

As Introduced

**130th General Assembly
Regular Session
2013-2014**

H. B. No. 510

Representative Brenner

**Cosponsors: Representatives Butler, Becker, Hood, Adams, J., Terhar,
Retherford, Roegner**

—

A BILL

To amend sections 5751.03 and 5751.20 and to enact 1
section 5751.031 of the Revised Code to reduce the 2
commercial activity tax (CAT) rate and minimum 3
payment amounts and to reduce the proportion of 4
CAT revenue allocated to the general revenue fund. 5

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

Section 1. That sections 5751.03 and 5751.20 be amended and 6
section 5751.031 of the Revised Code be enacted to read as 7
follows: 8

Sec. 5751.03. (A) Except as provided in division (B) of this 9
section and in section 5751.031 of the Revised Code, the tax 10
levied under this section for each tax period shall be the product 11
of ~~two one and six-tenths~~ ninety-five hundredths mills per dollar 12
times the remainder of the taxpayer's taxable gross receipts for 13
the tax period after subtracting the exclusion amount provided for 14
in division (C) of this section. 15

(B) Notwithstanding division (C) of this section, the tax on 16
the first one million dollars in taxable gross receipts each 17
calendar year shall be calculated as follows: 18

(1) For taxpayers with annual taxable gross receipts of one million dollars or less for the calendar year, one hundred ~~fifty~~ twelve dollars and fifty cents;

(2) For taxpayers with annual taxable gross receipts greater than one million dollars, but less than or equal to two million dollars for the calendar year, ~~eight~~ six hundred dollars;

(3) For taxpayers with annual taxable gross receipts greater than two million dollars, but less than or equal to four million dollars for the calendar year, ~~two~~ one thousand ~~one~~ five hundred seventy-five dollars;

(4) For taxpayers with annual taxable gross receipts greater than four million dollars for the calendar year, ~~two~~ one thousand ~~six~~ nine hundred fifty dollars.

The tax imposed under division (B)(1) of this section shall be paid not later than the tenth day of May of each year along with the annual tax return. The tax imposed under divisions (B)(2), (3), and (4) of this section shall be paid not later than the tenth day of May of each year along with the first quarter tax return.

(C)(1) Each taxpayer may exclude the first one million dollars of taxable gross receipts for a calendar year. Calendar quarter taxpayers shall apply the full exclusion amount to the first calendar quarter return the taxpayer files that calendar year and may carry forward and apply any unused exclusion amount to subsequent calendar quarters within that same calendar year.

(2) A taxpayer switching from a calendar year tax period to a calendar quarter tax period may, for the first quarter of the change, apply the full one-million-dollar exclusion amount to the first calendar quarter return the taxpayer files that calendar year. Such taxpayers may carry forward and apply any unused exclusion amount to subsequent calendar quarters within that same

calendar year. The tax rate shall be based on the rate imposed 50
that calendar quarter when the taxpayer switches from a calendar 51
year to a calendar quarter tax period. 52

(3) A taxpayer shall not exclude more than one million 53
dollars pursuant to division (C) of this section in a calendar 54
year. 55

Sec. 5751.031. The tax imposed under section 5751.03 of the 56
Revised Code shall be computed as follows: 57

(A) For tax periods beginning in fiscal year 2014, by 58
multiplying the tax otherwise due by one and three hundred 59
thirty-three one thousandths; 60

(B) For tax periods beginning in fiscal year 2015, by 61
multiplying the tax otherwise due by one and two hundred 62
sixty-seven one thousandths; 63

(C) For tax periods beginning in fiscal year 2016, by 64
multiplying the tax otherwise due by one and two-tenths; 65

(D) For tax periods beginning in fiscal year 2017, by 66
multiplying the tax otherwise due by one and one hundred 67
thirty-three one thousandths; 68

(E) For tax periods beginning in fiscal year 2018, by 69
multiplying the tax otherwise due by one and sixty-seven one 70
thousandths; 71

(F) For tax periods beginning in fiscal year 2019 and 72
thereafter, by multiplying the tax otherwise due by one. 73

Sec. 5751.20. (A) As used in sections 5751.20 to 5751.22 of 74
the Revised Code: 75

(1) "School district," "joint vocational school district," 76
"local taxing unit," "recognized valuation," "fixed-rate levy," 77
and "fixed-sum levy" have the same meanings as used in section 78

5727.84 of the Revised Code. 79

(2) "State education aid" for a school district means the 80
following: 81

(a) For fiscal years prior to fiscal year 2010, the sum of 82
state aid amounts computed for the district under the following 83
provisions, as they existed for the applicable fiscal year: 84
division (A) of section 3317.022 of the Revised Code, including 85
the amounts calculated under former section 3317.029 and section 86
3317.0217 of the Revised Code; divisions (C)(1), (C)(4), (D), (E), 87
and (F) of section 3317.022; divisions (B), (C), and (D) of 88
section 3317.023; divisions (L) and (N) of section 3317.024; 89
section 3317.0216; and any unit payments for gifted student 90
services paid under section 3317.05 and former sections 3317.052 91
and 3317.053 of the Revised Code; except that, for fiscal years 92
2008 and 2009, the amount computed for the district under Section 93
269.20.80 of H.B. 119 of the 127th general assembly and as that 94
section subsequently may be amended shall be substituted for the 95
amount computed under division (D) of section 3317.022 of the 96
Revised Code, and the amount computed under Section 269.30.80 of 97
H.B. 119 of the 127th general assembly and as that section 98
subsequently may be amended shall be included. 99

(b) For fiscal years 2010 and 2011, the sum of the amounts 100
computed under former sections 3306.052, 3306.12, 3306.13, 101
3306.19, 3306.191, and 3306.192 of the Revised Code; 102

(c) For fiscal years 2012 and 2013, the sum of the amounts 103
paid under Sections 267.30.50, 267.30.53, and 267.30.56 of H.B. 104
153 of the 129th general assembly; 105

(d) For fiscal year 2014 and each fiscal year thereafter, the 106
sum of state amounts computed for the district under section 107
3317.022 of the Revised Code; except that, for fiscal years 2014 108
and 2015, the amount computed for the district under the section 109

of this act entitled "TRANSITIONAL AID FOR CITY, LOCAL, AND
EXEMPTED VILLAGE SCHOOL DISTRICTS" shall be included.

(3) "State education aid" for a joint vocational school
district means the following:

(a) For fiscal years prior to fiscal year 2010, the sum of
the state aid computed for the district under division (N) of
section 3317.024 and former section 3317.16 of the Revised Code,
except that, for fiscal years 2008 and 2009, the amount computed
under Section 269.30.80 of H.B. 119 of the 127th general assembly
and as that section subsequently may be amended shall be included.

(b) For fiscal years 2010 and 2011, the amount paid in
accordance with Section 265.30.50 of H.B. 1 of the 128th general
assembly.

(c) For fiscal years 2012 and 2013, the amount paid in
accordance with Section 267.30.60 of H.B. 153 of the 129th general
assembly.

(d) For fiscal year 2014 and each fiscal year thereafter, the
amount computed for the district under section 3317.16 of the
Revised Code; except that, for fiscal years 2014 and 2015, the
amount computed for the district under the section of this act
entitled "TRANSITIONAL AID FOR JOINT VOCATIONAL SCHOOL DISTRICTS"
shall be included.

(4) "State education aid offset" means the amount determined
for each school district or joint vocational school district under
division (A)(1) of section 5751.21 of the Revised Code.

(5) "Machinery and equipment property tax value loss" means
the amount determined under division (C)(1) of this section.

(6) "Inventory property tax value loss" means the amount
determined under division (C)(2) of this section.

(7) "Furniture and fixtures property tax value loss" means

the amount determined under division (C)(3) of this section.	140
(8) "Machinery and equipment fixed-rate levy loss" means the amount determined under division (D)(1) of this section.	141 142
(9) "Inventory fixed-rate levy loss" means the amount determined under division (D)(2) of this section.	143 144
(10) "Furniture and fixtures fixed-rate levy loss" means the amount determined under division (D)(3) of this section.	145 146
(11) "Total fixed-rate levy loss" means the sum of the machinery and equipment fixed-rate levy loss, the inventory fixed-rate levy loss, the furniture and fixtures fixed-rate levy loss, and the telephone company fixed-rate levy loss.	147 148 149 150
(12) "Fixed-sum levy loss" means the amount determined under division (E) of this section.	151 152
(13) "Machinery and equipment" means personal property subject to the assessment rate specified in division (F) of section 5711.22 of the Revised Code.	153 154 155
(14) "Inventory" means personal property subject to the assessment rate specified in division (E) of section 5711.22 of the Revised Code.	156 157 158
(15) "Furniture and fixtures" means personal property subject to the assessment rate specified in division (G) of section 5711.22 of the Revised Code.	159 160 161
(16) "Qualifying levies" are levies in effect for tax year 2004 or applicable to tax year 2005 or approved at an election conducted before September 1, 2005. For the purpose of determining the rate of a qualifying levy authorized by section 5705.212 or 5705.213 of the Revised Code, the rate shall be the rate that would be in effect for tax year 2010.	162 163 164 165 166 167
(17) "Telephone property" means tangible personal property of a telephone, telegraph, or interexchange telecommunications	168 169

company subject to an assessment rate specified in section	170
5727.111 of the Revised Code in tax year 2004.	171
(18) "Telephone property tax value loss" means the amount	172
determined under division (C)(4) of this section.	173
(19) "Telephone property fixed-rate levy loss" means the	174
amount determined under division (D)(4) of this section.	175
(20) "Taxes charged and payable" means taxes charged and	176
payable after the reduction required by section 319.301 of the	177
Revised Code but before the reductions required by sections	178
319.302 and 323.152 of the Revised Code.	179
(21) "Median estate tax collections" means, in the case of a	180
municipal corporation to which revenue from the taxes levied in	181
Chapter 5731. of the Revised Code was distributed in each of	182
calendar years 2006, 2007, 2008, and 2009, the median of those	183
distributions. In the case of a municipal corporation to which no	184
distributions were made in one or more of those years, "median	185
estate tax collections" means zero.	186
(22) "Total resources," in the case of a school district,	187
means the sum of the amounts in divisions (A)(22)(a) to (h) of	188
this section less any reduction required under division (A)(32) or	189
(33) of this section.	190
(a) The state education aid for fiscal year 2010;	191
(b) The sum of the payments received by the school district	192
in fiscal year 2010 for current expense levy losses pursuant to	193
division (C)(2) of section 5727.85 and divisions (C)(8) and (9) of	194
section 5751.21 of the Revised Code, excluding the portion of such	195
payments attributable to levies for joint vocational school	196
district purposes;	197
(c) The sum of fixed-sum levy loss payments received by the	198
school district in fiscal year 2010 pursuant to division (E)(1) of	199

section 5727.85 and division (E)(1) of section 5751.21 of the Revised Code for fixed-sum levies charged and payable for a purpose other than paying debt charges;	200 201 202
(d) Fifty per cent of the school district's taxes charged and payable against all property on the tax list of real and public utility property for current expense purposes for tax year 2008, including taxes charged and payable from emergency levies charged and payable under section 5709.194 of the Revised Code and excluding taxes levied for joint vocational school district purposes;	203 204 205 206 207 208 209
(e) Fifty per cent of the school district's taxes charged and payable against all property on the tax list of real and public utility property for current expenses for tax year 2009, including taxes charged and payable from emergency levies and excluding taxes levied for joint vocational school district purposes;	210 211 212 213 214
(f) The school district's taxes charged and payable against all property on the general tax list of personal property for current expenses for tax year 2009, including taxes charged and payable from emergency levies;	215 216 217 218
(g) The amount certified for fiscal year 2010 under division (A)(2) of section 3317.08 of the Revised Code;	219 220
(h) Distributions received during calendar year 2009 from taxes levied under section 718.09 of the Revised Code.	221 222
(23) "Total resources," in the case of a joint vocational school district, means the sum of amounts in divisions (A)(23)(a) to (g) of this section less any reduction required under division (A)(32) of this section.	223 224 225 226
(a) The state education aid for fiscal year 2010;	227
(b) The sum of the payments received by the joint vocational school district in fiscal year 2010 for current expense levy	228 229

losses pursuant to division (C)(2) of section 5727.85 and	230
divisions (C)(8) and (9) of section 5751.21 of the Revised Code;	231
(c) Fifty per cent of the joint vocational school district's	232
taxes charged and payable against all property on the tax list of	233
real and public utility property for current expense purposes for	234
tax year 2008;	235
(d) Fifty per cent of the joint vocational school district's	236
taxes charged and payable against all property on the tax list of	237
real and public utility property for current expenses for tax year	238
2009;	239
(e) Fifty per cent of a city, local, or exempted village	240
school district's taxes charged and payable against all property	241
on the tax list of real and public utility property for current	242
expenses of the joint vocational school district for tax year	243
2008;	244
(f) Fifty per cent of a city, local, or exempted village	245
school district's taxes charged and payable against all property	246
on the tax list of real and public utility property for current	247
expenses of the joint vocational school district for tax year	248
2009;	249
(g) The joint vocational school district's taxes charged and	250
payable against all property on the general tax list of personal	251
property for current expenses for tax year 2009.	252
(24) "Total resources," in the case of county mental health	253
and disability related functions, means the sum of the amounts in	254
divisions (A)(24)(a) and (b) of this section less any reduction	255
required under division (A)(32) of this section.	256
(a) The sum of the payments received by the county for mental	257
health and developmental disability related functions in calendar	258
year 2010 under division (A)(1) of section 5727.86 and divisions	259
(A)(1) and (2) of section 5751.22 of the Revised Code as they	260

existed at that time;	261
(b) With respect to taxes levied by the county for mental health and developmental disability related purposes, the taxes charged and payable for such purposes against all property on the tax list of real and public utility property for tax year 2009.	262 263 264 265
(25) "Total resources," in the case of county senior services related functions, means the sum of the amounts in divisions (A)(25)(a) and (b) of this section less any reduction required under division (A)(32) of this section.	266 267 268 269
(a) The sum of the payments received by the county for senior services related functions in calendar year 2010 under division (A)(1) of section 5727.86 and divisions (A)(1) and (2) of section 5751.22 of the Revised Code as they existed at that time;	270 271 272 273
(b) With respect to taxes levied by the county for senior services related purposes, the taxes charged and payable for such purposes against all property on the tax list of real and public utility property for tax year 2009.	274 275 276 277
(26) "Total resources," in the case of county children's services related functions, means the sum of the amounts in divisions (A)(26)(a) and (b) of this section less any reduction required under division (A)(32) of this section.	278 279 280 281
(a) The sum of the payments received by the county for children's services related functions in calendar year 2010 under division (A)(1) of section 5727.86 and divisions (A)(1) and (2) of section 5751.22 of the Revised Code as they existed at that time;	282 283 284 285
(b) With respect to taxes levied by the county for children's services related purposes, the taxes charged and payable for such purposes against all property on the tax list of real and public utility property for tax year 2009.	286 287 288 289
(27) "Total resources," in the case of county public health	290

related functions, means the sum of the amounts in divisions	291
(A)(27)(a) and (b) of this section less any reduction required	292
under division (A)(32) of this section.	293
(a) The sum of the payments received by the county for public	294
health related functions in calendar year 2010 under division	295
(A)(1) of section 5727.86 and divisions (A)(1) and (2) of section	296
5751.22 of the Revised Code as they existed at that time;	297
(b) With respect to taxes levied by the county for public	298
health related purposes, the taxes charged and payable for such	299
purposes against all property on the tax list of real and public	300
utility property for tax year 2009.	301
(28) "Total resources," in the case of all county functions	302
not included in divisions (A)(24) to (27) of this section, means	303
the sum of the amounts in divisions (A)(28)(a) to (d) of this	304
section less any reduction required under division (A)(32) or (33)	305
of this section.	306
(a) The sum of the payments received by the county for all	307
other purposes in calendar year 2010 under division (A)(1) of	308
section 5727.86 and divisions (A)(1) and (2) of section 5751.22 of	309
the Revised Code as they existed at that time;	310
(b) The county's percentage share of county undivided local	311
government fund allocations as certified to the tax commissioner	312
for calendar year 2010 by the county auditor under division (J) of	313
section 5747.51 of the Revised Code or division (F) of section	314
5747.53 of the Revised Code multiplied by the total amount	315
actually distributed in calendar year 2010 from the county	316
undivided local government fund;	317
(c) With respect to taxes levied by the county for all other	318
purposes, the taxes charged and payable for such purposes against	319
all property on the tax list of real and public utility property	320
for tax year 2009, excluding taxes charged and payable for the	321

purpose of paying debt charges;	322
(d) The sum of the amounts distributed to the county in	323
calendar year 2010 for the taxes levied pursuant to sections	324
5739.021 and 5741.021 of the Revised Code.	325
(29) "Total resources," in the case of a municipal	326
corporation, means the sum of the amounts in divisions (A)(29)(a)	327
to (g) of this section less any reduction required under division	328
(A)(32) or (33) of this section.	329
(a) The sum of the payments received by the municipal	330
corporation in calendar year 2010 for current expense levy losses	331
under division (A)(1) of section 5727.86 and divisions (A)(1) and	332
(2) of section 5751.22 of the Revised Code as they existed at that	333
time;	334
(b) The municipal corporation's percentage share of county	335
undivided local government fund allocations as certified to the	336
tax commissioner for calendar year 2010 by the county auditor	337
under division (J) of section 5747.51 of the Revised Code or	338
division (F) of section 5747.53 of the Revised Code multiplied by	339
the total amount actually distributed in calendar year 2010 from	340
the county undivided local government fund;	341
(c) The sum of the amounts distributed to the municipal	342
corporation in calendar year 2010 pursuant to section 5747.50 of	343
the Revised Code;	344
(d) With respect to taxes levied by the municipal	345
corporation, the taxes charged and payable against all property on	346
the tax list of real and public utility property for current	347
expenses, defined in division (A)(35) of this section, for tax	348
year 2009;	349
(e) The amount of admissions tax collected by the municipal	350
corporation in calendar year 2008, or if such information has not	351
yet been reported to the tax commissioner, in the most recent year	352

before 2008 for which the municipal corporation has reported data 353
to the commissioner; 354

(f) The amount of income taxes collected by the municipal 355
corporation in calendar year 2008, or if such information has not 356
yet been reported to the tax commissioner, in the most recent year 357
before 2008 for which the municipal corporation has reported data 358
to the commissioner; 359

(g) The municipal corporation's median estate tax 360
collections. 361

(30) "Total resources," in the case of a township, means the 362
sum of the amounts in divisions (A)(30)(a) to (c) of this section 363
less any reduction required under division (A)(32) or (33) of this 364
section. 365

(a) The sum of the payments received by the township in 366
calendar year 2010 pursuant to division (A)(1) of section 5727.86 367
of the Revised Code and divisions (A)(1) and (2) of section 368
5751.22 of the Revised Code as they existed at that time, 369
excluding payments received for debt purposes; 370

(b) The township's percentage share of county undivided local 371
government fund allocations as certified to the tax commissioner 372
for calendar year 2010 by the county auditor under division (J) of 373
section 5747.51 of the Revised Code or division (F) of section 374
5747.53 of the Revised Code multiplied by the total amount 375
actually distributed in calendar year 2010 from the county 376
undivided local government fund; 377

(c) With respect to taxes levied by the township, the taxes 378
charged and payable against all property on the tax list of real 379
and public utility property for tax year 2009 excluding taxes 380
charged and payable for the purpose of paying debt charges. 381

(31) "Total resources," in the case of a local taxing unit 382
that is not a county, municipal corporation, or township, means 383

the sum of the amounts in divisions (A)(31)(a) to (e) of this 384
section less any reduction required under division (A)(32) of this 385
section. 386

(a) The sum of the payments received by the local taxing unit 387
in calendar year 2010 pursuant to division (A)(1) of section 388
5727.86 of the Revised Code and divisions (A)(1) and (2) of 389
section 5751.22 of the Revised Code as they existed at that time; 390

(b) The local taxing unit's percentage share of county 391
undivided local government fund allocations as certified to the 392
tax commissioner for calendar year 2010 by the county auditor 393
under division (J) of section 5747.51 of the Revised Code or 394
division (F) of section 5747.53 of the Revised Code multiplied by 395
the total amount actually distributed in calendar year 2010 from 396
the county undivided local government fund; 397

(c) With respect to taxes levied by the local taxing unit, 398
the taxes charged and payable against all property on the tax list 399
of real and public utility property for tax year 2009 excluding 400
taxes charged and payable for the purpose of paying debt charges; 401

(d) The amount received from the tax commissioner during 402
calendar year 2010 for sales or use taxes authorized under 403
sections 5739.023 and 5741.022 of the Revised Code; 404

(e) For institutions of higher education receiving tax 405
revenue from a local levy, as identified in section 3358.02 of the 406
Revised Code, the final state share of instruction allocation for 407
fiscal year 2010 as calculated by the board of regents and 408
reported to the state controlling board. 409

(32) If a fixed-rate levy that is a qualifying levy is not 410
charged and payable in any year after tax year 2010, "total 411
resources" used to compute payments to be made under division 412
(C)(12) of section 5751.21 or division (A)(1)(b) or (c) of section 413
5751.22 of the Revised Code in the tax years following the last 414

year the levy is charged and payable shall be reduced to the 415
extent that the payments are attributable to the fixed-rate levy 416
loss of that levy as would be computed under division (C)(2) of 417
section 5727.85, division (A)(1) of section 5727.85, divisions 418
(C)(8) and (9) of section 5751.21, or division (A)(1) of section 419
5751.22 of the Revised Code. 420

(33) In the case of a county, municipal corporation, school 421
district, or township with fixed-rate levy losses attributable to 422
a tax levied under section 5705.23 of the Revised Code, "total 423
resources" used to compute payments to be made under division 424
(C)(3) of section 5727.85, division (A)(1)(d) of section 5727.86, 425
division (C)(12) of section 5751.21, or division (A)(1)(c) of 426
section 5751.22 of the Revised Code shall be reduced by the 427
amounts described in divisions (A)(34)(a) to (c) of this section 428
to the extent that those amounts were included in calculating the 429
"total resources" of the school district or local taxing unit 430
under division (A)(22), (28), (29), or (30) of this section. 431

(34) "Total library resources," in the case of a county, 432
municipal corporation, school district, or township public library 433
that receives the proceeds of a tax levied under section 5705.23 434
of the Revised Code, means the sum of the amounts in divisions 435
(A)(34)(a) to (c) of this section less any reduction required 436
under division (A)(32) of this section. 437

(a) The sum of the payments received by the county, municipal 438
corporation, school district, or township public library in 439
calendar year 2010 pursuant to sections 5727.86 and 5751.22 of the 440
Revised Code, as they existed at that time, for fixed-rate levy 441
losses attributable to a tax levied under section 5705.23 of the 442
Revised Code for the benefit of the public library; 443

(b) The public library's percentage share of county undivided 444
local government fund allocations as certified to the tax 445
commissioner for calendar year 2010 by the county auditor under 446

division (J) of section 5747.51 of the Revised Code or division 447
(F) of section 5747.53 of the Revised Code multiplied by the total 448
amount actually distributed in calendar year 2010 from the county 449
undivided local government fund; 450

(c) With respect to a tax levied pursuant to section 5705.23 451
of the Revised Code for the benefit of the public library, the 452
amount of such tax that is charged and payable against all 453
property on the tax list of real and public utility property for 454
tax year 2009 excluding any tax that is charged and payable for 455
the purpose of paying debt charges. 456

(35) "Municipal current expense property tax levies" means 457
all property tax levies of a municipality, except those with the 458
following levy names: airport resurfacing; bond or any levy name 459
including the word "bond"; capital improvement or any levy name 460
including the word "capital"; debt or any levy name including the 461
word "debt"; equipment or any levy name including the word 462
"equipment," unless the levy is for combined operating and 463
equipment; employee termination fund; fire pension or any levy 464
containing the word "pension," including police pensions; 465
fireman's fund or any practically similar name; sinking fund; road 466
improvements or any levy containing the word "road"; fire truck or 467
apparatus; flood or any levy containing the word "flood"; 468
conservancy district; county health; note retirement; sewage, or 469
any levy containing the words "sewage" or "sewer"; park 470
improvement; parkland acquisition; storm drain; street or any levy 471
name containing the word "street"; lighting, or any levy name 472
containing the word "lighting"; and water. 473

(36) "Current expense TPP allocation" means, in the case of a 474
school district or joint vocational school district, the sum of 475
the payments received by the school district in fiscal year 2011 476
pursuant to divisions (C)(10) and (11) of section 5751.21 of the 477
Revised Code to the extent paid for current expense levies. In the 478

case of a municipal corporation, "current expense TPP allocation" 479
means the sum of the payments received by the municipal 480
corporation in calendar year 2010 pursuant to divisions (A)(1) and 481
(2) of section 5751.22 of the Revised Code to the extent paid for 482
municipal current expense property tax levies as defined in 483
division (A)(35) of this section, excluding any such payments 484
received for current expense levy losses attributable to a tax 485
levied under section 5705.23 of the Revised Code. If a fixed-rate 486
levy that is a qualifying levy is not charged and payable in any 487
year after tax year 2010, "current expense TPP allocation" used to 488
compute payments to be made under division (C)(12) of section 489
5751.21 or division (A)(1)(b) or (c) of section 5751.22 of the 490
Revised Code in the tax years following the last year the levy is 491
charged and payable shall be reduced to the extent that the 492
payments are attributable to the fixed-rate levy loss of that levy 493
as would be computed under divisions (C)(10) and (11) of section 494
5751.21 or division (A)(1) of section 5751.22 of the Revised Code. 495

(37) "TPP allocation" means the sum of payments received by a 496
local taxing unit in calendar year 2010 pursuant to divisions 497
(A)(1) and (2) of section 5751.22 of the Revised Code, excluding 498
any such payments received for fixed-rate levy losses attributable 499
to a tax levied under section 5705.23 of the Revised Code. If a 500
fixed-rate levy that is a qualifying levy is not charged and 501
payable in any year after tax year 2010, "TPP allocation" used to 502
compute payments to be made under division (A)(1)(b) or (c) of 503
section 5751.22 of the Revised Code in the tax years following the 504
last year the levy is charged and payable shall be reduced to the 505
extent that the payments are attributable to the fixed-rate levy 506
loss of that levy as would be computed under division (A)(1) of 507
that section. 508

(38) "Total TPP allocation" means, in the case of a school 509
district or joint vocational school district, the sum of the 510

amounts received in fiscal year 2011 pursuant to divisions (C)(10) 511
and (11) and (D) of section 5751.21 of the Revised Code. In the 512
case of a local taxing unit, "total TPP allocation" means the sum 513
of payments received by the unit in calendar year 2010 pursuant to 514
divisions (A)(1), (2), and (3) of section 5751.22 of the Revised 515
Code. If a fixed-rate levy that is a qualifying levy is not 516
charged and payable in any year after tax year 2010, "total TPP 517
allocation" used to compute payments to be made under division 518
(C)(12) of section 5751.21 or division (A)(1)(b) or (c) of section 519
5751.22 of the Revised Code in the tax years following the last 520
year the levy is charged and payable shall be reduced to the 521
extent that the payments are attributable to the fixed-rate levy 522
loss of that levy as would be computed under divisions (C)(10) and 523
(11) of section 5751.21 or division (A)(1) of section 5751.22 of 524
the Revised Code. 525

(39) "Non-current expense TPP allocation" means the 526
difference of total TPP allocation minus the sum of current 527
expense TPP allocation and the portion of total TPP allocation 528
constituting reimbursement for debt levies, pursuant to division 529
(D) of section 5751.21 of the Revised Code in the case of a school 530
district or joint vocational school district and pursuant to 531
division (A)(3) of section 5751.22 of the Revised Code in the case 532
of a municipal corporation. 533

(40) "TPP allocation for library purposes" means the sum of 534
payments received by a county, municipal corporation, school 535
district, or township public library in calendar year 2010 536
pursuant to section 5751.22 of the Revised Code for fixed-rate 537
levy losses attributable to a tax levied under section 5705.23 of 538
the Revised Code. If a fixed-rate levy authorized under section 539
5705.23 of the Revised Code that is a qualifying levy is not 540
charged and payable in any year after tax year 2010, "TPP 541
allocation for library purposes" used to compute payments to be 542

made under division (A)(1)(d) of section 5751.22 of the Revised Code in the tax years following the last year the levy is charged and payable shall be reduced to the extent that the payments are attributable to the fixed-rate levy loss of that levy as would be computed under division (A)(1) of section 5751.22 of the Revised Code.

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

(B)(1) The commercial activities tax receipts fund is hereby created in the state treasury and shall consist of money arising from the tax imposed under this chapter. Eighty-five one-hundredths of one per cent of the money credited to that fund shall be credited to the revenue enhancement fund and shall be used to defray the costs incurred by the department of taxation in administering the tax imposed by this chapter and in implementing tax reform measures. The remainder of the money in the commercial activities tax receipts fund shall first be credited to the commercial activity tax motor fuel receipts fund, pursuant to division (B)(2) of this section, and the remainder shall be credited in the following percentages each fiscal year to the general revenue fund, to the school district tangible property tax replacement fund, which is hereby created in the state treasury for the purpose of making the payments described in section 5751.21 of the Revised Code, and to the local government tangible property tax replacement fund, which is hereby created in the state treasury for the purpose of making the payments described in

section 5751.22 of the Revised Code, in the following percentages: 575

Fiscal year	General Revenue Fund	School District Tangible Property Tax Replacement Fund	Local Government Tangible Property Tax Replacement Fund	
2006	67.7%	22.6%	9.7%	577
2007	0%	70.0%	30.0%	578
2008	0%	70.0%	30.0%	579
2009	0%	70.0%	30.0%	580
2010	0%	70.0%	30.0%	581
2011	0%	70.0%	30.0%	582
2012	25.0%	52.5%	22.5%	583
2013 and thereafter	50.0%	35.0%	15.0%	584
<u>2014</u>	<u>50.0%</u>	<u>35.0%</u>	<u>15.0%</u>	585
<u>2015</u>	<u>46.7%</u>	<u>37.3%</u>	<u>16.0%</u>	586
<u>2016</u>	<u>43.3%</u>	<u>39.7%</u>	<u>17.0%</u>	587
<u>2017</u>	<u>40.0%</u>	<u>42.0%</u>	<u>18.0%</u>	588
<u>2018</u>	<u>36.7%</u>	<u>44.3%</u>	<u>19.0%</u>	589
<u>2019</u>	<u>33.3%</u>	<u>46.7%</u>	<u>20.0%</u>	590
<u>and thereafter</u>				591

(2) Not later than the twentieth day of February, May, 592
August, and November of each year, the commissioner shall provide 593
for payment from the commercial activities tax receipts fund to 594
the commercial activity tax motor fuel receipts fund an amount 595
that bears the same ratio to the balance in the commercial 596
activities tax receipts fund that (a) the taxable gross receipts 597
attributed to motor fuel used for propelling vehicles on public 598
highways as indicated by returns filed by the tenth day of that 599
month for a liability that is due and payable on or after July 1, 600
2013, for a tax period ending before July 1, 2014, bears to (b) 601
all taxable gross receipts as indicated by those returns for such 602
liabilities. 603

(C) Not later than September 15, 2005, the tax commissioner shall determine for each school district, joint vocational school district, and local taxing unit its machinery and equipment, inventory property, furniture and fixtures property, and telephone property tax value losses, which are the applicable amounts described in divisions (C)(1), (2), (3), and (4) of this section, except as provided in division (C)(5) of this section:

(1) Machinery and equipment property tax value loss is the taxable value of machinery and equipment property as reported by taxpayers for tax year 2004 multiplied by:

(a) For tax year 2006, thirty-three and eight-tenths per cent;

(b) For tax year 2007, sixty-one and three-tenths per cent;

(c) For tax year 2008, eighty-three per cent;

(d) For tax year 2009 and thereafter, one hundred per cent.

(2) Inventory property tax value loss is the taxable value of inventory property as reported by taxpayers for tax year 2004 multiplied by:

(a) For tax year 2006, a fraction, the numerator of which is five and three-fourths and the denominator of which is twenty-three;

(b) For tax year 2007, a fraction, the numerator of which is nine and one-half and the denominator of which is twenty-three;

(c) For tax year 2008, a fraction, the numerator of which is thirteen and one-fourth and the denominator of which is twenty-three;

(d) For tax year 2009 and thereafter a fraction, the numerator of which is seventeen and the denominator of which is twenty-three.

(3) Furniture and fixtures property tax value loss is the

taxable value of furniture and fixture property as reported by 634
taxpayers for tax year 2004 multiplied by: 635

(a) For tax year 2006, twenty-five per cent; 636

(b) For tax year 2007, fifty per cent; 637

(c) For tax year 2008, seventy-five per cent; 638

(d) For tax year 2009 and thereafter, one hundred per cent. 639

The taxable value of property reported by taxpayers used in 640
divisions (C)(1), (2), and (3) of this section shall be such 641
values as determined to be final by the tax commissioner as of 642
August 31, 2005. Such determinations shall be final except for any 643
correction of a clerical error that was made prior to August 31, 644
2005, by the tax commissioner. 645

(4) Telephone property tax value loss is the taxable value of 646
telephone property as taxpayers would have reported that property 647
for tax year 2004 if the assessment rate for all telephone 648
property for that year were twenty-five per cent, multiplied by: 649

(a) For tax year 2006, zero per cent; 650

(b) For tax year 2007, zero per cent; 651

(c) For tax year 2008, zero per cent; 652

(d) For tax year 2009, sixty per cent; 653

(e) For tax year 2010, eighty per cent; 654

(f) For tax year 2011 and thereafter, one hundred per cent. 655

(5) Division (C)(5) of this section applies to any school 656
district, joint vocational school district, or local taxing unit 657
in a county in which is located a facility currently or formerly 658
devoted to the enrichment or commercialization of uranium or 659
uranium products, and for which the total taxable value of 660
property listed on the general tax list of personal property for 661
any tax year from tax year 2001 to tax year 2004 was fifty per 662

cent or less of the taxable value of such property listed on the 663
general tax list of personal property for the next preceding tax 664
year. 665

In computing the fixed-rate levy losses under divisions 666
(D)(1), (2), and (3) of this section for any school district, 667
joint vocational school district, or local taxing unit to which 668
division (C)(5) of this section applies, the taxable value of such 669
property as listed on the general tax list of personal property 670
for tax year 2000 shall be substituted for the taxable value of 671
such property as reported by taxpayers for tax year 2004, in the 672
taxing district containing the uranium facility, if the taxable 673
value listed for tax year 2000 is greater than the taxable value 674
reported by taxpayers for tax year 2004. For the purpose of making 675
the computations under divisions (D)(1), (2), and (3) of this 676
section, the tax year 2000 valuation is to be allocated to 677
machinery and equipment, inventory, and furniture and fixtures 678
property in the same proportions as the tax year 2004 values. For 679
the purpose of the calculations in division (A) of section 5751.21 680
of the Revised Code, the tax year 2004 taxable values shall be 681
used. 682

To facilitate the calculations required under division (C) of 683
this section, the county auditor, upon request from the tax 684
commissioner, shall provide by August 1, 2005, the values of 685
machinery and equipment, inventory, and furniture and fixtures for 686
all single-county personal property taxpayers for tax year 2004. 687

(D) Not later than September 15, 2005, the tax commissioner 688
shall determine for each tax year from 2006 through 2009 for each 689
school district, joint vocational school district, and local 690
taxing unit its machinery and equipment, inventory, and furniture 691
and fixtures fixed-rate levy losses, and for each tax year from 692
2006 through 2011 its telephone property fixed-rate levy loss. 693
Except as provided in division (F) of this section, such losses 694

are the applicable amounts described in divisions (D)(1), (2), 695
(3), and (4) of this section: 696

(1) The machinery and equipment fixed-rate levy loss is the 697
machinery and equipment property tax value loss multiplied by the 698
sum of the tax rates of fixed-rate qualifying levies. 699

(2) The inventory fixed-rate loss is the inventory property 700
tax value loss multiplied by the sum of the tax rates of 701
fixed-rate qualifying levies. 702

(3) The furniture and fixtures fixed-rate levy loss is the 703
furniture and fixture property tax value loss multiplied by the 704
sum of the tax rates of fixed-rate qualifying levies. 705

(4) The telephone property fixed-rate levy loss is the 706
telephone property tax value loss multiplied by the sum of the tax 707
rates of fixed-rate qualifying levies. 708

(E) Not later than September 15, 2005, the tax commissioner 709
shall determine for each school district, joint vocational school 710
district, and local taxing unit its fixed-sum levy loss. The 711
fixed-sum levy loss is the amount obtained by subtracting the 712
amount described in division (E)(2) of this section from the 713
amount described in division (E)(1) of this section: 714

(1) The sum of the machinery and equipment property tax value 715
loss, the inventory property tax value loss, and the furniture and 716
fixtures property tax value loss, and, for 2008 through 2010, the 717
telephone property tax value loss of the district or unit 718
multiplied by the sum of the fixed-sum tax rates of qualifying 719
levies. For 2006 through 2010, this computation shall include all 720
qualifying levies remaining in effect for the current tax year and 721
any school district levies charged and payable under section 722
5705.194 or 5705.213 of the Revised Code that are qualifying 723
levies not remaining in effect for the current year. For 2011 724
through 2017 in the case of school district levies charged and 725

payable under section 5705.194 or 5705.213 of the Revised Code and 726
for all years after 2010 in the case of other fixed-sum levies, 727
this computation shall include only qualifying levies remaining in 728
effect for the current year. For purposes of this computation, a 729
qualifying school district levy charged and payable under section 730
5705.194 or 5705.213 of the Revised Code remains in effect in a 731
year after 2010 only if, for that year, the board of education 732
levies a school district levy charged and payable under section 733
5705.194, 5705.199, 5705.213, or 5705.219 of the Revised Code for 734
an annual sum at least equal to the annual sum levied by the board 735
in tax year 2004 less the amount of the payment certified under 736
this division for 2006. 737

(2) The total taxable value in tax year 2004 less the sum of 738
the machinery and equipment, inventory, furniture and fixtures, 739
and telephone property tax value losses in each school district, 740
joint vocational school district, and local taxing unit multiplied 741
by one-half of one mill per dollar. 742

(3) For the calculations in divisions (E)(1) and (2) of this 743
section, the tax value losses are those that would be calculated 744
for tax year 2009 under divisions (C)(1), (2), and (3) of this 745
section and for tax year 2011 under division (C)(4) of this 746
section. 747

(4) To facilitate the calculation under divisions (D) and (E) 748
of this section, not later than September 1, 2005, any school 749
district, joint vocational school district, or local taxing unit 750
that has a qualifying levy that was approved at an election 751
conducted during 2005 before September 1, 2005, shall certify to 752
the tax commissioner a copy of the county auditor's certificate of 753
estimated property tax millage for such levy as required under 754
division (B) of section 5705.03 of the Revised Code, which is the 755
rate that shall be used in the calculations under such divisions. 756

If the amount determined under division (E) of this section 757

for any school district, joint vocational school district, or 758
local taxing unit is greater than zero, that amount shall equal 759
the reimbursement to be paid pursuant to division (E) of section 760
5751.21 or division (A)(3) of section 5751.22 of the Revised Code, 761
and the one-half of one mill that is subtracted under division 762
(E)(2) of this section shall be apportioned among all contributing 763
fixed-sum levies in the proportion that each levy bears to the sum 764
of all fixed-sum levies within each school district, joint 765
vocational school district, or local taxing unit. 766

(F) If a school district levies a tax under section 5705.219 767
of the Revised Code, the fixed-rate levy loss for qualifying 768
levies, to the extent repealed under that section, shall equal the 769
sum of the following amounts in lieu of the amounts computed for 770
such levies under division (D) of this section: 771

(1) The sum of the rates of qualifying levies to the extent 772
so repealed multiplied by the sum of the machinery and equipment, 773
inventory, and furniture and fixtures tax value losses for 2009 as 774
determined under that division; 775

(2) The sum of the rates of qualifying levies to the extent 776
so repealed multiplied by the telephone property tax value loss 777
for 2011 as determined under that division. 778

The fixed-rate levy losses for qualifying levies to the 779
extent not repealed under section 5705.219 of the Revised Code 780
shall be as determined under division (D) of this section. The 781
revised fixed-rate levy losses determined under this division and 782
division (D) of this section first apply in the year following the 783
first year the district levies the tax under section 5705.219 of 784
the Revised Code. 785

(G) Not later than October 1, 2005, the tax commissioner 786
shall certify to the department of education for every school 787
district and joint vocational school district the machinery and 788

equipment, inventory, furniture and fixtures, and telephone 789
property tax value losses determined under division (C) of this 790
section, the machinery and equipment, inventory, furniture and 791
fixtures, and telephone fixed-rate levy losses determined under 792
division (D) of this section, and the fixed-sum levy losses 793
calculated under division (E) of this section. The calculations 794
under divisions (D) and (E) of this section shall separately 795
display the levy loss for each levy eligible for reimbursement. 796

(H) Not later than October 1, 2005, the tax commissioner 797
shall certify the amount of the fixed-sum levy losses to the 798
county auditor of each county in which a school district, joint 799
vocational school district, or local taxing unit with a fixed-sum 800
levy loss reimbursement has territory. 801

(I) Not later than the twenty-eighth day of February each 802
year beginning in 2011 and ending in 2014, the tax commissioner 803
shall certify to the department of education for each school 804
district first levying a tax under section 5705.219 of the Revised 805
Code in the preceding year the revised fixed-rate levy losses 806
determined under divisions (D) and (F) of this section. 807

(J)(1) There is hereby created in the state treasury the 808
commercial activity tax motor fuel receipts fund. 809

(2)(a) On or before June 15, 2014, the director of the Ohio 810
public works commission shall certify to the director of budget 811
and management the amount of debt service paid from the general 812
revenue fund in fiscal years 2013 and 2014 on bonds issued to 813
finance or assist in the financing of the cost of local 814
subdivision public infrastructure capital improvement projects, as 815
provided for in Sections 2k, 2m, and 2p of Article VIII, Ohio 816
Constitution, that are attributable to costs for construction, 817
reconstruction, maintenance, or repair of public highways and 818
bridges and other statutory highway purposes. That certification 819
shall allocate the total amount of debt service paid from the 820

general revenue fund and attributable to those costs in each of 821
fiscal years 2013 and 2014 according to the applicable section of 822
the Ohio Constitution under which the bonds were originally 823
issued. 824

(b) On or before June 30, 2014, the director of budget and 825
management shall determine an amount up to but not exceeding the 826
amount certified under division (J)(2)(a) of this section and 827
shall reserve that amount from the cash balance in the commercial 828
activity tax motor fuel receipts fund for transfer to the general 829
revenue fund at times and in amounts to be determined by the 830
director. The director shall transfer the cash balance in the 831
commercial activity tax motor fuel receipts fund in excess of the 832
amount so reserved to the highway operating fund on or before June 833
30, 2014. 834

(3)(a) On or before the fifteenth day of June of each fiscal 835
year beginning with fiscal year 2015, the director of the Ohio 836
public works commission shall certify to the director of budget 837
and management the amount of debt service paid from the general 838
revenue fund in the current fiscal year on bonds issued to finance 839
or assist in the financing of the cost of local subdivision public 840
infrastructure capital improvement projects, as provided for in 841
Sections 2k, 2m, and 2p of Article VIII, Ohio Constitution, that 842
are attributable to costs for construction, reconstruction, 843
maintenance, or repair of public highways and bridges and other 844
statutory highway purposes. That certification shall allocate the 845
total amount of debt service paid from the general revenue fund 846
and attributable to those costs in the current fiscal year 847
according to the applicable section of the Ohio Constitution under 848
which the bonds were originally issued. 849

(b) On or before the thirtieth day of June of each fiscal 850
year beginning with fiscal year 2015, the director of budget and 851
management shall determine an amount up to but not exceeding the 852

amount certified under division (J)(3)(a) of this section and 853
shall reserve that amount from the cash balance in the motor fuel 854
receipts tax public highways fund or the commercial activity tax 855
motor fuel receipts fund for transfer to the general revenue fund 856
at times and in amounts to be determined by the director. The 857
director shall transfer the cash balance in the motor fuel 858
receipts tax public highways fund or the commercial activity tax 859
motor fuel receipts fund in excess of the amount so reserved to 860
the highway operating fund on or before the thirtieth day of June 861
of the current fiscal year. 862

Section 2. That existing sections 5751.03 and 5751.20 of the 863
Revised Code are hereby repealed. 864