

As Introduced

**129th General Assembly
Regular Session
2011-2012**

H. B. No. 601

Representatives Grossman, Henne

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A BILL

To amend sections 715.013, 718.02, 718.03, 718.051, 1
718.07, 718.09, 718.10, 718.11, 718.121, 718.13, 2
5703.059, 5703.57, 5717.011, 5717.03, 5739.12, 3
5739.124, 5741.122, 5747.063, 5747.064, and 4
5751.07, to enact new sections 718.01, 718.011, 5
718.04, 718.05, 718.06, 718.08, and 718.12 and 6
sections 718.052, 718.18 to 718.31, 718.35 to 7
718.44, and 718.99, and to repeal sections 718.01, 8
718.011, 718.04, 718.041, 718.05, 718.06, 718.08, 9
718.12, and 718.14 of the Revised Code to revise 10
the laws governing income taxes imposed by 11
municipal corporations. 12

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

Section 1. That sections 715.013, 718.02, 718.03, 718.051, 13
718.07, 718.09, 718.10, 718.11, 718.121, 718.13, 5703.059, 14
5703.57, 5717.011, 5717.03, 5739.12, 5739.124, 5741.122, 5747.063, 15
5747.064, and 5751.07 be amended, and new sections 718.01, 16
718.011, 718.04, 718.05, 718.06, 718.08, and 718.12 and sections 17
718.052, 718.18, 718.19, 718.20, 718.21, 718.22, 718.23, 718.24, 18
718.25, 718.26, 718.27, 718.28, 718.29, 718.30, 718.31, 718.35, 19
718.36, 718.37, 718.38, 718.39, 718.40, 718.41, 718.42, 718.43, 20
718.44, and 718.99 of the Revised Code be enacted to read as 21

follows: 22

Sec. 715.013. (A) Except as otherwise expressly authorized by 23
the Revised Code, no municipal corporation shall levy a tax that 24
is the same as or similar to a tax levied under Chapter 322., 25
3734., 3769., 4123., 4141., 4301., 4303., 4305., 4307., 4309., 26
5707., 5725., 5727., 5728., 5729., 5731., 5735., 5737., 5739., 27
5741., 5743., ~~or 5749.~~ or 5751. of the Revised Code. 28

(B) This section does not prohibit a municipal corporation 29
from levying a tax on any of the following: 30

(1) Amounts received for admission to any place; 31

(2) The income of an electric company or combined company, as 32
defined in section 5727.01 of the Revised Code; 33

(3) On and after January 1, 2004, the income of a telephone 34
company, as defined in section 5727.01 of the Revised Code. 35

Sec. 718.01. Any term used in this chapter that is not 36
otherwise defined has the same meaning as when used in a 37
comparable context in laws of the United States relating to 38
federal income taxation or in Title LVII of the Revised Code, 39
unless a different meaning is clearly required. 40

As used in this chapter: 41

(A) "Municipal taxable income" means income, reduced by 42
exempt income to the extent otherwise included in income and then 43
apportioned or situated to the municipal corporation under section 44
718.02 of the Revised Code. In the case of an individual who is a 45
resident of the municipal corporation, "municipal taxable income" 46
means income reduced by exempt income to the extent included in 47
income. 48

(B) "Income" means the following: 49

(1)(a) For residents, all income, salaries, qualifying wages, commissions, and other compensation from whatever source earned or received by the resident, including the resident's distributive share of the net profit of pass-through entities owned directly or indirectly by the resident and any net profit of the resident, except as provided in division (B)(1)(b) of this section; 50
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(b) Federal adjusted gross income in the case of a municipal corporation that, by resolution or ordinance adopted on or before December 31, 2011, adopted federal adjusted gross income as the income subject to tax for purposes of imposing a tax on income. 56
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(2) In the case of nonresidents, all income, salaries, qualifying wages, commissions, and other compensation from whatever source earned or received by the nonresident for work done, services performed or rendered, or activities conducted in the municipal corporation, including both of the following: 60
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(a) The nonresident's distributive share of the net profit of pass-through entities owned, directly or indirectly, by the nonresident; and 65
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(b) Any net profit of the nonresident. 68

(3) Net profit of any taxpayer that is not an individual; 69

(4) Lottery, sweepstakes, gambling and sports winnings, winnings from games of chance, and prizes and awards, minus any related deductions authorized under the Internal Revenue Code and claimed against such winnings. 70
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(C) "Exempt income" means all of the following: 74

(1) The military pay or allowances of members of the armed forces of the United States or members of their reserve components, including the national guard of any state; 75
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(2)(a) Except as provided in division (C)(2)(b) of this section, intangible income; 78
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(b) A municipal corporation that taxed any type of intangible income on March 29, 1988, pursuant to Section 3 of S.B. 238 of the 116th general assembly, may continue to tax that type of income if a majority of the electors of the municipal corporation voting on the question of whether to permit the taxation of that type of intangible income after 1988 voted in favor thereof at an election held on November 8, 1988.

(3) Social security benefits, railroad retirement benefits, unemployment compensation, payments from pension plans, retirement benefits, annuities, and similar payments made to an employee or to the beneficiary of an employee under a retirement program or plan, whether qualified or nonqualified, disability payments received from private industry or local, state, or federal governments or from charitable, religious or educational organizations, and the proceeds of sickness, accident, or liability insurance policies. The amounts described in division (C)(3) of this section qualify as exempt income only to the extent such amounts are not included in qualifying wages. As used in division (C)(3) of this section, "unemployment compensation" does not include supplemental unemployment compensation described in section 3402(o)(2) of the Internal Revenue Code.

(4) The income of religious, fraternal, charitable, scientific, literary, or educational institutions to the extent such income is derived from tax-exempt real estate, tax-exempt tangible or intangible property, or tax-exempt activities.

(5) Compensation paid under section 3501.28 or 3501.36 of the Revised Code to a person serving as a precinct election official to the extent that such compensation does not exceed one thousand dollars for the taxable year. Such compensation in excess of one thousand dollars for the taxable year may be subject to taxation by a municipal corporation. A municipal corporation shall not require the payer of such compensation to withhold any tax from

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| <u>that compensation.</u> | 112 |
| <u>(6) Dues, contributions, and similar payments received by</u> | 113 |
| <u>charitable, religious, educational, or literary organizations or</u> | 114 |
| <u>labor unions, lodges, and similar organizations;</u> | 115 |
| <u>(7) Alimony and child support received;</u> | 116 |
| <u>(8) Compensation for personal injuries or for damages to</u> | 117 |
| <u>property from insurance proceeds or otherwise, excluding</u> | 118 |
| <u>compensation paid for lost salaries or wages or compensation from</u> | 119 |
| <u>punitive damages;</u> | 120 |
| <u>(9) Income of a public utility when that public utility is</u> | 121 |
| <u>subject to the tax levied under section 5727.24 or 5727.30 of the</u> | 122 |
| <u>Revised Code. Division (C)(9) of this section does not apply for</u> | 123 |
| <u>purposes of Chapter 5745. of the Revised Code.</u> | 124 |
| <u>(10) Gains from involuntary conversions, interest on federal</u> | 125 |
| <u>obligations, items of income subject to a tax levied by the state</u> | 126 |
| <u>and that a municipal corporation is specifically prohibited by law</u> | 127 |
| <u>from taxing, and income of a decedent's estate during the period</u> | 128 |
| <u>of administration except such income from the operation of a trade</u> | 129 |
| <u>or business;</u> | 130 |
| <u>(11) Compensation or allowances excluded from federal gross</u> | 131 |
| <u>income under section 107 of the Internal Revenue Code;</u> | 132 |
| <u>(12) Employee compensation that is not qualifying wages;</u> | 133 |
| <u>(13) Compensation paid to a person employed within the</u> | 134 |
| <u>boundaries of a United States air force base under the</u> | 135 |
| <u>jurisdiction of the United States air force that is used for the</u> | 136 |
| <u>housing of members of the United States air force and is a center</u> | 137 |
| <u>for air force operations, unless the person is subject to taxation</u> | 138 |
| <u>because of residence or domicile. If the compensation is subject</u> | 139 |
| <u>to taxation because of residence or domicile, tax on such income</u> | 140 |
| <u>shall be payable only to the municipal corporation of residence or</u> | 141 |

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| <u>domicile.</u> | 142 |
| <u>(14) For an individual under eighteen years of age, all</u> | 143 |
| <u>income except qualifying wages;</u> | 144 |
| <u>(15) Qualifying wages described in division (B)(1) of section</u> | 145 |
| <u>718.011 of the Revised Code to the extent a qualified employee is</u> | 146 |
| <u>not subject to withholding under division (B)(2) of that section.</u> | 147 |
| <u>Nothing in this division prohibits a qualified employee from</u> | 148 |
| <u>receiving a refund of the taxes described in division (B)(2) of</u> | 149 |
| <u>section 718.011 of the Revised Code.</u> | 150 |
| <u>(16) Income the taxation of which is prohibited by the</u> | 151 |
| <u>constitution or laws of the United States.</u> | 152 |
| <u>(D)(1) "Net profit" for a person other than an individual</u> | 153 |
| <u>means adjusted federal taxable income.</u> | 154 |
| <u>(2) "Net profit" for a person who is an individual means the</u> | 155 |
| <u>individual's net profit required to be reported on schedule C,</u> | 156 |
| <u>schedule E, or schedule F, reduced by any net operating loss</u> | 157 |
| <u>carried forward. For the purposes of division (D)(2) of this</u> | 158 |
| <u>section, the net operating loss carried forward shall be</u> | 159 |
| <u>calculated and applied in the same manner as provided in divisions</u> | 160 |
| <u>(E)(8) and (9) of this section.</u> | 161 |
| <u>(3) For the purposes of this chapter, and notwithstanding</u> | 162 |
| <u>division (D)(1) of this section, net profit of a single member</u> | 163 |
| <u>limited liability company shall not be taxable as against the</u> | 164 |
| <u>single member limited liability company, but shall instead be</u> | 165 |
| <u>included in the net profit of the most direct owner of the single</u> | 166 |
| <u>member limited liability company that is a not a single member</u> | 167 |
| <u>limited liability company.</u> | 168 |
| <u>(E) "Adjusted federal taxable income" means a C corporation's</u> | 169 |
| <u>federal taxable income before net operating losses and special</u> | 170 |
| <u>deductions as determined under the Internal Revenue Code, adjusted</u> | 171 |
| <u>as follows:</u> | 172 |

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| <u>(1) Deduct intangible income to the extent included in</u> | 173 |
| <u>federal taxable income. The deduction shall be allowed regardless</u> | 174 |
| <u>of whether the intangible income relates to assets used in a trade</u> | 175 |
| <u>or business or assets held for the production of income.</u> | 176 |
| <u>(2) Add an amount equal to five per cent of intangible income</u> | 177 |
| <u>deducted under division (E)(1) of this section, but excluding that</u> | 178 |
| <u>portion of intangible income directly related to the sale,</u> | 179 |
| <u>exchange, or other disposition of property described in section</u> | 180 |
| <u>1221 of the Internal Revenue Code;</u> | 181 |
| <u>(3) Add any losses allowed as a deduction in the computation</u> | 182 |
| <u>of federal taxable income if the losses directly relate to the</u> | 183 |
| <u>sale, exchange, or other disposition of an asset described in</u> | 184 |
| <u>section 1221 or 1231 of the Internal Revenue Code;</u> | 185 |
| <u>(4)(a) Except as provided in division (E)(4)(b) of this</u> | 186 |
| <u>section, deduct income and gain included in federal taxable income</u> | 187 |
| <u>to the extent the income and gain directly relate to the sale,</u> | 188 |
| <u>exchange, or other disposition of an asset described in section</u> | 189 |
| <u>1221 or 1231 of the Internal Revenue Code;</u> | 190 |
| <u>(b) Division (E)(4)(a) of this section does not apply to the</u> | 191 |
| <u>extent the income or gain is income or gain described in section</u> | 192 |
| <u>1245 or 1250 of the Internal Revenue Code.</u> | 193 |
| <u>(5) Add taxes on or measured by net income allowed as a</u> | 194 |
| <u>deduction in the computation of federal taxable income;</u> | 195 |
| <u>(6) In the case of a real estate investment trust or</u> | 196 |
| <u>regulated investment company, add all amounts with respect to</u> | 197 |
| <u>dividends to, distributions to, or amounts set aside for or</u> | 198 |
| <u>credited to the benefit of investors and allowed as a deduction in</u> | 199 |
| <u>the computation of federal taxable income;</u> | 200 |
| <u>(7) Deduct, to the extent not otherwise deducted or excluded</u> | 201 |
| <u>in computing federal taxable income, any income derived from</u> | 202 |
| <u>providing public services under a contract through a project owned</u> | 203 |

by the state, as described in section 126.604 of the Revised Code 204
or derived from a transfer agreement or from the enterprise 205
transferred under that agreement under section 4313.02 of the 206
Revised Code; 207

(8)(a) Except as limited by divisions (E)(8)(b), (c), and (d) 208
of this section, deduct any net operating loss incurred in taxable 209
years ending in 2014 or thereafter, exclusive of any net operating 210
loss incurred in taxable years ending before January 1, 2014. The 211
amount of the net operating loss as apportioned and sitused under 212
section 718.02 of the Revised Code for the year the loss was 213
incurred shall be deducted from net profit reduced by exempt 214
income and as so apportioned and sitused for the current taxable 215
year to the extent necessary to reduce municipal taxable income to 216
zero, with the remaining unused portion of the deduction, if any, 217
carried forward to the remaining years of a designated carryover 218
period, but in no case for more years than necessary for the 219
deduction to be fully utilized. 220

(b) No taxpayer shall use the deduction allowed by division 221
(E)(8) of this section to offset qualifying wages. 222

(c)(i) For taxable years ending in calendar year 2015, a 223
taxpayer may not deduct more than twenty per cent of the amount of 224
the deduction otherwise allowed by division (E)(8)(a) of this 225
section. 226

(ii) For taxable years ending in calendar year 2016, a 227
taxpayer may not deduct more than forty per cent of the amount of 228
the deduction otherwise allowed by division (E)(8)(a) of this 229
section. 230

(iii) For taxable years ending in calendar year 2017, a 231
taxpayer may not deduct more than sixty per cent of the amount of 232
the deduction otherwise allowed by division (E)(8)(a) of this 233
section. 234

(iv) For taxable years ending in calendar year 2018, a taxpayer may not deduct more than eighty per cent of the amount of the deduction otherwise allowed by division (E)(8)(a) of this section. 235
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(v) For taxable years ending in calendar year 2019 and thereafter, a taxpayer may deduct the full amount allowed by division (E)(8)(a) of this section. 239
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(d) Any net operating loss deduction that is available under division (E)(9) of this section must be utilized before a taxpayer may deduct any amount pursuant to division (E)(8) of this section. 242
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(e) Nothing in divisions (E)(8)(c)(i) to (v) of this section prevents a taxpayer from carrying forward, for the period otherwise permitted under division (E)(8)(a) of this section, any amount of net operating loss that was not fully utilized by operation of divisions (E)(8)(c)(i) to (v) of this section. 245
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(f) As used in division (E)(8) of this section, "designated carryover period" means the five consecutive taxable years after the taxable year in which the net operating loss occurred. 250
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(9) Deduct any net operating loss incurred in a taxable year ending before January 1, 2014, to the extent such deduction was permitted by a resolution or ordinance of a municipal corporation adopted by the municipal corporation before January 1, 2013. Any deduction taken under division (E)(9) of this section may be carried forward to any taxable year, including taxable years ending in 2014 or thereafter, for the number of taxable years provided in the resolution or ordinance or until fully utilized, whichever is earlier. 253
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If the taxpayer is not a C corporation, a single member limited liability company, or an individual, the taxpayer shall compute adjusted federal taxable income as if the taxpayer were a C corporation, except guaranteed payments and other similar 262
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amounts paid or accrued to a partner, former partner, member, or 266
former member shall not be allowed as a deductible expense; 267
amounts paid or accrued to a qualified self-employed retirement 268
plan with respect to an owner or owner-employee of the taxpayer, 269
amounts paid or accrued to or for health insurance for an owner or 270
owner-employee, and amounts paid or accrued to or for life 271
insurance for an owner or owner-employee shall not be allowed as a 272
deduction. 273

Nothing in division (E) of this section shall be construed as 274
allowing the taxpayer to add or deduct any amount more than once 275
or shall be construed as allowing any taxpayer to deduct any 276
amount paid to or accrued for purposes of federal self-employment 277
tax. 278

(F) "Schedule C" means internal revenue service schedule C 279
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 280
Code. 281

(G) "Schedule E" means internal revenue service schedule E 282
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 283
Code. 284

(H) "Schedule F" means internal revenue service schedule F 285
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 286
Code. 287

(I) "Internal Revenue Code" has the same meaning as in 288
section 5747.01 of the Revised Code. 289

(J) "Resident" means an individual who is both domiciled in 290
this state for purposes of being subject to the tax levied by 291
section 5747.02 as determined under section 5747.24 of the Revised 292
Code and domiciled in the municipal corporation. 293

(K) "Nonresident" means an individual that is not a resident. 294

(L)(1) "Taxpayer" means a person subject to a tax levied on 295

income by a municipal corporation in accordance with this chapter. 296
Except as provided in section 718.43 of the Revised Code, 297
"taxpayer" does not include any person that is a pass-through 298
entity. 299

(2)(a) A single member limited liability company that is a 300
disregarded entity for federal tax purposes may be a separate 301
taxpayer from its single member in all Ohio municipal corporations 302
in which it either filed as a separate taxpayer or did not file 303
for its taxable year ending in 2003, if all of the following 304
conditions are met: 305

(i) The limited liability company's single member is also a 306
limited liability company. 307

(ii) The limited liability company and its single member were 308
formed and doing business in one or more Ohio municipal 309
corporations for at least five years before January 1, 2004. 310

(iii) Not later than December 31, 2004, the limited liability 311
company and its single member each made an election to be treated 312
as a separate taxpayer under division (L)(2) of this section. 313

(iv) The limited liability company was not formed for the 314
purpose of evading or reducing Ohio municipal corporation income 315
tax liability of the limited liability company or its single 316
member. 317

(v) The Ohio municipal corporation that was the primary place 318
of business of the sole member of the limited liability company 319
consented to the election. 320

(b) For purposes of division (L)(2)(a)(v) of this section, a 321
municipal corporation was the primary place of business of a 322
limited liability company if, for the limited liability company's 323
taxable year ending in 2003, its income tax liability was greater 324
in that municipal corporation than in any other municipal 325
corporation in Ohio, and that tax liability to that municipal 326

corporation for its taxable year ending in 2003 was at least four 327
hundred thousand dollars. 328

(M) "Person" includes individuals, firms, companies, joint 329
stock companies, business trusts, estates, trusts, partnerships, 330
limited liability partnerships, limited liability companies, 331
associations, corporations, S corporations, governmental entities, 332
and any other entity. 333

(N) "Pass-through entity" means a partnership, limited 334
liability company, S corporation, or any other class of entity 335
from which the income or profits of the entity are given 336
pass-through treatment for federal income tax purposes. 337
"Pass-through entity" does not include a trust, estate, grantor of 338
a grantor trust, or single member limited liability company. 339

(O) "S corporation" means a corporation that has made an 340
election under subchapter S of Chapter 1 of Subtitle A of the 341
Internal Revenue Code for its taxable year. 342

(P) "Single member limited liability company" means a limited 343
liability company that has one direct owner and is treated as a 344
division of its direct or indirect owner for federal income tax 345
purposes. 346

(Q) "Limited liability company" means a limited liability 347
company formed under Chapter 1705. of the Revised Code or under 348
the laws of another state. 349

(R) "Qualifying wages" means wages, as defined in section 350
3121(a) of the Internal Revenue Code, without regard to any wage 351
limitations, adjusted as follows: 352

(1) Deduct the following amounts: 353

(a) Any amount included in wages if the amount constitutes 354
compensation attributable to a plan or program described in 355
section 125 of the Internal Revenue Code. 356

(b) Any amount included in wages if the amount constitutes 357
payment on account of a disability related to sickness or an 358
accident paid by a party unrelated to the employer, agent of an 359
employer, or other payer. 360

(c) Any amount attributable to a nonqualified deferred 361
compensation plan or program described in section 3121(v)(2)(C) of 362
the Internal Revenue Code if the compensation is included in wages 363
and the municipal corporation has, by resolution or ordinance 364
adopted before January 1, 2014, exempted the amount from 365
withholding and tax. 366

(d) Any amount included in wages if the amount arises from 367
the sale, exchange, or other disposition of a stock option, the 368
exercise of a stock option, or the sale, exchange, or other 369
disposition of stock purchased under a stock option and the 370
municipal corporation has, by resolution or ordinance adopted 371
before January 1, 2014, exempted the amount from withholding and 372
tax. 373

(2) Add the following amounts: 374

(a) Any amount not included in wages solely because the 375
employee was employed by the employer before April 1, 1986. 376

(b) Any amount not included in wages because the amount 377
arises from the sale, exchange, or other disposition of a stock 378
option, the exercise of a stock option, or the sale, exchange, or 379
other disposition of stock purchased under a stock option and the 380
municipal corporation has not, by resolution or ordinance, 381
exempted the amount from withholding and tax adopted before 382
January 1, 2014. Division (R)(2)(b) of this section applies only 383
to those amounts constituting ordinary income. 384

(c) Any amount not included in wages if the amount is an 385
amount described in section 401(k) or 457 of the Internal Revenue 386
Code. Division (R)(2)(c) of this section applies only to employee 387

contributions and employee deferrals. 388

(d) Any amount that is supplemental unemployment compensation 389
benefits described in section 3402(o)(2) of the Internal Revenue 390
Code and not included in wages. 391

(e) Any amount received by a religious leader as part of the 392
leader's religious duties that are treated as self-employment 393
income for federal tax purposes in accordance with section 1402 of 394
the Internal Revenue Code. 395

(3) Except as otherwise provided in divisions (R)(2)(a) of 396
this section and division (F) of section 718.03 of the Revised 397
Code, no amount shall be deducted on the basis that the amount is 398
exempt income. 399

(S) "Intangible income" means income of any of the following 400
types: income yield, interest, capital gains, dividends, or other 401
income arising from the ownership, sale, exchange, or other 402
disposition of intangible property including, but not limited to, 403
investments, deposits, money, or credits as those terms are 404
defined in Chapter 5701. of the Revised Code, and patents, 405
copyrights, trademarks, tradenames, investments in real estate 406
investment trusts, investments in regulated investment companies, 407
and appreciation on deferred compensation. "Intangible income" 408
does not include income reported by a taxpayer on schedule C, 409
schedule E, or schedule F, prizes, awards, or other income 410
associated with any lottery winnings, gambling winnings, or other 411
similar games of chance. 412

(T) "Taxable year" means the corresponding tax reporting 413
period as prescribed for the taxpayer under the Internal Revenue 414
Code. 415

(U) "Tax administrator" means the individual charged with 416
direct responsibility for administration of an income tax levied 417
by a municipal corporation in accordance with this chapter, and 418

also includes the following: 419

(1) A municipal corporation acting as the agent of another municipal corporation; 420
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(2) A person retained by a municipal corporation to administer a tax levied by the municipal corporation, but only if the municipal corporation does not compensate the person in whole or in part on a contingency basis; 422
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(3) The central collection agency or the regional income tax agency or their successors in interest, or another entity organized to perform functions similar to those performed by the central collection agency and the regional income tax agency, if, in any case, the agency or entity administers municipal income taxes on behalf of at least thirty-one municipal corporations and collects aggregate municipal income tax in excess of one hundred million dollars per calendar year. 426
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(V) "Employer" means a person that is an employer for federal income tax purposes. 434
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(W) "Employee" means an individual who is an employee for federal income tax purposes. 436
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(X) "Other payer" means any person, other than an individual's employer or the employer's agent, that pays an individual any amount included in the federal gross income of the individual, including casino operators and video lottery terminal sales agents. 438
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(Y) "Calendar quarter" means the three-month period ending on the last day of March, June, September, or December. 443
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(Z) "Form 1099-misc" means internal revenue service form 1099-misc filed by a person for the purpose of reporting paid miscellaneous income pursuant to the Internal Revenue Code. 445
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(AA) "Municipal corporation" includes a joint economic 448

development district or joint economic development zone that 449
levies an income tax under section 715.691, 715.70, 715.71, or 450
715.74 of the Revised Code. 451

(BB) "Audit" means the examination of a taxpayer or the 452
inspection of the books, records, memoranda, or accounts of a 453
taxpayer for the purpose of determining liability for a tax. 454

(CC) "Generic form" means an electronic or paper form 455
designed for reporting taxes withheld by an employer, agent of an 456
employer, other payer, or pass-through entity, estimated municipal 457
income taxes, or annual municipal income tax liability or for 458
filing a refund claim that is prescribed by the municipal tax 459
policy board pursuant to section 718.26 of the Revised Code or 460
otherwise includes all the information required by the municipal 461
tax policy board on the corresponding generic form. 462

(DD) "Return preparer" means any individual described in 463
section 7701(a)(36) of the Internal Revenue Code and 26 C.F.R. 464
301.7701-15. 465

(EE) "Ohio business gateway" means the online computer 466
network system, created under section 125.30 of the Revised Code, 467
that allows persons to electronically file business reply forms 468
with state agencies and includes any successor electronic filing 469
and payment system. 470

(FF) "Local board of tax review" and "board of tax review" 471
mean the entity created under section 718.11 of the Revised Code. 472

(GG) "Municipal tax policy board" means the board created in 473
section 718.42 of the Revised Code. 474

(HH) "Casino operator" and "casino facility" have the same 475
meanings as in section 3772.01 of the Revised Code. 476

(II) "Video lottery terminal" has the same meaning as in 477
section 3770.21 of the Revised Code. 478

(JJ) "Video lottery terminal sales agent" means a lottery sales agent licensed under Chapter 3770. of the Revised Code to conduct video lottery terminals on behalf of the state pursuant to section 3770.21 of the Revised Code. 479
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(KK) "Postal service" means the United States postal service. 483

(LL) "Certified mail," "express mail," "United States mail," "postal service," and similar terms include any delivery service authorized by the tax commissioner pursuant to section 5703.056 of the Revised Code. 484
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(MM) "Postmark date," "date of postmark," and similar terms include the date recorded and marked in the manner described in division (B)(3) of section 5703.056 of the Revised Code. 488
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(NN) "Last known address" and "undeliverable address" have the same meanings as in section 5703.37 of the Revised Code. 491
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(OO) "Related member" has the same meaning as in section 5733.042 of the Revised Code. 493
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Sec. 718.011. (A) As used in this section: 495

(1) "Employer" includes a person that is a related member to or of an employer. 496
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(2) "Professional athlete" means an athlete who performs services in a professional athletic event for wages or other remuneration. 498
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(3) "Professional entertainer" means a person who performs services in the professional performing arts for wages or other remuneration on a per-event basis. 501
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(4) "Public figure" means a person of prominence who performs services at discrete events, such as speeches, public appearances, or similar events, for wages or other remuneration on a per-event basis. 504
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(5) "Principal place of work" means the location at which an employee spends the greatest number of days in a calendar year performing services for the employee's employer or the location at which the employee reports for employment duties on the greatest number of days in a calendar year. For the purposes of this division, the location at which an employee spends a particular day shall be determined in accordance with division (B)(2) of this section, except that "location" shall be substituted for "municipal corporation" wherever "municipal corporation" appears in that division.

(B)(1) An employer is not required to withhold municipal income tax on qualifying wages paid to an employee for the performance of personal services in a municipal corporation that imposes such a tax if the employee performed such services in the municipal corporation on twenty or fewer days in a calendar year, unless one of the following conditions applies:

(a) The employee's principal place of work is located in the municipal corporation.

(b) The employee is a resident of the municipal corporation and has requested that the employer withhold tax from the employee's qualifying wages as provided in section 718.03 of the Revised Code.

(c) The employee is a professional athlete, professional entertainer, or public figure, and the qualifying wages are paid for the performance of services in the employee's capacity as a professional athlete, professional entertainer, or public figure.

(2) For the purposes of division (B)(1) of this section, an employee shall be considered to have spent a day performing services in a municipal corporation only if a majority of the time that the employee spent performing services for or on behalf of the employer on that day was spent in the municipal corporation.

When determining the amount of time an employee spent in a particular location, the time spent performing any of the following activities shall be considered to have been spent at the employee's principal place of work: 539
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(a) Traveling to the location at which the employee will first perform services for the employer for the day; 543
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(b) Traveling from a location at which the employee was performing services for the employer to any other location; 545
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(c) Traveling from any location to another location in order to pick up or load, for the purpose of transportation or delivery, property that has been purchased, sold, assembled, fabricated, repaired, refurbished, processed, remanufactured, or improved by the employee's employer; 547
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(d) Transporting or delivering property described in division (B)(2)(c) of this section, provided that, upon delivery of the property, the employee does not temporarily or permanently affix the property to real estate owned, used, or controlled by a person other than the employee's employer; 552
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(e) Traveling from the location at which the employee makes the employee's final delivery or pick-up for the day to either the employee's principal place of work or a location at which the employee will not perform services for the employer. 557
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(C) If the principal place of work of an employee who performs services in a municipal corporation as described in division (B)(1) of this section is located in another municipal corporation that imposes an income tax, division (B)(1) of this section shall apply to the withholding of the employee's qualifying wages only if the employer withholds and reports tax on such qualifying wages to the municipal corporation in which the employee's principal place of work is located. 561
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(D) If an employee exceeds the twenty-day threshold described 569

in division (B)(1) of this section during a calendar year, the 570
employer shall begin withholding tax for any subsequent days on 571
which the employer pays qualifying wages to the employee for 572
personal services performed in the municipal corporation. 573

(E) Nothing in this section shall limit the ability of a tax 574
administrator to enter into an agreement with an employer 575
regarding the manner in which the employer shall comply with the 576
requirements of section 718.03 of the Revised Code. 577

Sec. 718.02. This section does not apply to taxpayers that 578
are subject to and required to file reports under Chapter 5745. of 579
the Revised Code. This section applies to any taxpayer engaged in 580
a business or profession, or any professional athlete that 581
performs services for a professional athletic team, in a municipal 582
corporation that imposes an income tax in accordance with this 583
chapter, unless the taxpayer or professional athlete is an 584
individual who resides in the municipal corporation or the 585
taxpayer is an electric company, combined company, or telephone 586
company that is subject to and required to file reports under 587
Chapter 5745. of the Revised Code. 588

(A) Except as otherwise provided in division ~~(D)~~(B) and (G) 589
of this section, net profit from a business or profession 590
conducted both within and without the boundaries of a municipal 591
corporation shall be considered as having a taxable situs in ~~such~~ 592
the municipal corporation for purposes of municipal income 593
taxation in the same proportion as the average ratio of the 594
following: 595

(1) The average original cost of the real and tangible 596
personal property owned or used by the taxpayer in the business or 597
profession in ~~such~~ the municipal corporation during the taxable 598
period to the average original cost of all of the real and 599
tangible personal property owned or used by the taxpayer in the 600

business or profession during the same period, wherever situated. 601

As used in the preceding paragraph, real and tangible 602
personal property shall include property rented or leased by the 603
taxpayer and the value of such property shall be determined by 604
multiplying the annual rental thereon by eight; 605

(2) Wages, salaries, and other compensation paid during the 606
taxable period to ~~persons~~ individuals employed in the business or 607
profession for services performed in ~~such~~ the municipal 608
corporation to wages, salaries, and other compensation paid during 609
the same period to ~~persons~~ individuals employed in the business or 610
profession, wherever ~~their~~ the individual's services are 611
performed, excluding compensation ~~that is not taxable by the~~ 612
~~municipal corporation under section 718.011~~ described in division 613
(C)(15) of section 718.01 of the Revised Code; 614

(3) ~~Gross~~ Total gross receipts of the business or profession 615
from sales and rentals made and services performed during the 616
taxable period in ~~such~~ the municipal corporation to total gross 617
receipts of the business or profession during the same period from 618
sales, rentals, and services, wherever made or performed. 619

~~If the foregoing apportionment formula does not produce an~~ 620
~~equitable result, another basis may be substituted, under uniform~~ 621
~~regulations, so as to produce an equitable result.~~ 622

~~(B) As used in division (A) of this section, "sales made in a~~ 623
~~municipal corporation" mean:~~ 624

~~(1) All sales of tangible personal property delivered within~~ 625
~~such municipal corporation regardless of where title passes if~~ 626
~~shipped or delivered from a stock of goods within such municipal~~ 627
~~corporation;~~ 628

~~(2) All sales of tangible personal property delivered within~~ 629
~~such municipal corporation regardless of where title passes even~~ 630
~~though transported from a point outside such municipal corporation~~ 631

~~if the taxpayer is regularly engaged through its own employees in 632
the solicitation or promotion of sales within such municipal 633
corporation and the sales result from such solicitation or 634
promotion; 635~~

~~(3) All sales of tangible personal property shipped from a 636
place within such municipal corporation to purchasers outside such 637
municipal corporation regardless of where title passes if the 638
taxpayer is not, through its own employees, regularly engaged in 639
the solicitation or promotion of sales at the place where delivery 640
is made. 641~~

~~(C) Except as otherwise provided in division (D) of this 642
section, (B) If the apportionment factors described in 643
division (A) of this section do not fairly represent the extent of 644
a taxpayer's business activity in a municipal corporation, the tax 645
administrator of the municipal corporation may require or allow 646
the taxpayer to use, with respect to all or any portion of the 647
income of the taxpayer, an alternative apportionment method 648
involving one or more of the following: 649~~

~~(1) Separate accounting; 650~~

~~(2) The exclusion of one or more of the factors; 651~~

~~(3) The inclusion of one or more additional factors that 652
would provide for a more fair apportionment of the income of the 653
taxpayer to the municipal corporation; 654~~

~~(4) A modification of one or more of the factors. 655~~

~~A taxpayer may request to use an alternative apportionment 656
method under this division by submitting a request to the tax 657
administrator. The request shall be in writing and shall accompany 658
the taxpayer's tax return or a petition for reassessment or an 659
amended tax return. 660~~

~~A taxpayer may not use an alternative apportionment method 661~~

without the approval of the tax administrator. Once approved, the 662
alternative method shall apply only to the taxable years included 663
in the taxpayer's request unless the tax administrator provides 664
otherwise in writing. The tax administrator may deny a request to 665
use an alternative method under this section only by issuing an 666
assessment pursuant to section 718.12 of the Revised Code. 667

Nothing in this section prohibits a taxpayer that requests 668
the use of an alternative method in one or more taxable years from 669
requesting the use of an alternative method in any other taxable 670
year. The approval or denial of a taxpayer's request to use an 671
alternative method in one taxable year shall not limit the 672
authority of the tax administrator to approve or deny requests 673
from the same taxpayer with respect to other taxable years. 674

(C) As used in division (A)(2) of this section, "wages, 675
salaries, and other compensation" includes only wages, salaries, 676
or other compensation paid to an employee for services performed 677
at one of the following locations: 678

(1) A location that is owned, controlled, or used by, rented 679
to, or under the possession of one of the following: 680

(a) The employer; 681

(b) A vendor, customer, client, or patient of the employer, 682
or a related member of such a vendor, customer, client, or 683
patient; 684

(c) A vendor, customer, client, or patient of a person 685
described in division (C)(1)(b) of this section, or a related 686
member of such a vendor, customer, client, or patient. 687

(2) Any location at which a trial, appeal, hearing, 688
investigation, inquiry, review, court-martial, or similar 689
administrative, judicial, or legislative matter or proceeding is 690
being conducted, provided that the compensation is paid for 691
services performed for, or on behalf of, the employer or that the 692

employee's presence at the location directly or indirectly 693
benefits the employer; 694

(3) Any other location, if the tax administrator determines 695
that the employer directed the employee to perform the services at 696
the other location in lieu of a location described in division 697
(C)(1) or (2) of this section in order to avoid or reduce the 698
employer's municipal income tax liability. If a tax administrator 699
makes such a determination, the employer may dispute the 700
determination by establishing, by a preponderance of the evidence, 701
that the tax administrator's determination was unreasonable. 702

(D) For the purposes of division (A)(3) of this section, 703
receipts from sales and rentals made and services performed shall 704
be sitused to a municipal corporation as follows: 705

(1) Gross receipts from the sale of tangible personal 706
property shall be sitused to the municipal corporation if the 707
property is received in the municipal corporation by the 708
purchaser. In the case of delivery of tangible personal property 709
by common carrier or by other means of transportation, the place 710
at which title to such property is transferred to the buyer shall 711
be considered the place where the purchaser receives the property. 712

(2) Gross receipts from the sale of services shall be sitused 713
to the municipal corporation in the proportion that the 714
purchaser's benefit in the municipal corporation with respect to 715
the sale bears to the purchaser's benefit everywhere with respect 716
to the sale. The physical location where the purchaser ultimately 717
uses or receives the benefit of what was purchased shall be 718
paramount in determining the proportion of the benefit in the 719
municipal corporation to the benefit everywhere. 720

(3) To the extent included in income, gross receipts from the 721
sale of real property located in the municipal corporation shall 722
be sitused to that municipal corporation. 723

(4) To the extent included in income, gross receipts from rents and royalties from real property located in the municipal corporation shall be sitused to that municipal corporation. 724
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(5) Gross receipts from rents and royalties from tangible personal property shall be sitused to the municipal corporation based upon the extent to which the tangible personal property is used in that municipal corporation. 727
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(E) Net profit from rental activity not constituting a business or profession shall be subject to tax only by the municipal corporation in which the property generating the net profit is located. 731
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~~(D) This section does not apply to individuals who are residents of the municipal corporation and, except as otherwise provided in section 718.01 of the Revised Code, a municipal corporation may impose a tax on all income earned by residents of the municipal corporation to the extent allowed by the United States Constitution.~~ 735
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~~(E) If, in computing the taxpayer's adjusted federal taxable income, the taxpayer deducted any amount with respect to a stock option granted to an employee, and if the employee is not required to include in income any amount or any portion thereof because it is exempted from taxation under division (H)(10) of section 718.01 of the Revised Code and division (A)(2)(d) of section 718.03 of the Revised Code by a municipal corporation to which the taxpayer has apportioned a portion of its net profit, the taxpayer shall add the amount that is exempt from taxation to the taxpayer's net profit that was apportioned to that municipal corporation. In no case shall a taxpayer be required to add to its net profit that was apportioned to that municipal corporation any amount other than the amount upon which the employee would be required to pay tax were the amount related to the stock option not exempted from taxation.~~ 741
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~~This division applies solely for the purpose of making an adjustment to the amount of a taxpayer's net profit that was apportioned to a municipal corporation under divisions (A) and (B) of this section.~~

A municipal corporation shall allow taxpayers to elect to use separate accounting for the purpose of calculating net profit situated to the municipal corporation under this division, but shall permit such an election only if the taxpayer makes the same election in every municipal corporation in which the taxpayer must report such net profit for the taxable year and if the taxpayer agrees to use separate accounting with respect to such net profit for at least five consecutive taxable years after making the election.

(F)(1) As used in this division:

(a) "Professional athlete" has the same meaning as in section 718.011 of the Revised Code.

(b) "Duty days" means every day on which a professional athlete performs services for a professional athletic team, including, but not limited to, any day on which the team competes or is scheduled to compete in a regular or post-season game, practice days, days on which team meetings are held, promotional days, pre-season training camp days, off-season team mini-camp days, and days on which work-out or rehabilitation activities are conducted at team facilities.

(2) The income that a professional athlete receives for services performed for a professional athletic team shall be situated to a municipal corporation based upon the ratio of the number of duty days the professional athlete spent in the municipal corporation to the total number of duty days spent both within and outside of the municipal corporation during the taxable year.

(G) Net profit relating to the sales and commissions of a 787
real estate agent or broker shall be situated to a municipal 788
corporation based upon the ratio of the commissions the agent or 789
broker received from sales of real estate located in the municipal 790
corporation to the commissions received from sales of real estate 791
everywhere in the taxable year. 792

Sec. 718.03. (A) ~~As used in this section:~~ 793

(1) ~~"Other payer" means any person, other than an~~ 794
~~individual's employer or the employer's agent, that pays an~~ 795
~~individual any amount included in the federal gross income of the~~ 796
~~individual.~~ 797

(2) ~~"Qualifying wages" means wages, as defined in section~~ 798
~~3121(a) of the Internal Revenue Code, without regard to any wage~~ 799
~~limitations, adjusted as follows:~~ 800

(a) ~~Deduct the following amounts:~~ 801

(i) ~~Any amount included in wages if the amount constitutes~~ 802
~~compensation attributable to a plan or program described in~~ 803
~~section 125 of the Internal Revenue Code;~~ 804

(ii) ~~For purposes of division (B) of this section, any amount~~ 805
~~included in wages if the amount constitutes payment on account of~~ 806
~~sickness or accident disability.~~ 807

(b) ~~Add the following amounts:~~ 808

(i) ~~Any amount not included in wages solely because the~~ 809
~~employee was employed by the employer prior to April 1, 1986;~~ 810

(ii) ~~Any amount not included in wages because the amount~~ 811
~~arises from the sale, exchange, or other disposition of a stock~~ 812
~~option, the exercise of a stock option, or the sale, exchange, or~~ 813
~~other disposition of stock purchased under a stock option and the~~ 814
~~municipal corporation has not, by resolution or ordinance,~~ 815
~~exempted the amount from withholding and tax. Division~~ 816

~~(A)(2)(b)(ii) of this section applies only to those amounts
constituting ordinary income.~~ 817
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~~(iii) Any amount not included in wages if the amount is an
amount described in section 401(k) or 457 of the Internal Revenue
Code. Division (A)(2)(b)(iii) of this section applies only to
employee contributions and employee deferrals.~~ 819
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~~(iv) Any amount that is supplemental unemployment
compensation benefits described in section 3402(o)(2) of the
Internal Revenue Code and not included in wages.~~ 823
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~~(e) Deduct any amount attributable to a nonqualified deferred
compensation plan or program described in section 3121(v)(2)(C) of
the Internal Revenue Code if the compensation is included in wages
and has, by resolution or ordinance, been exempted from taxation
by the municipal corporation.~~ 826
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~~(d) Deduct any amount included in wages if the amount arises
from the sale, exchange, or other disposition of a stock option,
the exercise of a stock option, or the sale, exchange, or other
disposition of stock purchased under a stock option and the
municipal corporation has, by resolution or ordinance, exempted
the amount from withholding and tax.~~ 831
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~~(B) Except as provided in division (F) of this section, for
taxable years beginning after 2003, no municipal corporation shall
require any employer or any agent of any employer or any other
payer, to withhold tax with respect to any amount other than
qualifying wages. Nothing in this section prohibits an employer
from withholding tax on a basis greater than qualifying wages.~~ 837
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(C) Each employer, agent of an employer, or other payer
located or doing business in a municipal corporation that imposes
a tax on income in accordance with this chapter shall withhold
from each employee an amount equal to the qualifying wages of the
employee earned by the employee in the municipal corporation 843
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multiplied by the applicable rate of the municipal corporation's 848
income tax, except for qualifying wages for which withholding is 849
not required under division (D) or (F) of this section or section 850
718.011 of the Revised Code. An employer, agent of an employer, or 851
other payer shall deduct and withhold the tax from qualifying 852
wages on the date that the employer, agent, or other payer 853
directly, indirectly, or constructively pays the qualifying wages 854
to, or credits the qualifying wages to the benefit of, the 855
employee. 856

An employer, agent of an employer, or other payer may deduct 857
and withhold, on the request of an employee, taxes for the 858
municipal corporation in which the employee is a resident. 859

(B) An employer, agent of an employer, or other payer shall 860
remit to the tax administrator of a municipal corporation income 861
taxes deducted and withheld or required to be deducted and 862
withheld by the employer, agent, or other payer according to the 863
following schedule: 864

(1) Taxes deducted and withheld shall be remitted semimonthly 865
to the tax administrator if the total taxes deducted and withheld 866
by the employer, agent, or other payer on behalf of the municipal 867
corporation in the preceding calendar year exceeded eleven 868
thousand nine hundred ninety-nine dollars, or if the total amount 869
of taxes deducted and withheld on behalf of the municipal 870
corporation in any month of the preceding calendar quarter 871
exceeded one thousand dollars. Payment under division (B)(1) of 872
this section shall be made so that they are received by the tax 873
administrator not later than three banking days after the 874
fifteenth and the last day of each month. 875

(2) If not required to be remitted in accordance with 876
division (B)(1) of this section, taxes deducted and withheld shall 877
be remitted monthly to the tax administrator if the total taxes 878
deducted and withheld by the employer, agent, or other payer on 879

behalf of the municipal corporation in the preceding calendar year 880
did not exceed eleven thousand nine hundred ninety-nine dollars 881
but did exceed two thousand three hundred ninety-nine dollars, or 882
if the total amount of taxes deducted and withheld on behalf of 883
the municipal corporation in any month of the preceding calendar 884
quarter did not exceed one thousand dollars, but exceeded two 885
hundred dollars. Payment under division (B)(2) of this section 886
shall be made so that they are received by the tax administrator 887
not later than fifteen days after the last day of each month. 888

(3) Any employer, agent of an employer, or other payer not 889
required to make payments of taxes deducted and withheld under 890
division (B)(1) or (2) of this section shall make quarterly 891
payments to the tax administrator not later than the last day of 892
the month following the end of the last day of each calendar 893
quarter. 894

(C) An employer, agent of an employer, or other payer shall 895
make and file a return on forms prescribed by the municipal tax 896
policy board pursuant to section 718.42 of the Revised Code, 897
showing the amount of tax withheld by the employer, agent, or 898
other payer from the qualifying wages of each employee and 899
remitted to the tax administrator. A return filed by an employer, 900
agent, or other payer under this division shall be accepted by a 901
tax administrator and municipal corporation as the return required 902
of an employee whose sole income subject to the tax under this 903
chapter is the qualifying wages reported by the employee's 904
employer, agent of an employer, or other payer. 905

(D) An employer, agent of an employer, or other payer is not 906
required to ~~make any withholding~~ withhold municipal income tax 907
with respect to an individual's disqualifying disposition of an 908
incentive stock option if, at the time of the disqualifying 909
disposition, the individual is not an employee of either the 910
corporation with respect to whose stock the option has been issued 911

or of such corporation's successor entity. 912

~~(D)~~(E)(1) An employee is not relieved from liability for a 913
tax by the failure of the employer, agent of an employer, or other 914
payer to withhold the tax as required ~~by a municipal corporation~~ 915
under this chapter or by the employer's, agent's, or other payer's 916
exemption from the requirement to withhold the tax. 917

(2) The failure of an employer, agent of an employer, or 918
other payer to remit to the municipal corporation the tax withheld 919
relieves the employee from liability for that tax unless the 920
employee colluded with the employer, agent, or other payer in 921
connection with the failure to remit the tax withheld. 922

~~(E)~~(F) Compensation deferred before June 26, 2003, is not 923
subject to any municipal corporation income tax or municipal 924
income tax withholding requirement to the extent the deferred 925
compensation does not constitute qualifying wages at the time the 926
deferred compensation is paid or distributed. 927

~~(F)~~ ~~A municipal corporation may require a~~ (G) A casino 928
facility ~~or a~~ casino operator, ~~as defined in Section 6(C)(9) of~~ 929
~~Article XV, Ohio Constitution, and section 3772.01 of the Revised~~ 930
~~Code, respectively,~~ or a video lottery terminal sales agent 931
~~conducting video lottery terminals on behalf of the state to~~ shall 932
withhold and remit municipal income tax ~~with respect to amounts~~ 933
~~other than qualifying wages~~ in the manner described in sections 934
5747.063 and 5747.064 of the Revised Code. 935

(H) Each employer, agent of an employer, or other payer 936
required to withhold taxes is liable for the payment of that 937
amount required to be withheld, whether or not such taxes have in 938
fact been withheld, and such amount shall be deemed to be held in 939
trust for the municipal corporation until such time as the 940
withheld amount is remitted to the tax administrator. 941

(I) On or before the twenty-eighth day of February of each 942

year, an employer shall file a withholding return with the tax administrator listing the names, addresses, and social security numbers of all employees from whose qualifying wages tax was withheld for the municipal corporation during the preceding calendar year, the amount of tax withheld from each employee, and other information as may be required on the forms created by the municipal tax policy board under section 718.42 of the Revised Code. 943
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(J) On or before the twenty-eighth day of February of each year, any person that engages another person, either on a fee or commission basis or as an independent contractor and not as an employee, who performed services with respect to the amounts paid within the municipal corporation, shall provide the tax administrator with either of the following: 951
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(1) Copies of every form 1099-misc reflecting income paid to each person in the preceding calendar year; or 957
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(2) A list of names, addresses, social security numbers or federal identification numbers, and the total amount of earnings, payments, bonuses, commissions, or fees the person paid to each person in the preceding calendar year. 959
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(K) The officer or the employee of the employer, agent of an employer, or other payer with control or direct supervision of or charged with the responsibility for withholding the tax or filing the reports and making payments as required by this section, shall be personally liable for a failure to file a report or pay the tax due as required by this section. The dissolution of an employer, agent of an employer, or other payer does not discharge the officer's or employee's liability for a failure of the employer, agent of an employer, or other payer to file returns or pay any tax due. 963
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Sec. 718.04. (A) A municipal corporation may levy a tax on 973

income only in accordance with the limitations specified in this 974
chapter. On or after January 1, 2014, no municipal corporation 975
shall levy such a tax unless the ordinance or resolution levying 976
the tax, as adopted or amended by the legislative authority of the 977
municipal corporation, states all of the following: 978

(1) That the tax is an annual tax levied on the income of 979
every person residing in or earning or receiving income in the 980
municipal corporation and that the tax shall be measured by 981
municipal taxable income; 982

(2) That the municipal corporation is levying the tax in 983
accordance with the limitations specified in this chapter and that 984
the resolution or ordinance thereby incorporates, by reference, 985
the provisions of this chapter; 986

(3) The rate of the tax; 987

(4) Whether, and the extent to which, a credit will be 988
allowed against the tax as described in division (E) of this 989
section; 990

(5) The purpose or purposes of the tax; 991

(6) Any other provision necessary for the administration of 992
the tax, provided that the provision does not conflict with any 993
provision of this chapter or any rule adopted by the municipal tax 994
policy board pursuant to this chapter. 995

(B) Before January 1, 2014, the legislative authority of each 996
municipal corporation that levies a municipal income tax that 997
would otherwise be in effect on that date shall take one of the 998
following actions: 999

(1) Repeal the ordinance or resolution that levies the tax; 1000

(2) Amend the ordinance or resolution that levies the tax to 1001
include the provisions described in division (A) of this section 1002
and to otherwise comply with the limitations specified in this 1003

chapter. 1004

Any municipal income tax ordinance or resolution that is not 1005
repealed or amended as provided in this division before January 1, 1006
2014, shall be considered to be repealed on December 31, 2013, and 1007
the municipal corporation that adopted the ordinance or resolution 1008
shall not enforce the ordinance or resolution after that date. 1009

(C) Any municipal corporation that, on or before the 1010
effective date of the enactment of this section, levies an income 1011
tax at a rate in excess of one per cent and that amends the 1012
ordinance or resolution levying the tax as provided in division 1013
(B)(2) of this section may continue to levy the tax at the rate 1014
specified in the original resolution, provided that such rate 1015
continues in effect only for the taxable years specified in the 1016
original ordinance or resolution. Any such municipal corporation 1017
that repeals an ordinance or resolution as provided in division 1018
(B)(1) of this section may, notwithstanding division (D)(2) of 1019
this section, enact a new ordinance or resolution under division 1020
(A) of this section that levies a tax at the same rate specified 1021
in the repealed ordinance or resolution, provided that the tax is 1022
levied at such rate only for the taxable years specified in the 1023
repealed ordinance or resolution and that the municipal 1024
corporation adopts the new ordinance or resolution on or before 1025
December 31, 2014. 1026

(D)(1) No municipal corporation shall tax income at other 1027
than a uniform rate. 1028

(2) Except as provided in division (C) of this section, no 1029
municipal corporation shall levy a tax on income at a rate in 1030
excess of one per cent without having obtained the approval of the 1031
excess by a majority of the electors of the municipality voting on 1032
the question at a general, primary, or special election. The 1033
legislative authority of the municipal corporation shall file with 1034
the board of elections at least ninety days before the day of the 1035

election a copy of the ordinance together with a resolution 1036
specifying the date the election is to be held and directing the 1037
board of elections to conduct the election. The ballot shall be in 1038
the following form: "Shall the Ordinance providing for a ... per 1039
cent levy on income for (Brief description of the purpose of the 1040
proposed levy) be passed? 1041

| | | |
|--|-------------------------------|---|
| | <u>FOR THE INCOME TAX</u> | |
| | <u>AGAINST THE INCOME TAX</u> | " |

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In the event of an affirmative vote, the proceeds of the levy may 1046
be used only for the specified purpose. 1047

(E) A municipal corporation may, by ordinance or resolution, 1048
grant a credit to residents of the municipal corporation for all 1049
or a portion of the taxes the resident paid to other municipal 1050
corporations, in this state or elsewhere, on income the resident 1051
earned or received in the other municipal corporations. 1052

(F) Except as otherwise provided in this chapter, a municipal 1053
corporation that levies an income tax in effect for taxable years 1054
ending before January 1, 2014, may continue to administer and 1055
enforce the provisions of such tax for all taxable years ending 1056
before January 1, 2014, provided that the provisions of such tax 1057
are consistent with this chapter as it existed prior to the 1058
effective date of the enactment of this section. 1059

(G) Nothing in this chapter authorizes a municipal 1060
corporation to levy a tax on income or net profit, or to 1061
administer or collect such a tax or penalties or interest related 1062
to such a tax, contrary to the limitations specified in this 1063
chapter. 1064

Sec. 718.05. An annual return with respect to the income tax 1065

levied by a municipal corporation shall be made by every taxpayer 1066
for any taxable year for which the taxpayer is liable for the tax. 1067
If the total credit allowed against the tax as described in 1068
division (E) of section 718.04 of the Revised Code for the year is 1069
equal to or exceeds the tax imposed by the municipal corporation, 1070
no return shall be required unless the municipal ordinance or 1071
resolution levying the tax requires the filing of a return in such 1072
circumstances. 1073

(A) If an individual is deceased, any return or notice 1074
required of that individual shall be made and filed by that 1075
decedent's executor, administrator, or other person charged with 1076
the property of that decedent. 1077

(B) If an individual is unable to make a return or notice 1078
required by a municipal corporation in accordance with this 1079
chapter, the return or notice required of that individual shall be 1080
made and filed by the individual's duly authorized agent, 1081
guardian, conservator, fiduciary, or other person charged with the 1082
care of the person or property of that individual. 1083

(C) Returns or notices required of an estate or a trust shall 1084
be made and filed by the fiduciary of the estate or trust. 1085

(D) No municipal corporation shall deny spouses the ability 1086
to file a joint return. 1087

(E) Each return or notice required to be filed under this 1088
section shall contain the signature of the taxpayer or the 1089
taxpayer's duly authorized agent and of the person who prepared 1090
the return for the taxpayer, and shall include the taxpayer's 1091
social security number or taxpayer identification number. Each 1092
return shall be verified by a declaration under the penalties of 1093
perjury in accordance with division (H) of section 718.42 of the 1094
Revised Code. 1095

(F)(1) Except as otherwise provided in this chapter, each 1096

return or notice required to be filed under this section shall be 1097
made and filed as required by the tax administrator on or before 1098
the date prescribed for the filing of state income tax returns and 1099
notices under division (G) of section 5747.08 of the Revised Code. 1100
The taxpayer shall make and file the return or notice on forms 1101
prescribed by the municipal tax policy board or on generic forms, 1102
together with remittance made payable to the municipal corporation 1103
or tax administrator. No remittance is required if the amount 1104
shown to be due is five dollars or less. 1105

(2) Any taxpayer that is subject to a municipal corporation's 1106
income tax and that has received an extension to file a federal 1107
income tax return shall not be required to notify the municipal 1108
corporation of the federal extension and shall not be required to 1109
file any municipal income tax return that relates to the same tax 1110
period to which the federal extension relates until the due date 1111
to which the filing of the federal return has been extended. An 1112
extension of time to file under this division is not an extension 1113
of the time to pay any tax due. Upon the filing of the municipal 1114
income tax return, the taxpayer shall include a copy of the 1115
request for the federal filing extension. 1116

(3) If a taxpayer does not request and obtain a federal 1117
extension as described in division (F)(2) of this section, the 1118
taxpayer may request an extension of time to file a municipal 1119
income tax return by filing the request through the Ohio business 1120
gateway or directly with the tax administrator of the municipal 1121
corporation with which the return is required to be filed. 1122

Upon good cause shown, the tax administrator may extend the 1123
period for filing any notice or return. If the extension results 1124
in an extension of time for the payment of any tax liability with 1125
respect to which the return is filed, the tax administrator may 1126
require the taxpayer to pay at the time the tax liability is paid 1127
an amount of interest computed at the rate per annum prescribed by 1128

section 5703.47 of the Revised Code on that liability from the 1129
time that payment is due without extension to the time of actual 1130
payment. 1131

(4) In order to facilitate the filing of extension requests, 1132
the tax commissioner and the Ohio business gateway steering 1133
committee shall take all steps necessary to provide taxpayers with 1134
the ability to file such requests through the Ohio business 1135
gateway and to notify tax administrators when such requests are 1136
filed. 1137

(5) If the tax administrator considers it necessary in order 1138
to ensure the payment of the tax imposed by the municipal 1139
corporation in accordance with this chapter, the tax administrator 1140
may require returns and payments to be made otherwise than as 1141
provided in this section. 1142

(6) To the extent that any provision in this division 1143
conflicts with any provision in section 718.052 of the Revised 1144
Code, the provision in that section prevails. 1145

(G)(1) For taxable years beginning after 2013, a municipal 1146
corporation shall not require a taxpayer to file a return with 1147
respect to net profits if divisions (G)(1)(a) and (b) apply and, 1148
if the taxpayer is an individual, division (G)(1)(c) applies: 1149

(a) The average ratio of the taxpayer's total net profit to 1150
the portion of such net profit apportioned to the municipal 1151
corporation as computed under section 718.02 of the Revised Code 1152
is less than one per cent; 1153

(b) The amount of tax due to the municipal corporation from 1154
the taxpayer is less than fifty dollars; 1155

(c) The taxpayer's qualifying wages for the municipal 1156
corporation are less than fifty thousand dollars. 1157

(2) Any taxpayer not required to file a tax return with a 1158

municipal corporation for a taxable year pursuant to division 1159
(G)(1) of this section shall file with the municipal corporation 1160
an affidavit exemption form. The municipal tax policy board shall 1161
prescribe the form and contents of the affidavit exemption form. 1162
No taxpayer shall be required to file an affidavit exemption form 1163
pursuant to this division until the municipal tax policy board 1164
prescribes the form. 1165

(H) If any report, claim, statement, or other document 1166
required to be filed, or any payment required to be made, within a 1167
prescribed period or on or before a prescribed date under this 1168
chapter is delivered after that period or that date by United 1169
States mail to the tax administrator or other municipal official 1170
with which the report, claim, statement, or other document is 1171
required to be filed, or to which the payment is required to be 1172
made, the date of the postmark stamped on the cover in which the 1173
report, claim, statement, or other document, or payment is mailed 1174
shall be deemed to be the date of delivery or the date of payment. 1175

If a payment is required to be made by electronic funds 1176
transfer, the payment is considered to be made when the payment is 1177
credited to an account designated by the tax administrator for the 1178
receipt of tax payments, except that, when a payment made by 1179
electronic funds transfer is delayed due to circumstances not 1180
under the control of the taxpayer, the payment is considered to be 1181
made when the taxpayer submitted the payment. 1182

"The date of the postmark" means, in the event there is more 1183
than one date on the cover, the earliest date imprinted on the 1184
cover by the postal service. 1185

(I) The amounts withheld by an employer, the agent of an 1186
employer, or an other payer as described in section 718.03 of the 1187
Revised Code shall be allowed to the recipient of the compensation 1188
as credits against payment of the tax imposed on the recipient by 1189
the municipal corporation. 1190

(J) The municipal tax policy board shall ensure that each return required by a municipal corporation to be filed in accordance with this section includes a box that the taxpayer may check to authorize a paid tax preparer who prepared the return to communicate with the tax administrator about matters pertaining to the return. The return or instructions accompanying the return shall indicate that by checking the box the taxpayer authorizes the tax administrator to contact the preparer concerning questions that arise during the processing of the return and authorizes the preparer only to provide the tax administrator with information that is missing from the return, to contact the tax administrator for information about the processing of the return or the status of the taxpayer's refund or payments, and to respond to notices about mathematical errors, offsets, or return preparation that the taxpayer has received from the tax administrator and has shown to the preparer.

(K) The tax administrator of a municipal corporation shall accept for filing a generic form of any income tax return, report, or document required by the municipal corporation in accordance with this chapter, provided that the generic form, once completed and filed, contains all of the information required by rules adopted by the municipal tax policy board, and provided that the taxpayer or return preparer filing the generic form otherwise complies with the provisions of this chapter and of the municipal corporation ordinance or resolution governing the filing of returns, reports, or documents.

(L) When income tax returns, reports, or other documents require the signature of a return preparer, the tax administrator shall accept a facsimile of such a signature in lieu of a manual signature.

(M) Nothing in this chapter shall be construed to excuse the full payment of any tax or refund due if the total amount due

exceeds five dollars. 1223

~~Sec. 718.051. (A) As used in this section, "Ohio business gateway" means the online computer network system, initially created by the department of administrative services under section 125.30 of the Revised Code, that allows private businesses to electronically file business reply forms with state agencies and includes any successor electronic filing and payment system.~~ 1224-1229

~~(B) Notwithstanding section 718.05 of the Revised Code, on and after January 1, 2005, any taxpayer that is subject to any municipal corporation's tax on the net profit from a business or profession and has received an extension to file the federal income tax return shall not be required to notify the municipal corporation of the federal extension and shall not be required to file any municipal income tax return until the last day of the month to which the due date for filing the federal return has been extended, provided that, on or before the date for filing the municipal income tax return, the person notifies the tax commissioner of the federal extension through the Ohio business gateway. An extension of time to file is not an extension of the time to pay any tax due.~~ 1230-1242

~~(C) For taxable years beginning on or after January 1, 2005, a Any taxpayer subject to any municipal corporation's tax on income taxation with respect to the taxpayer's net profit from a business or profession may file any municipal income tax return or estimated municipal income return, and may make payment of amounts shown to be due on such returns, by using the Ohio business gateway.~~ 1243-1249

~~(D)(1) As used in this division, "qualifying wages" has the same meaning as in section 718.03 of the Revised Code.~~ 1250-1251

~~(2)(B) Any employer, agent of an employer, or other payer may report the amount of municipal income tax withheld from qualifying~~ 1252-1253

wages paid on or after January 1, 2007, and may make remittance of 1254
such amounts, by using the Ohio business gateway. 1255

~~(E)~~(C) Nothing in this section affects the due dates for 1256
filing employer withholding tax returns. 1257

~~(F)~~(D) No municipal corporation shall be required to pay any 1258
fee or charge for the operation or maintenance of the Ohio 1259
business gateway. 1260

~~(G)~~(E) The use of the Ohio business gateway by municipal 1261
corporations, taxpayers, or other persons pursuant to this section 1262
does not affect the legal rights of municipalities or taxpayers as 1263
otherwise permitted by law. This state shall not be a party to the 1264
administration of municipal income taxes or to an appeal of a 1265
municipal income tax matter, except as otherwise specifically 1266
provided by law. 1267

~~(H)~~(F)(1) The tax commissioner shall adopt rules 1268
establishing: 1269

(a) The format of documents to be used by taxpayers to file 1270
returns and make payments through the Ohio business gateway; and 1271

(b) The information taxpayers must submit when filing 1272
municipal income tax returns through the Ohio business gateway. 1273

(2) The commissioner shall consult with the Ohio business 1274
gateway steering committee before adopting the rules described in 1275
division ~~(H)~~(F)(1) of this section. 1276

~~(I)~~(G) Nothing in this section shall be construed as limiting 1277
or removing the ~~ability~~ authority of any municipal corporation to 1278
administer, audit, and enforce the provisions of its municipal 1279
income tax. 1280

Sec. 718.052. (A) Each member of the national guard and each 1281
member of a reserve component of the armed forces of the United 1282
States called to active duty pursuant to an executive order issued 1283

by the president of the United States or an act of the congress of 1284
the United States, and each civilian serving as support personnel 1285
in a combat zone or contingency operation in support of the armed 1286
forces, may apply to the tax administrator of a municipal 1287
corporation for both an extension of time for filing of the return 1288
and an extension of time for payment of taxes required by the 1289
municipal corporation in accordance with this chapter during the 1290
period of the member's or civilian's duty service and for sixty 1291
days thereafter. The application shall be filed on or before the 1292
sixtieth day after the member's or civilian's duty terminates. An 1293
applicant shall provide such evidence as the tax administrator 1294
considers necessary to demonstrate eligibility for the extension. 1295

(B)(1) If the tax administrator ascertains that an applicant 1296
is qualified for an extension under this section, the tax 1297
administrator shall enter into a contract with the applicant for 1298
the payment of the tax in installments that begin on the 1299
sixty-first day after the applicant's active duty or service 1300
terminates. Except as provided in division (B)(3) of this section, 1301
the tax administrator may prescribe such contract terms as the tax 1302
administrator considers appropriate. If the amount owed is two 1303
thousand four hundred dollars or less, the contract shall be for 1304
not longer than twelve months. If the amount owed is more than two 1305
thousand four hundred dollars, the contract shall be for not 1306
longer than twenty-four months. 1307

(2) If the tax administrator ascertains that an applicant is 1308
qualified for an extension under this section, the applicant shall 1309
neither be required to file any return, report, or other tax 1310
document nor be required to pay any tax otherwise due to the 1311
municipal corporation before the sixty-first day after the 1312
applicant's active duty or service terminates. 1313

(3) Taxes paid pursuant to a contract entered into under 1314

division (B)(1) of this section are not delinquent. The tax administrator shall not require any payments of penalties, interest penalties, or interest in connection with those taxes for the extension period. 1315
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(C)(1) Nothing in this division denies to any person described in this division the application of divisions (A) and (B) of this section. 1319
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(2)(a) A qualifying taxpayer who is eligible for an extension under the Internal Revenue Code shall receive both an extension of time in which to file any return, report, or other tax document and an extension of time in which to make any payment of taxes required by a municipal corporation in accordance with this chapter. The length of any extension granted under division (C)(2)(a) of this section shall be equal to the length of the corresponding extension that the taxpayer receives under the Internal Revenue Code. As used in this section, "qualifying taxpayer" means a member of the national guard, or a member of the reserve component of the armed forces of the United States, who is called to active duty pursuant to either an executive order issued by the president of the United States or an act of the congress of the United States. 1322
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(b) Taxes whose payment is extended in accordance with division (C)(2)(a) of this section are not delinquent during the extension period. The tax administrator shall not require any payment of penalties, interest penalties, or interest in connection with those taxes for the extension period. The tax administrator shall not include any period of extension granted under division (C)(2)(a) of this section in calculating the penalty, interest penalty, or interest due on any unpaid tax. 1336
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(D) For each taxable year to which division (A), (B), or (C) of this section applies to a taxpayer, the provisions of divisions (B)(2) and (3) or (C) of this section, as applicable, apply to the 1344
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spouse of that taxpayer if the filing status of the spouse and the 1347
taxpayer is married filing jointly for that year. 1348

Sec. 718.06. (A) As used in this section: 1349

(1) "Consolidated federal income tax return" means a 1350
consolidated return filed for federal income tax purposes pursuant 1351
to section 1501 of the Internal Revenue Code. 1352

(2) "Consolidated federal taxable income" means the 1353
consolidated taxable income of an affiliated group of 1354
corporations, as computed for the purposes of filing a 1355
consolidated federal income tax return, before consideration of 1356
net operating losses or special deductions. 1357

(B) For taxable years beginning on or after January 1, 2014, 1358
a taxpayer that is a member of an affiliated group of corporations 1359
may elect to file a consolidated municipal income tax return for a 1360
taxable year if at least one member of the affiliated group is 1361
subject to the municipal income tax in that taxable year and if 1362
the affiliated group filed a consolidated federal income tax 1363
return with respect to that taxable year. 1364

(C) A taxpayer shall prepare a consolidated municipal income 1365
tax return in the same manner as is required under the United 1366
States department of treasury regulations that prescribe 1367
procedures for the preparation of the consolidated federal income 1368
tax return required to be filed by the common parent of the 1369
affiliated group of which the taxpayer is a member. 1370

(D)(1) Except as otherwise provided in division (D)(2) of 1371
this section, corporations that elect to file a consolidated 1372
municipal income tax return shall compute adjusted federal taxable 1373
income, as defined in section 718.01 of the Revised Code, by 1374
substituting "consolidated federal taxable income" for "federal 1375
taxable income" wherever "federal taxable income" appears in that 1376

division and by substituting "an affiliated group of 1377
corporation's" for "a C corporation's" wherever "a C 1378
corporation's" appears in that division. 1379

(2) No corporation electing to file a consolidated municipal 1380
income tax return shall make any adjustment otherwise required 1381
under division (E) of section 718.01 of the Revised Code to the 1382
extent that the item of income or deduction otherwise subject to 1383
the adjustment has been eliminated or consolidated in the 1384
computation of consolidated federal taxable income. 1385

(E) Corporations electing to file a consolidated municipal 1386
income tax return shall make the computations required under 1387
section 718.02 of the Revised Code by substituting "consolidated 1388
federal taxable income attributable to" for "net profit from" 1389
wherever "net profit from" appears in that section and by 1390
substituting "affiliated group of corporations" for "taxpayer" 1391
wherever "taxpayer" appears in that section. 1392

(F) Each corporation electing to file a consolidated 1393
municipal income tax return is jointly and severally liable for 1394
any tax, interest, penalties, fines, charges, or other amounts 1395
imposed by a municipal corporation in accordance with this chapter 1396
on the corporation, an affiliated group of which the corporation 1397
is a member for any portion of the taxable year, or any one or 1398
more members of such an affiliated group. 1399

(G) Once a taxpayer has elected to file a consolidated 1400
municipal income tax return, or once a tax administrator has 1401
required the taxpayer to file such a return, for any taxable year, 1402
the taxpayer shall continue to file consolidated municipal income 1403
tax returns in each subsequent taxable year unless the taxpayer 1404
receives written permission from the tax administrator to file a 1405
separate return for a taxable year. 1406

(H) Corporations that made an election with a municipal 1407

corporation before January 1, 2014, to file a consolidated tax 1408
return with such municipal corporation in a manner similar to that 1409
provided in division (B) of this section shall continue to file 1410
consolidated tax returns in such manner unless the corporations 1411
obtain permission from the tax administrator to discontinue such 1412
filing. 1413

Sec. 718.07. ~~On and after January 1, 2002, each~~ The tax 1414
administrator of a municipal corporation that imposes a tax on 1415
income in accordance with this chapter shall make electronic 1416
versions of any rules or ordinances governing the tax available to 1417
the public through the internet, including, but not limited to, 1418
ordinances or rules governing the rate of tax; payment and 1419
withholding of taxes; filing any prescribed returns, reports, or 1420
other documents; dates for filing or paying taxes, including 1421
estimated taxes; penalties, interest, assessment, and other 1422
collection remedies; rights of taxpayers to appeal; and procedures 1423
for filing appeals. ~~On and after that date, any municipal~~ 1424
~~corporation that requires taxpayers to file income tax returns,~~ 1425
~~reports, or other documents~~ The tax administrator shall make 1426
blanks of ~~such any prescribed~~ returns, reports, or documents, and 1427
any instructions pertaining thereto, available to the public 1428
electronically through the internet. Electronic versions of rules, 1429
ordinances, blanks, and instructions shall be made available 1430
~~either~~ by posting them on the electronic site established by the 1431
tax commissioner under section 5703.49 of the Revised Code ~~or~~ and, 1432
if the municipal corporation or tax administrator maintains an 1433
electronic site for the posting of such documents that is 1434
accessible through the internet, by posting them on ~~an~~ that 1435
electronic site ~~established by the municipal corporation that is~~ 1436
~~accessible through the internet.~~ If a municipal corporation or tax 1437
administrator establishes such an electronic site, the municipal 1438
corporation shall incorporate an electronic link between that site 1439

and the site established pursuant to section 5703.49 of the Revised Code, and shall provide to the tax commissioner the uniform resource locator of the site established pursuant to this division.

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

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

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

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

(B) Every taxpayer shall make a declaration of estimated taxes for the current taxable year, in the form prescribed by the municipal tax policy board under section 718.42 of the Revised Code, if the amount payable as estimated taxes, less the amount to be withheld from the taxpayer's compensation, is more than two hundred fifty dollars. For purposes of this section, taxes withheld from compensation shall be considered as paid in equal amounts on each payment date unless the taxpayer establishes the dates on which all amounts were actually withheld, in which case the amounts withheld shall be considered as paid on the dates on which the amounts were actually withheld. Taxpayers filing joint returns shall file joint declarations of estimated taxes. A taxpayer may amend a declaration under rules prescribed by the municipal tax policy board. A taxpayer having a taxable year of less than twelve months shall make a declaration under rules

prescribed by the municipal tax policy board. The declaration of 1471
estimated taxes for an individual under a disability shall be made 1472
and filed by the person who is required to file the income tax 1473
return. 1474

The declaration of estimated taxes shall be filed on or 1475
before the date prescribed for the filing of municipal income tax 1476
returns under division (F) of section 718.05 of the Revised Code 1477
or on or before the fifteenth day of the fourth month after the 1478
taxpayer becomes subject to tax for the first time. 1479

Taxpayers reporting on a fiscal year basis shall file a 1480
declaration on or before the fifteenth day of the fourth month 1481
after the beginning of each fiscal year or period. 1482

The declaration shall be filed upon a form prescribed by the 1483
municipal tax policy board. 1484

The original declaration or any subsequent amendment may be 1485
increased or decreased on or before any subsequent quarterly 1486
payment day as provided in this section. 1487

(C) The required portion of the tax liability for the taxable 1488
year that shall be paid through estimated taxes made payable to 1489
the municipal corporation or tax administrator, including the 1490
application of tax refunds to estimated taxes, and withholding on 1491
or before the applicable payment date shall be as follows: 1492

(1) On or before the fifteenth day of the fourth month after 1493
the beginning of the taxable year, twenty-two and one-half per 1494
cent of the tax liability for the taxable year; 1495

(2) On or before the fifteenth day of the sixth month after 1496
the beginning of the taxable year, forty-five per cent of the tax 1497
liability for the taxable year; 1498

(3) On or before the fifteenth day of the ninth month after 1499
the beginning of the taxable year, sixty-seven and one-half per 1500

cent of the tax liability for the taxable year; 1501

(4) On or before the fifteenth day of the first month of the 1502
following taxable year, ninety per cent of the tax liability for 1503
the taxable year. 1504

When an amended return has been filed, the unpaid balance 1505
shown due on the amended return shall be paid in equal 1506
installments on or before the remaining payment dates. 1507

On or before the last day of the fourth month of the year 1508
following that for which the declaration or amended declaration 1509
was filed, an annual return shall be filed and any balance which 1510
may be due shall be paid with the return in accordance with 1511
section 718.05 of the Revised Code. 1512

(D) In the case of any underpayment of estimated taxes, an 1513
interest penalty shall be added to the taxes for the taxable year 1514
at the rate per annum prescribed by section 5703.47 of the Revised 1515
Code upon the amount of underpayment for the period of 1516
underpayment, unless the underpayment is due to reasonable cause 1517
as described in division (E) of this section. The amount of the 1518
underpayment shall be determined as follows: 1519

(1) For the first payment of estimated taxes each year, 1520
twenty-two and one-half per cent of the tax liability, less the 1521
amount of taxes paid by the date prescribed for that payment; 1522

(2) For the second payment of estimated taxes each year, 1523
forty-five per cent of the tax liability, less the amount of taxes 1524
paid by the date prescribed for that payment; 1525

(3) For the third payment of estimated taxes each year, 1526
sixty-seven and one-half per cent of the tax liability, less the 1527
amount of taxes paid by the date prescribed for that payment; 1528

(4) For the fourth payment of estimated taxes each year, 1529
ninety per cent of the tax liability, less the amount of taxes 1530

paid by the date prescribed for that payment. 1531

The period of the underpayment shall run from the day the 1532
estimated payment was required to be made to the date on which the 1533
payment is made. For purposes of this section, a payment of 1534
estimated taxes on or before any payment date shall be considered 1535
a payment of any previous underpayment only to the extent the 1536
payment of estimated taxes exceeds the amount of the payment 1537
presently required to be paid to avoid any penalty. 1538

The interest penalty imposed under division (D) of this 1539
section shall be in lieu of any other interest charge or penalty 1540
imposed for failure to file an estimated return and make estimated 1541
payments as required by this section. 1542

(E) An underpayment of estimated taxes determined under 1543
division (D) of this section shall be due to reasonable cause and 1544
the interest penalty imposed by this section shall not be added to 1545
the taxes for the tax year if any of the following apply: 1546

(1) The amount of tax that was paid equals at least ninety 1547
per cent of the tax liability for the current taxable year, 1548
determined by annualizing the income received during the year up 1549
to the end of the month immediately preceding the month in which 1550
the payment is due; 1551

(2) The amount of tax that was paid equals at least one 1552
hundred per cent of the tax liability shown on the return of the 1553
taxpayer for the preceding taxable year, provided that the 1554
immediately preceding taxable year reflected a period of twelve 1555
months and the taxpayer filed a return with the municipal 1556
corporation under section 718.05 of the Revised Code for that 1557
year; 1558

(3) The taxpayer is an individual who resides in the 1559
municipal corporation but was not domiciled there on the first day 1560
of January of the current calendar year. 1561

The tax administrator may waive the requirement for filing a 1562
declaration of estimated taxes for any class of taxpayers after 1563
finding that the waiver is reasonable and proper in view of 1564
administrative costs and other factors. 1565

Sec. 718.09. (A) This section applies to either of the 1566
following: 1567

(1) A municipal corporation that shares the same territory as 1568
a city, local, or exempted village school district, to the extent 1569
that not more than five per cent of the territory of the municipal 1570
corporation is located outside the school district and not more 1571
than five per cent of the territory of the school district is 1572
located outside the municipal corporation; 1573

(2) A municipal corporation that shares the same territory as 1574
a city, local, or exempted village school district, to the extent 1575
that not more than five per cent of the territory of the municipal 1576
corporation is located outside the school district, more than five 1577
per cent but not more than ten per cent of the territory of the 1578
school district is located outside the municipal corporation, and 1579
that portion of the territory of the school district that is 1580
located outside the municipal corporation is located entirely 1581
within another municipal corporation having a population of four 1582
hundred thousand or more according to the federal decennial census 1583
most recently completed before the agreement is entered into under 1584
division (B) of this section. 1585

(B) The legislative authority of a municipal corporation to 1586
which this section applies may propose to the electors an income 1587
tax, one of the purposes of which shall be to provide financial 1588
assistance to the school district through payment to the district 1589
of not less than twenty-five per cent of the revenue generated by 1590
the tax, except that the legislative authority may not propose to 1591
levy the income tax on the incomes of nonresident individuals. 1592

Prior to proposing the tax, the legislative authority shall 1593
negotiate and enter into a written agreement with the board of 1594
education of the school district specifying the tax rate, the 1595
percentage of tax revenue to be paid to the school district, the 1596
purpose for which the school district will use the money, the 1597
first year the tax will be levied, which shall be the first year 1598
after the year in which the levy is approved or any later year, 1599
the date of the special election on the question of the tax, and 1600
the method and schedule by which the municipal corporation will 1601
make payments to the school district. The special election shall 1602
be held on a day specified in division (D) of section 3501.01 of 1603
the Revised Code, except that the special election may not be held 1604
on the day for holding a primary election as authorized by the 1605
municipal corporation's charter unless the municipal corporation 1606
is to have a primary election on that day. 1607

After the legislative authority and board of education have 1608
entered into the agreement, the legislative authority shall 1609
provide for levying the tax by ordinance. The ordinance shall 1610
include the provisions described in division (A) of section 718.04 1611
of the Revised Code and shall state the tax rate, the percentage 1612
of tax revenue to be paid to the school district, the purpose for 1613
which the municipal corporation will use its share of the tax 1614
revenue, the first year the tax will be levied, and that the 1615
question of the income tax will be submitted to the electors of 1616
the municipal corporation. The legislative authority also shall 1617
adopt a resolution specifying the regular or special election date 1618
the election will be held and directing the board of elections to 1619
conduct the election. At least ninety days before the date of the 1620
election, the legislative authority shall file certified copies of 1621
the ordinance and resolution with the board of elections. 1622

(C) The board of elections shall make the necessary 1623
arrangements for the submission of the question to the electors of 1624

the municipal corporation, and shall conduct the election in the same manner as any other municipal income tax election. Notice of the election shall be published in a newspaper of general circulation in the municipal corporation once a week for four consecutive weeks, or as provided in section 7.16 of the Revised Code, prior to the election, and shall include statements of the rate and municipal corporation and school district purposes of the income tax, the percentage of tax revenue that will be paid to the school district, and the first year the tax will be levied. The ballot shall be in the following form:

"Shall the ordinance providing for a per cent levy on income for (brief description of the municipal corporation and school district purposes of the levy, including a statement of the percentage of tax revenue that will be paid to the school district) be passed? The income tax, if approved, will not be levied on the incomes of individuals who do not reside in (the name of the municipal corporation).

| | | |
|--|------------------------|---|
| | For the income tax | |
| | Against the income tax | " |

(D) If the question is approved by a majority of the electors, the municipal corporation shall impose the income tax beginning ~~in~~ on the first day of January of the year specified in the ordinance. The proceeds of the levy may be used only for the specified purposes, including payment of the specified percentage to the school district.

Sec. 718.10. (A) This section applies to a group of two or more municipal corporations that, taken together, share the same territory as a single city, local, or exempted village school district, to the extent that not more than five per cent of the

territory of the municipal corporations as a group is located 1656
outside the school district and not more than five per cent of the 1657
territory of the school district is located outside the municipal 1658
corporations as a group. 1659

(B) The legislative authorities of the municipal corporations 1660
in a group of municipal corporations to which this section applies 1661
each may propose to the electors an income tax, to be levied in 1662
concert with income taxes in the other municipal corporations of 1663
the group, except that a legislative authority may not propose to 1664
levy the income tax on the incomes of individuals who do not 1665
reside in the municipal corporation. One of the purposes of such a 1666
tax shall be to provide financial assistance to the school 1667
district through payment to the district of not less than 1668
twenty-five per cent of the revenue generated by the tax. Prior to 1669
proposing the taxes, the legislative authorities shall negotiate 1670
and enter into a written agreement with each other and with the 1671
board of education of the school district specifying the tax rate, 1672
the percentage of the tax revenue to be paid to the school 1673
district, the first year the tax will be levied, which shall be 1674
the first year after the year in which the levy is approved or any 1675
later year, and the date of the election on the question of the 1676
tax, all of which shall be the same for each municipal 1677
corporation. The agreement also shall state the purpose for which 1678
the school district will use the money, and specify the method and 1679
schedule by which each municipal corporation will make payments to 1680
the school district. The special election shall be held on a day 1681
specified in division (D) of section 3501.01 of the Revised Code, 1682
including a day on which all of the municipal corporations are to 1683
have a primary election. 1684

After the legislative authorities and board of education have 1685
entered into the agreement, each legislative authority shall 1686
provide for levying its tax by ordinance. Each ordinance shall 1687

include the provisions described in division (A) of section 718.04 1688
of the Revised Code and shall state the rate of the tax, the 1689
percentage of tax revenue to be paid to the school district, the 1690
purpose for which the municipal corporation will use its share of 1691
the tax revenue, and the first year the tax will be levied. Each 1692
ordinance also shall state that the question of the income tax 1693
will be submitted to the electors of the municipal corporation on 1694
the same date as the submission of questions of an identical tax 1695
to the electors of each of the other municipal corporations in the 1696
group, and that unless the electors of all of the municipal 1697
corporations in the group approve the tax in their respective 1698
municipal corporations, none of the municipal corporations in the 1699
group shall levy the tax. Each legislative authority also shall 1700
adopt a resolution specifying the regular or special election date 1701
the election will be held and directing the board of elections to 1702
conduct the election. At least ninety days before the date of the 1703
election, each legislative authority shall file certified copies 1704
of the ordinance and resolution with the board of elections. 1705

(C) For each of the municipal corporations, the board of 1706
elections shall make the necessary arrangements for the submission 1707
of the question to the electors, and shall conduct the election in 1708
the same manner as any other municipal income tax election. For 1709
each of the municipal corporations, notice of the election shall 1710
be published in a newspaper of general circulation in the 1711
municipal corporation once a week for four consecutive weeks, or 1712
as provided in section 7.16 of the Revised Code, prior to the 1713
election. The notice shall include a statement of the rate and 1714
municipal corporation and school district purposes of the income 1715
tax, the percentage of tax revenue that will be paid to the school 1716
district, and the first year the tax will be levied, and an 1717
explanation that the tax will not be levied unless an identical 1718
tax is approved by the electors of each of the other municipal 1719
corporations in the group. The ballot shall be in the following 1720

form: 1721

"Shall the ordinance providing for a ... per cent levy on 1722
income for (brief description of the municipal corporation and 1723
school district purposes of the levy, including a statement of the 1724
percentage of income tax revenue that will be paid to the school 1725
district) be passed? The income tax, if approved, will not be 1726
levied on the incomes of individuals who do not reside in (the 1727
name of the municipal corporation). In order for the income tax to 1728
be levied, the voters of (the other municipal corporations in the 1729
group), which are also in the (name of the school district) school 1730
district, must approve an identical income tax and agree to pay 1731
the same percentage of the tax revenue to the school district. 1732

| | |
|--|------------------------|
| | For the income tax |
| | Against the income tax |

"

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(D) If the question is approved by a majority of the electors 1737
and identical taxes are approved by a majority of the electors in 1738
each of the other municipal corporations in the group, the 1739
municipal corporation shall impose the tax beginning ~~in~~ on the 1740
first day of January of the year specified in the ordinance. The 1741
proceeds of the levy may be used only for the specified purposes, 1742
including payment of the specified percentage to the school 1743
district. 1744

Sec. 718.11. (A)(1) The legislative authority of each 1745
municipal corporation that imposes a tax on income in accordance 1746
with this chapter shall maintain a local board of tax review to 1747
hear appeals as provided in this section. The legislative 1748
authority of any municipal corporation that does not impose a tax 1749
on income on ~~the effective date of this amendment~~ June 26, 2003, 1750
but that imposes such a tax after that date, shall establish such 1751

a board by ordinance not later than one hundred eighty days after 1752
the tax takes effect. 1753

(2) The local board of tax review shall consist of three 1754
members. Two members shall be appointed by the legislative 1755
authority of the municipal corporation, but such appointees may 1756
not be employees, elected officials, or contractors with the 1757
municipal corporation at any time during their term or in the five 1758
years immediately preceding the date of appointment. One member 1759
shall be appointed by the top administrative official of the 1760
municipal corporation. This member shall be an employee of the 1761
municipal corporation, but may not be the director of finance or 1762
equivalent officer, or employee, tax administrator, or other 1763
similar official directly involved in municipal tax matters, or 1764
any direct subordinate thereof. 1765

(3) The term for members of the local board of tax review 1766
appointed by the legislative authority of the municipal 1767
corporation shall be two years. No such member shall serve more 1768
than three consecutive terms. The board member appointed by the 1769
top administrative official of the municipal corporation shall 1770
serve at the discretion of the administrative official. 1771

(4) Members of the board of tax review appointed by the 1772
legislative authority may be removed by the legislative authority 1773
by majority vote for malfeasance, misfeasance, or nonfeasance in 1774
office. To remove such a member, the legislative authority must 1775
give the member a copy of the charges against the member and 1776
afford the member an opportunity to be publicly heard in person or 1777
by counsel in the member's own defense upon not less than ten 1778
days' notice. If the member is removed, the legislative authority 1779
shall file in the office of the secretary of state a complete 1780
statement of all charges made against the member and the finding 1781
on the charges together with a complete report of the proceedings. 1782
The decision by the legislative authority on the charges is final. 1783

(5) A member of the board who, for any reason, ceases to meet 1784
the qualifications for the position prescribed by this section 1785
shall resign immediately by operation of law. 1786

(6) A vacancy in an unexpired term shall be filled in the 1787
same manner as the original appointment within sixty days of when 1788
the vacancy was created. Any member appointed to fill a vacancy 1789
occurring prior to the expiration of the term for which the 1790
member's predecessor was appointed shall hold office for the 1791
remainder of such term. No vacancy on the board shall impair the 1792
power and authority of the remaining members to exercise all the 1793
powers of the board. 1794

(B) Whenever a tax administrator issues a an assessment or 1795
decision regarding a municipal income tax obligation that is 1796
subject to appeal as provided in this section ~~or in an ordinance~~ 1797
~~or regulation of the municipal corporation,~~ the tax administrator 1798
shall notify the taxpayer in writing at the same time of the 1799
taxpayer's right to appeal the assessment or decision and of the 1800
manner in which the taxpayer may appeal the assessment or 1801
decision. 1802

(C) Any person who has been issued an assessment or is 1803
aggrieved by a decision by the tax administrator and who has filed 1804
with the municipal corporation the required returns or other 1805
documents pertaining to the municipal income tax obligation at 1806
issue in the assessment or decision may appeal the decision to the 1807
board created pursuant to this section by filing a request with 1808
the board. The request shall be in writing, shall state why the 1809
decision should be deemed incorrect or unlawful, and shall be 1810
filed within ~~thirty~~ sixty days after the ~~tax administrator issues~~ 1811
taxpayer receives the assessment or decision ~~complained of.~~ 1812

(D) The local board of tax review shall schedule a hearing 1813
within forty-five days after receiving ~~the~~ a request under 1814
division (C) of this section, unless the taxpayer requests 1815

additional time to prepare or waives a hearing. If the taxpayer 1816
does not waive the hearing, the taxpayer may appear before the 1817
board and may be represented by an attorney at law, certified 1818
public accountant, or other representative. The board may allow a 1819
hearing to be continued as jointly agreed to by the parties, but 1820
the hearing must be completed within one hundred twenty days after 1821
the first day of the hearing. 1822

(E) The board may affirm, reverse, or modify the tax 1823
administrator's assessment or decision or any part of that 1824
assessment or decision. The board shall issue a final ~~decision~~ 1825
determination on the appeal within ninety days after the board's 1826
final hearing on the appeal, and send a copy of its final ~~decision~~ 1827
determination by ordinary mail to all of the parties to the appeal 1828
within fifteen days after issuing the ~~decision~~ final 1829
determination. The taxpayer or the tax administrator may appeal 1830
the board's ~~decision~~ final determination as provided in section 1831
5717.011 of the Revised Code. 1832

~~Each~~ (F) The local board of ~~appeal~~ tax review created 1833
pursuant to this section shall adopt rules governing its 1834
procedures and shall keep a record of its transactions. Such 1835
records are not public records available for inspection under 1836
section 149.43 of the Revised Code. Hearings requested by a 1837
taxpayer before a local board of ~~appeal~~ tax review created 1838
pursuant to this section are not meetings of a public body subject 1839
to section 121.22 of the Revised Code. 1840

(G) The tax administrator of a municipal corporation that 1841
imposes a tax on income in accordance with this chapter shall post 1842
the rules of the local board of tax review, the names of the board 1843
members, and the address to which appeals and other correspondence 1844
may be sent on the web site of the tax administrator and the web 1845
site of the tax commissioner. Any tax administrator that fails to 1846
comply with this division shall not be permitted to impose 1847

penalties or interest under section 718.27 of the Revised Code on 1848
any taxpayer until compliance is attained. 1849

Sec. 718.12. (A)(1) If an employer, agent of an employer, or 1850
other payer collects a tax levied in accordance with this chapter 1851
and fails to remit the tax as required by law, or fails to collect 1852
the tax, the employer, agent of the employer, or other payer is 1853
personally liable for any amount collected and not remitted, or 1854
any amount not collected. If any taxpayer fails to file a return 1855
or fails to pay a tax levied in accordance with this chapter, the 1856
taxpayer is personally liable for the amount of the tax. 1857

(2) If a taxpayer, employer, agent of an employer, or other 1858
payer required to file a return as required by this chapter fails 1859
to file the return within the time prescribed, files an incorrect 1860
return, fails to remit the full amount of the taxes due for the 1861
period covered by the return, or fails to remit any additional tax 1862
due together with interest on the additional tax within the 1863
prescribed time, the tax administrator of such municipal 1864
corporation may issue an assessment against any person liable for 1865
any deficiency for the period for which the return is or taxes are 1866
due, based upon any information in such tax administrator's 1867
possession. 1868

(3) An assessment issued against the taxpayer or against the 1869
employer, agent of the employer, or other payer pursuant to this 1870
section shall not be considered an election of remedies or a bar 1871
to an assessment against the other for failure to report or pay 1872
the same tax. No assessment shall be issued against any person if 1873
the tax has been paid by another. An assessment that has been paid 1874
by another shall be canceled. 1875

(4) The tax administrator of a municipal corporation shall 1876
give the party assessed, whether pursuant to this section or 1877
division (B) of section 718.02 of the Revised Code, written notice 1878

of the assessment in the manner provided in section 718.18 of the 1879
Revised Code. With the notice, the tax administrator shall provide 1880
instructions on how to petition for reassessment and request a 1881
hearing on the petition. 1882

(B) Except as provided in this division, no assessment shall 1883
be issued against a taxpayer, employer, agent of an employer, or 1884
other payer more than three years after the final date the return 1885
subject to the assessment was required to be filed or the date the 1886
return was filed, whichever is later. 1887

Subject to division (C) of this section, the tax 1888
administrator may assess any balance due as the result of a 1889
reduction in the credit described in division (G) of section 1890
718.04 of the Revised Code, including applicable penalty and 1891
interest, within three years of the date on which the taxpayer 1892
reports a change in either the portion of the taxpayer's income 1893
subjected to a tax levied in accordance with this chapter or the 1894
amount of tax paid to a municipal corporation pursuant to a tax 1895
levied in accordance with this chapter. 1896

Subject to division (C) of this section, the time limits 1897
prescribed by this division may be extended if both the taxpayer, 1898
employer, agent of the employer, or other payer and the tax 1899
administrator consent in writing to the extension. Any such 1900
extension shall also extend the three-year time limit in division 1901
(B) of section 718.19 of the Revised Code for the same period of 1902
time. 1903

This division does not apply to an assessment against an 1904
employer, agent of an employer, or other payer for taxes withheld 1905
and not remitted to the municipal corporation, against a taxpayer, 1906
employer, agent of an employer, or other payer that fails to file 1907
a return subject to assessment as required by this chapter, or 1908
against a taxpayer, employer, agent of an employer, or other payer 1909
that files a fraudulent return. 1910

(C)(1) Except as provided in division (C)(2) of this section, 1911
the tax administrator shall not issue an assessment for any tax 1912
payable to the municipal corporation that is administered by the 1913
tax administrator, or for any penalty, interest, or additional 1914
charge on such tax, after the expiration of ten years, including 1915
any extension, from the date the tax return or report was due when 1916
such amount was not reported and paid, provided that the ten-year 1917
period shall be extended by the period of any lawful stay to the 1918
assessment. 1919

(2) There is no bar or limit to an assessment against any 1920
person who fraudulently attempts to avoid a tax imposed in 1921
accordance with this chapter. 1922

(D) With or before the issuance of an assessment, the tax 1923
administrator shall provide all of the following to the taxpayer, 1924
employer, agent of the employer, or other payer: 1925

(1) A written description of the basis for the assessment and 1926
any penalty required to be imposed with the assessment; 1927

(2) A written description of the right to appeal the 1928
assessment and an explanation of the steps required to make such 1929
an appeal; 1930

(3) A written description of the collection remedies 1931
available to the tax administrator, including a statement that if 1932
the taxpayer, employer, agent of the employer, or other payer 1933
fails to pay an assessment within sixty days after service of the 1934
notice of assessment, the tax administrator will certify the 1935
amount for collection, and a summary of the provisions contained 1936
in this chapter that relate to the right to appeal the assessment; 1937

(4) A written description of the steps required to perfect an 1938
appeal to the municipal corporation's local board of tax review, 1939
including the address at which such appeals may be filed. 1940

The failure of the tax administrator to comply with this 1941

division shall neither excuse a taxpayer from payment of any taxes 1942
owed by the taxpayer nor cure any procedural defect in a 1943
taxpayer's case. If the tax administrator fails to substantially 1944
comply with the provisions of this division, the tax 1945
administrator, upon application by the taxpayer, shall excuse the 1946
taxpayer from penalties and interest arising from the assessment. 1947

(E) An assessment becomes final, with the amount being due 1948
and payable to the municipal corporation, unless the party 1949
assessed files a written petition for reassessment with the tax 1950
administrator within sixty days after service of the notice of 1951
assessment. The petition for reassessment must be signed by the 1952
party assessed or the party's authorized agent having knowledge of 1953
the facts and must be delivered to the tax administrator either 1954
personally or by certified mail. 1955

The tax administrator shall indicate on the assessment how 1956
the party can make remittance. The petition shall indicate the 1957
objections of the party assessed, but additional objections may be 1958
raised in writing if received by the tax administrator before the 1959
date shown on the final determination. If the petition has been 1960
properly filed, the local board of tax review, tax administrator, 1961
and taxpayer shall proceed under section 718.11 of the Revised 1962
Code. 1963

(F) After an assessment becomes final, if any portion of the 1964
assessment remains unpaid, including accrued interest, a certified 1965
copy of the tax administrator's entry making the assessment final 1966
may be filed in the office of the clerk of court of common pleas 1967
in the county in which the employer's or taxpayer's place of 1968
business is located or the county in which the party assessed 1969
resides. If the party assessed is not a resident of this state, 1970
the certified copy of the entry may be filed in the office of the 1971
clerk of court of common pleas of Franklin county. 1972

Immediately upon the filing of the entry, the clerk shall 1973

enter a judgment against the party assessed in the amount shown on 1974
the entry. The judgment shall be filed by the clerk in a 1975
loose-leaf book entitled "special judgments for municipal 1976
corporation income taxes." The judgment shall have the same effect 1977
as other judgments. Execution shall issue upon the judgment upon 1978
the request of the tax administrator, and all laws applicable to 1979
sales on execution shall apply to sales made under the judgment. 1980

The portion of the assessment not paid within sixty days 1981
after the assessment was issued shall bear interest at the rate 1982
per annum prescribed by section 5703.47 of the Revised Code from 1983
the day the tax administrator issues the assessment until it is 1984
paid. Interest shall be paid in the same manner as the tax and may 1985
be collected by the issuance of an assessment under this section. 1986

(G) If the party assessed files a petition for reassessment 1987
under division (E) of this section, the person, on or before the 1988
last day the petition may be filed, shall pay the assessed amount, 1989
including assessed interest and assessed penalties, if any of the 1990
following conditions exists: 1991

(1) The person files a tax return reporting municipal taxable 1992
income in an amount less than one cent and the reported amount is 1993
not based on the computations required under this chapter; 1994

(2) The person files a tax return that the tax administrator 1995
determines to be incomplete, false, fraudulent, or frivolous; 1996

(3) The person fails to file a tax return, and the basis for 1997
this failure is not either of the following: 1998

(a) An assertion that the person has no nexus with the 1999
municipal corporation; 2000

(b) The computations required under this chapter or the 2001
application of credits allowed in accordance with this chapter 2002
have the result that the person's tax liability is less than one 2003
dollar and one cent. 2004

(H)(1) Notwithstanding the fact that a petition for reassessment is pending, the petitioner may pay all or a portion of the assessment that is the subject of the petition. The acceptance of a payment by the municipal corporation does not prejudice any claim for refund upon final determination of the petition. 2005
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(2) If upon final determination of the petition an error in the assessment is corrected by the tax administrator, upon petition so filed or pursuant to a decision of the local board of tax review created under section 718.11 of the Revised Code, of the Ohio board of tax appeals, or any court to which the decision of the Ohio board of tax appeals has been appealed, so that the amount due from the party assessed under the corrected assessment is less than the amount paid, there shall be issued to the petitioner or to the petitioner's assigns or legal representative a refund in the amount of the overpayment as provided by section 718.19 of the Revised Code, with interest on that amount as provided by that section. 2011
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Sec. 718.121. (A) Except as provided in division (B) of this section, if tax or withholding is paid to a municipal corporation on income or wages, and if a second municipal corporation imposes or assesses a tax on that income or wages after the time period allowed for a refund of the tax or withholding paid to the first municipal corporation, the second municipal corporation shall allow a nonrefundable credit, against the tax or withholding the second municipality claims is due with respect to such income or wages, equal to the tax or withholding paid to the first municipal corporation with respect to such income or wages. 2023
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(B) If the tax rate in the second municipal corporation is less than the tax rate in the first municipal corporation, then the credit described in division (A) of this section shall be 2033
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calculated using the tax rate in effect in the second municipal corporation. 2036
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(C) Nothing in this section permits any credit carryforward. 2038

Sec. 718.13. (A) Any information gained as a result of 2039
returns, investigations, hearings, or verifications required or 2040
authorized by this chapter or by a charter or ordinance of a 2041
municipal corporation levying an income tax pursuant to this 2042
chapter is confidential, and no person shall access or disclose 2043
such information except in accordance with a proper judicial order 2044
or in connection with the performance of that person's official 2045
duties or the official business of the municipal corporation as 2046
authorized by this chapter or the charter or ordinance authorizing 2047
the levy. The tax administrator of the municipal corporation or a 2048
designee thereof may furnish copies of returns filed or otherwise 2049
received under this chapter and other related tax information to 2050
the internal revenue service ~~and to~~, the tax commissioner, and tax 2051
administrators of other municipal corporations. 2052

(B) This section does not prohibit ~~the legislative authority~~ 2053
~~of a municipal corporation, by ordinance or resolution,~~ from 2054
~~authorizing the tax administrator to publish~~ publishing or 2055
disclosing statistics in a form that does not disclose information 2056
with respect to particular taxpayers. 2057

(C)(1) By the fifteenth day of June of each calendar year, 2058
the tax administrator of each municipal corporation shall report 2059
to the municipal tax policy board and the auditor of state the 2060
amount of income tax revenue collected by the municipal 2061
corporation on income and net profits during the preceding 2062
calendar year. The tax commissioner shall include a summary of all 2063
such reports in the annual report issued under section 5703.42 of 2064
the Revised Code. 2065

(2) If the tax administrator of a municipal corporation fails 2066

to timely comply with division (C)(1) of this section, the 2067
municipal corporation may not impose any penalty described in 2068
section 718.27 of the Revised Code for any taxable year ending in 2069
the calendar year in which the report was due or any date 2070
thereafter that precedes the date the tax administrator reports 2071
the information. 2072

(3) The municipal tax policy board shall maintain a list of 2073
every municipal corporation that is ineligible to impose penalties 2074
under division (C)(2) of this section and the time period during 2075
which the ineligibility applies. The list shall be posted on the 2076
web site of the department of taxation within thirty days of the 2077
deadline prescribed in division (C)(1) of this section and shall 2078
be updated at least annually. 2079

Sec. 718.18. (A)(1) Except as provided in division (B) of 2080
this section, whenever service of a notice or order is required in 2081
the manner provided in this section, a copy of the notice or order 2082
shall be served upon the person affected thereby either by 2083
personal service, by certified mail, or by a delivery service 2084
authorized by the tax commissioner under section 5703.056 of the 2085
Revised Code. 2086

(2) With the permission of the person affected by a notice or 2087
order, a tax administrator may deliver the notice or order through 2088
alternative means as provided in this section, including, but not 2089
limited to, delivery by secure electronic mail. Delivery by such 2090
means satisfies the requirements for delivery under this section. 2091

(B)(1)(a) If certified mail is returned because of an 2092
undeliverable address, a tax administrator shall first utilize 2093
reasonable means to ascertain a new last known address, including 2094
the use of a change of address service offered by the postal 2095
service or an authorized delivery service under section 5703.056 2096
of the Revised Code. If, after using reasonable means, the tax 2097

administrator is unable to ascertain a new last known address, the 2098
assessment is final for purposes of seeking a judgment for 2099
collection sixty days after the notice or order sent by certified 2100
mail is first returned to the tax administrator, and the tax 2101
administrator shall certify the notice or order, if applicable, to 2102
the appropriate municipal corporation official for collection. 2103

(b) Notwithstanding certification for collection under 2104
division (B)(1)(a) of this section, once the tax administrator or 2105
other municipal official, or the designee of either, makes an 2106
initial contact with the person to whom the notice or order is 2107
directed, the person may protest an assessment by filing a 2108
petition for reassessment with the local board of tax review 2109
within sixty days after the initial contact. The certification of 2110
an assessment under division (B)(1)(a) of this section is 2111
prima-facie evidence that delivery is complete and that the notice 2112
or order is served. 2113

(2) If mailing of a notice or order by certified mail is 2114
returned for some cause other than an undeliverable address, the 2115
tax administrator shall resend the notice or order by ordinary 2116
mail. The notice or order shall show the date the tax 2117
administrator sends the notice or order and include the following 2118
statement: 2119

"This notice or order is deemed to be served on the addressee 2120
under applicable law ten days from the date this notice or order 2121
was mailed by the tax administrator as shown on the notice or 2122
order, and all periods within which an appeal may be filed apply 2123
from and after that date." 2124

Unless the mailing is returned because of an undeliverable 2125
address, the mailing of that information is prima-facie evidence 2126
that delivery of the notice or order was completed ten days after 2127
the tax administrator sent the notice or order by ordinary mail 2128
and that the notice or order was served. 2129

If the ordinary mail is subsequently returned because of an undeliverable address, the tax administrator shall proceed under division (B)(1)(a) of this section. A person may challenge the presumption of delivery and service under this division in accordance with division (C) of this section. 2130
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(C)(1) A person disputing the presumption of delivery and service under division (B) of this section bears the burden of proving by a preponderance of the evidence that the address to which the notice or order was sent was not an address with which the person was associated at the time the tax administrator originally mailed the notice or order by certified mail. For the purposes of this section, a person is associated with an address at the time the tax administrator originally mailed the notice or order if, at that time, the person was residing, receiving legal documents, or conducting business at the address; or if, before that time, the person had conducted business at the address and, when the notice or order was mailed, the person's agent or the person's affiliate was conducting business at the address. For the purposes of this section, a person's affiliate is any other person that, at the time the notice or order was mailed, owned or controlled at least twenty per cent, as determined by voting rights, of the addressee's business. 2135
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(2) If the person elects to protest an assessment certified to a municipal corporation official for collection, the person must do so within sixty days after the initial contact by the official, or the official's designee, with the person. The official may enter into a compromise with the person if the person does not file a petition for reassessment with the tax administrator. 2152
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(D) Nothing in this section prohibits the tax administrator or the tax administrator's designee from delivering a notice or order by personal service. 2159
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(E) Collection actions taken upon any assessment being 2162
challenged under division (B)(1)(b) of this section shall be 2163
stayed upon the pendency of an appeal under this section. If a 2164
petition for reassessment is filed pursuant to this section on a 2165
claim that has been certified for collection, the claim shall be 2166
uncertified. 2167

(F) As used in this section: 2168

(1) "Last known address" means the address the tax 2169
administrator has at the time the document is originally sent by 2170
certified mail, or any address the tax administrator can ascertain 2171
using reasonable means such as the use of a change of address 2172
service offered by the postal service or an authorized delivery 2173
service under section 5703.056 of the Revised Code. 2174

(2) "Undeliverable address" means an address to which the 2175
postal service or an authorized delivery service under section 2176
5703.056 of the Revised Code is not able to deliver a notice or 2177
order, except when the reason for nondelivery is because the 2178
addressee fails to acknowledge or accept the notice or order. 2179

(3) "Notice or order" includes a decision, assessment, or 2180
final determination by a tax administrator. 2181

Sec. 718.19. (A) The tax administrator of a municipal 2182
corporation shall refund to employers, other payers, or taxpayers, 2183
with respect to any income or withholding tax levied by the 2184
municipal corporation: 2185

(1) Overpayments of more than five dollars; 2186

(2) Amounts in excess of five dollars paid illegally or 2187
erroneously; 2188

(3) Amounts in excess of five dollars paid on an illegal, 2189
erroneous, or excessive assessment. 2190

(B) Except as otherwise provided in this chapter, 2191

applications for refund shall be filed with the tax administrator, 2192
on the form prescribed by the municipal tax policy board, within 2193
three years from the date of the illegal, erroneous, or excessive 2194
payment of the tax, or within any additional period allowed by 2195
section 718.12 or 718.41 of the Revised Code. 2196

On filing of the refund application, the tax administrator 2197
shall determine the amount of refund due and certify such amount 2198
to the appropriate municipal corporation official for payment. 2199

(C)(1) Interest shall be allowed and paid upon any illegal or 2200
erroneous assessment in excess of five dollars at the rate per 2201
annum prescribed by section 5703.47 of the Revised Code from the 2202
date of the payment of the illegal or erroneous assessment until 2203
the date the refund of such amount is paid. If such refund results 2204
from the filing of a return or report, or the payment accompanying 2205
such return or report, by an employer, other payer, or taxpayer, 2206
rather than from an assessment by the tax administrator, such 2207
interest shall run from a period ninety days after the final 2208
filing date of the annual return until the date the refund is 2209
paid. 2210

(2) Interest shall be allowed and paid at the rate per annum 2211
prescribed by section 5703.47 of the Revised Code upon any 2212
overpayment not described in division (C)(1) of this section and 2213
in excess of five dollars from the date of the overpayment until 2214
the date of the refund of the overpayment, except that if any such 2215
overpayment is refunded within ninety days after the final filing 2216
date of the annual return or ninety days after the return is 2217
filed, whichever is later, no interest shall be allowed on such 2218
overpayment. For purposes of the payment of interest on such 2219
overpayments, no amount of tax, for any taxable year, shall be 2220
treated as having been paid before the date on which the tax 2221
return for that year was due without regard to any extension of 2222
time for filing such return. 2223

(D) An application for a refund that is received after the last day for filing specified in division (B) of this section shall be considered to have been filed in a timely manner if any of the following situations exist: 2224
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(1) The application is delivered by the postal service, and the earliest postal service postmark on the cover in which the application is enclosed is not later than the last day for filing the application. 2228
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(2) The application is delivered by the postal service, the only postmark on the cover in which the application is enclosed was affixed by a private postal meter, the date of that postmark is not later than the last day for filing the application, and the application is received within seven days of such last day. 2232
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(3) The application is delivered by the postal service, no postmark date was affixed to the cover in which the application is enclosed or the date of the postmark so affixed is not legible, and the application is received within seven days of the last day for making the application. 2237
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(E) On filing of a refund application, if a tax administrator determines that the amount of the refund to which the applicant is entitled is less than the amount claimed in the application, the tax administrator shall give the applicant written notice of the discrepancy in the manner provided in section 718.18 of the Revised Code. The notice shall be treated as an assessment for purposes of any appeal authorized under this chapter. The notice shall be sent to the address shown on the application unless the applicant notifies the tax administrator of a different address. The notice shall include the following statement printed in bold-faced capital letters: "THIS DENIAL OF FULL REFUND MAY BE APPEALED. SEE SEPARATE SHEET REGARDING YOUR APPEAL RIGHTS." The notice shall contain a separate sheet of paper providing detailed instructions on the procedures for filing an appeal. The applicant 2242
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shall have sixty days from the date the applicant receives the 2256
notice to file an appeal with the local board of tax review. If 2257
the applicant fails to file an appeal within the sixty-day period, 2258
the tax administrator shall take no further action and the denial 2259
of the refund, or of any portion of the refund, becomes final. 2260

(F) As used in this section, "employer" includes an agent of 2261
an employer. 2262

Sec. 718.20. If the tax administrator of a municipal 2263
corporation finds that an employer, other payer, or taxpayer 2264
liable for any income or withholding tax levied by the municipal 2265
corporation is about to depart from the state, to remove the 2266
employer's, other payer's, or taxpayer's property therefrom, to 2267
conceal the employer's, other payer's, or taxpayer's self or the 2268
employer's, other payer's, or taxpayer's property, or to do any 2269
other act tending to prejudice or render wholly or partly 2270
ineffectual proceedings to collect such tax, unless such 2271
proceedings are brought without delay, or if the tax administrator 2272
believes that the collection of the amount due from any employer, 2273
other payer, or taxpayer will be jeopardized by delay, the tax 2274
administrator shall give notice of such findings to such employer, 2275
other payer, or taxpayer, together with the demand for an 2276
immediate return and immediate payment of such tax, with an 2277
assessment and penalty, if applicable as provided in section 2278
718.12 of the Revised Code, whereupon such tax shall become 2279
immediately due and payable. In such cases, the tax administrator 2280
may immediately file the tax administrator's entry with the clerk 2281
of the court of common pleas in the same manner and with the same 2282
effect as provided in section 718.12 of the Revised Code, provided 2283
that if such employer, other payer, or taxpayer, within five days 2284
from notice of the assessment, furnishes evidence satisfactory to 2285
the tax administrator that the employer, other payer, or taxpayer 2286
is not in default in making returns or paying or collecting any 2287

municipal income or withholding tax or that the employer, other 2288
payer, or taxpayer will duly return and pay, or post bond 2289
satisfactory to the tax administrator conditioned upon payment of 2290
the tax finally determined to be due, such tax shall not be 2291
payable prior to the time and manner otherwise fixed for payment 2292
under section 718.12 of the Revised Code, and the person assessed 2293
shall be restored to the rights granted the person under such 2294
section. Upon satisfaction of the assessment the tax administrator 2295
shall order the bond canceled, securities released, and judgment 2296
vacated. 2297

As used in this section, "employer" includes an agent of an 2298
employer. 2299

Sec. 718.21. (A) Any nonresident of a municipal corporation 2300
who accepts the privileges extended by the laws of this state or 2301
of the municipal corporation to nonresidents earning or receiving 2302
income in such municipal corporation, and any resident of a 2303
municipal corporation who becomes a nonresident or conceals the 2304
person's whereabouts, thereby makes the secretary of state the 2305
person's agent for the service of process or notice in any 2306
assessment, action, or proceedings instituted against such person 2307
under this chapter, such process or notice shall be served as 2308
provided under section 718.18 of the Revised Code. 2309

(B) For purposes of this chapter, any foreign corporation, 2310
owning or using a part or all of its capital or property in a 2311
municipal corporation, which is not authorized by the secretary of 2312
state to transact business in this state, shall be conclusively 2313
presumed to have designated the secretary of state as its agent 2314
for the service of process in any action against such corporation 2315
to recover taxes which the tax administrator for such municipal 2316
corporation is by law required to administer. Pursuant to such 2317
service, suit may be brought in municipal court, the common pleas 2318

court of the county in which the municipal corporation is located, 2319
or in any county in which such corporation owns or uses its 2320
capital or property. Such service shall be made upon the secretary 2321
of state by leaving with the secretary of state, or with an 2322
assistant secretary of state, triplicate copies of such process, 2323
together with an affidavit of the tax administrator, showing the 2324
last known address of such corporation. Upon receipt of such 2325
process and affidavit the secretary of state shall forthwith give 2326
notice by certified mail to the corporation at the address 2327
specified in the affidavit and forward together therewith a copy 2328
of such process. The secretary of state shall retain a copy of 2329
such process in the secretary of state's files, keep a record of 2330
any such process served upon the secretary of state, and record 2331
therein the time of such service and the secretary of state's 2332
action thereafter with respect thereto. 2333

The provisions of this section do not affect any right to 2334
serve process upon a foreign corporation in any other manner 2335
permitted by law. 2336

Sec. 718.22. (A) The municipal tax policy board may, by rule, 2337
prescribe uniform requirements as to the keeping of records and 2338
other pertinent documents related to the liability of any person 2339
for a tax imposed by a municipal corporation in accordance with 2340
this chapter, and as to the filing of copies of federal income tax 2341
returns and determinations. Such records and other documents shall 2342
be open to the tax administrator's inspection during business 2343
hours and shall be preserved for a period of six years following 2344
the end of the taxable year to which the records or documents 2345
relate, unless the tax administrator, in writing, consents to 2346
their destruction within that period, or by order requires that 2347
they be kept longer. 2348

(B) In addition to any requirements prescribed pursuant to 2349

division (A) of this section, the tax administrator of a municipal 2350
corporation may require any person, by notice served on that 2351
person, to keep such records as the tax administrator determines 2352
necessary to show whether or not that person is liable, and the 2353
extent of such liability, for the income tax levied by the 2354
municipal corporation or for the withholding of such tax. 2355

Sec. 718.23. The tax administrator of a municipal corporation 2356
may require, by order or subpoena served on any company, firm, 2357
corporation, person, association, partnership, limited liability 2358
company, or public utility in the same manner that a summons is 2359
served in a civil action in the court of common pleas, the 2360
production within the municipal corporation, at the time and place 2361
the tax administrator designates, of any books, accounts, papers, 2362
or records kept by that company, firm, corporation, person, 2363
association, partnership, limited liability company, or public 2364
utility in any office or place within or without the state, or 2365
verified copies in lieu of the books, accounts, papers, or records 2366
if the tax administrator so orders, so that an examination of the 2367
books, accounts, papers, or records may be made by the tax 2368
administrator. 2369

No such company, firm, corporation, person, association, 2370
partnership, limited liability company, or public utility shall 2371
fail to comply with any order or subpoena issued pursuant to this 2372
section; for each day it so fails, it shall pay to the municipal 2373
corporation a sum of not less than fifty nor more than five 2374
hundred dollars. 2375

Sec. 718.24. Nothing in this chapter shall limit the 2376
authority of a tax administrator to perform any of the following 2377
duties or functions, unless the performance of such duties or 2378
functions is expressly limited by a provision of the Revised Code: 2379

(A) Exercise all powers whatsoever of an inquisitorial nature 2380
as provided by law, including, the right to inspect books, 2381
accounts, records, and memorandums, to examine persons under oath, 2382
to issue orders or subpoenas for the production of books, 2383
accounts, papers, records, documents, and testimony, to take 2384
depositions, to apply to a court for attachment proceedings as for 2385
contempt, to approve vouchers for the fees of officers and 2386
witnesses, and to administer oaths; provided that the powers 2387
referred to in this division of this section shall be exercised by 2388
the tax administrator only in connection with the performance of 2389
the duties respectively assigned to the tax administrator under a 2390
municipal corporation income tax ordinance or resolution adopted 2391
in accordance with this chapter; 2392

(B) Appoint agents and prescribe their powers and duties; 2393

(C) Confer and meet with officers of other municipal 2394
corporations and states and officers of the United States on any 2395
matters pertaining to their respective official duties as provided 2396
by law; 2397

(D) Exercise the authority provided by law, including orders 2398
from bankruptcy courts, relative to remitting or refunding taxes 2399
or assessments, including penalties and interest thereon, 2400
illegally or erroneously assessed or collected, or for any other 2401
reason overpaid, and, in addition, the tax administrator may 2402
investigate any claim of overpayment and make a written statement 2403
of the tax administrator's findings, and, if the tax administrator 2404
finds that there has been an overpayment, approve and issue a 2405
refund payable to the taxpayer, the taxpayer's assigns, or legal 2406
representative as provided in this chapter; 2407

(E) Exercise the authority provided by law relative to 2408
consenting to the compromise and settlement of tax claims; 2409

(F) Exercise the authority provided by law relative to the 2410

use of alternative apportionment methods by taxpayers in 2411
accordance with section 718.02 of the Revised Code; 2412

(G) Make all tax assessments, findings, determinations, 2413
computations, and orders the tax administrator is by law 2414
authorized and required to make and, pursuant to time limitations 2415
provided by law, on the tax administrator's own motion, review, 2416
redetermine, or correct any tax assessments, findings, 2417
determinations, computations, or orders the tax administrator has 2418
made, but the tax administrator shall not review, redetermine, or 2419
correct any tax assessment, finding, determination, computation, 2420
or order which the tax administrator has made as to which an 2421
appeal or application for rehearing, review, redetermination, or 2422
correction has been filed with the local board of tax review or 2423
other appropriate tribunal, unless such appeal or application is 2424
withdrawn by the appellant or applicant, is dismissed, or is 2425
otherwise final; 2426

(H) Allow the filing of tax returns and payments by 2427
electronic means or through the Ohio business gateway; 2428

(I) Destroy any or all returns or assessment certificates in 2429
the manner authorized by law; 2430

(J) Enter into an agreement with a taxpayer to simplify the 2431
withholding obligations described in section 718.03 of the Revised 2432
Code. 2433

Sec. 718.25. A person may round to the nearest whole dollar 2434
all amounts the person is required to enter on any return, report, 2435
voucher, or other document required under this chapter. Any 2436
fractional part of a dollar that equals or exceeds fifty cents 2437
shall be rounded to the next whole dollar, and any fractional part 2438
of a dollar that is less than fifty cents shall be dropped. If a 2439
person chooses to round amounts entered on a document, the person 2440
shall round all amounts entered on the document. 2441

Sec. 718.26. (A) Nothing in this chapter prohibits a tax administrator from requiring any person filing a tax document with the tax administrator to provide identifying information, which may include the person's social security number, federal employer identification number, or other identification number requested by the tax administrator. A person required by the tax administrator to provide identifying information that has experienced any change with respect to that information shall notify the tax administrator of the change before, or upon, filing the next tax document requiring the identifying information.

(B) When transmitting or otherwise making use of a tax document that contains a person's social security number, the tax administrator shall take all reasonable measures necessary to ensure that the number is not capable of being viewed by the general public, including, when necessary, masking the number so that it is not readily discernible by the general public. The tax administrator shall not put a person's social security number on the outside of any material mailed to the person.

(C)(1) If the tax administrator makes a request for identifying information and the tax administrator does not receive valid identifying information within thirty days of making the request, nothing in this chapter prohibits the tax administrator from imposing a penalty upon the person to whom the request was directed pursuant to section 718.27 of the Revised Code, in addition to any applicable penalty described in section 718.99 of the Revised Code.

(2) If a person required by the tax administrator to provide identifying information does not notify the tax administrator of a change with respect to that information as required under division (A) of this section within thirty days after filing the next tax document requiring such identifying information, nothing in this

chapter prohibits the tax administrator from imposing a penalty 2473
pursuant to section 718.27 of the Revised Code. 2474

(3) The penalties provided for under divisions (C)(1) and (2) 2475
of this section may be billed and assessed in the same manner as 2476
the tax or fee with respect to which the identifying information 2477
is sought and are in addition to any applicable criminal penalties 2478
described in section 718.99 of the Revised Code for a violation of 2479
section 718.36 of the Revised Code and any other penalties that 2480
may be imposed by the tax administrator by law. 2481

Sec. 718.27. (A) For purposes of this section: 2482

(1) "Applicable law" means this chapter, sections 5747.063 2483
and 5747.064 of the Revised Code, the resolutions, ordinances, and 2484
rules adopted by a municipal corporation or tax administrator in 2485
accordance with section 718.04 or 718.30 of the Revised Code, and 2486
the rules adopted by the municipal tax policy board that apply to 2487
taxable years ending on or after January 1, 2014, provided such 2488
resolutions, ordinances, and rules impose or directly or 2489
indirectly address the levy, payment, remittance, or filing 2490
requirements of a municipal income tax. 2491

(2) "Income tax," "estimated income tax," and "withholding 2492
tax" means any income tax, estimated income tax, and withholding 2493
tax imposed by a municipal corporation pursuant to applicable law. 2494

(3) A "return" includes any tax return, report, 2495
reconciliation, schedule, statement, and other document required 2496
to be filed with a tax administrator or municipal corporation by a 2497
taxpayer, employer, any agent of the employer, or any other payer 2498
pursuant to applicable law. 2499

(4) "Penalty rate" means the rate described in division (B) 2500
of section 5703.47 of the Revised Code that is used in making the 2501
computation for interest that accrues during the following 2502

calendar year. 2503

(5) "Unpaid estimated income tax" means estimated income tax due but not paid by the date the tax is required to be paid under applicable law. 2504
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(6) "Unpaid income tax" means income tax due but not paid by the date the income tax is required to be paid under applicable law. 2507
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(7) "Unpaid withholding tax" means withholding tax due but not paid by the date the withholding tax is required to be paid under applicable law. 2510
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(8) "Withholding tax" includes amounts an employer, any agent of an employer, or any other payer did not withhold in whole or in part from an employee's qualifying wages, but that, under applicable law, the employer, agent, or other payer is required to withhold from an employee's qualifying wages. 2513
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(B) This section applies to the following: 2518

(1) Any return required to be filed under applicable law; 2519

(2) Any return required to be filed before the effective date of the enactment of this section if the return has not been filed on or before the one hundred eightieth day after that effective date; 2520
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(3) Income tax, estimated income tax, and withholding tax required to be paid or remitted to the municipal corporation on or after that effective date; 2524
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(4) Income tax, estimated income tax, and withholding tax required to be paid or remitted to the municipal corporation any time before that effective date if the income tax, estimated income tax, or withholding tax has not been paid or remitted on or before the one hundred eightieth day after that effective date. 2527
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(C) A tax administrator may not require interest to accrue on 2532

unpaid income tax, unpaid estimated income tax, and unpaid 2533
withholding tax at any rate in excess of the penalty rate. 2534

(D) A tax administrator may not impose on a taxpayer, 2535
employer, agent of an employer, and any other payer, the interest 2536
amounts or penalties that exceed the following amounts: when the 2537
taxpayer, employer, agent, or other payer fails, in whole or in 2538
part, to make to the tax administrator full and timely payment or 2539
remittance of income tax, estimated income tax, or withholding tax 2540
or fails to timely file with the tax administrator a required 2541
return: 2542

(1) With respect to unpaid income tax and unpaid estimated 2543
income, a penalty equal to ten per cent of the amount not timely 2544
paid. 2545

(2) With respect to any unpaid withholding tax, a penalty 2546
equal to fifty per cent of the amount not timely paid. 2547

(3) A twenty-five-dollar penalty against an individual for 2548
each failure of the individual to file timely the annual return 2549
required by section 718.05 of the Revised Code, regardless of the 2550
liability shown thereon. 2551

(4) For returns other than an individual's annual return, a 2552
penalty for the failure to file timely each return of twenty-five 2553
dollars per month, or for any fraction thereof, for each month 2554
during which the return remains unfiled regardless of the 2555
liability shown thereon. A penalty imposed under division (D)(4) 2556
of this section shall not exceed one hundred fifty dollars for 2557
each failure to timely file. 2558

(E)(1) With respect to income tax, estimated income tax, 2559
withholding tax, and returns, no tax administrator shall impose, 2560
seek to collect, or collect any penalty, amount of interest, 2561
charges, or additional fees not authorized in this section. 2562

(2) Nothing in this section requires a municipal corporation 2563

to refund or credit any penalty, amount of interest, charges, or 2564
additional fees that the municipal corporation properly imposed or 2565
collected with respect to taxable years ending before January 1, 2566
2014. 2567

(F) A tax administrator may fully or partially abate any 2568
penalty or interest imposed under this section when the tax 2569
administrator determines, in the tax administrator's sole 2570
discretion or upon good cause shown, that such abatement is 2571
appropriate. 2572

(G) Within ten days after computing the penalty rate, the tax 2573
commissioner shall publish the penalty rate on the department of 2574
taxation's web site and shall notify each tax administrator of the 2575
penalty rate. Each tax administrator of a municipal corporation 2576
that levies a tax on income shall publish the penalty rate, as 2577
calculated by the tax commissioner on the tax administrator's or 2578
municipal corporation's web site. 2579

(H) Nothing in this chapter prohibits a tax administrator 2580
from imposing on a taxpayer, employer, any agent of an employer, 2581
or any other payer the municipal corporation's collection costs 2582
and fees, including attorney fees, litigation activities, and 2583
related appeals, and any other related fees and charges, incurred 2584
by the municipal corporation in connection with the municipal 2585
corporation's collection activities. Nothing in this division 2586
prevents a taxpayer from seeking reimbursement of attorney fees 2587
and costs of appeals in accordance with section 718.44 of the 2588
Revised Code. 2589

(I) A tax administrator may not impose a fine of more than 2590
one thousand dollars against a person that violates section 718.40 2591
of the Revised Code. 2592

(J) If a tax administrator imposes a fine against a person 2593
that violates any law that the tax administrator is required to 2594

administer, or fails to perform any duty required by such law, for 2595
which a penalty or the amount of a penalty has not otherwise been 2596
provided, or fails to obey any lawful requirement or order made by 2597
the tax administrator, the fine shall not be less than twenty-five 2598
dollars or more than one thousand dollars. 2599

(K) The tax administrator shall credit any penalty or 2600
interest collected under this section to the municipal corporation 2601
that imposes the income tax, in accordance with any resolution or 2602
ordinance adopted by the municipal corporation. 2603

Sec. 718.28. (A) As used in this section, "claim" means a 2604
claim for an amount payable to a municipal corporation that arises 2605
under this chapter and for which a tax administrator has certified 2606
an assessment to the clerk of courts under section 718.12 of the 2607
Revised Code. 2608

(B) Nothing in this chapter prohibits a tax administrator 2609
from doing either of the following if such action is in the best 2610
interests of the municipal corporation: 2611

(1) Compromise a claim. 2612

(2) Extend for a reasonable period the time for payment of a 2613
claim by agreeing to accept monthly or other periodic payments. 2614
The agreement may require security for payment of the claim. 2615

(C) The tax administrator shall consider the following 2616
standards when ascertaining with respect to a claim whether a 2617
compromise or payment-over-time agreement is in the best interests 2618
of the municipal corporation: 2619

(1) There exists a doubt as to whether the claim can be 2620
collected. 2621

(2) There exists a substantial probability that, upon payment 2622
of the claim and submission of a timely application for refund 2623
with respect to that payment, the tax administrator would refund 2624

an amount that was illegally or erroneously paid. 2625

(3) There exists an economic hardship such that a compromise or agreement would facilitate effective tax administration. 2626
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(4) There exists a joint assessment of spouses, one of whom is an innocent spouse, provided that any relief under this standard shall only affect the claim as to the innocent spouse. A spouse granted relief under section 6015 of the Internal Revenue Code with regard to any income item is rebuttably presumed to be an innocent spouse with regard to that income item to the extent that income item is included in or otherwise affects the computation of a municipal income tax or any penalty or interest on that tax. 2628
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(5) Any other reasonable standard that the tax administrator establishes. 2637
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(D) The tax administrator's rejection of a compromise or payment-over-time agreement proposed by a person with respect to a claim shall not be appealable. 2639
2640
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(E) A compromise or payment-over-time agreement with respect to a claim shall be binding upon and shall inure to the benefit of only the parties to the compromise or agreement, and shall not extinguish or otherwise affect the liability of any other person. 2642
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(F) A compromise or payment-over-time agreement with respect to a claim shall be void if the taxpayer defaults under the compromise or agreement or if the compromise or agreement was obtained by fraud or by misrepresentation of a material fact. Any amount that was due before the compromise or agreement and that is unpaid shall remain due, and any interest that would have accrued in the absence of the compromise or agreement shall continue to accrue and be due. 2646
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Sec. 718.29. Each tax administrator's office shall be open 2654

for the transaction of business during the business hours of every 2655
day, except Saturdays, Sundays, and legal holidays. By resolution 2656
or ordinance, the municipal corporation may designate business 2657
hours. The municipal corporation shall publish designated business 2658
hours. 2659

Sec. 718.30. Nothing in this chapter prohibits the 2660
legislative authority of a municipal corporation, or a tax 2661
administrator pursuant to authority granted to the administrator 2662
by resolution or ordinance, to adopt rules to administer an income 2663
tax imposed by the municipal corporation in accordance with this 2664
chapter or to audit taxpayers. Such rules shall not conflict with 2665
or be inconsistent with any provision of this chapter or sections 2666
5747.063 and 5747.064 of the Revised Code or with any rule adopted 2667
by the municipal tax policy board pursuant to section 718.42 of 2668
the Revised Code. Unless rules adopted under this section are 2669
published and posted on the internet as described in section 2670
718.07 of the Revised Code, the rules may not be enforced by the 2671
tax administrator or municipal corporation. 2672

Sec. 718.31. (A) To carry out the purposes of laws that a tax 2673
administrator is required to administer, the tax administrator or 2674
any person employed by the tax administrator for that purpose, 2675
upon demand, may inspect the books, accounts, records, and 2676
memoranda of any person subject to those laws, and may examine 2677
under oath any officer, agent, or employee of that person. Any 2678
person other than the tax administrator who makes a demand 2679
pursuant to this section shall produce the person's authority to 2680
make the inspection. 2681

(B) If a person receives at least ten days' written notice of 2682
a demand made under division (A) of this section and refuses to 2683
comply with that demand, the tax administrator may impose a 2684

penalty on the person pursuant to section 718.27 of the Revised Code. 2685
2686

(C) No person hired or retained by a tax administrator to audit or inspect a taxpayer's books shall be paid on a contingency basis. 2687
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2689

Sec. 718.35. No person shall knowingly make, present, aid, or assist in the preparation or presentation of a false or fraudulent report, return, schedule, statement, claim, or document authorized or required by municipal corporation ordinance or state law to be filed with a tax administrator, or knowingly procure, counsel, or advise the preparation or presentation of such report, return, schedule, statement, claim, or document, or knowingly change, alter, or amend, or knowingly procure, counsel or advise such change, alteration, or amendment of the records upon which such report, return, schedule, statement, claim, or document is based with intent to defraud the municipal corporation or a tax administrator. 2690
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With respect to such acts or conduct, no conviction shall be had under any other section of the Revised Code or any municipal corporation ordinance. 2702
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Sec. 718.36. (A) At or before the commencement of an audit, the tax administrator shall provide to the taxpayer a written description of the roles of the tax administrator and of the taxpayer during an audit and a statement of the taxpayer's rights, including any right to obtain a refund of an overpayment of a tax. At or before the commencement of an audit, the tax administrator shall inform the taxpayer when the audit is considered to have commenced. 2705
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(B) Except in cases involving suspected criminal activity, the tax administrator shall conduct an audit of a taxpayer during 2713
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regular business hours and after providing reasonable notice to 2715
the taxpayer. A taxpayer who is unable to comply with a proposed 2716
time for an audit on the grounds that the proposed time would 2717
cause inconvenience or hardship must offer reasonable alternative 2718
dates for the audit. 2719

(C) At all stages of an audit by the tax administrator, a 2720
taxpayer is entitled to be assisted or represented by an attorney, 2721
accountant, bookkeeper, or other tax practitioner. The tax 2722
administrator shall prescribe a form by which a taxpayer may 2723
designate such a person to assist or represent the taxpayer in the 2724
conduct of any proceedings resulting from actions by the tax 2725
administrator. If a taxpayer has not submitted such a form, the 2726
tax administrator may accept other evidence, as the tax 2727
administrator considers appropriate, that a person is the 2728
authorized representative of a taxpayer. 2729

A taxpayer may refuse to answer any questions asked by the 2730
person conducting an audit until the taxpayer has an opportunity 2731
to consult with the taxpayer's attorney, accountant, bookkeeper, 2732
or other tax practitioner. This division does not authorize the 2733
practice of law by a person who is not an attorney. 2734

(D) A taxpayer may record, electronically or otherwise, the 2735
audit examination. 2736

(E) The failure of the tax administrator to comply with a 2737
provision of this section shall neither excuse a taxpayer from 2738
payment of any taxes owed by the taxpayer nor cure any procedural 2739
defect in a taxpayer's case. 2740

(F) If the tax administrator fails to substantially comply 2741
with the provisions of this section, the tax administrator, upon 2742
application by the taxpayer, shall excuse the taxpayer from 2743
penalties and interest arising from the audit. 2744

Sec. 718.37. (A) If the municipal corporation imposing a tax 2745
in accordance with this chapter has a population greater than 2746
thirty thousand according to the most recent decennial census or 2747
if the tax administrator charged with the administration of the 2748
tax is one other than a tax administrator described by division 2749
(U)(2) of section 718.01 of the Revised Code, the tax 2750
administrator shall appoint one or more problem resolution 2751
officers. Each problem resolution officer shall be a new or 2752
existing employee of the tax administrator. Problem resolution 2753
officers shall receive and review inquiries and complaints 2754
concerning matters that have been pending before the tax 2755
administrator for an unreasonable length of time or to which a 2756
taxpayer has been unable to obtain a satisfactory response after 2757
several attempts to communicate with the person assigned by the 2758
tax administrator to the taxpayer's case or that person's 2759
immediate supervisor. 2760

Matters arising in cases on appeal from an assessment of the 2761
tax administrator or in cases certified for collection are not 2762
reviewable by a problem resolution officer. An action taken by a 2763
problem resolution officer is not a final order of the tax 2764
administrator and is not appealable to the local board of tax 2765
review. 2766

(B) Neither a tax administrator nor a municipal corporation 2767
shall use the amount of taxes assessed by an employee of the tax 2768
administrator or the municipal corporation as the basis of a 2769
production quota system for employees or the basis for evaluating 2770
an employee's performance. 2771

Sec. 718.38. (A) An "opinion of the tax administrator" means 2772
an opinion issued under this section with respect to prospective 2773
municipal income tax liability. It does not include ordinary 2774
correspondence of the tax administrator or the municipal tax 2775

policy board. 2776

(B) A taxpayer may submit a written request for an opinion of 2777
the tax administrator as to whether or how certain income, source 2778
of income, or a certain activity or transaction will be taxed. The 2779
written response of the tax administrator shall be an "opinion of 2780
the tax administrator" and shall bind the tax administrator, in 2781
accordance with divisions (C), (G), and (H) of this section, 2782
provided all of the following conditions are satisfied: 2783

(1) The taxpayer's request fully and accurately describes the 2784
specific facts or circumstances relevant to a determination of the 2785
taxability of the income, source of income, activity, or 2786
transaction, and, if an activity or transaction, all parties 2787
involved in the activity or transaction are clearly identified by 2788
name, location, or other pertinent facts. 2789

(2) The request relates to a tax imposed by the municipal 2790
corporation in accordance with this chapter. 2791

(3) The tax administrator's response is signed by the tax 2792
administrator and designated as an "opinion of the tax 2793
administrator." 2794

(C) An opinion of the tax administrator shall remain in 2795
effect and shall protect the taxpayer for whom the opinion was 2796
prepared and who reasonably relies on it from liability for any 2797
taxes, penalty, or interest otherwise chargeable on the activity 2798
or transaction specifically held by the tax administrator's 2799
opinion to be taxable in a particular manner or not to be subject 2800
to taxation for any taxable years that may be specified in the 2801
opinion, or until the earliest of the following dates: 2802

(1) The effective date of a written revocation by the tax 2803
administrator sent to the taxpayer by certified mail, return 2804
receipt requested. The effective date of the revocation shall be 2805

the taxpayer's date of receipt or one year after the issuance of 2806
the opinion, whichever is later; 2807

(2) The effective date of any amendment or enactment of a 2808
relevant section of the Revised Code, uncodified state law, or the 2809
municipal corporation's income tax ordinance that would 2810
substantially change the analysis and conclusion of the opinion of 2811
the tax administrator; 2812

(3) The date on which a court issues an opinion establishing 2813
or changing relevant case law with respect to the Revised Code, 2814
uncodified state law, or the municipal corporation's income tax 2815
ordinance; 2816

(4) If the opinion of the tax administrator was based on the 2817
interpretation of federal law, the effective date of any change in 2818
the relevant federal statutes or regulations, or the date on which 2819
a court issues an opinion establishing or changing relevant case 2820
law with respect to federal statutes or regulations; 2821

(5) The effective date of any change in the taxpayer's 2822
material facts or circumstances; 2823

(6) The effective date of the expiration of the opinion, if 2824
specified in the opinion. 2825

(D) A taxpayer is not relieved of tax liability for any 2826
activity or transaction related to a request for an opinion that 2827
contained any misrepresentation or omission of one or more 2828
material facts. 2829

(E) If a tax administrator provides written advice under this 2830
section, the opinion shall include a statement that: 2831

(1) The tax consequences stated in the opinion may be subject 2832
to change for any of the reasons stated in division (C) of this 2833
section; 2834

(2) It is the duty of the taxpayer to be aware of such 2835

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|---|--|
| <u>changes.</u> | 2836 |
| <u>(F) A tax administrator may refuse to offer an opinion on any request received under this section.</u> | 2837 2838 |
| <u>(G) This section binds a tax administrator only with respect to opinions of the tax administrator issued on or after January 1, 2013.</u> | 2839 2840 2841 |
| <u>(H) An opinion of a tax administrator binds that tax administrator only with respect to the taxpayer for whom the opinion was prepared and does not bind the tax administrator of any other municipal corporation.</u> | 2842 2843 2844 2845 |
| <u>(I) A tax administrator shall make available the text of all opinions issued under this section, except those opinions prepared for a taxpayer who has requested that the text of the opinion remain confidential. In no event shall the text of an opinion be made available until the tax administrator has removed all information that identifies the taxpayer and any other parties involved in the activity or transaction.</u> | 2846 2847 2848 2849 2850 2851 2852 |
| <u>(J) Upon written request by a taxpayer, the municipal tax policy board may issue an opinion in a manner similar to and subject to the same procedures and conditions as provided in this section. The municipal tax policy board shall issue opinions to address only issues having relevance to taxpayers on a state-wide basis or dealing with the generic application of this chapter. Opinions issued by the municipal tax policy board are binding for all tax administrators in this state with respect to the taxpayer for whom the opinion was prepared.</u> | 2853 2854 2855 2856 2857 2858 2859 2860 2861 |
| <u>(K) An opinion of the tax administrator or an opinion of the municipal tax policy board issued under this section may not be appealed.</u> | 2862 2863 2864 |
| <u>Sec. 718.39. (A) A taxpayer aggrieved by an action or</u> | 2865 |

omission of a tax administrator, a tax administrator's employee, 2866
or an employee of the municipal corporation may bring an action 2867
against a tax administrator, against the municipal corporation, or 2868
against both, for damages in the court of common pleas of the 2869
county in which the municipal corporation is located, if all of 2870
the following apply: 2871

(1) In the action or omission the tax administrator, a tax 2872
administrator's employees, or an employee of the municipal 2873
corporation frivolously disregards a provision of this chapter, a 2874
rule promulgated by the municipal tax policy board under section 2875
718.44 of the Revised Code, or an instruction of the tax 2876
administrator; 2877

(2) The action or omission occurred with respect to an audit 2878
or assessment and the review and collection proceedings connected 2879
with the audit or assessment; 2880

(3) The tax administrator, a tax administrator's employee, or 2881
an employee of the municipal corporation did not act manifestly 2882
outside the scope of employment and did not act with malicious 2883
purpose, in bad faith, or in a wanton or reckless manner. 2884

(B) In any action brought under division (A) of this section, 2885
upon a finding of liability on the part of the tax administrator 2886
or the municipal corporation, the tax administrator or the 2887
municipal corporation shall be liable to the taxpayer in an amount 2888
equal to the sum of the following: 2889

(1) Compensatory damages sustained by the taxpayer as a 2890
result of the action or omission by the tax administrator, the tax 2891
administrator's employee, or the employee of the municipal 2892
corporation; 2893

(2) Reasonable costs of litigation and attorneys' fees 2894
sustained by the taxpayer. 2895

(C) In the awarding of damages under division (B) of this section, the court shall take into account the negligent actions or omissions, if any, on the part of the taxpayer that contributed to the damages, but shall not be bound by the provisions of sections 2315.32 to 2315.36 of the Revised Code.

(D) Whenever it appears to the court that a taxpayer's conduct in the proceedings brought under division (A) of this section is frivolous, the court may impose a penalty against the taxpayer in an amount not to exceed ten thousand dollars which shall be paid to the general revenue fund of the state.

(E) Division (A) of this section does not apply to opinions of the tax administrator or other information functions of the tax administrator.

(F) As used in this section, "frivolous" means that the conduct of the tax administrator, an employee of the municipal corporation or the tax administrator, the taxpayer, or the taxpayer's counsel of record satisfies either of the following:

(1) It obviously serves merely to harass or maliciously injure the tax administrator, the municipal corporation, or employees thereof if referring to the conduct of a taxpayer or the taxpayer's counsel of record, or to harass or maliciously injure the taxpayer if referring to the conduct of the tax administrator, the municipal corporation, or employees thereof;

(2) It is not warranted under existing law and cannot be supported by a good faith argument for an extension, modification, or reversal of existing law.

Sec. 718.40. No officer, agent, or employee of any company, firm, person, partnership, corporation, or association, subject to any law the tax administrator is required to administer shall fail to fill out and return any returns required by such law, fail to

answer any questions therein propounded, or knowingly or willfully 2926
give a false answer to any such question where the fact inquired 2927
of is within the officer's, agent's, or employee's knowledge, or 2928
fail upon proper demand to exhibit to the tax administrator any 2929
book, paper, account, record, or memoranda of such public utility, 2930
which is in possession of such officer, agent, or employee or 2931
under the officer's, agent's, or employee's control. 2932

Sec. 718.41. (A) If any of the facts, figures, computations, 2933
or attachments required in a taxpayer's annual return to determine 2934
the tax due levied by the municipal corporation in accordance with 2935
this chapter must be altered as the result of an adjustment to the 2936
taxpayer's federal or state income tax return, whether initiated 2937
by the taxpayer, the internal revenue service, or the tax 2938
commissioner, and such alteration affects the taxpayer's tax 2939
liability under this chapter, the taxpayer shall file an amended 2940
return with the tax administrator in such form as the municipal 2941
tax policy board requires in accordance with section 718.42 of the 2942
Revised Code. The amended return shall be filed not later than 2943
sixty days after the adjustment has been agreed to or finally 2944
determined for federal or state income tax purposes or any federal 2945
or state income tax deficiency or refund, or the abatement or 2946
credit resulting therefrom, has been assessed or paid, whichever 2947
occurs first. 2948

(B)(1) In the case of an underpayment, the amended return 2949
shall be accompanied by payment of any combined additional tax due 2950
together with interest thereon. If the combined tax shown to be 2951
due is five dollars or less, such amount need not accompany the 2952
amended return. An amended return required by this section is a 2953
return subject to assessment under section 718.12 of the Revised 2954
Code for the purpose of assessing any additional tax due under 2955
this section, together with any applicable penalty and interest. 2956

Except as provided under division (B)(2) of this section, the 2957
amended return shall not reopen those facts, figures, 2958
computations, or attachments from a previously filed return no 2959
longer subject to assessment that are not affected, either 2960
directly or indirectly, but the adjustment to the taxpayer's 2961
federal or state income tax return. 2962

(2) The additional tax to be paid shall not exceed the amount 2963
of tax which would be due if all facts, figures, computations, and 2964
attachments were reopened. 2965

(C)(1) In the case of an overpayment, an application for 2966
refund may be filed under this division within the sixty-day 2967
period prescribed for filing the amended return even if it is 2968
filed beyond the period prescribed in section 718.19 of the 2969
Revised Code if it otherwise conforms to the requirements of that 2970
section. If the amount of the refund is five dollars or less, no 2971
refund need be paid by the municipal corporation to the taxpayer. 2972
Except as set forth in division (C)(2) of this section, an 2973
application filed under this division shall claim refund of 2974
overpayments resulting from alterations to only those facts, 2975
figures, computations, or attachments required in the taxpayer's 2976
annual return that are affected, either directly or indirectly, by 2977
the adjustment to the taxpayer's federal or state income tax 2978
return unless it is also filed within the time prescribed in 2979
section 718.19 of the Revised Code. Except as set forth in 2980
division (C)(2) of this section, the application shall not reopen 2981
those facts, figures, computations, or attachments that are not 2982
affected, either directly or indirectly, by the adjustment to the 2983
taxpayer's federal or state income tax return. 2984

(2) The amount to be refunded shall not exceed the amount of 2985
refund that would be due if all facts, figures, computations, and 2986
attachments were reopened. 2987

Sec. 718.42. (A) The governor shall appoint a municipal tax 2988
policy board consisting of seven members comprised as follows: 2989

(1) One member shall be the tax administrator of a municipal 2990
corporation with a population greater than three hundred fifty 2991
thousand according to the most recent decennial census; 2992

(2) One member shall be the tax administrator of a municipal 2993
corporation with a population greater than one hundred thousand, 2994
but not more than three hundred fifty thousand according to the 2995
most recent decennial census; 2996

(3) One member shall be the tax administrator of a municipal 2997
corporation with a population greater than fifty thousand, but not 2998
more than one hundred thousand according to the most recent 2999
decennial census; 3000

(4) One member shall be the tax administrator of a municipal 3001
corporation with a population greater than fifteen thousand, but 3002
not more than fifty thousand according to the most recent 3003
decennial census; 3004

(5) One member shall be the tax administrator of a municipal 3005
corporation with a population of not more than fifteen thousand 3006
according to the most recent decennial census; 3007

(6) One member shall be an employee of the regional income 3008
tax authority; 3009

(7) One member shall be an employee of the central collection 3010
agency. 3011

(B) Of the original members of the municipal income tax 3012
policy board, two members shall be appointed to terms ending March 3013
31, 2013, two members shall be appointed to terms ending March 31, 3014
2014, and three members shall be appointed to terms ending March 3015
31, 2015. Thereafter, terms of office for all members shall be 3016
three years, commencing on the first day of April and ending on 3017

the thirty-first day of March. Each member shall hold office from 3018
the date of appointment until the date of the end of the term for 3019
which the member was appointed. Any member shall continue in 3020
office subsequent to the expiration date of the member's term 3021
until the member's successor takes office, or until a period of 3022
sixty days has elapsed, whichever occurs first. 3023

One of the members of the board shall be named by the 3024
governor as chair of the board at the time of making the 3025
appointment of any member for a full term. No member of the board 3026
shall receive a salary. 3027

(C) The governor may remove any member of the municipal tax 3028
policy board for malfeasance, misfeasance, or nonfeasance in 3029
office, giving the member a copy of the charges against the member 3030
and affording the member an opportunity to be publicly heard in 3031
person or by counsel in the member's own defense upon not less 3032
than ten days' notice. If the member is removed, the governor 3033
shall file in the office of the secretary of state a complete 3034
statement of all charges made against the member and the 3035
governor's finding on the charges together with a complete report 3036
of the proceedings. The governor's decision on the charges is 3037
final. 3038

A member of the municipal tax policy board who, for any 3039
reason, ceases to meet the qualifications for the position 3040
prescribed by division (A) of this section shall resign 3041
immediately by operation of law. 3042

(D) A vacancy in an unexpired term shall be filled in the 3043
same manner as the original appointment and in such a way that the 3044
composition of the board remains as specified in division (A) of 3045
this section. Any member appointed to fill a vacancy occurring 3046
prior to the expiration of the term for which the member's 3047
predecessor was appointed shall hold office for the remainder of 3048
that term. No vacancy on the board shall impair the power and 3049

authority of the remaining members to exercise all the powers of 3050
the board. 3051

(E) Upon application by one or more tax administrators, or as 3052
otherwise required by this chapter, the municipal tax policy board 3053
may adopt rules in accordance with Chapter 119. of the Revised 3054
Code related to municipal corporations' administration and 3055
enforcement of income taxes levied in accordance with this 3056
chapter. A rule adopted by the municipal tax policy board shall 3057
apply to each municipal corporation in this state. Before adopting 3058
a rule, the municipal tax policy board may seek comments from 3059
municipal corporations, tax practitioners, and taxpayers. One or 3060
more municipal corporations may make applications to the municipal 3061
tax policy board for review of any rule adopted under this 3062
division. 3063

(F) The municipal tax policy board may designate working 3064
committees. The committees shall be chaired by a member of the 3065
board, but the committee may include members not serving on the 3066
board such as tax administrators or interested members of the 3067
public. 3068

(G) All forms, reports, schedules, and attachments required 3069
to be filed pursuant to this chapter or, with respect to municipal 3070
income taxes, sections 5747.063 and 5747.064 of the Revised Code, 3071
shall be prescribed and created by the municipal tax policy board. 3072
Before prescribing and creating such forms, the municipal tax 3073
policy board shall seek the comments of tax administrators other 3074
than those described in division (U)(2) of section 718.01 of the 3075
Revised Code and any other persons the municipal tax policy board 3076
deems appropriate. 3077

(H) Subject to division (I) of this section, the municipal 3078
tax policy board shall prescribe the forms that the signature and 3079
declaration, if any, shall take on any document required to be 3080
filed with a tax administrator and or any other document required 3081

under this chapter. 3082

No such document need be sworn to. Any such document shall 3083
have printed on it the following statement, which shall be 3084
subscribed to by the person signing such return, claim, or report: 3085
"I declare under penalties of perjury that this return or claim 3086
(including any accompanying schedules and statements) has been 3087
examined by me and to the best of my knowledge and belief is a 3088
true, correct, and complete return and report." 3089

(I) Income tax returns, reports, or other documents requiring 3090
the signature of a return preparer shall be accepted by a tax 3091
administrator if the facsimile of such a signature is provided in 3092
lieu of a manual signature. 3093

(J) A person may use forms other than those prescribed 3094
pursuant to division (G) of this section if the other forms 3095
contain all the information required to be included on such forms 3096
by the municipal tax policy board. Such forms will be accepted as 3097
valid forms by the tax administrator with whom the form is filed. 3098

(K) As used in this division, "document" means any report, 3099
return, schedule, statement, claim, or other item intended for 3100
submission to any tax administrator or an employee thereof 3101
concerning any tax imposed by the tax administrator in accordance 3102
with this chapter. 3103

The municipal tax policy board may designate which documents 3104
promulgated by the board must be signed by return preparers. 3105

(L) The municipal tax policy board shall provide an 3106
instructional booklet, in both printed and electronic formats, for 3107
filing any tax returns, forms, and schedules required under this 3108
chapter. The instructional booklet shall include a general 3109
description of the method by which the tax is assessed and 3110
collected and the rights and responsibilities of the taxpayer in 3111
that process. 3112

(M) The municipal tax policy board shall meet at least 3113
quarterly and may meet more frequently upon motion of the chair. 3114
The principal office of the board shall be located in Franklin 3115
county. The board shall take such action as necessary to fulfill 3116
the duties of the municipal tax policy board under this chapter. 3117
The municipal tax policy board is a public body under section 3118
121.22 of the Revised Code and a public office under section 3119
149.43 of the Revised Code, and all records of the municipal tax 3120
policy board are public records under section 149.43 of the 3121
Revised Code unless the record discloses the identity of any 3122
taxpayer. 3123

Sec. 718.43. (A) For each taxable year ending on or after 3124
January 1, 2014, each pass-through entity having net profit 3125
apportioned or sitused to a municipal corporation under section 3126
718.02 of the Revised Code for the taxable year shall withhold 3127
from each owner an amount equal to the owner's distributive share 3128
of the net profit of the pass-through entity, whether or not 3129
distributed, multiplied by the rate of the corresponding municipal 3130
income tax. 3131

(B) On or before the fifteenth day of the fourth month 3132
following the end of the pass-through entity's taxable year, every 3133
pass-through entity subject to the withholding requirement under 3134
this section shall file an annual return with the tax 3135
administrator and remit to the tax administrator the amount of the 3136
taxes shown to be due on the return. 3137

(C)(1) Any amount withheld under division (A) of this section 3138
and remitted to the tax administrator shall be treated as a 3139
payment of the tax liability or of the liability for withholding 3140
under this section of the owner to whom the income is 3141
distributable for the taxable year for which that owner incurred a 3142
liability for municipal income tax. 3143

(2) An owner may claim a credit against the income tax 3144
imposed by a municipal corporation equal to the amount withheld by 3145
a pass-through entity with respect to net profit distributable to 3146
the owner by the pass-through entity under division (A) of this 3147
section. The municipal tax policy board shall adopt rules in 3148
accordance with Chapter 119. of the Revised Code to govern the 3149
manner by which such an owner may claim the credit. 3150

(D) If the only source of income for an owner in a municipal 3151
corporation is income from distributive shares in one or more 3152
pass-through entities that withhold and report tax to the 3153
municipal corporation in accordance with divisions (A) and (B) of 3154
this section, the owner is not required to file a return in 3155
accordance with section 718.05 of this section to report such 3156
income. 3157

(E) Any pass-through entity that is required to withhold tax 3158
under division (A) of this section that has received an extension 3159
to file the pass-through entity's federal tax return for 3160
partnership or S corporation income shall not be required to 3161
notify the municipal corporation of the federal extension and 3162
shall not be required to file any municipal income tax return 3163
until the last day of the month to which the due date for filing 3164
the federal return has been extended. An extension of time to file 3165
is not an extension of the time to pay any tax due. Upon filing 3166
the return required in division (B) of this section the 3167
pass-through entity shall include a copy of the federal extension 3168
request. 3169

Sec. 718.44. (A) If a taxpayer appeals an assessment or a 3170
denial of a refund claim related to an income tax imposed by a 3171
municipal corporation, and is unsuccessful on appeal, the taxpayer 3172
is liable to the municipal corporation for the reasonable costs of 3173
litigation and attorneys' fees sustained by the municipal 3174

corporation. 3175

(B) If a taxpayer appeals an assessment or denial of a refund claim related to an income tax imposed by a municipal corporation, and is successful on appeal, the municipal corporation is liable to the taxpayer for reasonable costs of litigation and attorneys' fees sustained by the municipal corporation. 3176
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(C) The costs and fees described in divisions (A) and (B) of this section may be recovered only after all appeals are completed, upon motion to the board of tax appeals. If an appeal results in the taxpayer being successful in part and the tax administrator being successful in part, the board may make a reasonable allocation of the costs and fees between the parties. 3181
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Sec. 718.99. (A) Whoever violates section 718.35 of the Revised Code, or section 718.03 of the Revised Code by failing to remit municipal income taxes deducted and withheld from an employee, is guilty of a felony of the fifth degree. 3187
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(B) Except as provided in division (C) of this section, whoever violates division (A) of section 718.13 of the Revised Code shall be guilty of a misdemeanor of the first degree and shall be subject to a fine of one thousand dollars or imprisonment for a term of up to six months, or both, unless the violation is punishable by a municipal ordinance imposing a greater penalty or requiring dismissal from office or discharge from employment, or both, in which case the municipal ordinance shall govern. 3191
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(C) Any person who discloses information received from the Internal Revenue Service in violation of division (A) of section 718.13 of the Revised Code shall be guilty of a felony of the fifth degree and shall be subject to a fine of not more than five thousand dollars plus the costs of prosecution, or imprisonment for a term not exceeding five years, or both, unless the violation 3199
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is punishable by a municipal ordinance imposing a greater penalty 3205
or requiring dismissal from office or discharge from employment, 3206
or both, in which case the municipal ordinance shall govern. 3207

(D) Each instance of access or disclosure in violation of 3208
division (A) of section 718.13 of the Revised Code constitutes a 3209
separate offense. 3210

Sec. 5703.059. (A) The tax commissioner may adopt rules 3211
requiring returns, including any accompanying schedule or 3212
statement, for any of the following taxes to be filed 3213
electronically using the Ohio business gateway as defined in 3214
section ~~718.051~~ 718.01 of the Revised Code, filed telephonically 3215
using the system known as the Ohio telefile system, or filed by 3216
any other electronic means prescribed by the commissioner: 3217

(1) Employer income tax withholding under Chapter 5747. of 3218
the Revised Code; 3219

(2) Motor fuel tax under Chapter 5735. of the Revised Code; 3220

(3) Cigarette and tobacco product tax under Chapter 5743. of 3221
the Revised Code; 3222

(4) Severance tax under Chapter 5749. of the Revised Code; 3223

(5) Use tax under Chapter 5741. of the Revised Code. 3224

(B) The tax commissioner may adopt rules requiring any 3225
payment of tax shown on such a return to be due to be made 3226
electronically in a manner approved by the commissioner. 3227

(C) A rule adopted under this section does not apply to 3228
returns or reports filed or payments made before six months after 3229
the effective date of the rule. The commissioner shall publicize 3230
any new electronic filing requirement on the department's web 3231
site. The commissioner shall educate the public of the requirement 3232
through seminars, workshops, conferences, or other outreach 3233
activities. 3234

(D) Any person required to file returns and make payments 3235
electronically under rules adopted under this section may apply to 3236
the commissioner, on a form prescribed by the commissioner, to be 3237
excused from that requirement. For good cause shown, the 3238
commissioner may excuse the applicant from the requirement and 3239
permit the applicant to file the returns or reports or make the 3240
payments required under this section by nonelectronic means. 3241

Sec. 5703.57. (A) As used in this section, "Ohio business 3242
gateway" has the same meaning as in section 718.051 of the Revised 3243
Code. 3244

(B) There is hereby created the Ohio business gateway 3245
steering committee to direct the continuing development of the 3246
Ohio business gateway and to oversee its operations. The committee 3247
shall provide general oversight regarding operation of the Ohio 3248
business gateway and shall recommend to the department of 3249
administrative services enhancements that will improve the Ohio 3250
business gateway. The committee shall consider all banking, 3251
technological, administrative, and other issues associated with 3252
the Ohio business gateway and shall make recommendations regarding 3253
the type of reporting forms or other tax documents to be filed 3254
through the Ohio business gateway. 3255

(C) The committee shall consist of: 3256

(1) The following members, appointed by the governor with the 3257
advice and consent of the senate: 3258

(a) Not more than four representatives of the business 3259
community; 3260

(b) Not more than ~~one representative~~ three representatives of 3261
municipal tax administrators; and 3262

(c) Not more than two tax practitioners. 3263

(2) The following ex officio members: 3264

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| (a) The director or other highest officer of each state agency that has tax reporting forms or other tax documents filed with it through the Ohio business gateway or the director's designee; | 3265 3266 3267 3268 |
| (b) The secretary of state or the secretary of state's designee; | 3269 3270 |
| (c) The treasurer of state or the treasurer of state's designee; | 3271 3272 |
| (d) The director of budget and management or the director's designee; | 3273 3274 |
| (e) The state chief information officer or the officer's designee; | 3275 3276 |
| (f) The tax commissioner or the tax commissioner's designee; and | 3277 3278 |
| (g) The director of development or the director's designee; <u>and</u> | 3279 3280 |
| <u>(h) The chair of the municipal tax policy board or the chair's designee.</u> | 3281 3282 |
| An appointed member shall serve until the member resigns or is removed by the governor. Vacancies shall be filled in the same manner as original appointments. | 3283 3284 3285 |
| (D) A vacancy on the committee does not impair the right of the other members to exercise all the functions of the committee. The presence of a majority of the members of the committee constitutes a quorum for the conduct of business of the committee. The concurrence of at least a majority of the members of the committee is necessary for any action to be taken by the committee. On request, each member of the committee shall be reimbursed for the actual and necessary expenses incurred in the discharge of the member's duties. | 3286 3287 3288 3289 3290 3291 3292 3293 3294 |

(E) The committee is a part of the department of taxation for 3295
administrative purposes. 3296

(F) Each year, the governor shall select a member of the 3297
committee to serve as chairperson. The chairperson shall appoint 3298
an official or employee of the department of taxation to act as 3299
the committee's secretary. The secretary shall keep minutes of the 3300
committee's meetings and a journal of all meetings, proceedings, 3301
findings, and determinations of the committee. 3302

(G) The committee may hire professional, technical, and 3303
clerical staff needed to support its activities. 3304

(H) The committee shall meet as often as necessary to perform 3305
its duties. 3306

Sec. 5717.011. (A) As used in this chapter, "tax 3307
administrator" has the same meaning as in section 718.01 of the 3308
Revised Code. 3309

(B) Appeals from a ~~municipal~~ final determination of a local 3310
board of ~~appeal~~ tax review created under section 718.11 of the 3311
Revised Code may be taken by the taxpayer or the tax administrator 3312
to the board of tax appeals ~~or~~, but may not be taken by the 3313
taxpayer or the tax administrator to a court of common pleas ~~as~~ 3314
~~otherwise provided by law~~. If the taxpayer or the tax 3315
administrator elects to make an appeal to the board of tax appeals 3316
~~or court of common pleas~~, the appeal shall be taken by the filing 3317
of a notice of appeal with the board of tax appeals ~~or court of~~ 3318
~~common pleas~~, the ~~municipal~~ local board of ~~appeal~~ tax review, and 3319
the opposing party. The notice of appeal shall be filed within 3320
sixty days after the day the appellant receives notice of the 3321
~~decision~~ final determination issued under section 718.11 of the 3322
Revised Code. The notice of appeal may be filed in person or by 3323
certified mail, express mail, or authorized delivery service as 3324
provided in section 5703.056 of the Revised Code. If the notice of 3325

appeal is filed by certified mail, express mail, or authorized 3326
delivery service as provided in section 5703.056 of the Revised 3327
Code, the date of the United States postmark placed on the 3328
sender's receipt by the postal service or the date of receipt 3329
recorded by the authorized delivery service shall be treated as 3330
the date of filing. The notice of appeal shall have attached 3331
thereto and incorporated therein by reference a true copy of the 3332
decision issued under section 718.11 of the Revised Code and shall 3333
specify the errors therein complained of, but failure to attach a 3334
copy of such notice and incorporate it by reference in the notice 3335
of appeal does not invalidate the appeal. 3336

(C) Upon the filing of a notice of appeal with the board of 3337
tax appeals, the ~~municipal~~ local board of ~~appeal~~ tax review shall 3338
certify to the board of tax appeals a transcript of the record of 3339
the proceedings before it, together with all evidence considered 3340
by it in connection therewith. Such appeals may be heard by the 3341
board at its office in Columbus or in the county where the 3342
appellant resides, or it may cause its examiners to conduct such 3343
hearings and to report to it their findings for affirmation or 3344
rejection. The board may order the appeal to be heard upon the 3345
record and the evidence certified to it by the tax administrator, 3346
but upon the application of any interested party the board shall 3347
order the hearing of additional evidence, and the board may make 3348
such investigation concerning the appeal as it considers proper. 3349

(D) If an issue being appealed under this section is 3350
addressed in a municipal corporation's ordinance or regulation, 3351
the tax administrator, upon the request of the board of tax 3352
appeals, shall provide a copy of the ordinance or regulation to 3353
the board of tax appeals. 3354

Sec. 5717.03. (A) A decision of the board of tax appeals on 3355
an appeal filed with it pursuant to section 5717.01, 5717.011, or 3356

5717.02 of the Revised Code shall be entered of record on the 3357
journal together with the date when the order is filed with the 3358
secretary for journalization. 3359

(B) In case of an appeal from a decision of a county board of 3360
revision, the board of tax appeals shall determine the taxable 3361
value of the property whose valuation or assessment by the county 3362
board of revision is complained of, or in the event the complaint 3363
and appeal is against a discriminatory valuation, shall determine 3364
a valuation which shall correct such discrimination, and shall 3365
determine the liability of the property for taxation, if that 3366
question is in issue, and the board of tax appeals' decision and 3367
the date when it was filed with the secretary for journalization 3368
shall be sent by the board to all persons who were parties to the 3369
appeal before the board, to the person in whose name the property 3370
is listed, or sought to be listed, if such person is not a party 3371
to the appeal, to the county auditor of the county in which the 3372
property involved in the appeal is located, and to the tax 3373
commissioner. 3374

In correcting a discriminatory valuation, the board of tax 3375
appeals shall increase or decrease the value of the property whose 3376
valuation or assessment by the county board of revision is 3377
complained of by a per cent or amount which will cause such 3378
property to be listed and valued for taxation by an equal and 3379
uniform rule. 3380

(C) In the case of an appeal from a review, redetermination, 3381
or correction of a tax assessment, valuation, determination, 3382
finding, computation, or order of the tax commissioner, the order 3383
of the board of tax appeals and the date of the entry thereof upon 3384
its journal shall be sent by the board to all persons who were 3385
parties to the appeal before the board, the person in whose name 3386
the property is listed or sought to be listed, if the decision 3387
determines the valuation or liability of property for taxation and 3388

if such person is not a party to the appeal, the taxpayer or other 3389
person to whom notice of the tax assessment, valuation, 3390
determination, finding, computation, or order, or correction or 3391
redetermination thereof, by the tax commissioner was by law 3392
required to be given, the director of budget and management, if 3393
the revenues affected by such decision would accrue primarily to 3394
the state treasury, and the county auditors of the counties to the 3395
undivided general tax funds of which the revenues affected by such 3396
decision would primarily accrue. 3397

(D) In the case of an appeal from a ~~municipal final~~ 3398
determination of a local board of appeal tax review created under 3399
section 718.11 of the Revised Code, the order of the board of tax 3400
appeals and the date of the entry thereof upon the board's journal 3401
shall be sent by the board to all persons who were parties to the 3402
appeal before the board. 3403

(E) In the case of all other appeals or applications filed 3404
with and determined by the board, the board's order and the date 3405
when the order was filed by the secretary for journalization shall 3406
be sent by the board to the person who is a party to such appeal 3407
or application, to such persons as the law requires, and to such 3408
other persons as the board deems proper. 3409

(F) The orders of the board may affirm, reverse, vacate, 3410
modify, or remand the tax assessments, valuations, determinations, 3411
findings, computations, or orders complained of in the appeals 3412
determined by the board, and the board's decision shall become 3413
final and conclusive for the current year unless reversed, 3414
vacated, or modified as provided in section 5717.04 of the Revised 3415
Code. When an order of the board becomes final the tax 3416
commissioner and all officers to whom such decision has been sent 3417
shall make the changes in their tax lists or other records which 3418
the decision requires. 3419

(G) If the board finds that issues not raised on the appeal 3420

are important to a determination of a controversy, the board may 3421
remand the cause for an administrative determination and the 3422
issuance of a new tax assessment, valuation, determination, 3423
finding, computation, or order, unless the parties stipulate to 3424
the determination of such other issues without remand. An order 3425
remanding the cause is a final order. If the order relates to any 3426
issue other than a municipal income tax matter appealed under 3427
sections 718.11 and 5717.011 of the Revised Code, the order may be 3428
appealed to the court of appeals in Franklin county. If the order 3429
relates to a municipal income tax matter appealed under sections 3430
718.11 and 5717.011 of the Revised Code, the order may be appealed 3431
to the court of appeals for the county in which the municipal 3432
corporation in which the dispute arose is primarily situated. 3433

(H) At the request of any person that filed an appeal subject 3434
to this section, the decision or order of the board of tax appeals 3435
issued pursuant to division (B), (C), (D), or (E) of this section 3436
shall be sent by certified mail at the requestor's expense. 3437

Sec. 5739.12. (A)(1) Each person who has or is required to 3438
have a vendor's license, on or before the twenty-third day of each 3439
month, shall make and file a return for the preceding month in the 3440
form prescribed by the tax commissioner, and shall pay the tax 3441
shown on the return to be due. The return shall be filed 3442
electronically using the Ohio business gateway, as defined in 3443
section ~~718.051~~ 718.01 of the Revised Code, the Ohio telefile 3444
system, or any other electronic means prescribed by the 3445
commissioner. Payment of the tax shown on the return to be due 3446
shall be made electronically in a manner approved by the 3447
commissioner. The commissioner may require a vendor that operates 3448
from multiple locations or has multiple vendor's licenses to 3449
report all tax liabilities on one consolidated return. The return 3450
shall show the amount of tax due from the vendor to the state for 3451
the period covered by the return and such other information as the 3452

commissioner deems necessary for the proper administration of this 3453
chapter. The commissioner may extend the time for making and 3454
filing returns and paying the tax, and may require that the return 3455
for the last month of any annual or semiannual period, as 3456
determined by the commissioner, be a reconciliation return 3457
detailing the vendor's sales activity for the preceding annual or 3458
semiannual period. The reconciliation return shall be filed by the 3459
last day of the month following the last month of the annual or 3460
semiannual period. The commissioner may remit all or any part of 3461
amounts or penalties that may become due under this chapter and 3462
may adopt rules relating thereto. Such return shall be filed 3463
electronically as directed by the tax commissioner, and payment of 3464
the amount of tax shown to be due thereon, after deduction of any 3465
discount provided for under this section, shall be made 3466
electronically in a manner approved by the tax commissioner. 3467

(2) Any person required to file returns and make payments 3468
electronically under division (A)(1) of this section may apply to 3469
the tax commissioner on a form prescribed by the commissioner to 3470
be excused from that requirement. For good cause shown, the 3471
commissioner may excuse the person from that requirement and may 3472
permit the person to file the returns and make the payments 3473
required by this section by nonelectronic means. 3474

(B)(1) If the return is filed and the amount of tax shown 3475
thereon to be due is paid on or before the date such return is 3476
required to be filed, the vendor shall be entitled to a discount 3477
of three-fourths of one per cent of the amount shown to be due on 3478
the return. 3479

(2) A vendor that has selected a certified service provider 3480
as its agent shall not be entitled to the discount if the 3481
certified service provider receives a monetary allowance pursuant 3482
to section 5739.06 of the Revised Code for performing the vendor's 3483
sales and use tax functions in this state. Amounts paid to the 3484

clerk of courts pursuant to section 4505.06 of the Revised Code 3485
shall be subject to the applicable discount. The discount shall be 3486
in consideration for prompt payment to the clerk of courts and for 3487
other services performed by the vendor in the collection of the 3488
tax. 3489

(C)(1) Upon application to the tax commissioner, a vendor who 3490
is required to file monthly returns may be relieved of the 3491
requirement to report and pay the actual tax due, provided that 3492
the vendor agrees to remit to the commissioner payment of not less 3493
than an amount determined by the commissioner to be the average 3494
monthly tax liability of the vendor, based upon a review of the 3495
returns or other information pertaining to such vendor for a 3496
period of not less than six months nor more than two years 3497
immediately preceding the filing of the application. Vendors who 3498
agree to the above conditions shall make and file an annual or 3499
semiannual reconciliation return, as prescribed by the 3500
commissioner. The reconciliation return shall be filed 3501
electronically as directed by the tax commissioner, and payment of 3502
the amount of tax shown to be due thereon, after deduction of any 3503
discount provided in this section, shall be made electronically in 3504
a manner approved by the commissioner. Failure of a vendor to 3505
comply with any of the above conditions may result in immediate 3506
reinstatement of the requirement of reporting and paying the 3507
actual tax liability on each monthly return, and the commissioner 3508
may at the commissioner's discretion deny the vendor the right to 3509
report and pay based upon the average monthly liability for a 3510
period not to exceed two years. The amount ascertained by the 3511
commissioner to be the average monthly tax liability of a vendor 3512
may be adjusted, based upon a review of the returns or other 3513
information pertaining to the vendor for a period of not less than 3514
six months nor more than two years preceding such adjustment. 3515

(2) The commissioner may authorize vendors whose tax 3516

liability is not such as to merit monthly returns, as ascertained 3517
by the commissioner upon the basis of administrative costs to the 3518
state, to make and file returns at less frequent intervals. When 3519
returns are filed at less frequent intervals in accordance with 3520
such authorization, the vendor shall be allowed the discount 3521
provided in this section in consideration for prompt payment with 3522
the return, provided the return is filed and payment is made of 3523
the amount of tax shown to be due thereon, at the time specified 3524
by the commissioner, but a vendor that has selected a certified 3525
service provider as its agent shall not be entitled to the 3526
discount. 3527

(D) Any vendor who fails to file a return or to pay the full 3528
amount of the tax shown on the return to be due in the manner 3529
prescribed under this section and the rules of the commissioner 3530
may, for each such return, be required to forfeit and pay into the 3531
state treasury an additional charge not exceeding fifty dollars or 3532
ten per cent of the tax required to be paid for the reporting 3533
period, whichever is greater, as revenue arising from the tax 3534
imposed by this chapter, and such sum may be collected by 3535
assessment in the manner provided in section 5739.13 of the 3536
Revised Code. The commissioner may remit all or a portion of the 3537
additional charge and may adopt rules relating to the imposition 3538
and remission of the additional charge. 3539

(E) If the amount required to be collected by a vendor from 3540
consumers is in excess of the applicable percentage of the 3541
vendor's receipts from sales that are taxable under section 3542
5739.02 of the Revised Code, or in the case of sales subject to a 3543
tax levied pursuant to section 5739.021, 5739.023, or 5739.026 of 3544
the Revised Code, in excess of the percentage equal to the 3545
aggregate rate of such taxes and the tax levied by section 5739.02 3546
of the Revised Code, such excess shall be remitted along with the 3547
remittance of the amount of tax due under section 5739.10 of the 3548

Revised Code. 3549

(F) The commissioner, if the commissioner deems it necessary 3550
in order to insure the payment of the tax imposed by this chapter, 3551
may require returns and payments to be made for other than monthly 3552
periods. 3553

(G) Any vendor required to file a return and pay the tax 3554
under this section whose total payment for a year equals or 3555
exceeds the amount shown in division (A) of section 5739.122 of 3556
the Revised Code is subject to the accelerated tax payment 3557
requirements in divisions (B) and (C) of that section. For a 3558
vendor that operates from multiple locations or has multiple 3559
vendor's licenses, in determining whether the vendor's total 3560
payment equals or exceeds the amount shown in division (A) of that 3561
section, the vendor's total payment amount shall be the amount of 3562
the vendor's total tax liability for the previous calendar year 3563
for all of the vendor's locations or licenses. 3564

Sec. 5739.124. (A) If required by the tax commissioner, a 3565
permit holder required to make payments under section 5739.032 of 3566
the Revised Code shall file all returns and reports 3567
electronically. The commissioner may require the permit holder to 3568
use the Ohio business gateway, as defined in section ~~718.051~~ 3569
718.01 of the Revised Code, or any other electronic means approved 3570
by the commissioner, to file the returns and reports, or to remit 3571
the tax, in lieu of the manner prescribed under section 5739.032 3572
of the Revised Code. 3573

(B) A person required under this section to file reports and 3574
returns electronically may apply to the tax commissioner to be 3575
excused from that requirement. Applications shall be made on a 3576
form prescribed by the commissioner. The commissioner may approve 3577
the application for good cause. 3578

(C)(1) If a person required to file a report or return 3579

electronically under this section fails to do so, the tax 3580
commissioner may impose an additional charge not to exceed the 3581
following: 3582

(a) For each of the first two failures, five per cent of the 3583
amount required to be reported on the report or return; 3584

(b) For the third and any subsequent failure, ten per cent of 3585
the amount required to be reported on the report or return. 3586

(2) The charges authorized under division (C)(1) of this 3587
section are in addition to any other charge or penalty authorized 3588
under this chapter, and shall be considered as revenue arising 3589
from taxes imposed under this chapter. An additional charge may be 3590
collected by assessment in the manner prescribed by section 3591
5739.13 of the Revised Code. The commissioner may waive all or a 3592
portion of such a charge and may adopt rules governing such 3593
waiver. 3594

Sec. 5741.122. (A) If required by the tax commissioner, a 3595
person required to make payments under section 5741.121 of the 3596
Revised Code shall file all returns and reports electronically. 3597
The commissioner may require the person to use the Ohio business 3598
gateway, as defined in section ~~718.051~~ 718.01 of the Revised Code, 3599
or any other electronic means approved by the commissioner, to 3600
file the returns and reports, or to remit the tax, in lieu of the 3601
manner prescribed under section 5741.121 of the Revised Code. 3602

(B) A person required under this section to file reports and 3603
returns electronically may apply to the tax commissioner to be 3604
excused from that requirement. Applications shall be made on a 3605
form prescribed by the commissioner. The commissioner may approve 3606
the application for good cause. 3607

(C)(1) If a person required to file a report or return 3608
electronically under this section fails to do so, the tax 3609

commissioner may impose an additional charge not to exceed the 3610
following: 3611

(a) For each of the first two failures, five per cent of the 3612
amount required to be reported on the report or return; 3613

(b) For the third and any subsequent failure, ten per cent of 3614
the amount required to be reported on the report or return. 3615

(2) The charges authorized under division (C)(1) of this 3616
section are in addition to any other charge or penalty authorized 3617
under this chapter, and shall be considered as revenue arising 3618
from taxes imposed under this chapter. An additional charge may be 3619
collected by assessment in the manner prescribed by section 3620
5741.13 of the Revised Code. The commissioner may waive all or a 3621
portion of such a charge and may adopt rules governing such 3622
waiver. 3623

Sec. 5747.063. (A) As used in this section and section 3624
5747.064 of the Revised Code, "municipal corporation," "tax 3625
administrator," and "municipal tax policy board" have the same 3626
meanings as in section 718.01 of the Revised Code. 3627

(B)(1) If a person's winnings at a casino facility are an 3628
amount for which reporting to the internal revenue service of the 3629
amount is required by section 6041 of the Internal Revenue Code, 3630
as amended the casino operator shall deduct and withhold Ohio 3631
income tax from the person's winnings at a rate of four per cent 3632
of the amount won and shall deduct and withhold municipal income 3633
tax from the person's winnings at the rate of tax of the municipal 3634
corporation in which the casino facility is located. A person's 3635
amount of winnings shall be determined each time the person 3636
exchanges amounts won in tokens, chips, casino credit, or other 3637
prepaid representations of value for cash or a cash equivalent. 3638
The casino operator shall issue, to a person from whose winnings 3639
an amount has been deducted and withheld, a receipt for the amount 3640

deducted and withheld, and also shall obtain from the person 3641
additional information that will be necessary for the casino 3642
operator to prepare the returns required by this section. 3643

(2) If a person's winnings at a casino facility require 3644
reporting to the internal revenue service under division (A)(1) of 3645
this section, the casino operator also shall require the person to 3646
state in writing, under penalty of falsification, whether the 3647
person is in default under a support order. 3648

~~(B)~~(C) Amounts deducted and withheld by a casino operator are 3649
held in trust for the benefit of the state and municipal 3650
corporations, as applicable. 3651

(1) On or before the tenth day of each month, the casino 3652
operator shall file a return electronically with the tax 3653
commissioner and the tax administrator of the municipal 3654
corporation, as applicable, identifying the persons from whose 3655
winnings amounts were deducted and withheld, the amount of each 3656
such deduction and withholding during the preceding calendar 3657
month, the amount of the winnings from which each such amount was 3658
withheld, the type of casino gaming that resulted in such 3659
winnings, and any other information required by the tax 3660
commissioner and the tax administrator, as applicable. With the 3661
return, the casino operator shall remit electronically to the 3662
commissioner and the tax administrator ~~of the municipal~~ 3663
~~corporation~~, as applicable, all the amounts deducted and withheld 3664
during the preceding month. 3665

(2)(a) A casino operator shall maintain a record of each 3666
written statement provided under division ~~(A)~~(B)(2) of this 3667
section in which a person admits to being in default under a 3668
support order. The casino operator shall make these records 3669
available to the director of job and family services upon request. 3670

(b) A casino operator shall maintain copies of receipts 3671

issued under division ~~(A)~~(B)(1) of this section and of written 3672
statements provided under division ~~(A)~~(B)(2) of this section and 3673
shall make these copies available to the tax commissioner and the 3674
tax administrator, as applicable, upon request. 3675

(c) A casino operator shall maintain the information 3676
described in divisions ~~(B)~~(C)(2)(a) and (b) of this section in 3677
accordance with section 5747.17 of the Revised Code and any rules 3678
adopted pursuant thereto. 3679

(3) Annually, on or before the thirty-first day of January, a 3680
casino operator shall file an annual return electronically with 3681
the tax commissioner and the tax administrator ~~of the municipal~~ 3682
~~corporation,~~ as applicable, indicating the total amount deducted 3683
and withheld during the preceding calendar year. The casino 3684
operator shall remit electronically with the annual return any 3685
amount that was deducted and withheld and that was not previously 3686
remitted. If the identity of a person and the amount deducted and 3687
withheld with respect to that person were omitted on a monthly 3688
return, that information shall be indicated on the annual return. 3689

(4)(a) A casino operator who fails to file a return and remit 3690
the amounts deducted and withheld is personally liable for the 3691
amount deducted and withheld and not remitted. ~~The~~ 3692

~~(b) The commissioner and the tax administrator of the~~ 3693
~~municipal corporation, as applicable,~~ may impose a penalty up to 3694
one thousand dollars if a return is filed late, if amounts 3695
deducted and withheld for the benefit of the state are remitted 3696
late, if a return is not filed, or if amounts deducted and 3697
withheld are not remitted. Interest accrues on past due amounts 3698
deducted and withheld at the rate prescribed in section 5703.47 of 3699
the Revised Code. The commissioner ~~and the tax administrator of~~ 3700
~~the municipal corporation, as applicable,~~ may collect past due 3701
amounts deducted and withheld and penalties and interest thereon 3702
by assessment under section 5747.13 of the Revised Code as if they 3703

were income taxes collected by an employer. 3704

~~(b)(c)~~ A tax administrator, as applicable, may impose a 3705
penalty pursuant to section 718.27 of the Revised Code if a return 3706
is filed late, if amounts deducted and withheld are remitted late, 3707
if a return is not filed, or if amounts deducted and withheld are 3708
not remitted. The tax administrator may collect past due amounts 3709
deducted and withheld and penalties and interest thereon by 3710
assessment under section 718.12 of the Revised Code as if they 3711
were municipal income taxes collected by an employer. 3712

(d) If a casino operator sells the casino facility or 3713
otherwise quits the casino business, the amounts deducted and 3714
withheld and any penalties and interest thereon are immediately 3715
due and payable. The successor shall withhold an amount of the 3716
purchase money that is sufficient to cover the amounts deducted 3717
and withheld and penalties and interest thereon until the 3718
predecessor casino operator produces either a receipt from the 3719
commissioner and the tax administrator of the municipal 3720
corporation, as applicable, showing that the amounts deducted and 3721
withheld and penalties and interest thereon have been paid or a 3722
certificate from the commissioner and the tax administrator ~~of the~~ 3723
~~municipal corporation~~, as applicable, indicating that no amounts 3724
deducted and withheld or penalties and interest thereon are due. 3725
If the successor fails to withhold purchase money, the successor 3726
is personally liable for payment of the amounts deducted and 3727
withheld and penalties and interest thereon, up to the amount of 3728
the purchase money. 3729

~~(c)~~(D)(1) Annually, on or before the thirty-first day of 3730
January, a casino operator shall issue an information return to 3731
each person with respect to whom an amount has been deducted and 3732
withheld during the preceding calendar year. The information 3733
return shall show the total amount deducted from the person's 3734
winnings by the casino operator during the preceding calendar 3735

year. 3736

(2) Annually, on or before the thirty-first day of January, a 3737
casino operator shall provide to the commissioner and tax 3738
administrator, as applicable, a copy of each information return 3739
issued under division ~~(C)~~(D)(1) of this section for the preceding 3740
calendar year. The commissioner or administrator may require that 3741
the copies be transmitted electronically. 3742

~~(D)~~(E)(1) Amounts deducted and withheld on behalf of the 3743
state shall be allowed as a credit against payment of the tax 3744
imposed by section 5747.02 of the Revised Code and shall be 3745
treated as taxes paid for purposes of section 5747.09 of the 3746
Revised Code. ~~This division applies only to the person for whom~~ 3747
~~the amount is deducted and withheld.~~ 3748

(2) Amounts deducted and withheld on behalf of a municipal 3749
corporation shall be allowed as a credit against payment of the 3750
income tax imposed by the municipal corporation and shall be 3751
treated as taxes paid for purposes of section 718.08 of the 3752
Revised Code. 3753

(3) Divisions (E)(1) and (2) of this section apply only to 3754
the person for whom an amount is deducted and withheld under this 3755
section. 3756

~~(E)~~(F) The failure of a casino operator to deduct and 3757
withhold the required amount from a person's winnings does not 3758
relieve the person from liability for the tax imposed by section 3759
5747.02 of the Revised Code or for municipal income tax, as 3760
applicable, with respect to those winnings. ~~And compliance~~ 3761
Compliance with this section does not relieve a casino operator or 3762
a person who has winnings at a casino facility from compliance 3763
with relevant provisions of federal tax laws. 3764

~~(F)~~(G) The commissioner and, for use by tax administrators, 3765
~~the tax administrator of the municipal corporation, as applicable,~~ 3766

municipal tax policy board shall prescribe the form of the receipt 3767
and returns required by this section. The director of job and 3768
family services shall prescribe the form of the statement required 3769
by this section. 3770

~~(G)~~(H) The commissioner may adopt rules that are necessary to 3771
administer this section. 3772

Sec. 5747.064. (A) As used in this section, "video lottery 3773
terminal" has the same meaning as in section 3770.21 of the 3774
Revised Code. 3775

(B) If a person's prize award from a video lottery terminal 3776
is an amount for which reporting to the internal revenue service 3777
of the amount is required by section 6041 of the Internal Revenue 3778
Code, as amended, the lottery sales agent shall deduct and 3779
withhold Ohio income tax from the person's prize award at a rate 3780
of four per cent of the amount won and shall deduct and withhold 3781
municipal income tax from the person's winnings at the rate of tax 3782
of the municipal corporation in which the video lottery terminal 3783
facility is located. The lottery sales agent shall issue, to a 3784
person from whose prize award an amount has been deducted or 3785
withheld, a receipt for the amount deducted and withheld, and also 3786
shall obtain from the person additional information that will be 3787
necessary for the lottery sales agent to prepare the returns 3788
required by this section. 3789

(C) Amounts deducted and withheld by a lottery sales agent 3790
are held in trust for the benefit of the state and municipal 3791
corporations, as applicable. 3792

(1) On or before the tenth day of each month, the lottery 3793
sales agent shall file a return electronically with the tax 3794
commissioner and the tax administrator of the municipal 3795
corporation, as applicable, identifying the persons from whose 3796
prize awards amounts were deducted and withheld, the amount of 3797

each such deduction and withholding during the preceding month, 3798
the amount of the prize award from which each such amount was 3799
withheld, and any other information required by the commissioner 3800
and the tax administrator ~~of the municipal corporation~~, as 3801
applicable. With the return, the lottery sales agent shall remit 3802
electronically to the commissioner and the tax administrator of 3803
the municipal corporation, as applicable, all the amounts deducted 3804
and withheld during the preceding month. 3805

(2) A lottery sales agent shall maintain a record of all 3806
receipts issued under division (B) of this section and shall make 3807
those records available to the commissioner and the tax 3808
administrator ~~of the municipal corporation~~, as applicable, upon 3809
request. Such records shall be maintained in accordance with 3810
section 5747.17 of the Revised Code and any rules adopted pursuant 3811
thereto. 3812

(3) Annually, on or before the thirty-first day of January, a 3813
lottery sales agent shall file an annual return electronically 3814
with the tax commissioner and the tax administrator ~~of the~~ 3815
~~municipal corporation~~, as applicable, indicating the total amount 3816
deducted and withheld during the preceding calendar year. The 3817
lottery sales agent shall remit electronically with the annual 3818
return any amount that was deducted and withheld and that was not 3819
previously remitted. If the identity of a person and the amount 3820
deducted and withheld with respect to that person were omitted on 3821
a monthly return, that information shall be indicated on the 3822
annual return. 3823

(4)(a) A lottery sales agent who fails to file a return and 3824
remit the amounts deducted and withheld is personally liable for 3825
the amount deducted and withheld and not remitted. ~~The~~ 3826

(b) ~~The commissioner and the tax administrator of the~~ 3827
~~municipal corporation, as applicable,~~ may impose a penalty of up 3828
to one thousand dollars if a return is filed late, if amounts 3829

deducted and withheld for the benefit of the state are remitted 3830
late, if a return is not filed, or if amounts deducted and 3831
withheld are not remitted. Interest accrues on past due amounts 3832
deducted and withheld at the rate prescribed in section 5703.47 of 3833
the Revised Code. The commissioner ~~and the tax administrator of~~ 3834
~~the municipal corporation, as applicable,~~ may collect past due 3835
amounts deducted and withheld and penalties and interest thereon 3836
by assessment under section 5747.13 of the Revised Code as if they 3837
were income taxes collected by an employer. 3838

~~(b)(c)~~ A tax administrator, as applicable, may impose a 3839
penalty pursuant to section 718.27 of the Revised Code if a return 3840
is filed late, if amounts deducted and withheld are remitted late, 3841
if a return is not filed, or if amounts deducted and withheld are 3842
not remitted. The tax administrator may collect past due amounts 3843
deducted and withheld and penalties and interest thereon by 3844
assessment under section 718.12 of the Revised Code as if they 3845
were municipal income taxes collected by an employer. 3846

(d) If a lottery sales agent ceases to operate video lottery 3847
terminals, the amounts deducted and withheld and any penalties and 3848
interest thereon are immediately due and payable. A successor of 3849
the lottery sales agent that purchases the video lottery terminals 3850
from the agent shall withhold an amount of the purchase money that 3851
is sufficient to cover the amounts deducted and withheld and 3852
penalties and interest thereon until the predecessor lottery sales 3853
agent produces either a receipt from the tax commissioner and the 3854
tax administrator ~~of the municipal corporation,~~ as applicable, 3855
showing that the amounts deducted and withheld and penalties and 3856
interest thereon have been paid or a certificate from the 3857
commissioner and the tax administrator of the municipal 3858
corporation, as applicable, indicating that no amounts deducted 3859
and withheld or penalties and interest thereon are due. If the 3860
successor fails to withhold purchase money, the successor is 3861

personally liable for payment of the amounts deducted and withheld 3862
and penalties and interest thereon, up to the amount of the 3863
purchase money. 3864

(D)(1) Annually, on or before the thirty-first day of 3865
January, a lottery sales agent shall issue an information return 3866
to each person with respect to whom an amount has been deducted 3867
and withheld during the preceding calendar year. The information 3868
return shall show the total amount deducted from the person's 3869
prize award by the lottery sales agent during the preceding year. 3870

(2) Annually, on or before the thirty-first day of January, a 3871
lottery sales agent shall provide to the tax commissioner and the 3872
tax administrator of the municipal corporation, as applicable, a 3873
copy of each information return issued under division (D)(1) of 3874
this section for the preceding calendar year. The commissioner and 3875
the tax administrator ~~of the municipal corporation~~, as applicable, 3876
may require that such copies be transmitted electronically. 3877

(E)(1) Amounts deducted and withheld on behalf of the state 3878
shall be allowed as a credit against payment of the tax imposed by 3879
section 5747.02 of the Revised Code and shall be treated as taxes 3880
paid for purposes of section 5747.09 of the Revised Code. ~~This~~ 3881
~~division applies only to the person for whom the amount is~~ 3882
~~deducted and withheld.~~ 3883

(2) Amounts deducted and withheld on behalf of a municipal 3884
corporation shall be allowed as a credit against payment of the 3885
income tax imposed by the municipal corporation and shall be 3886
treated as taxes paid for purposes of section 718.08 of the 3887
Revised Code. 3888

(3) Divisions (E)(1) and (2) of this section apply only to 3889
the person for whom an amount is deducted and withheld under this 3890
section. 3891

(F) The failure of a lottery sales agent to deduct and 3892

withhold the required amount from a person's prize award does not 3893
relieve the person from liability for the tax imposed by section 3894
5747.02 of the Revised Code or for municipal income tax, as 3895
applicable, with respect to that income. Compliance with this 3896
section does not relieve a lottery sales agent or a person who has 3897
a prize award from compliance with relevant provisions of federal 3898
tax laws. 3899

(G) The commissioner and, for use by tax administrators, the 3900
~~tax administrator of the municipal corporation, as applicable,~~ 3901
municipal tax policy board shall prescribe the form of the receipt 3902
and returns required by this section and the commissioner may 3903
promulgate any rules necessary to administer the section. 3904

Sec. 5751.07. (A) Any person required to file returns for a 3905
calendar quarter shall remit each tax payment, and, if required by 3906
the tax commissioner, file the tax return or the annual report, 3907
electronically. The commissioner may require taxpayers to use the 3908
Ohio business gateway as defined in section ~~718.051~~ 718.01 of the 3909
Revised Code to file returns and remit the tax, or may provide 3910
another means for taxpayers to file and remit the tax 3911
electronically. 3912

(B) A person required by this section to remit taxes or file 3913
returns electronically may apply to the tax commissioner, on the 3914
form prescribed by the commissioner, to be excused from that 3915
requirement. The commissioner may excuse a person from the 3916
requirements of this division for good cause. 3917

(C)(1) If a person required to remit taxes or file a return 3918
electronically under this section fails to do so, the commissioner 3919
may impose a penalty not to exceed the following: 3920

(a) For either of the first two calendar quarters the person 3921
so fails, five per cent of the amount of the payment that was 3922
required to be remitted; 3923

(b) For the third and any subsequent calendar quarters the 3924
person so fails, ten per cent of the amount of the payment that 3925
was required to be remitted. 3926

(2) The penalty imposed under division (C)(1) of this section 3927
is in addition to any other penalty imposed under this chapter and 3928
shall be considered as revenue arising from the tax imposed under 3929
this chapter. A penalty may be collected by assessment in the 3930
manner prescribed by section 5751.09 of the Revised Code. The tax 3931
commissioner may abate all or a portion of such a penalty. 3932

Section 2. That existing sections 715.013, 718.02, 718.03, 3933
718.051, 718.07, 718.09, 718.10, 718.11, 718.121, 718.13, 3934
5703.059, 5703.57, 5717.011, 5717.03, 5739.12, 5739.124, 5741.122, 3935
5747.063, 5747.064, and 5751.07 and sections 718.01, 718.011, 3936
718.04, 718.041, 718.05, 718.06, 718.08, 718.12, and 718.14 of the 3937
Revised Code are hereby repealed. 3938

Section 3. This act is effective for municipal taxable years 3939
ending on or after January 1, 2014. For municipal taxable years 3940
ending before January 1, 2014, tax administrators may continue to 3941
administer, audit, and enforce the income tax of a municipal 3942
corporation under Chapter 718. and ordinances and resolutions of 3943
the municipal corporation as that chapter and those ordinances and 3944
resolutions existed before January 1, 2014. 3945

Section 4. If the Municipal Tax Policy Board does not, as 3946
charged under section 718.42 of the Revised Code, create and 3947
furnish the forms, reports, schedules, and attachments required to 3948
be filed under Chapter 718. of the Revised Code before January 1, 3949
2014, each tax administrator shall create required forms, reports, 3950
schedules, and attachments and furnish the documents for use with 3951
the tax administrator until the Municipal Tax Policy Board creates 3952
and furnishes the necessary documents. 3953

| | |
|---|------|
| Section 5. Notwithstanding Section 3 of this act, the | 3954 |
| governor shall make initial appointments to the Municipal Tax | 3955 |
| Policy Board not later than fifteen days after the effective date | 3956 |
| of this act. | 3957 |