. This division does not apply to 6318  
motor vehicles registered for operation on the public highways. As 6319  
used in this division, "affiliated group" has the same meaning as 6320  
in division (B)(3)(e) of section 5739.01 of the Revised Code and 6321  
"direct marketing" has the same meaning as in division (B)(35) of 6322  
this section. 6323

(k) To use or consume the thing transferred to fulfill a 6324  
contractual obligation incurred by a warrantor pursuant to a 6325  
warranty provided as a part of the price of the tangible personal 6326  
property sold or by a vendor of a warranty, maintenance or service 6327  
contract, or similar agreement the provision of which is defined 6328  
as a sale under division (B)(7) of section 5739.01 of the Revised 6329  
Code; 6330

(l) To use or consume the thing transferred in the production 6331  
of a newspaper for distribution to the public; 6332

(m) To use tangible personal property to perform a service 6333  
listed in division (B)(3) of section 5739.01 of the Revised Code, 6334

if the property is or is to be permanently transferred to the consumer of the service as an integral part of the performance of the service;

(n) To use or consume the thing transferred primarily in producing tangible personal property for sale by farming, agriculture, horticulture, or floriculture. Persons engaged in rendering farming, agriculture, horticulture, or floriculture services for others are deemed engaged primarily in farming, agriculture, horticulture, or floriculture. This paragraph does not exempt from "retail sale" or "sales at retail" the sale of tangible personal property that is to be incorporated into a structure or improvement to real property.

(o) To use or consume the thing transferred in acquiring, formatting, editing, storing, and disseminating data or information by electronic publishing.

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

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

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

(45) Sales of telecommunications service that is used 6366  
directly and primarily to perform the functions of a call center. 6367  
As used in this division, "call center" means any physical 6368  
location where telephone calls are placed or received in high 6369  
volume for the purpose of making sales, marketing, customer 6370  
service, technical support, or other specialized business 6371  
activity, and that employs at least fifty individuals that engage 6372  
in call center activities on a full-time basis, or sufficient 6373  
individuals to fill fifty full-time equivalent positions. 6374

(46) Sales by a telecommunications service vendor of 900 6375  
service to a subscriber. This division does not apply to 6376  
information services, as defined in division (FF) of section 6377  
5739.01 of the Revised Code. 6378

(47) Sales of value-added non-voice data service. This 6379  
division does not apply to any similar service that is not 6380  
otherwise a telecommunications service. 6381

(48)(a) Sales of machinery, equipment, and software to a 6382  
qualified direct selling entity for use in a warehouse or 6383  
distribution center primarily for storing, transporting, or 6384  
otherwise handling inventory that is held for sale to independent 6385  
salespersons who operate as direct sellers and that is held 6386  
primarily for distribution outside this state; 6387

(b) As used in division (B)(48)(a) of this section: 6388

(i) "Direct seller" means a person selling consumer products 6389  
to individuals for personal or household use and not from a fixed 6390  
retail location, including selling such product at in-home product 6391  
demonstrations, parties, and other one-on-one selling. 6392

(ii) "Qualified direct selling entity" means an entity 6393  
selling to direct sellers at the time the entity enters into a tax 6394  
credit agreement with the tax credit authority pursuant to section 6395  
122.17 of the Revised Code, provided that the agreement was 6396

entered into on or after January 1, 2007. Neither contingencies 6397  
relevant to the granting of, nor later developments with respect 6398  
to, the tax credit shall impair the status of the qualified direct 6399  
selling entity under division (B)(48) of this section after 6400  
execution of the tax credit agreement by the tax credit authority. 6401

(c) Division (B)(48) of this section is limited to machinery, 6402  
equipment, and software first stored, used, or consumed in this 6403  
state within the period commencing June 24, 2008, and ending on 6404  
the date that is five years after that date. 6405

(49) Sales of materials, parts, equipment, or engines used in 6406  
the repair or maintenance of aircraft or avionics systems of such 6407  
aircraft, and sales of repair, remodeling, replacement, or 6408  
maintenance services in this state performed on aircraft or on an 6409  
aircraft's avionics, engine, or component materials or parts. As 6410  
used in division (B)(49) of this section, "aircraft" means 6411  
aircraft of more than six thousand pounds maximum certified 6412  
takeoff weight or used exclusively in general aviation. 6413

(50) Sales of full flight simulators that are used for pilot 6414  
or flight-crew training, sales of repair or replacement parts or 6415  
components, and sales of repair or maintenance services for such 6416  
full flight simulators. "Full flight simulator" means a replica of 6417  
a specific type, or make, model, and series of aircraft cockpit. 6418  
It includes the assemblage of equipment and computer programs 6419  
necessary to represent aircraft operations in ground and flight 6420  
conditions, a visual system providing an out-of-the-cockpit view, 6421  
and a system that provides cues at least equivalent to those of a 6422  
three-degree-of-freedom motion system, and has the full range of 6423  
capabilities of the systems installed in the device as described 6424  
in appendices A and B of part 60 of chapter 1 of title 14 of the 6425  
Code of Federal Regulations. 6426

(51) Any transfer or lease of tangible personal property 6427  
between the state and a successful proposer in accordance with 6428

sections 126.60 to 126.605 of the Revised Code, provided the 6429  
property is part of a project as defined in section 126.60 of the 6430  
Revised Code and the state retains ownership of the project or 6431  
part thereof that is being transferred or leased, between the 6432  
state and JobsOhio in accordance with section 4313.02 of the 6433  
Revised Code. 6434

(C) For the purpose of the proper administration of this 6435  
chapter, and to prevent the evasion of the tax, it is presumed 6436  
that all sales made in this state are subject to the tax until the 6437  
contrary is established. 6438

(D) The levy of this tax on retail sales of recreation and 6439  
sports club service shall not prevent a municipal corporation from 6440  
levying any tax on recreation and sports club dues or on any 6441  
income generated by recreation and sports club dues. 6442

(E) The tax collected by the vendor from the consumer under 6443  
this chapter is not part of the price, but is a tax collection for 6444  
the benefit of the state, and of counties levying an additional 6445  
sales tax pursuant to section 5739.021 or 5739.026 of the Revised 6446  
Code and of transit authorities levying an additional sales tax 6447  
pursuant to section 5739.023 of the Revised Code. Except for the 6448  
discount authorized under section 5739.12 of the Revised Code and 6449  
the effects of any rounding pursuant to section 5703.055 of the 6450  
Revised Code, no person other than the state or such a county or 6451  
transit authority shall derive any benefit from the collection or 6452  
payment of the tax levied by this section or section 5739.021, 6453  
5739.023, or 5739.026 of the Revised Code. 6454

**Sec. 5739.021.** (A) For the purpose of providing additional 6455  
general revenues for the county or supporting criminal and 6456  
administrative justice services in the county, or both, and to pay 6457  
the expenses of administering such levy, any county may levy a tax 6458  
at the rate of not more than one per cent at any multiple of 6459

one-fourth of one per cent upon every retail sale made in the 6460  
county, except sales of watercraft and outboard motors required to 6461  
be titled pursuant to Chapter 1548. of the Revised Code and sales 6462  
of motor vehicles, and may increase the rate of an existing tax to 6463  
not more than one per cent at any multiple of one-fourth of one 6464  
per cent. 6465

The tax shall be levied and the rate increased pursuant to a 6466  
resolution of the board of county commissioners. The resolution 6467  
shall state the purpose for which the tax is to be levied and the 6468  
number of years for which the tax is to be levied, or that it is 6469  
for a continuing period of time. If the tax is to be levied for 6470  
the purpose of providing additional general revenues and for the 6471  
purpose of supporting criminal and administrative justice 6472  
services, the resolution shall state the rate or amount of the tax 6473  
to be apportioned to each such purpose. The rate or amount may be 6474  
different for each year the tax is to be levied, but the rates or 6475  
amounts actually apportioned each year shall not be different from 6476  
that stated in the resolution for that year. If the resolution is 6477  
adopted as an emergency measure necessary for the immediate 6478  
preservation of the public peace, health, or safety, it must 6479  
receive an affirmative vote of all of the members of the board of 6480  
county commissioners and shall state the reasons for such 6481  
necessity. The board shall deliver a certified copy of the 6482  
resolution to the tax commissioner, not later than the sixty-fifth 6483  
day prior to the date on which the tax is to become effective, 6484  
which shall be the first day of the calendar quarter. 6485

Prior to the adoption of any resolution under this section, 6486  
the board of county commissioners shall conduct two public 6487  
hearings on the resolution, the second hearing to be not less than 6488  
three nor more than ten days after the first. Notice of the date, 6489  
time, and place of the hearings shall be given by publication in a 6490  
newspaper of general circulation in the county, or as provided in 6491

section 7.16 of the Revised Code, once a week on the same day of 6492  
the week for two consecutive weeks, the second publication being 6493  
not less than ten nor more than thirty days prior to the first 6494  
hearing. 6495

Except as provided in division (B)(3) of this section, the 6496  
resolution shall be subject to a referendum as provided in 6497  
sections 305.31 to 305.41 of the Revised Code. 6498

If a petition for a referendum is filed, the county auditor 6499  
with whom the petition was filed shall, within five days, notify 6500  
the board of county commissioners and the tax commissioner of the 6501  
filing of the petition by certified mail. If the board of 6502  
elections with which the petition was filed declares the petition 6503  
invalid, the board of elections, within five days, shall notify 6504  
the board of county commissioners and the tax commissioner of that 6505  
declaration by certified mail. If the petition is declared to be 6506  
invalid, the effective date of the tax or increased rate of tax 6507  
levied by this section shall be the first day of a calendar 6508  
quarter following the expiration of sixty-five days from the date 6509  
the commissioner receives notice from the board of elections that 6510  
the petition is invalid. 6511

(B)(1) A resolution that is not adopted as an emergency 6512  
measure may direct the board of elections to submit the question 6513  
of levying the tax or increasing the rate of tax to the electors 6514  
of the county at a special election held on the date specified by 6515  
the board of county commissioners in the resolution, provided that 6516  
the election occurs not less than ninety days after a certified 6517  
copy of such resolution is transmitted to the board of elections 6518  
and the election is not held in February or August of any year. 6519  
Upon transmission of the resolution to the board of elections, the 6520  
board of county commissioners shall notify the tax commissioner in 6521  
writing of the levy question to be submitted to the electors. No 6522  
resolution adopted under this division shall go into effect unless 6523

approved by a majority of those voting upon it, and, except as 6524  
provided in division (B)(3) of this section, shall become 6525  
effective on the first day of a calendar quarter following the 6526  
expiration of sixty-five days from the date the tax commissioner 6527  
receives notice from the board of elections of the affirmative 6528  
vote. 6529

(2) A resolution that is adopted as an emergency measure 6530  
shall go into effect as provided in division (A) of this section, 6531  
but may direct the board of elections to submit the question of 6532  
repealing the tax or increase in the rate of the tax to the 6533  
electors of the county at the next general election in the county 6534  
occurring not less than ninety days after a certified copy of the 6535  
resolution is transmitted to the board of elections. Upon 6536  
transmission of the resolution to the board of elections, the 6537  
board of county commissioners shall notify the tax commissioner in 6538  
writing of the levy question to be submitted to the electors. The 6539  
ballot question shall be the same as that prescribed in section 6540  
5739.022 of the Revised Code. The board of elections shall notify 6541  
the board of county commissioners and the tax commissioner of the 6542  
result of the election immediately after the result has been 6543  
declared. If a majority of the qualified electors voting on the 6544  
question of repealing the tax or increase in the rate of the tax 6545  
vote for repeal of the tax or repeal of the increase, the board of 6546  
county commissioners, on the first day of a calendar quarter 6547  
following the expiration of sixty-five days after the date the 6548  
board and tax commissioner receive notice of the result of the 6549  
election, shall, in the case of a repeal of the tax, cease to levy 6550  
the tax, or, in the case of a repeal of an increase in the rate of 6551  
the tax, cease to levy the increased rate and levy the tax at the 6552  
rate at which it was imposed immediately prior to the increase in 6553  
rate. 6554

(3) If a vendor ~~that is registered with the central~~ 6555

~~electronic registration system provided for in section 5740.05 of~~ 6556  
~~the Revised Code makes a sale in this state by printed catalog and~~ 6557  
the consumer computed the tax on the sale based on local rates 6558  
published in the catalog, any tax levied or repealed or rate 6559  
changed under this section shall not apply to such a sale until 6560  
the first day of a calendar quarter following the expiration of 6561  
one hundred twenty days from the date of notice by the tax 6562  
commissioner pursuant to division (H) of this section. 6563

(C) If a resolution is rejected at a referendum or if a 6564  
resolution adopted after January 1, 1982, as an emergency measure 6565  
is repealed by the electors pursuant to division (B)(2) of this 6566  
section or section 5739.022 of the Revised Code, then for one year 6567  
after the date of the election at which the resolution was 6568  
rejected or repealed the board of county commissioners may not 6569  
adopt any resolution authorized by this section as an emergency 6570  
measure. 6571

(D) The board of county commissioners, at any time while a 6572  
tax levied under this section is in effect, may by resolution 6573  
reduce the rate at which the tax is levied to a lower rate 6574  
authorized by this section. Any reduction in the rate at which the 6575  
tax is levied shall be made effective on the first day of a 6576  
calendar quarter next following the sixty-fifth day after a 6577  
certified copy of the resolution is delivered to the tax 6578  
commissioner. 6579

(E) The tax on every retail sale subject to a tax levied 6580  
pursuant to this section shall be in addition to the tax levied by 6581  
section 5739.02 of the Revised Code and any tax levied pursuant to 6582  
section 5739.023 or 5739.026 of the Revised Code. 6583

A county that levies a tax pursuant to this section shall 6584  
levy a tax at the same rate pursuant to section 5741.021 of the 6585  
Revised Code. 6586

The additional tax levied by the county shall be collected 6587  
pursuant to section 5739.025 of the Revised Code. If the 6588  
additional tax or some portion thereof is levied for the purpose 6589  
of criminal and administrative justice services, the revenue from 6590  
the tax, or the amount or rate apportioned to that purpose, shall 6591  
be credited to a special fund created in the county treasury for 6592  
receipt of that revenue. 6593

Any tax levied pursuant to this section is subject to the 6594  
exemptions provided in section 5739.02 of the Revised Code and in 6595  
addition shall not be applicable to sales not within the taxing 6596  
power of a county under the Constitution of the United States or 6597  
the Ohio Constitution. 6598

(F) For purposes of this section, a copy of a resolution is 6599  
"certified" when it contains a written statement attesting that 6600  
the copy is a true and exact reproduction of the original 6601  
resolution. 6602

(G) If a board of commissioners intends to adopt a resolution 6603  
to levy a tax in whole or in part for the purpose of criminal and 6604  
administrative justice services, the board shall prepare and make 6605  
available at the first public hearing at which the resolution is 6606  
considered a statement containing the following information: 6607

(1) For each of the two preceding fiscal years, the amount of 6608  
expenditures made by the county from the county general fund for 6609  
the purpose of criminal and administrative justice services; 6610

(2) For the fiscal year in which the resolution is adopted, 6611  
the board's estimate of the amount of expenditures to be made by 6612  
the county from the county general fund for the purpose of 6613  
criminal and administrative justice services; 6614

(3) For each of the two fiscal years after the fiscal year in 6615  
which the resolution is adopted, the board's preliminary plan for 6616  
expenditures to be made from the county general fund for the 6617

purpose of criminal and administrative justice services, both 6618  
under the assumption that the tax will be imposed for that purpose 6619  
and under the assumption that the tax would not be imposed for 6620  
that purpose, and for expenditures to be made from the special 6621  
fund created under division (E) of this section under the 6622  
assumption that the tax will be imposed for that purpose. 6623

The board shall prepare the statement and the preliminary 6624  
plan using the best information available to the board at the time 6625  
the statement is prepared. Neither the statement nor the 6626  
preliminary plan shall be used as a basis to challenge the 6627  
validity of the tax in any court of competent jurisdiction, nor 6628  
shall the statement or preliminary plan limit the authority of the 6629  
board to appropriate, pursuant to section 5705.38 of the Revised 6630  
Code, an amount different from that specified in the preliminary 6631  
plan. 6632

(H) Upon receipt from a board of county commissioners of a 6633  
certified copy of a resolution required by division (A) or (D) of 6634  
this section, or from the board of elections of a notice of the 6635  
results of an election required by division (A) or (B)(1) or (2) 6636  
of this section, the tax commissioner shall provide notice of a 6637  
tax rate change in a manner that is reasonably accessible to all 6638  
affected vendors. The commissioner shall provide this notice at 6639  
least sixty days prior to the effective date of the rate change. 6640  
The commissioner, by rule, may establish the method by which 6641  
notice will be provided. 6642

(I) As used in this section, "criminal and administrative 6643  
justice services" means the exercise by the county sheriff of all 6644  
powers and duties vested in that office by law; the exercise by 6645  
the county prosecuting attorney of all powers and duties vested in 6646  
that office by law; the exercise by any court in the county of all 6647  
powers and duties vested in that court; the exercise by the clerk 6648  
of the court of common pleas, any clerk of a municipal court 6649

having jurisdiction throughout the county, or the clerk of any 6650  
county court of all powers and duties vested in the clerk by law 6651  
except, in the case of the clerk of the court of common pleas, the 6652  
titling of motor vehicles or watercraft pursuant to Chapter 1548. 6653  
or 4505. of the Revised Code; the exercise by the county coroner 6654  
of all powers and duties vested in that office by law; making 6655  
payments to any other public agency or a private, nonprofit 6656  
agency, the purposes of which in the county include the diversion, 6657  
adjudication, detention, or rehabilitation of criminals or 6658  
juvenile offenders; the operation and maintenance of any detention 6659  
facility, as defined in section 2921.01 of the Revised Code; and 6660  
the construction, acquisition, equipping, or repair of such a 6661  
detention facility, including the payment of any debt charges 6662  
incurred in the issuance of securities pursuant to Chapter 133. of 6663  
the Revised Code for the purpose of constructing, acquiring, 6664  
equipping, or repairing such a facility. 6665

**Sec. 5739.023.** (A)(1) For the purpose of providing additional 6666  
general revenues for a transit authority and paying the expenses 6667  
of administering such levy, any transit authority as defined in 6668  
division (U) of section 5739.01 of the Revised Code may levy a tax 6669  
upon every retail sale made in the territory of the transit 6670  
authority, except sales of watercraft and outboard motors required 6671  
to be titled pursuant to Chapter 1548. of the Revised Code and 6672  
sales of motor vehicles, at a rate of not more than one and 6673  
one-half per cent at any multiple of one-fourth of one per cent 6674  
and may increase the existing rate of tax to not more than one and 6675  
one-half per cent at any multiple of one-fourth of one per cent. 6676  
The tax shall be levied and the rate increased pursuant to a 6677  
resolution of the legislative authority of the transit authority 6678  
and a certified copy of the resolution shall be delivered by the 6679  
fiscal officer to the board of elections as provided in section 6680  
3505.071 of the Revised Code and to the tax commissioner. The 6681

resolution shall specify the number of years for which the tax is 6682  
to be in effect or that the tax is for a continuing period of 6683  
time, and the date of the election on the question of the tax 6684  
pursuant to section 306.70 of the Revised Code. The board of 6685  
elections shall certify the results of the election to the transit 6686  
authority and tax commissioner. 6687

(2) Except as provided in division (C) of this section, the 6688  
tax levied by the resolution shall become effective on the first 6689  
day of a calendar quarter next following the sixty-fifth day 6690  
following the date the tax commissioner receives from the board of 6691  
elections the certification of the results of the election on the 6692  
question of the tax. 6693

(B) The legislative authority may, at any time while the tax 6694  
is in effect, by resolution fix the rate of the tax at any rate 6695  
authorized by this section and not in excess of that approved by 6696  
the voters pursuant to section 306.70 of the Revised Code. Except 6697  
as provided in division (C) of this section, any change in the 6698  
rate of the tax shall be made effective on the first day of a 6699  
calendar quarter next following the sixty-fifth day following the 6700  
date the tax commissioner receives the certification of the 6701  
resolution; provided, that in any case where bonds, or notes in 6702  
anticipation of bonds, of a regional transit authority have been 6703  
issued under section 306.40 of the Revised Code without a vote of 6704  
the electors while the tax proposed to be reduced was in effect, 6705  
the board of trustees of the regional transit authority shall 6706  
continue to levy and collect under authority of the original 6707  
election authorizing the tax a rate of tax that the board of 6708  
trustees reasonably estimates will produce an amount in that year 6709  
equal to the amount of principal of and interest on those bonds as 6710  
is payable in that year. 6711

(C) Upon receipt from the board of elections of the 6712  
certification of the results of the election required by division 6713

(A) of this section, or from the legislative authority of the 6714  
certification of a resolution under division (B) of this section, 6715  
the tax commissioner shall provide notice of a tax rate change in 6716  
a manner that is reasonably accessible to all affected vendors. 6717  
The commissioner shall provide this notice at least sixty days 6718  
prior to the effective date of the rate change. The commissioner, 6719  
by rule, may establish the method by which notice will be 6720  
provided. 6721

(D) If a vendor ~~that is registered with the central~~ 6722  
~~electronic registration system provided for in section 5740.05 of~~ 6723  
~~the Revised Code~~ makes a sale in this state by printed catalog and 6724  
the consumer computed the tax on the sale based on local rates 6725  
published in the catalog, any tax levied or rate changed under 6726  
this section shall not apply to such a sale until the first day of 6727  
a calendar quarter following the expiration of one hundred twenty 6728  
days from the date of notice by the tax commissioner pursuant to 6729  
division (C) of this section. 6730

(E) The tax on every retail sale subject to a tax levied 6731  
pursuant to this section is in addition to the tax levied by 6732  
section 5739.02 of the Revised Code and any tax levied pursuant to 6733  
section 5739.021 or 5739.026 of the Revised Code. 6734

(F) The additional tax levied by the transit authority shall 6735  
be collected pursuant to section 5739.025 of the Revised Code. 6736

(G) Any tax levied pursuant to this section is subject to the 6737  
exemptions provided in section 5739.02 of the Revised Code and in 6738  
addition shall not be applicable to sales not within the taxing 6739  
power of a transit authority under the constitution of the United 6740  
States or the constitution of this state. 6741

(H) The rate of a tax levied under this section is subject to 6742  
reduction under section 5739.028 of the Revised Code, if a ballot 6743  
question is approved by voters pursuant to that section. 6744

Sec. 5739.026. (A) A board of county commissioners may levy a 6745  
tax of one-fourth or one-half of one per cent on every retail sale 6746  
in the county, except sales of watercraft and outboard motors 6747  
required to be titled pursuant to Chapter 1548. of the Revised 6748  
Code and sales of motor vehicles, and may increase an existing 6749  
rate of one-fourth of one per cent to one-half of one per cent, to 6750  
pay the expenses of administering the tax and, except as provided 6751  
in division (A)(6) of this section, for any one or more of the 6752  
following purposes provided that the aggregate levy for all such 6753  
purposes does not exceed one-half of one per cent: 6754

(1) To provide additional revenues for the payment of bonds 6755  
or notes issued in anticipation of bonds issued by a convention 6756  
facilities authority established by the board of county 6757  
commissioners under Chapter 351. of the Revised Code and to 6758  
provide additional operating revenues for the convention 6759  
facilities authority; 6760

(2) To provide additional revenues for a transit authority 6761  
operating in the county; 6762

(3) To provide additional revenue for the county's general 6763  
fund; 6764

(4) To provide additional revenue for permanent improvements 6765  
within the county to be distributed by the community improvements 6766  
board in accordance with section 307.283 and to pay principal, 6767  
interest, and premium on bonds issued under section 307.284 of the 6768  
Revised Code; 6769

(5) To provide additional revenue for the acquisition, 6770  
construction, equipping, or repair of any specific permanent 6771  
improvement or any class or group of permanent improvements, which 6772  
improvement or class or group of improvements shall be enumerated 6773  
in the resolution required by division (D) of this section, and to 6774  
pay principal, interest, premium, and other costs associated with 6775

the issuance of bonds or notes in anticipation of bonds issued 6776  
pursuant to Chapter 133. of the Revised Code for the acquisition, 6777  
construction, equipping, or repair of the specific permanent 6778  
improvement or class or group of permanent improvements; 6779

(6) To provide revenue for the implementation and operation 6780  
of a 9-1-1 system in the county. If the tax is levied or the rate 6781  
increased exclusively for such purpose, the tax shall not be 6782  
levied or the rate increased for more than five years. At the end 6783  
of the last year the tax is levied or the rate increased, any 6784  
balance remaining in the special fund established for such purpose 6785  
shall remain in that fund and be used exclusively for such purpose 6786  
until the fund is completely expended, and, notwithstanding 6787  
section 5705.16 of the Revised Code, the board of county 6788  
commissioners shall not petition for the transfer of money from 6789  
such special fund, and the tax commissioner shall not approve such 6790  
a petition. 6791

If the tax is levied or the rate increased for such purpose 6792  
for more than five years, the board of county commissioners also 6793  
shall levy the tax or increase the rate of the tax for one or more 6794  
of the purposes described in divisions (A)(1) to (5) of this 6795  
section and shall prescribe the method for allocating the revenues 6796  
from the tax each year in the manner required by division (C) of 6797  
this section. 6798

(7) To provide additional revenue for the operation or 6799  
maintenance of a detention facility, as that term is defined under 6800  
division (F) of section 2921.01 of the Revised Code; 6801

(8) To provide revenue to finance the construction or 6802  
renovation of a sports facility, but only if the tax is levied for 6803  
that purpose in the manner prescribed by section 5739.028 of the 6804  
Revised Code. 6805

As used in division (A)(8) of this section: 6806

(a) "Sports facility" means a facility intended to house major league professional athletic teams. 6807  
6808

(b) "Constructing" or "construction" includes providing fixtures, furnishings, and equipment. 6809  
6810

(9) To provide additional revenue for the acquisition of agricultural easements, as defined in section 5301.67 of the Revised Code; to pay principal, interest, and premium on bonds issued under section 133.60 of the Revised Code; and for the supervision and enforcement of agricultural easements held by the county; 6811  
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(10) To provide revenue for the provision of ambulance, paramedic, or other emergency medical services. 6817  
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Pursuant to section 755.171 of the Revised Code, a board of county commissioners may pledge and contribute revenue from a tax levied for the purpose of division (A)(5) of this section to the payment of debt charges on bonds issued under section 755.17 of the Revised Code. 6819  
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The rate of tax shall be a multiple of one-fourth of one per cent, unless a portion of the rate of an existing tax levied under section 5739.023 of the Revised Code has been reduced, and the rate of tax levied under this section has been increased, pursuant to section 5739.028 of the Revised Code, in which case the aggregate of the rates of tax levied under this section and section 5739.023 of the Revised Code shall be a multiple of one-fourth of one per cent. The tax shall be levied and the rate increased pursuant to a resolution adopted by a majority of the members of the board. The board shall deliver a certified copy of the resolution to the tax commissioner, not later than the sixty-fifth day prior to the date on which the tax is to become effective, which shall be the first day of a calendar quarter. 6824  
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Prior to the adoption of any resolution to levy the tax or to 6837

increase the rate of tax exclusively for the purpose set forth in 6838  
division (A)(3) of this section, the board of county commissioners 6839  
shall conduct two public hearings on the resolution, the second 6840  
hearing to be no fewer than three nor more than ten days after the 6841  
first. Notice of the date, time, and place of the hearings shall 6842  
be given by publication in a newspaper of general circulation in 6843  
the county, or as provided in section 7.16 of the Revised Code, 6844  
once a week on the same day of the week for two consecutive weeks. 6845  
The second publication shall be no fewer than ten nor more than 6846  
thirty days prior to the first hearing. Except as provided in 6847  
division (E) of this section, the resolution shall be subject to a 6848  
referendum as provided in sections 305.31 to 305.41 of the Revised 6849  
Code. If the resolution is adopted as an emergency measure 6850  
necessary for the immediate preservation of the public peace, 6851  
health, or safety, it must receive an affirmative vote of all of 6852  
the members of the board of county commissioners and shall state 6853  
the reasons for the necessity. 6854

If the tax is for more than one of the purposes set forth in 6855  
divisions (A)(1) to (7), (9), and (10) of this section, or is 6856  
exclusively for one of the purposes set forth in division (A)(1), 6857  
(2), (4), (5), (6), (7), (9), or (10) of this section, the 6858  
resolution shall not go into effect unless it is approved by a 6859  
majority of the electors voting on the question of the tax. 6860

(B) The board of county commissioners shall adopt a 6861  
resolution under section 351.02 of the Revised Code creating the 6862  
convention facilities authority, or under section 307.283 of the 6863  
Revised Code creating the community improvements board, before 6864  
adopting a resolution levying a tax for the purpose of a 6865  
convention facilities authority under division (A)(1) of this 6866  
section or for the purpose of a community improvements board under 6867  
division (A)(4) of this section. 6868

(C)(1) If the tax is to be used for more than one of the 6869

purposes set forth in divisions (A)(1) to (7), (9), and (10) of 6870  
this section, the board of county commissioners shall establish 6871  
the method that will be used to determine the amount or proportion 6872  
of the tax revenue received by the county during each year that 6873  
will be distributed for each of those purposes, including, if 6874  
applicable, provisions governing the reallocation of a convention 6875  
facilities authority's allocation if the authority is dissolved 6876  
while the tax is in effect. The allocation method may provide that 6877  
different proportions or amounts of the tax shall be distributed 6878  
among the purposes in different years, but it shall clearly 6879  
describe the method that will be used for each year. Except as 6880  
otherwise provided in division (C)(2) of this section, the 6881  
allocation method established by the board is not subject to 6882  
amendment during the life of the tax. 6883

(2) Subsequent to holding a public hearing on the proposed 6884  
amendment, the board of county commissioners may amend the 6885  
allocation method established under division (C)(1) of this 6886  
section for any year, if the amendment is approved by the 6887  
governing board of each entity whose allocation for the year would 6888  
be reduced by the proposed amendment. In the case of a tax that is 6889  
levied for a continuing period of time, the board may not so amend 6890  
the allocation method for any year before the sixth year that the 6891  
tax is in effect. 6892

(a) If the additional revenues provided to the convention 6893  
facilities authority are pledged by the authority for the payment 6894  
of convention facilities authority revenue bonds for as long as 6895  
such bonds are outstanding, no reduction of the authority's 6896  
allocation of the tax shall be made for any year except to the 6897  
extent that the reduced authority allocation, when combined with 6898  
the authority's other revenues pledged for that purpose, is 6899  
sufficient to meet the debt service requirements for that year on 6900  
such bonds. 6901

(b) If the additional revenues provided to the county are pledged by the county for the payment of bonds or notes described in division (A)(4) or (5) of this section, for as long as such bonds or notes are outstanding, no reduction of the county's or the community improvements board's allocation of the tax shall be made for any year, except to the extent that the reduced county or community improvements board allocation is sufficient to meet the debt service requirements for that year on such bonds or notes.

(c) If the additional revenues provided to the transit authority are pledged by the authority for the payment of revenue bonds issued under section 306.37 of the Revised Code, for as long as such bonds are outstanding, no reduction of the authority's allocation of tax shall be made for any year, except to the extent that the authority's reduced allocation, when combined with the authority's other revenues pledged for that purpose, is sufficient to meet the debt service requirements for that year on such bonds.

(d) If the additional revenues provided to the county are pledged by the county for the payment of bonds or notes issued under section 133.60 of the Revised Code, for so long as the bonds or notes are outstanding, no reduction of the county's allocation of the tax shall be made for any year, except to the extent that the reduced county allocation is sufficient to meet the debt service requirements for that year on the bonds or notes.

(D)(1) The resolution levying the tax or increasing the rate of tax shall state the rate of the tax or the rate of the increase; the purpose or purposes for which it is to be levied; the number of years for which it is to be levied or that it is for a continuing period of time; the allocation method required by division (C) of this section; and if required to be submitted to the electors of the county under division (A) of this section, the date of the election at which the proposal shall be submitted to the electors of the county, which shall be not less than ninety

days after the certification of a copy of the resolution to the 6934  
board of elections and, if the tax is to be levied exclusively for 6935  
the purpose set forth in division (A)(3) of this section, shall 6936  
not occur in February or August of any year. Upon certification of 6937  
the resolution to the board of elections, the board of county 6938  
commissioners shall notify the tax commissioner in writing of the 6939  
levy question to be submitted to the electors. If approved by a 6940  
majority of the electors, the tax shall become effective on the 6941  
first day of a calendar quarter next following the sixty-fifth day 6942  
following the date the board of county commissioners and tax 6943  
commissioner receive from the board of elections the certification 6944  
of the results of the election, except as provided in division (E) 6945  
of this section. 6946

(2)(a) A resolution specifying that the tax is to be used 6947  
exclusively for the purpose set forth in division (A)(3) of this 6948  
section that is not adopted as an emergency measure may direct the 6949  
board of elections to submit the question of levying the tax or 6950  
increasing the rate of the tax to the electors of the county at a 6951  
special election held on the date specified by the board of county 6952  
commissioners in the resolution, provided that the election occurs 6953  
not less than ninety days after the resolution is certified to the 6954  
board of elections and the election is not held in February or 6955  
August of any year. Upon certification of the resolution to the 6956  
board of elections, the board of county commissioners shall notify 6957  
the tax commissioner in writing of the levy question to be 6958  
submitted to the electors. No resolution adopted under division 6959  
(D)(2)(a) of this section shall go into effect unless approved by 6960  
a majority of those voting upon it and, except as provided in 6961  
division (E) of this section, not until the first day of a 6962  
calendar quarter following the expiration of sixty-five days from 6963  
the date the tax commissioner receives notice from the board of 6964  
elections of the affirmative vote. 6965

(b) A resolution specifying that the tax is to be used 6966  
exclusively for the purpose set forth in division (A)(3) of this 6967  
section that is adopted as an emergency measure shall become 6968  
effective as provided in division (A) of this section, but may 6969  
direct the board of elections to submit the question of repealing 6970  
the tax or increase in the rate of the tax to the electors of the 6971  
county at the next general election in the county occurring not 6972  
less than ninety days after the resolution is certified to the 6973  
board of elections. Upon certification of the resolution to the 6974  
board of elections, the board of county commissioners shall notify 6975  
the tax commissioner in writing of the levy question to be 6976  
submitted to the electors. The ballot question shall be the same 6977  
as that prescribed in section 5739.022 of the Revised Code. The 6978  
board of elections shall notify the board of county commissioners 6979  
and the tax commissioner of the result of the election immediately 6980  
after the result has been declared. If a majority of the qualified 6981  
electors voting on the question of repealing the tax or increase 6982  
in the rate of the tax vote for repeal of the tax or repeal of the 6983  
increase, the board of county commissioners, on the first day of a 6984  
calendar quarter following the expiration of sixty-five days after 6985  
the date the board and tax commissioner received notice of the 6986  
result of the election, shall, in the case of a repeal of the tax, 6987  
cease to levy the tax, or, in the case of a repeal of an increase 6988  
in the rate of the tax, cease to levy the increased rate and levy 6989  
the tax at the rate at which it was imposed immediately prior to 6990  
the increase in rate. 6991

(c) A board of county commissioners, by resolution, may 6992  
reduce the rate of a tax levied exclusively for the purpose set 6993  
forth in division (A)(3) of this section to a lower rate 6994  
authorized by this section. Any such reduction shall be made 6995  
effective on the first day of the calendar quarter next following 6996  
the sixty-fifth day after the tax commissioner receives a 6997  
certified copy of the resolution from the board. 6998

(E) If a vendor ~~that is registered with the central~~ 6999  
~~electronic registration system provided for in section 5740.05 of~~ 7000  
~~the Revised Code~~ makes a sale in this state by printed catalog and 7001  
the consumer computed the tax on the sale based on local rates 7002  
published in the catalog, any tax levied or repealed or rate 7003  
changed under this section shall not apply to such a sale until 7004  
the first day of a calendar quarter following the expiration of 7005  
one hundred twenty days from the date of notice by the tax 7006  
commissioner pursuant to division (G) of this section. 7007

(F) The tax levied pursuant to this section shall be in 7008  
addition to the tax levied by section 5739.02 of the Revised Code 7009  
and any tax levied pursuant to section 5739.021 or 5739.023 of the 7010  
Revised Code. 7011

A county that levies a tax pursuant to this section shall 7012  
levy a tax at the same rate pursuant to section 5741.023 of the 7013  
Revised Code. 7014

The additional tax levied by the county shall be collected 7015  
pursuant to section 5739.025 of the Revised Code. 7016

Any tax levied pursuant to this section is subject to the 7017  
exemptions provided in section 5739.02 of the Revised Code and in 7018  
addition shall not be applicable to sales not within the taxing 7019  
power of a county under the Constitution of the United States or 7020  
the Ohio Constitution. 7021

(G) Upon receipt from a board of county commissioners of a 7022  
certified copy of a resolution required by division (A) of this 7023  
section, or from the board of elections a notice of the results of 7024  
an election required by division (D)(1), (2)(a), (b), or (c) of 7025  
this section, the tax commissioner shall provide notice of a tax 7026  
rate change in a manner that is reasonably accessible to all 7027  
affected vendors. The commissioner shall provide this notice at 7028  
least sixty days prior to the effective date of the rate change. 7029

The commissioner, by rule, may establish the method by which 7030  
notice will be provided. 7031

**Sec. 5739.04.** If modification of a county's jurisdictional 7032  
boundaries or a transit authority's territory results in a change 7033  
in the tax rate levied under section 5739.021, 5739.023, or 7034  
5739.026 of the Revised Code, the tax commissioner, within thirty 7035  
days of such change, shall notify any vendor ~~that is registered~~ 7036  
~~with the central electronic registration system provided for in~~ 7037  
~~section 5740.05 of the Revised Code~~ or the vendor's certified 7038  
service provider, if the vendor has selected one, of such change. 7039  
The rate change shall not apply to sales made by such vendor until 7040  
the first day of a calendar quarter following the expiration of 7041  
sixty days from the date of notice by the ~~tax~~ commissioner. 7042

**Sec. 5739.17.** (A) No person shall engage in making retail 7043  
sales subject to a tax imposed by or pursuant to section 5739.02, 7044  
5739.021, 5739.023, or 5739.026 of the Revised Code as a business 7045  
without having a license therefor, except as otherwise provided in 7046  
divisions (A)(1), (2), and (3) of this section. 7047

(1) In the dissolution of a partnership by death, the 7048  
surviving partner may operate under the license of the partnership 7049  
for a period of sixty days. 7050

(2) The heirs or legal representatives of deceased persons, 7051  
and receivers and trustees in bankruptcy, appointed by any 7052  
competent authority, may operate under the license of the person 7053  
so succeeded in possession. 7054

(3) Two or more persons who are not partners may operate a 7055  
single place of business under one license. In such case neither 7056  
the retirement of any such person from business at that place of 7057  
business, nor the entrance of any person, under an existing 7058  
arrangement, shall affect the license or require the issuance of a 7059

new license, unless the person retiring from the business is the individual named on the vendor's license.

Except as otherwise provided in this section, each applicant for a license shall make out and deliver to the county auditor of each county in which the applicant desires to engage in business, upon a blank to be furnished by such auditor for that purpose, a statement showing the name of the applicant, each place of business in the county where the applicant will make retail sales, the nature of the business, and any other information the tax commissioner reasonably prescribes in the form of a statement prescribed by the commissioner.

At the time of making the application, the applicant shall pay into the county treasury a license fee in the sum of twenty-five dollars for each fixed place of business in the county that will be the situs of retail sales. Upon receipt of the application and exhibition of the county treasurer's receipt, showing the payment of the license fee, the county auditor shall issue to the applicant a license for each fixed place of business designated in the application, authorizing the applicant to engage in business at that location. ¶¶

(B) If a vendor's identity changes, the vendor shall apply for a new license. If a vendor wishes to move an existing fixed place of business to a new location within the same county, the vendor shall obtain a new vendor's license or submit a request to the ~~tax~~ commissioner to transfer the existing vendor's license to the new location. When the new location has been verified as being within the same county, the commissioner shall authorize the transfer and notify the county auditor of the change of location. If a vendor wishes to move an existing fixed place of business to another county, the vendor's license shall not transfer and the vendor shall obtain a new vendor's license from the county in which the business is to be located. The form of the license shall

be prescribed by the commissioner. The fees collected shall be 7092  
credited to the general fund of the county. If a vendor fails to 7093  
notify the commissioner of a change of location of its fixed place 7094  
of business or that its business has closed, the commissioner may 7095  
cancel the vendor's license if ordinary mail sent to the location 7096  
shown on the license is returned because of an undeliverable 7097  
address. 7098

(C) The ~~tax~~ commissioner may establish or participate in a 7099  
registration system whereby any vendor may obtain a vendor's 7100  
license by submitting to the commissioner a vendor's license 7101  
application and a license fee of twenty-five dollars for each 7102  
fixed place of business at which the vendor intends to make retail 7103  
sales. Under this registration system, the commissioner shall 7104  
issue a vendor's license to the applicant on behalf of the county 7105  
auditor of the county in which the applicant desires to engage in 7106  
business, and shall forward a copy of the application and license 7107  
fee to that county. All such license fees received by the 7108  
commissioner for the issuance of vendor's licenses shall be 7109  
deposited into the vendor's license application fund, which is 7110  
hereby created in the state treasury. The commissioner shall 7111  
certify to the director of budget and management within ten 7112  
business days after the close of a month the license fees to be 7113  
transmitted to each county from the vendor's license application 7114  
fund for vendor's license applications received by the 7115  
commissioner during that month. License fees transmitted to a 7116  
county for which payment was not received by the commissioner may 7117  
be netted against a future distribution to that county, including 7118  
distributions made pursuant to section 5739.21 of the Revised 7119  
Code. 7120

A vendor that makes retail sales subject to tax under Chapter 7121  
5739. of the Revised Code pursuant to a permit issued by the 7122  
division of liquor control shall obtain a vendor's license in the 7123

identical name and for the identical address as shown on the 7124  
permit. 7125

Except as otherwise provided in this section, if a vendor has 7126  
no fixed place of business and sells from a vehicle, each vehicle 7127  
intended to be used within a county constitutes a place of 7128  
business for the purpose of this section. 7129

~~(B)~~(D) As used in this ~~division~~ section, "transient vendor" 7130  
means any person who makes sales of tangible personal property 7131  
from vending machines located on land owned by others, who leases 7132  
titled motor vehicles, titled watercraft, or titled outboard 7133  
motors, who effectuates leases that are taxed according to 7134  
division (A)(2) of section 5739.02 of the Revised Code, or who, in 7135  
the usual course of the person's business, transports inventory, 7136  
stock of goods, or similar tangible personal property to a 7137  
temporary place of business or temporary exhibition, show, fair, 7138  
flea market, or similar event in a county in which the person has 7139  
no fixed place of business, for the purpose of making retail sales 7140  
of such property. A "temporary place of business" means any public 7141  
or quasi-public place including, but not limited to, a hotel, 7142  
rooming house, storeroom, building, part of a building, tent, 7143  
vacant lot, railroad car, or motor vehicle that is temporarily 7144  
occupied for the purpose of making retail sales of goods to the 7145  
public. A place of business is not temporary if the same person 7146  
conducted business at the place continuously for more than six 7147  
months or occupied the premises as the person's permanent 7148  
residence for more than six months, or if the person intends it to 7149  
be a fixed place of business. 7150

Any transient vendor, in lieu of obtaining a vendor's license 7151  
under division (A) of this section for counties in which the 7152  
transient vendor has no fixed place of business, may apply to the 7153  
tax commissioner, on a form prescribed by the commissioner, for a 7154  
transient vendor's license. The transient vendor's license 7155

authorizes the transient vendor to make retail sales in any county 7156  
in which the transient vendor does not maintain a fixed place of 7157  
business. Any holder of a transient vendor's license shall not be 7158  
required to obtain a separate vendor's license from the county 7159  
auditor in that county. Upon the commissioner's determination that 7160  
an applicant is a transient vendor, the applicant shall pay a 7161  
license fee in the amount of twenty-five dollars, at which time 7162  
the tax commissioner shall issue the license. The tax commissioner 7163  
may require a vendor to be licensed as a transient vendor if, in 7164  
the opinion of the commissioner, such licensing is necessary for 7165  
the efficient administration of the tax. 7166

Any holder of a valid transient vendor's license may make 7167  
retail sales at a temporary place of business or temporary 7168  
exhibition, show, fair, flea market, or similar event, held 7169  
anywhere in the state without complying with any provision of 7170  
section 311.37 of the Revised Code. Any holder of a valid vendor's 7171  
license may make retail sales as a transient vendor at a temporary 7172  
place of business or temporary exhibition, show, fair, flea 7173  
market, or similar event held in any county in which the vendor 7174  
maintains a fixed place of business for which the vendor holds a 7175  
vendor's license without obtaining a transient vendor's license. 7176

~~(C) As used in this division, "service vendor" means any 7177  
person who, in the usual course of the person's business, sells 7178  
services described in division (B)(3)(e), (f), (g), (h), (i), (j), 7179  
(k), (l), (m), (p), or (t) of section 5739.01 of the Revised Code. 7180~~

~~Every service vendor shall make application to the tax 7181  
commissioner for a service vendor's license. Each applicant shall 7182  
pay a license fee in the amount of twenty five dollars. Upon the 7183  
commissioner's determination that an applicant is a service vendor 7184  
and payment of the fee, the commissioner shall issue the applicant 7185  
a service vendor's license. 7186~~

~~Only sales described in division (B)(3)(e), (f), (g), (h), 7187~~

~~(i), (j), (k), (l), (m), (p), or (t) of section 5739.01 of the Revised Code may be made under authority of a service vendor's license, and that license authorizes sales to be made at any place in this state. Any service vendor who makes sales of other services or tangible personal property subject to the sales tax also shall be licensed under division (A), (B), or (D) of this section.~~

~~(D) As used in this division, "delivery vendor" means any vendor who engages in one or more of the activities described in divisions (D)(1) to (4) of this section, and who maintains no store, showroom, or similar fixed place of business or other location where merchandise regularly is offered for sale or displayed or shown in catalogs for selection or pick-up by consumers, or where consumers bring goods for repair or other service.~~

~~(1) The vendor makes retail sales of tangible personal property;~~

~~(2) The vendor rents or leases, at retail, tangible personal property, except titled motor vehicles, titled watercraft, or titled outboard motors;~~

~~(3) The vendor provides a service, at retail, described in division (B)(3)(a), (b), (c), or (d) of section 5739.01 of the Revised Code; or~~

~~(4) The vendor makes retail sales of warranty, maintenance or service contracts, or similar agreements as described in division (B)(7) of section 5739.01 of the Revised Code.~~

~~A transient vendor or a seller registered pursuant to section 5741.17 of the Revised Code is not a delivery vendor.~~

~~Delivery vendors shall apply to the tax commissioner, on a form prescribed by the commissioner, for a delivery vendor's license. Each applicant shall pay a license fee of twenty five~~

~~dollars for each delivery vendor's license, to be credited to the 7219  
general revenue fund. Upon the commissioner's determination that 7220  
the applicant is a delivery vendor, the commissioner shall issue 7221  
the license. A delivery vendor's license authorizes retail sales 7222  
to be made throughout the state. All sales of the vendor must be 7223  
reported under the delivery license. The commissioner may require 7224  
a vendor to be licensed as a delivery vendor if, in the opinion of 7225  
the commissioner, such licensing is necessary for the efficient 7226  
administration of the tax. The commissioner shall not issue a 7227  
delivery vendor license to a vendor who holds a license issued 7228  
under division (A) of this section. 7229~~

(E) Any ~~transient~~ vendor who is issued a license pursuant to 7230  
this section shall display the license or a copy of it 7231  
prominently, in plain view, at every place of business of the 7232  
~~transient~~ vendor. ~~Every~~ 7233

(F) No owner, organizer, or promoter who operates a fair, 7234  
flea market, show, exhibition, convention, or similar event at 7235  
which transient vendors are present shall fail to keep a 7236  
comprehensive record of all such vendors, listing the vendor's 7237  
name, permanent address, vendor's license number, and the type of 7238  
goods sold. Such records shall be kept for four years and shall be 7239  
open to inspection by the ~~tax~~ commissioner. 7240

(G) The commissioner may issue additional types of licenses 7241  
if required to efficiently administer the tax imposed by this 7242  
chapter. 7243

**Sec. 5741.08.** If modification of a county's jurisdictional 7244  
boundaries or a transit authority's territory results in a change 7245  
in the tax rate levied under section 5741.021, 5741.022, or 7246  
5741.023 of the Revised Code, the tax commissioner, within thirty 7247  
days of such change, shall notify any seller ~~that is registered 7248  
with the central electronic registration system provided for in 7249~~

~~section 5740.05 of the Revised Code~~ or the seller's certified 7250  
service provider, if the seller has selected one, of such change. 7251  
The rate change shall not apply until the first day of a calendar 7252  
quarter following the expiration of sixty days from the date of 7253  
notice by the ~~tax~~ commissioner. 7254

**Sec. 5743.20.** No person shall sell any cigarettes both as a 7255  
retail dealer and as a wholesale dealer at the same place of 7256  
business. No person other than a licensed wholesale dealer shall 7257  
sell cigarettes to a licensed retail dealer. No retail dealer 7258  
shall purchase cigarettes from any person other than a licensed 7259  
wholesale dealer. 7260

Subject to section 5743.031 of the Revised Code, a licensed 7261  
wholesale dealer may not sell cigarettes to any person in this 7262  
state other than a licensed retail dealer, except a licensed 7263  
wholesale dealer may sell cigarettes to another licensed wholesale 7264  
dealer if the tax commissioner has authorized the sale of the 7265  
cigarettes between those wholesale dealers and the wholesale 7266  
dealer that sells the cigarettes received them directly from a 7267  
licensed manufacturer or licensed importer. 7268

The tax commissioner shall adopt rules governing sales of 7269  
cigarettes between licensed wholesale dealers, including rules 7270  
establishing criteria for authorizing such sales. 7271

No manufacturer or importer shall sell cigarettes to any 7272  
person in this state other than to a licensed wholesale dealer or 7273  
licensed importer. No importer shall purchase cigarettes from any 7274  
person other than a licensed manufacturer or licensed importer. 7275

A retail dealer may purchase other tobacco products only from 7276  
a licensed distributor. A licensed distributor may sell tobacco 7277  
products only to a retail dealer, except a licensed distributor 7278  
may sell tobacco products to another licensed distributor if the 7279  
tax commissioner has authorized the sale of the tobacco products 7280

between those distributors and the distributor that sells the 7281  
tobacco products received them directly from a manufacturer or 7282  
importer of tobacco products. 7283

The tax commissioner may adopt rules governing sales of 7284  
tobacco products between licensed distributors, including rules 7285  
establishing criteria for authorizing such sales. 7286

The identities of cigarette manufacturers and importers, 7287  
licensed cigarette wholesalers, licensed distributors of other 7288  
tobacco products, and registered manufacturers, and importers, ~~and~~ 7289  
~~brokers~~ of other tobacco products are subject to public 7290  
disclosure. The tax commissioner shall maintain an alphabetical 7291  
list of all such manufacturers, importers, wholesalers, and 7292  
distributors, ~~and brokers~~, shall post the list on a web site 7293  
accessible to the public through the internet, and shall 7294  
periodically update the web site posting. 7295

As used in this section, "licensed" means the manufacturer, 7296  
importer, wholesale dealer, or distributor holds a current and 7297  
valid license issued under section 5743.15 or 5743.61 of the 7298  
Revised Code, and "registered" means registered with the ~~tax~~ 7299  
commissioner under section 5743.66 of the Revised Code. 7300

**Sec. 5743.61.** (A) Except as otherwise provided in this 7301  
division, no distributor shall engage in the business of 7302  
distributing tobacco products within this state without having a 7303  
license issued by the department of taxation to engage in that 7304  
business. On the dissolution of a partnership by death, the 7305  
surviving partner may operate under the license of the partnership 7306  
until the expiration of the license, and the heirs or legal 7307  
representatives of deceased persons, and receivers and trustees in 7308  
bankruptcy appointed by any competent authority, may operate under 7309  
the license of the person succeeded in possession by the heir, 7310  
representative, receiver, or trustee in bankruptcy if the partner 7311

or successor notifies the department of taxation of the 7312  
dissolution or succession within thirty days after the dissolution 7313  
or succession. 7314

(B)(1) Each applicant for a license to engage in the business 7315  
of distributing tobacco products, annually, on or before the first 7316  
day of February, shall make and deliver to the tax commissioner, 7317  
upon a form furnished by the commissioner for that purpose, a 7318  
statement showing the name of the applicant, each physical place 7319  
from which the applicant distributes to distributors, retail 7320  
dealers, or wholesale dealers, and any other information the 7321  
commissioner considers necessary for the administration of 7322  
sections 5743.51 to 5743.66 of the Revised Code. 7323

(2) At the time of making the license application, the 7324  
applicant shall pay an application fee of one thousand dollars for 7325  
each place listed on the application where the applicant proposes 7326  
to carry on that business. The fee charged for the application 7327  
shall accompany the application and shall be made payable to the 7328  
treasurer of state for deposit into the cigarette tax enforcement 7329  
fund. 7330

(3) Upon receipt of the application and payment of any 7331  
licensing fee required by this section, the commissioner shall 7332  
issue to the applicant a license for each place of distribution 7333  
designated in the application authorizing the applicant to engage 7334  
in business at that location for one year commencing on the first 7335  
day of February. For licenses issued after the first day of 7336  
February, the license application fee shall be reduced 7337  
proportionately by the remainder of the twelve-month period for 7338  
which the license is issued, except that the application fee 7339  
required to be paid under this section shall be not less than two 7340  
hundred dollars. If the original license is lost, destroyed, or 7341  
defaced, a duplicate license may be obtained from the commissioner 7342  
upon payment of a license replacement fee of twenty-five dollars. 7343

(C) The holder of a tobacco products license may transfer the license to a place of business on condition that the licensee's ownership and business structure remains unchanged and the licensee applies to the commissioner for the transfer on a form issued by the commissioner, and pays a transfer fee of twenty-five dollars.

(D) If a distributor fails to file forms as required under Chapter 1346. or section 5743.52 of the Revised Code or pay the tax due for two consecutive periods or three periods during any twelve-month period, the commissioner may suspend the license issued to the distributor under this section. The suspension is effective ten days after the commissioner notifies the distributor of the suspension in writing personally or by certified mail. The commissioner shall lift the suspension when the distributor files the delinquent forms and pays the tax due, including any penalties, interest, and additional charges. The commissioner may refuse to issue the annual renewal of the license required by this section and may refuse to issue a new license for the same location until all delinquent forms are filed and outstanding taxes are paid. This division does not apply to any unpaid or underpaid tax liability that is the subject of a petition or appeal filed pursuant to section 5743.56, 5717.02, or 5717.04 of the Revised Code.

(E)(1) The tax commissioner may impose a penalty of up to one thousand dollars on any person found to be engaging in the business of distributing tobacco products without a license as required by this section.

(2) Any person engaging in the business of distributing tobacco products without a license as required by this section shall comply with divisions (B)(1) and (2) of this section within ten days after being notified of the requirement to do so. Failure to comply with division (E)(2) of this section subjects a person

to penalties imposed under section 5743.99 of the Revised Code. 7376

**Sec. 5743.66.** (A) Each manufacturer, or importer, ~~or broker~~ 7377  
of tobacco products shall register with the tax commissioner 7378  
before it sells or distributes tobacco products to distributors in 7379  
this state, and, upon the request of the ~~tax~~ commissioner, shall 7380  
provide complete information on sales made to distributors in this 7381  
state and a current list of prices charged for tobacco products 7382  
sold to distributors in this state. 7383

(B) On or before the last day of each month, every 7384  
manufacturer, or importer, ~~or broker~~ of tobacco products shall 7385  
file a report with the commissioner listing all sales of tobacco 7386  
products to distributors located in this state during the 7387  
preceding month and any other information the commissioner finds 7388  
necessary for the proper administration of sections 5743.51 to 7389  
5743.66 of the Revised Code. 7390

**Sec. 5747.082.** (A) As used in this section: 7391

(1) "Electronic technology" means electronic technology 7392  
acceptable to the tax commissioner under division (B) of this 7393  
section. 7394

(2) "Original tax return" means any report, return, or other 7395  
tax document required to be filed under this chapter for the 7396  
purpose of reporting the taxes due under, and withholdings 7397  
required by, this chapter. "Original tax return" does not include 7398  
an amended return or any declaration or form required by or filed 7399  
in connection with section 5747.09 of the Revised Code. 7400

(3) "Related member" has the same meaning as in section 7401  
5733.042 of the Revised Code. 7402

(4) "Tax return preparer" means any person that operates a 7403  
business that prepares, or directly or indirectly employs another 7404  
person to prepare, for a taxpayer an original tax return in 7405

exchange for compensation or remuneration from the taxpayer or the taxpayer's related member. With respect to the preparation of a return or application for refund under this chapter, "tax return preparer" does not include an individual who performs only one or more of the following activities:

(a) Furnishes typing, reproducing, or other mechanical assistance;

(b) Prepares an application for refund or a return on behalf of an employer by whom the individual is regularly and continuously employed, or on behalf of an officer or employee of that employer;

(c) Prepares as a fiduciary an application for refund or a return;

(d) Prepares an application for refund or a return for a taxpayer in response to a notice of deficiency issued to the taxpayer or the taxpayer's related member, or in response to a waiver of restriction after the commencement of an audit of the taxpayer or the taxpayer's related member.

(B) Divisions (C) and (D) of this section apply to the filing of original tax returns that are due in a calendar year only if the tax commissioner, by the last day of the calendar year immediately preceding the calendar year in which such returns are due, has published on the department of taxation's official internet web site at least one method of electronic technology acceptable to the commissioner for filing such returns.

(C) A tax return preparer that prepares more than seventy-five original tax returns during any calendar year that begins on or after January 1, 2008 ends before January 1, 2013, or that prepares more than eleven original tax returns during any calendar year that begins on or after January 1, 2013, shall, beginning January 1, 2010, use electronic technology to file with

the tax commissioner all original tax returns prepared by the tax 7437  
return preparer. This division does not apply to a tax return 7438  
preparer ~~for a~~ in any calendar year that ends before January 1, 7439  
2013, if, during the previous calendar year, the tax return 7440  
preparer prepared no more than twenty-five original tax returns. 7441  
This division does not apply to a tax return preparer in any 7442  
calendar year that begins on or after January 1, 2013, if, during 7443  
the previous calendar year, the tax return preparer prepared not 7444  
more than ten original tax returns. 7445

(D) If a tax return preparer required by this section to 7446  
submit original tax returns by electronic technology files an 7447  
original tax return by some means other than by electronic 7448  
technology, the tax commissioner shall impose a penalty of fifty 7449  
dollars for each return, in excess of seventy-five in a calendar 7450  
year 2010, 2011, or 2012, or in excess of eleven in any calendar 7451  
year thereafter, that is not filed by electronic technology. Upon 7452  
good cause shown by the tax return preparer, the tax commissioner 7453  
may waive all or any portion of the penalty or may refund all or 7454  
any portion of the penalty the tax return preparer has paid. 7455

**Sec. 5751.01.** As used in this chapter: 7456

(A) "Person" means, but is not limited to, individuals, 7457  
combinations of individuals of any form, receivers, assignees, 7458  
trustees in bankruptcy, firms, companies, joint-stock companies, 7459  
business trusts, estates, partnerships, limited liability 7460  
partnerships, limited liability companies, associations, joint 7461  
ventures, clubs, societies, for-profit corporations, S 7462  
corporations, qualified subchapter S subsidiaries, qualified 7463  
subchapter S trusts, trusts, entities that are disregarded for 7464  
federal income tax purposes, and any other entities. 7465

(B) "Consolidated elected taxpayer" means a group of two or 7466  
more persons treated as a single taxpayer for purposes of this 7467

chapter as the result of an election made under section 5751.011 7468  
of the Revised Code. 7469

(C) "Combined taxpayer" means a group of two or more persons 7470  
treated as a single taxpayer for purposes of this chapter under 7471  
section 5751.012 of the Revised Code. 7472

(D) "Taxpayer" means any person, or any group of persons in 7473  
the case of a consolidated elected taxpayer or combined taxpayer 7474  
treated as one taxpayer, required to register or pay tax under 7475  
this chapter. "Taxpayer" does not include excluded persons. 7476

(E) "Excluded person" means any of the following: 7477

(1) Any person with not more than one hundred fifty thousand 7478  
dollars of taxable gross receipts during the calendar year. 7479  
Division (E)(1) of this section does not apply to a person that is 7480  
a member of a consolidated elected taxpayer; 7481

(2) A public utility that paid the excise tax imposed by 7482  
section 5727.24 or 5727.30 of the Revised Code based on one or 7483  
more measurement periods that include the entire tax period under 7484  
this chapter, except that a public utility that is a combined 7485  
company is a taxpayer with regard to the following gross receipts: 7486

(a) Taxable gross receipts directly attributed to a public 7487  
utility activity, but not directly attributed to an activity that 7488  
is subject to the excise tax imposed by section 5727.24 or 5727.30 7489  
of the Revised Code; 7490

(b) Taxable gross receipts that cannot be directly attributed 7491  
to any activity, multiplied by a fraction whose numerator is the 7492  
taxable gross receipts described in division (E)(2)(a) of this 7493  
section and whose denominator is the total taxable gross receipts 7494  
that can be directly attributed to any activity; 7495

(c) Except for any differences resulting from the use of an 7496  
accrual basis method of accounting for purposes of determining 7497

gross receipts under this chapter and the use of the cash basis 7498  
method of accounting for purposes of determining gross receipts 7499  
under section 5727.24 of the Revised Code, the gross receipts 7500  
directly attributed to the activity of a natural gas company shall 7501  
be determined in a manner consistent with division (D) of section 7502  
5727.03 of the Revised Code. 7503

As used in division (E)(2) of this section, "combined 7504  
company" and "public utility" have the same meanings as in section 7505  
5727.01 of the Revised Code. 7506

(3) A financial institution, as defined in section 5725.01 of 7507  
the Revised Code, that paid the corporation franchise tax charged 7508  
by division (D) of section 5733.06 of the Revised Code based on 7509  
one or more taxable years that include the entire tax period under 7510  
this chapter; 7511

(4) A dealer in intangibles, as defined in section 5725.01 of 7512  
the Revised Code, that paid the dealer in intangibles tax levied 7513  
by division (D) of section 5707.03 of the Revised Code based on 7514  
one or more measurement periods that include the entire tax period 7515  
under this chapter; 7516

(5) A financial holding company as defined in the "Bank 7517  
Holding Company Act," 12 U.S.C. 1841(p); 7518

(6) A bank holding company as defined in the "Bank Holding 7519  
Company Act," 12 U.S.C. 1841(a); 7520

(7) A savings and loan holding company as defined in the 7521  
"Home Owners Loan Act," 12 U.S.C. 1467a(a)(1)(D) that is engaging 7522  
only in activities or investments permissible for a financial 7523  
holding company under 12 U.S.C. 1843(k); 7524

(8) A person directly or indirectly owned by one or more 7525  
financial institutions, financial holding companies, bank holding 7526  
companies, or savings and loan holding companies described in 7527  
division (E)(3), (5), (6), or (7) of this section that is engaged 7528

in activities permissible for a financial holding company under 12 7529  
U.S.C. 1843(k), except that any such person held pursuant to 7530  
merchant banking authority under 12 U.S.C. 1843(k)(4)(H) or 12 7531  
U.S.C. 1843(k)(4)(I) is not an excluded person, or a person 7532  
directly or indirectly owned by one or more insurance companies 7533  
described in division (E)(9) of this section that is authorized to 7534  
do the business of insurance in this state. 7535

For the purposes of division (E)(8) of this section, a person 7536  
owns another person under the following circumstances: 7537

(a) In the case of corporations issuing capital stock, one 7538  
corporation owns another corporation if it owns fifty per cent or 7539  
more of the other corporation's capital stock with current voting 7540  
rights; 7541

(b) In the case of a limited liability company, one person 7542  
owns the company if that person's membership interest, as defined 7543  
in section 1705.01 of the Revised Code, is fifty per cent or more 7544  
of the combined membership interests of all persons owning such 7545  
interests in the company; 7546

(c) In the case of a partnership, trust, or other 7547  
unincorporated business organization other than a limited 7548  
liability company, one person owns the organization if, under the 7549  
articles of organization or other instrument governing the affairs 7550  
of the organization, that person has a beneficial interest in the 7551  
organization's profits, surpluses, losses, or distributions of 7552  
fifty per cent or more of the combined beneficial interests of all 7553  
persons having such an interest in the organization; 7554

(d) In the case of multiple ownership, the ownership 7555  
interests of more than one person may be aggregated to meet the 7556  
fifty per cent ownership tests in this division only when each 7557  
such owner is described in division (E)(3), (5), (6), or (7) of 7558  
this section and is engaged in activities permissible for a 7559

financial holding company under 12 U.S.C. 1843(k) or is a person 7560  
directly or indirectly owned by one or more insurance companies 7561  
described in division (E)(9) of this section that is authorized to 7562  
do the business of insurance in this state. 7563

(9) A domestic insurance company or foreign insurance 7564  
company, as defined in section 5725.01 of the Revised Code, that 7565  
paid the insurance company premiums tax imposed by section 5725.18 7566  
or Chapter 5729. of the Revised Code, or an unauthorized insurance 7567  
company whose gross premiums are subject to tax under section 7568  
3905.36 of the Revised Code based on one or more measurement 7569  
periods that include the entire tax period under this chapter; 7570

(10) A person that solely facilitates or services one or more 7571  
securitizations or similar transactions for any person described 7572  
in division (E)(3), (5), (6), (7), (8), or (9) of this section. 7573  
For purposes of this division, "securitization" means transferring 7574  
one or more assets to one or more persons and then issuing 7575  
securities backed by the right to receive payment from the asset 7576  
or assets so transferred. 7577

(11) Except as otherwise provided in this division, a 7578  
pre-income tax trust as defined in division (FF)(4) of section 7579  
5747.01 of the Revised Code and any pass-through entity of which 7580  
such pre-income tax trust owns or controls, directly, indirectly, 7581  
or constructively through related interests, more than five per 7582  
cent of the ownership or equity interests. If the pre-income tax 7583  
trust has made a qualifying pre-income tax trust election under 7584  
division (FF)(3) of section 5747.01 of the Revised Code, then the 7585  
trust and the pass-through entities of which it owns or controls, 7586  
directly, indirectly, or constructively through related interests, 7587  
more than five per cent of the ownership or equity interests, 7588  
shall not be excluded persons for purposes of the tax imposed 7589  
under section 5751.02 of the Revised Code. 7590

(12) Nonprofit organizations or the state and its agencies, 7591

instrumentalities, or political subdivisions. 7592

(F) Except as otherwise provided in divisions (F)(2), (3), 7593  
and (4) of this section, "gross receipts" means the total amount 7594  
realized by a person, without deduction for the cost of goods sold 7595  
or other expenses incurred, that contributes to the production of 7596  
gross income of the person, including the fair market value of any 7597  
property and any services received, and any debt transferred or 7598  
forgiven as consideration. 7599

(1) The following are examples of gross receipts: 7600

(a) Amounts realized from the sale, exchange, or other 7601  
disposition of the taxpayer's property to or with another; 7602

(b) Amounts realized from the taxpayer's performance of 7603  
services for another; 7604

(c) Amounts realized from another's use or possession of the 7605  
taxpayer's property or capital; 7606

(d) Any combination of the foregoing amounts. 7607

(2) "Gross receipts" excludes the following amounts: 7608

(a) Interest income except interest on credit sales; 7609

(b) Dividends and distributions from corporations, and 7610  
distributive or proportionate shares of receipts and income from a 7611  
pass-through entity as defined under section 5733.04 of the 7612  
Revised Code; 7613

(c) Receipts from the sale, exchange, or other disposition of 7614  
an asset described in section 1221 or 1231 of the Internal Revenue 7615  
Code, without regard to the length of time the person held the 7616  
asset. Notwithstanding section 1221 of the Internal Revenue Code, 7617  
receipts from hedging transactions also are excluded to the extent 7618  
the transactions are entered into primarily to protect a financial 7619  
position, such as managing the risk of exposure to (i) foreign 7620  
currency fluctuations that affect assets, liabilities, profits, 7621

losses, equity, or investments in foreign operations; (ii) 7622  
interest rate fluctuations; or (iii) commodity price fluctuations. 7623  
As used in division (F)(2)(c) of this section, "hedging 7624  
transaction" has the same meaning as used in section 1221 of the 7625  
Internal Revenue Code and also includes transactions accorded 7626  
hedge accounting treatment under statement of financial accounting 7627  
standards number 133 of the financial accounting standards board. 7628  
For the purposes of division (F)(2)(c) of this section, the actual 7629  
transfer of title of real or tangible personal property to another 7630  
entity is not a hedging transaction. 7631

(d) Proceeds received attributable to the repayment, 7632  
maturity, or redemption of the principal of a loan, bond, mutual 7633  
fund, certificate of deposit, or marketable instrument; 7634

(e) The principal amount received under a repurchase 7635  
agreement or on account of any transaction properly characterized 7636  
as a loan to the person; 7637

(f) Contributions received by a trust, plan, or other 7638  
arrangement, any of which is described in section 501(a) of the 7639  
Internal Revenue Code, or to which Title 26, Subtitle A, Chapter 7640  
1, Subchapter (D) of the Internal Revenue Code applies; 7641

(g) Compensation, whether current or deferred, and whether in 7642  
cash or in kind, received or to be received by an employee, former 7643  
employee, or the employee's legal successor for services rendered 7644  
to or for an employer, including reimbursements received by or for 7645  
an individual for medical or education expenses, health insurance 7646  
premiums, or employee expenses, or on account of a dependent care 7647  
spending account, legal services plan, any cafeteria plan 7648  
described in section 125 of the Internal Revenue Code, or any 7649  
similar employee reimbursement; 7650

(h) Proceeds received from the issuance of the taxpayer's own 7651  
stock, options, warrants, puts, or calls, or from the sale of the 7652

taxpayer's treasury stock;	7653
(i) Proceeds received on the account of payments from	7654
insurance policies, except those proceeds received for the loss of	7655
business revenue;	7656
(j) Gifts or charitable contributions received; membership	7657
dues received by trade, professional, homeowners', or condominium	7658
associations; and payments received for educational courses,	7659
meetings, meals, or similar payments to a trade, professional, or	7660
other similar association; and fundraising receipts received by	7661
any person when any excess receipts are donated or used	7662
exclusively for charitable purposes;	7663
(k) Damages received as the result of litigation in excess of	7664
amounts that, if received without litigation, would be gross	7665
receipts;	7666
(l) Property, money, and other amounts received or acquired	7667
by an agent on behalf of another in excess of the agent's	7668
commission, fee, or other remuneration;	7669
(m) Tax refunds, other tax benefit recoveries, and	7670
reimbursements for the tax imposed under this chapter made by	7671
entities that are part of the same combined taxpayer or	7672
consolidated elected taxpayer group, and reimbursements made by	7673
entities that are not members of a combined taxpayer or	7674
consolidated elected taxpayer group that are required to be made	7675
for economic parity among multiple owners of an entity whose tax	7676
obligation under this chapter is required to be reported and paid	7677
entirely by one owner, pursuant to the requirements of sections	7678
5751.011 and 5751.012 of the Revised Code;	7679
(n) Pension reversions;	7680
(o) Contributions to capital;	7681
(p) Sales or use taxes collected as a vendor or an	7682

out-of-state seller on behalf of the taxing jurisdiction from a 7683  
consumer or other taxes the taxpayer is required by law to collect 7684  
directly from a purchaser and remit to a local, state, or federal 7685  
tax authority; 7686

(q) In the case of receipts from the sale of cigarettes or 7687  
tobacco products by a wholesale dealer, retail dealer, 7688  
distributor, manufacturer, or seller, all as defined in section 7689  
5743.01 of the Revised Code, an amount equal to the federal and 7690  
state excise taxes paid by any person on or for such cigarettes or 7691  
tobacco products under subtitle E of the Internal Revenue Code or 7692  
Chapter 5743. of the Revised Code; 7693

(r) In the case of receipts from the sale of motor fuel by a 7694  
licensed motor fuel dealer, licensed retail dealer, or licensed 7695  
permissive motor fuel dealer, all as defined in section 5735.01 of 7696  
the Revised Code, an amount equal to federal and state excise 7697  
taxes paid by any person on such motor fuel under section 4081 of 7698  
the Internal Revenue Code or Chapter 5735. of the Revised Code; 7699

(s) In the case of receipts from the sale of beer or 7700  
intoxicating liquor, as defined in section 4301.01 of the Revised 7701  
Code, by a person holding a permit issued under Chapter 4301. or 7702  
4303. of the Revised Code, an amount equal to federal and state 7703  
excise taxes paid by any person on or for such beer or 7704  
intoxicating liquor under subtitle E of the Internal Revenue Code 7705  
or Chapter 4301. or 4305. of the Revised Code; 7706

(t) Receipts realized by a new motor vehicle dealer or used 7707  
motor vehicle dealer, as defined in section 4517.01 of the Revised 7708  
Code, from the sale or other transfer of a motor vehicle, as 7709  
defined in that section, to another motor vehicle dealer for the 7710  
purpose of resale by the transferee motor vehicle dealer, but only 7711  
if the sale or other transfer was based upon the transferee's need 7712  
to meet a specific customer's preference for a motor vehicle; 7713

(u) Receipts from a financial institution described in 7714  
division (E)(3) of this section for services provided to the 7715  
financial institution in connection with the issuance, processing, 7716  
servicing, and management of loans or credit accounts, if such 7717  
financial institution and the recipient of such receipts have at 7718  
least fifty per cent of their ownership interests owned or 7719  
controlled, directly or constructively through related interests, 7720  
by common owners; 7721

(v) Receipts realized from administering anti-neoplastic 7722  
drugs and other cancer chemotherapy, biologicals, therapeutic 7723  
agents, and supportive drugs in a physician's office to patients 7724  
with cancer; 7725

(w) Funds received or used by a mortgage broker that is not a 7726  
dealer in intangibles, other than fees or other consideration, 7727  
pursuant to a table-funding mortgage loan or warehouse-lending 7728  
mortgage loan. Terms used in division (F)(2)(w) of this section 7729  
have the same meanings as in section 1322.01 of the Revised Code, 7730  
except "mortgage broker" means a person assisting a buyer in 7731  
obtaining a mortgage loan for a fee or other consideration paid by 7732  
the buyer or a lender, or a person engaged in table-funding or 7733  
warehouse-lending mortgage loans that are first lien mortgage 7734  
loans. 7735

(x) Property, money, and other amounts received by a 7736  
professional employer organization, as defined in section 4125.01 7737  
of the Revised Code, from a client employer, as defined in that 7738  
section, in excess of the administrative fee charged by the 7739  
professional employer organization to the client employer; 7740

(y) In the case of amounts retained as commissions by a 7741  
permit holder under Chapter 3769. of the Revised Code, an amount 7742  
equal to the amounts specified under that chapter that must be 7743  
paid to or collected by the tax commissioner as a tax and the 7744  
amounts specified under that chapter to be used as purse money; 7745

- (z) Qualifying distribution center receipts. 7746
- (i) For purposes of division (F)(2)(z) of this section: 7747
- (I) "Qualifying distribution center receipts" means receipts 7748  
of a supplier from qualified property that is delivered to a 7749  
qualified distribution center, multiplied by a quantity that 7750  
equals one minus the Ohio delivery percentage. 7751
- (II) "Qualified property" means tangible personal property 7752  
delivered to a qualified distribution center that is shipped to 7753  
that qualified distribution center solely for further shipping by 7754  
the qualified distribution center to another location in this 7755  
state or elsewhere. "Further shipping" includes storing and 7756  
repackaging such property into smaller or larger bundles, so long 7757  
as such property is not subject to further manufacturing or 7758  
processing. 7759
- (III) "Qualified distribution center" means a warehouse or 7760  
other similar facility in this state that, for the qualifying 7761  
year, is operated by a person that is not part of a combined 7762  
taxpayer group and that has a qualifying certificate. However, all 7763  
warehouses or other similar facilities that are operated by 7764  
persons in the same taxpayer group and that are located within one 7765  
mile of each other shall be treated as one qualified distribution 7766  
center. 7767
- (IV) "Qualifying year" means the calendar year to which the 7768  
qualifying certificate applies. 7769
- (V) "Qualifying period" means the period of the first day of 7770  
July of the second year preceding the qualifying year through the 7771  
thirtieth day of June of the year preceding the qualifying year. 7772
- (VI) "Qualifying certificate" means the certificate issued by 7773  
the tax commissioner after the operator of a distribution center 7774  
files an annual application with the commissioner. The application 7775  
and annual fee shall be filed and paid for each qualified 7776

distribution center on or before the first day of September before 7777  
the qualifying year or within forty-five days after the 7778  
distribution center opens, whichever is later. 7779

The applicant must substantiate to the commissioner's 7780  
satisfaction that, for the qualifying period, all persons 7781  
operating the distribution center have more than fifty per cent of 7782  
the cost of the qualified property shipped to a location such that 7783  
it would be situated outside this state under the provisions of 7784  
division (E) of section 5751.033 of the Revised Code. The 7785  
applicant must also substantiate that the distribution center 7786  
cumulatively had costs from its suppliers equal to or exceeding 7787  
five hundred million dollars during the qualifying period. (For 7788  
purposes of division (F)(2)(z)(i)(VI) of this section, "supplier" 7789  
excludes any person that is part of the consolidated elected 7790  
taxpayer group, if applicable, of the operator of the qualified 7791  
distribution center.) The commissioner may require the applicant 7792  
to have an independent certified public accountant certify that 7793  
the calculation of the minimum thresholds required for a qualified 7794  
distribution center by the operator of a distribution center has 7795  
been made in accordance with generally accepted accounting 7796  
principles. The commissioner shall issue or deny the issuance of a 7797  
certificate within sixty days after the receipt of the 7798  
application. A denial is subject to appeal under section 5717.02 7799  
of the Revised Code. If the operator files a timely appeal under 7800  
section 5717.02 of the Revised Code, the operator shall be granted 7801  
a qualifying certificate, provided that the operator is liable for 7802  
any tax, interest, or penalty upon amounts claimed as qualifying 7803  
distribution center receipts, other than those receipts exempt 7804  
under division (C)(1) of section 5751.011 of the Revised Code, 7805  
that would have otherwise not been owed by its suppliers if the 7806  
qualifying certificate was valid. 7807

(VII) "Ohio delivery percentage" means the proportion of the 7808

total property delivered to a destination inside Ohio from the 7809  
qualified distribution center during the qualifying period 7810  
compared with total deliveries from such distribution center 7811  
everywhere during the qualifying period. 7812

(ii) If the distribution center is new and was not open for 7813  
the entire qualifying period, the operator of the distribution 7814  
center may request that the commissioner grant a qualifying 7815  
certificate. If the certificate is granted and it is later 7816  
determined that more than fifty per cent of the qualified property 7817  
during that year was not shipped to a location such that it would 7818  
be situated outside of this state under the provisions of division 7819  
(E) of section 5751.033 of the Revised Code or if it is later 7820  
determined that the person that operates the distribution center 7821  
had average monthly costs from its suppliers of less than forty 7822  
million dollars during that year, then the operator of the 7823  
distribution center shall be liable for any tax, interest, or 7824  
penalty upon amounts claimed as qualifying distribution center 7825  
receipts, other than those receipts exempt under division (C)(1) 7826  
of section 5751.011 of the Revised Code, that would have not 7827  
otherwise been owed by its suppliers during the qualifying year if 7828  
the qualifying certificate was valid. (For purposes of division 7829  
(F)(2)(z)(ii) of this section, "supplier" excludes any person that 7830  
is part of the consolidated elected taxpayer group, if applicable, 7831  
of the operator of the qualified distribution center.) 7832

(iii) When filing an application for a qualifying certificate 7833  
under division (F)(2)(z)(i)(VI) of this section, the operator of a 7834  
qualified distribution center also shall provide documentation, as 7835  
the commissioner requires, for the commissioner to ascertain the 7836  
Ohio delivery percentage. The commissioner, upon issuing the 7837  
qualifying certificate, also shall certify the Ohio delivery 7838  
percentage. The operator of the qualified distribution center may 7839  
appeal the commissioner's certification of the Ohio delivery 7840

percentage in the same manner as an appeal is taken from the 7841  
denial of a qualifying certificate under division (F)(2)(z)(i)(VI) 7842  
of this section. 7843

Within thirty days after all appeals have been exhausted, the 7844  
operator of the qualified distribution center shall notify the 7845  
affected suppliers of qualified property that such suppliers are 7846  
required to file, within sixty days after receiving notice from 7847  
the operator of the qualified distribution center, amended reports 7848  
for the impacted calendar quarter or quarters or calendar year, 7849  
whichever the case may be. Any additional tax liability or tax 7850  
overpayment shall be subject to interest but shall not be subject 7851  
to the imposition of any penalty so long as the amended returns 7852  
are timely filed. The supplier of tangible personal property 7853  
delivered to the qualified distribution center shall include in 7854  
its report of taxable gross receipts the receipts from the total 7855  
sales of property delivered to the qualified distribution center 7856  
for the calendar quarter or calendar year, whichever the case may 7857  
be, multiplied by the Ohio delivery percentage for the qualifying 7858  
year. Nothing in division (F)(2)(z)(iii) of this section shall be 7859  
construed as imposing liability on the operator of a qualified 7860  
distribution center for the tax imposed by this chapter arising 7861  
from any change to the Ohio delivery percentage. 7862

(iv) In the case where the distribution center is new and not 7863  
open for the entire qualifying period, the operator shall make a 7864  
good faith estimate of an Ohio delivery percentage for use by 7865  
suppliers in their reports of taxable gross receipts for the 7866  
remainder of the qualifying period. The operator of the facility 7867  
shall disclose to the suppliers that such Ohio delivery percentage 7868  
is an estimate and is subject to recalculation. By the due date of 7869  
the next application for a qualifying certificate, the operator 7870  
shall determine the actual Ohio delivery percentage for the 7871  
estimated qualifying period and proceed as provided in division 7872

(F)(2)(z)(iii) of this section with respect to the calculation and 7873  
recalculation of the Ohio delivery percentage. The supplier is 7874  
required to file, within sixty days after receiving notice from 7875  
the operator of the qualified distribution center, amended reports 7876  
for the impacted calendar quarter or quarters or calendar year, 7877  
whichever the case may be. Any additional tax liability or tax 7878  
overpayment shall be subject to interest but shall not be subject 7879  
to the imposition of any penalty so long as the amended returns 7880  
are timely filed. 7881

(v) Qualifying certificates and Ohio delivery percentages 7882  
issued by the commissioner shall be open to public inspection and 7883  
shall be timely published by the commissioner. A supplier relying 7884  
in good faith on a certificate issued under this division shall 7885  
not be subject to tax on the qualifying distribution center 7886  
receipts under division (F)(2)(z) of this section. A person 7887  
receiving a qualifying certificate is responsible for paying the 7888  
tax, interest, and penalty upon amounts claimed as qualifying 7889  
distribution center receipts that would not otherwise have been 7890  
owed by the supplier if the qualifying certificate were available 7891  
when it is later determined that the qualifying certificate should 7892  
not have been issued because the statutory requirements were in 7893  
fact not met. 7894

(vi) The annual fee for a qualifying certificate shall be one 7895  
hundred thousand dollars for each qualified distribution center. 7896  
If a qualifying certificate is not issued, the annual fee is 7897  
subject to refund after the exhaustion of all appeals provided for 7898  
in division (F)(2)(z)(i)(VI) of this section. The fee imposed 7899  
under this division may be assessed in the same manner as the tax 7900  
imposed under this chapter. The first one hundred thousand dollars 7901  
of the annual application fees collected each calendar year shall 7902  
be credited to the ~~commercial activity tax administrative~~ revenue 7903  
enhancement fund. The remainder of the annual application fees 7904

collected shall be distributed in the same manner required under 7905  
section 5751.20 of the Revised Code. 7906

(vii) The tax commissioner may require that adequate security 7907  
be posted by the operator of the distribution center on appeal 7908  
when the commissioner disagrees that the applicant has met the 7909  
minimum thresholds for a qualified distribution center as set 7910  
forth in divisions (F)(2)(z)(i)(VI) and (F)(2)(z)(ii) of this 7911  
section. 7912

(aa) Receipts of an employer from payroll deductions relating 7913  
to the reimbursement of the employer for advancing moneys to an 7914  
unrelated third party on an employee's behalf; 7915

(bb) Cash discounts allowed and taken; 7916

(cc) Returns and allowances; 7917

(dd) Bad debts from receipts on the basis of which the tax 7918  
imposed by this chapter was paid in a prior quarterly tax payment 7919  
period. For the purpose of this division, "bad debts" means any 7920  
debts that have become worthless or uncollectible between the 7921  
preceding and current quarterly tax payment periods, have been 7922  
uncollected for at least six months, and that may be claimed as a 7923  
deduction under section 166 of the Internal Revenue Code and the 7924  
regulations adopted under that section, or that could be claimed 7925  
as such if the taxpayer kept its accounts on the accrual basis. 7926  
"Bad debts" does not include repossessed property, uncollectible 7927  
amounts on property that remains in the possession of the taxpayer 7928  
until the full purchase price is paid, or expenses in attempting 7929  
to collect any account receivable or for any portion of the debt 7930  
recovered; 7931

(ee) Any amount realized from the sale of an account 7932  
receivable to the extent the receipts from the underlying 7933  
transaction giving rise to the account receivable were included in 7934  
the gross receipts of the taxpayer; 7935

(ff) Any receipts directly attributed to providing public services pursuant to sections 126.60 to 126.605 of the Revised Code, or any receipts directly attributed to a transfer agreement or to the enterprise transferred under that agreement under section 4313.02 of the Revised Code.

~~(gg) Any receipts for which the tax imposed by this chapter is prohibited by the Constitution or laws of the United States or the Constitution of Ohio.~~

~~(hh)~~(i) As used in this division:

(I) "Qualified uranium receipts" means receipts from the sale, exchange, lease, loan, production, processing, or other disposition of uranium within a uranium enrichment zone certified by the tax commissioner under division ~~(F)(2)(hh)(ii)~~ (F)(2)(gg)(ii) of this section. "Qualified uranium receipts" does not include any receipts with a situs in this state outside a uranium enrichment zone certified by the tax commissioner under division ~~(F)(2)(hh)(ii)~~ (F)(2)(gg)(ii) of this section.

(II) "Uranium enrichment zone" means all real property that is part of a uranium enrichment facility licensed by the United States nuclear regulatory commission and that was or is owned or controlled by the United States department of energy or its successor.

(ii) Any person that owns, leases, or operates real or tangible personal property constituting or located within a uranium enrichment zone may apply to the tax commissioner to have the uranium enrichment zone certified for the purpose of excluding qualified uranium receipts under division ~~(F)(2)(hh)~~ (F)(2)(gg) of this section. The application shall include such information that the tax commissioner prescribes. Within sixty days after receiving the application, the tax commissioner shall certify the zone for that purpose if the commissioner determines that the property

qualifies as a uranium enrichment zone as defined in division 7967  
~~(F)(2)(hh)~~ (F)(2)(gg) of this section, or, if the tax commissioner 7968  
determines that the property does not qualify, the commissioner 7969  
shall deny the application or request additional information from 7970  
the applicant. If the tax commissioner denies an application, the 7971  
commissioner shall state the reasons for the denial. The applicant 7972  
may appeal the denial of an application to the board of tax 7973  
appeals pursuant to section 5717.02 of the Revised Code. If the 7974  
applicant files a timely appeal, the tax commissioner shall 7975  
conditionally certify the applicant's property. The conditional 7976  
certification shall expire when all of the applicant's appeals are 7977  
exhausted. Until final resolution of the appeal, the applicant 7978  
shall retain the applicant's records in accordance with section 7979  
5751.12 of the Revised Code, notwithstanding any time limit on the 7980  
preservation of records under that section. 7981

~~(ii)~~(hh) Amounts realized by licensed motor fuel dealers or 7982  
licensed permissive motor fuel dealers from the exchange of 7983  
petroleum products, including motor fuel, between such dealers, 7984  
provided that delivery of the petroleum products occurs at a 7985  
refinery, terminal, pipeline, or marine vessel and that the 7986  
exchanging dealers agree neither dealer shall require monetary 7987  
compensation from the other for the value of the exchanged 7988  
petroleum products other than such compensation for differences in 7989  
product location or grade. Division ~~(F)(2)(ii)~~ (F)(2)(hh) of this 7990  
section does not apply to amounts realized as a result of 7991  
differences in location or grade of exchanged petroleum products 7992  
or from handling, lubricity, dye, or other additive injections 7993  
fees, pipeline security fees, or similar fees. As used in this 7994  
division, "motor fuel," "licensed motor fuel dealer," "licensed 7995  
permissive motor fuel dealer," and "terminal" have the same 7996  
meanings as in section 5735.01 of the Revised Code. 7997

~~(hh)~~(ii) In the case of amounts collected by a licensed 7998

casino operator from casino gaming, amounts in excess of the 7999  
casino operator's gross casino revenue. In this division, "casino 8000  
operator" and "casino gaming" have the meanings defined in section 8001  
3772.01 of the Revised Code, and "gross casino revenue" has the 8002  
meaning defined in section 5753.01 of the Revised Code. 8003

(jj) Any receipts for which the tax imposed by this chapter 8004  
is prohibited by the constitution or laws of the United States or 8005  
the constitution of this state. 8006

(3) In the case of a taxpayer when acting as a real estate 8007  
broker, "gross receipts" includes only the portion of any fee for 8008  
the service of a real estate broker, or service of a real estate 8009  
salesperson associated with that broker, that is retained by the 8010  
broker and not paid to an associated real estate salesperson or 8011  
another real estate broker. For the purposes of this division, 8012  
"real estate broker" and "real estate salesperson" have the same 8013  
meanings as in section 4735.01 of the Revised Code. 8014

(4) A taxpayer's method of accounting for gross receipts for 8015  
a tax period shall be the same as the taxpayer's method of 8016  
accounting for federal income tax purposes for the taxpayer's 8017  
federal taxable year that includes the tax period. If a taxpayer's 8018  
method of accounting for federal income tax purposes changes, its 8019  
method of accounting for gross receipts under this chapter shall 8020  
be changed accordingly. 8021

(G) "Taxable gross receipts" means gross receipts sitused to 8022  
this state under section 5751.033 of the Revised Code. 8023

(H) A person has "substantial nexus with this state" if any 8024  
of the following applies. The person: 8025

(1) Owns or uses a part or all of its capital in this state; 8026

(2) Holds a certificate of compliance with the laws of this 8027  
state authorizing the person to do business in this state; 8028

(3) Has bright-line presence in this state;	8029
(4) Otherwise has nexus with this state to an extent that the person can be required to remit the tax imposed under this chapter under the Constitution of the United States.	8030 8031 8032
(I) A person has "bright-line presence" in this state for a reporting period and for the remaining portion of the calendar year if any of the following applies. The person:	8033 8034 8035
(1) Has at any time during the calendar year property in this state with an aggregate value of at least fifty thousand dollars. For the purpose of division (I)(1) of this section, owned property is valued at original cost and rented property is valued at eight times the net annual rental charge.	8036 8037 8038 8039 8040
(2) Has during the calendar year payroll in this state of at least fifty thousand dollars. Payroll in this state includes all of the following:	8041 8042 8043
(a) Any amount subject to withholding by the person under section 5747.06 of the Revised Code;	8044 8045
(b) Any other amount the person pays as compensation to an individual under the supervision or control of the person for work done in this state; and	8046 8047 8048
(c) Any amount the person pays for services performed in this state on its behalf by another.	8049 8050
(3) Has during the calendar year taxable gross receipts of at least five hundred thousand dollars.	8051 8052
(4) Has at any time during the calendar year within this state at least twenty-five per cent of the person's total property, total payroll, or total gross receipts.	8053 8054 8055
(5) Is domiciled in this state as an individual or for corporate, commercial, or other business purposes.	8056 8057
(J) "Tangible personal property" has the same meaning as in	8058

section 5739.01 of the Revised Code. 8059

(K) "Internal Revenue Code" means the Internal Revenue Code 8060  
of 1986, 100 Stat. 2085, 26 U.S.C. 1, as amended. Any term used in 8061  
this chapter that is not otherwise defined has the same meaning as 8062  
when used in a comparable context in the laws of the United States 8063  
relating to federal income taxes unless a different meaning is 8064  
clearly required. Any reference in this chapter to the Internal 8065  
Revenue Code includes other laws of the United States relating to 8066  
federal income taxes. 8067

(L) "Calendar quarter" means a three-month period ending on 8068  
the thirty-first day of March, the thirtieth day of June, the 8069  
thirtieth day of September, or the thirty-first day of December. 8070

(M) "Tax period" means the calendar quarter or calendar year 8071  
on the basis of which a taxpayer is required to pay the tax 8072  
imposed under this chapter. 8073

(N) "Calendar year taxpayer" means a taxpayer for which the 8074  
tax period is a calendar year. 8075

(O) "Calendar quarter taxpayer" means a taxpayer for which 8076  
the tax period is a calendar quarter. 8077

(P) "Agent" means a person authorized by another person to 8078  
act on its behalf to undertake a transaction for the other, 8079  
including any of the following: 8080

(1) A person receiving a fee to sell financial instruments; 8081

(2) A person retaining only a commission from a transaction 8082  
with the other proceeds from the transaction being remitted to 8083  
another person; 8084

(3) A person issuing licenses and permits under section 8085  
1533.13 of the Revised Code; 8086

(4) A lottery sales agent holding a valid license issued 8087  
under section 3770.05 of the Revised Code; 8088

(5) A person acting as an agent of the division of liquor control under section 4301.17 of the Revised Code. 8089  
8090

(Q) "Received" includes amounts accrued under the accrual method of accounting. 8091  
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(R) "Reporting person" means a person in a consolidated elected taxpayer or combined taxpayer group that is designated by that group to legally bind the group for all filings and tax liabilities and to receive all legal notices with respect to matters under this chapter, or, for the purposes of section 5751.04 of the Revised Code, a separate taxpayer that is not a member of such a group. 8093  
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**Sec. 5751.011.** (A) A group of two or more persons may elect to be a consolidated elected taxpayer for the purposes of this chapter if the group satisfies all of the following requirements: 8100  
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(1) The group elects to include all persons, including persons enumerated in divisions (E)(2) to (10) of section 5751.01 of the Revised Code, having at least eighty per cent, or having at least fifty per cent, of the value of their ownership interests owned or controlled, directly or constructively through related interests, by common owners during all or any portion of the tax period, together with the common owners. 8103  
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A group making its initial election on the basis of the eighty per cent ownership test may change its election so that its consolidated elected taxpayer group is formed on the basis of the fifty per cent ownership test if all of the following are satisfied: 8110  
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8112  
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(a) When the initial election was made, the group did not have any persons satisfying the fifty per cent ownership test; 8115  
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(b) One or more of the persons in the initial group subsequently acquires ownership interests in a person such that 8117  
8118

the fifty per cent ownership test is satisfied, the eighty per 8119  
cent ownership test is not satisfied, and the acquired person 8120  
would be required to be included in a combined taxpayer group 8121  
under section 5751.012 of the Revised Code; 8122

(c) The group requests the change in ~~a written request~~ 8123  
writing to the ~~tax~~ commissioner ~~on or before the due date for~~ 8124  
~~filing the first return due under section 5751.051 of the Revised~~ 8125  
~~Code after the date of the acquisition~~ as required by division (D) 8126  
of this section; 8127

(d) The group has not previously changed its election. 8128

At the election of the group, all entities that are not 8129  
incorporated or formed under the laws of a state or of the United 8130  
States and that meet the consolidated elected ownership test shall 8131  
either be included in the group or all shall be excluded from the 8132  
group. If, at the time of registration, the group does not include 8133  
any such entities that meet the consolidated elected ownership 8134  
test, the group shall elect to either include or exclude the newly 8135  
acquired entities before the due date of the first return due 8136  
after the date of the acquisition. 8137

~~Each group shall notify the tax commissioner of the foregoing~~ 8138  
~~elections before the due date of the return for the period in~~ 8139  
~~which the election becomes binding.~~ If fifty per cent of the value 8140  
of a person's ownership interests is owned or controlled by each 8141  
of two consolidated elected taxpayer groups formed under the fifty 8142  
per cent ownership or control test, that person is a member of 8143  
each group for the purposes of this section, and each group shall 8144  
include in the group's taxable gross receipts fifty per cent of 8145  
that person's taxable gross receipts. Otherwise, all of that 8146  
person's taxable gross receipts shall be included in the taxable 8147  
gross receipts of the consolidated elected taxpayer group of which 8148  
the person is a member. In no event shall the ownership or control 8149  
of fifty per cent of the value of a person's ownership interests 8150

by two otherwise unrelated groups form the basis for consolidating 8151  
the groups into a single consolidated elected taxpayer group or 8152  
permit any exclusion under division (C) of this section of taxable 8153  
gross receipts between members of the two groups. Division (A)(3) 8154  
of this section applies with respect to the elections described in 8155  
this division. 8156

(2) The group makes the election to be treated as a 8157  
consolidated elected taxpayer in the manner prescribed under 8158  
division (D) of this section. 8159

(3) Subject to review and audit by the tax commissioner, the 8160  
group agrees that all of the following apply: 8161

(a) The group shall file reports as a single taxpayer for at 8162  
least the next eight calendar quarters following the election so 8163  
long as at least two or more of the members of the group meet the 8164  
requirements of division (A)(1) of this section. 8165

(b) Before the expiration of the eighth such calendar 8166  
quarter, the group shall notify the commissioner if it elects to 8167  
cancel its designation as a consolidated elected taxpayer. If the 8168  
group does not so notify the tax commissioner, the election 8169  
remains in effect for another eight calendar quarters. 8170

(c) If, at any time during any of those eight calendar 8171  
quarters following the election, a former member of the group no 8172  
longer meets the requirements under division (A)(1) of this 8173  
section, that member shall report and pay the tax imposed under 8174  
this chapter separately, as a member of a combined taxpayer, or, 8175  
if the former member satisfies such requirements with respect to 8176  
another consolidated elected group, as a member of that 8177  
consolidated elected group. 8178

(d) The group agrees to the application of division (B) of 8179  
this section. 8180

(B) A group of persons making the election under this section 8181

shall report and pay tax on all of the group's taxable gross 8182  
receipts even if substantial nexus with this state does not exist 8183  
for one or more persons in the group. 8184

(C)(1)(a) Members of a consolidated elected taxpayer group 8185  
shall exclude gross receipts among persons included in the 8186  
consolidated elected taxpayer group. 8187

(b) Subject to divisions (C)(1)(c) and (C)(2) of this 8188  
section, nothing in this section shall have the effect of 8189  
requiring a consolidated elected taxpayer group to include gross 8190  
receipts received by a person enumerated in divisions (E)(2) to 8191  
(10) of section 5751.01 of the Revised Code if that person is a 8192  
member of the group pursuant to the elections made by the group 8193  
under division (A)(1) of this section. 8194

(c)(i) As used in division (C)(1)(c) of this section, "dealer 8195  
transfer" means a transfer of property that satisfies both of the 8196  
following: (I) the property is directly transferred by any means 8197  
from one member of the group to another member of the group that 8198  
is a dealer in intangibles but is not a qualifying dealer as 8199  
defined in section 5707.031 of the Revised Code; and (II) the 8200  
property is subsequently delivered by the dealer in intangibles to 8201  
a person that is not a member of the group. 8202

(ii) In the event of a dealer transfer, a consolidated 8203  
elected taxpayer group shall not exclude, under division (C) of 8204  
this section, gross receipts from the transfer described in 8205  
division (C)(1)(c)(i)(I) of this section. 8206

(2) Gross receipts related to the sale or transmission of 8207  
electricity through the use of an intermediary regional 8208  
transmission organization approved by the federal energy 8209  
regulatory commission shall be excluded from taxable gross 8210  
receipts under division (C)(1) of this section if all other 8211  
requirements of that division are met, even if the receipts are 8212

from and to the same member of the group. 8213

(D) To make the election to be a consolidated elected 8214  
taxpayer, a group of persons shall notify the ~~tax~~ commissioner of 8215  
the election ~~in the manner prescribed by the commissioner and pay~~ 8216  
~~the commissioner a registration fee equal to the lesser of two~~ 8217  
~~hundred dollars or twenty dollars for each person in the group. No~~ 8218  
~~additional fee shall be imposed for the addition of new members to~~ 8219  
~~the group once the group has remitted a fee in the amount of two~~ 8220  
~~hundred dollars. The election on a form prescribed by the 8221  
commissioner for that purpose, which shall be signed by one or 8222  
more individuals with authority, separately or together, to make a 8223  
binding election on behalf of all persons in the group. Elections 8224  
under division (A) of this section shall be made and the fee paid 8225  
on or before the beginning of due date for filing the first 8226  
calendar quarter to which return due after the election applies. 8227  
The fee shall be collected and used in the same manner as provided 8228  
in section 5751.04 of the Revised Code. 8229~~

~~The election shall be made on a form prescribed by the tax 8230  
commissioner for that purpose and shall be signed by one or more 8231  
individuals with authority, separately or together, to make a 8232  
binding election on behalf of all persons in the group. 8233~~

Any person acquired or formed after the filing of the 8234  
registration shall be included in the group if the person meets 8235  
the requirements of division (A)(1) of this section, and the group 8236  
shall notify the ~~tax~~ commissioner of any additions to the group 8237  
~~with the next tax return it files with on a form prescribed by the 8238  
commissioner for such purpose. 8239~~

**Sec. 5751.012.** (A) All persons, other than persons enumerated 8240  
in divisions (E)(2) to (10) of section 5751.01 of the Revised 8241  
Code, having more than fifty per cent of the value of their 8242  
ownership interest owned or controlled, directly or constructively 8243

through related interests, by common owners during all or any 8244  
portion of the tax period, together with the common owners, shall 8245  
be members of a combined taxpayer group if those persons are not 8246  
members of a consolidated elected taxpayer group pursuant to an 8247  
election under section 5751.011 of the Revised Code. 8248

(B) A combined taxpayer group shall register, file returns, 8250  
and pay taxes under this chapter as a single taxpayer. 8251

~~(C) A combined taxpayer and~~ shall neither exclude taxable 8252  
gross receipts between its members nor from others that are not 8253  
members. 8254

~~(D) A combined taxpayer shall pay to the tax commissioner a 8255  
registration fee equal to the lesser of two hundred dollars or 8256  
twenty dollars for each person in the group. No additional fee 8257  
shall be imposed for the addition of new members to the group once 8258  
the group has remitted a fee in the amount of two hundred dollars. 8259  
The fee shall be timely paid before the later of the beginning of 8260  
the first calendar quarter or November 15, 2005. The fee shall be 8261  
collected and used in the same manner as provided in section 8262  
5751.04 of the Revised Code. 8263~~

(C) Any person acquired or formed after the filing of the 8264  
registration shall be included in the group if the person meets 8265  
the requirements of division (A) of this section, and the group 8266  
must notify the tax commissioner of any additions ~~with the next~~ 8267  
~~quarterly tax return it files with~~ to the group on a form 8268  
prescribed by the commissioner for such purpose. 8269

**Sec. 5751.03.** (A) Except as provided in ~~divisions~~ division 8270  
(B) ~~and (D)~~ of this section and in ~~sections~~ section 5751.031 ~~and~~ 8271  
~~5751.032~~ of the Revised Code, the tax levied under this section 8272  
for each tax period shall be the product of two and six-tenths 8273

mills per dollar times the remainder of the taxpayer's taxable 8274  
gross receipts for the tax period after subtracting the exclusion 8275  
amount provided for in division (C) of this section. 8276

(B) Notwithstanding division (C) of this section, the tax on 8277  
the first one million dollars in taxable gross receipts each 8278  
calendar year shall be one hundred fifty dollars. ~~For calendar~~ 8279  
~~year 2006, the tax imposed under this division shall be paid not~~ 8280  
~~later than May 10, 2006, by both calendar year taxpayers and~~ 8281  
~~calendar quarter taxpayers. For calendar years 2007, 2008, and~~ 8282  
~~2009, the tax imposed under this division shall be paid with the~~ 8283  
~~fourth quarter tax return or annual tax return for the prior~~ 8284  
~~calendar year by both calendar year taxpayers and calendar quarter~~ 8285  
~~taxpayers. For calendar years 2010 and thereafter, the~~ The tax 8286  
imposed under this division shall be paid not later than the tenth 8287  
day of May of each year along with the first quarter or annual tax 8288  
return, as applicable. 8289

(C)(1) Each ~~calendar quarter~~ taxpayer may exclude the first 8290  
~~two hundred fifty thousand~~ one million dollars of taxable gross 8291  
receipts for a calendar ~~quarter~~ year. Calendar quarter taxpayers 8292  
may apply the full exclusion amount to the first calendar quarter 8293  
return the taxpayer files that calendar year and may carry forward 8294  
and apply any unused exclusion amount to ~~the three~~ subsequent 8295  
calendar quarters within that same calendar year. ~~Each calendar~~ 8296  
~~year taxpayer may exclude the first one million dollars of taxable~~ 8297  
~~gross receipts for a calendar year.~~ 8298

(2) A taxpayer switching from a calendar year tax period to a 8299  
calendar quarter tax period may, for the first quarter of the 8300  
change, apply the ~~prior calendar quarter~~ full one-million-dollar 8301  
exclusion ~~amounts~~ amount to the first calendar quarter return the 8302  
taxpayer files that calendar year. Such taxpayers may carry 8303  
forward and apply any unused exclusion amount to subsequent 8304

calendar quarters within that same calendar year. The tax rate 8305  
shall be based on the rate imposed that calendar quarter when the 8306  
taxpayer switches from a calendar year to a calendar quarter tax 8307  
period. 8308

~~(D) There is hereby allowed a credit against the tax imposed 8309  
under this chapter for each of the following calendar years if a 8310  
transfer was made in the preceding calendar year from the general 8311  
revenue fund to the commercial activity tax refund fund under 8312  
division (D) of section 5751.032 of the Revised Code: calendar 8313  
years 2008, 2010, and 2012. The credit is allowed for taxpayers 8314  
that paid in full the tax imposed under this chapter for the 8315  
calendar year in which the transfer was made. The amount of a 8316  
taxpayer's credit equals the amount computed under division (D) of 8317  
section 5751.032 of the Revised Code~~ (3) A taxpayer shall not 8318  
exclude more than one million dollars pursuant to division (C) of 8319  
this section in a calendar year. 8320

**Sec. 5751.04.** (A) As used in this section, "person" includes 8321  
a reporting person. 8322

(B) Not later than thirty days after a person first has more 8323  
than one hundred fifty thousand dollars in taxable gross receipts 8324  
in a calendar year, each person subject to this chapter shall 8325  
register with the tax commissioner on the form prescribed by the 8326  
commissioner. The form shall include the following: 8327

(1) The person's name; 8328

~~(2) If applicable, the name of the state or country under the 8329  
laws of which the person is incorporated;~~ 8330

~~(3) If applicable, the location of a person's principal 8331  
office and the name and address of the officer or agent of the 8332  
corporation in charge of the business;~~ 8333

~~(4) If applicable, the names of the person's president,~~ 8334

~~secretary, treasurer, and statutory agent designated pursuant to~~ 8335  
~~section 1703.041 of the Revised Code, with the post office address~~ 8336  
~~of each;~~ 8337

~~(5) The person's primary address;~~ 8338

~~(3) The kind of business in which the person is engaged,~~ 8339  
~~including applicable business or industry codes for the person;~~ 8340

~~(6) If required by the tax commissioner, the date of the~~ 8341  
~~beginning of the person's annual accounting period that includes~~ 8342  
~~the first day of January of the taxable calendar year;~~ 8343

~~(7) If the person is not a corporation or a sole proprietor,~~ 8344  
~~the names of the person's owners and officers, if required by the~~ 8345  
~~tax commissioner;~~ 8346

~~(8)(4) The person's federal employer identification number or~~ 8347  
~~numbers or, if those are not applicable, the person's social~~ 8348  
~~security number or equivalent, as applicable;~~ 8349

~~(9)(5) The person's organizational type;~~ 8350

~~(6) The date the person is first subject to the tax imposed~~ 8351  
~~by this chapter;~~ 8352

~~(7) The names, addresses, federal identification numbers or~~ 8353  
~~social security numbers or equivalents, and organization types of~~ 8354  
~~each member that is commonly owned in a consolidated elected~~ 8355  
~~taxpayer or combined taxpayer group;~~ 8356

~~(8) All other information that the commissioner requires to~~ 8357  
~~administer and enforce this chapter.~~ 8358

~~(C) Except as otherwise provided in this division, each~~ 8359  
~~person registering with the tax commissioner as required by~~ 8360  
~~division (B) of this section shall pay a registration fee. The fee~~ 8361  
~~shall be in the amount of fifteen dollars if a person registers~~ 8362  
~~electronically and twenty dollars if a person does not register~~ 8363  
~~electronically. The registration fee shall be paid in the manner~~ 8364

~~prescribed by the tax commissioner at the same time the~~ 8365  
~~registration is due if a person is subject to the tax imposed~~ 8366  
~~under this chapter before January 1, 2006. If a person first~~ 8367  
~~becomes subject to the tax after that date, the registration fee~~ 8368  
~~is payable with the first tax period return the person is required~~ 8369  
~~to file as prescribed by section 5751.051 of the Revised Code. If~~ 8370  
(1) To help defray the costs of administering the tax imposed by 8371  
this chapter, the commissioner shall collect a registration fee in 8372  
the amount of twenty dollars per person up to a maximum of two 8373  
hundred dollars per consolidated elected taxpayer or combined 8374  
taxpayer group. The commissioner shall systematically deduct and 8375  
collect the fee from the first tax payment each taxpayer makes 8376  
after registering or adding members, as applicable. No separate 8377  
registration fee may be collected in addition to the tax imposed 8378  
by this chapter. 8379

(2) If a person does not register within the time prescribed 8380  
by this section, an additional fee is imposed in the amount of one 8381  
hundred dollars per month or part thereof that the fee is 8382  
outstanding, not to exceed one thousand dollars. The tax 8383  
commissioner may abate the additional fee. The fee imposed under 8384  
this division may be assessed in the same manner as the tax 8385  
imposed under this chapter. Proceeds 8386

(D) Proceeds from the fee imposed under division (C) of this 8387  
section shall be credited to the commercial activity tax 8388  
administrative revenue enhancement fund, which is hereby created 8389  
in the state treasury for the commissioner to use in implementing 8390  
and administering the tax imposed under this chapter. 8391

~~Registration fees paid under this section, excluding any~~ 8392  
~~additional fee imposed for a person's failure to timely register,~~ 8393  
~~shall be credited against the first payment of tax payable under~~ 8394  
~~section 5751.03 of the Revised Code.~~ 8395

~~(D)~~(E) If a person that has registered under this section is 8396

no longer a taxpayer subject to this chapter, ~~including no longer~~ 8397  
~~being a taxpayer because of the application of division (E)(1) of~~ 8398  
~~section 5751.01 of the Revised Code,~~ the person shall notify the 8399  
commissioner that the person's registration should be cancelled. 8400

~~(E)(F)~~ With respect to registrations received by the 8401  
commissioner before ~~the effective date of the amendment of this~~ 8402  
~~section by the main operating appropriations act of the 128th~~ 8403  
~~general assembly October 16, 2009,~~ the taxpayer listed as the 8404  
primary taxpayer on the registration shall be the reporting person 8405  
until the taxpayer notifies the commissioner otherwise. 8406

**Sec. 5751.05.** (A) If a person subject to this chapter 8407  
anticipates that the person's taxable gross receipts will be more 8408  
than one million dollars in a calendar year, the person shall 8409  
notify the tax commissioner on the person's initial registration 8410  
form and file on a quarterly basis as a calendar quarter taxpayer. 8411  
Any taxpayer with taxable gross receipts of one million dollars or 8412  
less shall register as a calendar year taxpayer and shall file 8413  
annually. 8414

(B) Any person that is a calendar year taxpayer under 8415  
division (A) of this section shall become a calendar quarter 8416  
taxpayer in the subsequent calendar year if the person's taxable 8417  
gross receipts for the prior calendar year are more than one 8418  
million dollars, and shall remain a calendar quarter taxpayer 8419  
until the person notifies the ~~tax~~ commissioner, and receives 8420  
approval in writing from the ~~tax~~ commissioner, to switch back to 8421  
being a calendar year taxpayer. ~~Nothing in this division prohibits~~ 8422  
~~a person that has elected to be a calendar year taxpayer from~~ 8423  
~~notifying the tax commissioner, using the procedures prescribed by~~ 8424  
~~the commissioner, that it is switching back to being a calendar~~ 8425  
~~quarter taxpayer.~~ 8426

(C) ~~Any taxpayer that is not a calendar quarter taxpayer~~ 8427

~~pursuant to this section is a calendar year taxpayer.~~ The 8428  
commissioner may grant written approval for a calendar quarter 8429  
taxpayer to use an alternative reporting schedule or estimate the 8430  
amount of tax due for a calendar quarter if the taxpayer 8431  
demonstrates to the commissioner the need for such a deviation. 8432  
The commissioner may adopt a rule to apply division (C) of this 8433  
section to a group of taxpayers without the taxpayers having to 8434  
receive written approval from the commissioner. 8435

**Sec. 5751.051.** (A)(1) Not later than the tenth day of the 8436  
second month after the end of each calendar quarter, every 8437  
taxpayer other than a calendar year taxpayer shall file with the 8438  
tax commissioner a tax return in such form as the commissioner 8439  
prescribes. The return shall include, but is not limited to, the 8440  
amount of the taxpayer's taxable gross receipts for the calendar 8441  
quarter and shall indicate the amount of tax due under section 8442  
5751.03 of the Revised Code for the calendar quarter. 8443

(2)(a) Subject to division (C) of section 5751.05 of the 8444  
Revised Code, a calendar quarter taxpayer shall report the taxable 8445  
gross receipts for that calendar quarter. 8446

(b) With respect to taxable gross receipts incorrectly 8447  
reported in a calendar quarter that has a lower tax rate, the tax 8448  
shall be computed at the tax rate in effect for the quarterly 8449  
return in which such receipts should have been reported. Nothing 8450  
in division (A)(2)(b) of this section prohibits a taxpayer from 8451  
filing an application for refund under section 5751.08 of the 8452  
Revised Code with regard to the incorrect reporting of taxable 8453  
gross receipts discovered after filing the annual return described 8454  
in division (A)(3) of this section. 8455

A tax return shall not be deemed to be an incorrect reporting 8456  
of taxable gross receipts for the purposes of division (A)(2)(b) 8457  
of this section if the return reflects between ninety-five and one 8458

hundred five per cent of the actual taxable gross receipts for the 8459  
calendar quarter. 8460

(3) For the purposes of division (A)(2)(b) of this section, 8461  
the tax return filed for the fourth calendar quarter of a calendar 8462  
year is the annual return for the privilege tax imposed by this 8463  
chapter. Such return shall report any additional taxable gross 8464  
receipts not previously reported in the calendar year and shall 8465  
adjust for any over-reported taxable gross receipts in the 8466  
calendar year. If the taxpayer ceases to be a taxpayer before the 8467  
end of the calendar year, the last return the taxpayer is required 8468  
to file shall be the annual return for the taxpayer and the 8469  
taxpayer shall report any additional taxable gross receipts not 8470  
previously reported in the calendar year and shall adjust for any 8471  
over-reported taxable gross receipts in the calendar year. 8472

(4) Because the tax imposed by this chapter is a privilege 8473  
tax, the tax rate with respect to taxable gross receipts for a 8474  
calendar quarter is not fixed until the end of the measurement 8475  
period for each calendar quarter. Subject to division (A)(2)(b) of 8476  
this section, the total amount of taxable gross receipts reported 8477  
for a given calendar quarter shall be subject to the tax rate in 8478  
effect in that quarter. 8479

(5) Not later than the tenth day of May following the end of 8480  
each calendar year, every calendar year taxpayer shall file with 8481  
the tax commissioner a tax return in such form as the commissioner 8482  
prescribes. The return shall include, but is not limited to, the 8483  
amount of the taxpayer's taxable gross receipts for the calendar 8484  
year and shall indicate the amount of tax due under section 8485  
5751.03 of the Revised Code for the calendar year. 8486

(B)(1) A person that first becomes subject to the tax imposed 8487  
under this chapter shall pay the minimum tax imposed under 8488  
division (B) of section 5751.03 of the Revised Code ~~along with the~~ 8489  
~~registration fee imposed under this section, if applicable,~~ on or 8490

before the day the return is required to be filed for that quarter 8491  
under division (A)(1) of this section, regardless of whether the 8492  
person ~~elects to be~~ registers as a calendar year taxpayer under 8493  
section 5751.05 of the Revised Code. 8494

(2) The amount of the minimum tax for a person subject to 8495  
division (B)(1) of this section shall be reduced to seventy-five 8496  
dollars if the registration is timely filed after the first day of 8497  
May and before the first day of January of the following calendar 8498  
year. 8499

**Sec. 5751.12.** The tax commissioner may prescribe requirements 8500  
for the keeping of records and other pertinent documents, the 8501  
filing of copies of federal income tax returns and determinations, 8502  
and computations reconciling federal income tax returns with the 8503  
returns and reports required by section ~~5751.05~~ 5751.051 of the 8504  
Revised Code. The commissioner may require any person, by rule or 8505  
notice served on that person, to keep those records that the 8506  
commissioner considers necessary to show whether, and the extent 8507  
to which, a person is subject to this chapter. Those records and 8508  
other documents shall be open during business hours to the 8509  
inspection of the commissioner, and shall be preserved for a 8510  
period of four years unless the commissioner, in writing, consents 8511  
to their destruction within that period, or by order requires that 8512  
they be kept longer. If such records are normally kept by the 8513  
person electronically, the person shall provide such records to 8514  
the commissioner electronically at the commissioner's request. 8515

Any information required by the ~~tax~~ commissioner under this 8517  
chapter is confidential as provided for in section 5703.21 of the 8518  
Revised Code. However, the commissioner shall make public an 8519  
electronic list of all actively registered persons required to 8520  
remit the tax under this chapter, including legal names, trade 8521

names, addresses, and account numbers. In addition, such list 8522  
shall include all persons that cancelled their registration at any 8523  
time during the preceding four calendar years, including the 8524  
effective date of the registration was cancelled cancellation. 8525

**Sec. 5751.20.** (A) As used in sections 5751.20 to 5751.22 of 8526  
the Revised Code: 8527

(1) "School district," "joint vocational school district," 8528  
"local taxing unit," "recognized valuation," "fixed-rate levy," 8529  
and "fixed-sum levy" have the same meanings as used in section 8530  
5727.84 of the Revised Code. 8531

(2) "State education aid" for a school district means the 8532  
following: 8533

(a) For fiscal years prior to fiscal year 2010, the sum of 8534  
state aid amounts computed for the district under the following 8535  
provisions, as they existed for the applicable fiscal year: 8536  
division (A) of section 3317.022 of the Revised Code, including 8537  
the amounts calculated under sections 3317.029 and 3317.0217 of 8538  
the Revised Code; divisions (C)(1), (C)(4), (D), (E), and (F) of 8539  
section 3317.022; divisions (B), (C), and (D) of section 3317.023; 8540  
divisions (L) and (N) of section 3317.024; section 3317.0216; and 8541  
any unit payments for gifted student services paid under sections 8542  
3317.05, 3317.052, and 3317.053 of the Revised Code; except that, 8543  
for fiscal years 2008 and 2009, the amount computed for the 8544  
district under Section 269.20.80 of H.B. 119 of the 127th general 8545  
assembly and as that section subsequently may be amended shall be 8546  
substituted for the amount computed under division (D) of section 8547  
3317.022 of the Revised Code, and the amount computed under 8548  
Section 269.30.80 of H.B. 119 of the 127th general assembly and as 8549  
that section subsequently may be amended shall be included. 8550

(b) For fiscal years 2010 and 2011, the sum of the amounts 8551  
computed under former sections 3306.052, 3306.12, 3306.13, 8552

3306.19, 3306.191, and 3306.192 of the Revised Code; 8553

(c) For fiscal years 2012 and 2013, the amount paid in 8554  
accordance with ~~the section~~ Section 267.30.50 of H.B. 153 of the 8555  
129th general assembly entitled "FUNDING FOR CITY, EXEMPTED 8556  
VILLAGE, AND LOCAL SCHOOL DISTRICTS." 8557

(3) "State education aid" for a joint vocational school 8558  
district means the following: 8559

(a) For fiscal years prior to fiscal year 2010, the sum of 8560  
the state aid computed for the district under division (N) of 8561  
section 3317.024 and section 3317.16 of the Revised Code, except 8562  
that, for fiscal years 2008 and 2009, the amount computed under 8563  
Section 269.30.80 of H.B. 119 of the 127th general assembly and as 8564  
that section subsequently may be amended shall be included. 8565

(b) For fiscal years 2010 and 2011, the amount paid in 8566  
accordance with ~~the section~~ Section 265.30.50 of H.B. 1 of the 8567  
128th general assembly entitled "FUNDING FOR JOINT VOCATIONAL 8568  
SCHOOL DISTRICTS." 8569

(c) For fiscal years 2012 and 2013, the amount paid in 8570  
accordance with ~~the section~~ Section 267.30.60 of H.B. 153 of the 8571  
129th general assembly entitled "FUNDING FOR JOINT VOCATIONAL 8572  
SCHOOL DISTRICTS." 8573

(4) "State education aid offset" means the amount determined 8574  
for each school district or joint vocational school district under 8575  
division (A)(1) of section 5751.21 of the Revised Code. 8576

(5) "Machinery and equipment property tax value loss" means 8577  
the amount determined under division (C)(1) of this section. 8578

(6) "Inventory property tax value loss" means the amount 8579  
determined under division (C)(2) of this section. 8580

(7) "Furniture and fixtures property tax value loss" means 8581  
the amount determined under division (C)(3) of this section. 8582

- (8) "Machinery and equipment fixed-rate levy loss" means the amount determined under division (D)(1) of this section. 8583  
8584
- (9) "Inventory fixed-rate levy loss" means the amount determined under division (D)(2) of this section. 8585  
8586
- (10) "Furniture and fixtures fixed-rate levy loss" means the amount determined under division (D)(3) of this section. 8587  
8588
- (11) "Total fixed-rate levy loss" means the sum of the machinery and equipment fixed-rate levy loss, the inventory fixed-rate levy loss, the furniture and fixtures fixed-rate levy loss, and the telephone company fixed-rate levy loss. 8589  
8590  
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8592
- (12) "Fixed-sum levy loss" means the amount determined under division (E) of this section. 8593  
8594
- (13) "Machinery and equipment" means personal property subject to the assessment rate specified in division (F) of section 5711.22 of the Revised Code. 8595  
8596  
8597
- (14) "Inventory" means personal property subject to the assessment rate specified in division (E) of section 5711.22 of the Revised Code. 8598  
8599  
8600
- (15) "Furniture and fixtures" means personal property subject to the assessment rate specified in division (G) of section 5711.22 of the Revised Code. 8601  
8602  
8603
- (16) "Qualifying levies" are levies in effect for tax year 2004 or applicable to tax year 2005 or approved at an election conducted before September 1, 2005. For the purpose of determining the rate of a qualifying levy authorized by section 5705.212 or 5705.213 of the Revised Code, the rate shall be the rate that would be in effect for tax year 2010. 8604  
8605  
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- (17) "Telephone property" means tangible personal property of a telephone, telegraph, or interexchange telecommunications company subject to an assessment rate specified in section 8610  
8611  
8612

5727.111 of the Revised Code in tax year 2004. 8613

(18) "Telephone property tax value loss" means the amount 8614  
determined under division (C)(4) of this section. 8615

(19) "Telephone property fixed-rate levy loss" means the 8616  
amount determined under division (D)(4) of this section. 8617

(20) "Taxes charged and payable" means taxes charged and 8618  
payable after the reduction required by section 319.301 of the 8619  
Revised Code but before the reductions required by sections 8620  
319.302 and 323.152 of the Revised Code. 8621

(21) "Median estate tax collections" means, in the case of a 8622  
municipal corporation to which revenue from the taxes levied in 8623  
Chapter 5731. of the Revised Code was distributed in each of 8624  
calendar years 2006, 2007, 2008, and 2009, the median of those 8625  
distributions. In the case of a municipal corporation to which no 8626  
distributions were made in one or more of those years, "median 8627  
estate tax collections" means zero. 8628

(22) "Total resources," in the case of a school district, 8629  
means the sum of the amounts in divisions (A)(22)(a) to (h) of 8630  
this section less any reduction required under division (A)(32) or 8631  
(33) of this section. 8632

(a) The state education aid for fiscal year 2010; 8633

(b) The sum of the payments received by the school district 8634  
in fiscal year 2010 for current expense levy losses pursuant to 8635  
division (C)(2) of section 5727.85 and divisions (C)(8) and (9) of 8636  
section 5751.21 of the Revised Code, excluding the portion of such 8637  
payments attributable to levies for joint vocational school 8638  
district purposes; 8639

(c) The sum of fixed-sum levy loss payments received by the 8640  
school district in fiscal year 2010 pursuant to division (E)(1) of 8641  
section 5727.85 and division (E)(1) of section 5751.21 of the 8642

Revised Code for fixed-sum levies <del>imposed</del> <u>charged and payable</u> for	8643
a purpose other than paying debt charges;	8644
(d) Fifty per cent of the school district's taxes charged and	8645
payable against all property on the tax list of real and public	8646
utility property for current expense purposes for tax year 2008,	8647
including taxes charged and payable from emergency levies <del>imposed</del>	8648
<u>charged and payable</u> under section 5709.194 of the Revised Code and	8649
excluding taxes levied for joint vocational school district	8650
purposes;	8651
(e) Fifty per cent of the school district's taxes charged and	8652
payable against all property on the tax list of real and public	8653
utility property for current expenses for tax year 2009, including	8654
taxes charged and payable from emergency levies and excluding	8655
taxes levied for joint vocational school district purposes;	8656
(f) The school district's taxes charged and payable against	8657
all property on the general tax list of personal property for	8658
current expenses for tax year 2009, including taxes charged and	8659
payable from emergency levies;	8660
(g) The amount certified for fiscal year 2010 under division	8661
(A)(2) of section 3317.08 of the Revised Code;	8662
(h) Distributions received during calendar year 2009 from	8663
taxes levied under section 718.09 of the Revised Code.	8664
(23) "Total resources," in the case of a joint vocational	8665
school district, means the sum of amounts in divisions (A)(23)(a)	8666
to (g) of this section less any reduction required under division	8667
(A)(32) of this section.	8668
(a) The state education aid for fiscal year 2010;	8669
(b) The sum of the payments received by the joint vocational	8670
school district in fiscal year 2010 for current expense levy	8671
losses pursuant to division (C)(2) of section 5727.85 and	8672

divisions (C)(8) and (9) of section 5751.21 of the Revised Code; 8673

(c) Fifty per cent of the joint vocational school district's 8674  
taxes charged and payable against all property on the tax list of 8675  
real and public utility property for current expense purposes for 8676  
tax year 2008; 8677

(d) Fifty per cent of the joint vocational school district's 8678  
taxes charged and payable against all property on the tax list of 8679  
real and public utility property for current expenses for tax year 8680  
2009; 8681

(e) Fifty per cent of a city, local, or exempted village 8682  
school district's taxes charged and payable against all property 8683  
on the tax list of real and public utility property for current 8684  
expenses of the joint vocational school district for tax year 8685  
2008; 8686

(f) Fifty per cent of a city, local, or exempted village 8687  
school district's taxes charged and payable against all property 8688  
on the tax list of real and public utility property for current 8689  
expenses of the joint vocational school district for tax year 8690  
2009; 8691

(g) The joint vocational school district's taxes charged and 8692  
payable against all property on the general tax list of personal 8693  
property for current expenses for tax year 2009. 8694

(24) "Total resources," in the case of county mental health 8695  
and disability related functions, means the sum of the amounts in 8696  
divisions (A)(24)(a) and (b) of this section less any reduction 8697  
required under division (A)(32) of this section. 8698

(a) The sum of the payments received by the county for mental 8699  
health and developmental disability related functions in calendar 8700  
year 2010 under division (A)(1) of section 5727.86 and ~~division~~ 8701  
divisions (A)(1) and (2) of section 5751.22 of the Revised Code as 8702  
they existed at that time; 8703

(b) With respect to taxes levied by the county for mental health and developmental disability related purposes, the taxes charged and payable for such purposes against all property on the tax list of real and public utility property for tax year 2009.

(25) "Total resources," in the case of county senior services related functions, means the sum of the amounts in divisions (A)(25)(a) and (b) of this section less any reduction required under division (A)(32) of this section.

(a) The sum of the payments received by the county for senior services related functions in calendar year 2010 under division (A)(1) of section 5727.86 and divisions (A)(1) and (2) of section 5751.22 of the Revised Code as they existed at that time;

(b) With respect to taxes levied by the county for senior services related purposes, the taxes charged and payable for such purposes against all property on the tax list of real and public utility property for tax year 2009.

(26) "Total resources," in the case of county children's services related functions, means the sum of the amounts in divisions (A)(26)(a) and (b) of this section less any reduction required under division (A)(32) of this section.

(a) The sum of the payments received by the county for children's services related functions in calendar year 2010 under division (A)(1) of section 5727.86 and divisions (A)(1) and (2) of section 5751.22 of the Revised Code as they existed at that time;

(b) With respect to taxes levied by the county for children's services related purposes, the taxes charged and payable for such purposes against all property on the tax list of real and public utility property for tax year 2009.

(27) "Total resources," in the case of county public health related functions, means the sum of the amounts in divisions (A)(27)(a) and (b) of this section less any reduction required

under division (A)(32) of this section. 8735

(a) The sum of the payments received by the county for public 8736  
health related functions in calendar year 2010 under division 8737  
(A)(1) of section 5727.86 and divisions (A)(1) and (2) of section 8738  
5751.22 of the Revised Code as they existed at that time; 8739

(b) With respect to taxes levied by the county for public 8740  
health related purposes, the taxes charged and payable for such 8741  
purposes against all property on the tax list of real and public 8742  
utility property for tax year 2009. 8743

(28) "Total resources," in the case of all county functions 8744  
not included in divisions (A)(24) to (27) of this section, means 8745  
the sum of the amounts in divisions (A)(28)(a) to (d) of this 8746  
section less any reduction required under division (A)(32) or (33) 8747  
of this section. 8748

(a) The sum of the payments received by the county for all 8749  
other purposes in calendar year 2010 under division (A)(1) of 8750  
section 5727.86 and divisions (A)(1) and (2) of section 5751.22 of 8751  
the Revised Code as they existed at that time; 8752

(b) The county's percentage share of county undivided local 8753  
government fund allocations as certified to the tax commissioner 8754  
for calendar year 2010 by the county auditor under division (J) of 8755  
section 5747.51 of the Revised Code or division (F) of section 8756  
5747.53 of the Revised Code multiplied by the total amount 8757  
actually distributed in calendar year 2010 from the county 8758  
undivided local government fund; 8759

(c) With respect to taxes levied by the county for all other 8760  
purposes, the taxes charged and payable for such purposes against 8761  
all property on the tax list of real and public utility property 8762  
for tax year 2009, excluding taxes charged and payable for the 8763  
purpose of paying debt charges; 8764

(d) The sum of the amounts distributed to the county in 8765

calendar year 2010 for the taxes levied pursuant to sections 8766  
5739.021 and 5741.021 of the Revised Code. 8767

(29) "Total resources," in the case of a municipal 8768  
corporation, means the sum of the amounts in divisions (A)(29)(a) 8769  
to (g) of this section less any reduction required under division 8770  
(A)(32) or (33) of this section. 8771

(a) The sum of the payments received by the municipal 8772  
corporation in calendar year 2010 for current expense levy losses 8773  
under division (A)(1) of section 5727.86 and divisions (A)(1) and 8774  
(2) of section 5751.22 of the Revised Code as they existed at that 8775  
time; 8776

(b) The municipal corporation's percentage share of county 8777  
undivided local government fund allocations as certified to the 8778  
tax commissioner for calendar year 2010 by the county auditor 8779  
under division (J) of section 5747.51 of the Revised Code or 8780  
division (F) of section 5747.53 of the Revised Code multiplied by 8781  
the total amount actually distributed in calendar year 2010 from 8782  
the county undivided local government fund; 8783

(c) The sum of the amounts distributed to the municipal 8784  
corporation in calendar year 2010 pursuant to section 5747.50 of 8785  
the Revised Code; 8786

(d) With respect to taxes levied by the municipal 8787  
corporation, the taxes charged and payable against all property on 8788  
the tax list of real and public utility property for current 8789  
expenses, defined in division (A)~~(33)~~(35) of this section, for tax 8790  
year 2009; 8791

(e) The amount of admissions tax collected by the municipal 8792  
corporation in calendar year 2008, or if such information has not 8793  
yet been reported to the tax commissioner, in the most recent year 8794  
before 2008 for which the municipal corporation has reported data 8795  
to the commissioner; 8796

(f) The amount of income taxes collected by the municipal corporation in calendar year 2008, or if such information has not yet been reported to the tax commissioner, in the most recent year before 2008 for which the municipal corporation has reported data to the commissioner;

(g) The municipal corporation's median estate tax collections.

(30) "Total resources," in the case of a township, means the sum of the amounts in divisions (A)(30)(a) to (c) of this section less any reduction required under division (A)(32) or (33) of this section.

(a) The sum of the payments received by the township in calendar year 2010 pursuant to division (A)(1) of section 5727.86 of the Revised Code and divisions (A)(1) and (2) of section 5751.22 of the Revised Code as they existed at that time, excluding payments received for debt purposes;

(b) The township's percentage share of county undivided local government fund allocations as certified to the tax commissioner for calendar year 2010 by the county auditor under division (J) of section 5747.51 of the Revised Code or division (F) of section 5747.53 of the Revised Code multiplied by the total amount actually distributed in calendar year 2010 from the county undivided local government fund;

(c) With respect to taxes levied by the township, the taxes charged and payable against all property on the tax list of real and public utility property for tax year 2009 excluding taxes charged and payable for the purpose of paying debt charges.

(31) "Total resources," in the case of a local taxing unit that is not a county, municipal corporation, or township, means the sum of the amounts in divisions (A)(31)(a) to (e) of this section less any reduction required under division (A)(32) of this

section. 8828

(a) The sum of the payments received by the local taxing unit 8829  
in calendar year 2010 pursuant to division (A)(1) of section 8830  
5727.86 of the Revised Code and divisions (A)(1) and (2) of 8831  
section 5751.22 of the Revised Code as they existed at that time; 8832

(b) The local taxing unit's percentage share of county 8833  
undivided local government fund allocations as certified to the 8834  
tax commissioner for calendar year 2010 by the county auditor 8835  
under division (J) of section 5747.51 of the Revised Code or 8836  
division (F) of section 5747.53 of the Revised Code multiplied by 8837  
the total amount actually distributed in calendar year 2010 from 8838  
the county undivided local government fund; 8839

(c) With respect to taxes levied by the local taxing unit, 8840  
the taxes charged and payable against all property on the tax list 8841  
of real and public utility property for tax year 2009 excluding 8842  
taxes charged and payable for the purpose of paying debt charges; 8843

(d) The amount received from the tax commissioner during 8844  
calendar year 2010 for sales or use taxes authorized under 8845  
sections 5739.023 and 5741.022 of the Revised Code; 8846

(e) For institutions of higher education receiving tax 8847  
revenue from a local levy, as identified in section 3358.02 of the 8848  
Revised Code, the final state share of instruction allocation for 8849  
fiscal year 2010 as calculated by the board of regents and 8850  
reported to the state controlling board. 8851

(32) If a fixed-rate levy that is a qualifying levy is not 8852  
~~imposed~~ charged and payable in any year after tax year 2010, 8853  
"total resources" used to compute payments to be made under 8854  
division (C)(12) of section 5751.21 or division (A)(1)(b) or (c) 8855  
of section 5751.22 of the Revised Code in the tax years following 8856  
the last year the levy is ~~imposed~~ charged and payable shall be 8857  
reduced ~~by the amount of~~ to the extent that the payments are 8858

attributable to the fixed-rate levy loss of that levy as would be 8859  
computed under division (C)(2) of section 5727.85, division (A)(1) 8860  
of section 5727.85, divisions (C)(8) and (9) of section 5751.21, 8861  
or division (A)(1) of section 5751.22 of the Revised Code. 8862

(33) In the case of a county, municipal corporation, school 8863  
district, or township with fixed-rate levy losses attributable to 8864  
a tax levied under section 5705.23 of the Revised Code, "total 8865  
resources" used to compute payments to be made under division 8866  
(C)(3) of section 5727.85, division (A)(1)(d) of section 5727.86, 8867  
division (C)(12) of section 5751.21, or division (A)(1)(c) of 8868  
section 5751.22 of the Revised Code shall be reduced by the 8869  
amounts described in divisions (A)(34)(a) to (c) of this section 8870  
to the extent that those amounts were included in calculating the 8871  
"total resources" of the school district or local taxing unit 8872  
under division (A)(22), (28), (29), or (30) of this section. 8873

(34) "Total library resources," in the case of a county, 8874  
municipal corporation, school district, or township public library 8875  
that receives the proceeds of a tax levied under section 5705.23 8876  
of the Revised Code, means the sum of the amounts in divisions 8877  
(A)(34)(a) to (c) of this section less any reduction required 8878  
under division (A)(32) of this section. 8879

(a) The sum of the payments received by the county, municipal 8880  
corporation, school district, or township public library in 8881  
calendar year 2010 pursuant to sections 5727.86 and 5751.22 of the 8882  
Revised Code, as they existed at that time, for fixed-rate levy 8883  
losses attributable to a tax levied under section 5705.23 of the 8884  
Revised Code for the benefit of the public library; 8885

(b) The public library's percentage share of county undivided 8886  
local government fund allocations as certified to the tax 8887  
commissioner for calendar year 2010 by the county auditor under 8888  
division (J) of section 5747.51 of the Revised Code or division 8889  
(F) of section 5747.53 of the Revised Code multiplied by the total 8890

amount actually distributed in calendar year 2010 from the county 8891  
undivided local government fund; 8892

(c) With respect to a tax levied pursuant to section 5705.23 8893  
of the Revised Code for the benefit of the public library, the 8894  
amount of such tax that is charged and payable against all 8895  
property on the tax list of real and public utility property for 8896  
tax year 2009 excluding any tax that is charged and payable for 8897  
the purpose of paying debt charges. 8898

(35) "Municipal current expense property tax levies" means 8899  
all property tax levies of a municipality, except those with the 8900  
following levy names: airport resurfacing; bond or any levy name 8901  
including the word "bond"; capital improvement or any levy name 8902  
including the word "capital"; debt or any levy name including the 8903  
word "debt"; equipment or any levy name including the word 8904  
"equipment," unless the levy is for combined operating and 8905  
equipment; employee termination fund; fire pension or any levy 8906  
containing the word "pension," including police pensions; 8907  
fireman's fund or any practically similar name; sinking fund; road 8908  
improvements or any levy containing the word "road"; fire truck or 8909  
apparatus; flood or any levy containing the word "flood"; 8910  
conservancy district; county health; note retirement; sewage, or 8911  
any levy containing the words "sewage" or "sewer"; park 8912  
improvement; parkland acquisition; storm drain; street or any levy 8913  
name containing the word "street"; lighting, or any levy name 8914  
containing the word "lighting"; and water. 8915

~~(34)~~(36) "Current expense TPP allocation" means, in the case 8916  
of a school district or joint vocational school district, the sum 8917  
of the payments received by the school district in fiscal year 8918  
2011 pursuant to divisions (C)(10) and (11) of section 5751.21 of 8919  
the Revised Code to the extent paid for current expense levies. In 8920  
the case of a municipal corporation, "current expense TPP 8921  
allocation" means the sum of the payments received by the 8922

municipal corporation in calendar year 2010 pursuant to divisions 8923  
(A)(1) and (2) of section 5751.22 of the Revised Code to the 8924  
extent paid for municipal current expense property tax levies as 8925  
defined in division (A)~~(33)~~(35) of this section, excluding any 8926  
such payments received for current expense levy losses 8927  
attributable to a tax levied under section 5705.23 of the Revised 8928  
Code. If a fixed-rate levy that is a qualifying levy is not 8929  
~~imposed~~ charged and payable in any year after tax year 2010, 8930  
"current expense TPP allocation" used to compute payments to be 8931  
made under division (C)(12) of section 5751.21 or division 8932  
(A)(1)(b) or (c) of section 5751.22 of the Revised Code in the tax 8933  
years following the last year the levy is ~~imposed~~ charged and 8934  
payable shall be reduced ~~by the amount of~~ to the extent that the 8935  
payments are attributable to the fixed-rate levy loss of that levy 8936  
as would be computed under divisions (C)(10) and (11) of section 8937  
5751.21 or division (A)(1) of section 5751.22 of the Revised Code. 8938

~~(35)~~(37) "TPP allocation" means the sum of payments received 8939  
by a local taxing unit in calendar year 2010 pursuant to divisions 8940  
(A)(1) and (2) of section 5751.22 of the Revised Code, excluding 8941  
any such payments received for fixed-rate levy losses attributable 8942  
to a tax levied under section 5705.23 of the Revised Code. If a 8943  
fixed-rate levy that is a qualifying levy is not ~~imposed~~ charged 8944  
and payable in any year after tax year 2010, "TPP allocation" used 8945  
to compute payments to be made under division (A)(1)(b) or (c) of 8946  
section 5751.22 of the Revised Code in the tax years following the 8947  
last year the levy is ~~imposed~~ charged and payable shall be reduced 8948  
~~by the amount of payment~~ to the extent that the payments are 8949  
attributable to the fixed-rate levy loss of that levy as would be 8950  
computed under division (A)(1) of that section. 8951

~~(36)~~(38) "Total TPP allocation" means, in the case of a 8952  
school district or joint vocational school district, the sum of 8953  
the amounts received in fiscal year 2011 pursuant to divisions 8954

(C)(10) and (11) and (D) of section 5751.21 of the Revised Code. 8955  
In the case of a local taxing unit, "total TPP allocation" means 8956  
the sum of payments received by the unit in calendar year 2010 8957  
pursuant to divisions (A)(1), (2), and (3) of section 5751.22 of 8958  
the Revised Code. If a fixed-rate levy that is a qualifying levy 8959  
is not ~~imposed~~ charged and payable in any year after tax year 8960  
2010, "total TPP allocation" used to compute payments to be made 8961  
under division (C)(12) of section 5751.21 or division (A)(1)(b) or 8962  
(c) of section 5751.22 of the Revised Code in the tax years 8963  
following the last year the levy is ~~imposed~~ charged and payable 8964  
shall be reduced ~~by the amount of~~ to the extent that the payments 8965  
are attributable to the fixed-rate levy loss of that levy as would 8966  
be computed under divisions (C)(10) and (11) of section 5751.21 or 8967  
division (A)(1) of section 5751.22 of the Revised Code. 8968

~~(37)~~(39) "Non-current expense TPP allocation" means the 8969  
difference of total TPP allocation minus the sum of current 8970  
expense TPP allocation and the portion of total TPP allocation 8971  
constituting reimbursement for debt levies, pursuant to division 8972  
(D) of section 5751.21 of the Revised Code in the case of a school 8973  
district or joint vocational school district and pursuant to 8974  
division (A)(3) of section 5751.22 of the Revised Code in the case 8975  
of a municipal corporation. 8976

~~(38)~~(40) "TPP allocation for library purposes" means the sum 8977  
of payments received by a county, municipal corporation, school 8978  
district, or township public library in calendar year 2010 8979  
pursuant to section 5751.22 of the Revised Code for fixed-rate 8980  
levy losses attributable to a tax levied under section 5705.23 of 8981  
the Revised Code. If a fixed-rate levy authorized under section 8982  
5705.23 of the Revised Code that is a qualifying levy is not 8983  
charged and payable in any year after tax year 2010, "TPP 8984  
allocation for library purposes" used to compute payments to be 8985  
made under division (A)(1)(d) of section 5751.22 of the Revised 8986

Code in the tax years following the last year the levy is charged 8987  
and payable shall be reduced to the extent that the payments are 8988  
attributable to the fixed-rate levy loss of that levy as would be 8989  
computed under division (A)(1) of section 5751.22 of the Revised 8990  
Code. 8991

(41) "Threshold per cent" means, in the case of a school 8992  
district or joint vocational school district, two per cent for 8993  
fiscal year 2012 and four per cent for fiscal years 2013 and 8994  
thereafter. In the case of a local taxing unit or public library 8995  
that receives the proceeds of a tax levied under section 5705.23 8996  
of the Revised Code, "threshold per cent" means two per cent for 8997  
tax year 2011, four per cent for tax year 2012, and six per cent 8998  
for tax years 2013 and thereafter. 8999

(B) The commercial activities tax receipts fund is hereby 9000  
created in the state treasury and shall consist of money arising 9001  
from the tax imposed under this chapter. Eighty-five 9002  
one-hundredths of one per cent of the money credited to that fund 9003  
shall be credited to the ~~tax reform system implementation revenue~~ 9004  
~~enhancement fund, which is hereby created in the state treasury,~~ 9005  
and shall be used to defray the costs incurred by the department 9006  
of taxation in administering the tax imposed by this chapter and 9007  
in implementing tax reform measures. The remainder in the 9008  
commercial activities tax receipts fund shall be credited for each 9009  
fiscal year in the following percentages to the general revenue 9010  
fund, to the school district tangible property tax replacement 9011  
fund, which is hereby created in the state treasury for the 9012  
purpose of making the payments described in section 5751.21 of the 9013  
Revised Code, and to the local government tangible property tax 9014  
replacement fund, which is hereby created in the state treasury 9015  
for the purpose of making the payments described in section 9016  
5751.22 of the Revised Code, in the following percentages: 9017

Fiscal year	General Revenue	School District	Local Government	9018
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	Fund	Tangible Property Tax Replacement Fund	Tangible Property Tax Replacement Fund	
2006	67.7%	22.6%	9.7%	9019
2007	0%	70.0%	30.0%	9020
2008	0%	70.0%	30.0%	9021
2009	0%	70.0%	30.0%	9022
2010	0%	70.0%	30.0%	9023
2011	0%	70.0%	30.0%	9024
2012	25.0%	52.5%	22.5%	9025
2013 and thereafter	50.0%	35.0%	15.0%	9026

(C) Not later than September 15, 2005, the tax commissioner shall determine for each school district, joint vocational school district, and local taxing unit its machinery and equipment, inventory property, furniture and fixtures property, and telephone property tax value losses, which are the applicable amounts described in divisions (C)(1), (2), (3), and (4) of this section, except as provided in division (C)(5) of this section:

(1) Machinery and equipment property tax value loss is the taxable value of machinery and equipment property as reported by taxpayers for tax year 2004 multiplied by:

(a) For tax year 2006, thirty-three and eight-tenths per cent;

(b) For tax year 2007, sixty-one and three-tenths per cent;

(c) For tax year 2008, eighty-three per cent;

(d) For tax year 2009 and thereafter, one hundred per cent.

(2) Inventory property tax value loss is the taxable value of inventory property as reported by taxpayers for tax year 2004 multiplied by:

(a) For tax year 2006, a fraction, the numerator of which is

five and three-fourths and the denominator of which is 9046  
twenty-three; 9047

(b) For tax year 2007, a fraction, the numerator of which is 9048  
nine and one-half and the denominator of which is twenty-three; 9049

(c) For tax year 2008, a fraction, the numerator of which is 9050  
thirteen and one-fourth and the denominator of which is 9051  
twenty-three; 9052

(d) For tax year 2009 and thereafter a fraction, the 9053  
numerator of which is seventeen and the denominator of which is 9054  
twenty-three. 9055

(3) Furniture and fixtures property tax value loss is the 9056  
taxable value of furniture and fixture property as reported by 9057  
taxpayers for tax year 2004 multiplied by: 9058

(a) For tax year 2006, twenty-five per cent; 9059

(b) For tax year 2007, fifty per cent; 9060

(c) For tax year 2008, seventy-five per cent; 9061

(d) For tax year 2009 and thereafter, one hundred per cent. 9062

The taxable value of property reported by taxpayers used in 9063  
divisions (C)(1), (2), and (3) of this section shall be such 9064  
values as determined to be final by the tax commissioner as of 9065  
August 31, 2005. Such determinations shall be final except for any 9066  
correction of a clerical error that was made prior to August 31, 9067  
2005, by the tax commissioner. 9068

(4) Telephone property tax value loss is the taxable value of 9069  
telephone property as taxpayers would have reported that property 9070  
for tax year 2004 if the assessment rate for all telephone 9071  
property for that year were twenty-five per cent, multiplied by: 9072

(a) For tax year 2006, zero per cent; 9073

(b) For tax year 2007, zero per cent; 9074

(c) For tax year 2008, zero per cent;	9075
(d) For tax year 2009, sixty per cent;	9076
(e) For tax year 2010, eighty per cent;	9077
(f) For tax year 2011 and thereafter, one hundred per cent.	9078
(5) Division (C)(5) of this section applies to any school district, joint vocational school district, or local taxing unit in a county in which is located a facility currently or formerly devoted to the enrichment or commercialization of uranium or uranium products, and for which the total taxable value of property listed on the general tax list of personal property for any tax year from tax year 2001 to tax year 2004 was fifty per cent or less of the taxable value of such property listed on the general tax list of personal property for the next preceding tax year.	9079 9080 9081 9082 9083 9084 9085 9086 9087 9088
In computing the fixed-rate levy losses under divisions (D)(1), (2), and (3) of this section for any school district, joint vocational school district, or local taxing unit to which division (C)(5) of this section applies, the taxable value of such property as listed on the general tax list of personal property for tax year 2000 shall be substituted for the taxable value of such property as reported by taxpayers for tax year 2004, in the taxing district containing the uranium facility, if the taxable value listed for tax year 2000 is greater than the taxable value reported by taxpayers for tax year 2004. For the purpose of making the computations under divisions (D)(1), (2), and (3) of this section, the tax year 2000 valuation is to be allocated to machinery and equipment, inventory, and furniture and fixtures property in the same proportions as the tax year 2004 values. For the purpose of the calculations in division (A) of section 5751.21 of the Revised Code, the tax year 2004 taxable values shall be used.	9089 9090 9091 9092 9093 9094 9095 9096 9097 9098 9099 9100 9101 9102 9103 9104 9105

To facilitate the calculations required under division (C) of this section, the county auditor, upon request from the tax commissioner, shall provide by August 1, 2005, the values of machinery and equipment, inventory, and furniture and fixtures for all single-county personal property taxpayers for tax year 2004.

(D) Not later than September 15, 2005, the tax commissioner shall determine for each tax year from 2006 through 2009 for each school district, joint vocational school district, and local taxing unit its machinery and equipment, inventory, and furniture and fixtures fixed-rate levy losses, and for each tax year from 2006 through 2011 its telephone property fixed-rate levy loss. Except as provided in division (F) of this section, such losses are the applicable amounts described in divisions (D)(1), (2), (3), and (4) of this section:

(1) The machinery and equipment fixed-rate levy loss is the machinery and equipment property tax value loss multiplied by the sum of the tax rates of fixed-rate qualifying levies.

(2) The inventory fixed-rate loss is the inventory property tax value loss multiplied by the sum of the tax rates of fixed-rate qualifying levies.

(3) The furniture and fixtures fixed-rate levy loss is the furniture and fixture property tax value loss multiplied by the sum of the tax rates of fixed-rate qualifying levies.

(4) The telephone property fixed-rate levy loss is the telephone property tax value loss multiplied by the sum of the tax rates of fixed-rate qualifying levies.

(E) Not later than September 15, 2005, the tax commissioner shall determine for each school district, joint vocational school district, and local taxing unit its fixed-sum levy loss. The fixed-sum levy loss is the amount obtained by subtracting the amount described in division (E)(2) of this section from the

amount described in division (E)(1) of this section: 9137

(1) The sum of the machinery and equipment property tax value 9138  
loss, the inventory property tax value loss, and the furniture and 9139  
fixtures property tax value loss, and, for 2008 through 2010, the 9140  
telephone property tax value loss of the district or unit 9141  
multiplied by the sum of the fixed-sum tax rates of qualifying 9142  
levies. For 2006 through 2010, this computation shall include all 9143  
qualifying levies remaining in effect for the current tax year and 9144  
any school district levies ~~imposed~~ charged and payable under 9145  
section 5705.194 or 5705.213 of the Revised Code that are 9146  
qualifying levies not remaining in effect for the current year. 9147  
For 2011 through 2017 in the case of school district levies 9148  
~~imposed~~ charged and payable under section 5705.194 or 5705.213 of 9149  
the Revised Code and for all years after 2010 in the case of other 9150  
fixed-sum levies, this computation shall include only qualifying 9151  
levies remaining in effect for the current year. For purposes of 9152  
this computation, a qualifying school district levy ~~imposed~~ 9153  
charged and payable under section 5705.194 or 5705.213 of the 9154  
Revised Code remains in effect in a year after 2010 only if, for 9155  
that year, the board of education levies a school district levy 9156  
~~imposed~~ charged and payable under section 5705.194, 5705.199, 9157  
5705.213, or 5705.219 of the Revised Code for an annual sum at 9158  
least equal to the annual sum levied by the board in tax year 2004 9159  
less the amount of the payment certified under this division for 9160  
2006. 9161

(2) The total taxable value in tax year 2004 less the sum of 9162  
the machinery and equipment, inventory, furniture and fixtures, 9163  
and telephone property tax value losses in each school district, 9164  
joint vocational school district, and local taxing unit multiplied 9165  
by one-half of one mill per dollar. 9166

(3) For the calculations in divisions (E)(1) and (2) of this 9167  
section, the tax value losses are those that would be calculated 9168

for tax year 2009 under divisions (C)(1), (2), and (3) of this 9169  
section and for tax year 2011 under division (C)(4) of this 9170  
section. 9171

(4) To facilitate the calculation under divisions (D) and (E) 9172  
of this section, not later than September 1, 2005, any school 9173  
district, joint vocational school district, or local taxing unit 9174  
that has a qualifying levy that was approved at an election 9175  
conducted during 2005 before September 1, 2005, shall certify to 9176  
the tax commissioner a copy of the county auditor's certificate of 9177  
estimated property tax millage for such levy as required under 9178  
division (B) of section 5705.03 of the Revised Code, which is the 9179  
rate that shall be used in the calculations under such divisions. 9180

If the amount determined under division (E) of this section 9181  
for any school district, joint vocational school district, or 9182  
local taxing unit is greater than zero, that amount shall equal 9183  
the reimbursement to be paid pursuant to division (E) of section 9184  
5751.21 or division (A)(3) of section 5751.22 of the Revised Code, 9185  
and the one-half of one mill that is subtracted under division 9186  
(E)(2) of this section shall be apportioned among all contributing 9187  
fixed-sum levies in the proportion that each levy bears to the sum 9188  
of all fixed-sum levies within each school district, joint 9189  
vocational school district, or local taxing unit. 9190

(F) If a school district levies a tax under section 5705.219 9191  
of the Revised Code, the fixed-rate levy loss for qualifying 9192  
levies, to the extent repealed under that section, shall equal the 9193  
sum of the following amounts in lieu of the amounts computed for 9194  
such levies under division (D) of this section: 9195

(1) The sum of the rates of qualifying levies to the extent 9196  
so repealed multiplied by the sum of the machinery and equipment, 9197  
inventory, and furniture and fixtures tax value losses for 2009 as 9198  
determined under that division; 9199

(2) The sum of the rates of qualifying levies to the extent 9200  
so repealed multiplied by the telephone property tax value loss 9201  
for 2011 as determined under that division. 9202

The fixed-rate levy losses for qualifying levies to the 9203  
extent not repealed under section 5705.219 of the Revised Code 9204  
shall be as determined under division (D) of this section. The 9205  
revised fixed-rate levy losses determined under this division and 9206  
division (D) of this section first apply in the year following the 9207  
first year the district levies the tax under section 5705.219 of 9208  
the Revised Code. 9209

(G) Not later than October 1, 2005, the tax commissioner 9210  
shall certify to the department of education for every school 9211  
district and joint vocational school district the machinery and 9212  
equipment, inventory, furniture and fixtures, and telephone 9213  
property tax value losses determined under division (C) of this 9214  
section, the machinery and equipment, inventory, furniture and 9215  
fixtures, and telephone fixed-rate levy losses determined under 9216  
division (D) of this section, and the fixed-sum levy losses 9217  
calculated under division (E) of this section. The calculations 9218  
under divisions (D) and (E) of this section shall separately 9219  
display the levy loss for each levy eligible for reimbursement. 9220

(H) Not later than October 1, 2005, the tax commissioner 9221  
shall certify the amount of the fixed-sum levy losses to the 9222  
county auditor of each county in which a school district, joint 9223  
vocational school district, or local taxing unit with a fixed-sum 9224  
levy loss reimbursement has territory. 9225

(I) Not later than the twenty-eighth day of February each 9226  
year beginning in 2011 and ending in 2014, the tax commissioner 9227  
shall certify to the department of education for each school 9228  
district first levying a tax under section 5705.219 of the Revised 9229  
Code in the preceding year the revised fixed-rate levy losses 9230  
determined under divisions (D) and (F) of this section. 9231

Sec. 5751.22. (A) Not later than January 1, 2006, the tax 9232  
commissioner shall compute the payments to be made to each local 9233  
taxing unit, and to each public library that receives the proceeds 9234  
of a tax levied under section 5705.23 of the Revised Code, for 9235  
each year according to divisions (A)(1), (2), (3), and (4) of this 9236  
section as this section existed on that date, and shall distribute 9237  
the payments in the manner prescribed by division (C) of this 9238  
section. The calculation of the fixed-sum levy loss shall cover a 9239  
time period sufficient to include all fixed-sum levies for which 9240  
the commissioner determined, pursuant to division (E) of section 9241  
5751.20 of the Revised Code, that a fixed-sum levy loss is to be 9242  
reimbursed. 9243

(1) Except as provided in division (A)(3) of this section, 9244  
for fixed-rate levy losses determined under division (D) of 9245  
section 5751.20 of the Revised Code, payments shall be made in an 9246  
amount equal to the following: 9247

(a) For tax years 2006 through 2010, one hundred per cent of 9248  
such losses; 9249

(b) For the payment in tax year 2011 to be made on or before 9250  
the twentieth day of November, the sum of the amount in division 9251  
(A)(1)(b)(i) or (ii) and division (A)(1)(b)(iii) of this section: 9252

(i) If the ratio of six-sevenths of the TPP allocation to 9253  
total resources is equal to or less than the threshold per cent, 9254  
zero; 9255

(ii) If the ratio of six-sevenths of the TPP allocation to 9256  
total resources is greater than the threshold per cent, the 9257  
difference of six-sevenths of the TPP allocation minus the product 9258  
of total resources multiplied by the threshold per cent; 9259

(iii) In the case of a municipal corporation, six-sevenths of 9260  
the product of the non-current expense TPP allocation multiplied 9261

by seventy-five per cent. 9262

(c) For tax years 2012 and thereafter, the sum of the amount 9263  
in division (A)(1)(c)(i) or (ii) and division (A)(1)(c)(iii) of 9264  
this section: 9265

(i) If the ratio of TPP allocation to total resources is 9266  
equal to or less than the threshold per cent, zero; 9267

(ii) If the ratio of TPP allocation to total resources is 9268  
greater than the threshold per cent, the TPP allocation minus the 9269  
product of total resources multiplied by the threshold per cent; 9270

(iii) In the case of a municipal corporation, non-current 9271  
expense TPP allocation multiplied by fifty per cent for tax year 9272  
2012 and twenty-five per cent for tax years 2013 and thereafter; 9273

(d) For tax years 2012 and thereafter, in the case of a 9274  
county, school district, municipal corporation, or township public 9275  
library, the amount in division (A)(1)(d)(i) or (ii) of this 9276  
section: 9277

(i) If the ratio of TPP allocation for library purposes to 9278  
total library resources is equal to or less than the threshold per 9279  
cent, zero; 9280

(ii) If the ratio of TPP allocation for library purposes to 9281  
total library resources is greater than the threshold per cent, 9282  
the TPP allocation for library purposes minus the product of total 9283  
library resources multiplied by the threshold per cent. 9284

(2) For fixed-sum levy losses determined under division (E) 9285  
of section 5751.20 of the Revised Code, payments shall be made in 9286  
the amount of one hundred per cent of the fixed-sum levy loss for 9287  
payments required to be made in 2006 ~~and thereafter~~ through 2011, 9288  
except that no payments shall be made for qualifying levies that 9289  
have expired. For payments required to be made in 2012 and 9290  
thereafter, payments shall be made in the amount of fifty per cent 9291

of the fixed-sum levy loss until the qualifying levy has expired. 9292

(3) For taxes levied within the ten-mill limitation or 9293  
pursuant to a municipal charter for debt purposes in tax year 9294  
2005, payments shall be made based on the schedule in division 9295  
(A)(1) of this section for each of the calendar years 2006 through 9296  
2010. For each of the calendar years 2011 through 2017, the 9297  
percentages for calendar year 2010 shall be used for taxes levied 9298  
within the ten-mill limitation or pursuant to a municipal charter 9299  
for debt purposes in tax year 2010, as long as such levies 9300  
continue to be used for debt purposes. If the purpose of such a 9301  
qualifying levy is changed, that levy becomes subject to the 9302  
payment schedules in divisions (A)(1)(a) to (h) of this section. 9303  
No payments shall be made for such levies after calendar year 9304  
2017. For the purposes of this division, taxes levied pursuant to 9305  
a municipal charter refer to taxes levied pursuant to a provision 9306  
of a municipal charter that permits the tax to be levied without 9307  
prior voter approval. 9308

(B) Beginning in 2007, by the thirty-first day of January of 9309  
each year, the tax commissioner shall review the calculation 9310  
originally made under division (A) of this section of the 9311  
fixed-sum levy losses determined under division (E) of section 9312  
5751.20 of the Revised Code. If the commissioner determines that a 9313  
fixed-sum levy that had been scheduled to be reimbursed in the 9314  
current year has expired, a revised calculation for that and all 9315  
subsequent years shall be made. 9316

(C) Payments to local taxing units and public libraries 9317  
required to be made under division (A) of this section shall be 9318  
paid from the local government tangible property tax replacement 9319  
fund to the county undivided income tax fund in the proper county 9320  
treasury. From May 2006 through November 2010, one-seventh of the 9321  
amount determined under that division shall be paid by the last 9322  
day of May each year, and three-sevenths shall be paid by the last 9323

day of August and October each year. From May 2011 through 9324  
November 2013, one-seventh of the amount determined under that 9325  
division shall be paid on or before the last day of May each year, 9326  
and six-sevenths shall be paid on or before the ~~twentieth~~ 9327  
thirtieth day of November each year, except that in November 2011, 9328  
the payment shall equal one hundred per cent of the amount 9329  
calculated for that payment. Beginning in May 2014, one-half of 9330  
the amount determined under that division shall be paid on or 9331  
before the last day of May each year, and one-half shall be paid 9332  
on or before the ~~twentieth~~ thirtieth day of November each year. 9333  
Within ~~forty~~ thirty days after receipt of such payments, the 9334  
county treasurer shall distribute amounts determined under 9335  
division (A) of this section to the proper local taxing unit or 9336  
public library as if they had been levied and collected as taxes, 9337  
and the local taxing unit or public library shall apportion the 9338  
amounts so received among its funds in the same proportions as if 9339  
those amounts had been levied and collected as taxes. 9340

(D) For each of the fiscal years 2006 through 2018, if the 9341  
total amount in the local government tangible property tax 9342  
replacement fund is insufficient to make all payments under 9343  
division (C) of this section at the times the payments are to be 9344  
made, the director of budget and management shall transfer from 9345  
the general revenue fund to the local government tangible property 9346  
tax replacement fund the difference between the total amount to be 9347  
paid and the amount in the local government tangible property tax 9348  
replacement fund. For each fiscal year after 2018, at the time 9349  
payments under division (A)(2) of this section are to be made, the 9350  
director of budget and management shall transfer from the general 9351  
revenue fund to the local government property tax replacement fund 9352  
the amount necessary to make such payments. 9353

(E) On the fifteenth day of June of each year from 2006 9354  
through 2018, the director of budget and management may transfer 9355

any balance in the local government tangible property tax 9356  
replacement fund to the general revenue fund. 9357

(F) If all or a part of the territories of two or more local 9358  
taxing units are merged, or unincorporated territory of a township 9359  
is annexed by a municipal corporation, the tax commissioner shall 9360  
adjust the payments made under this section to each of the local 9361  
taxing units in proportion to the square mileage of the merged or 9362  
annexed territory as a percentage of the total square mileage of 9363  
the jurisdiction from which the territory originated, or as 9364  
otherwise provided by a written agreement between the legislative 9365  
authorities of the local taxing units certified to the 9366  
commissioner not later than the first day of June of the calendar 9367  
year in which the payment is to be made. 9368

**Sec. 5753.03.** (A) For the purpose of receiving and 9369  
distributing, and accounting for, revenue received from the tax 9370  
levied by section 5753.02 of the Revised Code, the following funds 9371  
are created in the state treasury: 9372

- (1) The casino tax revenue fund; 9373
- (2) The gross casino revenue county fund; 9374
- (3) The gross casino revenue county student fund; 9375
- (4) The gross casino revenue host city fund; 9376
- (5) The Ohio state racing commission fund; 9377
- (6) The Ohio law enforcement training fund; 9378
- (7) The problem casino gambling and addictions fund; 9379
- (8) The casino control commission fund; 9380
- (9) The casino tax administration fund; 9381
- (10) The peace officer training academy fund; 9382
- (11) The criminal justice services casino tax revenue fund. 9383

(B) All moneys collected from the tax levied under this 9384  
chapter shall be deposited into the casino tax revenue fund. 9385

(C) From the casino tax revenue fund the director of budget 9386  
and management shall transfer as needed to the tax refund fund 9387  
amounts equal to the refunds certified by the tax commissioner 9388  
under section 5753.06 of the Revised Code. 9389

(D) After making any transfers required by division (C) of 9390  
this section, but not later than the fifteenth day of the month 9391  
following the end of each calendar quarter, the director of budget 9392  
and management shall transfer amounts to each fund as follows: 9393

(1) Fifty-one per cent to the gross casino revenue county 9394  
fund to make payments as required by Section 6(C)(3)(a) of Article 9395  
XV, Ohio Constitution; 9396

(2) Thirty-four per cent to the gross casino revenue county 9397  
student fund to make payments as required by Section 6(C)(3)(b) of 9398  
Article XV, Ohio Constitution; 9399

(3) Five per cent to the gross casino revenue host city fund 9400  
for the benefit of the cities in which casino facilities are 9401  
located; 9402

(4) Three per cent to the Ohio state racing commission fund 9403  
to support the efforts and activities of the Ohio state racing 9404  
commission to promote horse racing in this state at which the 9405  
pari-mutuel system of wagering is conducted; 9406

(5) Two per cent to the Ohio law enforcement training fund to 9407  
support law enforcement functions in the state; 9408

(6) Two per cent to the problem casino gambling and 9409  
addictions fund to support efforts of the department of alcohol 9410  
and drug addiction services to alleviate problem gambling and 9411  
substance abuse and related research in the state under section 9412  
3793.032 of the Revised Code; 9413

(7) Three per cent to the casino control commission fund to support the operations of the Ohio casino control commission and to defray the cost of administering the tax levied under section 5753.02 of the Revised Code.

Payments under divisions (D)(1), (2), and (3) of this section shall be made by the end of the month following the end of the quarterly period. The tax commissioner shall make the data available to the director of budget and management for this purpose.

Of the money credited to the Ohio law enforcement training fund, the director of budget and management shall distribute eighty-five per cent of the money to the police officer training academy fund for the purpose of supporting the law enforcement training efforts of the Ohio peace officer training academy and fifteen per cent of the money to the criminal justice services casino tax revenue fund for the purpose of supporting the law enforcement training efforts of the division of criminal justice services.

(E) The director of budget and management shall transfer one per cent of the money credited to the casino control commission fund to the casino tax administration fund. The tax commissioner shall use the casino tax administration fund to defray the costs incurred in administering the tax levied by this chapter.

**Section 2.** That existing sections 131.02, 349.01, 1545.21, 1701.86, 1702.47, 3318.011, 3318.36, 3769.28, 4301.42, 4303.33, 4701.01, 4701.04, 5703.261, 5703.37, 5703.47, 5709.084, 5709.40, 5709.41, 5709.73, 5709.78, 5727.84, 5727.86, 5731.39, 5733.056, 5735.02, 5735.03, 5739.01, 5739.02, 5739.021, 5739.023, 5739.026, 5739.04, 5739.17, 5741.08, 5743.20, 5743.61, 5743.66, 5747.082, 5751.01, 5751.011, 5751.012, 5751.03, 5751.04, 5751.05, 5751.051, 5751.12, 5751.20, 5751.22, and 5753.03 and section 5751.032 of the

Revised Code are hereby repealed. 9445

**Section 757.10.** Notwithstanding sections 5713.01 and 5715.24 9446  
of the Revised Code, for the purpose of equalizing and 9447  
regionalizing real property assessment cycles, beginning in tax 9448  
year 2014 and continuing for not more than five years, the Tax 9449  
Commissioner may extend the revaluation of real property required 9450  
in any county by not more than one year. 9451

**Section 757.20.** The Tax Commissioner is not required to issue 9452  
the certifications that are or were otherwise required to be made 9453  
on or before May 15, 2012, or June 1, 2012, under sections 9454  
3317.026, 3317.027, 3317.028, and divisions (A)(4), (6), and (7) 9455  
of section 3317.021 of the Revised Code. This section is intended 9456  
to be remedial in nature and to be construed liberally to 9457  
accomplish the purpose of avoiding unnecessary certifications. 9458

**Section 757.30.** Section 5709.084 of the Revised Code, as 9459  
amended by this act, is remedial in nature and applies to the tax 9460  
years at issue in any application for exemption from taxation or 9461  
any appeal from such an application pending before the Tax 9462  
Commissioner, the Board of Tax Appeals, any Court of Appeals, or 9463  
the Supreme Court on the effective date of this act and to the 9464  
property that is the subject of any such application or appeal. 9465

**Section 806.10.** The items of law contained in this act, and 9466  
their applications, are severable. If any item of law contained in 9467  
this act, or if any application of any item of law contained in 9468  
this act, is held invalid, the invalidity does not affect other 9469  
items of law contained in this act and their applications that can 9470  
be given effect without the invalid item of law or application. 9471

**Section 812.10. Sections subject to referendum: general** 9472

**effective date.** Except as otherwise provided in this act, the 9473  
amendment, enactment, or repeal by this act of a section is 9474  
subject to the referendum under Ohio Constitution, Article II, 9475  
Section 1c and therefore takes effect on the ninety-first day 9476  
after this act is filed with the Secretary of State. 9477

**Section 812.20. Sections exempt from referendum: general** 9478  
**effective date.** The amendment, enactment, or repeal by this act of 9479  
the following sections is exempt from the referendum under Ohio 9480  
Constitution, Article II, Section 1d and section 1.471 of the 9481  
Revised Code and therefore takes effect immediately when this act 9482  
becomes law: 9483

Sections 5727.84, 5727.86, 5751.20, 5751.22, and 5753.03 of 9484  
the Revised Code. 9485

Section 757.20 of this act. 9486

**Section 815.10.** Section 5751.01 of the Revised Code is 9487  
presented in this act as a composite of the section as amended by 9488  
both Am. Sub. H.B. 153 and Sub. H.B. 277 of the 129th General 9489  
Assembly. The General Assembly, applying the principle stated in 9490  
division (B) of section 1.52 of the Revised Code that amendments 9491  
are to be harmonized if reasonably capable of simultaneous 9492  
operation, finds that the composite is the resulting version of 9493  
the section in effect prior to the effective date of the section 9494  
as presented in this act. 9495